

Private and Confidential

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, lawyer, accountant or from another appropriately qualified and duly authorised independent professional adviser.**

If you have sold or transferred all of your shares in VietNam Holding Limited, please send this document and the accompanying form of proxy 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 transmission to the purchaser or transferee.

## **VIETNAM HOLDING LIMITED**

*(incorporated under the laws of the Cayman Islands with registration number 0166182)*

**PROPOSED BONUS ISSUE OF WARRANTS**

**AMENDMENT TO THE ARTICLES OF ASSOCIATION**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Notice of an Extraordinary General Meeting of VietNam Holding Limited to be held at Glärnischhof Hotel, Claridenstrasse 30, Zurich, Switzerland on 23 April 2015 at 4.00 pm is set out at the end of this document. A form of proxy for use at the Extraordinary General Meeting is enclosed and to be valid should be completed in accordance with the instructions printed thereon and returned so as to reach VietNam Holding Limited via VietNam Holding Asset Management (Schweiz) AG, Gartenstrasse 19, CH-8002 Zurich, Switzerland as soon as possible and, in any event, so that it is received not less than 24 hours before the time of the meeting. The completion and return of a form of proxy does not prevent a Shareholder from attending and voting in person at the Extraordinary General Meeting.**

## DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

<b>"AIM"</b>	the AIM market of London Stock Exchange plc;
<b>"Articles"</b>	the articles of association of the Company, as amended from time to time;
<b>"Board" or "Directors"</b>	the board of directors of the Company;
<b>"Bonus Issue"</b>	the proposed bonus issue of Warrants to Shareholders, as described in this document;
<b>"Company"</b>	VietNam Holding Limited;
<b>"CREST"</b>	the system for paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear UK & Ireland Limited in accordance with the Uncertificated Securities Regulations 2001;
<b>"Depository Interests"</b>	dematerialised depository interests representing, on a one-for-one basis, the underlying Warrants;
<b>"EEA"</b>	the European Economic Area;
<b>"EGM"</b>	the extraordinary general meeting of the Company, to be held at Glärnischhof Hotel, Claridenstrasse 30, Zurich, Switzerland on 23 April 2015 at 4.00 pm to consider the Resolutions, or any adjournment thereof;
<b>"Form of Proxy"</b>	the form of proxy enclosed with this document for use in connection with the EGM;
<b>"Investment Manager"</b>	VietNam Holding Asset Management Ltd.;
<b>"NAV" or "Net Asset Value"</b>	the amount by which the total assets of the Company exceed its total liabilities as determined in accordance with the Articles;
<b>"NAV per Share"</b>	the Net Asset Value divided by the number of Shares in issue at the date of the calculation;
<b>"New Shares"</b>	new Shares issued as a result of the exercise of Warrants;
<b>"Notice"</b>	the notice convening the EGM set out at the end of this document;
<b>"Ordinary Resolution"</b>	a resolution passed by a simple majority of the votes of such Shareholders as, being entitled so to do, vote in person (or, in the case of corporations, by their duly authorised representatives) or by proxy at a general meeting of the Company;
<b>"Prospectus"</b>	the prospectus, incorporating an AIM admission document, of the Company intended to be published in connection with the Bonus Issue;
<b>"Record Date"</b>	means the date for determining the entitlements of Shareholders pursuant to the Bonus Issue, which will be determined by the Board and set out in the Prospectus;
<b>"Resolutions"</b>	the resolutions set out in the Notice;
<b>"Shareholders"</b>	the holders of Shares in the Company;
<b>"Shares"</b>	the ordinary shares of US\$1.00 each in the capital of the Company;
<b>"Special Resolution"</b>	a resolution passed by a majority of not less than three-fourths of such Shareholders as, being entitled so to do, vote in person (or, in the case of corporations, by their duly authorised representatives) or by proxy at a general meeting of the Company (subject to the applicable quorum requirements);
<b>"Warrants"</b>	the warrants proposed to be issued pursuant to the Bonus Issue giving the holders rights to subscribe for New Shares; and

**“2012 Warrant Issue”** the 2012 warrant issue made by the Company pursuant to the prospectus of the Company dated 21 May 2012.

All times referred to in this document are to Central European Time.

# VIETNAM HOLDING LIMITED

(Incorporated under the laws of the Cayman Islands with company number registration 0166182)

## Directors

Min Hwa Hu Kupfer (Chairperson)  
Professor Dr Rolf Dubs (Non-Executive Director)  
Nguyen Quoc Khanh (Non-Executive Director)

## Registered Office

Zephyr House  
122 Mary Street  
PO Box 709  
Grand Cayman  
Cayman Islands KY1-1107

2 April 2015

To the Shareholders

Dear Shareholder

## **PROPOSED BONUS ISSUE OF WARRANTS, AMENDMENT TO THE ARTICLES OF ASSOCIATION AND NOTICE OF EXTRAORDINARY GENERAL MEETING**

### **1. Introduction**

Following an announcement made by the Company on 2 February 2015 concerning a potential issue of warrants, it was announced on 9 March 2015 that the Board, having conducted a review of the merits of such proposal, intended to recommend the Bonus Issue. The Board has concluded that the issue of the Warrants presents an appropriate method of increasing the funds available to the Company to take advantage of favourable investment conditions in Vietnam and its stock markets and, at the same time, offer the potential of increasing the liquidity in the market for the Shares. The Bonus Issue is similar to the 2012 Warrant Issue which resulted in the issue of 12,955,128 new Shares in aggregate and raised approximately US\$15.5 million for the Company.

The Company is proposing to make a bonus issue of the Warrants to Shareholders on the register as at the Record Date. The Bonus Issue will be on a pro rata basis (subject to certain exclusions for regulatory purposes described below) of one Warrant for every three Shares held by a Shareholder on the Record Date, and will be subject, *inter alia*, to the passing of Resolution 1 to be proposed at the EGM and the publication of the Prospectus. It is intended that the Warrants will be admitted to trading on AIM. The proposed principal terms of the Warrants are set out in Section 3 below and include provision for three dates upon which Warrants may be exercised: the first expected to be around 12 months from the date of issue; the second expected to be around 18 months from the date of issue; and the third and final exercise date expected to be 24 months from the date of issue.

Given the proposed 24 month life of the Warrants, the Board is also proposing Resolution 2, which, if approved, would amend the Articles to defer the continuation vote which is currently scheduled to take place at the Annual General Meeting of the Company in 2016 to the Annual General Meeting of the Company in 2018. The Board is of the opinion that the certainty of at least three years of ongoing operations for the Company will provide the best structure from which to optimise the benefits of the Bonus Issue. If Resolution 1 is passed but Resolution 2 is not passed, the Warrants will only be exercisable on two exercise dates: the first expected to be around 12 months from the date of issue and the second (and last) expected to be around 18 months from the date of issue.

I am now writing to you in order to explain in more detail the background to and reasons for the above proposals and to seek your authority to implement them.

### **2. Reasons for the Bonus Issue**

The Board and the Investment Manager believe that generally favourable economic conditions in

Vietnam will continue to present significant investment opportunities for the Company, which remains committed to its current investment policy, over the medium term.

As a result, the Board is of the opinion that an increase in the capital of the Company would allow the Investment Manager, on the Company's behalf, to take advantage of such opportunities and will assist in the growth of the Company's investment portfolio.

Due to the success of the 2012 Warrant Issue, the Board views the Bonus Issue as a favourable method of increasing the funds available to the Company. The Board believes that the Bonus Issue will have the following advantages:

- eligible Shareholders will receive Warrants which may be exercised at a predetermined price allowing the New Shares received by them to participate in future Net Asset Value growth;
- on any exercise of Warrants, the capital base of the Company will increase, allowing operating costs to be spread across a larger number of Shares which should cause the Company's ongoing charges per Share to fall;
- following the exercise of any Warrants, the Company will have an increased number of Shares in issue which may in due course improve the liquidity in the market for the Shares; and
- eligible Shareholders will receive Warrants which will be admitted to trading on AIM, which may have a monetary value and which may either be traded in a similar fashion to their existing Shares or exercised into New Shares on the relevant exercise dates.

### **3. Expected principal terms of the Warrants**

The expected principal terms of the Warrants are as follows:

- one Warrant will be issued for every three Shares held by eligible Shareholders on the Record Date (subject to certain regulatory restrictions referred to below);
- the Warrants will be exercisable on the following dates: (i) around 12 months from the date of issue, (ii) around 18 months from the date of issue or (iii) upon the maturity of the Warrants, which is currently expected to be 24 months from the date of issue (assuming Resolution 2 relating to the rescheduling of the continuation vote is passed);
- the exercise price of the Warrants will be equal to the NAV per Share as at 31 March 2015. The Company estimates the NAV per Share at this date to be US\$1.998;
- the Warrants will be transferable and application will be made for the Warrants to be admitted to trading on AIM. It is expected that, as in the case of the 2012 Warrant Issue, Warrants may be held in uncertificated form as Depositary Interests, issued by the Company's registrar, which will allow them to be transferred via electronic means and settled through CREST; and
- the instrument constituting the Warrants is expected to contain other provisions typically found in such instruments, including those relating to the adjustment of the terms of the Warrants, protections for holders of Warrants and the procedures for the modification of the rights of the Warrants. Such provisions are expected to be materially the same as those of the 2012 Warrant Issue.

If any of the Warrants remain unexercised on the final exercise date they will expire. If, at that time of the final exercise date, the market price of the Shares is less than the exercise price of the Warrants (i.e. the Warrants are "out of the money"), then it is likely that any unexercised Warrants will expire without any value.

The Warrants will be subject to eligibility requirements on issue. Such requirements are resultant from pre-existing securities law restrictions applicable to certain jurisdictions such as the United States of America and also as a result of recent regulatory changes in the EEA.

In particular, it is intended that the Bonus Issue will not be extended to, and the Warrants will not be issued to and may not subsequently be exercisable by, Shareholders in EEA member states (subject

to certain likely exceptions including the United Kingdom) where the issue to such Shareholders would or may be likely to be considered to comprise marketing of securities by local regulators and would not be permissible by the Company as a non-EEA Alternative Investment Fund managed by a non-EEA Alternative Investment Fund Manager without the satisfaction by the Company and the Investment Manager of potentially costly, complex, impractical and/or time consuming pre-conditions.

Notwithstanding the above, the Company will reserve the right to permit any Shareholder to take up Warrants under the Bonus Issue, if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the applicable restrictive legislation or regulations.

The full terms and conditions of the Warrants will be set out in the Prospectus, expected to be published by the Company in May 2015, with the Warrants being issued shortly thereafter.

#### **4. Potential dilutive effects of the Warrants**

When Warrants are exercised and New Shares are issued, the shareholding of any Shareholders who are not eligible to receive Warrants, who do not exercise a corresponding proportion of their Warrants or who have sold their Warrants will be diluted. However, if a Shareholder continues to hold the Warrants issued to them pursuant to the Bonus Issue and exercises those Warrants, that Shareholder's percentage interest in the ordinary share capital of the Company should not ultimately be reduced below their percentage interest in the ordinary share capital of the Company immediately prior to the Bonus Issue.

If the NAV per Share at the time of exercise of any Warrants exceeds the exercise price of the Warrants, the issue of the New Shares will also have a dilutive effect on the NAV per Share. The extent of such dilution will depend on the number of Warrants which are exercised, the number of New Shares issued and the difference between the exercise price of the Warrants and the NAV per Share prevailing at the time the New Shares are issued.

It is intended that application will be made for the Warrants to be admitted to trading on AIM. If so admitted the Warrants would become tradable securities, although the Company cannot predict the extent to which investor interest may lead to the development of an active and liquid market for the Warrants. To the extent that Warrants are sold, the proceeds received by the seller may offset (to a greater or lesser extent) the potential dilutive effects of any New Shares issued as a result of the exercise of Warrants.

#### **5. Extraordinary General Meeting**

Set out at the end of this document is a notice convening the EGM to be held at Glärnischhof Hotel, Claridenstrasse 30, Zurich, Switzerland on 23 April 2015 at 4.00 pm. At the EGM, the Resolutions will be proposed as follows:

##### **Resolution 1 - Approval of the Bonus Issue**

Resolution 1, if passed, will authorise the Board to conduct the Bonus Issue and to issue the Warrants on such terms as it thinks fit, subject to the maximum number of Warrants to be issued being one Warrant for every three Shares in issue at the Record Date and certain other criteria including adjustments to deal with fractional entitlements and provisions to deal with the regulatory issues referred to in Section 3 above.

In the event that Resolution 2 (Amendment to the Articles) is passed then the Board has determined that the life of the Warrants will be approximately 24 months from the date of issue. If Resolution 2 is not passed, then the life of the Warrants will be shortened to around 18 months from the date of issue or such shorter period as the Board may determine, so that they expire before the continuation vote of the Company to be presented at the Annual General Meeting in 2016 in accordance with the current Articles.

This authority to issue the Warrants, if granted, will expire on 30 September 2015.

Resolution 1 will be proposed as an Ordinary Resolution.

## **Resolution 2 - Amendment to the Articles**

Resolution 2 proposes an amendment to the Articles such that the continuation vote which is currently scheduled to take place at the Annual General Meeting of the Company in 2016 would instead take place at the Annual General Meeting of the Company in 2018 (and, if passed, with a further vote taking place three years thereafter). As described above, the Board is of the opinion that the certainty of at least three years of ongoing operations for the Company will provide the best structure from which to optimise the benefits of the Bonus Issue.

Resolution 2 will be proposed as a Special Resolution.

## **6. Costs of the Bonus Issue**

The Company's expenses in connection with this document and the implementation of the Bonus Issue are currently estimated to amount to approximately US\$450,000 (and are expected to be comparable to the expenses of the Company in connection with the 2012 Warrant Issue).

## **7. Taxation**

Shareholders who are in any doubt about the implications of the Bonus Issue on their personal tax position should consult their professional adviser.

## **8. Action to be taken**

A Form of Proxy is enclosed for use in connection with the EGM. Please return the Form of Proxy duly completed and signed, to VietNam Holding Limited via VietNam Holding Asset Management (Schweiz) AG, Gartenstrasse 19, CH-8002 Zurich, Switzerland, so as to be received not less than 24 hours before the time of the EGM or any adjournment thereof. The completion and return of a Form of Proxy will not preclude you from attending the EGM and voting in person should you subsequently wish to do so.

## **9. Recommendation**

The Directors consider that both of the Resolutions and the Bonus Issue are fair and reasonable insofar as Shareholders are concerned. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of both of the Resolutions.

Yours sincerely

Min Hwa Hu Kupfer  
Chairperson  
VietNam Holding Limited

## 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 Glärnischhof Hotel, Claridenstrasse 30, Zurich, Switzerland on 23 April 2015 at 4.00 pm Central European Time.

Capitalised terms used in this notice and not otherwise defined bear the same meanings given to them in the circular of the Company published on 2 April 2015.

The purpose of the meeting is to consider and, if thought fit, pass the resolutions set out below.

#### ORDINARY RESOLUTION:

1. **THAT** the directors of the Company be given authority in accordance with Article 7 of the Company’s Articles of Association to exercise all the powers of the Company to effect a bonus issue of warrants to the holders of existing issued shares of the Company (**Shares**) on such terms and conditions as the Board considers appropriate (including, but not limited, to duration) provided that:
  - (i) the maximum number of Warrants to be issued is one Warrant for every three Shares in issue at a date to be determined by the Directors;
  - (ii) the exercise price of the Warrants to be issued shall be the NAV per Share as at 31 March 2015 (or such other price per Share as the Directors shall determine (subject always to Article 7(f)); and
  - (iii) any such issue shall be made in accordance with all applicable laws and regulations at the time of the issue and such authority shall be effective until 30 September 2015 provided that expiry of the authority shall not prejudice to the rights to subscribe for Shares in respect of Warrants issued by the Company prior to such expiry.

#### SPECIAL RESOLUTION:

2. **THAT** the Articles of Association of the Company be and are hereby amended by the deletion of the existing Article 131 and the insertion of a new Article 131 as follows:

“The Company has been established for an unlimited duration. However, at the annual general meeting of the Company to be held in the year 2018 the Board shall propose an Ordinary Resolution that the Company shall continue in existence. If such resolution is passed the Company shall continue its operations and a similar resolution shall be proposed at the annual general meeting to be held in the year 2021. If either such resolution is not passed the Board shall, at that annual general meeting or at an extraordinary general meeting held within six months of that annual general meeting, 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.”

**Any Shareholder unable to attend the meeting in person is urged to appoint a proxy to attend and vote in his place.** A proxy need not be a member of the Company. A Form of Proxy is enclosed. To be effective, the original or a legible fax or PDF copy of the Form of Proxy, duly completed, signed,

witnessed and dated, must be received no later than 24 hours before the time and date of the meeting.

**Please send your Form of Proxy by post, fax or PDF file to:**

VietNam Holding Asset Management (Schweiz) AG  
Gartenstrasse 19  
CH-8002 Zurich  
Switzerland  
For the attention of: Gyentsen Zatul  
Fax No: +41 43 500 2815

Email: [gyentsen.zatul@vnham.com](mailto:gyentsen.zatul@vnham.com)

Dated: 2 April 2015

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VietNam Holding Limited