
Mekong Capital Launches \$50 million Mekong Enterprise Fund II, Ltd.

Second Mekong Capital Private Equity Fund Will Focus on Vietnamese Companies Selling into Local Market

HO CHI MINH CITY, VIET NAM (5 June 2006) – Mekong Capital announced today that it has launched its second private equity fund, the \$50 million Mekong Enterprise Fund II, Ltd. (“the Fund”). The Fund will focus on investments in private Vietnamese companies, with an expected average investment size of \$3 million. The fund aims to make four-to-five investments per year.

Chris Freund, founder and Managing Director of Mekong Capital, said: *“This is an important milestone for Mekong Capital. Although our first fund has been successful in terms of the growth rates of our companies and the achievements that they have made, we believe the second fund is in an even stronger position due to the experience our team has developed. For the second fund, we plan to stay close to our core competence of helping companies to make operational improvements and continuously strengthen their management teams. However, for the second fund we plan to focus more on companies selling into the domestic market as opposed to export markets.”*

About Mekong Enterprise Fund II, Ltd.

As a private equity fund, Mekong Enterprise Fund II will invest in unlisted companies, which, at the time of the original investment, are typically about two-to-four years away from a listing on one of Vietnam’s stock exchanges. The Fund’s manager, Mekong Capital, will work closely with investee companies to help them make improvements and prepare for a successful listing on a stock exchange. Unlike portfolio investors who tend to be more passive, Mekong Capital strives to add value as an investor and works closely with investee companies to make various improvements.

The Fund aims to make minority investments, usually representing 20-30%, in well-managed, fast-growing, private Vietnamese companies. However, the Fund will also consider opportunities to invest in buyouts of private, equitized and foreign-owned companies in Vietnam.

The Fund will generally focus on companies involved in manufacturing, branding and distribution. This leverages Mekong Capital’s strengths relating to manufacturing – such as lean manufacturing, six sigma, activity based costing, as well as Mekong Capital’s experience working with manufacturing companies to improve operational procedures and strengthen management teams.

Investors in Mekong Enterprise Fund II include government-related finance institutions, such as the Asian Development Bank and Holland’s FMO, private sector financial institutions, investment funds, as well as high net-worth families and individuals. Approximately 48% of the Fund’s capital comes from Europe, 27% from the U.S. and 25% from Asia.

About Mekong Capital

In addition to managing the new \$50 million Mekong Enterprise Fund II, Mekong Capital is the investment manager of the Mekong Enterprise Fund, an \$18.5 million private equity fund, launched in 2002, that has made 10 investments in Vietnamese private companies. These investments are:

- Tan Dai Hung Plastic Joint stock company (PP woven bags)
- AA Corporation (furniture retail, furniture export & interior design)
- Lac Viet Computing Corporation (software development & hardware distribution)

- Ngo Han Joint Stock Company (magnet wire)
- Nam Hoa Production & Trading (wooden toys)
- Minh Phuc Production & Trading (package printing)
- Duc Thanh Wood Processing (wooden household products)
- Minh Hoang Garment Joint Stock Company (athletic-wear)
- Saigon Gas Holdings Corporation (LPG distribution)
- Goldsun (packaging and kitchenware)

The average annual revenue growth rate for Mekong Enterprise Fund's investee companies has been 34.6% between the period in which it invested and 31 December 2005. Meanwhile, average annual net profit growth has been approximately 43.9% over the same period. For more information on Mekong Capital, please visit the website www.mekongcapital.com.

Mekong Capital was founded in 2001 and is more than 60% owned by its 15-member team.

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