INDOCAM

HIMALAYAN

FUND NV

Annual Report 2005

Contents

Indocam Himalayan Fund N.V.

investment company with variable capital

Registered office:	De Ruyterkade 6 1013 AA Amsterdam The Netherlands
Board of Directors:	Ian McEvatt, Chairman Dwight Makins Thierry Mequillet Joe Tabbers*
Administrator and Registrar:	Fastnet Netherlands N.V. De Ruyterkade 6 1013 AA Amsterdam The Netherlands
Investment Manager:	Crédit Agricole Asset Management Hong Kong Limited 26th Floor One Exchange Square Hong Kong
Bank:	Citigroup Citibank N.A. Hong Kong Branch G.P.O. Box 14 Hong Kong
Auditor:	KPMG Accountants N.V. Burg. Rijnderslaan 10-20 1185 MC Amstelveen The Netherlands
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* Executive Director

Five years Indocam Himalayan Fund

	31-12-2005	31-12-2004	31-12-2003	31-12-2002	31-12-2001
Net Asset Value (USD x 1,000)					
Net Asset Value according to statement of assets and liabilities	**23,578**	17,148	16,422	17,448	34,540
Less: value priority shares	**53**	61	57	47	40
	23,525	17,087	16,365	17,401	34,500

	01-01-2005 31-12-2005	2004	2003	2002	2001
Profit and loss (USD x 1,000)					
Income from investments	**304**	484	1,032	953	1,512
Capital gains/losses	**5,479**	4,328	6,410	-841	-51,063
Expenses	**-642**	-712	-716	-900	-1,940
Total investment result	**5,141**	4,100	6,726	-788	-51,491
Number of ordinary shares outstanding	**892,419**	870,551	1,060,506	1,935,121	3,743,700
Per ordinary share					
Net Asset Value share (USD)	**26.36**	19.63	15.43	9.02	9.22
Amsterdam Stock Exchange quotation (USD)	**32.01**	17.81	16.99	7.20	7.10
Dividend (EUR)	**-**	-	0.10	-	-
Income from investments (USD)	**0.34**	0.56	0.97	0.49	0.40
Capital gains/losses (USD)	**6.14**	4.97	6.05	-0.43	-13.63
Expenses (USD)	**-0.72**	-0.82	-0.68	-0.47	-0.52
Total investment result (USD)	**5.76**	4.71	6.34	-0.41	-13.75

Profile

General
Indocam Himalayan Fund N.V. ('the Company') is an open-end investment fund with variable capital incorporated under Dutch law and has its registered office in Amsterdam.

Structure and Objective
The principal objective of the Company is long term capital appreciation for shareholders. Currently the majority of the funds are invested in India, directly through a legal structure utilising the benefits of the tax treaty between India and the Netherlands to maximise the ultimate return to investors and, indirectly, through Global Depositary Receipts and Equity Linked Notes of Indian companies which are issued by banks and traded outside India. The remaining funds are invested in Sri Lanka and Bangladesh. Any balance can be invested in Nepal and Bhutan if opportunities arise.

Part of the Company's direct investments in Indian securities is made through Canbank (Offshore) Mutual Fund ('the Mutual Fund') all of whose units in issue are wholly owned by the Company. The Trustees, appointed under a Trust Deed dated 2 June 1990, are Canara Bank and Crédit Agricole Indosuez. The Company acquired the Foreign Institutional Investor ('FII') status in India as per 24 October 2003. The FII status enables the Company to invest directly in Indian securities. Since the Company has the FII status it has been decided to reduce the size of Indian investments through the Mutual Fund on the one hand and to increase the size of the direct investments of the Company in India on the other hand. The company has desided to liquidate the Mutual Fund in the near future. Anticipating, the value of the Mutual Fund is taken into account under investments.
For the time being, certain Indian investments will have to remain within the Mutual Fund.
As a result some Indian investments will represent a relatively large percentage of the total investments of the Mutual Fund.

The Company's direct investments in India are partly managed by Crédit Agricole Asset Management and partly by Canara Bank. Canara Bank is one of the principal banks in India, with more than two thousand branches, and is one of the largest fund management groups in the country.

Open-ended status
Ordinary shares may be (re)purchased on monthly dealing days (a day on which ordinary shares can be purchased and/or repurchased, being the last Friday of each month, provided that such day is a business day). Ordinary shares repurchased by the Company will be held in treasury and resold on subsequent dealing days, in priority to the issue of new shares.

Investment Management
The investment manager, Crédit Agricole Asset Management, is a member of the Crédit Agricole Group and was appointed under an investment management agreement dated June 1990.

Administrator
Fastnet Netherlands N.V. (Fastnet NL) established in Amsterdam, is appointed by the management of the Company as the administrator of Indocam Himalayan Fund. Fastnet NL forms an integral part of an international network of administration offices, operating under the flag of Fastnet. Separately from the administrator tasks, Fastnet NL also provides domicile services for the Company.

Corporate Governance
The appointment and remuneration of directors and audit matters are dealt with by the full Board rather than being delegated to Committees of the Board. Messrs. McEvatt, Mequillet and Tabbers are employed by (affiliates of) Crédit Agricole.

Mr. Makins is an independent member of the Board and has no connection with the Investment Manager, Crédit Agricole Asset Management.

Taxation

In order to qualify as a fiscal investment institution, the Company is obliged to distribute all of its fiscal income and will subsequently be subject to nil rate of Dutch corporate income tax on its profits. For tax purposes, income is calculated in Euro.

The Mutual Fund has been recognised by the Government of India as eligible to claim exemption from Indian Taxation. Notification of this recognition was received from the Ministry of Finance on 8 January 1992. Dividends and interest receivable from the Mutual Fund are not subject to withholding tax.

Withholding taxes are levied on dividends received from Sri Lanka and Bangladesh; these withholding taxes are taken as expense in the profit and loss account. No capital gains taxes are due in Sri Lanka. In Bangladesh, the Company claims exemption from capital gains tax due to its tax exempt status in the Netherlands.

Chairman's Statement

Your Fund has enjoyed another year of excellent performance and this attracted a small amount of new investment by the end of the 2005. This year started with a continuation of the strong flows of foreign liquidity into the Indian markets, providing good grounds for optimism in 2006. The Indian Federal Budget, presented in early March, was notable for the absence of any interference in the workings of the market or fiscal action which might discourage enterprise. This was taken positively by investors and has helped to sustain the momentum. The forthcoming reporting season is expected to provide broad support for the market valuation with strong earnings growth. We believe the prospects for attractive returns on investment in India continue to be excellent.

For some time, your Board has been examining strategic options to stimulate new investment and enhance the potential for returns for our loyal shareholders. India's emergence as a magnet for foreign investment has added some urgency to these efforts. Your Fund has a long track record, a reputation as a committed investor in India since 1990 and considerable standing amongst investors. We want to build on this by adapting our business strategy to competitive conditions and improving the efficiency of our operating procedures. As part of this project, we have retained the services of a corporate finance advisor at modest expense to help bring in new investors.

Furthermore, in compliance with new securities laws and fund regulation requirements we have applied for a new license in the Netherlands and will soon issue a new Prospectus. A key change in the new regulatory environment will be the establishment of a dedicated website for the fund as the primary means of statutory communication with shareholders This will provide a medium through which we can implement significant improvement in the quality and frequency of shareholder communications. This annual report, as well as the new Prospectus, will be available through the website at http://himalayan.fast-net.nl.

The new Prospectus will describe a number of changes which the Board of Directors feels are necessary to secure the future of your Fund. The Investment Manager, Credit Agricole Asset Management Hong Kong (CAAM), has decided that owing to the commitment of its resources to other priorities, it is unable to participate in the changes contemplated. Accordingly, it has decided to relinquish its responsibilities as investment manager of the Fund to the Board of Directors. CAAM will, nonetheless, continue to offer the Fund through its institutional marketing, as a differentiated Indian product.

The new Prospectus will be published shortly and new Articles of Association will be put to the Annual Meeting of Shareholders for adoption, with the unanimous recommendation of the Board of Directors. When the Prospectus becomes effective, the Board will manage the Fund and will appoint a new Investment Advisor, Iceman Capital Advisers Ltd. This is a company which I have set up for the purpose of offering the Fund an investment resource dedicated to investment in India.

The Investment Objective and Policies of the Fund will remain unchanged but the new Investment Advisor has provided a detailed clarification of the approach to be used in investing the portfolio. This will be published in the new Prospectus. The Investment Advisory Agreement will be overseen by a Board Committee comprising the Independent and Dutch Directors.

The new Prospectus will provide disclosure of all relevant details of the Fund in keeping with the latest statutory and regulatory requirements but I would like to highlight some of the benefits the changes should bring:

- Investment advice from a team with a long history of involvement with the Fund
- Resources dedicated to investment in India, with a physical presence in India
- Greater clarity in investment approach and focus on enhancing returns
- Weekly dealing and a more efficient procedure for subscription and redemption
- A dedicated website for statutory information and shareholder communication

Coincidentally, we will also be proposing to change the name of your Fund to Himalayan Fund NV, to remove an element which has been obsolete for some time.

Your Board is convinced that the new strategy we are recommending offers improved prospects for growth and prosperity for your Fund. We are also convinced that it will deliver superior performance in the future and strongly recommend your support for the adoption of new Articles of Association at the Annual Meeting. In the meantime, I look forward to the continuation of the Fund's excellent performance.

Amsterdam, 3 April 2006
Chairman
Ian McEvatt

Directors' Report

The Total Net Asset Value of Indocam Himalayan Fund NV amounted to $23.58 millions at December 31st 2005. The Net Asset Value was $26.36 per share, an increase of 34.3% from the previous year-end. In the same period, the Indian National Index showed a return of 33.6%, so your fund outperformed by 0.7%. This was the second consecutive year in which the fund's performance exceeded that of the reference index.

This performance attracted new investors later in the year and inflows during the last month or so led to a higher cash position in the fund at year end. At December 31st, 2005, the total fund value comprised of investments was invested 74% in India, 4% in Sri Lanka and 1% in Bangladesh. The remaining value mainly comprised of cash on deposit in US dollars and Rupees. In the early part of 2006, the Indian market has continued to advance strongly, by about 7%, while we put the new money to work. The relatively high cash level will be reflected in a slight performance setback in the first quarter which we believe can be recovered in the rest of the year.

The performance of the Indian economy continues to support an optimistic outlook for portfolio investment. The recent budget statement supported expectations that GDP will have grown by more than 8% in the latest fiscal year. This record figure will comprise growth of 9.4% in the manufacturing sector combined with a recovery of growth in the agricultural sector to 2.3%. This expansion has been fuelled both by burgeoning domestic demand and a strong export performance. Total exports for the year reached nearly US$100 billion, a new record high.

Measures of consumer and business confidence remained strong and evidence of a revival in investment was sustained. Gross domestic savings have grown to more than 29% of GDP and gross domestic capital formation now exceeds 30% of GDP. Foreign direct investment increased sharply, by nearly 50%, to US$6.2 billion, another record. Releases of economic data confirm continuing strength in the business cycle. Industrial production remains robust, extending a strong trend from the second quarter of the year.

Inflation averaged 4.7% during the year and the favourable trend was confirmed in the budget statement with the disclosure that the headline rate had fallen to 4.02% by February 2006. Nonetheless, the Reserve Bank of India has signalled its intention to manage inflationary pressures with an increase in interest rates late in 2005. The market absorbed this move but possibility of a tightening in monetary policy looms in the first half of 2006 if in fact inflationary prices re-emerge. Interest rates remain at historic lows.

Against this background, the market has performed strongly, attracting strong foreign liquidity flows. The overall market valuation of seventeen times forecast earnings conceals a wide range of valuations by sector, from eleven to twenty-five times. Earnings guidance suggests that the leading stocks will justify their valuations in the forthcoming reporting season. In keeping with global market trends, however, negative earnings surprises are likely to be punished.

Market direction for the year is heavily influenced by the annual Federal Budget statement followed by the publication of full-year result, starting in April. At the time of writing, the budget statement has just been made and is encouraging in its tone of support for enterprise and productivity. There will be no increases in personal or corporate taxation, so that the incentive to growth and productivity is sustained. On the other hand, a reduction in the fiscal deficit is to be driven by continued improvement in the efficiency of tax collection as well as more consistency in the application of excise duties and the service tax. A restatement of commitment to infrastructure investment and rural development confirms an optimistic environment of government policy to support continued growth in the economy. If corporate results for the fiscal year ended March 2006 justify the record market valuation level, the prospects for investment in India continue to be good.

There remains some scope for external shocks, which might affect global asset allocation and disrupt the flow of liquidity to the market. Geo-political sentiment is always a risk and much depends on diplomatic policy towards Pakistan, China and the US, in particular. The government appears to be following a careful balancing act in all three directions and the outcome of the sensitive nuclear negotiations with the US will be an important milestone. The price of oil remains a lottery and domestic exploration and coal mining activity are critical issues for maintaining adequate growth in power supply. The effects of the monsoons always have a bearing and in 2005 the benefits of the rainfall were combined with infrastructure damage from the extreme conditions.

Your Board remains convinced of the fundamental growth prospects for the Indian economy. The sources of economic stimulus are well diversified. Positive demographic trends are providing a young workforce with unique depth of technological resources. The evolving tastes of an affluent urban consumer base are driving domestic consumer demand, financed by credit expansion from a well capitalised financial sector. Enterprising management in the manufacturing and technology sectors continues to drive growth in outsourcing from the global markets. Finally, an encouraging environment of government policy and a massive commitment to infrastructure development provide the basis of long-term growth. The proposed investment of $150 billions to national infrastructure development over five years will, on its own, provide a massive growth stimulus.

Global investors draw comfort from India's common law jurisdiction, stable democracy and institutions. They have also been quick to recognise the investment potential, resulting in a surge of liquidity into the Indian market throughout the year. New foreign portfolio capital inflows totalled US$10.6 billion, an all-time historical record. Domestic mutual fund equity investments were also robust, at US$5.4 billion in total. Initial evidence suggests this will continue in 2006.

As of March 9, 2006, Indocam Himalayan Fund NV was 98% invested, almost entirely in Indian shares. The net asset value per share was US$30.40 and the total Fund size was US$25.9 million.

Amsterdam, 3 April 2006

Board of Directors
Ian McEvatt, Chairman
Dwight Makins
Thierry Mequillet
Joe Tabbers

Financial statements
Indocam Himalayan Fund N.V.

Statement of assets and liabilities

(before profit appropriation)

	31-12-2005 USD	2004 USD
Investments		
Securities	**18,383,916**	**16,156,328**
Short term receivables		
Receivables from security transactions	**1,355,695**	494,718
Other debtors, prepayments and accrued income	**31,761**	55,854
	1,387,456	**550,572**
Other assets		
Cash at banks	**3,947,993**	833,302
Current liabilities (due within one year)		
Other liabilities, accruals and deferred income	**141,149**	392,487
	141,149	**392,487**
Total of receivables and other assets less current liabilities	**5,194,300**	991,387
Total assets less current liabilities	**23,578,216**	**17,147,715**
Shareholders' equity		
Issued capital	**63,610**	72,998
Share premium	**42,068,114**	40,769,669
Legal reserve	**446**	514
General reserve	**-23,695,466**	-27,796,375
Undistributed result current year	**5,141,512**	4,100,909
	23,578,216	17,147,715
Net Asset Value per share	**26.36**	19.63

Statement of operations

	01-01-2005 31-12-2005 USD	01-01-2004 31-12-2004 USD
Income from investments		
Dividends	214,833	323,982
Interest income	22,512	11,278
Other income	66,951	149,095
	304,296	484,355
Capital gains/losses		
Unrealised price gains/losses on investments	2,584,287	-1,128,220
Unrealised currency gains/losses on investments	-428,816	1,370,628
Realised price gains/losses on investments	3,367,620	4,044,530
Realised currency gains/losses on investments	6,835	-
Other exchange differences	-51,034	41,423
	5,478,892	4,328,361
Expenses		
Investment management fees	239,478	233,088
Other expenses	402,198	478,719
	641,676	711,807
Total investment result	5,141,512	4,100,909
Total investment result per ordinary share	5.76	4.71

Statement of Cash Flows

	01-01-2005 31-12-2005 USD	01-01-2004 31-12-2004 USD
Cash flow from investing activities		
Income from investments	304,296	484,355
Expenses	-641,676	-711,807
Result of operations	-337,380	-227,452
Purchases	-5,011,097	-12,210,884
Sales	8,249,435	15,592,455
	3,238,338	3,381,571
Change in short term receivables	-1,040,884	416,604
Change in current liabilities	23,662	66,799
	-1,017,222	483,403
Cash flow from investment activities	1,883,736	3,637,522
Cash flow from financing activities		
Received on shares issued	4,078,350	1,388,400
Paid on shares repurchased	-2,789,361	-4,630,740
Dividend distribution	-	-132,433
Cash flow from financing activities	1,288,989	-3,374,773
Other exchange differences	-51,034	41,423
Change in cash and cash equivalents	3,121,691	304,172
Cash and cash equivalents as at 1 January	826,302	529,130
Cash and cash equivalents as at 31 December	3,947,993	833,302

Notes

General
Indocam Himalayan Fund N.V. ('the Company') is an investment fund with variable capital, incorporated under Dutch law and has its registered office in Amsterdam.

The format of these financial statements is in conformity with legal financial reporting requirements and the Guiding Principles for Investment Institutions of the Council for Reporting. The Cash Flow statement has been prepared according to the indirect method. The financial year is concurrent with the calendar year.

Changes in basis of consolidaton
Part of the Company's direct investments in Indian securities is made through Canbank (Offshore) Mutual Fund ('the Mutual Fund') all of whose units in issue are wholly owned by the Company.
The Company acquired the Foreign Institutional Investor ('FII') status in India as per 24 October 2003.
The FII status enables the Company to invest directly in Indian securities. Since the Company has the FII status it has been decided to reduce the size of Indian investments through the Mutual Fund on the one hand and to increase the size of the direct investments of the Company in India on the other hand. The company has decided to redeem all its shares in the Mutual Fund in the near future. Anticipating, the value of the Mutual Fund is taken into account under investments, and as a result the Company and the Mutal Fund are no longer consolidated.

Principles of valuation
Investments
The investments are valued based on the following most important principles:
- listed securities are valued at the most recent stockmarket price as at the end of the accounting period which can be considered fair value;
- equity linked notes are valued at net realisable value which can be considered fair value;
- non or low marketable securities are, according to the judgement of the Investment Manager, valued at the best effort estimated price, taking into account the standards, which the asset manager thinks fit for the valuation of such investments.

Expenses related to the purchase of investments are included in the cost of investments.
Sales charges, if any, are deducted from gross proceeds and will be expressed in the capital gains/-losses.

Foreign currency translation
Assets and liabilities in foreign currencies are translated into dollars at the rate of exchange as at the balance sheet date. All exchange differences are taken to the income statement. Income and expenses in foreign currencies are translated at the exchange rate as per transaction date.

Rates of exchange as at 31 December 2005, equivalent of 1 US dollar:			
Euro	0.84778	Srilanka Rupee	102.30500
Indian Rupee	45.01000	Bangladesh Taka	66.22500

Other assets and liabilities
Other assets and liabilities are stated at nominal value. If required, provisions have been taken for irrecoverable receivables.

Legal reserve
On 15 June 2001 the issued share capital of NLG 458,940 was converted into EUR 208,258 consisting of 16,325,798 ordinary shares with a nominal value of EUR 0,01 each, and 100,000 priority shares with a nominal value of eur 0,45 each. Regarding the priority shares, the Company shall maintain a non-distributable legal reserve for the difference between EUR 45,000 and EUR 45,378.02

Income recognition principles

Net dividends are taken to income when declared. Other income is recognised on an accrual basis. Brokerage fees payable on the acquisition of investments, if any, are considered to be part of the investment costs, and as a result, are not taken to the profit and loss account.

Risk Management

Financial Instruments

The Company is exposed to market price risk, interest rate risk, credit risk, liquidity risk and foreign currency risk arising from the financial instruments it holds. The Company may use derivatives and other instruments in connection with its risk management activities.

The Company has investment guidelines that set out its overall business. Daily reviews are undertaken to ensure that the Company's guidelines are adhered to.

Market price risk

The Company's investments are susceptible to market price risk arising from uncertainties about future prices. The positions held by the Company at the report date are disclosed under 'Investment portfolio'.

Interest rate risk

The Company is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable to meet a commitment that it has entered into with the Company. This risk for contracts regarding financial instruments (including Equity Linked Notes and Depository Receipts) is limited. It is the Company's policy to enter into such contracts with several different counterparties and to assign a great importance to the parties' credit-worthiness in the selection process. For further details on the credit risk we refer to the 'Investment portfolio'.

Liquidity risk

The Company's investments are considered to be readily realisable or actively traded in the OTC market. The exposure to liquidity risk is mainly related to the Company's investments in unlisted securities.

Foreign currency risk

The Company invests in securities and other investments that are denominated in currencies other than the currency in which the Company's shares are denominated. The Company can use forward currency transactions and interest rate swaps to cover risks related to currency fluctuations. A significant portion of the Company's investments in securities is not denominated in US Dollar but in other currencies. Accordingly, the value of the Company's assets may be affected considerably, favourable as well as un-favourable, by fluctuations in currency rates.

Cash flow statement

The Cash Flow statement has been prepared according to the indirect method.

Notes to the statement of assets and liabilities

	31-12-2005 USD	31-12-2004 USD
Investments		
Statement of changes in securities		
Position as at 1 January	**16,092,328**	15,250,961
Purchases	**5,011,097**	12,210,884
Sales	**-8,249,435**	-15,592,455
Unrealised price gains/losses on investments	**2,584,287**	-1,128,220
Unrealised currency gains/losses on investments	**-428,816**	1,370,628
Realised price gains/losses on investments	**3,367,620**	4,044,530
Realised currency gains/losses on investments	**6,835**	-
Position as at 31 December	**18,383,916**	16,156,328
Historical cost	**10,240,053**	12,268,958

The majority of the Indian investments and all those in Sri Lanka and Bangladesh are now held directly by the Company. The total investments in unlisted shares and unlisted debentures held by the Mutual Fund amounted to USD 0 (31 December 2004: USD 106,000) and unlisted investments directly held by the Company to USD 2,016,209 (31 December 2004: USD 1,727,000). The Total value of the Canbank mutual fund is USD 647,000, 31 December 2004: USD 3,081,000
The portfolio breakdown as at 31 December 2005 are specified on pages 22 to 24 of this report.

Short term receivables

Receivables from security transactions

This includes the receivables from unsettled security transactions as per balance sheet.

As per 31 December 2005 there was an outstanding receivable concerning a former investment in Peregrine shares. Due to the uncertainty about the collect ability of this receivable the entire amount was provisioned for in 2001. The total outstanding (fully provisioned) receivable as per 31 December 2005 was USD 420,003 (31 December 2004: USD 420,003).

Other debtors, prepayments and accrued income		
Dividend receivable	**19,140**	39,310
Prepayments and other debtors	**12,621**	16,544
	31,761	55,854

Cash at banks

This includes demand deposits at banks.

Current liabilities (due within one year)		
Other liabilities, accruals and deferred income		
Payable investment management fee	**63,969**	46,909
Payable administration fee	**14,622**	16,849
Payable auditors fee	**44,215**	47,574
Other expenses payable	**18,343**	281,155
	141,149	392,487

Shareholders' equity

The authorised share capital of the Company is EUR 445,000 (31 December 2004: EUR 445,000) and consists of:

- Ordinary shares of EUR 0.01 each 40,000,000
- Priority shares of EUR 0.45 each 100,000

		31-12-2005	31-12-2004
Issued capital	**number**	**USD**	USD
Ordinary shares:			
Position as at 1 January	870,551	**11,833**	13,377
Issued	161,000	**1,610**	900
Repurchased	-139,132	**-1,391**	-2,800
Revaluation		**-1,521**	355
Position as at 31 December	892,419	**10,530**	11,832
Priority shares:			
Position as at 1 January	100,000	**61,166**	56,761
Revaluation		**-8,086**	4,405
Position as at 31 December	100,000	**53,080**	61,166
Total issued capital		**63,610**	72,998

As at 31 December 2005 the subscribed share capital amounts to:		**EUR**	EUR
Ordinary shares, par value EUR 0.01	16,325,798	**163,258**	163,258
Priority shares, par value EUR 0.45	100,000	**45,000**	45,000
		208,258	208,258

The Company became open-ended at 7 April 2000. As at 31 December 2005 a total of 15,433,379 ordinary shares were repurchased, meaning that 892,419 ordinary shares are still outstanding as at 31 December 2005. Repurchased ordinary shares by the Company are directly charged against capital and share premium.

Share premium	**USD**	USD
Position as at 1 January	**40,769,669**	44,015,005
Received on shares issued	**4,076,740**	1,387,500
Paid on shares repurchased	**-2,787,970**	-4,627,940
Revaluation of outstanding capital	**9,607**	-4,760
Revaluation of legal reserve	**68**	-136
Position as at 31 December	**42,068,114**	40,769,669

Legal Reserve		
Position as at 1 January	**514**	378
Revaluation	**-68**	136
Position as at 31 December	**446**	514

	31-12-2005	31-12-2004
	USD	USD
General reserve		
Position as at 1 January	**-27,796,375**	-34,390,027
Transferred from undistributed result	**4,100,909**	6,593,652
Position as at 31 December	**-23,695,466**	-27,796,375
Undistributed result		
Position as at 1 January	**4,100,909**	6,726,085
Dividend distribution	**-**	-132,433
Transferred to/from general reserve	**-4,100,909**	-6,593,652
Total investment result	**5,141,512**	4,100,909
Position as at 31 December	**5,141,512**	4,100,909

Notes to the statement of operations

Income from investments

Dividends

This refers to net cash dividends including refundable withholding tax. Stock dividends are considered to be cost free shares. Therefore stockdividends are not presented as income.

Interest income

Most of this amount was received on outstanding cash balances.

Other income

This refers to the upcount received on shares issued and discount calculated on shares repurchased. Additionally the amount recovered from the provisioned receivable on the investment of Peregrine is presented under this item.

	01-01-2005	01-01-2004
Expenses	**31-12-2005**	31-12-2004
Investment management fees	**USD**	USD
Management fee	**214,268**	202,794
Other investment management fees	**25,210**	30,294
	239,478	233,088

Crédit Agricole Asset Management receives an annual fee of 1.25 per cent (calculated on a weekly basis) of the Net Asset Value of the Company, excluding the net assets of the Mutual Fund, and an annual fee of 0.6875 per cent (calculated on a weekly basis) of the Net Asset Value of the Mutual Fund. Canara Bank, the investment manager of the Canbank Mutual Fund receives an annual fee of 0.5625 per cent (calculated on a weekly basis) of the Net Asset Value of the Mutual Fund. Both fees are without any tax charge.

Expenses directly related to the management of investments, like custody fees and transfer charges as well as other paying agent fees are deducted from the result. These expenses are included in other investment management fees with the exception of the transfer charges. Transfer charges are accounted for in the investment revaluation reserve.

Other expenses		
Administration fee	**142,869**	144,712
Domicile fee	**35,700**	35,000
Commission and bank expenses	**4,148**	7,077
Reporting and advertising fees	**36,505**	19,327
Register fees Chamber of Commerce and the Authority for the Financial Markets	**54,873**	55,190
Auditor and fiscal advisor fees	**87,587**	91,314
Directors' fee (including liability insurance fee)	**27,552**	69,201
Miscellaneous	**12,964**	56,898
	402,198	478,719

The Company pays to Fastnet NL a monthly administration fee (excluding VAT) equal to 1/12 of 0.2% of the average Net Asset Value with a minimal fee of EUR 100,000 per year. The Company also pays to Fastnet NL a fixed monthly domicile fee (exclusive VAT) equal to EUR 25,000 per year. The average Net Asset Value of the Company is calculated as the sum of the total Net Asset Values at the beginning of the month and at the end of the month, divided by 2.

The remuneration of the Board of Directors of the Company amounts to a maximum of EUR 15,000 for each member per year. As at 31 December 2005 a total of USD 5000 was paid to the Board of Directors (31 December 2004: USD 5,000).

Expense ratio

The expense ratio (cost ratio) is calculated as follows: the total expenses of the Company divided by the average Net Asset Value.

- The total expenses include the expenses that are deducted from the result as well as from the shareholders' equity in the period under review.
- The average Net Asset Value of the Company for reporting period is calculated as the sum of the Net Asset Value as per 31 December 2004, 31 March 2005 and 30 June 2005, 30 September 2005, 31 December 2005 in the proportion 0.5 : 1: 1: 1 : 0.5, divided by the weighted number of observations.

The expense ratio of the Company for the reporting period is equal to: 3.52% (31 December 2004: 4.44%).

Employees

Like last year, the Company has no employees.

Amsterdam, 3 April 2006

Board of Directors
Ian McEvatt, Chairman
Dwight Makins
Thierry Mequillet
Joe Tabbers

Portfolio breakdown

as at 31 December 2005

		Market value USD	percentage of total Net Asset Value
India			
Energy			
33,350	Oil & Natural Gas	870,575	
29,100	Chennai Petroleum	149,056	
15,042	Tata power	145,624	
31,800	CESC Dematerials	161,402	
98,580	National Thermal Power	245,519	
		1,572,176	6.67%
Materials			
90,780	Reliance Industries	1,794,322	
252,000	Gujarat Ambuja Cements	445,661	
9,100	ABB Ltd.	389,990	
80,350	Ballarpur Industries	200,206	
7,000	Jindal Steel & Power	245,715	
25,200	Bharat Forge	219,947	
36,800	National Aluminium	179,708	
19,200	Hindustan Zinc	104,595	
36,300	Tata Iron & Steel	306,707	
		3,886,851	16.49%
Industrials			
31,800	Bharat Heavy Electricals	979,399	
54,000	Cummins India	190,278	
30,000	Zee Telefilms	104,577	
10,500	Grasim Industries	324,553	
7,200	Larsen & Toubro	295,006	
28,781	IVRCL Infrastructure	469,282	
		2,363,095	10.02%
Capital Goods			
19,800	Amtek Auto	131,069	
15,500	Tata Motors	224,872	
1,698	Jet Airways	43,184	
		399,125	1.69%

India		Market value USD	percentage of total Net Asset Value
Consumer goods (continued)			
4,200	Britannia Industries	126,229	
50,740	Rico auto	110,476	
5,432	Pantaloon Retail	204,687	
282,000	INT'L tobacco	889,669	
1,086	Pantaloon Retail rts	28,858	
13,500	Gateway Distriparks	82,767	
32,600	Titan Industries	595,108	
		2,037,794	8.64%
Healthcare			
27,200	Ranbaxy Laboratories *	218,972	
10,100	GlaxoSmithKline Pharmaceuticals	251,378	
16,533	Nicholas Piramal	100,645	
10,160	Sun Pharmaceuticals	153,980	
14,276	Wockhardt	141,142	
9,680	Lupin Laboratories	164,921	
		1,031,038	4.37%
Financials			
37,760	HDFC Bank	593,497	
23,000	Housing Development Financing Corporation	615,931	
20,000	Uti Bank	127,800	
6,364	Punjab National Bank	65,938	
38,500	ICICI Bank *	500,132	
2,267	Canbank mutual fund	647,000	
		2,550,298	10.82%
Information technology			
15,750	Infosys Technologies	1,048,605	
7,755	Infosys Technologies *	516,342	
9,280	Tata Consultancy	351,005	
19,000	Patni Computer Systems	209,144	
		2,125,096	9.02%
Telecommunication services			
101,655	Bharti Televentures *	780,763	
		780,763	3.31%

India		Market value USD	percentage of total Net Asset Value
Utilities			
55,000	Gas Authority of India	325,039	
14,400	Sesa Goa	323,864	
		648,903	2.75%
Total India		**17,395,139**	**73.78%**
Bangladesh			
	Consumer Goods		
292,150	Padma Textile Mills	108,688	0.46%
Total Bangladesh		**108,688**	**0.46%**
Sri Lanka			
	Industrials		
691,242	John Keels Holdings	880,089	3.73%
Total Sri Lanka		**880,089**	**3.73%**
Total Investments		18,383,916	77.97%
Other net assets		5,194,300	22.03%
Total Net Asset Value		**23,578,216**	**100.00%**

* Unlisted securities

Supplementary information

Personal interest

At the end of, or during the reporting period, non of the members of the Board of Directors had any interests in securities also being a part of the investments of the Fund.

Special controlling rights

Special rights are assigned to holders of priority shares. The most important rights are:
- to submit a binding nomination for the appointment of the Directors
- to give their approval in advance of amendments in the Articles of Association, legal merger, legal split and dissolving the Fund.

The priority shares are held in the name of Crédit Agricole Asset Management Hong Kong Limited.

Substantial investors

As far as known, there were no shareholders of the Fund in the reporting period to be designated as substantial investors within the meaning of article 1, paragraph f of the Decree on the Supervision of Investment Institutions, except for the holder of priority shares who has special controlling rights.

No transactions were concluded between Crédit Agricole Asset Management Hong Kong and the Company during the period under review. Crédit Agricole Asset Management Hong Kong ltd. received a total of USD 93,966 from Investment Fees and other cost declarations.

Priority Shares

At 31st December, 2005, 100,000 Priority Shares of EUR 0.45 each were held by Crédit Agricole Asset Management Hong Kong Ltd., indirectly a subsidiary of Crédit Agricole S.A. and carry a priority right to an annual dividend of up to six per cent. Of the nominal value of such share. Priority Shares also carry voting rights with respect to Ordinary Shares in a ratio of 45 to1.

The directors of Crédit Agricole Asset Management Hong Kong Ltd. are Mr. Thierry Coste, Mr. Thierry Mequillet, Mr. Ray Jovanovich, Mr. Nicolas Sauvage, Mr. Jean Yves Colin, Mr. Claude Shu Kang Chen and Mrs. Michèle Jardin.

The directors of the Company and the directors of Crédit Agricole Asset Management Hong Kong Ltd. declare that to the best of their knowledge and belief Appendix X, paragraph C, article 10 of the listing Rules of Euronext Amsterdam NV is complied with.

Statutory provision of profit distribution

Article 21 (1) of the Articles of Association provides for the following:
If, after appropriation to reserves, profits are available and insofar as sufficient a dividend shall first be paid to the holders of priority shares equal to six per cent (6%) of the nominal value of such shares. The balance of profits, if any, shall be at the disposal of the general meeting for distribution of the holders of the ordinary shares. Distributions of profit can only be made insofar as the net asset value of the Company shall exceed the aggregate of the amount paid up on the issued share capital and the reserves of the Company which are required to be maintained by law.
Furthermore, subject to the following paragraph, distribution of profit may only take place on the final adoption of the annual accounts, provided it shall appear therefrom that the distribution is permissible.

Auditor's Report

Introduction

We have audited the financial statements of Indocam Himalayan Fund N.V., Amsterdam, for the year 2005 as set out on pages 10 to 25. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with auditing standards generally accepted in the Netherlands. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the company as at 31 December 2005 and of the result for the year then ended in accordance with accounting principles generally accepted in the Netherlands and also comply with the financial reporting requirements included in Part 9 of Book 2 of the Netherlands Civil Code and the Act on the Supervision of Investment Institutions.

Furthermore we have established to the extent of our competence that the annual report is consistent with the financial statements.

Amsterdam, 3 April 2006
KPMG ACCOUNTANTS N.V.

J.G.J.F. Oudejans RA