

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about the contents of this document or as to the action you should take, you are recommended immediately to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other appropriately qualified independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) or, if you are in a country outside the United Kingdom, another appropriately authorised independent financial adviser.

If you were a Shareholder and have sold or otherwise transferred all your Ordinary Shares, please send this document as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. However, neither this document nor any accompanying document(s) should be forwarded or transmitted to or in any jurisdiction outside the United Kingdom where to do so may violate any legal or regulatory requirement. If you are an existing holder of Ordinary Shares and you have sold or transferred part only of your registered holding of Ordinary Shares, please contact the stockbroker, bank or other agent through whom the sale or transfer was effected.



VIETNAM HOLDING LIMITED

(a company registered in Guernsey under the Companies (Guernsey) Law, 2008 (as amended)  
with registered number 66090)

PROPOSED REDEMPTION FACILITY, CONVERSION OF ORDINARY SHARES  
INTO REDEEMABLE SHARES, AMENDMENTS TO THE ARTICLES OF INCORPORATION

AND

NOTICE OF ANNUAL GENERAL MEETING

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice of an AGM to be held at the offices of Stephenson Harwood AARPI, 48 Rue Cambon, 75001 Paris, France at 10.00 a.m. (Paris time) on 21 December 2023 is set out at the end of this document. The Proposals described in this document are conditional upon Shareholder approval of the Continuation Resolution at the AGM. The Continuation Resolution is conditional upon Shareholder approval of the Proposals described in this document.

Notice of an EGM to be held at the offices of Stephenson Harwood AARPI, 48 Rue Cambon, 75001 Paris, France at 10.30 a.m. (Paris time) on 21 December 2023 is set out at the end of this document. The Proposals described in this document are conditional upon Shareholder approval of the EGM Resolutions.

Shareholders are requested to complete and return the Forms of Proxy attached to this document for use at the AGM and EGM. To be valid, the Form(s) of Proxy must be completed and returned in accordance with the instructions printed thereon to Computershare Investor Services (Guernsey) Limited c/o The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ, United Kingdom as soon as possible and, in any event, so as to arrive by no later than 10.00 a.m. (Paris time) on 19 December 2023 in respect of the AGM and 10.30 a.m. (Paris time) on 19 December 2023 in respect of the EGM.

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

|  |                                |
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| Latest time and date for receipt of Forms of Proxy for the AGM                             | 10.00 a.m. on 19 December 2023 |
| Latest time and date for receipt of Forms of Proxy for the EGM                             | 10.30 a.m. on 19 December 2023 |
| Time and date of AGM   | 10.00 a.m. on 21 December 2023 |
| Time and date of EGM   | 10.30 a.m. on 21 December 2023 |
| Results of AGM and EGM expected to be announced  | 21 December 2023               |
| First annual Redemption Point under the Redemption Facility, if the Proposals are approved | 30 September 2024              |

*The times and dates set out in the expected timetable and mentioned throughout this document may, in certain circumstances, be adjusted by the Company, in which event, details of the new times and dates will be notified, as required, to the London Stock Exchange and, where appropriate, to Shareholders and an announcement will be made through a Regulatory Information Service.*

*All references to times in this document are to Paris time unless otherwise stated.*

# PART 1 LETTER FROM CHAIRMAN

## VIETNAM HOLDING LIMITED

(a company registered in Guernsey under the Companies (Guernsey) Law, 2008 (as amended) with registered number 66090)

### Directors:

Hiroshi Funaki (Chairman)  
Sean Hurst  
Damien Pierron  
Philip Scales  
Saiko Tajima

### Registered Office:

1 Royal Plaza  
Royal Avenue  
St Peter Port  
Guernsey  
GY1 2HL  
Channel Islands

27 November 2023

Dear Shareholder,

### 1 Introduction

As we reach the end of the current five-year continuation period, it is worth summarising the achievements of the Company since the last continuation vote. The Board appointed Dynam Capital, Ltd. as the new Investment Manager of the Company in June 2018. In the period from June 2018 until 30 September 2023, the Company's net asset value per share has risen 43 per cent., outperforming the Vietnam Index by 30 per cent. and the Vietnam All Share Index by 20 per cent. Furthermore, the Company's average discount is currently the narrowest of the three London listed funds which invest in Vietnam. Finally, in the past five years the Company has returned over US\$150 million to Shareholders through a combination of tender offers and share buybacks.

Looking forward, your Board is recommending the Continuation Resolution alongside an innovative redemption structure that will give shareholders an annual opportunity to realise their holding in the Company at fair market value. The Board believes that this modernisation of the closed-end fund structure should lead to a narrower discount over time.

To this end on 27 November 2023 your Board announced Proposals, subject to Shareholder approval at the Extraordinary General Meeting convened by this document and to the passing of the Continuation Resolution at the Annual General Meeting also convened by this document, to introduce a Redemption Facility. The Redemption Facility, if implemented, would enable qualifying Shareholders to redeem some or all of their holding of Ordinary Shares in the Company on an annual basis.

The purpose of this document is to describe in detail the Proposals for which the Board is seeking the approval of Shareholders. This document also sets out the reasons why the Directors are recommending that you vote in favour of the Resolutions to implement the Proposals.

This circular convenes the EGM for the necessary Resolutions to be voted on by Shareholders to give effect to the Proposals. The Proposals are conditional on the passing of the Resolutions at the EGM, to be held on 21 December 2023.

This circular also convenes the Company's next AGM, also to be held on 21 December 2023 immediately prior to the EGM. In addition to the usual business to be considered at the AGM, this year's meeting will consider the Continuation Resolution. In accordance with the Company's Articles, the Board is required to seek Shareholder approval at the AGM to be held in 2023 for the Company to continue in existence for a further five years.

The Proposals are conditional on the passing of the Continuation Resolution at the AGM. The Continuation Resolution is conditional upon Shareholder approval of the Proposals described in this document.

### 2 Background to the Proposals

Following consultation with Shareholders, the Board has determined that it would be in the interests of Shareholders to introduce the Redemption Facility. The facility should, subject to the Directors' discretion in the operation of the facility, allow those Shareholders who wish to realise some or all of their holding in the Company for cash the opportunity to do so.

### 3 The Proposals

The key elements of the Proposals are that:

- the rights of the Ordinary Shares be amended so as to allow Shareholders to request the redemption of part or all of their shareholding on an annual basis (the "**Redemption Facility**");
- the Ordinary Shares be converted into shares that are redeemable in accordance with the provisions of the New Articles and applicable law, in order to facilitate the operation of the Redemption Facility; and
- the Articles be amended in order to implement the Proposals.

The first Redemption Point is expected to be on 30 September 2024. Shareholders should note that this will not be their only opportunity to apply for redemption of their holding in the Company. Subsequent opportunities will occur annually thereafter. In addition, the Company anticipates that there will remain an active secondary market in the Ordinary Shares.

#### **4 Benefits of the Proposals**

The Directors believe that the Proposals will provide the following benefits to Shareholders:

- the establishment of a mechanism by which Shareholders may be able to dispose of some or all of their shareholding, should they wish to do so, which is not dependent on the market liquidity of the Ordinary Shares;
- an additional mechanism to allow the Company to seek to address, through share redemptions, buybacks and new issuance from time to time, market imbalances in the supply of, and demand for, the Ordinary Shares;
- minimising the discount at which the Ordinary Shares trade compared to NAV per Ordinary Share; and
- an uplift in NAV per Ordinary Share for the Company and continuing Shareholders as a result of the Redemption Charge applied when Ordinary Shares are redeemed after being held for less than 2 years.

#### **5 The New Articles**

In order to give effect to the Proposals, it will be necessary to amend the Articles to include provisions relating to the Redemption Facility and to provide that the Ordinary Shares are redeemable.

A summary of the provisions in the proposed New Articles relating to the Redemption Facility is set out in Part 2 of this document.

A copy of the proposed New Articles, shown as a comparison against the Company's existing articles, will be available for inspection on the Company's website and on the FCA's National Storage Mechanism from the date of this document, and at the EGM for the duration of the meeting and for at least 15 minutes prior to the EGM.

In accordance with the Companies Law, the adoption of the New Articles requires Shareholder approval at the EGM.

#### **6 Dividend policy**

If the Proposals are approved by Shareholders and the Redemption Facility is implemented, it is expected that this will result in the Company being treated as an "offshore fund" for the purposes of UK taxation. UK resident Shareholders should note that the Company expects to apply to HMRC for approval as a "reporting fund" for the purposes of the Offshore Fund Rules, which would have consequences that are discussed in Part 3 of this document. For so long as it is a reporting fund, the Company intends to make dividends to Shareholders at least equal to reported income for each reporting period. Shareholders should note that this cannot be guaranteed and the level of distributions for any period remains a matter to be determined at the discretion of the Board.

However, the Board does not expect to amend the formal dividend policy of the Company which remains as stated in the prospectus issued by the Company in 2018 and is restated below.

The Board may from time to time declare any such dividends to Shareholders as appropriate. No dividend may be declared or paid other than from funds lawfully available for distribution including share premium. The Company's income from investments will be applied first to pay the fees and other expenses of the Company. The Company's net income (excluding capital gains), if any, may be distributed to Shareholders, subject to retention of sufficient funds to meet anticipated fees and other expenses and subject to the ability to convert Dong income into foreign currency for purposes of paying such dividends. Any dividends unclaimed after a period of six years after having been declared will be forfeited and revert to the Company. No dividend payable by the Company on or in respect of any Ordinary Share will bear interest against the Company.

To date, no dividends have been distributed by the Company.

#### **7 The Takeover Code**

Given the introduction of the Redemption Facility, and the ability of the Company to conduct share buybacks, there are certain considerations that Shareholders should be aware of with regard to the Takeover Code.

Under Rule 9 of the Takeover Code, any person who acquires shares which, taken together with shares already held by him or shares held or acquired by persons acting in concert with him, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares. Similarly, when any person or persons acting in concert already hold more than 30 per cent. but not more than 50 per cent. of the voting rights of such company, a general offer will normally be required if any further shares increasing that person's percentage of voting rights are acquired.

Under Rule 37 of the Takeover Code when a company purchases its own voting shares, a resulting increase in the percentage of voting rights carried by the shareholdings of any person or group of persons acting in concert will be treated as an acquisition for the purposes of Rule 9 of the Takeover Code. A Shareholder who is neither a Director nor acting in concert with a Director will not normally incur an obligation to make an offer under Rule 9 of the Takeover Code.

However, under note 2 to Rule 37 of the Takeover Code where a shareholder has acquired shares at a time when he had reason to believe that a purchase by the company of its own voting shares would take place, then an obligation to make a mandatory bid under Rule 9 of the Takeover Code may arise in certain circumstances.

The Redemption Facility and buyback powers could have implications under Rule 9 of the Takeover Code for Shareholders with existing significant shareholdings. The Redemption Facility and buyback powers should enable the Company to anticipate the possibility of such a situation arising. Where such a situation is identified, the Board would seek to take steps to advise accordingly any Shareholder(s) who might otherwise become obliged to make a mandatory offer: to take appropriate action which may include selling down an existing holding of Ordinary Shares in the market, redeeming an existing holding of Ordinary Shares such that the obligation to make an offer did not arise, or to taking such other action as the Takeover Panel may decide. However, neither the Company, nor any of the Directors, nor the Investment Manager will incur any liability to any Shareholder(s) if they fail to identify the possibility of a mandatory offer arising, or if having identified such a possibility they fail to notify the relevant Shareholder(s) or if the relevant Shareholder(s) fails to take appropriate action.

## 8 Taxation

A general guide to certain aspects of the tax treatment for UK resident Shareholders of redemptions of Ordinary Shares under the Redemption Facility and of the consequences of the Company becoming an "offshore fund" for the purposes of the Offshore Fund Rules can be found in Part 3 of this document. This summary is intended only as a general guide and does not constitute tax advice.

**Shareholders are advised to consider their investment objectives and their own individual financial and tax circumstances. Shareholders should seek independent professional tax advice and advice from their own independent financial adviser authorised under the Financial Services and Markets Act 2000 as appropriate.**

## 9 Costs and expenses of the Proposals

The costs and expenses relating to the Proposals will be borne by the Company. Such costs and expenses are expected to be approximately £150,000 (plus VAT where applicable).

It is intended that the costs and expenses of the operation of the Redemption Facility will be borne by redeeming Shareholders, as further described in paragraph 8 of Part 2 of this document.

## 10 The Board

Sean Hurst and Damien Pierron have decided to step down from the Board at the AGM and will therefore not put themselves forward for re-election. The Board extends their thanks to them for their support and contribution to the development of VNH since their appointment in 2017 and wishes them every success for the future.

## 11 Annual General Meeting

The business of the AGM will consist of the following Resolutions, each of which is explained below.

### Ordinary business

**Resolutions 1 to 7** (inclusive) comprise the ordinary business of the AGM and will each be proposed as an ordinary resolution.

- The Directors are required to present the audited accounts, Directors' report and Auditors' report for the year ended 30 June 2023 to the AGM. The Director's report and the audited accounts have been approved by the Directors and the report of the Auditors has been approved by the Auditors. **Resolution 1**, therefore, is to receive the audited accounts, Director's report and Auditors' report for the year ended 30 June 2023 (the "**2023 Annual Report**").
- **Resolution 2** is to approve the Directors' remuneration report for the year ended 30 June 2023, as set out in the 2023 Annual Report. The vote on this Resolution is advisory only and the Directors' entitlement to remuneration is not conditional on its being passed.
- **Resolutions 3 to 5** (inclusive) are to re-elect Hiroshi Funaki, Philip Scales and Saiko Tajima as Directors, each of whom shall retire in accordance with the Articles of the Company and offer themselves for re-election at the AGM.
- **Resolution 6** concerns the re-appointment of KPMG Channel Islands Limited, as the Company's Auditors.
- **Resolution 7** is to authorise the Directors to determine the remuneration of KPMG Channel Islands Limited, in respect of their appointment as the Company's Auditors subject to the passing of Resolution 6 above.

### Special business

**Resolutions 8 to 10** (inclusive) comprise the special business of the AGM. Resolutions 8 and 9 will be proposed as ordinary resolutions and Resolution 10 will be proposed as an extraordinary resolution.

### Share buyback programme

- **Resolution 8** seeks authority for the Directors to continue to be authorised to buy back Ordinary Shares in relation to the Company's discount management programme. Any buyback of Ordinary Shares will be subject to the conditions set out in Resolution 8.

The Board believes that maintaining the availability of the share buyback programme is in the best interests of Shareholders as a whole and should continue to allow the Company to manage the Ordinary Share price discount to NAV per Ordinary Share where the Board considers this to be appropriate. The Board is proposing the renewal of the buyback authority which will allow for the repurchase of up to 14.99 per cent. of the Company's issued share capital as at the date of the AGM. Shareholder approval will be sought at each subsequent annual general meeting of the Company to renew such authority, and potentially more frequently if such authority is likely to be fully utilised sooner.

The Directors will only make such repurchases through the market at prices (after allowing for costs) below the relevant prevailing NAV per Ordinary Share under the guidelines established from time to time by the Board. Purchases of Ordinary Shares may be made only in accordance with applicable law, the Disclosure Guidance and Transparency Rules and the Market Abuse Regulation.

The Board's current policy is to cancel any repurchased Ordinary Shares.

Shareholders should note that the purchase of Ordinary Shares by the Company is at the discretion of the Directors and is subject, amongst other things, to the amount of cash available to the Company to fund such purchases. Accordingly, no expectation or reliance should be placed on the Directors exercising such discretion on any one or more occasions.

### Continuation Resolution

- **Resolution 9** is the Continuation Resolution that the Company continue as currently constituted until such time as a further continuation vote is required by the Articles. The next such vote is expected in 2028. Resolution 9 is conditional upon the passing of the EGM Resolutions.

**Shareholders should note that the Proposals described in this document are conditional upon the Continuation Resolution being passed at the AGM. The Board recommends that Shareholders vote in favour of the Continuation Resolution.**

In the event that the Continuation Resolution is not passed, the Board will be obliged under the Articles to, at an extraordinary general meeting to be held within six months of the AGM, propose a resolution either to wind up the Company or to implement a reconstruction, amalgamation or other material alteration to the Company or its activities or any other appropriate alternative based on current circumstances as the Board thinks fit.

#### **Disapplication of pre-emption rights on issue of Ordinary Shares**

- **Resolution 10** seeks authority for the Directors to disapply pre-emption rights in respect of the allotment and issue to any person or persons of further Ordinary Shares for cash, up to a maximum that is equivalent to 10 per cent. of the Company's issued share capital as at the date of this document plus any Ordinary Shares that may be held in treasury from time to time.

**THE BOARD RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF ALL 10 RESOLUTIONS TO BE PROPOSED AT THE AGM.**

The quorum requirement for the AGM is two Shareholders present in person or by proxy (or, in the case of a corporate Shareholder, by a duly authorised corporate representative) and entitled to attend and vote.

To be approved, each of the Resolutions 1-9 (inclusive), which are being proposed as ordinary resolutions, must be passed by a simple majority of the votes of Shareholders who vote in person or by proxy or, in the case of a corporate Shareholder, by a duly authorised corporate representative, at the AGM.

To be approved, Resolution 10, which is being proposed as an extraordinary resolution, must be passed by a majority of not less than 75 per cent. of the votes of Shareholders who vote in person or by proxy or, in the case of a corporate Shareholder, by a duly authorised corporate representative, at the AGM.

#### **12 Extraordinary General Meeting**

The implementation of the Proposals requires the approval of Shareholders. A notice convening an Extraordinary General Meeting of the Company, which is to be held at 10.30 a.m. on 21 December 2023 at the offices of Stephenson Harwood AARPI, 48 Rue Cambon, 75001 Paris, is set out in Part 6 of this document.

The Resolutions to be proposed at the EGM are as follows:

- **Resolution 1** is to approve amendments to the Articles to incorporate the provisions relevant to the Redemption Facility. Resolution 1 is conditional upon the passing of the Continuation Resolution at the AGM.
- **Resolution 2** is to convert the Ordinary Shares into shares that are redeemable in accordance with the provisions of the New Articles and applicable law, in order to facilitate the operation of the Redemption Facility.

**Shareholders should note that the Continuation Resolution is conditional upon the passing of the EGM Resolutions. The Board recommends that Shareholders vote in favour of the EGM Resolutions.**

In the event that these EGM Resolutions are not passed, the Continuation Resolution also shall not have been passed, in which case the Board will be obliged under the Articles to, at an extraordinary general meeting to be held within six months of the AGM, propose a resolution either to wind up the Company or to implement a reconstruction, amalgamation or other material alteration to the Company or its activities or any other appropriate alternative based on current circumstances as the Board thinks fit.

The quorum requirement for the EGM is two Shareholders present in person or by proxy (or, in the case of a corporation, by a duly appointed representative) and entitled to attend and vote.

To be approved, Resolution 1, which is being proposed as a special resolution, must be passed by a majority of not less than 75 per cent. of the votes of Shareholders who vote in person or by proxy or, in the case of a corporate Shareholder, by a duly authorised corporate representative, at the EGM.

To be approved, Resolution 2, which is being proposed as an ordinary resolution and is conditional on the passing of Resolution 1, must be passed by a simple majority of the votes of Shareholders who vote in person or by proxy or, in each case the case of corporations, by their duly authorised representatives, at the EGM.

#### **13 Action to be taken**

Shareholders are requested to complete and return the Forms of Proxy attached to this document for use at the AGM and EGM.

To be valid, the Form(s) of Proxy must be completed and returned in accordance with the instructions printed thereon to Computershare Investor Services (Guernsey) Limited c/o The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ, United Kingdom as soon as possible and, in any event, so as to arrive by no later than 10.00 a.m. (Paris time) on 19 December 2023 in respect of the AGM and 10.30 a.m. (Paris time) on 19 December 2023 in respect of the EGM.

#### **14 Recommendation**

The Directors consider that the Resolutions to be proposed at the AGM and the EGM are in the best interests of the Company and its Shareholders as a whole and recommend that you vote in favour of them, as they intend to do in respect of their own beneficial shareholdings which total 44,920 Ordinary Shares (representing 0.16 per cent. of the voting rights in respect of Ordinary Shares as at the date of this document).

You are requested to complete and return the enclosed Forms of Proxy without delay.

**The Board unanimously recommends Shareholders to vote in favour of the Resolutions to be proposed at each of the AGM and the EGM.**

Yours faithfully,

**Hiroshi Funaki**

Chairman

## PART 2 REDEMPTION OF ORDINARY SHARES

The proposed rights and restrictions attaching to the Ordinary Shares are set out in the New Articles of the Company proposed to be adopted at the EGM. The provisions of the New Articles relating to the redemption of Ordinary Shares are summarised below.

### 1 Redemption procedure

Redemptions may take place on any Redemption Point. Upon redemption, all Ordinary Shares so redeemed shall be cancelled.

Shareholders may request the redemption of all or any of their Ordinary Shares on any Redemption Point, provided that they held the relevant Ordinary Shares on the date six months prior to the relevant Redemption Point and continued to be beneficially interested in those shares at all times since that date until the Redemption Point. For the avoidance of doubt, the lending of Ordinary Shares will be regarded as a disposal of beneficial interest.

The right of Shareholders to request the redemption of all or any of their Ordinary Shares on any Redemption Point may be exercised by the Shareholder delivering to the Receiving Agent (or to such other person as the Directors may designate for this purpose) a duly completed Redemption Request by no later than 1.00 p.m. on the last Business Day of the month prior to the month in which the relevant Redemption Point is held.

A Redemption Request shall be deemed to include a representation and warranty to the Directors that the Ordinary Shares which are the subject of the Redemption Request are free from and clear of all liens, charges and other encumbrances whatsoever.

Shareholders holding Ordinary Shares in certificated form shall also be required to deliver with the Redemption Request the certificate(s) in respect of the Ordinary Shares which are the subject of the Redemption Request and such other evidence or information as the Directors may request and the due execution by that Shareholder of the Redemption Request or, if the Redemption Request is executed by some other person on the Shareholder's behalf, the authority of that other person to do so. Redemption Request forms for Shareholders who hold Ordinary Shares in certificated form will be available upon request from the Registrar.

Shareholders holding Ordinary Shares in uncertificated form (that is, in CREST) must send a properly authenticated Transfer to Escrow ("TTE") instruction to effect the transfer of the number of Ordinary Shares which the Shareholder wishes to redeem from his CREST account to the Receiving Agent's specified escrow account, together with such other evidence or information as the Directors may request. The TTE must be effected no later than 1.00 p.m. on the last Business Day of the month prior to the month in which the relevant Redemption Point is held. Such transfers of Ordinary Shares shall be at the risk and the expense of the relevant Shareholder. Following the TTE and pending redemption of all or part of the Ordinary Shares, Shareholders shall not be entitled to dispose of, encumber, charge or deal in any way whatsoever with the Ordinary Shares which have been so transferred except in the circumstances described below. In order for a TTE instruction to be valid, it will need to comply with the requirements set out in paragraph 7 of this Part 2.

Redemption Requests for Ordinary Shares held in certificated or uncertificated form shall not be valid (unless the Company otherwise agrees) unless they are received by the Receiving Agent not later than the last Business Day of the month prior to the month in which the relevant Redemption Point is held.

Other than during any period of suspension of trading of the Ordinary Shares or during any period when the calculation of the Net Asset Value is suspended, a Redemption Request once given may not be withdrawn otherwise than with the prior consent of the Company (which the Directors shall be entitled in their discretion to withhold), but shall only be deemed to have effect in relation to the next Redemption Point following its valid delivery and receipt and not in relation to any subsequent Redemption Point.

During any period of suspension of trading of the Ordinary Shares or during any period when the calculation of the Net Asset Value is suspended an applicant may, by notice in writing, withdraw his Redemption Request. If the request is not withdrawn it shall have effect, subject to the Directors' discretion, on the Redemption Point immediately following the date on which trading of the Ordinary Shares or calculation of the Net Asset Value, as appropriate, ceases to be suspended.

The Directors reserve the right to treat as valid Redemption Requests which are not entirely in order and which are not accompanied (in the case of Ordinary Shares held in certificated form) by the relevant share certificate(s) and/or other document(s) of title or a satisfactory indemnity in lieu thereof and shall be entitled (in their sole discretion) to accept late Redemption Requests.

It is intended that the procedure described above shall apply but the Directors shall be entitled at their discretion to determine the procedures for the redemption of the Ordinary Shares (subject to the facilities and requirements of CREST and the Companies Law).

### 2 Directors' discretion

Investors should note that the Directors have discretion to suspend the operation of the annual Redemption Facility. Examples of exceptional circumstances where this may be the case include: corporate actions, including those to which the Takeover Code applies; where obligations to comply with regulatory requirements so necessitate; or material dislocations, disorderly markets or a suspension of trading in the markets in which the Company's assets are invested. Accordingly, whilst the Board does not generally expect to exercise this discretion, existing and prospective Shareholders should place no reliance on the Directors exercising their discretion to permit a Redemption Request in any particular case. The Directors' determination as to whether to permit or decline a Redemption Request (in whole or in part), together with their reasoning for their decision, will be documented. In the event that the Directors decline Redemption Requests for a particular Redemption Point, the Directors may propose an additional Redemption Point at their discretion.

The redemption of Ordinary Shares is conditional on the Directors being satisfied on reasonable grounds that the Company will, immediately after completion of the relevant redemption, satisfy the solvency test prescribed by the Companies Law. In the event that the Directors are not so satisfied but are satisfied that the Company would satisfy such solvency test if a lesser number of



Ordinary Shares were redeemed then, at the sole discretion of the Directors, the Company may redeem such of the Ordinary Shares tendered for redemption on a *pro rata* basis up to the number that it is lawfully permitted to redeem.

If the Company has received sufficiently large redemption requests that the Directors consider it in the interests of Shareholders to propose an alternative future for the Company rather than allowing it to continue at a size that is uneconomic to run, then the Company shall announce that fact prior to the relevant Redemption Point and, in addition to implementing the redemption at the relevant Redemption Point, shall within three months of the relevant Redemption Point put to continuing Shareholders a resolution either to wind up the Company or to implement a reconstruction, amalgamation or other material alteration to the Company or its activities, or any other appropriate alternative based on current circumstances as the Board thinks fit. The estimated costs to the Company of those proposals shall be determined by the Board and a *pro rata* share of those costs shall be attributed to the Redemption Pool. In the event that the actual costs of the proposals are less than the estimated costs, an amount equal to the *pro rata* share of the excess shall (if the Redemption Pool has not yet been utilised in full) be repaid to the Redemption Pool or (if the Redemption Pool has been utilised in full) be divided *pro rata* to the relative number of Ordinary Shares held by each person who was a redeeming Shareholder at the relevant Redemption Point and promptly thereafter paid to each such person, save that any amounts less than US\$50.00 shall be retained by the Company.

### **3 Redemption Price**

The Directors may elect, at their discretion, to calculate the Redemption Price applying on any Redemption Point either by use of a Redemption Pool or by reference to NAV per Ordinary Share. The Directors intend to ordinarily use the Redemption Pool method of calculating the Redemption Price, save where they determine that it is in the best interests of the continuing Shareholders to use the NAV per Ordinary Share method. For example, where Redemption Requests have been submitted in respect of a small number of Ordinary Shares and can be met with existing cash reserves.

Where the Directors determine to calculate the Redemption Price by reference to NAV per Ordinary Share, the Redemption Price shall be equal to the NAV per Ordinary Share calculated as at the Valuation Point in respect of the relevant Redemption Point, less the relevant Redemption Charge.

Where the Directors determine to use the Redemption Pool method, the Redemption Price will be calculated by reference to the amount generated upon the realisation of a Redemption Pool created for the purpose of funding the redemption. In these circumstances the Redemption Price shall be calculated in the manner specified in paragraph 8 of this Part 2, less the relevant Redemption Charge.

Where the Directors determine that it would be appropriate to do so in respect of any Redemption Point, the assets and liabilities of the Company may be split into multiple Redemption Pools and a Continuing Pool. It is expected that this discretion may be exercised where different continuation options are made available to Shareholders, such as an opportunity to transfer the redemption proceeds from the Company to another fund managed by the Investment Manager. Any such opportunities will be communicated to Shareholders in advance of any relevant Redemption Point and there can be no guarantee that there will be any such opportunities.

Ordinary Shareholders should note that the final realised value of the *pro rata* share of the portfolio in the Redemption Pool will not equal the published, unaudited NAV per Ordinary Share at the relevant Redemption Point. This is largely because the realised value will be subject to movements in the markets on which the underlying assets of the Company are traded over the period in which the assets are realised. This period is envisaged to be up to three months although it may be longer if the Board considers it to be in the best interests of redeeming Shareholders for the realisation period to be extended. The Board may make interim payments of the realisation proceeds during this period. In addition, expenses of realisation of the underlying assets will be charged against the Redemption Pool. Accordingly, Ordinary Shareholders should note that the final realised value per Ordinary Share for which a valid Redemption Request has been made may be materially different to the published unaudited NAV per Ordinary Share at the relevant Redemption Point.

### **4 Redemption Charge**

The Redemption Charge to be deducted from the Redemption Price received by a redeeming Shareholder shall be:

- in respect of Ordinary Shares tendered for redemption that have been continuously held for a minimum period of 2 years – nil;
- in respect of Ordinary Shares tendered for redemption that have been continuously held for more than 1 year but less than 2 years – 2 per cent. of the Redemption Price; and
- in respect of Ordinary Shares tendered for redemption that have been continuously held for less than 1 year – 3 per cent. of the Redemption Price.

A Redemption Charge will be deducted on payment of the Redemption Price. The aggregate Redemption Charge will be transferred to the Continuing Pool for the benefit of continuing Shareholders.

### **5 Settlement of Redemption Requests**

If the Redemption Price is calculated by reference to the NAV per Ordinary Share, within 10 Business Days after the relevant Redemption Point the Company shall notify relevant Shareholders of the number of Ordinary Shares redeemed in respect of such holdings and the price at which such shares have been redeemed, and shall dispatch redemption monies to those Shareholders whose Ordinary Shares have been redeemed.

If the Redemption Price is determined by reference to a Redemption Pool, within 10 Business Days after the relevant Redemption Point the Company shall notify relevant Shareholders of the number of Ordinary Shares redeemed in respect of such holdings. As soon as practicable after the realisation of the assets comprised in the Redemption Pool, the Company shall notify the relevant Shareholders of the Redemption Price per Ordinary Share and shall dispatch the net redemption monies to those Shareholders whose Ordinary Shares have been redeemed. The Company may make interim payments in respect of the Redemption Price in the event that there is a delay in realising all the assets comprising the Redemption Pool.

The Company shall not be liable for any loss or damage suffered or incurred by any Shareholder or other person as a result of or arising out of the timing of settlement, howsoever such loss or damage may arise.

Payment of the Redemption Price in respect of any Ordinary Shares in certificated form will be made by cheque made payable to the relevant Shareholder, or in the case of joint holders, to all joint holders, to the address (being an address outside a Restricted Jurisdiction) of the Shareholder as entered in the register of members in respect of such Ordinary Shares. Due payment of the cheques or warrants shall be in satisfaction of the Redemption Price represented thereby. Every such cheque or warrant which is sent through the post shall be sent by first class post (at the risk of the relevant Shareholders).

The Company shall procure that in relation to any Ordinary Shares held in certificated form which have not been redeemed, a balance certificate in respect of such number of unredeemed Ordinary Shares shall be sent (at the risk of the Shareholder) to the Shareholder, or in the case of joint holders, to all joint holders, to the address (being an address outside a Restricted Jurisdiction) as entered in the register of members within 10 Business Days after the relevant Redemption Point.

Each payment in respect of Ordinary Shares held in uncertificated form will take place through CREST by means of a CREST payment in favour of the relevant Shareholder's payment bank in respect of the redemption monies due, in accordance with the CREST payment arrangements.

If the Directors exercise their discretion not to redeem all or any of the Ordinary Shares which are the subject of a Redemption Request, the Company shall procure that in relation to Ordinary Shares held in uncertificated form which have not been redeemed, as soon as reasonably practicable after the relevant Redemption Point, such Ordinary Shares will be transferred to the original available balance from which those Ordinary Shares came.

All documents, instructions and remittances sent by, to or from a Shareholder or their appointed agents will be sent at their own risk.

## **6 Matched bargains**

The Company may, prior to a Redemption Point, in its sole discretion, invite investors to purchase Ordinary Shares which are the subject of Redemption Requests.

In addition, the Company may, subject to the Companies Law and to the Listing Rules, purchase Ordinary Shares which are the subject of Redemption Requests on-market via an intermediary pursuant to an existing Shareholder authority (by means of the Shareholder selling to the intermediary who acquires the Ordinary Shares in question as principal and the Company then purchasing those Ordinary Shares from the intermediary).

The price at which such transfers or purchases will be made will not be less than the Redemption Price which the Shareholder requesting redemption would have received if the Redemption Price had been determined by reference to the NAV per Ordinary Share applicable on the relevant Redemption Point.

In circumstances where there are investors willing to acquire Ordinary Shares, all or some of the Ordinary Shares which are the subject of Redemption Requests will not be redeemed by the Company but instead shall be transferred to the purchaser(s), as appropriate, with effect from the relevant Redemption Point.

Shareholders submitting Redemption Requests are deemed to have agreed that the Company, as their agent, may sell to an a purchaser or, as appropriate, that the Company may purchase pursuant to an existing Shareholder authority all or any of their Ordinary Shares that are the subject of the Redemption Request at a Redemption Point. By submitting a Redemption Request, a redeeming Shareholder shall be deemed to authorise the Company and/or its agents to sell the Ordinary Shares that are the subject of the Redemption Request to a purchaser or, as appropriate, to purchase such Ordinary Shares, as the Directors may determine.

If there is sufficient demand from purchasers to acquire all of the Ordinary Shares that are the subject of Redemption Requests as at a Redemption Point, the Company may sell all of the Ordinary Shares to purchasers.

If there is demand from purchasers to acquire some of the Ordinary Shares that are the subject of Redemption Requests as at a Redemption Point, the Company may select holdings of Ordinary Shares that are the subject of Redemption Requests from Shareholders as at the Valuation Point to satisfy purchaser demand. Such holdings of Ordinary Shares may also be purchased by the Company. Selection of such holdings of Ordinary Shares may be *pro rata* to redeeming Shareholders holdings or such other equitable means as the Directors determine in their discretion such as first come/first served basis or by random ballot. Shareholders who are selected may have some or all of their Ordinary Shares that are the subject of the Redemption Requests sold to purchasers and/or purchased by the Company. The remainder of the Ordinary Shares that are the subject of the Redemption Requests may be redeemed by the Company pursuant to the Redemption Facility.

Following the relevant Redemption Point, Shareholders will be notified in writing whether their Ordinary Shares have been redeemed by the Company under the Redemption Facility at the Redemption Price or sold to purchasers under the matched bargain facility or purchased by the Company. If any Ordinary Shares have been sold to purchasers or purchased by the Company, the Shareholder shall transfer the relevant Ordinary Shares to the purchaser in accordance with the provisions of the Articles or, as applicable, will complete the on-market purchase by the Company via an intermediary.

**Shareholders should note that certain Shareholders may experience a different tax treatment depending on whether they have their Ordinary Shares redeemed by the Company, repurchased by the Company or purchased by purchasers under the matched bargain facility. Shareholders should refer to Part 3 of this document and seek professional advice from their own independent tax adviser.**

## 7 Redemption of Ordinary Shares held in uncertificated form: additional information

7.1 Shareholders who wish to redeem Ordinary Shares held in CREST will need to send a properly authenticated TTE instruction. A valid TTE instruction will need to include the particulars to be prescribed by the Company at the relevant Redemption Point.

CREST members and (where applicable) CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timing and limitations will therefore apply in relation to the input of a TTE instruction and its settlement in connection with the exercise of the rights attaching to the Ordinary Shares held in CREST. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a TTE instruction is effected and settled by 1.00 p.m. on the last Business Day of the month prior to the month in which the relevant Redemption Point is held. In this connection, CREST members and (where applicable) their CREST sponsors, are referred in particular to those sections of the CREST Manual concerning the practical limitation of the CREST system and timings.

7.2 The Company in its sole discretion may:

7.2.1 accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor in substitution for or in addition to a TTE instruction and subject to such further terms and conditions as the Company may determine;

7.2.2 treat a properly authenticated instruction (in this paragraph 7.2.2, the “**first instruction**”) as not constituting a valid TTE instruction if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction, either the Company or the Receiving Agent has received actual notice from Euroclear of any matters referred to in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and

7.2.3 accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a TTE instruction or notification, in the event that, for reasons or due to circumstances outside the control of the CREST member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable to validly request the redemption of his Ordinary Shares by means of the procedures described above. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

## 8 Calculation of Redemption Price by reference to separate Redemption Pool

8.1 Where the Board has decided to fund redemptions through the use of a Redemption Pool, the Company will notionally divide its assets and liabilities into two pools as at the relevant Redemption Point:

8.1.1 the Redemption Pool, which will consist of cash, assets and liabilities attributable to the Ordinary Shares which are the subject of valid Redemption Requests and which the Directors have exercised their discretion to redeem on the relevant Redemption Point; and

8.1.2 the Continuing Pool, which will contain all the other cash, assets and liabilities of the Company.

For the avoidance of doubt, the Redemption Pool would bear any additional administrative and custodian costs incurred by the Company in relation to its operation, including the cost of production and publication of estimated NAVs and associated services, and its *pro rata* share of the fees paid by the Company to the Investment Manager.

Where the Directors determine that it would be appropriate to do so in respect of any Redemption Point, the assets and liabilities of the Company may be split into multiple Redemption Pools and a Continuing Pool. The provisions of this paragraph 8 shall be read in respect of each such Redemption Pool, *mutatis mutandis*.

8.2 The Redemption Pool and the Continuing Pool will include a proportionate share of each investment held by the Company, so far as reasonably practicable. The Investment Manager will be entitled to transfer assets between the pools at fair market value.

8.3 The investment portfolios of the Continuing Pool and the Redemption Pool will be reorganised in the period leading up to the date on which the Redemption Price is settled as follows:

8.3.1 the assets of the Redemption Pool shall be liquidated and the proceeds retained solely as cash in Sterling; and

8.3.2 the assets of the Continuing Pool shall be adjusted so that the Continuing Pool complies with the investment policy of the Company.

8.4 The liabilities attributable to the Redemption Pool, to the extent that they cannot be satisfied prior to the date on which the Redemption Price is to be settled, will be transferred to the Continuing Pool together with an equivalent amount in cash. In calculating such liabilities any debt liability that the Company may have from time to time will be valued on a pre-payment basis, including any early repayment costs.

8.5 The costs of the portfolio reorganisations (including costs relating to the sale of the assets and tax liabilities that may arise, or be deemed to arise, as a result of the sale of those assets) will be borne by the relevant pool, together with a *pro rata* share of costs and expenses of the Company not attributable to a particular pool. Such costs, as determined by the Board in its sole discretion, will be deducted before payments are made to the relevant Shareholders whose Ordinary Shares are being redeemed.

8.6 The Redemption Price per Ordinary Share when calculated by reference to the Redemption Pool shall be equal to the aggregate cash received by the Company upon the realisation of the Redemption Pool (less the costs) in accordance with paragraph 8.3.1

less the costs and liabilities referred to in paragraphs 8.4 and 8.5 above divided by the number of Ordinary Shares to be redeemed on the relevant Redemption Point.

8.7 The Redemption Charge (if any) will be deducted from the aggregate Redemption Price due to a redeeming Shareholder as provided for at paragraph 4 above. The aggregate Redemption Charge will be transferred to the Continuing Pool.

## **9 Liability**

Any determination of the Redemption Price per Ordinary Share by reference to the Redemption Pool or the NAV of the Company or NAV per Ordinary Share made in accordance with the valuation guidelines from time to time adopted by the Board shall be binding on all parties. Neither the Directors nor the Investment Manager shall be responsible to any Shareholder or any other person in respect of all or any acts done in carrying out their duties in relation thereto in the absence of fraud, negligence or wilful default.

## PART 3 TAXATION

### UK taxation

The following comments do not constitute tax advice. They are intended only as a general and non-exhaustive guide based on UK law and HMRC's published practice as at the date of this document. Both law and practice may change at any time.

Except where express reference is made to the position of non-UK residents, these comments relate only to Shareholders who are, and have at all relevant times been, resident for tax purposes solely in the UK. They apply only to Shareholders who are the absolute beneficial owners of their Ordinary Shares and of any dividends payable on them and who hold their Ordinary Shares as investments.

Certain categories of Shareholders may be subject to special tax rules. These include dealers in securities, financial institutions, insurance companies, collective investment schemes, Shareholders who benefit from an exemption from tax, Shareholders who (either alone or together with persons connected with them) have an interest in 25 per cent. or more of the shares in, returns from, or voting rights in respect of, the Company, and Shareholders who are treated as having acquired their Ordinary Shares by reason of any office or employment. The position of such Shareholders is not addressed in these comments. Nor is the position of any Shareholders who are involved in arrangements to avoid tax or obtain a tax advantage.

You are advised to seek your own professional tax advice.

### 1 Offshore Fund Rules

#### Reporting fund status

If the Proposals are approved by Shareholders and the Redemption Facility is implemented, it is expected that this will result in the Company being treated as an "offshore fund" for the purposes of UK taxation. UK resident Shareholders should note that the Company expects to apply to HMRC for approval as a "reporting fund" for the purposes of the Offshore Fund Rules.

The Company expects to comply with the requirements for obtaining and maintaining reporting fund status, but Shareholders should note that this cannot be guaranteed. The statements below assume that the Company obtains and maintains its status as a reporting fund. It is also assumed that the Company is not treated as a "bond fund". An offshore fund is a bond fund if, at any time in an accounting period, more than 60 per cent. of the assets attributable to it are "qualifying investments"; in broad terms "qualifying investments" for these purposes includes debt securities and certain other interest-bearing or economically similar investments.

#### Reported income

As a reporting fund under the Offshore Fund Rules, the Company would be required to provide relevant Shareholders with a report of the Company's income for each reporting period (as calculated for the purposes of the Offshore Fund Rules). This information is required to be provided to Shareholders (and HMRC) within six months of the end of the relevant reporting period. Reporting periods will generally be the same as the Company's accounting periods.

If the amount of income reported to Shareholders exceeds the amount actually distributed for a relevant reporting period ("**excess reported income**"), UK resident Shareholders will generally be taxed as if a notional dividend equal to the excess had been received. **As such, Shareholders could be taxed by reference to income they have not actually received to the extent that distributions paid are less than the reported income of the Company.**

As noted at paragraph 6 of Part 1 of this document, for so long as it is a reporting fund, the Company intends to make dividends to Shareholders at least equal to reported income for each reporting period. Shareholders should note that this cannot be guaranteed and the level of distributions for any period remains a matter to be determined at the discretion of the Board.

#### Equalisation

Shareholders should note that the Company does not intend to operate equalisation arrangements.

Accordingly, subject to any manual adjustments to reported income that the Company may make to take account of changes in shareholdings during a reporting period, reportable income for a particular reporting period will generally be split on a *pro-rata* basis across the number of Ordinary Shares in issue at the end of the relevant reporting period. Accordingly, redemptions of Ordinary Shares undertaken by the Company in connection with the Redemption Facility could result in proportionately higher amounts of income being reported to remaining Shareholders in respect of the reporting periods in which those Ordinary Shares are redeemed.

### 2 Disposals of Ordinary Shares

If the Company becomes an offshore fund but is not approved (or ceases to be approved) by HMRC as a reporting fund, a gain arising on a disposal of Ordinary Shares may be taxed as income, rather than as a capital gain, and accordingly may be subject to higher rates of taxation.

Provided that the Company is, and continues to be, approved by HMRC as a reporting fund with effect from the time it becomes an offshore fund, a gain arising on a disposal of Ordinary Shares should generally continue to be subject to UK taxation on chargeable gains. In calculating the amount of any chargeable gain arising on a disposal, Shareholders may be able to obtain relief for excess reported income on which they have been taxed.

If, for any reason, the Company is not or ceases to be approved by HMRC as a reporting fund, Shareholders should immediately seek appropriate independent professional advice, including as to any elections that may be made to optimise the tax consequences for them.

### 3 Redemptions of Ordinary Shares

A redemption of Ordinary Shares by the Company which is not effected through the "matched bargain" mechanism will generally be treated for tax purposes as giving rise to both:

- (i) a disposal by the Shareholder of the Ordinary Shares for the purposes of UK taxation of chargeable gains; and
- (ii) to the extent that proceeds of the redemption exceed the amount which is treated for tax purposes as paid-in share capital attributable to the Ordinary Shares, a distribution by the Company to the Shareholder (the "**distribution element**"). Shareholders should note that the amount treated for tax purposes as paid-in share capital attributable to the Ordinary Shares may be less than the amount paid by the Shareholder for those shares.

For UK resident individuals, the distribution element should, to the extent it is treated as a distribution of a capital nature, generally be subject to capital gains tax, rather than income tax. The question of whether the redemption proceeds would be treated as capital or as income in nature depends on an analysis of the nature of the redemption proceeds as a matter of Guernsey company law and the application of UK taxation principles, including principles derived from case law. It is expected that redemption proceeds received by UK resident individuals on a redemption of their Ordinary Shares, resulting in a cancellation of those Ordinary Shares, should generally be treated as capital in nature. If, however, the distribution element were to be treated as income in nature, UK resident individual Shareholders may be subject to income tax in respect of the distribution element (as if they had received a dividend). However, to the extent that redemption proceeds are subject to income tax in this way, they should generally then be excluded from the calculation of any capital gain arising in respect of the redemption.

For UK resident Shareholders, within the charge to corporation tax, the distribution element will generally be treated as income in nature. The distribution element will be subject to corporation tax unless it qualifies for exemption under Part 9A of the Corporation Tax Act 2009. Whether these exemptions apply will depend in part on whether the Shareholder is a "small company" for the purposes of Part 9A Corporation Tax Act 2009.

A Shareholder within the charge to corporation tax that is a "small company" for the purposes of Part 9A Corporation Tax Act 2009 will not qualify for exemption in respect of distributions from the Company and accordingly would generally be subject to corporation tax on any such distribution. For a Shareholder within the charge to corporation tax that is not a "small company" for those purposes, distributions from the Company should generally qualify for exemption but it should be noted that the exemption is not comprehensive, requires a number of conditions to be met and is subject to anti-avoidance rules. Shareholders should accordingly seek their own professional tax advice in light of their particular circumstances. For the purposes of corporation tax on chargeable gains, the distribution element arising on a redemption of Ordinary Shares should not generally be taken into account in calculating the amount of the chargeable gain arising on a redemption of Ordinary Shares (although it should be noted that, depending on the circumstances, the position on a buy-back of shares, as opposed to a redemption, may be different).

Shareholders should note that the statements above in relation to redemptions of Ordinary Shares is general in nature and that there are a number of detailed rules which, depending on the circumstances, may affect the tax treatment of redemptions or buybacks for particular Shareholders. The statements above may not apply to transactions effected through the "matched bargain" mechanism, which may instead fall to be treated as a normal sale to a third party in the market. Shareholders should therefore seek independent professional advice as to the tax consequences of any proposed redemption or disposal of Ordinary Shares.

Shareholders should note that the UK tax code contains anti-avoidance provisions which, in certain circumstances, permit HMRC to counteract tax advantages arising from certain transactions in securities including (among other things) treating some or all of the proceeds of capital disposals as distributions of income. These provisions should not generally apply where it can be shown to the satisfaction of HMRC that the transactions in questions were entered into for bona fide commercial reasons and did not involve as one of their main objects or purposes the obtaining of a tax advantage. Shareholders are advised to take their own professional advice as to the application of these and other anti-avoidance provisions in light of their own particular circumstances.

**The information relating to taxation set out above is a general guide only and is not exhaustive. It is based on law and published practice currently in force in the United Kingdom and is subject to changes therein (potentially with retrospective effect). It does not constitute tax advice and you are advised to seek your own professional tax advice in light of your own particular circumstances.**

#### Guernsey taxation

Guernsey currently does not levy taxes upon capital, inheritances, capital gains, gifts, sales or turnover.

No stamp duty or similar tax is chargeable in Guernsey on the issue, transfer or redemption of shares in the Company.

## PART 4 DEFINITIONS

|  |  |
|--|--|
| Annual General Meeting or AGM                                | the annual general meeting of the Company to be held at 10.00 a.m. on 21 December 2023 at the offices of Stephenson Harwood AARPI, 48 Rue Cambon, 75001 Paris, France, notice of which is set out in Part 5 of this document;        |
| Articles   | the articles of incorporation of the Company, as amended from time to time;  |
| Auditors   | KPMG Channel Islands Limited;  |
| Business Day   | any day on which the London Stock Exchange and banks in London and Guernsey are normally open for business;  |
| Company or VNH   | VietNam Holding Limited, a company incorporated under the laws of Guernsey with registered number 66090;   |
| Companies Law  | the Companies (Guernsey) Law, 2008 (as amended);   |
| Continuation Resolution                                      | Resolution 9 to be proposed at the AGM, as set out in the notice of the AGM at Part 5 of this document;  |
| Continuing Pool  | all of the Company's cash, assets and liabilities which do not form a Redemption Pool;   |
| CREST  | the computer-based system and related facilities and procedures operated by Euroclear;   |
| CREST member   | a person who has been admitted by Euroclear as a system member (as defined in the CREST Regulations);  |
| CREST participant  | a person who has been admitted by Euroclear as a participant (as defined in the CREST Regulations);  |
| CREST Regulations  | the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755), as amended;  |
| CREST sponsor  | a CREST participant admitted to CREST as a CREST sponsor being a sponsoring system participant (as defined in the CREST Regulations);  |
| CREST sponsored member                                       | a CREST member admitted to CREST as a sponsored Member;  |
| Directors or Board   | the directors of the Company, whose names appear at the head of Part 1 of this document;   |
| Euroclear  | Euroclear UK & International Limited, being the operator of CREST;   |
| Extraordinary General Meeting or EGM                         | the extraordinary general meeting of the Company to be held at 10.30 a.m. on 21 December 2023 at the offices of Stephenson Harwood AARPI, 48 Rue Cambon, 75001 Paris, France, notice of which is set out in Part 6 of this document; |
| FCA  | the Financial Conduct Authority;   |
| Forms of Proxy   | the forms of proxy for use by Shareholders in connection with the AGM and EGM;   |
| HMRC   | HM Revenue & Customs;  |
| Investment Manager   | Dynam Capital, Ltd.;   |
| Listing Rules  | the listing rules made by the UK Listing Authority under section 73A of the UK Financial Services and Markets Act 2000, as amended;  |
| London Stock Exchange  | London Stock Exchange Plc;   |
| NAV or Net Asset Value                                       | the net asset value of the Company determined in accordance with the Company's normal accounting policies;   |
| NAV per Ordinary Share or Net Asset Value per Ordinary Share | the Net Asset Value attributable to the Ordinary Shares divided by the number of Ordinary Shares in issue (excluding any Ordinary Shares held in treasury);  |
| New Articles   | the new Articles to be adopted in connection with the Proposals, subject to and with effect from the passing of Resolution 2 to be proposed at the EGM;  |
| Offshore Fund Rules  | UK tax legislation, including related regulations, relating to the taxation of participants in "offshore funds" as defined in Part 8 of the Taxation (International and Other Provisions) Act 2010;                                  |
| Ordinary Shares  | ordinary shares of US\$1.00 par value each in the capital of the Company;  |
| Proposals  | the proposals set out in this document;  |
| Receiving Agent  | Computershare Investor Services PLC;   |

|                                |   |
|--------------------------------|---|
| Redemption Charge              | the Redemption Charge to be deducted from the Redemption Price received by a redeeming Shareholder, as described at paragraph 4 of Part 2 of this document;   |
| Redemption Facility            | has the meaning given in paragraph 3 of Part 1 of this document;  |
| Redemption Point               | 6.00 p.m. on the last Business Day in September each year, and any other times as the Directors may declare in their discretion, on which date holders of Ordinary Shares which have submitted valid Redemption Requests to have their Ordinary Shares redeemed will be considered for redemption at the discretion of the Board; |
| Redemption Pool                | the pool of cash, assets and liabilities to be created in respect of a particular Redemption Point and allocated to the Ordinary Shares which are the subject of Redemption Requests for that Redemption Point, as more particularly described in Part 2 of this document;  |
| Redemption Price               | the price for which Ordinary Shares are redeemed on a Redemption Point as determined by reference to a Redemption Pool or the NAV per Ordinary Share, as more particularly described in Part 2 of this document;  |
| Redemption Request             | a notice to the Company to redeem Ordinary Shares submitted in accordance with Part 2 of this document and in the form from time to time prescribed by the Company;   |
| Register                       | the register of members of the Company;   |
| Registrars                     | Computershare Investor Services (Guernsey) Limited;   |
| Regulatory Information Service | a service approved by the London Stock Exchange for the distribution to the public of announcements;  |
| Resolutions                    | the resolutions to be proposed at the AGM and/or EGM as set out in the notice of the AGM in Part 5 of this document and the notice of EGM in Part 6 of this document, respectively, as the context requires;  |
| Restricted Jurisdiction        | the United States, Canada, Australia, the Republic of South Africa or Japan;  |
| Shareholders                   | holders of Ordinary Shares;   |
| Sterling                       | the lawful currency of the United Kingdom;  |
| Takeover Code                  | The City Code on Takeovers and Mergers;   |
| TFE Instruction                | a transfer from escrow instruction;   |
| TTE Instruction                | a transfer to escrow instruction;   |
| UK                             | the United Kingdom of Great Britain and Northern Ireland;   |
| US Dollars or US\$             | the lawful currency of the United States of America; and  |
| Valuation Point                | close of business on the Business Day immediately preceding the relevant Redemption Point.  |



## PART 5 VIETNAM HOLDING LIMITED (THE "COMPANY") NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of VietNam Holding Limited will be held at 10.00 a.m. on 21 December 2023 at the offices of Stephenson Harwood AAPRI, 48 Rue Cambon, 75001 Paris, France.

The purpose of the meeting is to consider and, if thought fit, pass the resolutions set out below, resolutions 1 to 9 as ordinary resolutions and resolution 10 as an extraordinary resolution.

### AS ORDINARY BUSINESS

#### ORDINARY RESOLUTIONS

- 1 **THAT** the report of the directors and auditors, and the audited accounts for the Company, for the year ended 30 June 2023 be received.
- 2 **THAT** the directors' remuneration report for the year ended 30 June 2023 be approved.
- 3 **THAT** Hiroshi Funaki, having submitted himself for re-election, be re-elected as a director of the Company to hold office in accordance with the articles of incorporation of the Company.
- 4 **THAT** Philip Scales, having submitted himself for re-election, be re-elected as a director of the Company to hold office in accordance with the articles of incorporation of the Company.
- 5 **THAT** Saiko Tajima, having submitted herself for re-election, be re-elected as a director of the Company to hold office in accordance with the articles of incorporation of the Company.
- 6 **THAT** KPMG Channel Islands Limited, be appointed as the auditors of the Company from the conclusion of this meeting until the conclusion of the next annual general meeting.
- 7 **THAT** the directors be authorised to determine remuneration of KPMG Channel Islands Limited in respect of their appointment as the auditors of the Company.

### AS SPECIAL BUSINESS

#### ORDINARY RESOLUTIONS

- 8 **THAT** the Company be and is hereby generally and unconditionally authorised to make market purchases of ordinary shares of US\$1.00 par value each in the capital of the company (the "**Ordinary Shares**") on such terms and in such manner as the Directors shall from time to time determine, provided that:
  - (a) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased shall not exceed 14.99 per cent. of the Ordinary Shares in issue at the date on which this resolution is passed;
  - (b) the minimum price which may be paid for an Ordinary Share is US\$0.01;
  - (c) the maximum price (exclusive of expenses) which may be paid for an Ordinary Share is the higher of:
    - (i) an amount equal to 105 per cent. of the average of the middle market quotations for an Ordinary Share (as derived from the London Stock Exchange) for the five business days immediately preceding the date on which the Ordinary Share is contracted to be purchased; or
    - (ii) the higher of the price of the last independent trade in shares and the highest then current independent bid for shares on the London Stock Exchange; and
  - (d) the authority conferred by this resolution shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or the date falling 18 months after the passing of this resolution, whichever is the earlier, unless previously revoked, varied or renewed by the Company in general meeting prior to such time.
- 9 **THAT**, conditional upon the resolutions at the extraordinary general meeting of the Company to be held immediately after this annual general meeting being passed, the Company continue as currently constituted until such time as a further continuation vote is required by the articles of incorporation of the Company (as may be amended from time to time).

### EXTRAORDINARY RESOLUTION

- 10 **THAT** the Directors be empowered to allot and issue, to grant rights to subscribe for, to convert and to make offers or agreements to allot and issue equity securities for cash as if the pre-emption rights contained in article 5 of the articles of incorporation of the Company in respect of such equity securities did not apply to any such allotment, provided that this power shall be limited to:
  - (a) the allotment and issue of up to 10 per cent Ordinary Shares; and

(b) the sale of such number of treasury shares as is equal to the number of Ordinary Shares held in treasury at any time,

and such authority will, unless previously revoked or varied, expire at the conclusion of the next annual general meeting of the Company, save that the Company may, before such expiry, make an offer or agreement which would or might require Ordinary Shares to be allotted and issued after such expiry and the Directors may allot and issue equity securities in pursuance of any such offer or agreement as if this power had not expired.

By order of the Board

27 November 2023

**Registered Office**

1 Royal Plaza  
Royal Avenue  
St Peter Port  
Guernsey  
GY1 2HL  
Channel Islands

Notes:

- 1 A member who is entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend, speak and vote instead of him or her. A proxy need not be a member of the Company, but must attend the meeting in person. More than one proxy may be appointed provided that each proxy is appointed to exercise the rights attached to different Ordinary Shares. However, members are strongly encouraged to appoint the chairman of the meeting to act as their proxy.
- 2 A Form of Proxy for the AGM is attached to this document for use at the meeting. The Form of Proxy should be completed in accordance with the instructions printed thereon and returned so as to reach Computershare Investor Services (Guernsey) Limited c/o The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ, United Kingdom as soon as possible, and in any event so that it is received no later than 10.00 a.m. (Paris time) on 21 December 2023.
- 3 The completion and return of the Form of Proxy will not preclude a member from attending the meeting. If a member has appointed a proxy and attends the meeting in person, the proxy appointment will automatically be terminated.
- 4 To have the right to attend and vote at the AGM (and also for the purposes of calculating how many votes a member may cast on a poll) a shareholder must first have his or her name entered on the register of members not later than 6.00 p.m. on 19 December 2023. Changes to entries in the register after that time shall be disregarded in determining the rights of any member to attend and vote at the AGM.
- 5 As at 24 November 2023, the Company's issued share capital comprised 27,284,892 Ordinary Shares (there were no Ordinary Shares held in treasury) with a total of 27,284,892 voting rights.

## PART 6 VIETNAM HOLDING LIMITED (THE "COMPANY") NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of VietNam Holding Limited will be held at 10.30 a.m. on 21 December 2023 at the offices of Stephenson Harwood AARPI, 48 Rue Cambon, 75001 Paris, France.

The purpose of the meeting is to consider and, if thought fit, pass the resolutions set out below, resolution 1 as a special resolution and resolution 2 as an ordinary resolution.

### SPECIAL RESOLUTION

- 1 **THAT**, conditional upon resolution 9 proposed at the immediately preceding annual general meeting of the Company being passed, the existing articles of incorporation of the Company be rescinded in whole and substituted with the new articles of incorporation (the "**New Articles**") in the form produced to the meeting (and initialled by the Chairman of the Meeting for the purposes of identification) with immediate effect.

### ORDINARY RESOLUTION

- 2 **THAT**, conditional upon resolution 1 above being passed, the ordinary shares of US\$1.00 par value each in the capital of the Company be converted into shares that are redeemable in accordance with the provisions of the New Articles and applicable law.

By order of the Board

27 November 2023

### Registered Office

1 Royal Plaza  
Royal Avenue  
St Peter Port  
Guernsey  
GY1 2HL  
Channel Islands

Notes:

- 1 A member who is entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend, speak and vote instead of him or her. A proxy need not be a member of the Company, but must attend the meeting in person. More than one proxy may be appointed provided that each proxy is appointed to exercise the rights attached to different Ordinary Shares. However, members are strongly encouraged to appoint the chairman of the meeting to act as their proxy.
- 2 A Form of Proxy for the EGM is attached to this document for use at the meeting. The Form of Proxy should be completed in accordance with the instructions printed thereon and returned so as to reach Computershare Investor Services (Guernsey) Limited c/o The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ, United Kingdom as soon as possible, and in any event so that it is received no later than 10.30 a.m. (Paris time) on 21 December 2023.
- 3 The completion and return of the Form of Proxy will not preclude a member from attending the meeting. If a member has appointed a proxy and attends the meeting in person, the proxy appointment will automatically be terminated.
- 4 To have the right to attend and vote at the EGM (and also for the purposes of calculating how many votes a member may cast on a poll) a shareholder must first have his or her name entered on the register of members not later than 6.00 p.m. on 19 December 2023. Changes to entries in the register after that time shall be disregarded in determining the rights of any member to attend and vote at the EGM.
- 5 As at 24 November 2023, the Company's issued share capital comprised 27,284,892 Ordinary Shares (there were no Ordinary Shares held in treasury) with a total of 27,284,892 voting rights.

