

If you are in any doubt as to any aspect of this Notice, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisor.

If you have sold, redeemed or transferred all your shares in Vietnam Emerging Equity Fund Limited or Vietnam Lotus Fund Limited, you are requested to immediately hand this Notice to the purchaser or transferee or to the bank, stockbroker or other agent through which the sale, redemption or transfer was effected for transmission to the purchaser or transferee.

Notice to Shareholders of Merger

between

VIETNAM EMERGING EQUITY FUND LIMITED

and

VIETNAM LOTUS FUND LIMITED

SHAREHOLDER CIRCULAR

VIETNAM EMERGING EQUITY FUND LIMITED

and

VIETNAM LOTUS FUND LIMITED

To the Participating Shareholders of Vietnam Emerging Equity Fund Limited and former Shareholders of Vietnam Lotus Fund Limited.

3 December 2010

Dear Shareholder,

MERGER BETWEEN VIETNAM EMERGING EQUITY FUND LIMITED AND VIETNAM LOTUS FUND LIMITED

As you are aware, the Board of Directors of each of Vietnam Emerging Equity Fund Limited (“**VEEF**”) and Vietnam Lotus Fund Limited (“**VLF**”) sent circulars to Shareholders of the respective companies on 2 November 2010 (the “**Circulars**”) which set out the proposal for a merger of VEEF and VLF (the “**Merger**”), which required Shareholder approval.

We are pleased to announce that votes were received in favour of the Merger representing 78.7% of the eligible Participating Shares of VEEF and 80.2% of the Shares of VLF, and accordingly the Merger has been approved by the Shareholders of both companies in accordance with the provisions of the Cayman Islands Companies Law (2010 Revision).

The Registrar of Companies of the Cayman Islands has issued a Certificate of Merger to confirm that the Merger was effective from 1 December 2010. A copy of this Certificate of Merger is included as an Appendix to this Notice.

SHARE EXCHANGE

As set out in the Circulars, the surviving entity in the Merger is VEEF, and so VEEF Participating Shareholders continue to hold their Participating Shares on exactly the same terms as before.

VLF Shares have been cancelled by operation of law in return for the issue to VLF Shareholders of new Participating Shares in VEEF on an NAV which ensures that the total NAV per share of the VLF Shares held by each individual VLF Shareholder prior to the Merger is equal to that of the VEEF Participating Shares held by each such Shareholder post Merger. The valuation date for this purpose is 29 October 2010.

The NAV per Share of VEEF at 29 October 2010 was US\$4.583 and the NAV per Share of VLF at 29 October 2010 was US\$2.087.

Therefore each VLF Shareholder has received and is now the owner of 1 Participating Share in VEEF for every 2.195975 VLF Shares formerly held.

All Participating Shareholders will receive statements of their holdings from the Fund Administrator in early December 2010.

ENQUIRIES

If you have any enquiries about the Merger, please contact either:

The Investment Manager

PXP Vietnam Asset Management – Mr Kevin Snowball, Mr John Gavin

Tel: + 84 8 3827 6040

Fax: + 84 8 3827 6043

E-mail: khsnowball@pxpam.com; jgavin@pxpam.com

or

The Fund Administrator

Deutsche Bank AG, Singapore Branch
Alternative Fund Services – Ms Corina Quah, Ms Celyn Chan

Phone: + 65 6423 6727

Fax: + 65 6227 3013

E-mail: hw-ta@list.db.com

Yours faithfully

The Board of Directors
Vietnam Emerging Equity Fund Limited

APPENDIX – Certificate of Merger