

This document is a supplement to the placing memorandum (the “Placing Memorandum”) of PXP Vietnam Fund Limited (the “Company”) dated 12 January 2004. Distribution of this supplement is not authorised unless accompanied by or supplied in conjunction with a copy of the Placing Memorandum. It should be read in conjunction with the Placing Memorandum. Terms defined in the Placing Memorandum have the same meaning in this Supplement unless the context requires otherwise.



(an exempted company incorporated with limited liability under the laws of the Cayman Islands)



The directors of the Company whose names appear on pages 20 to 21 of the Placing Memorandum, accept responsibility for the information contained in this supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this supplement is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

SUPPLEMENT TO THE PLACING MEMORANDUM

Pursuant to the Placing Memorandum, the Company issued 2,040,000 Shares. In the Placing Memorandum the Board of Directors reserved the power to issue authorized but unissued Shares at future points in time. The Company is now offering two new Shares for every Share owned by an existing Shareholder, which amounts to a total of 4,080,000 Shares (*Additional Shares*), at a price equivalent to the Net Asset Value per Share on 31 May 2004. Each existing Shareholder will have fourteen calendar days from the date of this Supplement to decide whether to accept all or part of its entitlement. The Placing Agent may place any Shares not subscribed by existing Shareholders with new shareholders at the same price. The Placing Agent is entitled to charge a placing fee of up to US\$0.05 per Share to new shareholders. There will be no placing fee for subscriptions by existing Shareholders.

No copy of this Supplement to the Placing Memorandum has been registered in any jurisdiction in connection with the placing of the Additional Shares. This Supplement to the Placing Memorandum is distributed in connection with a private placing of the Additional Shares, none of which will be issued to any person other than a person to whom a copy of this Supplement to the Placing Memorandum is provided by the Placing Agent.

This Supplement to the Placing Memorandum does not constitute, and may not be used for the purposes of an offer or solicitation to any person in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. The distribution of this Supplement to the Placing Memorandum in certain jurisdictions may be restricted and accordingly persons into whose possession this Supplement to the Placing Memorandum comes are required to inform themselves about and to observe such restrictions. No action has been taken which would permit a public offering of the Shares in any jurisdiction where action for that purpose would be required.

No person receiving a copy of this Supplement to the Placing Memorandum in any territory may treat the same as constituting an invitation to him, unless in the relevant territory such an invitation could lawfully be made to him without compliance with any registration or other legal requirements.

The contents of this Supplement to the Placing Memorandum are not to be construed as a recommendation or advice to any prospective investor in relation to the subscription, purchase, holding or disposition of Shares and prospective investors should consult their professional advisers accordingly.

31 May 2004

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SUPPLEMENT TO THE PLACING MEMORANDUM

The Company

The Company is a closed-end investment company. The Company is the first closed-end fund whose shares are listed on The Irish Stock Exchange that was formed for the purpose of investing primarily in the shares of companies which either are listed on the Vietnam Stock Exchange or are Pre-Listing Companies. The Company has an authorised share capital of US\$600,000, consisting of 12,000,000 Shares of par value US\$0.05 each. Further details about the Company are contained in the Placing Memorandum.

The Background

Pursuant to the Placing Memorandum, the Company issued 2,040,000 Shares. As of 29 April 2004, the Company had invested over 81% of its assets in companies listed on the Vietnam Stock Exchange. The Directors believe that an increase in the size of the Company would benefit the Company by enabling it to take positions in the larger companies that are likely to list on the Vietnam Stock Exchange in the near future. The Board of Directors authorised the issuance of the Additional Shares at meetings on 6 May 2004 and 21 May 2004.

The Offering

The Company is offering each Shareholder two Additional Shares for every Share owned by it, at a price equivalent to the Net Asset Value per Share on 31 May 2004. Each Shareholder will have fourteen calendar days from the date of this Supplement to decide whether to accept all or part of its entitlement.

The Placing Agent may place with new shareholders any Additional Shares not subscribed by an existing Shareholder during and after such 14 day period and until the Closing Date. The Closing Date for this Offering will be 21 June 2004, or such other date as is determined by the Directors and notified to subscribers for Additional Shares.

The price at which the new Shareholders, if any, subscribe will be the same as the price for existing Shareholders. The exact price per Share will be notified to each existing Shareholder on or about 7 June 2004. In addition to such price, the Placing Agent is entitled to charge a placing fee of up to US\$0.05 per Share to new shareholders. There will be no placing fee for subscriptions by existing Shareholders.

Existing Shareholders subscribing for Additional Shares are required to return the binding Shareholders Application Form, by facsimile to the Placing Agent, by no later than 5.00 p.m. (Hong Kong time) on the date that is fourteen calendar days after the date of this Supplement, namely 14 June 2004.

If applications for less than 4,080,000 Additional Shares have been received by such date, the Placing Agent may continue to offer Additional Shares to new subscribers until the Closing Date.

New subscribers for Additional Shares are required to return the Shareholders Application Form, by facsimile to the Placing Agent, by no later than 5.00 p.m. (Hong Kong time) on the Closing Date.

Each Shareholder subscribing for Additional Shares will need to pay the full subscription price in US dollars by telegraphic transfer to:

Deutsche Bank Trust Company Americas
SWIFT Bic Code: BKTR US33
For Account Deutsche Bank AG Hong Kong
SWIFT Bic Code: DEUT HKHH
CHIPS UID 009391

In favour of: PXP Vietnam Fund Limited
Account No.: 0001610-05-0

SUPPLEMENT TO THE PLACING MEMORANDUM

so as to be received not later than 5:00 p.m. (Hong Kong time) on the Closing Date. Subscriber reference should be included with each payment made.

Following the issue and allotment of Additional Shares, the Administrator will arrange for the despatch of the confirmation of the allotment of the relevant number of Additional Shares within 14 Business Days of receipt of instructions that the allotment has been effected. Holders of the Additional Shares will have their names registered in the register of Shareholders with effect from the date of allotment. No share certificates will be issued unless a Shareholder specifically requests one.

The Company reserves the right to reject any application for Additional Shares from new subscribers and to accept any application for Additional Shares from new subscribers in whole or in part only, provided that the minimum subscription which will be accepted from each new Shareholder is \$100,000. Any subscription by a Shareholder of above \$100,000 will only be acceptable in multiples of \$25,000 except as otherwise decided by the Directors in their discretion. No fractional shares will be issued. If any application is not accepted or is accepted in part only, application moneys that have been contributed or (as the case may be) the excess application money contributed by each relevant investor will be returned (without interest) to the relevant applicant(s), at the risk of the applicant.

The Placing is not underwritten and is not conditional upon receipt by the Placing Agent of valid applications for any minimum number of Shares.

Verification of Identity

Measures aimed towards prevention of money laundering may require a new subscriber to verify his identity (or the identity of any beneficial owner on whose behalf the new subscriber intends to hold the interests in the Company) to the Placing Agent. This obligation is absolute unless (1) the application is being made via a regulated credit or financial institution or (2) payment is made to the Custodian from an account held in the new subscriber's name with a banking institution, which in either case is in a country which is a member of the Financial Action Task Force. If alternative (1) applies, the Placing Agent may seek to obtain written assurance of the subscriber's (or beneficial owner's) identity from the relevant institution.

The Placing Agent will notify applicants if proof of identity is required. By way of example, corporate applicants may be asked to produce a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent) and the names and addresses of directors and/or beneficial owners.

The Placing Agent, the Administrator and/or the Administrator's Agent reserves the right to request such documentation as it deems necessary to verify the identity of the applicant and to verify the source of the relevant money. Failure to provide the necessary evidence may result in applications being rejected or in delays in the despatch of documents and/or issue of Additional Shares. The Placing Agent, the Administrator and/or the Administrator's Agent will be held harmless by a potential subscriber against any loss arising as a result of a failure to process a subscription or redemption request if such information as has been requested by the Placing Agent, the Administrator and/or the Administrator's Agent has not been provided by the applicant.

Fees Relating to the Offering

Legal fees relating to the preparation and documentation of the Offering not exceeding US\$ 10,000 will be charged to the Company. There are no other applicable fees.

SUPPLEMENT - RATIONALE FOR THE INCREASE IN ISSUED SHARES

RATIONALE FOR THE INCREASE IN ISSUED SHARES

Since 11 February 2004 the Company has begun investing in shares listed on the Vietnam Stock Exchange. As at 29 April 2004 the Company had a portfolio comprising 10 Listed Companies representing 81.8% of Net Assets.

Recent announcements by the Government concerning the development of the Vietnam Stock Exchange suggest that its plan to increase total market capitalization four-fold by the end of 2005 will be met. The listing of the first two private joint stock commercial banks, Asia Commercial Bank and Saigon Thuong Tin Bank (SACOM Bank), is expected before the end of 2004 and the announcement of the sale of a further 10.2% of the equitised state dairy company, Vinamilk, as a pre-condition to listing, is also likely to occur soon. The estimates of the Investment Manager are that those three stocks alone are likely to add more than US\$ 450 million to the current US\$ 261 million equity market capitalization.

The Deputy Minister of Finance, Le Thi Bang Tam, recently announced plans to amend Decree 64, which governs the equitisation of State-Owned Enterprises (SOEs), to accelerate the process. Some of the country's biggest companies, including Electricity of Vietnam (EVN), Vietnam Airlines, Vietnam Post and Telecommunications (VNPT) and the Bank for Foreign Trade of Vietnam (Vietcombank), or subsidiaries of such companies, are expected by the Government to be equitised by 2005 and then to obtain stock market listings, alongside enterprises in the steel, cement and chemical industries.

A pilot scheme for the conversion of foreign-invested enterprises into joint stock companies (with the expectation that some of them will list on the Vietnam Stock Exchange) is in progress and several companies are participating.

The State Securities Commission is considering raising foreign ownership limits in Listed Companies from the current 30% cap, enabling new foreign access to stocks that have reached the limit.

The Government appears determined to improve and pursue expansion of the capital markets. The Directors believe that the Company will be able to invest the proceeds of this issue in a timely manner and that the quality and size of companies seeking listing and to be included in the portfolio will improve substantially as the factors discussed above actually occur.

CHANGES TO THE INFORMATION IN THE PLACING MEMORANDUM SINCE THE DATE OF THE PLACING MEMORANDUM

Board of Directors

At the meeting of the Board of Directors on 21 May 2004, Mr Markus Winkler was unanimously elected to the Board. His appointment becomes effective on the completion of the offering of the Additional Shares.

Markus Winkler

Markus Winkler is aged 53 and Swiss. He was educated at the University of Zurich and the Business School of St. Gall, where he graduated. After training as a financial analyst with Bank Leu AG and UBS AG, in 1973 he founded VGZ Vermoegensverwaltungs-Gesellschaft Zurich, an asset management company of which he is still President of the Board. He is a founder-member and a former Vice-President of the Swiss Association of Asset Managers as well as a founder and Board member of the Swiss Investors' Association. Mr. Winkler is experienced in the investment world and, in addition to his professional commitments, lectures and writes on investment matters. Mr. Winkler is a Board member of a number of Dublin-listed funds investing mainly in emerging markets.

Investment Manager

The Directors of the Investment Manager have informed the Directors that they have reached an irrevocable agreement to sell a one-third stake in the holding company of the Investment Manager, Phan Xi Pang Asset Management Limited to ART2 Ltd, a company domiciled in Jersey, Channel Islands, British Isles. ART2 Ltd is owned by Mr Andrew Fox and Arbitrage Research Trading Ltd, also of Jersey. Mr Fox, also a Director of ART2 Ltd, will join the Board of Directors of the Investment Manager, but will not be involved in the day-to-day management of the Fund. ART2 Ltd and Arbitrage Research Trading Ltd between them hold approximately 18.1% of the issued shares of the Company as at the date of this Supplement to the Placing Memorandum. They have not resolved whether or not to take up their entitlement to shares in this rights issue.

Andrew Fox

Andrew Fox graduated from Pembroke College, Cambridge with a degree in Economics and Land Economy in 1985. Having worked in the Eurobond and Government Bond markets in London and Australia he moved to Vladivostok, Russia in 1992 where he was a founder of the Vladivostok Stock Exchange. In 1994 he founded Tiger Securities Ltd, the first Western stockbroker in the region, where he still serves Chairman, and also established the USD12.4m First Vladivostok Fund which he managed until it was liquidated in 1997. From 1999 his focus turned to South East Asia, where he represented Tiger clients holding Eurobonds issued by troubled Thai companies, notably Precious Shipping Ltd where he was elected Secretary of the Creditors Committee. In 2000 he created a company (now named ART2 Ltd) to launch the successful takeover of the USD15m Jersey-registered Central Asian Investment Company. Mr Fox is fluent in Russian, has served since 1998 as British Honorary Consul for the Russian Far East, and now divides his time between Russia and Melbourne, Australia.

Placing Agreement

The Placing Agreement to which reference was made in the Placing Memorandum has been replaced by a new Placing Agreement dated 28 May 2004. The terms of the new Placing Agreement are substantially similar to those in the prior Placing Agreement except that (i) the Placing Agent has only agreed to use its best efforts to place the Additional Shares; and (ii) the Placing Agent has agreed that there will be no placing fee in respect of Additional Shares placed with existing Shareholders.

THE VIETNAMESE ECONOMY AND THE VIETNAM STOCK EXCHANGE

Tabulated Statistical Update to the Placing Memorandum

The information provided in this section updates the statistical information in the section of the Placing Memorandum entitled “The Vietnamese Economy and the Vietnamese Stock Exchange”. It has been derived, as far as possible, from the following sources: Ministry of Finance, State Securities Commission, Securities Trading Centre, General Statistics Office, State Bank of Vietnam, Ministry of Planning and Investment, International Monetary Fund, Reuters, Dow Jones, Vietnam Economic News, Saigon Times, the United Nations Development Programme and the US Census Bureau. Such information is believed to be accurate, but has not been independently verified by the Company or the Investment Manager.

	2002	2003	2004	Q1 2004
	<i>Actual</i>	<i>Actual</i>	<i>Forecast</i>	<i>Actual</i>
GROSS DOMESTIC PRODUCT (GDP)				
Growth	7.00%	7.24%	7.5-8.0%	7.00%
Per Capita (US\$)	442	484	535	n/a
EXPORTS				
Value (US\$ bn)	16.5	19.88	22.27	5.41
% of GDP	46.9%	50.9%		61.9%
Growth	10.0%	19.0%	12.0%	15.1%
Crude Oil (<i>value increase</i>)	3.2%	15.5%		14.0%
Garments (<i>value increase</i>)	37.2%	31.9%		3.3%
Footwear (<i>value increase</i>)	17.2%	19.2%		14.5%
Rice (<i>value increase</i>)	16.2%	-0.9%		6.1%
Seafood (<i>value increase</i>)	13.9%	9.6%		9.5%
To USA (% of total)	14.7%	19.8%		21.2%
IMPORTS				
Value (US\$ bn)	19.3	25.0	27.24	6.15
% of GDP	56.0%	63.9%		70.4%
Growth	19.4%	26.7%	9.0%	11.2%
Cloth (<i>value increase</i>)	80.6%	37.3%		25.9%
Yarn (<i>value increase</i>)	12.1%	19.2%		-6.1%
Machinery (<i>value increase</i>)	35.0%	41.1%		-3.4%
Steel (<i>value increase</i>)	24.4%	-7.3%		-6.8%
BALANCE OF TRADE (US\$ bn)				
	-2.80	-5.12		-0.74
% of GDP	7.9%	13.1%		11.0%
INFLATION (Increase in Consumer Price Index, CPI)				
	4.0%	3.0%	5.0%	5.0%
INTEREST RATES				
12 Month T-Bills (<i>Coupon</i>)	6.2%	5.25%		5.70%
5-year Bonds (<i>Coupon</i>)	8.6%	8.30%		8.40%

EXCHANGE RATE (<i>Dong vs US Dollar</i>)	-1.94%	-1.54%	-2.45%	-0.50%
INDUSTRIAL PRODUCTION GROWTH RATE	14.5%	16.0%	15.0%	15.6%
Private Sector Industrial Growth Rate	19.2%	18.7%		21.4%
Production Growth:				
Automobiles	35.9%	38.4%		-1.6%
Motorbikes	24.4%	-6.7%		33.6%
Televisions	39.2%	30.8%		32.4%
Bricks	13.0%	12.6%		16.8%
Cement	25.8%	14.1%		4.8%
Tiles	36.7%	16.6%		19.3%
Transformers	19.2%	4.7%		-15.1%
Electricity Generation	16.0%	14.9%		16.4%
Total Number of Private Businesses	93,000	110,000		n/a
TOTAL STATE EXPENDITURE (<i>US\$ bn</i>)	9.50	9.03	11.73	n/a
STATE BUDGET REVENUE (<i>US\$ bn</i>)	8.10	8.23	9.56	n/a
BUDGET DEFICIT (<i>US\$ bn</i>)	-1.40	-0.80	-2.17	n/a
% of GDP	3.9%	2.1%	5.0%	n/a
External Debt (<i>US\$ bn</i>)	12.85	12.50		n/a
Foreign Currency Reserves (<i>US\$ bn</i>)	4.56	4.60		n/a
FOREIGN DIRECT INVESTMENT				
New FDI Commitments (<i>US\$ bn</i>)	1.558	1.550		0.420
Increase from existing FDI (<i>US\$ bn</i>)	0.919	1.150		0.295
Disbursed FDI (<i>US\$ bn</i>)	2.35	2.65		0.55
Disbursed ODA (<i>US\$ bn</i>)	1.53	1.60		n/a
Remittances:				
Overseas Vietnamese (<i>US\$ bn</i>)	2.40	2.70	3.2-3.5	n/a
Vietnamese Nationals Working Overseas (<i>US\$ bn</i>)	1.45	1.50	1.70	n/a
Foreign Visitors (<i>US\$ bn</i>)	0.75	0.50	0.60	n/a

THE VIETNAM STOCK EXCHANGE

	29/08/03	29/04/04	31/12/04
No. of Listed Stocks	21	24	35
Total Market Capitalisation (US\$ mn)	130	261	550
Vietnam Index (VNI)	142.71	264.43	300.00
		2003	2004
		<i>Actual</i>	<i>Forecast</i>
Price/Earnings (P/E) Ratio (at current levels)		10.3x	9.0x
Dividend Yield		4.3%	4.9%