

Company name

Vietnam Enterprise

Headline

Notice of Annual General Meeting

RNS Number : 6370N

Vietnam Enterprise Investments

15 June 2010

THIS NOTICE AND THE ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to any aspect of this Notice, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisor.

If you have sold or transferred all your shares in Vietnam Enterprise Investments Limited (the "Company"), you should at once hand this Notice to the purchaser or to the bank, stockbroker or other agent through which the sale was effected for transmission to the purchaser.

VIETNAM ENTERPRISE INVESTMENTS LIMITED
(Incorporated in the Cayman Islands with Limited Liability)

NOTICE OF ANNUAL GENERAL MEETING

ordinary business including

RE-ELECTION OF DIRECTORS

ISSUANCE OF AN ADDITIONAL MAXIMUM 10% OF REDEEMABLE SHARES

and

special business comprising

DURATION OF THE COMPANY

- Those directors of the Company ("the Directors"), whose names appear on page 1 of the enclosed letter from the Chairman, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

IMPORTANT NOTICE

The statements, including any forward-looking statements contained in this document are made as at the date of this document, unless some other time is specified in relation to them, and service of this document shall not give rise to any implication that there has been no change in the facts set out in this document since such date.

This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They include statements regarding the intentions, beliefs or current expectations of the Company or the Investment Manager of the Company concerning, amongst other things, the investment performance prospects of the Company and the markets in which it invests. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements.

Forward-looking statements are not guarantees of future performance. The Company's actual investment performance may differ materially from the impression created by the forward-looking statements contained in this document. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of the Company and the environment in which it will operate in the future. All forward-looking statements included in this document are based on information available to the Company on the date of this document. Shareholders should not place undue reliance on such forward looking statements, and the Company does not undertake any obligation to update publicly or revise any forward-looking statements, save as required by the rules of the Irish Stock Exchange or other law or regulation applicable to the Company.

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LETTER FROM THE CHAIRMAN

VIETNAM ENTERPRISE INVESTMENTS LIMITED

(Incorporated in the Cayman Islands with Limited Liability)

Non-Executive Directors, Independent of the Investment Manager: *Investment Manager:*

Richard McKegney (Chairman)
Hartmut Giesecke
Wolfgang Bertelsmeier

Enterprise Investments Management
Limited
c/o 1901 Me Linh Point
2 Ngo Duc Ke, District 1
Ho Chi Minh City
Vietnam

Other Non-Executive Directors:

Dominic Scriven

Registered office:
Grand Pavilion Commercial Centre
802 West Bay Road
Grand Cayman
Cayman Islands
British West Indies

To the shareholders of Vietnam Enterprise Investments Limited (the 'Company')

15 June, 2010

Dear Shareholder,

ANNUAL GENERAL MEETING

RE-ELECTION OF DIRECTORS

ISSUANCE OF AN ADDITIONAL MAXIMUM 10% OF REDEEMABLE SHARES

DURATION OF THE COMPANY

INTRODUCTION

I have pleasure in enclosing the notice (the "Notice") of the fifteenth Annual General Meeting of the Company (the "2010 AGM") to be held at 1901 Me Linh Point, 2 Ngo Duc Ke, District 1, Ho Chi Minh City, Vietnam on Monday 12 July 2010 at 11.00 am (Vietnam time).

As you will see from the Notice, the ordinary business to be considered at the 2010 AGM includes a resolution for the re-election of the directors of the Company (the "Directors"), the re-appointment of KPMG as auditor, the adoption of the Annual Report and Financial Statements of the Company, as well as the issuance of an additional maximum 10% of redeemable shares of par value US\$0.01 each in the Company ("Redeemable Shares"). In addition to the ordinary business to be considered at the 2010 AGM, there is a special resolution as to whether to wind up the Company that is required to be put to the 2010 AGM by the Company's articles of association (the "Articles").

Prior to setting out the background to the proposals that will be put to the Shareholders at the 2010 AGM I would like to communicate two important developments at the Company that Shareholders may wish to bear in mind when deciding how to vote on the ordinary resolutions and the special resolution.

Recent Developments

First, the Company's investment focus has - in consultation with the Investment Manager - been refined within the existing mandate to reflect the evolving financial market in Vietnam, and is now based on the following:

- The Company seeks to invest in stocks with strong growth and value features as well as good corporate governance
- The Company aims to provide value-addition through long-term stock selection and will seek to avoid trading frequently - concentrating on seeking to take advantage of movements in core positions by large standard deviations
- The Company will seek to outperform the Vietnam Index (the Vietnam Index is a capitalization-weighted index of all the companies listed on the Ho Chi Minh City Stock Exchange as prepared by the Ho Chi Minh City Stock Exchange and available on Bloomberg on "VNINDEX VN Equity <GO>") on a rolling three-year basis; however the Company does not systematically target the Vietnam Index and is prepared to carry active conviction positions for or against selected sectors
- The Company's portfolio is concentrated in approximately 25 holdings, with holding periods of at least two years
- Concentration risk is limited to 40% of net asset value ("NAV") in a single sector and up to 12% in a single company or issuer (at the time of investment)
- The Company focuses on listed stocks, including offshore securities with major exposure to Vietnam, unlisted companies expected to be listed within 12-18 months, and equity-linked instruments such as convertible bonds

Second, the Company holds an interest in Nui Phao Mining Joint Venture Company Limited indirectly through Tiberon Minerals Pte. Ltd. ("Tiberon"). Tiberon has recently signed agreements - the completion of which is subject to regulatory approvals and other customary conditions precedent - to transfer this interest to subsidiaries of the Masan Group Corporation ("MSN") in exchange for certain rights in respect of MSN or its subsidiaries.

The Company's Board is now turning its attention to the persistent discounts at which the Company has been trading.

For most of its life since inception in May 1995, the Company has traded in a tight range around NAV, generally within $\pm 10\%$, sometimes a bit higher. But since mid-2008, persistent large discounts have developed on the back of global financial turmoil and risk aversion. The discount phenomenon has by no means been confined to the Company - all Vietnam-focused funds have attracted them, and the Company has been less affected than many of its peers. It currently stands at ca 24% (as at 11 June 2010), compared with an average 39% for comparable funds (source: LCF Rothschild). Moreover, the Company's discounts have recently narrowed.

Charts

Discount to NAV

Source: Dragon Capital

Peer discounts as at 11 June 2010

Fund	Size (\$m)	Disc (%)
Vietnam Dragon Fund Limited	158	21.9
Vietnam Enterprise Investments Limited	423	23.5
PXP Vietnam Fund Limited	59	30.4
Vietnam Growth Fund Limited	233	28.9
VinaCapital Vietnam Opportunity Fund Ltd	788	41.4
Vietnam Holding Limited	83	46.6
Vietnam Infrastructure Limited	261	46.5
DWS Vietnam Limited	272	51.2
Vietnam Equity Holding	73	58.5

Source: LCF Rothschild

The Board has considered various mechanisms that would comply with the Company's investment mandate whilst also providing a certain amount of liquidity to shareholders (bearing in mind always that Vietnam is still a frontier market). As a result of this process the Board has resolved to use the Company's existing powers under the Articles to implement discretionary share buy-backs as follows:

Share Buy-Back

- A maximum of 15%, less one share of the redeemable shares issued and outstanding in the Company, undertaken at the discretion of the Board, and applicable so long as discounts are above 15%
- Dragon Capital Markets to execute the discretionary share buy-back on

BACKGROUND ON THE AGM RESOLUTIONS

Ordinary Business

The ordinary business to be conducted at the 2010 AGM includes the following:

1. Accounts and Auditors

Adoption of the annual accounts, the approval of the re-appointment of KPMG as the auditor of the Company and the grant of authority to the Board to fix the remuneration of the auditor.

Copies of the Company's annual report and accounts for the year ended 31 December, 2009 have been sent to all shareholders. If you have not yet received a copy of the annual report and accounts, you may contact Ms. Ha Tran (tel: +848 3 823 9355 / email: hatran@dragoncapital.com) of the Investment Manager, or the Shareholder Services Department of Fortis Prime Fund Solutions (Asia) Limited, Assistant Secretary of the Company (tel.: +852 3416 6100 / email: shareholder.services@hk.primefundsolutions.com).

2. Board Composition

A further matter of ordinary business is the re-election of each of Richard McKegney, Hartmut Giesecke, Wolfgang Bertelsmeier, and Dominic Scriven as a Director. Under the Articles, Richard McKegney and Hartmut Giesecke each offers to extend his services as a Director following the expiration of his term at the 2010 AGM. Each of Wolfgang Bertelsmeier and Dominic Scriven submits himself for re-election, even though the Articles do not explicitly require any of them to stand for election.

3. Issuance of up to an Additional Maximum 10% of Redeemable Shares

A further matter of ordinary business to be considered at the 2010 AGM is a resolution that would authorise the Board to issue additional Redeemable Shares having an aggregate nominal value of up to 10% of the aggregate nominal value of the Redeemable Shares in issue at the time of the 2010 AGM. The authority for such a share issuance has been routinely sought and obtained at prior AGMs, and the Board expects that this authority, if the renewal of the authorisation is approved, will only be utilised if market circumstances are favourable to raising capital to take advantage of investment opportunities that may arise.

The Articles require the Company to issue such new Redeemable Shares at a price per share no lower than the NAV per share of the Redeemable Shares in issue at the time of such issuance(s). The Company's authority to make such issuance(s) would be effective only until the next AGM of the Company to be held in the year 2011. Any such new Redeemable Shares would rank *pari passu* in all respects with the existing Redeemable Shares. Moreover, no part of such issuance(s) of new Redeemable Shares will be offered to Shareholders of the Company on a pre-emptive basis.

The aggregate nominal value of the Redeemable Shares currently in issue is US\$ 1,738,230.00, which is determined by multiplying the number of Redeemable Shares that are issued and outstanding (173,823,000) by the par value of those shares (US\$0.01). No further issuances of Redeemable Shares are planned prior to the 2010 AGM. Accordingly, the maximum number of new Redeemable Shares that could be issued on the basis of the above resolution, if approved, would be 17,382,300 (with

aggregate nominal value of US\$ 173,823.00). Adoption of this resolution will not ensure that any new Redeemable Shares will be issued or that an issuance, if it occurs, will be the maximum amount allowable (17,382,300 shares) or any particular fraction thereof, but it will provide the Board with the authority to make issuance(s) of new Redeemable Shares in one or more transactions at its discretion, subject to a maximum number of 17,382,300 Redeemable Shares being issued.

RECOMMENDATION ON ORDINARY BUSINESS

The Directors consider that approval of all the items of ordinary business is in the Company's best interests and in the best interest of the Company and the shareholders as a whole and recommend that you **VOTE IN FAVOUR** of the ordinary resolutions to be proposed at the 2010 AGM.

SPECIAL BUSINESS

As special business, the following will be put to the 2010 AGM:

4. Duration of the Company

The Company has been established for an unlimited duration. However, Article 133 of the Articles requires that a special resolution to wind up the Company effective 31 December, 2012 be put before the 2010 AGM. If this resolution is not passed, Article 133 requires that a special resolution to wind up the Company effective 31 December, 2014 be placed for consideration at the Company's AGM to be held in 2012.

Therefore a resolution to wind up the Company effective 31 December, 2012 is put before the Shareholders at the 2010 AGM (the "Wind up Resolution").

The Board believes that there are a number of benefits for Shareholders in the continuation of the Company, and **VOTING AGAINST** the Wind up Resolution:

- The Board and Investment Manager remain of the view that the fundamentals, favourable demographics and social-cultural factors which underpin the attractions of investing in Vietnam are strong and that this should lead to incremental investment returns for the Company over time;
- The Board considers it appropriate to provide more time for a number of the Company's underlying portfolio investments to realise their true potential;
- The Board and the Investment Manager believe that the Company's portfolio is well positioned and continues to offer an attractive investment opportunity to continue to benefit from income growth and development of a middle class, demographics and urbanisation, financial sector development and modernisation and export infrastructure build-up; and
- The Board is committed to assisting Shareholders with liquidity goals through a share buy back described above in this letter.

RECOMMENDATION ON SPECIAL BUSINESS

For the reasons set out above, the Directors consider that it is in the best interests of the Company and the Shareholders as a whole to **VOTE AGAINST** the Wind up Resolution.

VOTING BY PROXY AND THROUGH DEPOSITORIES

Registered shareholders (principally Euroclear and Clearstream) in the Company should complete, and persons who hold shares through Euroclear or Clearstream Banking, Luxembourg ('Clearstream') should request Euroclear or Clearstream to complete the enclosed Proxy Form for the 2010 AGM and return it by fax to +852 2263 6427 or by e-mail: shareholder.services@hk.primefundsolutions.com (with original to follow by post) to Fortis Prime Fund Solutions (Asia) Limited, 28/F Fortis Tower, 77-79 Gloucester Road, Hong Kong (marked for the attention of Shareholder Services Department) as soon as possible and, in any event, so as to arrive not later than 11:00 am (Vietnam time) on Friday, 9 July 2010. Completing a Proxy Form will not preclude Shareholders from attending the 2010 AGM and voting in person (or by corporate representative) if they wish to do so. If any assistance is required, please contact the following help lines:

- Euroclear Help line : +322 224 2199
- Clearstream Help line : +352 2433 8068

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Memorandum and Articles of Association of the Company will be available for inspection at the offices of McCann Fitzgerald Listing Services Limited, Riverside One, Sir John Rogerson's Quay, Dublin 2, Ireland; at the offices of Fortis Prime Fund Solutions (Asia) Limited, 28/F Fortis Tower, 77-79 Gloucester Road, Hong Kong; and at the offices of Fortis Prime Fund Solutions (Cayman) Limited, Grand Pavilion Commercial Centre, 802 West Bay Road, Grand Cayman, Cayman Islands during normal business hours until Friday, 9 July 2010 and at the 2010 AGM itself.

Yours faithfully,

Richard McKegney
Chairman

APPENDIX

NOTICE OF ANNUAL GENERAL MEETING

VIETNAM ENTERPRISE INVESTMENTS LIMITED
(Incorporated in the Cayman Islands with Limited Liability)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Vietnam Enterprise Investments Limited (the "Company") will be held at 1901 Me Linh Point, 2 Ngo Duc Ke, District 1, Ho Chi Minh City, Vietnam on Monday, 12 July 2010 at 11.00 am to consider and, if thought fit, pass the following resolutions:

AGENDA

ORDINARY RESOLUTIONS

Ordinary Business:

- (1) To receive and adopt the audited financial statements for the year ended 31 December, 2009 together with the auditor's and Directors' reports thereon.
- (2) To re-appoint KPMG Ltd. of Vietnam as auditor of the Company and to authorise the Board to fix their remuneration.
- (3) To re-elect Richard McKegney as a Director of the Company.
- (4) To re-elect Hartmut Giesecke as a Director of the Company.
- (5) To re-elect Wolfgang Bertelsmeier as a Director of the Company.
- (6) To re-elect Dominic Scriven as a Director of the Company.
- (7) To authorise the Directors of the Company to issue, in one or more transactions an additional amount of Redeemable Shares having an aggregate nominal value of up to 10% of the aggregate nominal value of the Redeemable Shares in issue as of the date of this Resolution, such issue of shares to be at a price per share not less than the Net Asset Value per share of the Redeemable Shares in issue at the time of such issuance, and such authority to be effective until the Annual General Meeting of the Company to be held in the year 2011.

Special Business:

- (8) To wind up the Company effective 31 December, 2012.

By Order of the Board
Fortis Prime Fund Solutions (Asia) Limited
Assistant Secretary

15 June, 2010

Registered Office:
Grand Pavilion Commercial Centre
802 West Bay Road, Grand Cayman
Cayman Islands, B.W.I.

Notes:

1. A member entitled to attend and vote at the above Meeting is entitled to appoint one or more proxies to attend and, on a poll, vote on his behalf. A proxy need not be a member of the Company. A form of proxy in respect of the above Meeting is enclosed with this Circular as a separate document for despatch to shareholders of the Company.
2. Proxy forms must be deposited at Fortis Prime Fund Solutions (Asia) Limited, 28/F Fortis Tower, 77-79 Gloucester Road, Hong Kong for the attention of Shareholder Services Department (Fax No. +852 2263 6427 or E-mail: shareholder.services@hk.primefundsolutions.com) no later than 24 hours prior to the time specified above for the holding of the Annual General Meeting. If the

signed form of proxy is signed by fax or e-mail, the original should be followed by post.

VIETNAM ENTERPRISE INVESTMENTS LIMITED

(Incorporated in the Cayman Islands with Limited Liability)

Form of proxy for use by shareholders at the Annual General Meeting convened to be held at 1901 Me Linh Point, 2 Ngo Duc Ke, District 1, Ho Chi Minh City, Vietnam on Monday, 12 July 2010 at 11.00 am (Vietnam time).

I/We _____ (note 1) _____ of _____ being the holder(s) of _____ (note 2) Redeemable Shares of US\$0.01 each of the above-named Company hereby appoint the Chairman of the meeting or, failing whom, _____ of _____ (note 3), to act as my/our proxy at the Annual General Meeting of the Company to be held on Monday, 12 July 2010 at 11:00 am (Vietnam time) and at any adjournment thereof and to vote on my/our behalf as directed below.

Ordinary Business:

ORDINARY RESOLUTIONS	*FOR	*AGAINST
THAT the audited financial statements for the year ended 31 st December 2009 together with the auditor's and Directors' reports thereon be adopted.	o	o
THAT KPMG Ltd. of Vietnam be re-appointed as auditor of the Company for the ensuing year at a fee to be agreed by the Directors.	o	o
THAT Richard McKegney be re-elected as a Director of the Company.	o	o
THAT Hartmut Giesecke be re-elected as a Director of the Company.	o	o
THAT Wolfgang Bertelsmeier be re-elected as a Director of the Company.	o	o
THAT Dominic Scriven be re-elected as a Director of the Company.	o	o
THAT the Directors of the Company be authorised to issue, in one or more transactions an additional amount of Redeemable Shares having an aggregate nominal value of up to 10% of the aggregate nominal value of the Redeemable Shares in issue as of the date of this Resolution, such issue of shares to be at a price per share not less than the Net Asset Value per share of the Redeemable Shares in issue at the time of such issuance, and such authority to be effective until the Annual General Meeting of the Company to be held in the year 2011.	o	o

Special Business:

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SPECIAL RESOLUTION	*FOR	*AGAINST
THAT the Company be wound up effective 31 December, 2012.	o	o

* Please indicate how you wish the proxy to vote on your behalf by placing a tick in the appropriate box.

Dated the _____ day of _____, 2010.

Shareholder's Signature: _____ (notes 4 and 5)

Notes:

1. Full name(s) and address(es) to be inserted in BLOCK CAPITALS.
2. Please insert the number of shares registered in your name(s); if no number is inserted, this form of proxy will be deemed to relate to all the shares in the capital of the Company registered in your name(s).
3. A proxy need not be a member of the Company. If any proxy other than the Chairman of the Meeting is appointed, delete the words "the Chairman of the meeting, or failing whom" and insert the name and address of the person appointed as your proxy in the space provided.
4. In the case of joint holders, this form of proxy must be signed by the member whose name stands first on the register of members.
5. This form of proxy must be signed by the appointor, or his attorney duly authorised in writing, or if such appointor is a corporation, either under its Common seal or under the hand of an officer or attorney so authorised.
6. If this form is returned duly signed but without a specific direction, the proxy will vote or abstain at his discretion. The proxy will also be entitled to vote at his discretion on any resolution properly put to the Meeting other than those referred to in the notice convening the Meeting.
7. In order to be valid, this form of proxy together with a power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that authority must be deposited with the office of the Company's Assistant Secretary, Fortis Prime Fund Solutions (Asia) Limited, at 28/F Fortis Tower, 77-79 Gloucester Road, Hong Kong for the attention of Shareholder Services Department (Fax No. +852 2263 6427 or E-mail: shareholder.services@hk.primefundsolutions.com) no later than 24 hours before the time for holding the Meeting or adjourned Meeting. If the signed form of proxy is sent by fax, the original should be followed by post.
8. Any alterations made to this form should be initialled by the person who signs it.

This announcement has been issued through the Companies Announcement Service of The Irish Stock Exchange.

This information is provided by RNS
The company news service from the London Stock Exchange

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