



VietNam Holding Limited - VNH Corporate Review Update
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Corporate Review Update

VietNam Holding Limited ("VNH", the "**Company**" or the "**Fund**") (AIM: VNH) is pleased to provide an update on the Board's ongoing corporate review. As detailed in the 31 December 2017 interim results, a key objective of the review is to retain those elements such as the investment strategy that have delivered long term outperformance whilst improving corporate governance.

Investment Manager

Today VNH issued notice terminating the current investment management agreement with VietNam Holding Asset Management Limited ("VNHAM"). This is part of a process of renegotiating and restructuring VNH's management arrangements with the objective of retaining the services of the successful portfolio management team led by Vu Quang Thinh, on more appropriate fee terms. The Board expects to make further announcements as this process continues. In the interim VNHAM will continue to operate under the terms of the existing investment management agreement.

Share Buy Back

The Board intends to maintain VNH's current share buy-back programme. While the Fund trades at a discount to its NAV per share, the Board believes that an excellent use of the Fund's capital is to repurchase shares at a discount to NAV for immediate cancellation. Such repurchases provide a certain, near immediate and substantial return on the capital used, accreting value to NAV per share.

Therefore the Board will seek to increase the authority to buy back shares at an EGM ahead of the Company's AGM in September. A circular will be posted to shareholders in due course.

Acquisition of the assets of Vietnam Equity Holdings ("VEH")

The Board has signed an asset purchase agreement with VEH to acquire VEH's investment portfolio ("**Agreement**"). This portfolio had a value of €43.6 million (as at 11 May 2018, the latest practicable date prior to the issue of this announcement). Prior to the acquisition of the portfolio, VEH will be giving its shareholders the opportunity to redeem their shares up to a maximum of 50% of their shareholding in VEH. The asset purchase is subject to approval by VEH shareholders at a general meeting of VEH to be held on 8 June 2018. A further announcement will be made to detail the exact value of the portfolio that has been acquired.

The consideration for this acquisition is the issue of new VNH ordinary shares at a price equivalent to no less than VNH's NAV per share on the completion date, expected to be mid-June 2018.

The Board believes the acquisition will benefit VNH Shareholders in a number of ways namely:

- VNH's Net Asset Value ("**NAV**") per share will be enhanced by the VEH asset acquisition
- The total expense ratio of the Fund will be reduced by the VEH asset acquisition
- Increased scale of the Fund is expected to increase secondary market liquidity

About VEH

VEH is an open ended Cayman Islands domiciled fund investing in Vietnamese listed equities managed by Saigon Asset Management.

Related Party Transaction

As Hiroshi Funaki is a director of Discover Investment Company, a company that holds 22.2% of VEH, the acquisition of the assets of VEH constitutes a related party transaction for the purposes of AIM Rule 13. In accordance with the AIM Rules for Companies, Sean Hurst, Damien Pierron, Philip Scales and Milton Lawson, as the independent directors with respect to this transaction, having consulted with the

Company's Nominated Adviser, finnCap Limited, consider that the terms of the Agreement are fair and reasonable insofar as the Company's shareholders are concerned.

Domicile and Listing

Finally, the Board is exploring options regarding VNH's listing and domicile and will make further announcements in due course on this and other matters arising from the ongoing corporate review.

The information contained within the announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR"). Upon the publication of this announcement via Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain

finnCap Ltd

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Nominated Adviser and Broker

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