DRAGON CAPITAL

2015 ANNUAL REPORT

Vietnam Enterprise Investments Limited

CONTENTS

CHAIRMAN'S STATEMENT

Dear Shareholders

2015 was a milestone year for Vietnam Enterprise Investments Limited ("VEIL", or the "Fund") as shareholders approved its merger with Vietnam Growth Fund Limited ("VGF"), making VEIL the largest fund in Vietnam, with total assets under management of nearly US$800m. It also marked the 20th year of operation of the longest-running dedicated offshore Vietnam fund.

VEIL continued its strong performance with a 5.6% gain for the year, beating the market by 90bps during a period of collapsing oil prices, Chinese Yuan devaluation and an interest rate increase by the US Fed. The Fund's outperformance was largely due to its heavy overweighting in Vinamilk, which gained 60.8% during the year. The recovery of banks also helped, with legacy holding ACB up 28.5%. Positions the Fund took in the sector in late 2014 and early 2015 in Vietcombank, Military Bank, BIDV and Vietinbank contributed as well. The banking sector's recovery was due to the better-than-expected credit growth, restructuring progress, and better earnings performance by banks that had been more aggressive in provisioning and tackling bad debts. The Fund also benefited from its underweighting in the energy sector.

Massive foreign flows into Vietnam, especially in the manufacturing sector, were spurred by the conclusion of a number of major free trade deals, as well as regulatory reform such as the new business law and the new law on foreign ownership. These inflows, coupled with the recovery in domestic demand, helped the economy post GDP growth of 6.7%, the highest in the past five years. This achievement is all the more meaningful given the low level of growth in the rest of the world.

For the year, Vietnam's currency lost 5% against the US dollar after China started devaluing its Yuan. The build-up of foreign reserves was halted for a few months before stabilising in late 2015 thanks to the strong domestic economy. Chinese economic problems will be a global issue, but Vietnam's economy and currency are in good shape as long as there is no sudden external shock.

Looking to 2016, Vietnam will continue to face headwinds from global markets. Currency risk in the face of Yuan volatility and economic uncertainty elsewhere in the world will likely impact the local economy. Nevertheless, we believe the continued strong inflow of foreign investment and domestic expansion should be sufficient to enable Vietnam's economy to buck the global downtrend and deliver 6.3% GDP growth. And this robust economic outlook should underpin the growth and value profile of Vietnamese stocks.

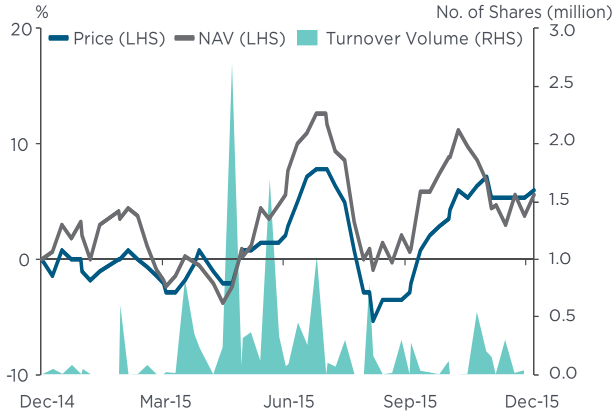
Privatisation is also heating up, with the Government now having official targets for state-owned enterprise ("SOE") divestments. This will provide good investment opportunities in big corporations such as Mobifone, Satra Corporation and GenCo as well as a number of interesting smaller companies in the divestment pipeline of State Capital Investment Corporation ("SCIC").

Moving forward, the Fund is considering an application for a listing of its shares on the Main Market of the London Stock Exchange ("LSE") to enhance transparency and liquidity. With an improved investment process and listing venue, we expect the Company will gain better access to potential investment opportunities that will in turn lead to long-term capital gains for our shareholders.

Wolfgang Bertelsmeier
Chairman
Vietnam Enterprise Investments Limited
4 May 2016

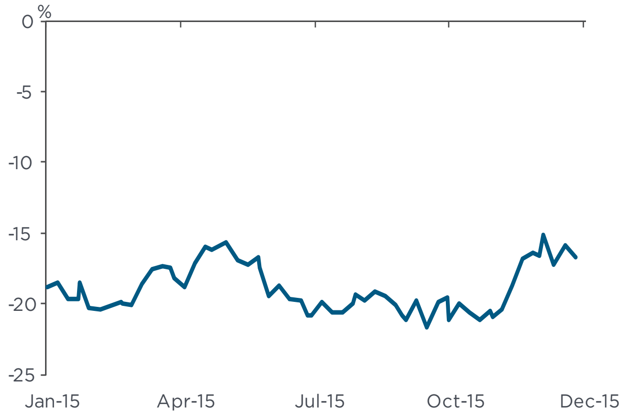
SUMMARY OF KEY FINANCIAL INFORMATION

SHARE PRICE & NAV



Source: Dragon Capital

DISCOUNT TO NAV



Source: Dragon Capital

	31 December 2015	31 December 2014
Total net assets (US$)	792,652,878	512,962,363
Number of outstanding shares	220,920,746	150,910,053
NAV per Redeemable Share (US$)	3.59	3.40
Share price (mid-price) (US$)	2.99	2.82
Discount (%)	16.7	17.1
US$/VND exchange rate	22,485	21,388

Performance (%)	Year to 31 December 2015	Year to 31 December 2014
NAV returns	5.6	10.8
Share price returns	6.0	14.2
VN Index (price return - VND terms)	4.6	8.1
VN Index (total return - US$ terms) Source: Bloomberg*	6.1	10.9

*For the period 31 December 2014 to 31 December 2015

Period's High and Low (US$)	Year to 31 December 2015		Year to 31 December 2014	
	High	Low	High	Low
NAV per share	3.83	3.27	3.66	3.07
Share price (mid-price)	3.04	2.67	3.01	2.47

Source of Income (US$)	Year to 31 December 2015	Year to 31 December 2014
Bank interest income	101,805	146,247
Dividend income	6,925,393	6,073,569
Net changes in fair value of financial assets at fair value through profit or loss	-5,794,940	13,066,459
Gains on disposals of investments	33,581,701	40,890,994
Other income	9,444	674,177
Total	**34,823,403**	**60,851,446**

INVESTMENT MANAGER'S REPORT
Economy

2015 ECONOMIC OVERVIEW

In 2015, Vietnam's economic growth transitioned from being export-led to being more balanced between the external and domestic sectors. This is an encouraging trend which should lead to steadier and more sustainable growth.

Domestic consumption and productivity improvements have become increasingly important in driving the economy, but they are not the only factors. Government spending on infrastructure was one factor, FDI and supply-chain expansion another, pent-up household demand yet another, and then the recovery of banks came along to reinforce the whole process. Exports, by contrast, actually slowed from their peak expansion. They are still important, and their contribution is here to stay, but they are now just one part of the story.

2015 GDP growth highest since 2007

In spite of the global slowdown, Vietnam continued to power ahead in 2015, with GDP growth reaching 6.7%, driven by expansion of the domestic sector and a robust export engine. In key sectors of the domestic economy, manufacturing grew by 10.6% while wholesale and retail sales rose by 9.1% year-on-year. These numbers confirmed our ongoing thesis of strengthening manufacturing and recovering consumption. More importantly, after many years of ever larger numbers of companies closing down, 2015 saw fewer companies fail compared to 2014. At the same time, there were 94,754 business startups, +27% compared to 2014, and these startups will create an estimated 1.47m jobs, +35% from 2014. This was yet another indication of a turnaround in the domestic economy.

Strong pick-up in consumer confidence

The ANZ-Roy Morgan Vietnam Consumer Confidence Index rose sharply to 144.8 in December 2015, a new record high, compared to 135.6 in December 2014. For some time, the Vietnamese recovery had been dichotomous, characterised by an out-performing external sector and an under-performing domestic and household sector. The record-high consumer confidence index clearly pointed to that dichotomy starting to yield to a more balanced economic performance. And with consumer confidence at a record high, it is clear that the economic recovery is both broadening and strengthening.

Increase in retail, auto and property sales

The strengthening economy was further validated by an increase in sales in various categories: Retail sales in 2015 grew 9.5% to a five-year high, showing that domestic activity is gradually recovering to historical double-digit levels. Auto sales posted a strong increase of 55% from the same period in 2014, with sales for commercial purposes up 74%. A continuing strong growth of auto sales likewise hints at a meaningful recovery in domestic consumption and confidence.

Supported by a recovering economy, high demand from a rising middle-income class and better confidence, the property market continued to recover well into 2015. Analysts were caught by surprise as the total number of apartments sold in Ho Chi Minh City ("HCMC") shot up 250% in 2014 compared to 2013, a big surge despite a frozen property market in 2013. In 2015, the total number of apartments sold in HCMC was reported by CBRE to have grown 98% compared to 2014. Going forward, however, there are signs of a likely divergence in the property market, with well-located, high quality products doing well, while others will be facing fierce competition.

Vietnam's economic cycle

Given where Vietnam is now in its growth cycle, and muted inflation, we think it is a good time to revisit a simplified description of economic cycles. In short, economies go through different cycles, namely reflation, recovery, overheating and stagflation.

Each cycle is uniquely defined by the direction of GDP growth relative to the trend, and the direction of inflation. Given inflation hitting its bottom in 2015 and GDP growth bottoming in 2012, Vietnam has moved well into the recovery phase and interest rates are approaching their bottom as well. But the economic recovery stage may not be that smooth due to the global economic situation.

VIETNAM MACRO CONCERNS: FISCAL, CURRENCY

- FISCAL SITUATION

Overview

There are emerging concerns surrounding Vietnam's fiscal situation: Budget numbers show that Vietnam is resolutely living beyond its means, with annual deficits stuck fast at 5%-plus of GDP. Adjusting for the distortive effect of carry-forward numbers, they seem to be rising by 10-15% annually. The problem is not revenues, which are fairly robust, but expenditures, which keep outstripping them. How this gets resolved is not clear.

Government spending has been a useful stimulus to the economy in recent years, or even a necessary one, and there is no immediate crisis at hand. But matters are approaching an awkward juncture. To help rationalise them, the Government has now been forced to start taking privatisation seriously, which many analysts regard as the true measure of its concern. Planners are budgeting for US$1.3bn worth of proceeds from SOE sell-offs in 2016, with money going into State coffers and no longer disappearing elsewhere, as in the past. Even so, the deficit is officially projected to rise 15- 25%, depending on how it is measured. GDP growth will absorb a lot of this, but only if the revenue and spending projections are realistic whereas there is reason to think that those projections are optimistic. The silver lining is that this could mean yet more privatisations and divestments while the Government works to get its house in order.

VIETNAM MACRO CONCERNS: FISCAL, CURRENCY - FISCAL SITUATION (CONTINUED)

Fiscal revenues

Oil matters, but not fatal

Fiscal revenue rose by a respectable 7.4% to US$42.4bn in 2015, despite the pressure from declining oil prices. This was because of the ongoing recovery in the domestic economy, which is far more important to budget trends than oil, just as it is to the country's macro dynamics. The collapse in crude, slashing its input to State coffers by almost 40%, has certainly made itself felt fiscally. But oil's input has never been as big as commonly assumed: only 10.3% of revenues in 2014, falling to 6.6% in 2015. This was a sacrifice of US$2.0bn, discomforting of course, though not in itself fatal. Hits in 2016 are likely to be less, although again non-trivial.

Trade-related income surprisingly flat

Trade-related income covers tariffs, duties, VAT, etc., levied on exports and imports. One might assume this inflow to be huge. In fact, it is: almost one fifth of revenues. The surprising thing is that, with total trade having risen 10% in 2015 to US$328bn, or 1.65x GDP, the fiscal take hardly budged: just +0.9%, to US$8.0bn. We put this down to trade liberalisation and it seems reasonable to expect relative flatness in 2016 also.

Domestic revenues: Key to everything, huge, rising

This category applies to everything else, equating to three-quarters of budget proceeds, and it is flourishing – as per the domestic economy. Receipts rose a stupendous 18% to US$31.4bn in 2015 and more than offset declines elsewhere. GDP is projected to increase by as much as 6.5% in 2016, driven by capital investment and domestic consumption at respectively 31% and 65% of the total. So there is little reason to expect much slackening in revenue from this quarter.

Fiscal expenditures: topping revenues, rising faster

Fiscal expenditures rose by 9.2% to US$52.8bn. The problem is that expenditures continue to outpace revenues, as healthy as the latter are. Spending is 20% higher than income, and increasing more quickly. This turns out not be a function of infrastructure build-out, as we had previously thought. Infrastructure, to be sure, is booming, but is not being entirely paid for with Government cash outlays. Instead, current expenditures in recent years have been making their rapid gains on the back of what seem to be populist items which officials are probably reluctant to cut back.

Current expenditures

At 80% of total spending, or US$40.1bn, current expenditures leapt 10% in 2015. The category's two biggest items are education and social security. They only increased by 5%, with subsidy cuts for the former being one reason, which was a debatable action. And the next-biggest item, Government administration, increased by 11%, setting the tone for the rest of "other" current expenditures, which rose by a similar amount. These outlays cover subsidy programs for healthcare, poverty reduction, utilities, housing and the like. Much of the defense expenditure comes under this heading.

Infrastructure

Infrastructure was the biggest single item in State expenditures, at 19.6% of the total in 2015, but it grew only 1.8%, to US$9.1bn. This confounds the perception that infrastructure is on a tear, with numerous projects having been completed, while many more are underway and new ones are being launched. The perception, however, is correct. The Government has been active here and this is one of the best things it has done for the country in recent years. It is now committed to expanding infrastructure because it has recognised that FDI inflows, and sustainable modernisation and growth, are dependent upon it. However, planners have been creative about finance: much of the compensation is via land, and significant use is being made of private-public partnerships.

Debt service

The Government's Vietnamese Dong ("VND") debt has been rising steadily for some years as planners spread their largesse with not quite enough income to support it. Public debt now stands at US$125bn, close to the self-imposed limit of 65% of GDP (before counting SOEs). As a result, debt service is also surging, and in 2015 alone it shot up 25.1% to US$3.0bn. Unfortunately, so long as the spending carries on, no major let-up is foreseen. The problem is magnified by reliance on short-term debt issuance, which led to an unusual bunching of redemptions in 2015; but that is not to say that future years will always be easier.

Fiscal concerns: conclusion

Vietnam's fiscal stance will continue to face difficulty for years to come. Where does it all end? Perhaps after a few more years of infrastructure build-out allows a pause in new projects, while subsidy programs are slowed down through cutbacks and/or higher administrative price hikes. That might rein in spending escalations. Then, if the Government keeps laying on more privatisations, and a vibrant economy keeps yielding more tax receipts, and oil prices give a bit more joy, fiscal revenues might come more into line with expenditures. So while there are fiscal concerns, they are solvable.

VIETNAM MACRO CONCERNS: FISCAL, CURRENCY - CURRENCY

VND stable until external factors intervened

The Vietnamese Dong was one of the few currencies holding its own against the US Dollar in the emerging market weakness of recent years. But since China started devaluing the Yuan, external pressures have been making themselves felt, and the VND will not be able to avoid a certain degree of weakening. Following the decision to impose fiscal and monetary contraction and cut overheating short, this brought Vietnam into a mode of "growth with stability", where the Government was periodically weakening the currency by fractions of a percent for the sole purpose of maintaining export competitiveness. This was the strategy in place in August 2015, and the Dong by then had reached 21,800, -5% in 4½ years. But Yuan devaluation changed all that. In 2015, the VND lost 4.5% against the United States Dollar ("USD").

In theory, Vietnam would actually benefit from a Yuan devaluation because it exports very little to China and is a huge importer from it, with a gigantic trade deficit to prove the fact. But it competes with China across a broad range of lower-end manufactured exports, so it cannot simply ignore what the northern neighbor does. Thus, when Beijing started slamming the Chinese Yuan ("CNY") after 9 August, Vietnam tracked Chinese actions for awhile. The drain on Vietnam's foreign exchange reserves took them down by an estimated US$6bn to US$31bn at the bottom in late December 2015.

But the VND has again found its footing

But the worst seems over. Since late December the VND:USD rate has noticeably improved while the Yuan has continued to move lower. Compared to August it is only -1.6%, while the CNY is -5.9%. And this has very little to do with Government intervention. We have not seen the authorities being active in the market since late December, and our informal watch on reserves shows them starting to increase, rising around US$1.5bn to reach around US $32.5bn by the end of the first quarter of 2016. Also, the differential between the black market and the official exchange rate is quite narrow. The fact is that the Vietnamese can live with a weakening Yuan so long as it does not come in shock form. The CNY depreciation now underway is of the incremental kind (even if it accelerates periodically) and not something that the Vietnamese will panic over. If at some point the Government does find it expedient to narrow the differential versus the Yuan, it will not feel compelled to match the Chinese on a 1:1 basis.

Economy supports a healthy currency

Fundamentals are on the VND's side, after all. The balance of payments is sound enough and we are cautiously optimistic that reserves can start increasing again. Added to this is the low level of foreign debt and the absence in Vietnam of virtually any hot money. Banks, meanwhile, are long of Dollars. Then there is the robust state of the domestic economy. Investment in manufacturing and infrastructure continues to fuel productivity, while simultaneously feeding into employment and consumption. Surveys show very healthy levels of consumer confidence, and there is ample evidence of accelerating consumer activity in major cities. Property is recovering and with it the banks, whilst inflation remains low. So, absent sudden macro emergencies, the Vietnamese do not feel pressed to hold USD. And then there is the final disincentive: USD deposit rates. For good measure, the State Bank has cut them to 0%, whereas VND rates remain as high as 6-8%. The interest rate differential is large enough to keep people away from USD hoarding.

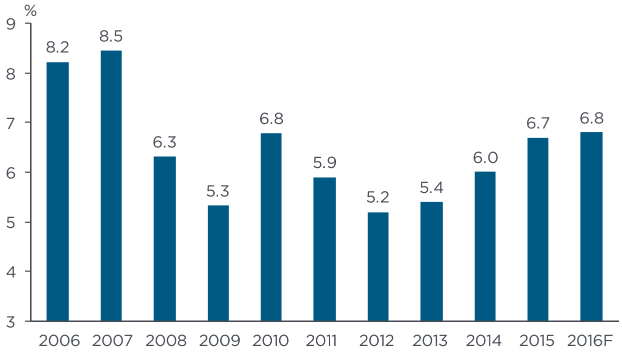
Outlook: at very worst 5% in 2016

Our best guess is that the Chinese have understood that radical devaluations are in no one's interest and that anything much more than an evolving 5-8% in 2016 – to a maximum CNY7.0:USD1 - will be counterproductive. If that assumption is wrong, then bets are likely to be off for the world at large. Vietnam would hold up better than peers, but it would just be a question of degree. If the assumption is correct, however, Vietnam is in a position to keep its own devaluation at 3-5%, i.e., somewhere in a range of 23,150-23,600. To look at precedents, depreciation during the bubble era was 5.5-9.3% in any given year. So with a much more muscular economy in place, it is hard to believe that anything like such drastic movements would happen now. Something below the lower end of the spectrum is a lot more probable.

REAL GDP GROWTH

Vietnam posted full-year 2015 GDP growth of 6.7%, higher than the planned growth of 6.2% and the growth of 6.0% in 2014. In the fourth quarter of 2015 growth even reached 7.0%. Manufacturing remained the pillar in driving expansion, rising by 10.6%. The result is even more encouraging given that the stalled global economy created strong headwinds for exports. But slowing exports were offset by a strong influx of FDI.

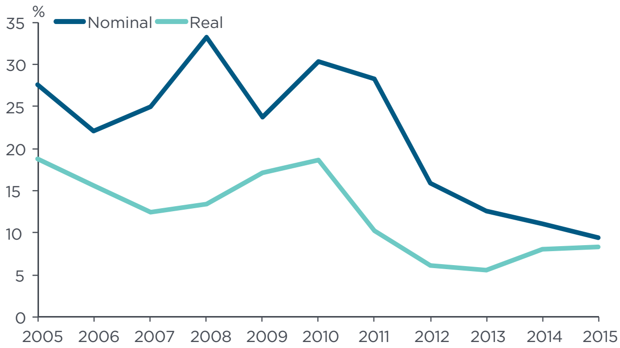
The breakdown of GDP growth also pointed to a remarkable recovery of domestic demand in 2015 as growth of the retail sales and construction subsectors expand significantly. For 2016, we expect GDP to grow by 6.3-6.5%, slightly lower than 2015 due to a decline in agricultural production.



Source: General Statistics Office ("GSO")

RETAIL SALES

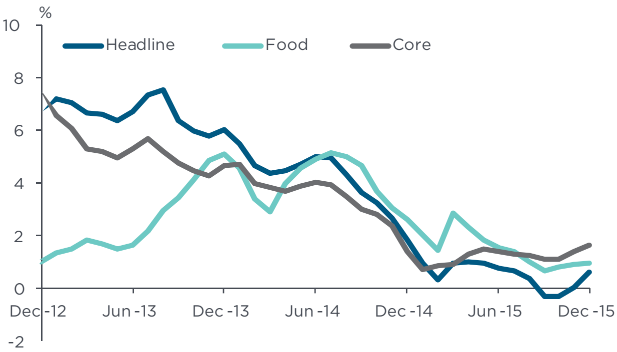
Retail sales grew 9.5% in 2015, decelerating from 10.6% in 2014, mainly due to lower price increases. Adjusted for inflation, retail sales grew by 8.4%, up slightly from the previous year. The stable macro situation combined with wage increases and lower consumption costs (thanks to low inflation) helped boost consumer confidence and consumption in 2015. We think the trend will remain strong in 2016 as interest rates, even if they have bottomed out, will likely stay at a tolerable level thanks to low inflation and an accommodative monetary policy.



Source: GSO

INFLATION

Given the continued collapse in global commodity prices, as well as stable food prices, inflation continued to drop, falling from 1.9% in 2014 to 0.6% in 2015. We estimate that core CPI year-on-year bottomed in the first quarter at 0.9% and gradually increased to 1.6% by the end of 2015. Given a bottoming in oil prices and modest credit growth in 2016, we forecast inflation will increase gradually to around 3-4%, approaching 5-6% in the medium term thanks to robust domestic demand and liberalisation of healthcare costs in 2016.



Source: GSO, Dragon Capital

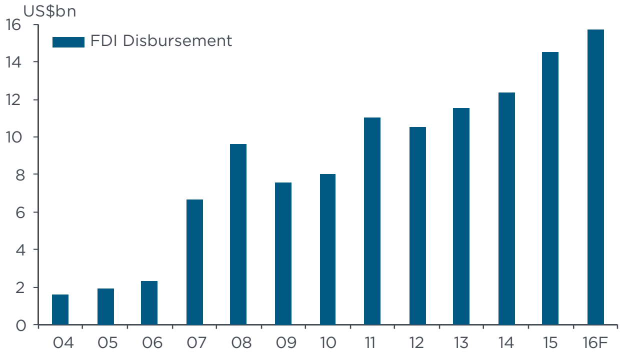
Economy

FOREIGN DIRECT INVESTMENT

FDI disbursement in 2015 totaled US$14bn, up 17.4% vs. 2014 and much higher than the growth of previous years (7-9%).

Registered FDI grew 12.5% vs. 2014 as December welcomed another US$600m from Samsung into its hi-end television factory in Ho Chi Minh City.

We think FDI disbursement will likely continue to grow robustly in 2016 given the strong registered FDI inflow from big global manufacturers, improving macro stability and a shift from other countries like China and Thailand. In fact, in March 2016, Apple announced plans to invest US$1bn in Vietnam.

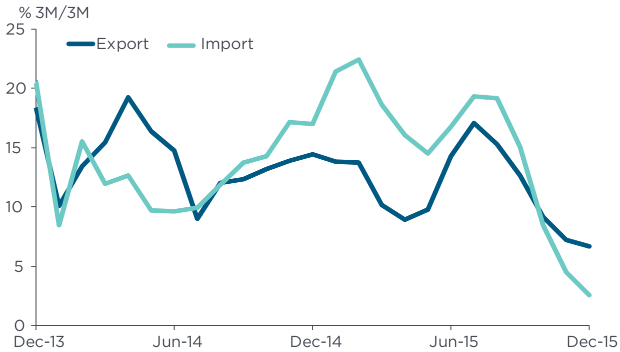


Source: GSO, Dragon Capital

EXPORTS AND IMPORTS

Export growth continued to slow from 13.7% in 2014 to 8.1% in 2015, mainly due to soft external demand and lower commodity exports, which dropped 18%. This growth rate, however, was still far better than most peers, many of which experienced negative growth.

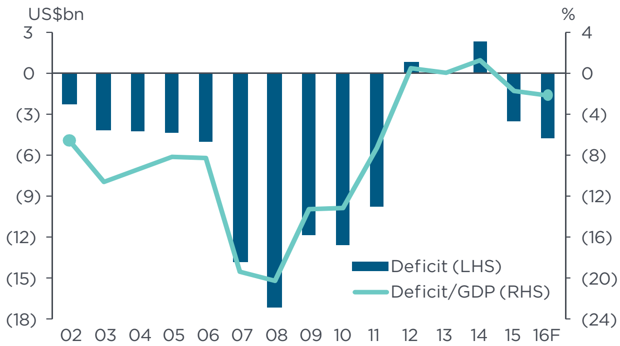
Import growth in 2015 was still resilient at 12%, similar to 2014, as demand for consumption and manufacturing was very strong. Auto imports were up 60%. However, imports have slowed sharply since the second half of 2015, suggesting lower import growth for 2016.



Source: Customs, International Financial Statistics ("IFS"), Dragon Capital

TRADE DEFICIT

The trade balance posted a deficit of US$3.2bn in 2015, the first deficit since 2012. However, it is meaningless whether there is a modest deficit or, as in 2013-2014, a modest surplus. The key point is that most imports are now being done for the sake of exports, whether as raw materials in the short term, or as capital goods building up plant in the long term. Admittedly there have been significant imports for new property construction and for certain consumer goods. But none of this militates against a J-curve effect in the foreseeable future. And the rest of the BoP is in generally robust shape. Given a large amount of invested FDI capital in 2015, there is a high possibility of large capital imports in 2016 whilst production from this capital may not happen until the second half of 2016. Overall, we forecast a US$4.4bn trade deficit for 2016, with the trade deficit relative to GDP staying healthily below 2.5%.

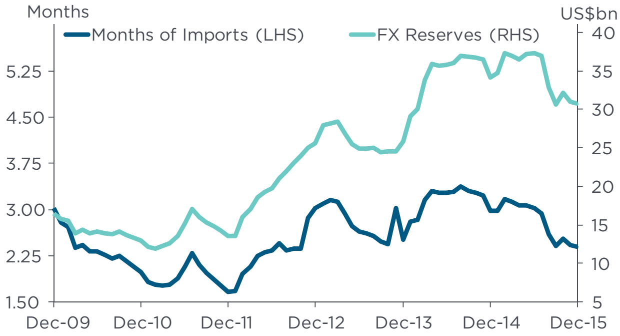


Source: GSO, IFS, Dragon Capital

Economy

FOREIGN CURRENCY RESERVES

Last year reserves fell from US$34.2bn to US$31.1bn, a decline of US$3.2bn, as a result of currency ructions. That was bad enough. But from a peak of US$37bn just before the Yuan shock, the drop was a lot more. For a two-month period the Government had to run the Dollar stockpile down quite drastically to prevent the Dong from falling even more than the Yuan. Reserve depletion came to an end soon enough, but while it lasted it was a testament to two factors: one, how actively trade and other trends had been bulking reserves up; and two, how quickly a change in sentiment took them down. From August to December, the CNY fell by 6.2% and the VND only 3.0%. The Government may want to narrow the currency gap at some point but will not need to match the Chinese step by step. If Yuan depreciation can stick at 6-10%in 2016, the Dong only needs to do 3-5%, at most.

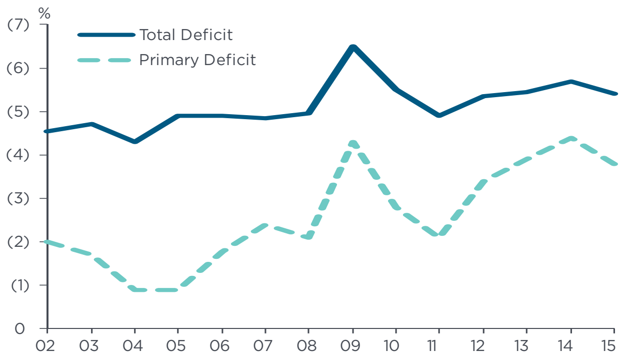


Source: IFS, Dragon Capital

FISCAL BALANCE

The oil price collapse significantly reduced the contribution of crude oil to the budget revenue, falling from 10.3% in 2014 to 6.6% in 2015. However, thanks to the recovery of the domestic economy, domestic tax and fee revenue, which accounts for 75% of budget revenue, grew 18%. That helped budget revenue increase by 7.4% in 2015 despite much lower oil revenue.

As for expenditures, excluding principle repayments they rose 4.8% in 2015. However, debt repayment in 2015 was 25% higher than 2014. This explains why total expenditure including debt repayment grew 7% in 2015. Infrastructure spending, accounting for 19.6% of total expenditure, grew only 1.8% in 2015. These figures go against with the market observations as very many infrastructure projects have been developed thus far. The gap can be explained by infrastructure projects developed by the private sector in return for real estate as compensation. The budget deficit excluding principle repayment (IMF definition) dropped from 4.4% last year to 3.8% in 2015. The total budget deficit remained at 5.4%, a slight improvement from 5.7% last year.



Source: MOF, International Monetary Fund ("IMF"), Dragon Capital

CREDIT GROWTH

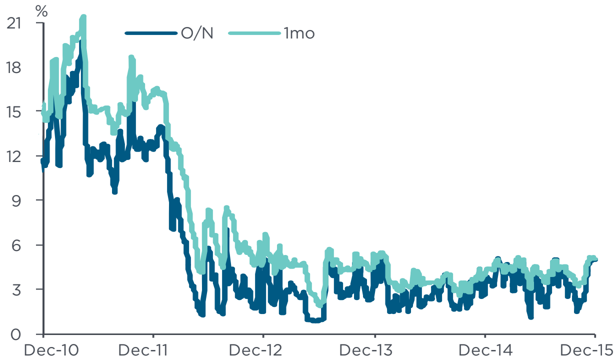
Credit growth in 2015 was 17.3%, higher than the 14.2% reported in 2014 thanks to a solid domestic economy. In terms of sectors, credit for agriculture increased 13.3% year-on-year. For the remaining sectors, data was only available up to November 2015: hi-tech, 43.07% year-to-date; supporting industry, 9.89% year-to-date; SME, 7.56% year-to-date; and exports, -3.43% year-to-date. We think the State Bank of Vietnam ("SBV")'s target for credit growth for 2016 at 18-20% year-on-year is a bit farfetched. We only expect slightly lower credit growth in 2016 vs. 2015 as we think 15% is enough for the economy to grow sustainably.

Source: GSO, Dragon Capital

Economy

BANK LIQUIDITY

Banking system liquidity remained good across 2015 thanks to accommodative monetary policy and well-controlled non-performing loans ('NPLs"). This was reflected by low interbank rates throughout the year: Overnight rates below 5%, and the 1-month-3-month rate below 6%. However, interbank rates started to go up modestly in December following increasing deposit rates as inflation bottomed out from October. But as we forecast inflation to stay less than 3-4% year-on-year, well below the Government's 6% target, the SBV will likely keep supporting banking system liquidity in 2016.

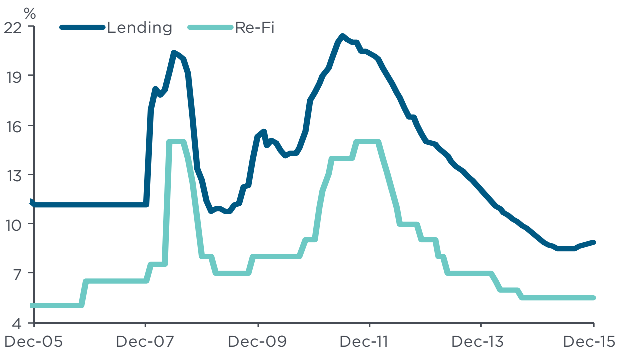


Source: SBV, Dragon Capital

MONETARY POLICY

Monetary policy continued to be accommodative throughout 2015, given collapsed inflation, to support growth. The SBV kept the policy rate unchanged in 2015 despite lower inflation as they want to protect the Dong from depreciating against a much stronger Dollar.

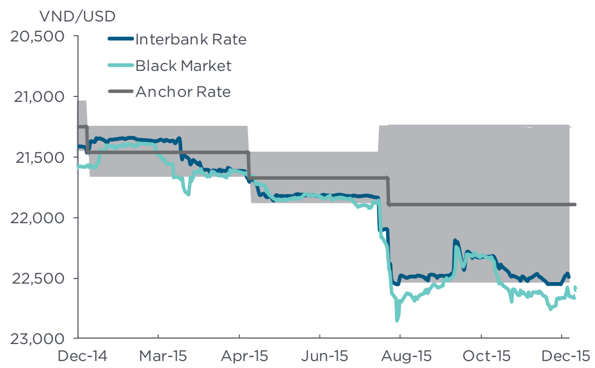
In 2015, average lending rates dropped from 9.7% on average to 8.6%, a bit lower than the level before 2007 although inflation is much lower now. In 2016 we expect monetary policy to continue to be accommodative for growth, in line with our expectation of less than 3-4% inflation.



Source: SBV, IFS, Dragon Capital

THE LOCAL CURRENCY

In 2014 the Dong eased 4.5% against the Dollar on the interbank market. The Vietnamese Dong was one of the few currencies holding its own against the US Dollar in the emerging market weakness of recent years. But since China started devaluing the Yuan, external pressures have been making themselves felt, and the VND will not be able to avoid a certain degree of weakening. The question is how much further it needs to go. But for the moment, the worst seems over. Since late December the VND:USD rate has noticeably improved while the Yuan has continued to move lower. Compared to August the VND is only -1.6%, while the CNY is -5.9%. And this has very little to do with Government intervention. Also, the differential between the black market and the official rate is quite narrow at 0.3%. We expect Vietnam to deliver a current account surplus of approximately US$2bn in 2016, together with a stable Dollar, which are reasons for the VND to remain stable in 2016. In addition, the 5% gap of Dong deposit rates over the USD will continue support the Dong. So we expect the Dong to depreciate by 2-5% in 2016.



Source: SBV, Dragon Capital

MARKET PERFORMANCE

The VN Index rose for the fourth year in a row in 2015, gaining 4.9%. Foreign investors were net buyers for a tenth straight year with an inflow of US$104m. Average daily turnover, however, fell 12.7% to US$89m, partly impacted by Decree 36, which limited bank lending for securities trading.

The first half of the year: A changing of the guard

As the oil price continued to tumble well into the first half of 2015, oil and gas stocks experienced an unprecedented sell-off. By year end, big names in the sector such as GAS and PV Drilling had fallen by over 50%.

The rise of the banking sector in 2015 was just as unexpected as the fall of oil and gas. Gaining 29.6%, the banking sector replaced oil and gas as the most heavily-weighted sector in the Index, with an average weight of 26% for the year. The surge of the banks did not initially merit the blessing of the sell-side analyst community, with top research brokerages expressing a slightly negative to neutral view on the sector. But rally it did, and the sector's relentless march throughout the year caught many by surprise. As a note, we believe that the actual available float of the top banks was not as abundant as was widely thought. Considering the sector's current weight in the Index and the fact that the sector was largely overlooked for the last three years, it may prove difficult for funds (especially the big ones) to reach even market weight for the sector by the time everyone unanimously changes their view to positive.

The second half of the year: A wild ride

On the back of a strong first half, the VN Index started the second half of the year well on the news that the Government issued Decree 60 regarding the lifting of Foreign Ownership Limits for public companies. With the two-year promise finally delivered, market sentiment soared, pushing the VN Index to a multi-year high of 638 in July. August, however, proved to be the start of a very stormy time for global equity markets in general and Vietnam was unable to escape the turmoil. Triggered by a sudden and aggressive devaluation of the Yuan by China, global markets reacted negatively to signs that the world's growth engine was in serious trouble. The VN Index was swept away in the ensuing global sell-off, plunging 17.5% from its July high to establish a low for the year of 526 in August. The market eventually calmed down as reassurances came out of China that its economy might not be in the best of shape but that it was far from broken. Despite this, risk-off mode was fully on for foreign investors and what followed were constant foreign outflows for four of the last five months of the year, totaling US$114m. The VN Index nevertheless held up well and closed the year at 579, up 4.9%.

STOCK MARKET DEVELOPMENTS

Decree 60 – a milestone in financial market liberalisation

The idea that foreign investors might be allowed to purchase more than 49% (the current limit) of listed companies was first introduced two years ago. Since then, it has been on and off the front pages with no concrete progress. Decree 60, which formally approved the lifting of Foreign Ownership Limits ("FOLs") in listed companies, was finally issued in June with a September effective date. Market participants, however, were still waiting for guidance on the practical application of the decree, especially regarding the classification of industries that could have their FOL lifted. It is not surprising that the process for such an important decree would tend to be gradual rather than immediate. However, the decree itself marked an important milestone in the development of the market, sending a strong message on the liberalisation of Vietnam's financial market.

Privatisation and state divestments

2015 did see one big-ticket privatisation, the Airport Corporation of Vietnam ("ACV"). The IPO of ACV attracted immense interest from both domestic and foreign investors. In the end, foreign investors ended up winning 82% of the total shares in the auction. 2016 should see even bigger privatisations such as Vissan, Mobifone, IDICO, Becamex IDC and Satra, all of which we expect will likewise draw great interest from investors.

Another major development in 2015 was that the Government mandated the SCIC to fully divest a number of its key holdings such as Vinamilk, FPT and Binh Minh Plastics. At market value, the portfolio of divestments was worth around US$3bn, although the bulk of this was the US$2.8bn 45% holding in Vinamilk. It was widely speculated that these companies' FOLs would be removed in order to boost their selling prices. Rumours were soon circulated that Vinamilk's long-time shareholder, Fraser and Neave ("F&N"), had submitted a bid of US$4bn for the SCIC stake, equivalent to a 43% premium over the market price at the time. F&N quickly denied that any written proposals had been made, but the news highlighted that with such valuable assets on offer, there would be no shortage of interested parties to make premium bids.

EQUITY OUTLOOK

On-going market reforms will increase accessibility and reduce the current valuation discount

Limited accessibility probably at least partly explains why Vietnam is still trading at a 40% discount to regional peers despite a superior growth/value story. Decree 60, however, is expected to be the prime solution to this issue. Some may argue that given the foreign outflow that the VN Index saw in recent months, the impact of this decree may be a non-issue. We believe, however, that the recent outflow does not paint an accurate picture of the foreign interest in Vietnamese assets. This was demonstrated by what happened to Military Bank in October, when a corporate action increased the amount of shares available to foreign investors. What followed was a flurry of frenzied transactions that saw US$29m of Military Bank foreign-room stocks snapped up in just two minutes. This was a prime example of just how desirable some of the current listed assets are to foreign investors. Once Decree 60 goes into effect across the market, we believe there will be no shortage of foreign interest in Vietnamese stocks, which should trigger a new phase of multiple expansion and erase some of the current discount in valuation to regional peers.

Outstanding growth/value profile of Vietnam should elevate its market above peers

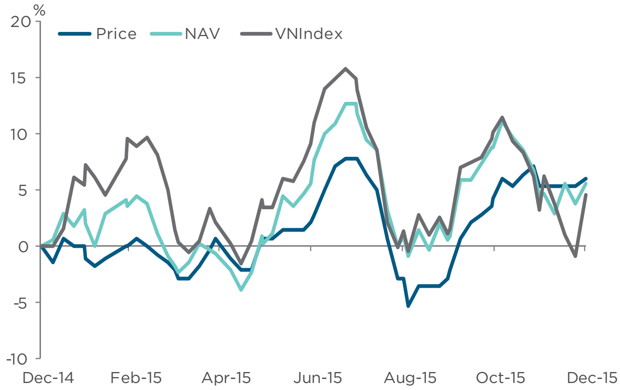
Looking forward to 2016, Vietnam will most likely continue to face considerable headwinds from global markets. Nevertheless, we are confident that the Vietnamese stock market's attractive growth/value profile should enable it to hold up relatively well against other markets. We forecast our top 50 companies, which account for 75% of the total market capitalization of Vietnam's listed companies, to deliver 16.2% EPS growth at just an 11.1x forward PER, compared to a median EPS growth and forward PER of 10.9% and 17.3x respectively from regional peers. A slew of exciting SOE IPOs scheduled for 2016 should provide ample opportunity for long-term investors. The expansion and ongoing reforms of the capital markets will help strengthen Vietnam's case for achieving emerging market status, which should elevate the country's outstanding investment case to the attention of many of the world's biggest investors.

FUND PERFORMANCE

Vietnam's stock market fluctuated widely in 2015. In the first two months it shot up by 9.0% as banking stocks rose on positive earnings and M&A transactions. In March, the market swung back in the other direction - plunging 7.5% and erasing the entire year-to-date gain as foreign investors net sold a total of US$43m on the Ho Chi Minh City Stock Exchange ("HOSE"). The outflow was mainly due to heavy ETF redemptions, reflecting investor nervousness over the prospect of a tightening in US monetary policy. The market then moved sideways in April-May before surging in June and July to reach the highest level of the year at 639 when the Government passed a law aimed at raising foreign ownership levels of public companies. This long-awaited Decree sent a strong message regarding the liberalisation of Vietnam's financial markets. As a result, FOLs may be increased up to 100% from the previous 49% limit in non-restricted business sectors.

But then, the VN Index was unable to escape the global sell-off triggered by the shock Yuan devaluation in August. At its worst the VN Index hit 511, a year-to-date low that was 20% below the high set just one month earlier. Stocks stabilised in September and bounced back by 8.9% in October to 607, finally breaking the 600 barrier again. The market was propelled by the global rebound, better-than-expected third quarter of 2015 guidance from major companies, and some exciting news on SOE divestment. But once again, the market headed the other way, dropping by 6.3% in November due to nervousness about Fed action, accelerated weakening of the VND, and foreigners turning net sellers. Toward year end, the market recovered to close 2015 at 579. This was despite substantial foreign selling in December, which saw the largest monthly foreign outflow since January 2012, at US$89m.

On 31 December, VEIL merged with its sister fund Vietnam Growth Fund Limited to form Vietnam's biggest equity investment vehicle, with assets under management of nearly US$800m. For the full year, VEIL clocked a respectable performance of +6.0%, beating the benchmark VN Index by 90bps thanks to its many over weighted outperformers in the portfolio. VEIL was also ahead on all of its other major historic time-periods as well.



Source: Bloomberg, Dragon Capital

The main contributors to VEIL's performance were core holdings Vinamilk, ACB, Vietcombank, FPT and Khang Dien House. Vinamilk had a great year, with its stock price rising by 62.6% on strong earnings growth and developments regarding the lifting of its FOL. ACB and Vietcombank participated in the rally of banking stocks to increase by 27.7% and 35.2% respectively. FPT posted a nice gain of 16.4%, mainly thanks to its strong business results, with net earnings growing 18.4%. Khang Dien House's stock rose 30.1% on sales growth of 87% and earnings growth of 122% thanks to the recovery of the real estate sector. Khang Dien House also took over BCCI, which will enable it to make profitable use of BCCI's 340ha land bank in Ho Chi Minh City.

Other core holdings, such as Hoa Phat Group, REE and SSI lagged the market. Hoa Phat Group delivered good business results, with sales growing by 7.8% and net earnings rising by 10.8%. But the stock price nonetheless fell by 19.4%, mainly due to worries about the downtrend in steel prices, competition from imported steel from China as well as from Formosa Steel's soon-to-be-completed Vietnam factory, and potential divestment from major shareholder Bank Invest.

REE had poor operating results with flat top line growth and a decline of 20% in the bottom line. This was attributable to a 56% decline in income from its affiliate, namely PPC (in which REE has 22% stake) as PPC suffered a foreign exchange loss of around VND 280bn. As a result, its stock price dropped by 7.1%. SSI's stock price rose by 1.4%, but still underperformed the market by 3.2%. Most securities firms faced earnings declines due to unfavorable market conditions. SSI faced the same problem, but thanks to the reversal of a provision in a financial investment in Hoang Anh Gia Lai of VND 297bn, the bottom line in the end increased by 14.4% to VND 852bn.

ATTRIBUTION ANALYSIS

The food and beverage sector was the top contributor (8.0%) to VEIL's performance in 2015 with a total return of 59.8%, outperforming the VN Index by 23.0%. The main representative in this sector was also the Fund's biggest holding, Vinamilk, which had a great year with net earnings up 28% to VND 7,769bn, mainly on sales growth and gross margin improvement. Thanks to the downtrend in its input prices, the gross margin in 2015 hit its highest level of the last five years at 40.6%. As Vinamilk has already fixed a low price for inputs for 2016, we expect its gross margin to remain high and its earnings to grow by 20% in 2016. Aside from the company's good business results, developments regarding the lifting of FOLs and the SCIC's divestment plans are further potential catalysts for Vinamilk's future stock performance. Recently, the company announced that it will seek shareholder approval to amend its charter to prepare for a future FOL increase.

The banking sector was the second-biggest contributor to the Fund's performance (3.9%), with a total return of 24.7%. However, the Fund's banking stocks still underperformed the benchmark, which was up 29.6%, due to our underweight position (19.7% vs. 27.7%) in the sector. VEIL added to its holdings in the sector in order to narrow the underweight gap from 12.8% in January to 19.7% in December. But as the banks had already run up very fast in the first few months of the year and we didn't want to chase up the price, we still ended up being underweight the sector. Although the reform process, such as implementing stricter loan classification regulations and nationalising weak banks, has been causing fear in the market, this shows how effectively the Government is cleaning up the sector. As a result, short-term ructions should not obscure the progress being made towards a healthier and more transparent banking system. Banks have motored since late 2014, and have not been immune to profit-taking, but if NPL work-out succeeds, valuations for 2016-2017 are not stretched. We continue to see banks as a leading sector in 2016.

The third-biggest contributor was software and services, which increased by 16.4% and outperformed that component of the VN Index, which was up by 14.7%, contributing 1% to VEIL's return. This was thanks to our overweight position in FPT (6.5% of NAV vs. 1.7% of the VN Index), the main representative in the software sector. In 2015, FPT delivered fairly good results with VND 40,003bn revenue (+13.9%) and VND 1,933bn net earnings (+18.4%). For 2016, we think FPT will continue to perform well with earnings growth mainly driven by Technology (Software Outsourcing), Telecom Services and Distribution (Retail). Additionally, FPT is determined to divest its stakes in FPT Retail and FPT Trading Group, which should also be a big catalyst for the stock's performance in 2016.

On the negative side, the energy sector dragged down the Fund's performance by 2.5% due to its 44.8% decline, driven by the relentless drop in the oil price. Although the Fund maintained an underweight position in the sector compared to the VN Index, the underweighting still wasn't enough to avoid a noticeable negative impact on the Fund's performance.

Finally, the overweight in the materials industry, mainly via Hoa Phat Group, weighed on the Fund's performance by 2.5%, for reasons elaborated upon already above. However, we think that Hoa Phat Group will maintain its leading position in its sector thanks to its cost leadership strategy. At the current price, the company's shares trade at a very attractive PER of 6x and PBR of 1.2x.

ASSET ALLOCATION BY ASSET CLASS[1]

	31 December 2015 %	31 December 2014 %
Equities	93.8	95.5
OTC Equities	3.9	3.3
Cash[2]	2.2	0.6
Private Equities	2.1	0.2
Others	0.5	0.5
Loans	(2.5)	-
	100.0	**100.0**

ASSET ALLOCATION BY SECTOR[1]

	31 December 2015 %	31 December 2014 %
Food & Beverage	21.2	14.0
Real Estate	20.1	19.9
Banks	19.7	12.8
Others	10.8	6.7
Materials & Resources	10.0	15.3
Diversified Financials	8.0	17.5
Software & Services	6.5	5.7
Cash[2]	2.2	0.6
Consumer Durables	2.0	4.2
Pharmaceuticals	1.9	3.3
Loans	(2.5)	-
	100.0	**100.0**

[1] For a full portfolio listing, please see Note 7 to the Financial Statements

[2] Cash includes cash and cash equivalents, receivables and payables

OUTLOOK

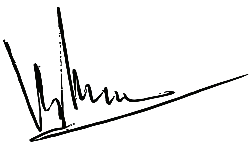
Although the impact from the falling oil price, Yuan devaluation, and Fed actions may continue affect Vietnam's stock market in 2016, we think the outlook is positive thanks to: (a) strong earnings growth, especially from some large-cap companies; (b) FOL opening: Everpia JSC, which owns several well-known bedding brands in Vietnam, became the second company to raise its FOL to 100%, and other companies are preparing for FOL lifting: Vinamilk, Vinh Hoan Corporation, Thanh Cong Textile, etc.; and (c) many big IPOs and further privatisations will happen in 2016 (Mobiphone, Satra Group, Vietjet Air, etc.), providing ample equity supply throughout the year.

2016 will be the first year of the new VEIL after its merger with VGF. Our main strategy for the new VEIL is to continue investing the majority of the Fund in listed top 50 blue chip companies, with market caps generally down to a cut-off of US$100m. These stocks will be chosen for their market-beating upside potential, based on the growth/value and risk/reward disciplines. We will also expand our coverage into medium-cap names in the US$40-100m range, where liquidity requirements are less emphasised, in favour of multiple-bagger upside prospects based on deep research. In addition, VEIL will also look seriously at all IPOs, as well as OTC and Unlisted Public Company Market ("UPCoM") names, if there is any likelihood they can be listed within 18 months. Last but not least, we hope to create more value for our investees by advising them on measures they can take to enhance their share value.

SECTOR RETURN AND CONTRIBUTION

Sector	Portfolio return %	VN Index return %	Portfolio contribution %
Food & Beverage	59.79	36.77	7.66
Banks	24.71	29.57	3.73
Software & Services	16.37	14.71	0.96
Consumer Durables	24.29	32.12	0.80
Utilities	54.68	-3.32	0.30
Capital Goods	-7.08	0.15	-0.33
Retailing	-16.93	-9.25	-0.34
Real Estate	-2.23	-3.00	-0.41
Diversified Financials	-5.51	-8.78	-1.06
Energy	-44.83	-47.68	-2.43

Source: Dragon Capital, Bloomberg



Vu Huu Dien
Investment Manager
Vietnam Enterprise Investments Limited
4 May 2016

TOP TEN HOLDINGS

1. Vinamilk

VINAMILK

Vinamilk, the leading dairy producer of Vietnam, closed 2015 on a very successful note.

Net revenue was VND 40trn, up 14%, with domestic sales (81% of total sales) growing 11% in 2015. After a muted year in 2014, export sales recovered strongly in 2015, growing 34%. The domestic sales growth of 11% slightly surpassed the 2014 growth of 10% as consumer demand gradually picked up. This level, however, is still significantly higher than Vietnam's overall fast-moving consumer goods (FMCG) growth of 4% for urban and 8% for rural markets. (Kantar Worldpanel)

In 2015, gross profit grew dramatically faster than sales at 43% year-on-year. This is thanks to profit margin improving from 32.5% to 40.6%. With imported milk powder still accounting for over 60% of input materials, Vinamilk largely benefited from the commodity downtrend in 2014-2015. Indeed, the company's gross profit margin set a record high in 2015.

Despite higher operating expenses mainly driven by higher spending on advertisement and promotion, and thanks to a higher gross profit and a lower corporate tax bracket, Vinamilk's bottom line reached VND 7,769bn, up 28% year-on-year.

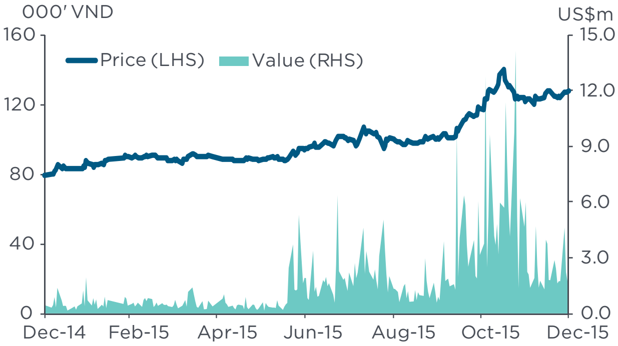
Vinamilk put a lot of effort into defending and growing its dairy market share during 2015 amidst intense competition. The efforts paid off, however, resulting in market share improvement in most business segments. The company's liquid milk market share increased to 53% from 51% while the infant powder market share increased to 25% from 24%. The two segments combined contribute about 60% of the company's total revenue.

We expect Vinamilk to continue to deliver good results in 2016, with the top line expected to grow by 17%. The company is very open to the idea of increasing its foreign ownership limit from the current 49%. This may create significant upside potential for the stock, which is trading at 2016 PER of 19x.

Market valuation	2015 total return*	% of net assets	Initial acquisition
US$168,195,427	61.23%	21.22%	22 October 2003

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

STOCK PRICE



Source: Dragon Capital, Bloomberg

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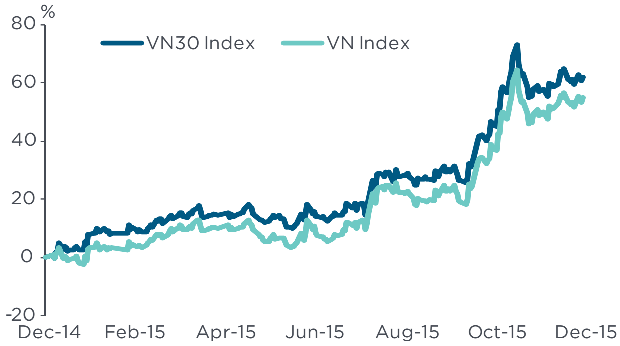


Source: Dragon Capital, Bloomberg

TOP TEN HOLDINGS
2. FPT

FPT is Vietnam's largest domestic IT services firm, and it leads the technology sector with number one positions in most of its areas of operation. Its business segments include Technology (Information Systems and Software Outsourcing), Telecom Services, and Distribution of IT products. The company has an exceptionally strong corporate culture which inspires innovation and teamwork.

In 2015, FPT returned to double-digit growth in both revenue (+14% to VND 40,008bn) and net profit (+18% to VND 1,933bn). As declared in the company's 2014 "Go Global" strategy, the offshore market is becoming an increasingly important growth contributor to the group. Revenue from overseas markets grew 40.9% and accounted for 23.4% of the group's PBT. FPT's implementation capabilities have been proven by multi-million-dollar contracts with corporate clients in the US, Japan, Bangladesh, Cambodia and Laos. All international markets delivered higher-than-expected growth including Europe (+55.6%), Japan (+39.8%), the US (+37.5%), and the APAC countries (+29.9%).

By operating segment, Telecom Services was the largest profit contributor (36%), followed by Information Systems and Software Outsourcing (32%), Distribution (Wholesale and Retail) (25%), and the remaining 7% was contributed by Education. The Technology sector posted the highest growth rate, with PBT reaching VND 926bn (+25%) on revenue of VND 8,605bn (+22%).

Telecom Services recorded sales of VND 5,484bn (+16%) and PBT of VND 1,041bn (+11%). Of that, broadband services revenue, accounting for 70% of Telecom Services revenues, grew by 32%. The number of broadband subscribers increased 24%, coupled with an average revenue per user ("APRU") improvement of 8%. Broadband service's PBT only increased by 5% due to costs associated with the fiber optics project, which was mostly expensed in line with Vietnamese accounting standards rather than being capitalised.

IPTV services ended the year with 280,000 subscribers, far exceeding its 200,000-subcriber plan. We see a bright outlook for IPTV services given FPT's 2% market share after a little more than one year in operation. With regards to the Distribution segment, Wholesale experienced sluggish growth at the end of the year (revenue -1%, profit flat) but that was completely offset by a strong surge in the Retail segment (revenue +30%, PBT +335%).

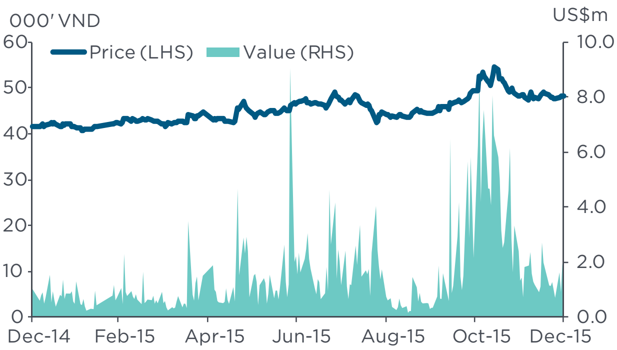
Looking forward to 2016, FPT targets an increase of 14.5% in revenue and 10.5% in PBT, reaching VND 45,796bn and VND 3,151bn respectively. The gap between top and bottom line growth is largely attributable to an unexpected new 'tax' imposed on the telecom industry by the Ministry of Finance. At the same time, FPT will continue upgrading its telecom infrastructure from copper wire to fiber optics and increase spending for its e-commerce project Sendo, resulting in slightly lower margins. Overall, net profit after tax ("NPAT") will be driven by the Technology and Retail segments, and revenue growth will mainly come from Telecom Services and Technology while other segments remain flat to slightly lower.

As a long-term investor in FPT, we regard the company highly for its transparency and good corporate governance. FPT sets a high standard for information disclosure by providing monthly results and organising quarterly investor meetings with Board of Management ("BOM") and Board of Director ("BOD") representatives. We are confident in the way FPT is managed, and we have great trust in its future development. We are especially delighted that FPT is expanding overseas, particularly in outsourcing, where it can leverage on its young and numerous workforce in Vietnam to serve this US$1trn global market.

Market valuation	2015 total return*	% of net assets	Initial acquisition
US$51,723,569	14.57%	6.53%	27 March 2008

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

STOCK PRICE



Source: Dragon Capital, Bloomberg

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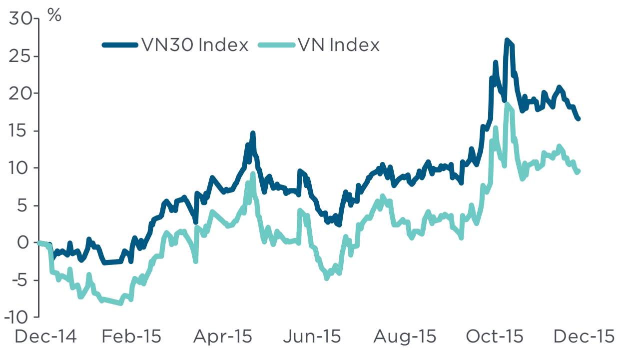


Source: Dragon Capital, Bloomberg

TOP TEN HOLDINGS
3. ACB

ACB is the leading private bank in Vietnam with 3.6% market share in deposits and 2.9% in credit. It is ranked eighth in terms of total assets. ACB used to be the most active and flexible bank in diversifying its non-lending activities, taking advantage of arbitrage opportunities in gold and foreign currency, and being a major player in the interbank market. Recently, it has shifted its focus to traditional small and medium- sized enterprises ("SME") and retail lending, which account for 51% and 42%, respectively, of its total loan book. A prudent approach to lending along with a limited exposure to real estate and SOE lending are key factors that helped maintain ACB's asset quality during the recent economic slowdown.

After a difficult 2012 with many scandals, ACB has taken a series of decisive measures to clean up its balance sheet and refocus on becoming a leading retail bank in Vietnam, bolstered by active IT spending. Its detailed plan to solve legacy asset issues is on the right track. At the end of 2015, ACB resolved half of trouble relating to interbank market and now needs to deal with only two more left by restructuring the overdue loans and requiring more collateral assets. Regarding the loans and bonds relating to Vinalines, ACB has both swapped it to Vietnam Asset Management Company and applied debt-to-equity approach. In 2015, retail and SME lending expanded by 25% and 8.5%, respectively, whereas total assets also increased by 12.3% after several years of de-leveraging. ACB has recently changed its brand name identity, marking another effort in regaining its reputation as the best retail bank in Vietnam. Deposits from customers continue to achieve sustainable healthy growth in 2014 (+12.9% year-on-year) in spite of a low interest environment.

A new management team installed after the scandal in 2012, consisting of senior bankers in Vietnam and a representative from the partner Standard Chartered Bank, has demonstrated its capability in steering ACB through the crisis smoothly.

In 2015, ACB achieved very strong growth in net interest income of 24.4% year-on-year. Such encouraging result was attributable to the fact that credit grew well by 15.2% year-on-year and net interest margin ("NIM") also improved by 36bps. Fee and commission income increased by 6.1% year-on-year while investment income posted loss of VND 793bn vs. profit of VND 243bn for FY2014. The loss came from the fact that ACB needed to provision the huge amount of VND 1,363bn against troubled assets relating to Vinalines and Group 6 companies. Combining all major income streams, total operating income increased by 5.1% year-on-year.

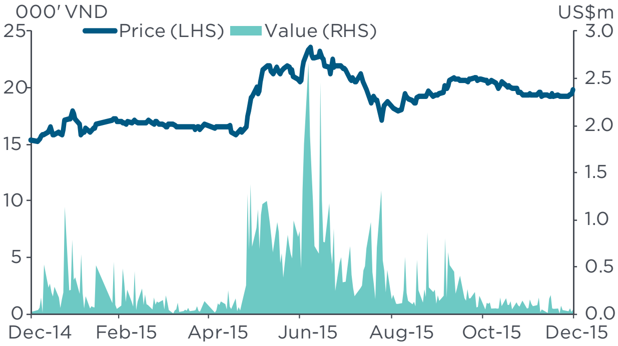
Given that ACB remuneration policies became more attractive to keep good personnel and ACB started a comprehensive campaign in marketing and re-branding as well as investing in IT platform, Cost to Income ratio still stood high at 64.7%, unchanged vs. FY2014. Regarding asset quality, NPLs ratio was reported at 1.3% FY2015 vs. 2.2% FY2014, among which Group 5 loan decreased significantly by 40.6%. Another positive note came from the increasing loan loss reserve coverage from 62.3% FY2014 to 87% FY2015.

At the end of 2015, ACB was traded at a 2016 forward PBR of 1.4x. We believe that ACB has done utmost to drive the bank back to the right track by improving its core earnings and solving the remaining legacy assets. Once legacy assets have been resolved, ACB will be able to fully focus on regaining its position as the leading retail bank in Vietnam. In 2015, ACB outperformed the Hanoi Stock Exchange ("HNX") Index and gained 27.6%.

Market valuation	2015 total return*	% of net assets	Initial acquisition
US$50,642,263	27.57%	6.39%	1 December 1996

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

STOCK PRICE



Source: Dragon Capital, Bloomberg

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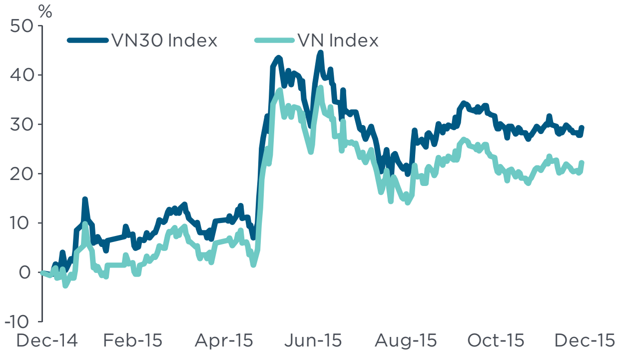


Source: Dragon Capital, Bloomberg

TOP TEN HOLDINGS

4. Hoa Phat Group

Hoa Phat Group is Vietnam's number one steel maker, with a market share of 22% in rebar and 23% in pipes. Though the company engages in a number of different businesses from furniture manufacturing to property development, the steel segment has always stood out as the main contributor to its results, accounting for 80% of total revenue and 75% of total profit. Thanks to its relentless cost control and fully-integrated production chain from raw materials (iron ore) to finished rebar, Hoa Phat Group is regarded as the most profitable company in the industry.

In 2015, Hoa Phat Group's total earnings increased by 10.8% to VND 3,485bn, whilst total revenue grew 7.6% year-on-year to VND 27,453bn. In fact, core earnings actually grew 32%, as the significant one-off contribution from its real estate business last year (the Mandarin Garden residential project) dropped out.

In 2015, the company's steel business saw profit growth of 36% year-on-year as net margin rose to 12.3% from 10.1% in 2014, owing to the significant decline in prices of raw materials (iron ore and coal prices dropped 43% and 18% respectively). Over the same period, the average selling price of finished rebar only fell 15% year-on-year. Thanks to Hoa Phat Group's cost competitiveness, its sales volume of construction steel grew by 38% year-on-year to over 1.38m tons. This was supported by strong domestic consumption as industry-wide sales volume of rebar reached 6.48m tons (+24% year-on-year) on the recovery of the real estate market and rising investment in infrastructure. Whilst Hoa Phat Group traditionally dominates in the Northern market, where over 72% of total output is consumed, in 2015 the company saw sales volume in the Central and Southern markets jump 63% from the previous year. The steel pipe business also did exceptionally well as the company sold a volume of 420,000 tons (+40% year-on-year) after the company acquired a factory in Da Nang in the previous year.

Of note was the newly-established animal feed business, which started in the second quarter of 2015 and incurred a minor loss of VND 46bn for the year. Its major activity in 2015 was trading feed materials (soybean, corn, etc.) which command a very thin margin. The company recently set up a new agricultural entity with chartered capital of VND 2,500bn to operate in animal husbandry and related businesses. Hoa Phat Group is also considering several small deals to buy related companies in the industry.

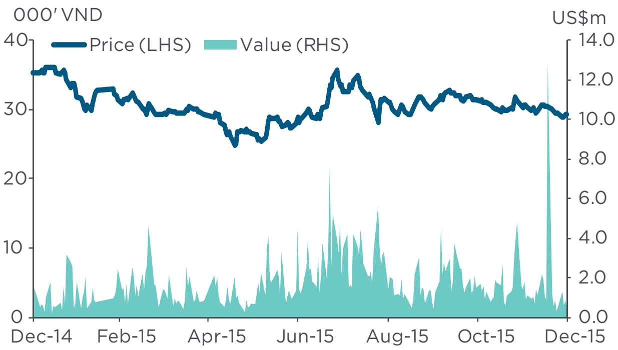
Looking forward to 2016, the story of Hoa Phat Group is one of solid growth in its core business coupled with opportunities in a new venture. The company is expected to generate revenue of VND 29,429bn (+7.2% year-on-year) and net profit of VND 3.579bn (+2.7% year-on-year). Steel prices are expected to remain subdued for the foreseeable future, most likely dipping 10-12% in 2016 due to the ongoing oversupply from China amid a slowdown in demand. Nevertheless, Hoa Phat Group will continue to enjoy strong growth in local rebar consumption, with sales volume in 2016 expected to reach 1.64m tons (+19% year-on-year). Phase 3 of the Integrated Steel Complex (starting operation in April 2016) will raise total billet production capacity from 1.25m to 2m tons per annum. At the same time, the animal feed business is expected to turn profitable in 2016 as two new feed factories with combined capacity of 500,000 tons per annum will come on stream.

At the current price of VND 29,200 per share, Hoa Phat Group is trading at a 2015 PER of 6.3x and PBR of 1.2x, a cheap valuation for a cost-competitive market leader in its industry. Whilst most regional and local steelmakers are struggling to survive, Hoa Phat Group has consistently delivered ROEs above 20% in the past few years. In the short term, the company may suffer from the negative sentiment in the steel sector due to the ongoing oversupply situation in China. Yet over the longer term, Hoa Phat Group will continue to benefit from the rising infrastructure spending and on-going urbanisation process in Vietnam in years to come.

Market valuation	2015 total return*	% of net assets	Initial acquisition
US$43,848,161	-19.56%	5.53%	19 June 2009

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

STOCK PRICE



Source: Dragon Capital, Bloomberg

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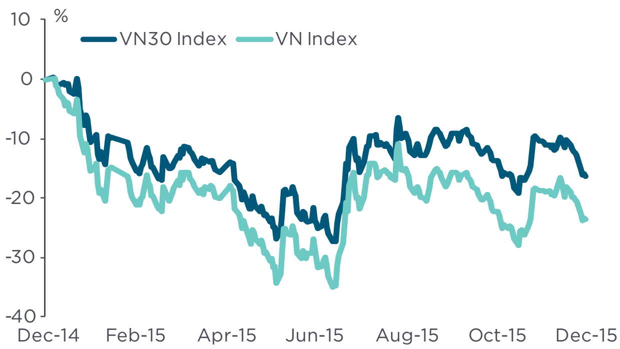


Source: Dragon Capital, Bloomberg

TOP TEN HOLDINGS

5. Vietcombank

Established in 1963 as a state-owned commercial bank with an aim to specialise in foreign trade, Vietcombank is now Vietnam's largest financial institution by market capitalisation and one of the four leading state-owned commercial banks ("SOCBs") in Vietnam. Alongside traditional banking products, Vietcombank also provides a wide range of financial services including factoring, brokerage services, portfolio management and investment banking. Vietcombank maintains a network of over 400 branches and sub-branches across Vietnam and overseas and employs more than 14,000 people.

With over 50 years in the market, Vietcombank's success has been based on exemplary customer service, a wide range of products and services, use of the latest technology in information and control systems as well as a prudent approach to lending. Unlike some other SOCBs with bad reputations in SOE exposure, Vietcombank is widely recognised as the best-managed bank in Vietnam with its centralised risk management system. Among the bank's other competitive advantages are its expertise and dominant position in non-interest services such as international payments, foreign exchange trading and card services. Long term, Vietcombank aims to further enhance its retail banking activities along with traditional corporate services, promote competitive advantages to further improve operational efficiency and profitability, and enhance the contribution of non-interest income to total income.

After four years of flat profit growth due to aggressive provisioning to improve asset quality, 2015 became the start of the profit recovery cycle for Vietcombank. Net interest income improved by 28% year-on-year, driven by robust credit growth of 19.7% year-on-year and a 15bps improvement in NIM. Lending increased sharply, particularly to the retail sector, where it rose by 50% year-on-year, showing Vietcombank's intention to be among the leaders in retail banking.

While most of the banks suffered squeezed NIMs, Vietcombank was able to boost its NIM thanks to a low Loan-to-Deposit ratio ("LDR") of 78% and very high Current Account and Savings Account ("CASA") ratio of 29%. Despite offering the lowest deposit rates in the market, its strong and reliable brand name allowed Vietcombank to grow customer deposits by around 19%.

Vietcombank's fee based income also grew robustly, climbing 23.2% year-on-year thanks to 23% growth in settlement services and 20% growth in card and e-banking related services. Its income structure looks very sustainable with only 72% reliance on net interest income. All in all, total operating income increased by 23%. Despite massive on-going branch expansion to catch up with peers, Vietcombank controlled its cost-to-income ratio well at only 39%, among the lowest in the industry.

Regarding asset quality, Vietcombank has adhered to a very conservative approach towards NPLs with historically aggressive provisioning. During 2015, the bank's provisioning expense continued to increase quite strongly, rising by 33.7%, to keep the NPL ratio lower at 2.0% and Loan-loss-reserve-coverage ("LLR") sufficient at 104% with no significant swaps to Vietnam Asset Management Company ("VAMC").

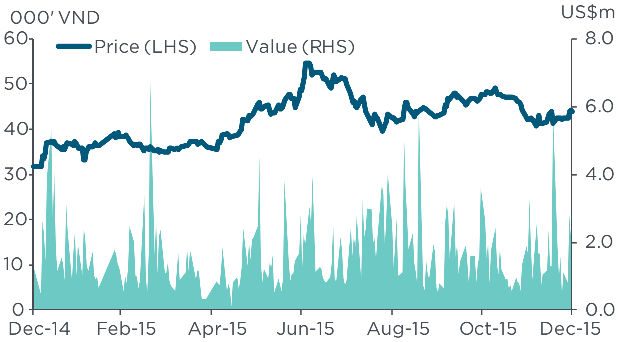
After several years of banking reform, signs of recovery in the sector are becoming clear. And we believe that Vietcombank is well prepared to be the first to return to strong growth. Vietcombank has inherited all the favorable drivers to foster its growth including (1) continuing NIM expansion; (2) slowing growth of provisioning expense; (3) healthy growth in fee-based income and (4) robust credit growth with more focus on retail lending.

At the end of 2015, Vietcombank was traded at a 2016 forward PBR of 2.1x. Investors have always been willing to pay a premium for Vietcombank over other banks thanks to its exceptional level of transparency and very conservative approach towards asset quality. The bank's priority for provisioning over earnings during the past four years has set a clear path for its recovery. In 2015, Vietcombank outperformed the VN Index, gaining 33.8%.

Market valuation	2015 total return*	% of net assets	Initial acquisition
US$38,301,642	33.78%	4.83%	7 February 2010

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

STOCK PRICE



Source: Dragon Capital, Bloomberg

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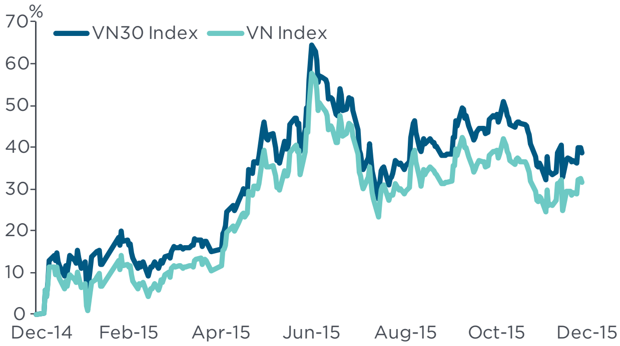


Source: Dragon Capital, Bloomberg

TOP TEN HOLDINGS

6. REE

REE is engaged in several lines of business, all of which are related to its core competencies of mechanical and electrical engineering. The company (Reetech) got its start assembling and selling air conditioners, which it still does today. It also undertakes mechanical and electrical construction, engages in office leasing, and invests in utilities such as power and water. The company was founded in 1977, privatised in 1993, and listed on HOSE in 2000. It is a big name in M&E construction, with lots of well-known projects such as the Vietnam National Assembly building, headquarters buildings for top banks in Vietnam, the Noi Bai International Airport, as well as many other projects.

Although its air conditioner business has not grown due to fierce competition from Japanese and Korean brands, that business maintains a stable net profit of VND 30bn every year. And after inheriting cheap land from its legacy as an SOE, REE built office buildings which generate significant cash flow. The company also invests in power and water purification plants as a way to diversify its activities.

In 2015, REE recorded VND 2,643bn in sales and VND 853bn in net profit (-20% year-on-year) with profit in office leasing and M&E rising 15% and 16% well respectively, while sales in air conditioners and utilities investment declined by 9% and 42% well respectively. The drop in REE's 2015 NPAT was mainly caused by its associate, PPC, which made a large loss provision for its investments and took a loss in foreign exchange translation due to the appreciation of the Japanese yen. The 2015 profit was attributable to the M&E segment and office leasing.

REE has invested US$225m, accounting for 42% of its total assets, in power companies (71% of its total investment), water companies (14%), real estate companies (8%) and coal companies (5%). The market value of REE's investment portfolio is 30% above its book value, and the portfolio returned 12% in 2014. The company continues expanding its investment portfolio in utilities with the acquisition of 25% of the 220MW Song Ba Ha hydro-power plant in late 2014 in order to benefit from the anticipated rise in the price of power. There was no new investment in 2015.

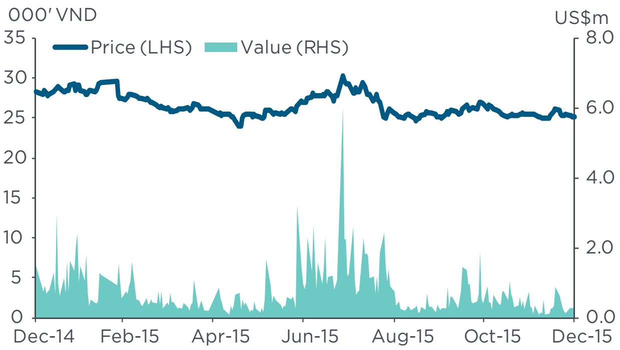
We forecast that the company's 2016 NPAT will grow around 5% given that only investment profit is expected to grow significantly from its low base of 2015. PPC will not have to book any loss provision and its depreciation expense will decline by over VND 300bn. REE signed US$88m worth of new projects which will support its earnings from M&E for the next three years, including M&E work for the headquarters tower of Vietinbank, a Sanofi factory, and several high-end commercial and apartment buildings in Ho Chi Minh City centre. Reetech continues to target 20% annual earnings growth, and investee companies will also have higher earnings, especially PPC as explained above.

REE is trading at an undemanding valuation with a 2016 PER of 7.0x, a PBR of 0.9x, and a dividend yield of 5.7%. Trading for less than its 2016F book value, the company's shares can be considered very cheap. Although 2016 growth is expected to be low, we are looking forward to 2017 when its new office building will be completed, adding 30% more to REE's leasing area.

Market valuation	2015 total return*	% of net assets	Initial acquisition
US$35,664,627	-10.14%	4.50%	1 July 1996

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

STOCK PRICE



Source: Dragon Capital, Bloomberg

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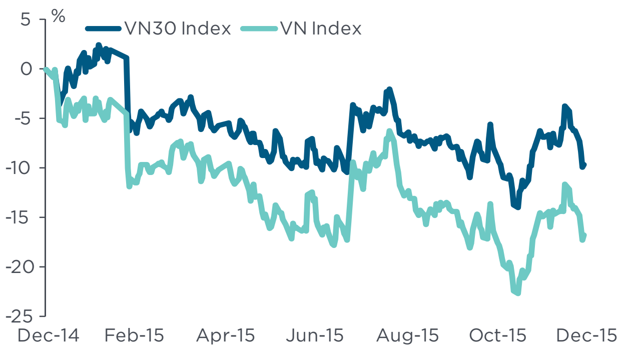


Source: Dragon Capital, Bloomberg

TOP TEN HOLDINGS
7. SSI

SSI is a premier brokerage company in Vietnam with market capitalisation of VND 10,600bn (nearly US$470m) and leads the industry in terms of market share, foreign institutional accounts, and branch networks. SSI also specialises in investment banking, asset management and treasury.

2015 witnessed another spectacular year for SSI, with its net profit increasing 14.4%, recording VND 852bn on revenue of VND 1,586bn, climbing 13.3% year-on-year. It is noteworthy that during 2015, most other brokerage firms reported declining profit due to lower market turnover, declining interest rate for margin lending, and VN Index remaining flat which resulted in unimpressive proprietary trading gains.

Despite 2015 being a relatively difficult year for Vietnam's market, SSI's customer and products development strategies yielded impressive results for its Brokerage Services segment which contributed 56% of the company's total revenue. The number of new accounts consistently grew over the last three years with 64% compound annual growth rate ("CAGR"). Remarkably, total new accounts reached 10,417 accounts in 2015, increasing 72% year-on-year despite 2014 being a record year in terms of new clients. With these successes, SSI firmly consolidated its #1 brokerage position in Vietnam with a 12.3% market share, increased from 1.2% in 2014. Margin lending, a supporting function for Brokerage Services also performed extremely well, with lending balance averaging VND 2,700bn per month, increasing 49% year-on-year. Despite falling interest rates, revenue from margin services amounted to VND 298bn, increasing 44% year-on-year. Besides Brokerage Services, Investment Banking segment had a big year with revenue increasing 115% year-on-year and recorded VND 65bn.

The Investment & Asset Management segment also contributed handsomely to SSI's revenue in 2015, recording VND 643bn, an increase of 13.3% year-on-year and which made up 38% of the company's revenue. Apart from a portion allocated to short-term investment, SSI's investment strategy focuses on sectors with long-term growth and bears minimal fluctuations from economic cycles, such as agriculture, fisheries, and consumers staples.

After four years of holdings, during 2015, SSI exited three major deals in Consumer and Agriculture including Bibica (BBC), Southern Seed Corporation (SSC), Lafooco (LAF) with total divestment value of more than VND 200bn, while reducing exposures in Binh Thanh Export-Import (GIL), Transimex (TMS) and Elcom (ELC). By the end of 2015, SSI retained three investments as associate companies, with total book value of VND 637bn, equivalent to 23% of total investment and 17% of the SSI's equity. SSI will continue its active investment strategy in these investments, nominating its people to participate in investees' Board of Directors and Supervisory Board to help these companies develop long term, achieve sustainable growth and enhance corporate value.

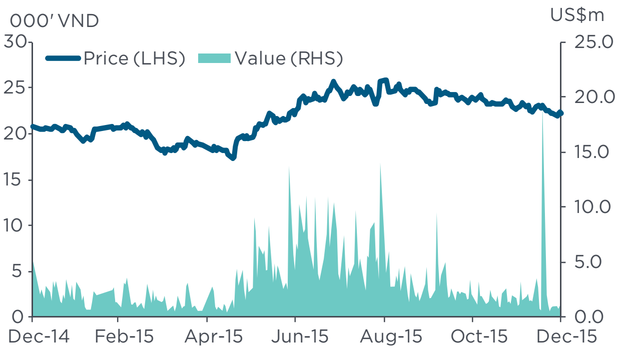
Looking forward, 2016 is expected to be a more challenging year for SSI with unstable international markets, however, it also offers tremendous opportunities for the company to ride on. On 6 March 2016, HNX and the Vietnam Securities Depository (VSD) announced details of a derivatives market development plan, according to which products will include index futures for equity and 5-year government bond. Pilot run is scheduled for September-October 2016, assessment would be in November, and the project will go live in December 2016. We strongly believe derivatives market will bring in substantial new income to SSI, and accelerate the company's quest to achieve another level in terms of both market share and products offering. We would like to note that with VND 6,730bn of shareholder's equity, SSI is unarguably the strongest brokerage firm in terms of capital base. Acceleration of SOEs equitisation will also open up opportunities for the Investment Banking segment as well as the company's Asset Management segment to invest in.

As at 31 December 2015, SSI was traded at VND 22,200 per share, equivalent to 2016 forward PER and PBR of 14.7x and 1.5x respectively. Although not strikingly cheap, we believe that SSI deserves a premium compared to its peers for its strong balance sheet, distinctive business model, and its growth prospect.

Market valuation	2015 total return*	% of net assets	Initial acquisition
US$30,741,700	1.32%	3.88%	22 December 2009

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

STOCK PRICE



Source: Dragon Capital, Bloomberg

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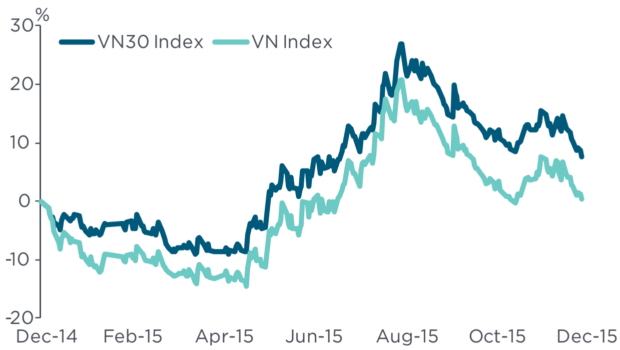

Source: Dragon Capital, Bloomberg

TOP TEN HOLDINGS

8. Military Bank

Established in 1994 with the initial purpose of supporting the military's business activities, Military Bank transformed itself eight years later into a financial institution providing services to almost all Vietnamese customer segments. The most notable milestone for the bank was its achievement of the number one ranking in operating profit and performance among joint stock commercial banks in Vietnam for the three consecutive years of 2012, 2013 and 2014. The bank completed its stock market listing in 2011 and maintains a nationwide network of over 250 branches and sub-branches with on-going expansion plans for wider coverage. It currently employs 7,800 people.

In 2015, Military Bank succeeded in raising its charter capital by 38% to VND 16,000trn, mostly thanks to a private placement to the SCIC. This huge capital injection helped boost its capital adequacy ratio to over 13%, sufficient to lay the foundation for growth for the coming years. Currently, the bank's ownership structure is strong and supportive with 35.3% owned by military-related parties. The biggest shareholder is Viettel, which holds 15% of the bank. Having Viettel as a strategic partner benefits the bank in many ways, among them by giving it a solid base from which to develop its technology platform for retail banking. Thanks to the technology support and cooperation from Viettel, Military Bank launched Bankplus – a mobile banking initiative – on 23 December 2014. This product taps a massive number of Vietnamese users, especially in the rural areas, who do not have a bank account.

For 2015, Military Bank posted flat growth of 1.5% year-on-year due to aggressive provisioning similar to what it has been applying for the past several years. Despite being impacted by a squeeze in NIM, net interest income increased by 2.5% on strong credit growth of 20.7% year-on-year, showing a recovery in the credit cycle after two years of sub-20% credit growth. Such robust credit growth is driven by a greater focus on retail lending (+52% year-on-year) while lending to SOEs was more or less flat, increasing by only 4.2%. This trend signaled a positive change in directing the customer mix towards a more commercial and sustainable segment.

Although NIM was squeezed in 2015, it was still relatively high compared to other banks at 3.5% thanks to an increasing LDR and the highest CASA among banks in Vietnam. Customer deposit growth, on the other hand, was reported at only 8.3% year-on-year. This is intentional on the part of the bank in order to increase its LDR to 66.8% (vs. only 60% in 2014) in order to best manage NIM.

The bank's fee-based income also grew strongly at 22% year-on-year thanks to its strength in both guarantee service (+24% year-on-year) and settlement service (+20% year-on-year). Military Bank's income structure looks sustainable and diversified with net interest income making up 76% of total operating income, lower than that of peers. Other income also increased by 53.5% year-on-year, coming from the recovery of written off bad debts, a common trend this year for those banks that were aggressive in writing off bad debts in the past. All in all, total operating income improved by 10.8% year-on-year.

The bank is widely known for its conservative approach towards asset quality by aggressively writing off bad debts and provisioning heavily. It has held its NPL ratio low at 1.6% with no significant swap to VAMC. Loan-loss-reserve coverage, as a result, stood at 101%, improving from 86% in 2014.

At the end of 2015, Military Bank was traded at a 2016 forward PBR of 1.0x, the cheapest among Vietnamese listed banks. We believe that given its sustainable core earnings and a conservative approach towards asset quality, together with support from a strong and cooperative strategic partner, Military Bank's long-term growth is well founded. This should eventually lead to a re-rating of the stock, which in 2015 outperformed the VN Index, gaining 12.8%.

Market valuation	2015 total return*	% of net assets	Initial acquisition
US$28,137,343	12.79%	3.55%	2 November 2011

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

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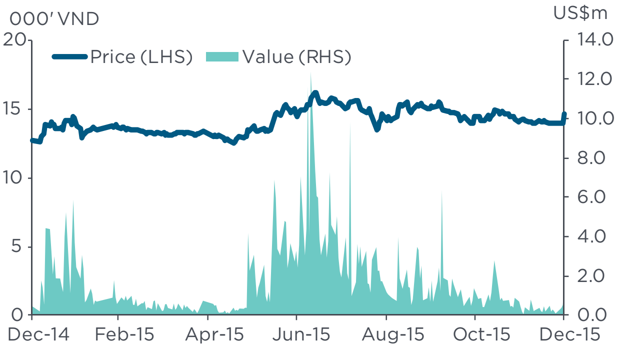

Source: Dragon Capital, Bloomberg

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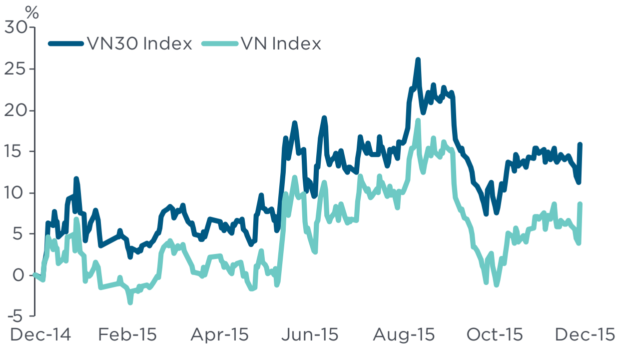


Source: Dragon Capital, Bloomberg

TOP TEN HOLDINGS
9. Khang Dien House

KHANG ĐIỀN
Nơi đặt niềm tin - Nơi xây tổ ấm

Khang Dien House is a large-scale property developer in Vietnam with a land bank of more than 800ha in Ho Chi Minh City. The company is engaged in developing affordable townhouses in areas with the most rapidly developing infrastructure. In the last two years, Khang Dien House's townhouse product in District 9 of HCMC has become renowned under its Mega brand name.

In 2015, revenue grew 69% year-on-year and gross margin expanded from 15% in 2014 to 32% in 2015 thanks to rapid sales and progress in handing over townhouses from its Mega series. The company delivered and booked sales on 360 units (+42% year-on-year), mostly from Mega Ruby and Mega Village. The company was also able to increase selling prices steadily throughout the year thanks to rising demand for homes in District 9.

Besides earnings from development activities, Khang Dien House also had significant income from divestments, as well as asset revaluation. In the first half of 2015, the company acquired a 40% stake in the Lien Lap project but failed to acquire a controlling stake. As a result, Khang Dien House recognised VND 40bn of profit on the deal. Khang Dien House also acquired Eden project at a price under its fair value, incurring a negative goodwill of VND 43bn, which was subsequently recorded as profit. NPAT surged 156%, driven by the aforementioned strong revenue growth, gross margin expansion and significant one-off income from asset divestment and investment revaluation.

The company also successfully increased its charter capital from VND 750bn to VND 1,800bn via private placement in the first quarter of 2015 and a rights issue in the fourth quarter of 2015. The financial position at the end of the year was healthy, with a DER of 0.8x vs. the sector average of 1.2x.

Looking forward, for 2016, affordable townhouses will continue to be the profit driver. Khang Dien House should be able to book profit from the remaining of Mega Village, Melosa Garden (a townhouse product with a new brand name after the Mega series), and Venica (luxury villas). Veronica could be the first test of Khang Dien House to penetrate the luxury segment. The project has only 43 villas in a very convenient location with established surrounding infrastructure. We expect it will sell out soon.

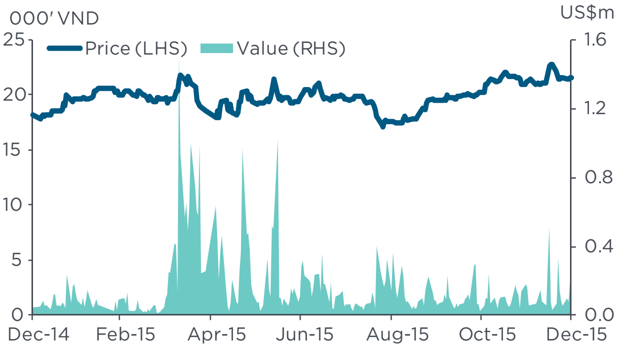
The company's gross margin should improve slightly to 35% in 2016 thanks to higher selling prices. Further, we estimate net earnings to grow at 75% to VND 448bn, translating to EPS of VND 2,544 per share (+30% year-on-year). With this forecast, Khang Dien House is trading at a forward PER of 8.6x.

As at 31 December 2015, Khang Dien House was traded at VND 21,600 per share. We have performed valuation for Khang Dien House based on an asset revaluation method, applying the DCF model for projects within the three-year pipeline and market price revaluation for other projects recorded in its inventory. Our revalued net asset valuation ("RNAV") for Khang Dien House is now VND 26,700 per share, implying 21% upside potential.

Market valuation	2015 total return*	% of net assets	Initial acquisition
US$27,006,391	16.78%	3.41%	19 November 2013

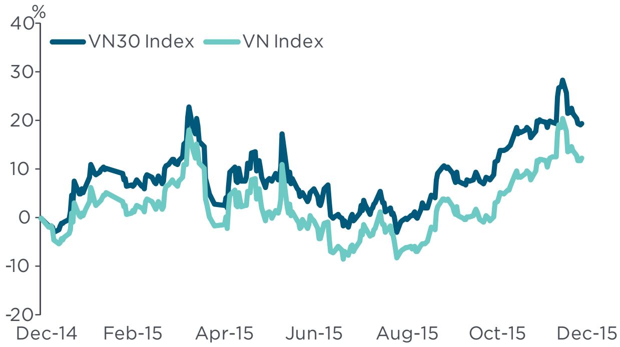
* Source: Bloompberg (total return in US$ terms in respective index)

STOCK PRICE



Source: Dragon Capital, Bloomberg

PRICE RELATIVE



Source: Dragon Capital, Bloomberg

TOP TEN HOLDINGS

10. Kinh Bac City

LEADING WITH SAIGON INVEST GROUP

Kinh Bac City, the largest listed industrial park ("IP") developer in Vietnam, continued its turn-around in 2015, delivering outstanding business results while continuing to restructure its debt portfolio. The business results were unfortunately not matched by the company's share performance: The stock fell 16% in 2015 due to a rumour regarding its chairman which ultimately proved to be untrue.

On the operations side, the company's industrial park leasing grew 12% in 2015. Trang Due IP, which has the key advantage of having a tax exemption for being part of Dinh Vu Economic Zone, continued to be the star performer, contributing 44ha, equivalent to 52% of total leased area. After the completion of Trang Due phase 1 in 2014, Kinh Bac City managed to clear over 90% of the 214ha IP land in Phase 2 in just 12 months. At the rate leasing is progressing, we estimate that this phase will fill up within the next three years. In preparation for the completion of Phase 2, the company has already obtained the rights to develop Phase 3 of Trang Due IP, which would cover a total area of 800ha.

Que Vo and Tan Phu Trung IPs continued to perform solidly, together accounting for 46% of total leased area in 2015. Que Vo, which was Kinh Bac City's first and flagship IP, has been stable for a number of years. For the last three years, the IP was able to lease out 15 to 20ha per year. Meanwhile, Tan Phu Trung is one of the company's recent success stories. This IP saw a change in management in 2014 which kick-started the flagging operation. In 2015, Tan Phu Trung IP delivered 24ha of leases, up 34% year-on-year.

Quang Chau IP, on the other hand, remained a disappointment, failing to capture any notable business for the second year running. This IP was negotiating with two major clients for two leases of up to 120ha for most of the year. However, it was clear by the end of the third quarter of 2015 that neither would go through.

2015 also saw the completion of the Hanoi-Hai Phong expressway which brought hope to the Trang Cat project, one of the company's biggest non-operating assets. As the project is situated on both sides of the expressway, Kinh Bac City invested VND 100bn in 2015 to build a tunnel that connected the two sides. With the majority of the land clearance here having been done and the main infrastructure completed, the company is now actively looking for a partner to develop this 600ha urban township.

Also of note were the company's divestments of SGI-Laos Hydropower and Saigon-Binh Dinh Energy, which brought in over VND 300bn in financial income. For the last five years, the company has managed to shrink its financial investment portfolio from nearly VND 3.6trn to just VND 892bn. This demonstrated its commitment in the post-crisis era to focus on its core business of IP leasing.

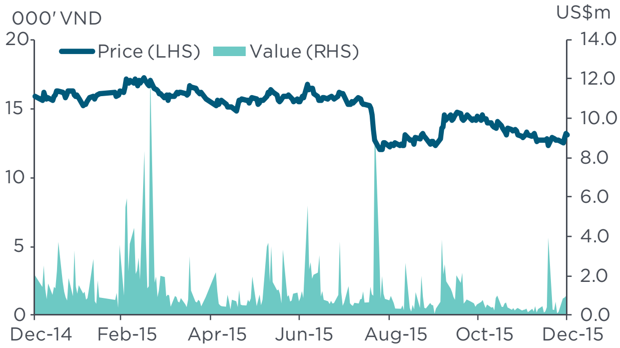
For the year, Kinh Bac City posted revenue of VND 1,458bn and NPAT of VND 628bn, up 36% and 93% year-on-year. The tremendous growth in NPAT, as we have detailed above, was driven by (1) growth in IP leasing, (2) financial gains from divestment and (3) reduction in financial expense. Looking forward to 2016, we believe Kinh Bac City is in a good position to deliver even better results. We forecast revenue to grow 93% to VND 2,242bn and NPAT to grow by 3% to VND 648bn.

At the price of VND 13,100 per share, Kinh Bac City is trading at a 2016 PER of 9.5x, but at a PBR of only 0.8x. Our RNAV of the company's assets stands at VND 17,700 per share, which gives the stock 35% upside potential. As mentioned, the company's share price took a nosedive in 2015 due to a rumour regarding its chairman. In a year that saw the arrests of several high-profile CEOs of listed companies, the market was particularly sensitive to such a rumour. Since then, institutional investors have slowly been returning to Kinh Bac City and with our expectations for its performance in 2016, we believe the company's shares will once again outperform the market.

Market valuation	2015 total return*	% of net assets	Initial acquisition
US$22,341,133	-21.66%	2.82%	9 March 2010

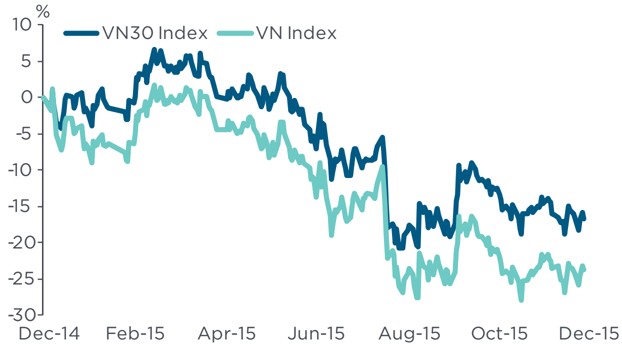
* Source: Bloompberg (total return in US$ terms in respective index)

STOCK PRICE



Source: Dragon Capital, Bloomberg

PRICE RELATIVE



Source: Dragon Capital, Bloomberg

GOVERNANCE

COMPLIANCE

Vietnam Enterprise Investments Limited (the "Company") is committed to high standards of corporate governance. The Board is responsible for ensuring the appropriate level of corporate governance and will continue to work towards complying with the provisions of appropriate codes that it views most appropriate to the Company and its unique operational environment.

ROLE OF THE BOARD

The management agreement between the Company and the Investment Manager sets out the matters over which the Investment Manager has authority. This includes management of the Company's assets and the provision of accounting, company secretarial, administration and marketing services. All other matters are reserved for the approval of the Board, including the determination and monitoring of the Company's investment objectives and policy and its future strategic direction, management of the capital structure, appointment and removal of third party service providers, review of key investment and financial data and the Company's corporate governance and risk control arrangements.

The Board meets at least semi-annually and additional meetings are arranged as necessary. Full and timely information is provided to the Board to enable it to function effectively and to allow Directors to discharge their responsibilities. Directors may take independent professional advice if necessary and at the Company's expense. This is in addition to the access that every Director has to the advice and services of the Company Secretary which is responsible to the Board for ensuring that applicable rules and regulations are complied with and that Board procedures are followed.

BOARD COMPOSITION

As at 31 December 2015, the Board consists of four independent non-executive Directors, all of whom are independent of the Company's Investment Manager, including the Chairman, one non-independent non-executive Director and one non-independent Director appointed by the Investment Manager. On 26 January 2016, one independent non-executive Director and one non-independent non-executive Director resigned and two independent non-executive Directors were appointed.

The independent non-executive Directors have a breadth of investment, business and financial skills and experience relevant to the Company's business and brief biographical details on each Director are set out on pages 67 to 68. The current Board is deemed to comply with the guidelines determined, and reflecting the skills and requirements considered necessary to carry the Company forward.

TENURE

Independent and non-independent non-executive Directors are initially appointed until the following annual general meeting ("AGM") when, under the Company's Memorandum and Articles of Association (the "Articles"), it is required that they be elected by shareholders. Thereafter they may stand for re-election on an annual basis. The non-independent Director may stand for re-election on an annual basis, too, even though the Articles do not explicitly require this. The Board does not believe that length of service itself necessarily disqualifies a Director from seeking re-election but, when making a recommendation, the Board will take into account the ongoing requirements of the Company, including the need to refresh the Board.

To deal with audit and valuation issues as well as with conflicts and compliance issues, the Company has appointed an Audit Committee for these purposes. To deal with the appointment and remuneration of directors, the Company has appointed a Nomination and Remuneration Committee. The Investment Manager routinely reports to these Committees. As at the year end, there were no issues of substance.

MANAGEMENT

The Board considers the arrangements for the provision of investment management and other services to the Company on an ongoing basis. As part of this review, the Board considered the quality and continuity of the personnel assigned to handle the Company's affairs, the investment process and the results achieved to date. The Directors believe that the Investment Manager has the resources and ability to deliver the results which they seek. In addition, the Directors have expressed their satisfaction with the quality of the administrative and other services provided by the Administrator and Custodian.

RISK MANAGEMENT AND INTERNAL CONTROL

The key risks facing the Company are disclosed in Note 17 to the consolidated financial statements. These risks are monitored as part of the normal oversight process. Risk management and the operation of the internal control systems within the Company are primarily the responsibility of the Investment Manager, who operates under commercial independence with flexibility to ensure that risks are clearly managed and that systems of control operate effectively. The Investment Manager monitors activities on a daily basis and ensures that the appropriate controls are exercised over the Company's assets. The systems of internal control operated by the Company are designed to manage rather than eliminate risk of failure in achieving its objectives, and will only provide reasonable and not absolute assurance against material misstatement or loss.

RELATIONS WITH SHAREHOLDERS

The Board regularly monitors the shareholder profile of the Company. It aims to provide shareholders with a full understanding of the Company's activities and performance and reports formally to shareholders once a year by way of the annual report. This is supplemented by weekly and monthly reports of the NAV of the Company's shares. During the year, the Investment Manager holds regular discussions with larger shareholders. The Directors are made fully aware of their views. The Chairman and Directors make themselves available as and when required to address shareholder queries. The Company's annual report is published in time to give shareholders generous notice of the AGM. Shareholders wishing to raise questions in advance of the meeting are encouraged to write to the Company Administrator at the address shown on page 66.

RESPONSIBLE INVESTMENT

Dragon Capital Group ("DC Group") has a long-standing commitment to responsible investment. We recognise that environmental, social and governance ("ESG") issues can influence investment risk and thus portfolio performance. DC Group therefore seeks to optimise risk-adjusted performance by integrating ESG considerations into our investment process.

With investing activities that are centred principally on Vietnam, and extend to other Asian frontier markets, DC Group acknowledges that its operations have inherent ESG risks. These stem from economies with large natural resource sectors and extensive agribusiness exports, and from conglomerate corporate structures that exist in a nascent governance environment.

ESG policy and ESG management system procedure

In 2015, DC Group upgraded its ESG Policy and developed a new ESG Management System ("ESGM") for public equity. The ESGM has been a joint effort of IFC's ESG team and DC Group's colleagues across research and investment departments.

The purpose of our ESG policy is to ensure that the assets managed by DC Group are not placed in companies that violate locally and internationally-recognised norms for labour practices, health and safety standards, pollution avoidance, large-scale physical resettlement, commercial logging in primary moist forests, harvesting of wild fish populations, and impacts on indigenous peoples and cultural heritage.

DC Group's ESGM approach engages investees on identified risks and allows investees to address their ESG issues and improve performance to meet DC Group's standards and ESG commitments. Investee companies must meet DC Group's requirements, as outlined in its ESG Policy. All potential investee companies are first pre-screened on their suitability against the IFC Exclusion List extended by additional "no-go" activities, the national E&S laws and regulations, and the objectives of the IFC Performance Standards ("Performance Standards").

If the proposed investment is deemed eligible, the ESGM will screen it to establish the environmental and social performance of the investee company using a checklist aligned to the Performance Standards. An inherent E&S risk category, and managed risk ratings, will be assigned to each investee company, reflecting the evidence available to establish the extent to which the requirements of the national laws and IFC Performance Standards requirements are met. The purpose of assessing the managed risk is to enable DC Group to make informed decisions about investing in new projects, and management of the portfolio. For corporate governance, DC Group has adopted the Vietnam Corporate Governance Scorecard to assess the investee's governance practices and to identify opportunities for systematic improvement.

Monitoring is an integral part of DC Group's ESG risk management process. The purpose of monitoring an investee's ESG performance is to assess existing and emerging ESG risks associated with the investee's operations, and to identify opportunities to reduce risk and improve ESG performance during the duration of investment transactions.

Fully integrated approach

At the core of DC Group's ESGM lies the systematic management of ESG risks throughout the investment appraisal and management processes. The ESG risk management framework is integrated into DC Group's overall organisational structure, planning activities, responsibilities, practices, procedures, processes and resources. Responsibility for incorporating ESG risks into investment decisions is embedded across the research platform.

The responsible investment strategy and activities are overseen by the ESG core team, which comprises a cross-section of DC Group's senior directors. DC Group's dedicated ESG core team will support analysts through access to additional ESG-related information, analysis and training, and enhancements to processes and documentation, as appropriate. External consultants may be retained.

Our clients are top global institutions who require the highest ESG standards. We greatly value these relationships as they have driven growth in the past and will continue to be our focus for the future.

DC Group's ESG Policy is available on our website:
http://www.dragoncapital.com/media/218542/DC Group_esg_policy_march_2016.pdf

VOTING POLICY

Proxy voting is an important part of the corporate governance process, and we view seriously our obligation to manage the voting rights of the shares in investee companies as we would manage any other asset. Consequently, votes are cast both diligently and prudently, based on our reasonable judgment of what will best serve the financial considerations of the Company. So far as is practicable, we vote at all of the meetings called by companies in which we are invested. In order to do this, we agree our stance on a variety of key corporate governance issues, including disclosure and transparency, board composition, committee structure, director independence, auditor rotation and social and environmental issues. These guidelines form the basis of our proxy voting decisions, although they are equally cast on a case-by-case basis, taking into account the individual circumstances of each vote.

ANNUAL GENERAL MEETING SUMMARY

14 December 2015
Ordinary resolutions

1) To receive and adopt the audited financial statements for the year ended 31 December 2014 together with the auditor's and Directors' reports thereon;
2) To re-appoint KPMG Ltd of Vietnam as auditor of the Company for the ensuing year at a fee to be agreed by the Directors;
3) To elect Gordon Lawson as a Director of the Company;
4) To elect Susan Rippingall as a Director of the Company;
5) To re-elect Wolfgang Bertelsmeier as a Director of the Company;
6) To re-elect Derek Eu-Tse Loh as a Director of the Company;
7) To re-elect Farida Khambata as a Director of the Company; and
8) To re-elect Dominic Scriven as a Director of the Company;

Special resolutions

a) The Company be authorised to merge (the "Merger") with Vietnam Growth Fund Limited ("VGF"), an exempted company incorporated under the laws of the Cayman Islands, so that the Company will be the surviving company and all the undertaking, property and liabilities of VGF vest in the Company by virtue of such merger pursuant to the provisions of the Companies Law (as amended) (the "Companies Law");

b) The draft Plan of Merger in the form annexed hereto and approved by resolution of the directors of the Company on 12 November 2015 (the "Plan of Merger"), be approved and confirmed in all respects and any director of the Company be authorised to finalise the Plan of Merger upon determination of the net asset value of the Company and of VGF on or about 17 December 2015;

c) The Company be authorised to enter into the Plan of Merger;

d) All holders of outstanding security interests granted by the Company immediately prior to the Effective Date having consented to the Merger, the Plan of Merger be executed by any one Director on behalf of the Company and any Director be authorised to submit the Plan of Merger, together with any supporting documentation, for registration to the Registrar of Companies of the Cayman Islands; and

e) All actions taken and any documents or agreements executed, signed or delivered prior to or after the date of these Resolutions by any Director or officer of the Company in connection with the transactions contemplated by these resolutions be approved, ratified and confirmed in all respects.

All ordinary and special resolutions were passed by the required majority on a poll vote.

REPORT OF THE BOARD OF DIRECTORS

The Directors of Vietnam Enterprise Investments Limited (the "Company") present their report and the audited financial statements of the Company for the year ended 31 December 2015.

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 shares of the Company are listed on the Irish Stock Exchange. The principal activity of the Company is investing directly or indirectly in a diversified portfolio of listed and unlisted securities in Vietnam.

RESULTS AND DIVIDENDS

The Company's profit for the year ended 31 December 2015 and its financial position at that date are set out in the attached financial statements. The Directors have taken the decision not to pay a dividend in respect of the year ended 31 December 2015 (2014: Nil).

SHARE CAPITAL

Details of movements in the Company's share capital during the year are set out in the statement of changes in equity and in Note 12 to the financial statements. The Company had 220,920,746 Redeemable Shares and 1,000 Management Shares outstanding as at 31 December 2015 (31 December 2014: 150,910,053 Redeemable Shares and 1,000 Management Shares).

DIRECTORS

The Directors of the Company during the year were:

Non-executive Directors:	*Independent non-executive Directors:*	
Dominic Scriven	Wolfgang Bertelsmeier	Marc Faber (since 26 January 2016)
Farida Khambata (until 26 January 2016)	Derek Eu-Tse Loh	Stanley Chou (since 26 January 2016)
	Gordon Lawson	Susie Rippingall (until 26 January 2016)

In accordance with Article 91 of the Company's Memorandum and Articles of Association (the "Articles"), the Independent and Non-independent Non-executive Directors are required to submit themselves for re-election at the next occurring Annual General Meeting ("AGM"). Wolfgang Bertelsmeier, Derek Eu-Tse Loh, Susie Rippingall, Gordon Lawson and Farida Khambata were duly re-appointed at the AGM held on 14 December 2015 following the expiry of their respective term. Dominic Scriven also submitted himself for re-election, even though the Articles did not explicitly require him to stand for election, and was duly re-appointed. Susie Rippingall and Farida Khambata decided to stand down after the AGM on 14 December 2015. Marc Faber and Stanley Chou have been newly appointed as the Independent Non-executive Directors from 26 January 2016.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the Company a party to any arrangement to enable the Company's Directors or their respective spouses 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 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 31 December 2015, Dragon Capital Markets Limited beneficially held 7,177,433 Redeemable Shares of the Company for investment and proprietary trading purposes (31 December 2014: 1,911,915 Redeemable Shares).

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

DIRECTORS' INTERESTS IN CONTRACTS

Dominic Scriven has indirect interests in the investment management agreement between the Company and Enterprise Investment Management Limited where he is a Director. 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 year or at any time during the year.

REPORT OF THE BOARD OF DIRECTORS (CONTINUED)

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2015, 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
Citivic Nominees Limited	186,795,757	84.55%
Clearstream Banking S.A.	34,114,988	15.44%

SUBSEQUENT EVENTS

Details of the significant subsequent events of the Company are set out in Note 19 to the financial statements.

AUDITOR

KPMG Limited, Vietnam

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of Directors is responsible for ensuring that the financial statements of the Company are properly drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2015 and of its financial performance and its cash flows for the year then ended. When preparing these 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 ("IFRSs") or, if there have been any departures in the interest of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements;
- Maintain adequate accounting records and an effective system of internal controls;
- Prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Company will continue its operations in the foreseeable future; and
- Control and direct effectively the Company in all material decisions affecting its operations and performance and ascertain that such decisions and/or instructions have been properly reflected in the financial statements.

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

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

APPROVAL OF THE FINANCIAL STATEMENTS

The Board of Directors hereby approves the accompanying financial statements which give a true and fair view of the financial position of the Company as of 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with IFRSs.

By Order of the Board

Dominic Scriven, OBE
Director
Vietnam Enterprise Investments Limited
4 May 2016

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The Socialist Republic of Vietnam

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INDEPENDENT AUDITORS' REPORT

To the Shareholders
Vietnam Enterprise Investments Limited

We have audited the accompanying financial statements of Vietnam Enterprise Investments Limited ("the Company"), which comprise the statement of financial position as at 31 December 2015, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information, as set out on pages 31 to 65.

Management's Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal controls as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

KPMG Limited
KPMG Limited
Ho Chi Minh City, Vietnam
4 May 2016

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VIETNAM ENTERPRISE INVESTMENTS LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	Note	31 December 2015 US$	31 December 2014 US$ (Restated)	Change in %
CURRENT ASSETS				
Financial assets at fair value through profit or loss	7	804,732,800	513,033,764	
Other receivables		346,223	136,449	
Cash and cash equivalents	8	15,174,526	2,778,365	
		820,253,549	515,948,578	58.98
CURRENT LIABILITIES				
Borrowings	9	20,000,000	-	
Accounts payable and accruals	10	1,536,018	1,366,603	
Balances due to brokers	11	6,064,653	1,619,612	
		27,600,671	2,986,215	924.27
NET ASSETS		**792,652,878**	**512,962,363**	**54.52**
EQUITY				
Issued share capital	12	2,209,217	1,509,110	
Share premium	12	563,283,425	306,547,207	
Retained earnings		227,160,236	204,906,046	
TOTAL EQUITY		**792,652,878**	**512,962,363**	**54.52**
NUMBER OF REDEEMABLE SHARES IN ISSUE	13	**220,920,746**	**150,910,053**	
NET ASSET VALUE PER REDEEMABLE SHARE	13	**3.59**	**3.40**	**5.59**

Approved by the Board of Directors on 4 May 2016.

Dominic Scriven, OBE
Director
Vietnam Enterprise Investments Limited

The accompanying notes are an integral part of these financial statements

VIETNAM ENTERPRISE INVESTMENTS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2015

	Note	2015 US$	2014 US$ (Restated)
INCOME			
Bank interest income		101,805	146,247
Dividend income		6,925,393	6,073,569
Net changes in fair value of financial assets at fair value through profit or loss	7	(5,794,940)	13,066,459
Gains on disposals of investments		33,581,701	40,890,994
Other income		9,444	674,177
TOTAL INCOME		**34,823,403**	**60,851,446**
EXPENSES			
Administration fees	14	(460,545)	(461,497)
Custodian fees	14	(347,585)	(389,335)
Directors' fees	14	(155,000)	(129,167)
Management fees	14	(10,319,816)	(10,485,290)
Withholding taxes		(5,838)	(7,494)
Legal and professional fees		(296,649)	(140,379)
Other operating expenses		(650,184)	(221,540)
TOTAL EXPENSES		**(12,235,617)**	**(11,834,702)**
NET PROFIT BEFORE EXCHANGE LOSSES		**22,587,786**	**49,016,744**
EXCHANGE LOSSES			
Net foreign exchange losses		(333,596)	(120,062)
PROFIT BEFORE TAX		**22,254,190**	**48,896,682**
Income tax	15	-	-
NET PROFIT AFTER TAX FOR THE YEAR		**22,254,190**	**48,896,682**
OTHER COMPREHENSIVE INCOME FOR THE YEAR		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**22,254,190**	**48,896,682**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO REDEEMABLE SHAREHOLDERS		**22,254,190**	**48,896,682**
BASIC EARNINGS PER REDEEMABLE SHARE	16	**0.15**	**0.32**

The accompanying notes are an integral part of these financial statements

VIETNAM ENTERPRISE INVESTMENTS LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2015

	Issued share capital US$	Share premium US$	Retained earnings US$	Total US$
Balance at 1 January 2014	1,542,950	315,985,235	156,009,364	473,537,549
Total comprehensive income for the year:	-	-	48,896,682	48,896,682
Net profit for the year				
Transactions with shareholders, recognised directly in equity:				
Repurchase of Redeemable Shares	(33,840)	(9,438,028)	-	(9,471,868)
Balance at 1 January 2015	1,509,110	306,547,207	204,906,046	512,962,363
Total comprehensive income for the year:				
Net profit for the year	-	-	22,254,190	22,254,190
Transactions with shareholders, recognised directly in equity:				
Issuance of Redeemable Shares as a result of the Merger (Note 6)	775,981	277,950,958	-	278,726,939
Repurchase of Redeemable Shares	(75,874)	(21,214,740)	-	(21,290,614)
Balance at 31 December 2015	**2,209,217**	**563,283,425**	**227,160,236**	**792,652,878**

The accompanying notes are an integral part of these financial statements

VIETNAM ENTERPRISE INVESTMENTS LIMITED
STATEMENT OF CASH FLOWS
For the year ended 31 December 2015

	Note	2015 US$	2014 US$ (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		22,254,190	48,896,682
Adjustments for:			
Bank interest income		(101,805)	(146,247)
Dividend income		(6,925,393)	(6,073,569)
Net changes in fair value of financial assets at fair value through profit or loss		5,794,940	(13,066,459)
Gains on disposals of investments		(33,581,701)	(40,890,994)
		(12,559,769)	(11,280,587)
Cash injection into subsidiaries carried at fair value		(14,302,551)	(12,386,079)
Changes in other receivables		-	1,788,564
Changes in balances due to brokers and accounts payable and accruals		4,677,529	201,195
		(22,184,791)	(21,676,907)
Proceeds from disposals of investments		122,985,058	101,141,844
Purchases of investments		(93,642,076)	(103,058,849)
Bank interest income received		101,805	150,585
Dividends received		6,715,619	6,467,769
Net cash generated from/(used in) operating activities		**13,975,615**	**(16,975,558)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowings		20,000,000	-
Repurchase of Redeemable Shares		(21,579,454)	(11,648,028)
Net cash used in financing activities		**(1,579,454)**	**(11,648,028)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**12,396,161**	**(28,623,586)**
Cash and cash equivalents at the beginning of the year		2,778,365	31,401,951
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	8	**15,174,526**	**2,778,365**

	2015 US$	2014 US$
NON – CASH FINANCING ACTIVITIES		
Repurchase of Redeemable Shares through incurrence of liabilities	-	288,840

The accompanying notes are an integral part of these financial statements

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

1. THE COMPANY

Vietnam Enterprise Investments Limited (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 Company's Redeemable Shares are listed on the Irish Stock Exchange. The Company is established for an unlimited duration. Refer to Note 19 for subsequent events.

Following the result of the Company's annual general meeting ("AGM") dated 14 December 2015, the Company was authorised to merge with Vietnam Growth Fund Limited ("VGF"), an exempted company incorporated under the laws of the Cayman Islands, so that the Company will be the surviving company and all the undertaking, property and liabilities of VGF vest in the Company by virtue of such merger pursuant to the provisions of the Companies Law (as amended) (the "Companies Law") (the "Merger"). The Company's shareholders also passed a special resolution to approve the Plan of Merger as proposed by the Directors at the AGM.

According to this Plan of Merger, the Merger takes effect on 31 December 2015 (the "Effective Date"). Thereof, at Effective Date, each Ordinary Share of VGF issued and outstanding immediately prior to the Effective Date is converted into and exchanged for a number of validly issued, fully paid and non-assessable redeemable shares of the Company (the "Exchange Ratio") and the Management Shares of VGF issued and outstanding immediately prior to the Effective Date would be cancelled for no consideration. The Exchange Ratio is determined based on the net asset value of the Company and VGF on 17 December 2015 (the "Final NAV Date"), being the last valuation date on which the Plan of Merger is registered with the Registrar of Companies in the Cayman Islands (the "Registrar"). Upon the Merger becoming effective, the separate corporate existence of VGF shall cease and the Company shall continue as the surviving company within the meaning of the Companies Law.

On 14 December 2015, the shareholders of VGF also approved the Merger at VGF's AGM.

On 31 December 2015, the Plan of Merger was successfully registered with the Registrar and the Merger took effect. Thereof, 11,981,985 Ordinary Shares of VGF were converted into and exchanged for 77,598,114 newly issued Redeemable Shares of the Company at the Exchange Ratio of 1:6.4762320.

1. THE COMPANY (CONTINUED)

As a result of the Merger, the Company had the following investments in subsidiaries and joint operation as at 31 December 2015, for the purpose of investment holding:

Subsidiaries and joint operation	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%
Amersham Industries Limited	British Virgin Islands	Investment holding	100%
Balestrand Limited	British Virgin Islands	Investment holding	100%

As at 31 December 2015 and 31 December 2014, the Company had no employees.

2. BASIS OF PREPARATION

(a) Statement of compliance

The Company's financial statements as at and for the year ended 31 December 2015 have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for financial instruments classified as financial assets at fair value through profit or loss which are measured at fair value. The methods used to measure fair values are described in Note 4(d)(iii).

(c) Functional and presentation currency

The financial statements are presented in United States Dollar ("US$"), which is the Company's functional currency.

(d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have significant effect on the amounts recognised in the financial statements are discussed as follows:

Assessment as investment entity

Entities that meet the definition of an investment entity within IFRS 10 - ***Consolidated Financial Statements*** are required to account for investments in controlled entities, as well as investments in associates and joint ventures, at fair value through profit and loss. Subsidiaries that provide investment related services or engage in permitted investment related activities with investees continue to be consolidated unless they are also investment entities.

2. BASIS OF PREPARATION (CONTINUED)

The criteria which define an investment entity are currently as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Board of Directors has made an assessment and concluded that the Company meets the above listed criteria of an investment entity. The investment objective of the Company is to provide shareholders with attractive capital returns by investing directly or indirectly through its subsidiaries in a diversified portfolio of listed and unlisted securities in Vietnam. The Company has always measured its investment portfolio at fair value. The exit strategy for all investments held by the Company and its subsidiaries is assessed regularly, documented and submitted to the Investment Committee for approval.

The Company also meets the additional characteristics of an investment entity, in that it has more than one investment; the investments are predominantly in the form of equities and similar securities; it has more than one investor and its investors are not related parties. The Board has concluded that the Company therefore meets the definition of an investment entity. These conclusions will be reassessed on an annual basis for changes in any of these criteria or characteristics.

Fair value of financial instruments

The most significant estimates relate to the fair valuation of each subsidiary and the fair valuation of financial instruments with significant unobservable inputs in their underlying investment portfolio.

The Board has assessed the fair valuation of each subsidiary to be equal to its net asset value at the reporting date, and the primary constituent of net asset value across subsidiaries is their underlying portfolio investment.

Within the underlying investment portfolio, the fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Board uses its judgments to select a variety of valuation methods and make assumptions that are mainly based on market conditions existing at each reporting date.

Impairment of receivables

The Directors determine the provision for impairment of receivables on a regular basis. This estimate is based on the Directors' review of each individual account balance taking into account the credit history of the debtors and prevailing market conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future period affected.

3. CHANGES IN ACCOUNTING POLICIES

The Company has adopted ***Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)*** (2012) (the "Amendments") issued by the International Accounting Standard Board in October 2012 with a date of initial application of 1 January 2014.

According to the Amendments, an investment entity is required to account for investments in controlled entities at fair value through profit or loss in accordance with IAS 39 ***Financial Instruments: Recognition and Measurement***. The only exception is for subsidiaries that provide investment-related services or engage in investment-related activities with investees, in which case, the entity is allowed to make an accounting policy choice between consolidating and carrying the controlled entities at fair value through profit or loss. Investment-related services could include investment advisory services, investment management, investment support and administrative services.

Upon application of the Amendments, the Board of Directors concluded that the Company meets the definition of an investment entity (see Note 2(d)).

Prior to 1 January 2015, the Company applied the exception to fair valuing investment entity subsidiaries and consolidated the subsidiaries.

3. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

Following the meeting of the IASB in October 2014, ***Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)*** was issued in December 2014. These amendments clarifies which subsidiaries of an investment entity are consolidated in accordance with paragraph 32 of IFRS 10, instead of being measured at fair value through profit or loss. The amendment is effective for annual reporting periods beginning on or after 1 January 2016, with early adoption permitted.

From 1 January 2015, with more clarity provided in the above guidance, the Company has changed its accounting policy on accounting for its investments in investment entity subsidiaries from consolidating them to measuring them at fair value through profit or loss. The Company has applied the new accounting policy retrospectively and restated the comparative information.

The change in accounting policy resulted in no adjustment to the net assets attributable to ordinary shareholders. The table below presents, in respect of the year of initial application, the resulting change for each financial statement line item affected.

STATEMENTS OF FINANCIAL POSITION

	31 December 2014 US$ (As previous reported)	Adjustments US$	31 December 2014 US$ (As restated)
CURRENT ASSETS			
Financial assets at fair value through profit or loss	510,131,420	2,902,344	513,033,764
Other receivables	259,338	(122,889)	136,449
Balances due from brokers	1,147,850	(1,147,850)	-
Cash and cash equivalents	4,479,379	(1,701,014)	2,778,365
	516,017,987	(69,409)	515,948,578
CURRENT LIABILITIES			
Accounts payable and accruals	1,366,603	-	1,366,603
Balances due to brokers	1,689,021	(69,409)	1,619,612
	3,055,624	(69,409)	2,986,215
NET ASSETS	**512,962,363**	**-**	**512,962,363**
EQUITY			
Issued share capital	1,509,110	-	1,509,110
Share premium	306,547,207	-	306,547,207
Retained earnings	204,906,046	-	204,906,046
TOTAL EQUITY	**512,962,363**	**-**	**512,962,363**

3. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2014 US$ (As previous reported)	Adjustments US$	2014 US$ (As restated)
INCOME			
Bank interest income	146,247	-	146,247
Bond interest income	4,099	(4,099)	-
Dividend income	15,867,662	(9,794,093)	6,073,569
Net changes in fair value of financial assets at fair value through profit or loss	4,754,730	8,311,729	13,066,459
Gains on disposals of investments	39,404,531	1,486,463	40,890,994
Other income	674,177	-	674,177
TOTAL INCOME	**60,851,446**	**-**	**60,851,446**
EXPENSES			
Administration fees	(461,497)	-	(461,497)
Custodian fees	(389,335)	-	(389,335)
Directors' fees	(129,167)	-	(129,167)
Management fees	(10,485,290)	-	(10,485,290)
Withholding taxes	(7,494)	-	(7,494)
Legal and professional fees	(140,379)	-	(140,379)
Other operating expenses	(221,540)	-	(221,540)
TOTAL EXPENSES	**(11,834,702)**	**-**	**(11,834,702)**
NET PROFIT BEFORE EXCHANGE LOSSES	**49,016,744**	**-**	**49,016,744**
EXCHANGE LOSSES			
Net foreign exchange losses	(120,062)	-	(120,062)
PROFIT BEFORE TAX	**48,896,682**	**-**	**48,896,682**
Income tax	-	-	-
NET PROFIT AFTER TAX FOR THE YEAR	**48,896,682**	**-**	**48,896,682**
OTHER COMPREHENSIVE INCOME FOR THE YEAR	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**48,896,682**	**-**	**48,896,682**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO THE REDEEMABLE SHAREHOLDERS	**48,896,682**	**-**	**48,896,682**
BASIC EARNINGS PER REDEEMABLE SHARE	**0.32**	**-**	**0.32**

3. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

STATEMENTS OF CASH FLOWS

	2014 US$ (As previous reported)	Adjustments US$	2014 US$ (As restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year	48,896,682	-	48,896,682
Adjustments for:			
Bank interest income	(146,247)	-	(146,247)
Bond interest income	(4,099)	4,099	-
Dividend income	(15,867,662)	9,794,093	(6,073,569)
Net changes in fair value of financial assets at fair value through profit or loss	(4,754,730)	(8,311,729)	(13,066,459)
Gains on disposals of investments	(39,404,531)	(1,486,463)	(40,890,994)
	(11,280,587)	-	(11,280,587)
Cash injection into subsidiaries carried at fair value	-	(12,386,079)	(12,386,079)
Changes in other receivables and balances due from brokers	640,714	1,147,850	1,788,564
Changes in balances due to brokers and accounts payable and accruals	270,604	(69,409)	201,195
	(10,369,269)	(11,307,638)	(21,676,907)
Proceeds from disposals of investments	168,458,367	(65,555,496)	102,902,871
Purchases of investments	(193,210,186)	94,886,427	(98,323,759)
Bank interest income received	150,585	-	150,585
Dividends received	16,288,277	(9,820,508)	6,467,769
Net cash (used in)/generated from operating activities	**(18,682,226)**	**1,706,668**	**(16,975,558)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repurchase of Redeemable Shares	(11,648,028)	-	(11,648,028)
Net cash used in financing activities	**(11,648,028)**	**-**	**(11,648,028)**
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(30,330,254)	1,706,668	(28,623,586)
Cash and cash equivalents at the beginning of the year	34,809,633	(3,407,682)	31,401,951
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**4,479,379**	**(1,701,014)**	**2,778,365**

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except for the changes in Note 3, the following significant accounting policies have been applied consistently to all periods presented in these financial statements.

(a) Business combination under common control

A business combination under common control is a business combination in which the combining companies are ultimately controlled by the same group of shareholders before and after the combination, and that control is not transitory. Such common control business combinations are currently not included in the scope of IFRS 3 ***Business combinations*** and there is no other specific IFRS guidance.

For business combination under common control, the Company, as the acquirer, has accounted for the acquisition of VGF using the carrying values of VGF's assets and liabilities at the date of combination. The Company has elected not to restate the comparative figures. There was no material difference between the value of the consideration transferred, being the Company's shares issued to VGF's shareholders, and the net asset value acquired.

(b) Subsidiaries and joint operation

Subsidiaries are investees controlled by the Company. The Company controls an investee when it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Joint operation is a joint arrangement whereby the Company has joint control and rights to the assets and obligations for the liabilities relating to the arrangement.

The Company is an investment entity and measures investments in its subsidiaries at fair value through profit or loss (see Note 2(d)). In determining whether the Company meets the definition of an investment entity, the Board considered the Company and its subsidiaries as a whole. In particular, when assessing the existence of investment exit strategies and whether the Company has more than one investment, the Board took into consideration the fact that all subsidiaries were formed in connection with the Company in order to hold investments on behalf of the Company.

(c) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the spot exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in profit or loss as net foreign exchange gain or loss, except for those arising on financial instruments at fair value through profit or loss, which are recognised as a component of net changes in fair value of financial instruments at fair value through profit or loss.

(d) Financial assets and financial liabilities

(i) Classification

The Company classifies financial assets and financial liabilities into the following categories:

Financial assets at fair value through profit or loss

- Designated at fair value through profit or loss – equity and debt investments.

Financial assets at amortised cost

- Loans and receivables – cash and cash equivalents and other receivables.

Financial liabilities at amortised cost

- Other liabilities – borrowings, accounts payables, accruals and balances due to brokers.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) Recognition

The Company initially recognises financial assets and financial liabilities measured at amortised cost on the date at which they are originated. All other financial assets and liabilities are initially recognised on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities at fair value through profit or loss are recognised initially at fair value, with transaction costs recognised in profit or loss as incurred. All other financial assets or financial liabilities are recognised initially at fair value plus transaction costs that are directly attributable to their acquisition or issue.

(iii) Measurement

Non-derivative financial assets

- *Financial assets at fair value through profit or loss*

A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognised in profit or loss.

- *Loans and receivables*

These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Non-derivative financial liability

Non-derivative financial liabilities are initially measured at fair value less any directly attribute transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

(vi) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised), and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

(v) Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis for gains and losses from financial instruments at fair value through profit or loss and foreign exchange gains and losses.

(vi) Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

(vii) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the assets or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Company measures instruments quoted in an active market at the current bid price.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The fair value of listed investments is determined based on quoted market prices on a recognised exchange or sourced from a reputable broker or counterparty in the case of non-exchange traded instruments at the reporting date without any deduction from estimated selling costs. Unlisted investments for which an active over-the-counter ("OTC") market exists are stated at fair value based upon the average price quotations received from two independent brokers. Where no quotes or insufficient quotes are available, the Board of Directors will decide the appropriate method(s) for the estimation of fair value of the relevant asset(s). The Board of Directors will take into account all factors they consider relevant, which may include valuation methodologies where appropriate.

(viii) Impairment

At each reporting date, the Company assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. A financial asset or a group of financial asset(s) is (are) impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s), and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably.

Objective evidence that financial assets are impaired includes significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of amount due on terms that the Company would not consider otherwise, indications that a borrower or issuer will enter bankruptcy, adverse changes in the payments status of the borrowers or issuers, or observable data indicating that there is a measurable decrease in the expected cash flows from a company of financial assets.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on impaired assets continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

The Company writes off financial assets carried at amortised cost when they are determined to be uncollectible.

(e) Share capital

Issuance of share capital

Management Shares and Redeemable Shares are classified as equity. The difference between the issued price and the par value of the shares less any incremental costs directly attributable to the issuance of shares is credited to share premium.

Repurchase of Redeemable Shares

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Par value of repurchased shares is presented as deductions from share capital and the excess over par value of repurchased shares is presented as deductions from share premium. When repurchased shares are sold or reissued subsequently, the amount received is recognised as an increase in share capital and share premium similar with issuance of share capital.

Redemption of share capital

The Company may from time to time redeem all or any portion of the Redeemable Shares held by the shareholders at the redemption price determined by reference to the Net Asset Value ("NAV") per Redeemable Shares as at the applicable NAV determination date. All redeemed shares are canceled. The accounting policies for share redemption are similar to those applied for share repurchases.

(f) Segment reporting

The Company is organised and operates as one operating segment. Consequently, no segment reporting is provided in the Company's financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(h) Interest income

Interest income, including interest income from non-derivative financial assets at fair value through profit or loss, are recognised in profit or loss, using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts, without consideration of future credit losses, over the expected life of the financial instrument or through to the next market based repricing date to the net carrying amount of the financial instrument on initial recognition.

Interest received or receivable are recognised in profit or loss as interest income.

(i) Dividend income

Dividend income is recognised in profit or loss on the date on which the right to receive payment is established. For quoted equity securities, this is usually the ex-dividend date. For unquoted equity securities, this is usually the date on which the shareholders approve the payment of a dividend.

Dividend income from equity securities designated as at fair value through profit or loss is recognised in profit or loss in a separate line item.

(j) Net changes in fair value of financial assets at fair value through profit or loss

Net changes in fair value of financial assets at fair value through profit or loss include all realised and unrealised fair value changes.

Net realised gain/loss from financial assets at fair value through profit or loss is calculated using the weighted average cost of the investments.

(k) Expenses

All expenses, including management fees and incentive fees, are recognised in profit or loss on an accrual basis.

(l) Basic earnings per share and Net Asset Value per share

The Company presents basic earnings per share ("EPS") for its Redeemable Shares. Basic EPS is calculated by dividing net profit attributable to the Redeemable Shareholders of the Company by the weighted average number of Redeemable Shares outstanding during the year. The Company did not have potentially dilutive shares as of 31 December 2015 and 31 December 2014.

NAV per share is calculated by dividing the NAV attributable to the Redeemable Shareholders of the Company by the number of outstanding Redeemable Shares as at the reporting date. NAV is determined as total assets less total liabilities. Where Redeemable Shares have been repurchased, NAV per share is calculated based on the assumption that those repurchased Redeemable Shares have been cancelled.

(m) Related parties

A party is considered to be related to the Company if:

a) The party, directly or indirectly through one or more intermediaries, (i) controls, is controlled by, or is under common control with, the Company; (ii) has an interest in the Company that gives it significant influence over the Company, or (iii) has joint control over the Company;
b) The party is an associate;
c) The party is a jointly controlled entity;
d) The party is a member of the key management personnel of the Company;
e) The party is a close member of the family of any individual referred to in (a) or (d);
f) The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
g) The party is a post-employment benefit plan for the benefit of the employees of the Company, or of any entity that is related party of the Company.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other investment companies/funds under the management of Dragon Capital Management Limited, the parent company of the Investment Manager, or entities of Dragon Capital Group Limited are also considered related parties to the Company.

(n) New standards and interpretations not yet adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2015, and earlier application is permitted. However, the Company has not early applied the following new or amended standards in preparing these financial statements.

(i) IFRS 9 *Financial Instruments*

IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 ***Financial Instruments: Recognition and Measurement***. It includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. Based on the initial assessment, this standard is not expected to have a material impact on the Company since the majority of its financial assets are measured at fair value through profit or loss.

(ii) *Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)*

Following the meeting of the International Accounting Standard Board ("IASB") in October 2014, ***Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)*** was issued in December 2014. These amendments clarifies which subsidiaries of an investment entity are consolidated in accordance with paragraph 32 of IFRS 10, instead of being measured at fair value through profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2016, with early adoption permitted. Based on the initial assessment, this amendment is not expected to have an impact on the Company since its investments in subsidiaries are measured at fair value through profit or loss and these subsidiaries do not provide investment-related securities.

(iii) IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces
IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces
existing revenue recognition guidance, including IAS 18 ***Revenue***, IAS 11 ***Construction Contracts*** and IFRIC 13 ***Customer Loyalty Programmes***.

IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. Based on the initial assessment, this standard is not expected to have a material impact on the Company.

5. TRANSACTIONS WITH RELATED PARTIES

Dominic Scriven has indirect interests in the 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 31 December 2015, Dragon Capital Markets Limited beneficially held 7,177,433 Redeemable Shares of the Company for investment and proprietary trading purposes (31 December 2014: 1,911,915 Redeemable Shares).

During the year, the Directors, with exception of Dominic Scriven, earned US$155,000 (2014: US$129,167) for their participation on the Board of Directors of the Company.

6. THE MERGER

During the year, the Company entered into a transaction with the shareholders of VGF to acquire the entire share capital of VGF for a purchase consideration of US$278,726,939. The purchase consideration was settled by the issue of a number of Redeemable Shares in the Company to the shareholders of VGF.

(a) Consideration transferred

The consideration transferred or the number of Redeemable Shares that the Company issued in exchanged for each Ordinary Shares in VGF was calculated with reference to the respective NAV of the Company's Redeemable Shares and VGF's Ordinary Shares as at 17 December 2015 as follows:

As at 17 December 2015	NAV	Number of shares
VGF	US$278,726,939	11,981,985
VEIL	US$514,804,761	143,322,632

As a result of the Merger, 77,598,114 Redeemable Shares in the Company have been issued and allocated to holders of VGF's Ordinary Shares with the Exchange Ratio of 1:6.4762320. Upon the Merger taking effect, the total number of the Company's Redeemable Shares issued and outstanding as at 31 December 2015 was 220,920,746 (see Note 12).

(b) Merger-related costs

The Company incurred merger-related cost of US$119,405 on legal and professional fees. These costs have been included in the statement of profit or loss and other comprehensive income during the year.

(c) Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of VGF's assets acquired and liabilities assumed which were at their book values as at the Effective Date.

	31 December 2015 US$
Financial assets at fair value through profit or loss	270,464,026
Other receivables	535,625
Balances due from brokers	1,304,281
Cash and cash equivalents	7,261,047
Accounts payable and accruals	(525,238)
Balances due to brokers	(390,842)
Total net identifiable assets acquired	**278,648,899**

The performance of VGF for the period from 1 January 2015 to 30 December 2015 (the last operation date before the Merger) is summarised below:

	Period from 1 January 2015 to 30 December 2015 US$
Total income	16,576,464
Total expenses	(6,840,343)
Total comprehensive income for the period	**9,736,121**

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2015 US$	31 December 2014 US$ (Restated)
Directly held listed and unlisted investments (a)	227,918,319	249,096,030
Investments in subsidiaries (b)	576,814,481	263,937,734
	804,732,800	**513,033,764**

(a) The cost and carrying value of directly held listed and unlisted investments of the Company were as follows:

	31 December 2015 US$	31 December 2014 US$
Listed investments:		
Investments, at cost	150,403,297	142,779,083
Unrealised gains	75,180,132	97,624,954
At carrying value	**225,583,429**	**240,404,037**
Unlisted investments:		
Investments, at cost	5,835,389	8,917,077
Unrealised gains/(losses)	(3,500,499)	(225,084)
At carrying value	**2,334,890**	**8,691,993**
	227,918,319	**249,096,030**

Movement of investments directly held by the Company during the year was as follows:

	31 December 2015 US$	31 December 2014 US$
Opening balance	249,096,030	227,063,358
Purchases	93,642,076	103,058,849
Sales	(89,403,357)	(60,250,850)
Unrealised loss	(25,720,237)	(20,775,327)
Closing balance	**227,918,319**	**249,096,030**

(b) Investments in subsidiaries are fair valued at the subsidiary's net asset value with the significant part being attributable to the underlying investment portfolio. The underlying investment portfolio is valued under the same methodology as directly held investments of the Company, with any other assets or liabilities within subsidiaries fair valued in accordance with the Company's accounting policies. All cash flows to/from subsidiaries are treated as a reduction/increase in the fair value of the subsidiary.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

The net asset of the Company's subsidiaries comprised:

	31 December 2015 US$	31 December 2014 US$
Cash and cash equivalents	11,110,242	1,701,014
Financial assets at fair value through profit or loss (c)	567,536,076	261,035,390
Other receivables	778,313	122,889
Balances due from brokers	1,437,052	1,147,850
Total assets	**580,861,683**	**264,007,143**
Balance due to brokers	(4,047,202)	(69,409)
Total liabilities	**(4,047,202)**	**(69,409)**
Net asset	**576,814,481**	**263,937,734**

Movements in the carrying value of investments in subsidiaries during the year were as follows:

	31 December 2015 US$	31 December 2014 US$
Opening balance	263,937,734	217,709,869
Net cash flows to subsidiaries	14,302,551	12,386,079
Transfer from VGF as a result of the Merger	278,648,899	-
Fair value movement on investment entity subsidiaries	19,925,297	33,841,786
Closing balance	**576,814,481**	**263,937,734**

(c) The cost and carrying value of underlying investments held by the Company's subsidiaries were as follows:

	31 December 2015 US$	31 December 2014 US$
Listed investments:		
Investments, at cost	367,776,535	168,346,186
Unrealised gains (*)	150,042,801	81,090,309
At carrying value	**517,819,336**	**249,436,495**
Unlisted investments:		
Investments, at cost	46,479,933	12,688,185
Unrealised losses (*)	3,236,807	(1,089,290)
At carrying value	**49,716,740**	**11,598,895**
	567,536,076	**261,035,390**

(*) Included in unrealised gains/(losses) on investments held by the Company's subsidiaries was unrealised gain of US$80,867,383 derived from the investments transferred from VGF as a result of the Merger.

(d) As at 31 December 2015 and 2014, the Company held the following listed and unlisted investments directly and indirectly through its subsidiaries:

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

	The Company				Subsidiaries			
	31 December 2015		31 December 2014		31 December 2015		31 December 2014	
	Cost US$	Carrying value US$	Cost US$	Carrying value US$	Cost US$	Carrying value US$	Cost US$	Carrying value US$
Listed investments								
Vietnam listed equities:								
Vinamilk	4,304,172	71,976,088	4,378,151	51,512,372	5,753,920	96,219,339	1,692,302	19,911,251
ACB	-	-	-	-	28,165,214	50,642,263	28,165,214	41,409,645
Hoa Phat Group	10,718,675	15,459,003	12,450,994	22,678,249	19,683,944	28,389,158	17,083,827	31,116,495
FPT	13,430,252	15,623,541	12,343,754	13,604,752	31,032,175	36,100,028	14,200,252	15,650,904
SSI	4,091,864	4,619,289	4,804,665	5,643,315	23,139,781	26,122,411	22,086,790	25,942,022
Vietcombank	12,571,955	15,507,337	10,968,333	13,847,819	18,479,575	22,794,305	2,234,974	2,821,715
REE	1,464,632	3,227,752	1,411,338	3,797,358	14,718,626	32,436,875	12,874,785	34,641,016
Kinh Bac City	15,024,253	13,066,280	13,908,591	14,680,062	10,664,682	9,274,853	5,402,412	5,702,069
Khang Dien House	4,603,063	6,265,464	2,672,785	3,725,404	15,237,784	20,740,927	5,828,255	8,123,590
Military Bank	6,823,499	6,630,799	3,732,670	3,313,418	22,131,553	21,506,544	5,019,353	4,455,582
GAS	9,390,226	4,747,215	7,913,943	5,410,181	15,197,443	7,683,046	7,686,739	5,254,858
Masan Group	3,442,142	6,293,107	25,699,348	52,790,262	2,485,141	4,543,468	-	-
Hau Giang Pharma	6,131,634	6,505,531	5,754,847	9,559,163	5,434,237	5,765,607	4,399,851	7,308,429
Vietinbank	8,540,812	8,191,553	-	-	12,684,101	12,165,409	-	-
Hoa Sen Group	6,502,161	5,490,433	2,792,294	2,645,830	10,290,104	8,688,976	8,886,484	8,420,365
BIDV	5,008,633	5,281,036	-	-	12,900,819	13,602,451	-	-
Gemadept	229,256	288,267	3,483,565	3,138,793	2,351,036	2,956,196	3,354,323	3,022,342
DIG	7,596,374	6,896,686	-	-	-	-	-	-
Ca Mau Fertilizer	3,506,299	3,469,053	-	-	5,363,420	5,306,447	-	-
Ha Do Group	-	-	-	-	6,752,782	8,505,362	6,752,782	10,045,299
Sacom	1,654,221	1,559,772	-	-	4,413,609	4,161,612	4,640,439	5,150,602
Phu My Fertilizer	3,507,168	2,957,665	2,374,856	2,428,430	11,438,700	9,646,485	1,718,155	1,756,914
Mobile World	10,760,103	12,100,971	4,617,348	7,614,532	-	-	-	-
PTSC	3,516,663	2,202,157	5,061,026	4,206,022	11,281,610	7,064,616	3,770,231	3,133,292
Phat Dat	4,736,211	4,966,316	-	-	1,981,371	2,077,633	-	-
Sudico	957,488	1,108,602	-	-	3,695,091	4,278,265	2,862,535	3,989,360
Phu Nhuan Jewelry	-	-	5,500,188	7,111,936	-	-	5,235,857	6,770,148
PV Drilling	1,891,541	1,149,512	1,512,484	1,566,999	9,929,401	6,034,215	349,303	361,894
Nhon Trach Power	-	-	-	-	5,608,649	7,230,551	-	-
BCCI	-	-	3,234,876	3,559,710	-	-	3,738,733	4,114,162
Vingroup	-	-	7,660,383	7,067,805	17,066,898	17,676,142	362,590	334,541
NBB	-	-	-	-	1,164,594	1,004,890	-	-
Noibai Cargo	-	-	-	-	1,749,683	2,502,886	-	-
Southern Rubber	-	-	-	-	2,229,301	1,392,482	-	-
Century	-	-	-	-	1,206,066	1,503,847	-	-
CII	-	-	-	-	13,762,177	16,149,987	-	-
Danang Rubber	-	-	-	-	4,438,203	4,347,646	-	-
Dien Quang Lamp	-	-	-	-	8,442,534	8,653,145	-	-
Imexpharm	-	-	-	-	3,281,425	3,170,362	-	-
CotecCon	-	-	-	-	3,620,886	7,480,907	-	-
Kinh Do	-	-	502,644	501,625	-	-	-	-
Total listed investments	**150,403,297**	**225,583,429**	**142,779,083**	**240,404,037**	**367,776,535**	**517,819,336**	**168,346,186**	**249,436,495**

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

	The Company				Subsidiaries			
	31 December 2015		31 December 2014		31 December 2015		31 December 2014	
	Cost US$	Carrying value US$	Cost US$	Carrying value US$	Cost US$	Carrying value US$	Cost US$	Carrying value US$
Unlisted investments								
Vietnam OTC equities:								
Vinatex	2,073,027	2,334,890	2,073,027	2,057,277	10,883,392	12,258,172	5,700,825	5,657,510
HAGL Agrico	-	-	1,939,043	1,729,982	-	-	4,192,524	3,740,503
Ca Mau Fertilizer	-	-	2,566,920	2,566,920	-	-	1,426,067	1,426,067
ACV	-	-	-	-	15,518,899	16,643,035	-	-
Private Equities:								
Bersa Gold	3,762,362	-	-	-	-	-	-	-
VFMVF2	-	-	-	-	1,331,290	714,860	1,368,769	774,815
Novaland	-	-	-	-	15,409,310	16,268,517	-	-
Vietnam Corporate bonds:								
Kinh Bac City – Convertible bonds	-	-	2,338,087	2,337,814	-	-	-	-
NBB – Convertible bonds	-	-	-	-	3,337,042	3,832,156	-	-
Total unlisted investments	**5,835,389**	**2,334,890**	**8,917,077**	**8,691,993**	**46,479,933**	**49,716,740**	**12,688,185**	**11,598,895**
Total	**156,238,686**	**227,918,319**	**151,696,160**	**249,096,030**	**414,256,468**	**567,536,076**	**181,034,371**	**261,035,390**

(e) Restrictions
The Company receives income in the form of dividends from its investments in unconsolidated subsidiaries and there are no significant restrictions on the transfer of funds from these entities to the Company.

(f) Support
The Company provides ongoing support to its subsidiaries for the purchase of portfolio investments. During the year, the Company provided support to its unconsolidated subsidiaries as noted in Note 7(b). The Company has no contractual commitments or current intentions to provide any other financial or other support to its unconsolidated subsidiaries.

8. CASH AND CASH EQUIVALENTS

	31 December 2015 US$	31 December 2014 US$
Cash in banks	15,174,526	2,778,365

9. BORROWINGS

	31 December 2015 US$	31 December 2014 US$
Standard Chartered Bank – Singapore Branch		
- Secured Bank Loan 1	10,000,000	-
- Secured Bank Loan 2	10,000,000	-
	20,000,000	**-**

9. BORROWINGS (CONTINUED)

Term and conditions of outstanding short-term borrowings are as follows:

	Interest rate per annum (%)	Date of Maturity	31 December 2015 Nominal value US$	 Carry amount US$
Secured Bank Loan 1	2.3366	10 February 2016	10,000,000	10,000,000
Secured Bank Loan 2	2.3932	25 February 2016	10,000,000	10,000,000
			20,000,000	**20,000,000**

As at 31 December 2015, the bank loans were secured over the Company's investments with total carrying value of US$86,055,076 (31 December 2014: Nil).

10. ACCOUNTS PAYABLE AND ACCRUALS

	31 December 2015 US$	31 December 2014 US$
Management fees	1,316,158	924,954
Shares redemption payables	-	288,840
Custodian fees	-	30,297
Administration fees	58,223	47,222
Other payables	161,637	75,290
	1,536,018	**1,366,603**

11. BALANCES DUE TO BROKERS

	31 December 2015 US$	31 December 2014 US$
Purchase transactions awaiting settlement	6,064,653	1,619,612

In accordance with the Company's policy of trade date accounting for regular sale and purchase transactions, purchase transactions awaiting settlement represent amounts payable for securities purchased, but not yet settled as at the reporting date.

12. ISSUED SHARE CAPITAL AND SHARE PREMIUM

	31 December 2015 US$	31 December 2014 US$
Authorised:		
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	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**
Issued and fully paid:		
251,421,114 (31 December 2014: 173,823,000) Redeemable Shares at par value of US$0.01 each	2,514,211	1,738,230
1,000 Management Shares at par value of US$0.01 each	10	10
	2,514,221	**1,738,240**
Treasury Shares:		
Redeemable Shares	(305,004)	(229,130)
Shares in circulation:		
Redeemable Shares	2,209,207	1,509,100
Management Shares	10	10
Outstanding issued share capital in circulation	**2,209,217**	**1,509,110**

Holders of Redeemable Shares present in person or by proxy or by authorised representative shall have one vote and, on a poll, every holder of Redeemable Shares present in person or by proxy or by authorised representative shall have one vote for every Redeemable Share of which he is the registered holder. The Redeemable Shares carry rights to dividends as set out in Articles 106 to 114 of the Articles. In a winding up, the Redeemable Shares carry a right to a return of the nominal capital paid up in respect of such Redeemable Shares, and the right to share in the manner set out in the Articles in surplus assets remaining after the return of the nominal capital paid up on the Redeemable Shares and Management Shares, provided that in a winding up the assets available for distribution among the members are more than sufficient to repay the whole of the nominal capital paid up at the commencement of the winding up. No holder of Redeemable Shares has the right to request the redemption of any of his Redeemable Shares at his option.

The Conversion Shares carry the exclusive right to dividends in respect of assets attributable to the Conversion Shares, in accordance with the provisions of Articles 106 to 114. No dividend or other distribution shall be declared, made or paid by the Company on any of its shares by reference to a record date falling between the Calculation Date and the Conversion Date as set out in the Articles. The new Redeemable Shares to be issued on conversion shall rank in full pari passu with the existing Redeemable Shares for all dividends and other distributions with a record date falling after the conversion date. In order for the holder of the Conversion Shares to participate in the winding up of the Company, the Conversion Shares, if any, which are in existence at the date of the winding up of the Company will for all purposes be deemed to have been automatically converted into Redeemable Shares and Deferred Shares immediately prior to the winding up, on the same basis as if conversion had occurred 28 business days after the calculation date arising as a result of the resolution or the court to wind up the Company.

Until conversion, the consent of the holders of the Conversion Shares voting as a separate class and the holders of the Redeemable Shares voting as a separate class shall be required in accordance with the provisions of Article 14 to effect any variation or abrogation in their respective class rights.

During the year, no Conversion Shares were in issue, and no Conversion Shares were in issue as at 31 December 2015 and 31 December 2014.

12. ISSUED SHARE CAPITAL AND SHARE PREMIUM (CONTINUED)

The Management Shares shall not be redeemed by the Company, and do not carry any right to dividends. In a winding up, Management Shares are entitled to a return of paid up nominal capital out of the assets of the Company, but only after the return of nominal capital paid up on Redeemable Shares. The Management Shares each carry one vote on a poll. The holders of the Management Shares have the exclusive right to appoint two individuals to the Board. The holders of the Management Shares also have the exclusive right to nominate the individuals it has appointed to the Board as executive Directors of the Company at any time the Company does not have an investment manager or at any time that such investment manager is unrelated to the holders of the Management Shares.

As at 31 December 2015, the following shareholders each owned more than 10 percent of the Company's issued Redeemable Shares capital.

	Number of Redeemable Shares held	% of total Redeemable Shares in issue
Registered shareholders:		
Citivic Nominees Limited	186,795,757	84.55%
Clearstream Banking SA	34,114,988	15.44%

Movements in Redeemable Share capital during the year were as follows:

	Shares	Year ended 31 December 2015 US$	Shares	Year ended 31 December 2014 US$
Balance at the beginning of the year	150,910,053	1,509,100	154,294,023	1,542,940
Issuance of Redeemable Shares as a result of the Merger (Note 6)	77,598,114	775,981	-	-
Repurchase of Redeemable Shares during the year	(7,587,421)	(75,874)	(3,383,970)	(33,840)
Balance at the end of the year	**220,920,746**	**2,209,207**	**150,910,053**	**1,509,100**

Movements in share premium during the year were as follows:

	Year ended 31 December 2015 US$	Year ended 31 December 2014 US$
Balance at the beginning of the year	306,547,207	315,985,235
Issuance of Redeemable Shares as a result of the Merger (Note 6)	277,950,958	-
Repurchase of Redeemable Shares during the year	(21,214,740)	(9,438,028)
	563,283,425	**306,547,207**

13. NET ASSET VALUE PER REDEEMABLE SHARE

The calculation of the NAV per Redeemable Share was based on the net assets attributable to the Redeemable Shareholders of the Company as at 31 December 2015 of US$792,652,878 (31 December 2014: US$512,962,363) and the number of outstanding Redeemable Shares in issue as at that date of 220,920,746 shares (31 December 2014: 150,910,053 shares).

14. FEES

The management, incentive, administration and custodian fees are calculated based on the NAV of the Company.

Management fees

The Investment Manager is entitled to receive a management fee at 2% per annum of the NAV, payable monthly in arrears on the first business day of such month and calculated by reference to the NAV at the end of the preceding month. During the year, total management fees amounted to US$10,319,816 (2014: US$10,485,290). As at 31 December 2015, a management fee of US$1,316,158 (31 December 2014: US$924,954) remained payable to the Investment Manager.

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 audited financial statements of the Company in respect of the relevant accounting period. The incentive fee is calculated at a rate of 20% 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 years:

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 distributions made in respect of such shares in all prior years (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 fees were actually paid compounded at the rate of 8% per annum with effect from the valuation day by reference to which these incentive fees were calculated; and

b) Either (i) the NAV of the Conversion 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 Conversion Shares, an amount equal to any amounts of capital raised by the issue of Conversion Shares, exclusive of placing fees, compounded at the rate of 8% per annum with effect from the date of issue of those Conversion 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 the incentive fees to have been payable in respect of the year ended 31 December 2015, the NAV per Redeemable Share of the Company as at 31 December 2015 needed to exceed US$10.05 (31 December 2014: US$9.31). As at 31 December 2015, the NAV per Redeemable Share of the Company was US$3.59 (31 December 2014: US$3.40).

No incentive fee was incurred during the year ended 31 December 2015 and 2014 as the conditions were not met.

The Company's Investment Manager has informed the boards of both the Company and VGF that, subject to and with effect from the Merger becoming effective, it agrees to the investment management agreement being amended to remove the incentive fee payable to the investment manager.

Directors' fees

During the year, total directors' fees amounted to US$155,000 and 2014: US$129,167. There were no directors' fees payable as at 31 December 2015 and 2014. Dominic Scriven has permanently waived his rights to receive directors' fees for his services as Director of the Company.

13. FEES (CONTINUED)

Administration fees

Standard Chartered Bank (the "Administrator") is entitled to receive a fee of 0.06% (2014: 0.06%) of the gross assets per annum, payable monthly in arrears and subject to a minimum monthly fee of US$4,000 per fund. During the year, total administration fees amounted to US$460,545 (2014: US$461,497). As at 31 December 2015, an administration fee of US$58,223 (31 December 2014: US$47,222) was payable to the Administrator.

Custodian fees

Standard Chartered Bank (the "Custodian") is entitled to receive a fee of 0.05% (2014: 0.05%) of the assets under custody per annum, payable monthly in arrears and subject to a minimum monthly fee of US$500 per custody account. In addition, the Custodian is entitled to US$20 per listed transaction and US$10 per script less securities. During the year, total custodian fees amounted to US$347,585 (2014: US$389,335). As at 31 December 2015, no custodian fee was payable to the Custodian (31 December 2014: US$30,297).

15. INCOME TAX

Under the current law of the Cayman Islands and the British Virgin Islands, the Company and its subsidiaries are not required to pay any taxes in the Cayman Islands or the British Virgin Islands on either income or capital gains and no withholding taxes will be imposed on distributions by the Company to its shareholders or on the winding-up of the Company.

The Company is subject to 5% withholding tax on the interest received from any Vietnamese company. Dividends remitted by Vietnamese investee companies to foreign corporate investors are not subject to withholding taxes.

See Note 18 for further details.

16. BASIC EARNINGS PER REDEEMABLE SHARE

The calculation of basic earnings per Redeemable Share for the year was based on the net profit for the year attributable to the shareholders holding Redeemable Shares of US$22,254,190 (2014: US$48,896,682) and the weighted average number of Redeemable Shares outstanding of 146,799,779 shares (2014: 152,943,904 shares) in issue during the year.

(a) Net profit attributable to the Redeemable Shareholders

	Year ended 31 December 2015 US$	Year ended 31 December 2014 US$
Net profit attributable to the Redeemable Shareholders	22,254,190	48,896,682

(b) Weighted average number of Redeemable Shares

	Year ended 31 December 2015 US$	Year ended 31 December 2014 US$
Issued Redeemable Shares at the beginning of the year	150,910,053	154,294,023
Effect of Redeemable Shares issued during the year	212,597	-
Effect of Redeemable Shares repurchased during the year	(4,322,871)	(1,350,119)
Weighted average number of Redeemable Shares	**146,799,779**	**152,943,904**

(c) Basic earnings per Redeemable Share

	Year ended 31 December 2015 US$	Year ended 31 December 2014 US$
Basic earnings per Redeemable Share	0.15	0.32

17. FINANCIAL RISK MANAGEMENT

The Company and its subsidiaries invested in listed and unlisted investments in Vietnam and Canada, are exposed to credit risk, liquidity risk and market risks arising from the financial instruments they hold. The Company has formulated risk management policies and guidelines which govern its overall business strategies, its balance for risk and its general risk management philosophy, and has established processes to monitor and control transactions in a timely and accurate manner. In essence, the Company and its Investment Manager practise portfolio diversification and have adopted a range of appropriate restrictions and policies, including limiting the Company's cash investment in each investment to not more than 20% of the Company's capital at the time of investment. Nevertheless, the markets in which the Company operates and the investments that the Company makes can provide no assurance that the Company will not suffer a loss as a result of one or more of the risks described above, or as a result of other risks not currently identified by the Investment Manager.

The nature and extent of the financial instruments outstanding at the reporting date and the risk management policies employed by the Company are discussed in the following notes.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet a commitment that it has entered into with the Company.

The Company's listed and unlisted investments will only be traded on or subject to the rules of recognised stock exchanges or with counterparties which have, or whose parent company has been approved based on a set of defined criteria by the Investment Manager. All transactions in listed and unlisted securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal since the delivery of securities sold is made only once the broker has received payment. A purchase payment is only made once the securities have been received by the broker. If either party fails to meet their obligations, the trade will fail.

As at 31 December 2015 and 31 December 2014, the Company's credit risk arose principally from its other receivables, investments in debt securities and cash and cash equivalents.

The maximum exposure to credit risk faced by the Company is equal to the carrying amounts of these balances as shown on the statement of financial position. The maximum exposure to credit risk at the reporting date was as follows:

	31 December 2015 US$	31 December 2014 US$
Investments in debt securities (i)	-	2,337,814
Other receivables (ii)	346,223	136,449
Cash and cash equivalents (iii)	15,174,526	2,778,365
	15,520,749	**5,252,628**

The Company invests substantially all of its assets in its subsidiaries together with which it is managed as an integrated structure. The Directors decided that the objectives of IFRS 7 ***Financial Instruments: Disclosures*** are met by providing disclosures on the credit risk of the underlying financial assets held by the subsidiaries.

As at 31 December 2015 and 2014, the subsidiaries' credit risk arose principally from the subsidiaries' other receivables, balances due from brokers, and cash and cash equivalents and investments in debt securities.

The maximum exposure to credit risk faced by the subsidiaries is equal to the carrying amounts of investments in debt securities, other receivables, balances due from brokers and cash and cash equivalents, which were as follows at the reporting date:

	31 December 2015 US$	31 December 2014 US$
Investments in debt securities (i)	20,100,673	-
Other receivables (ii)	778,313	122,889
Balances due from brokers (ii)	1,437,052	1,147,850
Cash and cash equivalents (iii)	11,110,242	1,701,014
	33,426,280	**2,971,753**

17. FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Investments in debt securities

Investments in debt securities represented convertible bonds and preference shares of Vietnamese companies. The Directors do not foresee any significant credit risks from these convertible bonds because they will be converted into listed shares.

(ii) Other receivables and balances due from brokers

Other receivables represented dividends receivable and bond interest receivable from investee companies. Balances due from brokers represented receivables from sales of securities. Credit risk relating to these amounts was considered as minimal due to the short-term settlement period involved.

No receivables as at 31 December 2015 and 2014 were past due.

(iii) Cash and cash equivalents

Cash and cash equivalents of the Company and its subsidiaries were held mainly with well-known financial institutions. The Directors do not foresee any significant credit risks from these deposits and do not expect that these financial institutions may default and cause losses to the Company.

(b) Liquidity risk

Liquidity risk is defined as the risk that the Company may not be able to settle or meet its obligations on time or at a reasonable price. The Company manages its liquidity risk by investing primarily in marketable securities. The Company also regularly monitors current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

As at 31 December 2015 and 31 December 2014, all the contractual maturities of non-derivative financial liabilities of the Company and its subsidiaries were payable within a year.

(c) Market risk

Market risk is the risk that changes in market prices, such as equity prices, interest rates and foreign exchange rates will affect the income of the Company and the value of its holdings of financial instruments. The objectives of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Equity price risk

Equity price risk is the risk that the fair values of equities decrease as a result of changes in the levels of the equity indices and the values of individual securities. The trading equity price risk exposure arises from the Company's investment portfolio. The Company is exposed to equity price risk on all of its directly held and underlying listed and unlisted equity investments for which an active over-the-counter market exists. The Company's equity price risk is managed by the Investment Manager who seeks to monitor the risk through a careful selection of securities within specified limits.

Equity price risk for the Company's underlying listed investments principally relates to investments listed on the Ho Chi Minh City Stock Exchange and the Hanoi Stock Exchange in Vietnam. Investment Manager's best estimate of the effect on net assets and losses due to a reasonably possible change in equity indices, with all other variables held constant was as follows:

	Change in index level 2015 %	Effects on net assets 2015 US$m	Change in index level 2014 %	Effects on net assets 2014 US$m
Market Indices:				
VN Index	30	203.69	50	236.46
VN Index	(30)	(203.69)	(50)	(236.46)

Equity price risk for the Company's underlying unlisted investments principally related to investments in private equities in Vietnam. Valuation of these investments is made using appropriate valuation methodologies.

17. FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest rate risk

The Company and its subsidiaries are exposed to risks associated with the effect of fluctuations in the prevailing levels of floating market interest rates on its financial position and cash flows. The Company and its subsidiaries have the ability to borrow funds from banks and other financial institutions in order to increase the amount of capital available for investments. Consequently, the level of interest rates at which the Company and its subsidiaries can borrow will affect the operating results of the Company and its subsidiaries. The Investment Manager monitors overall interest sensitivity of the Company and its subsidiaries on a monthly basis.

The table below summarises the Company's exposure to interest rate risk. Included in the table are the Company's assets and liabilities at carrying value, categorised by maturity date. The net interest sensitivity gap represents the contractual amounts of all interest sensitive financial instruments.

31 December 2015	Up to 1 year US$	1 - 5 years US$	Non-interest bearing US$	Total US$
ASSETS				
Other receivables	-	-	346,223	346,223
Cash and cash equivalents	15,174,526	-	-	15,174,526
TOTAL ASSETS	15,174,526	-	346,223	15,520,749
LIABILITIES				
Borrowings	(20,179,271)	-	-	(20,179,271)
Accounts payable and accruals	-	-	(1,536,018)	(1,536,018)
Balances due to brokers	-	-	(6,064,653)	(6,064,653)
TOTAL LIABILITIES	(20,179,271)	-	(7,600,671)	(27,779,942)
NET INTEREST SENSITIVITY GAP	**(5,004,745)**	**-**	**(7,254,448)**	**(12,259,193)**

31 December 2014	Up to 1 year US$	1 - 5 years US$	Non-interest bearing US$	Total US$
ASSETS				
Investment in debt securities	-	2,337,814	-	2,337,814
Other receivables	-	-	136,449	136,449
Cash and cash equivalents	2,778,365	-	-	2,778,365
TOTAL ASSETS	2,778,365	2,337,814	136,449	5,252,628
LIABILITIES				
Accounts payable and accruals	-	-	(1,366,603)	(1,366,603)
Balances due to brokers	-	-	(1,619,612)	(1,619,612)
TOTAL LIABILITIES	-	-	(2,986,215)	(2,986,215)
NET INTEREST SENSITIVITY GAP	**2,778,365**	**2,337,814**	**(2,849,766)**	**2,266,413**

A change of 100 basis points in interest rates would have increased or decreased the net assets attributable to the Redeemable Shareholders by US$50,047 (31 December 2014: US$27,783). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

The Company invests substantially all of its assets in its subsidiaries together with which it is managed as an integrated structure. The Directors decided that the objectives of IFRS 7 ***Financial Instruments: Disclosures*** are met by providing disclosures on the interest risk of the underlying investments held by the subsidiaries.

17. FINANCIAL RISK MANAGEMENT (CONTINUED)

The table below summarises the subsidiaries' exposure to interest rate risk. Included in the table are the subsidiaries' assets and liabilities categorised by maturity date. The net interest sensitivity gap represents the net carrying amounts of all interest sensitive financial instruments.

31 December 2015	Up to 1 year US$	1 - 5 years US$	Non-interest bearing US$	Total US$
ASSETS				
Investment in debt securities	-	3,832,156	-	3,832,156
Other receivables	-	-	778,313	778,313
Balances due from brokers	-	-	1,437,052	1,437,052
Cash and cash equivalents	11,110,242	-	-	11,110,242
TOTAL ASSETS	11,110,242	3,832,156	2,215,365	17,157,763
LIABILITIES				
Balances due to brokers	-	-	(4,047,202)	(4,047,202)
TOTAL LIABILITIES	-	-	(4,047,202)	(4,047,202)
NET INTEREST SENSITIVITY GAP	**11,110,242**	**3,832,156**	**9,278,405**	**3,701,333**

31 December 2014	Up to 1 year US$	1 - 5 years US$	Non-interest bearing US$	Total US$
ASSETS				
Other receivables	-	-	122,889	122,889
Balances due from brokers	-	-	1,147,850	1,147,850
Cash and cash equivalents	1,701,014	-	-	1,701,014
TOTAL ASSETS	1,701,014	-	1,270,739	2,971,753
LIABILITIES				
Balances due to brokers	-	-	(69,409)	(69,409)
TOTAL LIABILITIES	-	-	(69,409)	(69,409)
NET INTEREST SENSITIVITY GAP	**1,701,014**	**-**	**1,201,330**	**2,902,344**

17. FINANCIAL RISK MANAGEMENT (CONTINUED)

Foreign currency risk

Foreign currency risk is the risk that changes in foreign exchange rates will affect the Company and its subsidiaries' income or the value of its holding of financial instruments. The Company and its subsidiaries ensure that the net exposure to this risk is kept to an acceptable level by buying or selling foreign currencies at spot rates to address short-term imbalances where necessary.

The table below summarises the Company's exposure to the foreign currency. All amounts were stated in US$.

31 December 2015	31 December 2015 Denominated in VND US$	31 December 2014 Denominated in VND US$
ASSETS		
Financial assets at fair value through profit or loss	227,918,319	249,096,030
Other receivables	346,223	136,449
Cash and cash equivalents	12,518,119	2,023,500
TOTAL ASSETS	240,782,661	251,255,979
LIABILITIES		
Balances due to brokers	(6,064,653)	(1,619,612)
NET CURRENCY POSITION	**234,718,008**	**249,636,367**

At 31 December 2015, had the US$ strengthened or weakened by 5% (31 December 2014: 1%) against the VND with all other variables held constant, the net assets attributable to the Redeemable Shareholders would have been decreased or increased by the amounts shown below. This analysis was performed on the same basis as in 2014.

	Denominated in VND US$
2015	11,177,048
2014	2,471,647

The Company invests substantially all of its assets in its subsidiaries together with which it is managed as an integrated structure. The Directors decided that the objectives of IFRS 7 ***Financial Instruments: Disclosures*** are met by providing disclosures on the currency risk of the underlying investments held by the subsidiaries.

The table below summarises the exposure of the subsidiaries to currency risks as at 31 December 2015 and 2014. Included in the table are the assets and liabilities categorised by their base currency.

31 December 2015	31 December 2015 Denominated in VND US$	31 December 2014 Denominated in VND US$
ASSETS		
Financial assets at fair value through profit or loss	567,536,076	261,035,390
Other receivables	778,313	122,889
Balances due from brokers	1,437,052	1,147,850
Cash and cash equivalents	9,778,283	1,701,014
TOTAL ASSETS	579,529,724	264,586,000
LIABILITIES		
Balances due to brokers	(4,047,202)	(69,409)
NET CURRENCY POSITION	**575,482,522**	**264,516,591**

17. FINANCIAL RISK MANAGEMENT (CONTINUED)

At 31 December 2015, had the US$ strengthened or weakened by 5% (31 December 2014: 1%) against VND with all other variables held constant, the net assets attributable to the Redeemable Shareholders would have been decreased or increased by the amounts shown below. This analysis was performed on the same basis as in 2014.

	Denominated in VND US$
2015	27,403,930
2014	2,618,976

(d) Fair values of financial assets and liabilities

A. Valuation model

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted prices or broker price quotations. For all other financial instruments, the Company determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Company makes its investments through wholly owned subsidiaries, which in turn owns interests in various listed and unlisted equity and debt securities. The net asset value of the subsidiaries is used for the measurement of fair value. The fair value of the Company's underlying investments however is measured in accordance with the valuation methodology which is in consistent with that for directly held investments.

17. FINANCIAL RISK MANAGEMENT (CONTINUED)

B. Fair value hierarchy – Financial instruments measured at fair value

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position. All fair value measurements below are recurring.

As at 31 December 2015	Level 1 US$	Level 2 US$	Level 3 US$	Total US$
Financial assets at fair value through profit or loss				
• Listed investments	225,583,429	-	-	225,583,429
• Unlisted investments	-	2,334,890	-	2,334,890
• Investments in subsidiaries	-	-	576,814,481	576,814,481
	225,583,429	**2,334,890**	**576,814,481**	**804,732,800**

As at 31 December 2014	Level 1 US$	Level 2 US$	Level 3 US$	Total US$
Financial assets at fair value through profit or loss				
• Listed investments	240,404,037	-	-	240,404,037
• Unlisted investments	-	6,354,179	2,337,814	8,691,993
• Investments in subsidiaries	-	-	263,937,734	263,937,734
	240,404,037	**6,354,179**	**266,275,548**	**513,033,764**

The following table shows a reconciliation from the opening balances to the closing balances for fair value measurements in three levels of the fair value hierarchy.

	Level 1 2015 US$	Level 1 2014 US$	Level 2 2015 US$	Level 2 2014 US$	Level 3 2015 US$	Level 3 2014 US$
Opening balance	240,404,037	225,310,219	6,354,179	1,753,139	263,373,204	214,156,982
Purchases	93,642,076	96,080,815	-	4,639,947	-	2,338,087
Sales	(86,761,463)	(60,250,850)	-	-	(2,641,894)	-
Transfer from VGF as a result of the Merger	-	-	-	-	278,648,899	-
Net cash outflows to/(from) subsidiaries	-	-	-	-	14,302,551	12,386,079
Unrealised gains/(losses) recognised in profit or loss	(21,701,221)	(20,736,147)	(4,019,289)	(38,907)	13,853,316	34,492,056
Closing balance	**225,583,429**	**240,404,037**	**2,334,890**	**6,354,179**	**567,536,076**	**263,373,204**
Total unrealised gains/(losses) for the year included in net changes in fair value of financial assets at fair value through profit or loss	(21,701,221)	(20,736,147)	(4,019,289)	(38,907)	13,853,316	34,492,056

There were no transfers between the levels of hierarchy of financial assets recognised at fair value within the year ended 31 December 2015.

17. FINANCIAL RISK MANAGEMENT (CONTINUED)

The Company invests substantially all of its assets in its subsidiaries together with which it is managed as an integrated structure. The Directors decided that the objectives of IFRS 7 ***Financial Instruments: Disclosures*** are met by providing disclosures on the fair value hierarchy of the underlying investments held by the subsidiaries.

	Level 1		Level 2		Level 3	
	2015 US$	2014 US$	2015 US$	2014 US$	2015 US$	2014 US$
Opening balance	249,436,495	207,307,355	11,598,895	6,849,627	-	-
Purchases	243,245,727	90,151,337	20,701,466	-	18,746,352	-
Sales	(49,471,448)	(68,802,986)	-	-	303,807	-
Unrealised gains/(losses)	74,608,562	20,780,789	(2,684,294)	4,749,268	1,354,321	-
Closing balance	**517,819,336**	**249,436,495**	**29,616,067**	**11,598,895**	**20,100,673**	**-**
Total unrealised gains/(losses) included in net changes in fair value of financial assets at fair value through profit or loss	(7,775,875)	24,157,034	(3,575,281)	1,373,027	-	-

(e) Significant unobservable inputs used in measuring fair value

The significant unobservable inputs used in fair value measurement categorised within level 3 of the fair value hierarchy together with a quantitative sensitivity as at 31 December 2015 are shown below:

	Fair value as at 31 December 2015 (US$)	Valuation technique	Unobservable input	Sensitivity to changes in significant unobservable inputs	Effect on fair value at 31 December 2015 (US$)
Fixed interest rate convertible corporate bonds	3,832,156	Binomial tree model	Specific credit spreads of bond issuer	+1%/-1%	(92,738)/92,738
Preference shares	16,268,517	Discounted cash flow	Discount rate and weighted probability	+1%/-1%	(256,082)/261,285

17. FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Classification of financial assets and financial liabilities

As at 31 December 2015	Loans and receivables US$	Designated at fair value US$	Other amortised cost US$	Total carrying amount US$
Assets				
Financial assets at fair value through profit or loss	-	804,732,800	-	804,732,800
Other receivables	346,223	-	-	346,223
Cash and cash equivalents	15,174,526	-	-	15,174,526
	15,520,749	**804,732,800**	**-**	**820,253,549**
Liabilities				
Borrowings	-	-	20,000,000	20,000,000
Accounts payable and accruals	-	-	1,536,018	1,536,018
Balances due to brokers	-	-	6,064,653	6,064,653
	-	**-**	**27,600,671**	**27,600,671**

As at 31 December 2014	Loans and receivables US$	Designated at fair value US$	Other amortised cost US$	Total carrying amount US$
Assets				
Financial assets at fair value through profit or loss	-	513,033,764	-	513,033,764
Other receivables	136,449	-	-	136,449
Cash and cash equivalents	2,778,365	-	-	2,778,365
	2,914,814	**513,033,764**	**-**	**515,948,578**
Liabilities				
Accounts payable and accruals	-	-	1,366,603	1,366,603
Balances due to brokers	-	-	1,619,612	1,619,612
	-	**-**	**2,986,215**	**2,986,215**

(g) Capital management

The Company considers the capital under management as equal to net assets attributable to the Redeemable Shareholders. The Company has engaged the Investment Manager to allocate the net assets in such a way to generate investment returns that are commensurate with the investment strategies of the Company.

18. CONTINGENCIES

Although the Company and its subsidiaries are incorporated in the Cayman Islands and the British Virgin Islands, respectively, where tax is exempt, their 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 Company and its subsidiaries are 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 different and inconsistent interpretation. The Directors believe that it is unlikely that the Company will be exposed to tax liabilities in Vietnam.

19. SUBSEQUENT EVENTS

Following the Merger of the Company with VGF on 31 December 2015, the Company has commenced preparations for an application for admission to trading of the Company's shares on the Main Market of the London Stock Exchange ("LSE"), with a Premium Listing, under Chapter 15 of the United Kingdom Listing Authority's Listing Rules. Whilst the Company will maintain its listing on the Irish Stock Exchange for the time being, it is envisaged that the Company will delist its shares from the Irish Stock Exchange in due course if the admission to trading on the LSE is approved by the relevant authorities.

20. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 4 May 2016.

ADMINISTRATION

THE COMPANY & REGISTERED OFFICE

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Maples Corporate Services Limited
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Cayman Islands

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Vietnam

ADMINISTRATOR & OFFSHORE CUSTODIAN

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Crescent
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Singapore 486028

VIETNAM CUSTODIAN

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Vietnam

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

BOARD OF DIRECTORS

WOLFGANG BERTELSMEIER

Chairman and independent non-executive director (Appointed July 2009)

Wolfgang Bertelsmeier holds a diploma in business administration from Frankfurt University. He also studied at Poitiers University and took executive education at Harvard, Stanford and INSEAD. After working in various financial institutions, he joined the World Bank's IFC, serving primarily in Southeast Asia, other emerging markets and Europe. He sits on boards of companies in Europe and Africa. He resides in Washington and Bangkok.

DEREK EU-TSE LOH

Independent non-executive director (Appointed March 2011)

Derek Eu-Tse Loh graduated from University of Cambridge 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. Since then he has been in active practice in the area of construction and engineering law. He is presently practicing in TSMP Law Corporation Singapore as a director. He sits on the Boards of listed companies in Singapore including Vibrant Group Limited 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.

GORDON LAWSON

Independent non-executive director (Appointed July 2014)

Gordon Lawson spent a large part of his career with Salomon Brothers/Citigroup in London, focusing on equity investments and becoming a member of the European management board. In 1999, he became a founding partner of Pendragon, a global event driven fund, remaining a partner until 2006. From 2008 to 2013, Mr Lawson was a chairman of Indochina Capital Vietnam plc, a London-listed fund focused on investments in Vietnam. Mr. Lawson is an advisor to Kempen, a global fund-of-funds, and Bridges Ventures, a private equity fund that invests in deprived areas of the United Kingdom. He is currently a chairman of Parkwalk Advisers, a director of Ukranian Opportunities Fund, a director of Arvia Limited, a technology company, Turiya Funds, an Asian-focused fund and Blakeney SICAV, an African and Middle East focused fund and SouthWest Energy, an Ethiopian oil exploration company. He is a chairman of Parkwalk Advisers. Mr. Lawson holds a BSc in Chemical Engineering from Birmingham University, and an MBA from Cranfield Business School. He sits as a magistrate in South West London.

MARC FABER, PH.D.

Independent non-executive director (Appointed January 2016)

Dr. Marc Faber is a well-known economist and contrarian investor. He studied economics at the University of Zurich and, at the age of 24, obtained a Ph.D in economics, magna cum laude. Between 1970 and 1978, Dr. Faber worked for White Weld & Company Limited in New York, Zurich and Hong Kong. From 1978 to February 1990, he was the managing director of Drexel Burnham Lambert in Hong Kong. In June 1990, he set up his own business, Marc Faber Limited, which acts as an investment advisor and fund manager. Dr. Faber is also associated with a variety of funds. He publishes the widely read monthly investment newsletter, 'The Gloom, Boom & Doom Report' and is the author of several books including 'Tomorrow's Gold - Asia's Age of Discovery' which was for several weeks on Amazon's best seller list. He resides in Chiang Mai, Thailand.

STANLEY CHOU

Independent non-executive director (Appointed January 2016)

Stanley Chou is the managing director of Lufin Asia Pacific Limited and SCA International Ltd, both investment advisory companies. He is also the cofounder of the Victory Fund, a Luxembourg based equity fund. Mr. Chou attended Dartmouth College and Stanford University Graduate School of Business. He has over 20 years of experience in finance and has been investing in Vietnam since 2005. Prior to his current positions, Mr. Chou worked at Fidelity Capital Far East Limited and Paribas Merchant Bank. Mr. Chou resides in Hong Kong.

DOMINIC SCRIVEN, OBE

Non-executive director (Appointed May 1995)

Dominic Scriven is British, was educated at Winchester, and graduated from Exeter University in Law and Sociology. His 30 years of investing have ranged from London to Hong Kong, but have been concentrated in Vietnam. He studied at Hanoi General University for two years before founding Dragon Capital in 1994. Dragon Capital is active in investment management, capital markets, and microfinance, and runs capital in the region of US$1.5bn. A Vietnamese speaker, he is an active advocate of financial market development and governance, and is a director of various Vietnamese public companies. He was appointed OBE by the British Queen in 2006, and awarded the Labour Medal by the Vietnamese President in 2014. His external interests range from Vietnamese art, propaganda and philately to biodiversity and reduction of the illegal wildlife trade.

BOARD OF DIRECTORS (CONTINUED)

FARIDA KHAMBATA

Non-executive director
(Appointed April 2012 / Resigned January 2016)
Farida Khambata holds a Masters degree in economics from the University of Cambridge and a Masters from the London Business School. She joined the World Bank in 1975 where one of her assignments was to manage the non-US assets of the World Bank Group's pension fund. In 1986, Mrs. Khambata joined the IFC where she held a number of positions including being in charge of Treasury Operations, Vice President for Portfolio and Risk Management and Vice President for South and East Asia, the Pacific, Latin America and the Caribbean. She was also a member of IFC's senior management team. In 1992, she coined the term Frontier Markets to describe a subset of emerging markets. Mrs. Khambata is currently the Global Strategist at Cartica Capital, an asset management company investing solely in emerging markets.

SUSIE RIPPINGALL

Independent non-executive director
(Appointed July 2014 / Resigned January 2016)
Susie Rippingall started her career with Credit Lyonnais Securities in London, before moving to Lehman Brothers Global Asset Management. In 1995, she joined First State Stewart Investment Management (formerly Stewart Ivory) in Edinburgh. She relocated to Singapore in 2001 and then Hong Kong in 2002. In October 2000, Ms Rippingall was appointed portfolio manager of The Scottish Oriental Smaller Companies Trust plc, a London-listed fund which invests in listed Asian equities ex-Japan. She held this position until April 2013. Ms. Rippingall is a non-executive director of Aberdeen New Dawn Investment Trust PLC and NTAsian Discovery Fund. Ms. Rippingall has a BA (Hons) degree in Economics from Edinburgh University.

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	SYMBOL
Banks		
Asia Commercial Bank	ACB	HNX: ACB
Joint Stock Commercial Bank for Investment and Development of Vietnam	BIDV	HOSE: BID
Military Commercial Joint Stock Bank	Military Bank	HOSE: MBB
Joint Stock Commercial Bank for Foreign Trade of Vietnam	Vietcombank	HOSE: VCB
Viet Nam Joint Stock Commercial Bank for Industrial And Trade	Vietinbank	HOSE: CTG
Consumer Durables		
Phu Nhuan Jewelry Joint Stock Company	Phu Nhuan Jewelry	HOSE: PNJ
Vietnam National Textile and Garment Group	Vinatex	N/A
Diversified Financials		
MaSan Group Corporation	Masan Group	HOSE: MSN
Sacom Investment and Development Corporation	Sacom	HOSE: SAM
Saigon Securities Incorporation	SSI	HOSE: SSI
Energy		
PetroVietnam Drilling & Well Services Corporation	PV Drilling	HOSE: PVD
PetroVietnam Technical Service Corporation	PTSC	HNX: PVS
PetroVietnam Gas Corporation	GAS	HOSE: GAS
Food & Beverage		
Kinh Do Corporartion	Kinh Do	HOSE: KDC
Viet Nam Dairy Products Joint Stock Company	Vinamilk	HOSE: VNM
Funds		
Vietnam Securities Investment Fund - VF2	VFMVF2	N/A
Materials & Resources		
Century Synthetic Fiber Corp	Century	HOSE: STK
Danang Rubber Joint Stock Company	Danang Rubber	HOSE: DRC
Dien Quang Lamp Joint Stock Company	Dien Quang Lamp	HOSE: DQC
Hoang Anh Gia Lai International Agriculture Joint Stock Company[1]	HAGL Agrico	HOSE: HNG
[1] Formerly Hoang Anh Gia Lai Rubber Joint Stock Company (HAGL Rubber) and listed on HOSE on 24 June 2015		
Hoa Phat Group Joint Stock Company	Hoa Phat Group	HOSE: HPG
Hoa Sen Group	Hoa Sen Group	HOSE: HSG
PetroVietnam Ca Mau Fertilizer Joint Stock Company[2]	Ca Mau Fertilizer	HOSE: DCM
[2] Listed on HOSE on 24 February 2015		
PetroVietnam Fertilizer and Chemical Joint Stock Company	Phu My Fertilizer	HOSE: DPM
PetroVietnam Power Nhon Trach 2 Joint Stock Company	Nhon Trach Power	HOSE: NT2
The Southern Rubber Industry Joint Stock Company	Southern Rubber	HOSE: CSM

NAME ABBREVIATIONS (CONTINUED)

FULL NAME BY SECTOR	SHORT NAME	SYMBOL
Pharmaceuticals		
DHG Pharmaceutical Joint Stock Company	Hau Giang Pharma	HOSE: DHG
Imexpharm Corporation	Imexpharm	HOSE: IMP
Real Estate		
Binh Chanh Construction Investment Shareholding Company	BCCI	HOSE: BCI
Cotec Construction Joint Stock Company	CotecCon	HOSE: CTD
Development Investment Construction Joint Stock Company	DIG	HOSE: DIG
Ha Do Group Joint Stock Company	Ha Do Group	HOSE: HDG
Hochiminh City Infrastructure Investment Joint Stock Company	CII	HOSE: CII
Khang Dien House Trading and Investment Joint Stock Company	Khang Dien House	HOSE: KDH
Kinh Bac City Development Holding Corporation	Kinh Bac City	HOSE: KBC
NBB Investment Corporation	NBB	HOSE: NBB
Novaland Group	Novaland	N/A
Phat Dat Real Estate Development Corporation	Phat Dat	HOSE: PDR
Refrigeration Electrical Engineering Corporation	REE	HOSE: REE
Song Da Urban & Industrial Zone Investment and Development Joint Stock Company	Sudico	HOSE: SJS
Vingroup Joint Stock Company	Vingroup	HOSE: VIC
Retail		
Mobile World Investment Corporation	Mobile World	HOSE: MWG
Software & Services		
FPT Corporation	FPT	HOSE: FPT
Transportation		
Airport Corporation of Vietnam	ACV	N/A
Bersa Gold	Bersa Gold	N/A
Gemadept Corporation	Gemadept	HOSE: GMD
Noibai Cargo Terminal Services Joint Stock Company	Noibai Cargo	HOSE: NCT

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Nexus

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 Biogas Program initiated by SNV and the Government of Vietnam. The project converts animal waste to energy via biogas digesters to produce clean and affordable energy for cooking. 745,000 persons in 53 provinces in Vietnam benefit from the project and 519,949 tonnes of CO_2 are reduced annually. Emission reductions from the project are verified and certified to the Gold Standard of Voluntary Carbon Emissions Reductions and the Program was awarded The Energy Globe Award (2006), The Ashden Award (2010) and The World Energy Award (2012).