

Regulatory Story

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Vinaland Limited

Investing Policy

Vinaland Limited ("VNL" or "the Company"), an AIM-quoted investment vehicle focused on Vietnam, is pleased to announce, in accordance with AIM Rule 8, its updated investing policy:

1. Investment objectives

VinaLand Limited is a closed-end investment company incorporated in the Cayman Islands with the primary objective of achieving medium to long-term (3-5 years) capital appreciation and providing an attractive level of income (from interest and dividends) through investing in a diversified portfolio of mainly Vietnamese property and development projects.

Investment manager:

VNL is managed by VinaCapital Investment Management Ltd ("VCIM" or the "Investment Manager"), a BVI company. VCIM was established in 2003 and manages three listed and several unlisted investment companies. More information about the VCIM management team is available at www.vinacapital.com. In addition, VCIM employs a Development Advisor, VinaCapital Real Estate Ltd (VCRE), to manage and develop property assets, and intends to employ a planning and project management company VinaProjects, a proposed 50/50 joint venture with [InProjects](#). More information about the VCRE management team is available at www.vinacapital.com.

2. Investing policy

The Company will adhere to the following investment policies and restrictions:

Type of investment:

The Company is permitted to engage in all forms of property investment and property development as allowed under the laws of each jurisdiction in which it operates, utilising instruments and structures that may be suitable to allow participation in selected investment opportunities. These investments will be made directly or through investee companies (which are special purpose vehicles established specifically for each project) or by way of joint venture partnerships with other reputable developers.

Geographical focus:

At least 70 percent of the Gross Asset Value of the Company will be invested in Vietnam. Up to a maximum of 30 percent of the Gross Asset Value may also be invested in neighbouring Asian countries (namely China, Cambodia and Laos), should the Directors consider that such investments would offer potentially attractive returns.

Sector focus:

The Company will target five property sectors: office, retail, residential, industrial and hospitality/leisure. The Company's primary focus will be Ho Chi Minh City, with a secondary focus on Hanoi and key leisure areas, including but not limited to Nha Trang, Hoi An, and Danang.

Control of investments:

The Company will seek to own a controlling interest in its investments, either by owning a direct controlling participating interest in the project or by controlling the investee companies through which the investments are made. In the event that the Company holds a minority interest in a project, it will seek to secure adequate minority protection rights.

Realisation of investments:

The Company is a publicly listed investment company on the London Stock Exchange's AIM Market. Investors are free to purchase and sell shares whenever they please. The Company will aim to realise individual investments when the Board, with the advice of the Investment Manager, the Investment Committee and the Development Adviser, believes the realisation would be in the best interests of the Company and fulfil its investment objectives. The Company intends to affect exits through disposals of its projects or interests in investee companies to institutional and private investors.

Investment size:

No single investment may, at the time of investment, exceed 20

percent of the Gross Asset Value.

Cross holdings:

If the Investment Manager and the Directors deem it appropriate, the Company may also invest up to 20 percent of its Gross Asset Value in other property funds which themselves invest in property in the target region. All investments must be approved by the Investment Committee and, where a project or investment exceeds ten percent of the Net Asset Value, in addition, the approval of a majority of the Board must also be obtained.

Leverage:

There is no limit in the Company's articles of association to the amount of borrowings that it may incur. As is typical with real estate development and investment, investee companies may use leverage for individual projects. All leverage will be non-recourse to the Company and will be incurred by the investee companies. The level of the debt incurred will vary depending on the laws and regulations pertaining to the debt market with regard to the particular type of project and the ability of the relevant Investee Company to service the debt.

Other information:

- The Directors will review the investment policies on an annual basis.
- Changes to the investment policies may be prompted, inter alia, by changes in government policies or economic conditions which alter or introduce additional investment opportunities. In the event of a breach of any investment restrictions, the Investment Manager shall inform the Board upon becoming aware of the same and if the Board considers the breach to be material, notification shall be made to a Regulatory Information Service Provider.
- Cash pending investment, reinvestment or distribution will be placed in bank deposits, bonds, government-issued treasury securities or in local money market funds for the purpose of protecting the capital value of the Company's cash assets.
- In order to hedge against interest rate risks or currency risk, the Company may, where appropriate, also enter into forward interest rate agreements, forward currency agreements, interest rates and bond futures contracts and interest rate swaps and purchase and write (sell) put or call options on interest rates and put or call options on futures on interest rates.

3. Valuation policy

The Investment Manager will present reports prepared by independent external valuers to the valuation sub-committee ("Valuation Committee") on at least an annual basis. The Valuation Committee will accept, reject, apply a discount to asset valuations or may require the Investment Manager to obtain other third party valuation reports if deemed necessary. Every real estate investment which is required to be recorded at fair value will be revalued at least annually by two independent appropriately qualified valuers.

The Net Asset Value and the Net Asset Value per share shall be calculated (and rounded to two decimal places), in US dollars by the Administrator (or such other person as the Directors may appoint for such purpose from time to time) on a quarterly basis

The Net Asset Value shall be the value of all assets of the Company less the liabilities of the Company determined in accordance with the valuation guidelines adopted by the Directors from time to time.

Under current valuation guidelines adopted by the Directors, such values shall be determined as follows:

- The value of any cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the Directors shall have determined that the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Directors may consider appropriate in such case to reflect the true value thereof;
- The value of securities which are quoted or dealt in on any stock exchange (including any securities traded on an "over the counter market") shall be based on the last traded prices on such stock exchange, or if there is more than one stock exchange on which the securities are traded or admitted for trading, that which is normally the principal stock exchange for such security, provided that any such securities which are not freely transferable, or which are not regularly traded, or which for any other reason are subject to limited marketability, shall be valued at a discount (the amount of such discount being determined by the Directors in their absolute discretion or in a manner so approved by the Directors);
- As regards unquoted securities;
 - Unquoted investments will initially be valued

- at cost price, which will include any expenses relating to their acquisition;
- A revaluation of unquoted investments to a value in excess of or below cost may be made in the circumstances provided by and in accordance with the guidelines issued by the British Investment Fund Association or any successor body;
- All other assets and liabilities shall be valued at their respective fair values as determined in good faith by the Directors and in accordance with generally accepted valuation principles and procedures;
- Any value other than in US dollars shall be translated at any officially set exchange rate or appropriate spot market rate as the Directors deem appropriate in the circumstances having regard, inter alia, to any premium or discount which may be relevant and to costs of exchange.

If the Directors consider that any of the above bases of valuation are inappropriate in any particular case or generally, they may adopt such other valuation or valuation procedure as they consider is reasonable in the circumstances provided that such other valuation or valuation procedure has been approved by the Company's auditors. The Directors may delegate to the Investment Manager any of their discretions under the valuation guidelines.

4. Co-investments Investment Manager may from time to time manage other funds which have a similar or different investment objective and policy to that of the Company. Nevertheless, circumstances may arise where investment opportunities will be available to the Company and which are also suitable for one or more of the other funds managed by the Investment Manager. Where a conflict arises in respect of an investment opportunity, the Investment Manager will allocate the opportunity on a fair basis. In such event, the allocations will normally be made on a pro rata basis between the Company and the other funds based on the amounts available for investment in each fund at the time the investment opportunity arises. However, the Investment Manager will be entitled to recommend to the Board the allocation of investment opportunities on a basis otherwise than as set out above if it deems it appropriate. In those circumstances the Board will determine what level of investment the Investment Manager may make on behalf of the Company.

The Investment Manager may also from time to time manage one or more funds incorporated in Vietnam. If appropriate, therefore, the Company may be able to invest in local companies or projects up to the foreign ownership restriction then existing with the local fund making additional investment in order to gain control of that company

or project. This facility would allow the Company to benefit from majority participation in local projects thereby reducing the risks which may be associated with the use of locally established co-investors/partners and thereby also allowing effective overall control to be exercised by the Manager alone.

5. Ordinary Shares

It is intended that the Company's income will consist wholly or mainly of investment income. The Directors currently intend to reinvest a large part of income to take advantage of opportunities meeting the Company's investment and return objectives, and where suitable opportunities are not available to distribute substantially all of the Company's income and capital gains after administrative expenses and tax to holders of the Ordinary Shares, and aim to increase dividends over the life of the Company.

6. Life of the Company

The Company does not have a fixed life but the Board considers it desirable that Shareholders should have the opportunity to review the future of the Company at appropriate intervals. Accordingly, the Board intends that a special resolution will be proposed every seventh year that the Company ceases to continue as presently constituted. If the resolution is not passed, the Company will continue to operate. If the resolution is passed, the Directors will be required to formulate proposals to be put to Shareholders to reorganise, unitise or reconstruct the Company or for the Company to be wound up.

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Notes to Editors:

VinaCapital Group is a leading asset management, investment banking and real estate consulting firm with unrivalled experience in the Vietnamese market. VinaCapital Group was founded in 2003 and has grown from a single USD10 million fund to a diversified investment firm with over USD1.7 billion in assets under management as of August 2009.

VinaCapital Investment Management Ltd manages three closed-end funds trading on the AIM Market of the London Stock Exchange. These are:

- Vietnam Opportunity Fund (VOF) is a USD823 million diversified investment fund that has consistently been among the top performing Vietnam funds.
- VinaLand Limited (VNL) is a USD655 million real estate fund that was the top performing Vietnam investment fund in 2008.
- Vietnam Infrastructure Limited (VNI) is a USD265 million fund established in July 2007 as the first overseas fund to

invest solely in Vietnam's infrastructure sector.

VinaCapital also co-manages the USD32 million DFJ VinaCapital technology venture capital fund with Draper Fisher Jurvetson, and owns a dominant stake in VinaSecurities JSC, a brokerage. More information is available at www.vinacapital.com.

More information on VNL is available at www.vinacapital.com/vnl.

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