

PXP VIETNAM FUND LIMITED

Annual report for the year ended 30 September 2013

OBJECTIVE AND HIGHLIGHTS

Objective

The investment objective of PXP Vietnam Fund Limited ("the Company") is to seek long-term capital appreciation of its assets by investing in a portfolio of equity securities of Vietnamese companies, whether established with domestic or foreign ownership, which are either listed companies or prelisting companies.

Financial summary

| Financial position at 30 September | 2013 | 2012 | % change |
|--------------------------------------|----------------|----------------|----------|
| Total Net Assets | US\$70,158,000 | US\$49,161,000 | 42.7% |
| Ordinary shares of US\$0.05 in issue | 12,000,000 | 12,000,000 | |
| Net Asset Value ("NAV") per share | US\$5.847 | US\$4.097 | 42.7% |
| Share price | US\$4.82 | US\$3.43 | 40.5% |
| Discount | 17.6% | 16.3% | |
| Results for the year to 30 September | 2013 | 2012 | |
| Net profit | US\$21,662,000 | US\$7,537,000 | |
| Earnings per share | US\$1.81 | US\$0.63 | |
| Expense ratio | 2.55% | 2.85% | |

Year's high and low

| | Year to 30 September 2013 | |
|---------------|---------------------------|-----------|
| | High | Low |
| NAV per share | US\$5.895 | US\$4.021 |
| Share price | US\$5.07 | US\$3.29 |

| Vietnam market data at 30 September | 2013 | 2012 | % change |
|--|--------|--------|----------|
| Vietnamese dong ("VND")/US dollar ("US\$") exchange rate | 21,119 | 20,853 | 1.3% |
| Viet Nam Index | 492.63 | 392.57 | 25.5% |
| Viet Nam Index adjusted US\$ rate | 328.72 | 265.29 | 23.9% |

Relative performance

Cumulative performance for years to 30 September 2013

| | NAV per share | Viet Nam Index |
|---------|---------------|----------------|
| | (US\$) | (US\$) |
| | % | % |
| 1 year | 42.7 | 23.9 |
| 2 years | 67.7 | 13.6 |
| 3 years | 36.6 | -0.1 |
| 4 years | -3.0 | -28.4 |
| 5 years | 38.0 | -15.2 |
| 6 years | -45.8 | -64.2 |
| 7 years | 16.1 | -28.9 |
| 8 years | 120.7 | 28.1 |
| 9 years | 144.0 | 57.6 |

CHAIRMAN'S STATEMENT

Performance and outlook

Over the 12 months to 30 September 2013, the Net Asset Value per share of PXP Vietnam Fund Limited increased by 42.7%. This compares to a gain in the Viet Nam Index ("VNI") in US dollar terms of 23.9% over the same period. The portfolio of the Company was invested fully in Vietnamese listed equities throughout the year and the strong performance included a notable contribution from the Company's highest weighted stock, Vinamilk, with a 78.3% return over the financial year.

The substantial progress made by the Vietnam Government's policies to promote financial stability continued into this financial year, with price inflation reducing from a peak of 23% year-on-year in August 2011 to 6.3% year-on-year in September 2013 and the annual trade surplus achieved in 2012 being followed by a marginal trade surplus of US\$13 million for the first nine months of 2013. The Vietnamese dong (the "Dong") continued to be relatively stable, with the 1% adjustment to the Dong to US dollar exchange rate on 28 June 2013 being the first such adjustment since February 2011. GDP growth which dropped to 5% in 2012 from the 7% per annum experienced on average over the previous decade, continued at a similarly sluggish level in 2013 with credit growth suppressed by the persisting high level of non-performing loans in the banking system.

The financial year began with the Vietnam stock markets in a nervous condition amid increasing concerns over the extent of non-performing loans in the banking system and the slowing GDP growth. The Government's announcements of its intentions to deal with the issues in the banking system and to initiate a recovery in the real estate sector supported a market rally which brought the VNI from a close of 375.79 points on 28 November 2012 up to an intraday high of 533.15 points on 10 June 2013. Thereafter the weakness in global markets on speculation of the extent and timing of US Federal Reserve tapering of asset purchases impacted on the Vietnam market mainly via outflows from the two Vietnam-focused Exchange Traded Funds, although the impact on Vietnam was not as severe as for some other markets in the region, and the VNI ended the financial year at 492.63 points.

The immediate outlook for the Vietnam stock markets will be influenced by global market conditions and investor risk appetite, as well as the effectiveness of the Government's policies to revive bank lending. The Government is currently considering increases to foreign ownership limits of listed companies, and the extent to which the limits are raised will impact on the short-term trend of the market.

Share price

The Company's shares are listed on the London Stock Exchange plc's Main Market for listed securities as a premium listing of equity shares. The share price increased by 40.5% over the year to 30 September 2013, from US\$3.43 to US\$4.82. The discount at which shares traded to the net asset value of the Company began the financial year at 16% and narrowed for a period before ending the financial year at over 17%.

C Share offer

Following the recommendation of the Board of Directors, at the annual general meeting of the Company held on 31 May 2013 (the "2013 AGM") the shareholders passed a resolution to renew the authority given to the Board at the 2012 annual general meeting (the "2012 AGM") to issue up to 20 million C Shares on the same terms and conditions as approved at the 2012 AGM for a further one year from the date of the 2013 AGM.

As at the date of approval of these financial statements, the Board of Directors is considering market conditions and the timing of any offer has not yet been determined.

Any offer of C Shares would provide investors (both existing shareholders and new subscribers) with the opportunity to increase their investment exposure to Vietnam. The rationale for the offer of C Shares as a class separate from the existing ordinary shares is to raise additional capital for investment by the Company in Vietnamese equities in a manner that reduces the risk of dilution to the existing holders of ordinary shares and to ensure that the costs of raising and investing that additional capital are not borne by the existing holders of ordinary shares.

Corporate governance

The Company has established corporate governance processes which the Board believes are appropriate for an investment company with a premium listing on the London Stock Exchange.

Directorate

Ms Do Thu Ngan resigned from the Board with effect from 31 May 2013 and Ms Trinh Thanh Mai was appointed as a Director with effect from 1 June 2013. At the annual general meeting of the Company held

on 31 May 2013, the other four Directors were re-elected. The Directors collectively have substantial experience in asset management, investment and business in Asia.

Philip Smiley

Chairman

26 November 2013

For further information, please contact:

PXP Vietnam Asset Management Limited (the “Investment Manager”)

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INVESTMENT MANAGER’S REPORT

The Company is managed by PXP Vietnam Asset Management Limited, a British Virgin Islands company incorporated in October 2002. Kevin Snowball, the Chief Executive Officer of the Investment Manager has been Portfolio Manager since the Company’s inception in 2003.

Review of the year

During the year under review the Company’s Net Asset Value (“NAV”) per share increased by 42.7%, from US\$4.097 to US\$5.847. This compares with an increase in the Viet Nam Index (“VNI”) of 23.9% in US dollar terms over the same period. The Vietnamese dong (the “Dong”) depreciated by 1.3% over the Financial Year.

The Company delivered a solid return and substantially outperformed the Viet Nam Index in the Financial Year, the first positive annual return for the Ho Chi Minh City Stock Exchange – although the second successive for the Company - since the year ended 30 September 2009.

Stock market

The first two months of the Company’s Financial Year saw the VNI trading water in a narrow trading range in the aftermath of the late August 2012 shock – when the index fell by 13.5% in four trading days – caused by a number of high-profile arrests in the banking sector. Although the market had recovered some composure fairly quickly, rumours of unrest within the politburo and fears regarding the true extent of the damage caused to the banking system by non-performing loans (“NPLs”) saw the VNI fall to 372.39 (just over 1.5% below the August 2012 low) in early November, before ending the month a few points higher.

The index gained 16.0% in January 2013 after having added 9.5% the previous month on improved sentiment with steady inflows into the Exchange Traded Funds (“ETFs”) from the end of November 2012 marking the bottom of the market and gradually attracting the attention of domestic investors. This continuation of the rally into 2013 was underpinned by increasing optimism as the Government made clear its intentions to resolve the issue of NPLs in the domestic banking sector whilst also addressing the overdue reorganisation of state-owned enterprises in order to promote more efficient use of capital in future and indicating a desire to create an investment environment more welcoming to foreign investors.

The bouts of tapering-related volatility that have been a feature of emerging market activity during 2013 have been largely absent in Vietnam, with very little selling pressure below the 470 level on the VNI suggesting a reluctance to turn too negative, but conversely no real enthusiasm or follow through so far in the numerous short-lived breaks above the 500 level. It is, however, our very strong view that this is about to change, with news flow regarding the potentially imminent relaxation of foreign ownership limits finally seeming to register with domestic investors, for whom developments more than a week in the future often seem to be too remote to be worthy of consideration.

Economy

The Vietnamese Government has undoubtedly made significant macroeconomic progress through the resolute application of consistently strong monetary policy over the past two and a half years. The Dong has been among the most stable currencies in Asia during that period, obviously assisted by the managed exchange rate against the US dollar but the pressures previously caused by high inflation and large trade deficits have been negated for the time being at least, and both are expected to continue to improve, the latter more so, and particularly over the longer term.

Inflation was running at an annualised 5.9% in October 2013 and positive base effects for the remaining two months of the year reinforce our view that 2013 inflation is likely to come in below that level, a steady improvement after the 18.6% and 9.3% levels recorded by the General Statistics Office for 2011 and 2012 respectively. The move up the value chain driven by higher value add manufacturing as the country diversifies production from garments to electronics will, we believe, make a significant contribution to Vietnam achieving another surplus in 2013 after the first in 20 years last year.

This potentially sustained move from deficit to surplus several years ahead of expectations is at the core of our bullishness from a macroeconomic standpoint, assisting the Government to attain its objectives of keeping inflation under control and the currency stable for considerably longer than the recent three-year boom-bust cycles.

Gross Domestic Product ("GDP") growth was somewhat anaemic for the first three quarters of 2013 at 5.1% after 5% for the whole of 2012 and will probably come in at 5.4% for the full year. Although this compares somewhat poorly with the average of 7% achieved over the previous decade we are confident that the mild acceleration in the second half of 2013 will continue into 2014, returning to the mean by the end of 2016. Foreign direct investment into the higher end manufacturing sector is picking up pace and although industrial production growth has also been rather disappointing year-to-date it can be argued that Vietnam's industrial base is in a period of retooling and retraining and that it will emerge before too long ready to pick up the pace. It is easy to draw a relatively depressing picture from lagging indicators, an option that most commentators continue to choose, but we prefer to look ahead and are able to extrapolate the positives into a very optimistic medium to long-term outlook.

The Vietnamese Government's commitment to resolving the ongoing problem of NPLs and reducing inefficiencies at state-owned enterprises appears to remain a priority. The Vietnam Asset Management Company ("VAMC") eventually brought into operation in July 2013 has begun the task of resolving bad loans. The delays evident in the slow progress to date have hampered economic growth but the recent bond issuances by the VAMC should act to restore confidence in the Government's determination to follow through with its plans. If not much else, the mere existence of the VAMC has already stimulated the resumption of lending. System-wide credit growth was just below 7% year-on-year to the end of October 2013, continuing the improvement over the past several months and increasing the likelihood that the 2013 limit of 12% overall growth is attainable, and this will ultimately have the desired positive impact on GDP growth.

Outlook and strategy

We were present at and contributed to discussions with both the State Securities Commission and the Ho Chi Minh City Stock Exchange in September 2013 and were extremely impressed with the determination of both bodies to push for reforms in order to improve both overall liquidity and access for foreigners in Vietnam's still relatively nascent capital markets. A recommendation to approve the increase of foreign ownership limits to 60% in non-sensitive sectors from the current 49% has been submitted to the Prime Minister, who has also recently indicated his intention to approve the raising of restrictions on foreign ownership of shares of banks from the current 30% to 49%.

In our opinion the raising of foreign ownership limits will be a game changer for the Vietnam stock market whenever it happens and we believe that we are in the early stages of a structural bull-market. As progress is made in remedying the ailments of the banking sector, making state-owned enterprises more efficient and opening up access to foreigners within an improving macroeconomic environment, an index achieving new highs for the year is, in our opinion, eminently plausible by the end of December with further gains to follow in 2014 and beyond.

We see few headwinds distracting focus from more access to a market at the low-end of the historic trading range and the Company should be very well positioned to benefit with approximately 50% of its assets invested in stocks currently at the foreign ownership limit. This should also hopefully improve the chances of the successful launch of a C Share issue by the Company in early 2014 as one might reasonably expect renewed interest in Vietnamese listed equities to catalyse the tightening of the discount of the Company's share price to its Net Asset Value, particularly if price movement and liquidity of stocks at or close to current foreign ownership limit is restricted by the markets' daily movement limits (7% in Ho Chi Minh City and 10%

in Hanoi) so that access to those stocks becomes more effective through funds that own them than through the underlying market.

Otherwise, as usual, we will continue with our long-term strategy to build and maintain a high conviction portfolio providing Shareholders with access to the highest quality companies listed in Vietnam.

On behalf of the Investment Manager

Kevin Snowball

26 November 2013

SUMMARY OF TEN LARGEST INVESTMENTS

| Ten largest investments as at 30 September 2013 | | Valuation US\$'000 | % of NAV % |
|---|--|-----------------------|---------------|
| VNM | Viet Nam Dairy Products JSC (Vinamilk) Vinamilk is the largest producer and distributor of dairy products in Vietnam and is continuing to expand its production capacity to capitalise on growing demand. VNM is currently the second largest listed company in Vietnam, is arguably the country's most respected company internationally and has been the cornerstone of the Company's portfolio since 2005. | 20,331 | 29.0 |
| STB | Sai Gon Thuong Tin Commercial Joint Stock Bank (Sacombank) Sacombank was the first Vietnamese bank to be listed (in 2006) and is one of the three largest joint stock banks in the country with total assets of US\$7.6 billion as at 30 June 2013, having grown its loan book and shareholders' equity by 620% and 380% respectively between 2006 and 2013. | 5,340 | 7.6 |
| REE | Refrigeration Electrical Engineering Corporation REE Corporation was one of the first two listed stocks on the Ho Chi Minh City Stock Exchange. Its core businesses include mechanical and engineering services - in which it is the largest and longest established company in Vietnam - the manufacture and distribution of white goods and office leasing. REE also has investments in utilities and energy which accounted for around 50% of its total assets as at June 2013. | 5,255 | 7.5 |
| HPG | Hoa Phat Group JSC Hoa Phat Group JSC is Vietnam's second largest construction steel producer with 15% market share and is the leader in this sector in northern Vietnam. HPG has significant cost advantages over its domestic competitors due to its recently opened Basic Oxygen Furnace facility and its vertically integrated production process. | 3,998 | 5.7 |
| FPT | FPT Corporation FPT Corporation is Vietnam's leading I.T. services company with top three market share across most business lines including systems integration, software outsourcing and internet services. Substantial labour cost advantages over Indian and other international peers underpin its growing software outsourcing business. | 3,231 | 4.6 |
| PVD | Petrovietnam Drilling and Well Services JSC Petrovietnam Drilling and Well Services JSC provides drilling, drilling-related services and other technical services. PVD has over 50% of the drilling market in Vietnam. Currently it operates eight rigs consisting of five of its own and three leased, and has raised capital to buy one more rig to take advantage of current favourable rig rates. | 3,039 | 4.3 |
| HCM | Ho Chi Minh City Securities Corporation Ho Chi Minh City Securities Corporation is the largest broker in terms of market share on the Ho Chi Minh City Stock Exchange with 14% as at 30 September 2013. HCM offers securities brokerage, research and investment banking, and is recognised for its experienced, relatively conservative management team and good corporate governance | | |

| | | | |
|------------|---|---------------|-------------|
| | standards. | 2,546 | 3.6 |
| HAG | Hoang Anh Gia Lai JSC Hoang Anh Gia Lai JSC has traditionally been one of the leading real estate developers in Vietnam, with a main focus on the mid-end sector, but has diversified into rubber, sugar, hydropower and mining. HAG is currently restructuring by spinning off most of its Vietnamese real estate assets to focus on its agriculture businesses and its real estate business in Myanmar. | 2,405 | 3.4 |
| SSC | Southern Seed Corporation Southern Seed Corporation specialises in the research, production and trading of primarily rice and corn seeds. SSC has substantial holdings of agricultural land at strategic locations in the south of Vietnam, which will be a driver for the company's aim to be one of the leading seed producers in Vietnam. | 2,217 | 3.2 |
| DPR | Dong Phu Rubber JSC Dong Phu Rubber JSC specialises in producing and processing rubber latex and is the second largest rubber company listed on the Ho Chi Minh City Stock Exchange in terms of cultivation area. DPR exports around 40% of its volume and is expanding its plantations in Vietnam and Cambodia. | 1,764 | 2.5 |
| | | <u>50,126</u> | <u>71.4</u> |

PRINCIPAL RISKS AND UNCERTAINTIES

The Board confirms that there is an ongoing process for identifying, evaluating and managing the principal risks affecting the Company, which fall under the headings of market risks, performance risks, share price risks, regulatory risks and control systems risks. The Audit Committee performs a risk assessment and risk management process which is updated and reviewed at least on an annual basis. The Board reviews and agrees policies for managing risks, and the summaries of these are set out below.

Market risks

The Company's assets consist mainly of listed securities and the principal risks are market related such as price volatility, foreign exchange risk and inflation risk. The Company is exposed to market price risk on all of its investments and is subject to additional risks arising from the concentration of investments in the Vietnamese stock markets, resulting in the Company being heavily dependent on the performance of these particular stock markets.

The Company invests across a range of industries. The current intention is to invest no more than 40% of the Company's assets at the time of investment in any one sector.

Performance risks

The achievement of the Company's performance objective requires the acceptance of risk. Strategy, asset allocation and stock selection might lead to underperformance in comparison to the VNI. The Investment Manager has significant discretion, subject to the Company's investment objective, policy and guidelines, in selecting, evaluating, executing, monitoring and realising investments on the Company's behalf. The Investment Manager has substantial experience in investing and managing investments in Vietnam, but there is no guarantee that its investments for and the management of the Company will produce long-term capital appreciation of the assets of the Company.

Management of these risks is carried out by the Board which, at each Board meeting, considers the asset allocation of the portfolio at an industry sector level and reviews significant holdings, recent trading and expenses. The Investment Manager is responsible for actively monitoring the portfolio selected in accordance with the investment policy and restrictions. The NAV per share of the Company is calculated and published each working day.

As at 30 September 2013 the holding of the Company in Vinamilk represents 29.0% of the net assets of the Company. The original purchases of Vinamilk shares were in compliance with the investment restriction that the Company will not invest more than 10% of its net asset value at the time of the investment in the shares of a single investee company. The share price performance of Vinamilk both absolute and relative to the

rest of the portfolio over a number of years, including a 80.8% gain in value for the year to 30 September 2013, has resulted in a high concentration of net asset value of the Company in this position. The Board recognises that action is required to limit this concentration of risk, preferably through dilution if the proposed C Share offer is launched within the approved timeframe, failing which the Investment Manager intends to make sales where necessary to restrict the weighting to a maximum of 30% of net asset value.

At the annual general meeting of the Company that was held on 31 May 2013 the shareholders renewed the authority given previously to the Board to issue up to 20 million C Shares within one year of the annual general meeting. If new share capital is raised, there is a risk of delay in investing the new funds depending on prevailing stock market conditions and availability of suitable investment opportunities at the time. Management of this risk will be a responsibility of the Directors and Investment Manager in applying their judgement to decide the appropriate timing to launch any C Share offer. If there are delays in investing the new funds, the Investment Manager may consider short-term investments that give Vietnamese listed equity exposure.

Share price risks

The share price of the Company may vary significantly. The price of the Company's shares and its premium or discount to NAV is not a factor that the Company is able to control.

The Company's share price, NAV and discount volatility are monitored daily by the Investment Manager and considered by the Board at each of its meetings.

Regulatory risks

The investment activities of the Company are primarily focused on Vietnam. The value of the Company's assets may be affected by regulatory changes, which could include changes in Vietnamese government policies relating to foreign investment, taxation, securities market regulations and foreign currency conversion and repatriation.

The Investment Manager reports to the Board on any regulatory developments in Vietnam. The Audit Committee considers regulatory risks in general and any Vietnam-specific matters in the annual risk assessment process.

Control systems risks

The Company is dependent on the Investment Manager's control systems and those of its Custodian, Administrator and Registrar, all of which are monitored and managed by the Investment Manager. The Investment Manager provides a regular report to the Audit Committee on compliance matters and internal control.

GOING CONCERN

The Company's assets consist mainly of securities which are readily realisable and the Company has no gearing and does not have a significant level of financial or contingent liabilities. The Board receives reports from the Investment Manager for its regular Board meetings, including portfolio analysis and financial position of the Company.

Despite the risks associated with investment in Vietnam, the Directors have a reasonable expectation that the Company has adequate resources to continue its business, with its stated objective and strategy, for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

SHARE CAPITAL

The Company's authorised share capital comprises 30,000,000 Ordinary Shares with a par value of US\$0.05 per share and 20,000,000 C Shares with a par value of US\$0.05 per share. As at 30 September 2013: 12,000,000 Ordinary Shares were issued and fully paid and no C Shares were issued.

RELATED PARTY TRANSACTIONS

Related parties include any entities and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them control or significant influence over the Company. The Company's Directors, Investment Manager, directors and key management personnel of the Investment Manager, including close members of the family of these individuals and entities which are controlled, jointly

controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, these individuals, also constitute related parties.

Directors

In accordance with the Company's Articles of Association any non-independent Director shall be subject to annual re-election at a meeting of shareholders and any independent Director shall retire and be subject to re-election at the third annual general election after that at which he was last elected. Mr Philip Smiley, Mr Urs Bolzern, Mr Antony Jordan and Mr Christopher Vale stood for re-election at the annual general meeting on 31 May 2013 and were re-elected. It is the current intention of the Board that all Directors will be subject to annual re-election at a meeting of shareholders.

The total amount of fees payable to the Directors for the year ended 30 September 2013 was US\$105,000 (30 September 2012: US\$105,000) and the outstanding fees payable as at 30 September 2013 was US\$92,000 (30 September 2012: US\$105,000).

Other than the fees payable to the Directors, there are no other transactions or balances with the Directors of the Company.

Interests of the Directors in the Company's shares:

| Director | Number of shares As at 30 September | |
|--|--|--------|
| | 2013 | 2012 |
| Philip Smiley (held by a trust of which Philip Smiley's family are the principal beneficiaries) | 41,000 | 41,000 |
| Urs Bolzern | 80,000 | 80,000 |
| Antony Jordan | - | - |
| Christopher Vale | - | - |
| Do Thu Ngan (resigned 31 May 2013) | n/a | - |
| Trinh Thanh Mai (appointed 1 June 2013) | - | n/a |

Investment Manager

Management fee payable to the Investment Manager for the year to 30 September 2013 was US\$1,195,000 (30 September 2012: US\$930,000) and there was no outstanding fee payable at 30 September 2013 or at 30 September 2012. The Investment Manager does not receive an incentive or performance fee.

As at 30 September 2013, the Investment Manager held 446,536 shares of the Company (30 September 2012: 446,536 shares), of which 10,000 shares are non-beneficial. Mr Kevin Snowball and Ms Joelle Daumas-Snowball, owners of the ultimate holding company of the Investment Manager, own as at 30 September 2013 either individually, jointly or through a company that they jointly own, a further 175,825 shares of the Company (30 September 2012: 150,825 shares).

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Board of Directors is responsible for the financial statements which give a true and fair view of the financial position of the Company as at 30 September 2013 and of its financial performance, cash flows and changes in shareholders' equity for the year then ended. In preparing these financial statements, the Board of Directors is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of Directors is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and which enable financial statements to be prepared which comply with International Financial Reporting Standards. The Board of Directors is also responsible for safeguarding the assets of the Company and thus for taking reasonable steps for the prevention and detection of fraud and other irregularities.

We confirm to the best of our knowledge:

- The financial statements, prepared in accordance with International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position, financial performance and cash flows of the Company.
- The Directors' Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.
- The Annual Report for the year ended 30 September 2013 taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

Approved by the Board of Directors on 26 November 2013 and signed on its behalf by

Philip Smiley
Chairman

BALANCE SHEET

| | As at 30 September | |
|---|---------------------------|-----------------|
| | 2013 | 2012 |
| | US\$'000 | US\$'000 |
| Assets | | |
| Current assets | | |
| Financial assets at fair value through profit or loss | 69,833 | 49,151 |
| Receivables and prepayments | 154 | 116 |
| Cash and cash equivalents | 317 | 223 |
| | <hr/> | <hr/> |
| Total assets | 70,304 | 49,490 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Equity | | |
| Capital and reserves attributable to equity holders of the Company | | |
| Issued capital | 600 | 600 |
| Share premium | 33,953 | 33,953 |
| Cumulative translation reserve | (15,686) | (15,012) |
| Other reserve | (102) | (111) |
| Retained earnings | 51,393 | 29,731 |
| | <hr/> | <hr/> |
| Total equity | 70,158 | 49,161 |
| | <hr/> | <hr/> |
| Liabilities | | |
| Current liabilities | | |
| Due to brokers | - | 150 |
| Accrued fees and other payables | 146 | 179 |
| | <hr/> | <hr/> |
| Total liabilities | 146 | 329 |
| | <hr/> | <hr/> |
| Total equity and liabilities | 70,304 | 49,490 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Net asset value per share (US\$ per share) | 5.847 | 4.097 |
| | <hr/> <hr/> | <hr/> <hr/> |

INCOME STATEMENT

| | Year ended 30 September | |
|---|-------------------------|------------------|
| | 2013 US\$'000 | 2012 US\$'000 |
| Interest income | 1 | 8 |
| Dividend income | 3,244 | 2,697 |
| Net gains on financial assets at fair value through profit or loss | 20,008 | 6,193 |
| Net investment income | 23,253 | 8,898 |
| Management fee | (1,195) | (930) |
| Custodian, administration and secretarial fees | (90) | (81) |
| Transaction costs | (20) | (20) |
| Directors' fees | (105) | (105) |
| Foreign exchange loss – net | (1) | (1) |
| Other operating expenses | (180) | (223) |
| Total operating expenses | (1,591) | (1,360) |
| Profit before tax | 21,662 | 7,538 |
| Income tax expense | - | (1) |
| Net profit for the year | 21,662 | 7,537 |
| Earnings per share – basic (US\$ per share) | 1.81 | 0.63 |

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | Year ended 30 September | |
|---|-------------------------|------------------|
| | 2013 US\$'000 | 2012 US\$'000 |
| Net profit for the year | 21,662 | 7,537 |
| Other comprehensive income/(loss) | | |
| <i>Items that will not be reclassified to profit or loss:</i> | | |
| Currency translation differences | (674) | (114) |
| <i>Items that may be reclassified subsequently to profit or C Shares issue fees</i> | 9 | (111) |
| Total other comprehensive loss for the year | (665) | (225) |
| Total comprehensive income for the year | 20,997 | 7,312 |

STATEMENT OF CHANGES IN EQUITY

| | Issued capital US\$'000 | Share premium US\$'000 | Cumulative translation reserve US\$'000 | Other reserve US\$'000 | Retained earnings US\$'000 | Total US\$'000 |
|---|-------------------------------|------------------------------|--|------------------------------|----------------------------------|-------------------|
| Balance at 1 October 2011 | 600 | 33,953 | (14,898) | - | 22,194 | 41,849 |
| Net profit for the year | - | - | - | - | 7,537 | 7,537 |
| Other comprehensive income/(loss): | | | | | | |
| Currency translation differences | - | - | (114) | - | - | (114) |
| C Shares issue fees | - | - | - | (111) | - | (111) |
| Total comprehensive income/(loss) for the year ended 30 September 2012 | - | - | (114) | (111) | 7,537 | 7,312 |
| Balance at 30 September 2012 | 600 | 33,953 | (15,012) | (111) | 29,731 | 49,161 |
| Net profit for the year | - | - | - | - | 21,662 | 21,662 |
| Other comprehensive income/(loss): | | | | | | |
| Currency translation differences | - | - | (674) | - | - | (674) |
| C Shares issue fees | - | - | - | 9 | - | 9 |
| Total comprehensive income/(loss) for the year ended 30 September 2013 | - | - | (674) | 9 | 21,662 | 20,997 |
| Balance at 30 September 2013 | 600 | 33,953 | (15,686) | (102) | 51,393 | 70,158 |

STATEMENT OF CASH FLOWS

| | Year ended 30 September | |
|---|-------------------------|------------------|
| | 2013 US\$'000 | 2012 US\$'000 |
| Cash flows from operating activities | | |
| Purchases of financial assets | (6,558) | (7,885) |
| Proceeds from sales of financial assets | 5,067 | 6,030 |
| Dividends received | 3,208 | 2,685 |
| Interest received | 1 | 8 |
| Operating expenses paid | (1,624) | (1,412) |
| Income tax paid | - | (1) |
| Net cash generated from/(used in) operating activities | 94 | (575) |
| Cash flows from financing activities | | |
| Payments for C Shares issue fees | - | (111) |
| Net cash used in financing activities | - | (111) |
| Increase/(decrease) in cash and cash equivalents | 94 | (686) |
| Cash and cash equivalents at beginning of year | 223 | 909 |
| Cash and cash equivalents at end of year | 317 | 223 |

NOTE TO THE FINANCIAL STATEMENTS

Net asset value per share and earnings per share

| | As at 30 September | |
|--|--------------------|------------|
| | 2013 | 2012 |
| Net asset value (US\$) | 70,158,000 | 49,161,000 |
| Number of shares in issue | 12,000,000 | 12,000,000 |
| Net asset value per share (US\$ per share) | 5.847 | 4.097 |

| | Year ended 30 September | |
|---|-------------------------|------------|
| | 2013 | 2012 |
| Net profit for the year (US\$) | 21,662,000 | 7,537,000 |
| Weighted average number of ordinary shares in issue | 12,000,000 | 12,000,000 |
| Basic earnings per share (US\$ per share) | 1.81 | 0.63 |

The above statements have been prepared on the basis of the accounting policies as set out in the annual financial statements to 30 September 2013. This preliminary statement was approved by the Board on 26 November 2013. It is not the Company's annual financial statements. The financial statements for the financial year ended 30 September 2013 have been approved and audited. The financial statements for the financial years ended 30 September 2013 and 30 September 2012 received unqualified audit reports and did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report.

The annual report and financial statements of the Company for the year ended 30 September 2013 have been submitted to the Irish Stock Exchange, the Central Bank of Ireland and the UK Listing Authority and will shortly be available for inspection on the UK National Storage Mechanism (NSM):

www.hemscott.com/nsm.do

(Documents will usually be available for inspection within two business days of this notice being given)

The annual report and financial statements will be posted to shareholders as soon as is practicable and in any event no later than 31 January 2014. The annual report and financial statements will shortly be available in the section relating to the Company on the website of the Investment Manager at www.pxpam.com