



EIH PLC - EIH Proposed AIM Cancellation and Notice of EGM
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This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014.

EIH plc ("EIH" or the "Company")

Proposed Cancellation of Admission to Trading on AIM

Publication of Circular and Notice of Extraordinary General Meeting

EIH today announces its intention to seek Shareholder approval for the cancellation of admission of its Shares to trading on AIM (the "Cancellation").

A circular will be published and posted to Shareholders shortly setting out the background to, and the reasons for, the Cancellation and the implications for the Company's Shareholders ("Circular"). The Circular will also contain a notice convening an extraordinary general meeting of the Company ("Extraordinary General Meeting") at which Shareholders are invited to consider a resolution to approve the proposed Cancellation (the "Resolution").

The Directors consider these proposals to be in the best interests of Company and its Shareholders as a whole after considering, amongst other things, that there is a clear lack of liquidity in the Shares of the Company; there is considerable financial cost associated with maintaining the Company's admission to trading on AIM, which the Directors believe is disproportionate to the benefits to the Company; and, as announced on 29 November 2019, the vast majority of Shareholders consulted regarding the proposed Cancellation were in favour of the Cancellation in the interest of saving costs.

The Resolution is conditional, pursuant to Rule 41 of the AIM Rules, upon the approval of not less than 75 per cent. of the votes cast by Shareholders (whether present in person or by proxy) at the Extraordinary General Meeting. In the event that the Cancellation proceeds, it is intended that the admission of Shares to trading on AIM will be cancelled with effect from 7.00 a.m. on 18 May 2020 and there will be no market facility for dealing in the Shares and no price will be publicly quoted for Shares as from close of business on 15 May 2020. As such, interests in Shares are unlikely to be readily capable of sale and where a buyer is identified, it may be difficult to place a fair value on any such sale.

The Extraordinary General Meeting of the Company will be held at 11.00 a.m. on 7 May 2020 at First Names House, Victoria Road, Douglas, Isle of Man, IM2 4DF.

The full text of the Letter from the Chairman of the Company set out within the Circular and the Expected Timetable of Principal Events are reproduced in full below. A copy of the Circular, including the notice convening the Extraordinary General Meeting, will shortly be available on the Company's website at <http://www.eihplc.co.uk/>.

Definitions in this announcement are the same as those included in the Circular.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS⁽¹⁾⁽²⁾

Notice provided to the London Stock Exchange to notify it of the proposed Cancellation	3 April 2020
Publication and posting of this document and Form of Proxy to Shareholders	7 April 2020
Latest time and date for receipt of completed Forms of Proxy for the EGM	11.00 a.m. on 5 May 2020
Time and date of the EGM	11.00 a.m. on 7 May 2020
Expected last day of dealings in the Shares on AIM	15 May 2020
Expected time and date of Cancellation	7.00 a.m. on 18 May 2020

(1) All of the times referred to in this document refer to London time, unless otherwise stated.

(2) Each of the times and dates in the above timetable are subject to change. If any of the above times and/or dates change, the revised times and dates will be notified to Shareholders by an announcement through a Regulatory Information Service.

1. Introduction

As announced by the Company today, the Directors have concluded that it is in the best interests of the Company and its Shareholders to seek Shareholder approval for the Cancellation of the admission of the Shares to trading on AIM. In accordance with Rule 41 of the AIM Rules, the Company has notified the London Stock Exchange of the date of the proposed Cancellation.

The Resolution is conditional, pursuant to Rule 41 of the AIM Rules, upon the approval of not less than 75 per cent. of the votes cast by Shareholders (whether present in person or by proxy) at the EGM, notice of which is set out on page 13 of this document.

The purpose of this document is to:

- give Shareholders further information about the background to and reasons for the proposed Cancellation and to seek Shareholders' approval to the Resolution at the Extraordinary General Meeting convened for this purpose. This letter also sets out why the Board believes the proposed Cancellation to be in the best interests of Shareholders as a whole, and also includes a recommendation from the Directors to vote in favour of the Resolution; and
- convene an extraordinary general meeting of the Company for the purpose of seeking your approval of the proposed Cancellation.

Your attention is drawn to the recommendation from the Directors, on page 9, that you vote in favour of the Resolution.

If the Resolution to approve the Cancellation is passed at the Extraordinary General Meeting, it is proposed that Cancellation will take effect at 7.00 a.m. on 18 May 2020.

2. Background

The Company has been quoted on AIM since 23 March 2007. On 28 June 2010, the Shareholders voted in favour of a resolution to implement a revised investment policy focused on the active management of assets and seeking to realise investments in a managed way at an appropriate time, returning proceeds to Shareholders as soon as practicable. Since the adoption of this policy, 74 cents per Share (US\$47.8m) have been returned to Shareholders in the form of returns of capital, and US\$500,000 has been returned by way of share buy-back.

The Directors have concluded that, while they remain confident that further realisations from the underlying portfolio of the Company's limited partnership interest in the Evolve India Fund PCC ("**EIF**") will be achieved, there is now a higher level of uncertainty as to both the value of the remaining assets to be realised and the timing of distributions to Shareholders. In particular, EIF's Investment Manager has advised that the life of EIF has been extended until 31 October 2020, with the likelihood that further extensions will be required thereafter. Moreover, EIF's Investment Manager has indicated that certain assets are the subject of negotiations for sale at a discount to the carrying value stated in the Company's interim results as at 30 June 2019.

The Shares seldom trade (72% of the issued share capital is held by four Shareholders and as at 3 April 2020 (being the latest practicable date before the publication of this document), the most recent trade occurred on 11 December 2019). The main source of liquidity for Shareholders has been regular returns of capital as the Company has realised its assets and the Directors expect this to continue to be the case after delisting.

In light of the situation, the Board has reviewed the merits of the AIM quotation and concluded that the cost does not justify continued listing on AIM.

3. Rationale for the Cancellation

The Directors have concluded that a resolution should be put to Shareholders to approve a Cancellation. In reaching this conclusion, the Directors have considered the following key factors, amongst others:

- there is a clear lack of liquidity in the Shares of the Company;
- there is considerable financial cost associated with maintaining the Company's admission to trading on AIM, which in the Directors' opinion is disproportionate to the benefits to the Company. It is estimated that Cancellation will reduce the Company's recurring costs by at least £75,000 per annum; and
- as announced on 29 November 2019, the vast majority of the Shareholders consulted regarding the proposed Cancellation were in favour of the Cancellation in the interest of saving costs.

4. Process for, and Principal Effects of, the Cancellation

The Directors are aware that certain Shareholders may be unable or unwilling to hold Shares in the event that the proposed Cancellation is approved and becomes effective.

To the extent that Shareholders are unable or unwilling to hold Shares in the Company following the Cancellation becoming effective, **such Shareholders should consider selling their interests in the market prior to the Cancellation becoming effective.**

Under the AIM Rules the Company is required to give at least 20 clear Business Days' notice of Cancellation. Additionally, Cancellation will not take effect until at least 5 clear Business Days have passed following the passing of the Resolution. If the Resolution is passed at the Extraordinary General Meeting, it is proposed that Cancellation will take effect at 7.00 a.m. on 18 May 2020.

In the event that the Cancellation proceeds, there will be no market facility for dealing in the Shares and no price will be publicly quoted for Shares as from close of business on 15 May 2020. As such, interests in Shares are unlikely to be readily capable of sale and where a buyer is identified, it may be difficult to place a fair value on any such sale.

While there can be no guarantee that Shareholders will be able to sell any Shares, any Shareholder seeking to do so following Cancellation should contact the Company in writing at the registered office of the Company, First Names House, Victoria Road, Douglas, Isle of Man, IM2 4DF. The Company will then be able to advise as to whether the Directors are aware of any prospective buyers for any Shares which the holder thereof wishes to sell at that time.

As announced on 21 November 2019, the Board confirms that following Cancellation, the Company will continue with its stated objective to realise assets at the appropriate time and value, and to return the proceeds, less expenses, to Shareholders, while at the same time managing the Company's operating costs carefully.

It is the Board's current intention to assess at the time of future annual general meetings whether the Company's financial position will enable it to propose a further return of capital; this may provide a further opportunity for Shareholders to realise their investment. There can be no certainty that any further returns of capital by the Company will be made and the Board makes no commitment in this respect.

The Company will continue to post information about the Company on its website <http://www.eihplc.co.uk/> and will continue to send its Annual Report and Accounts to Shareholders and to hold general meetings in accordance with the applicable statutory requirements and the Articles.

Shareholders should note that following the Cancellation, the Company will remain subject to the City Code on Takeovers and Mergers (the "**Takeover Code**") for the period of at least 10 years from the date of Cancellation. Accordingly, Shareholders will continue to receive the protections afforded by the Takeover Code in the event that an offer is made to Shareholders to acquire their Shares. Further details are set out in Part II of this document.

5. Current trading

The Board is closely monitoring the Coronavirus (COVID-19) situation in India and while they remain confident that further realisations from the underlying portfolio of the Company's limited partnership interest in EIF will be achieved, there is now a considerably higher level of uncertainty as to both the value of the remaining assets to be realised and the timing of distributions to Shareholders.

6. Risks associated with retaining an interest in the Company following the Cancellation

The Directors draw to the attention of Shareholders the following factors which should be taken into account in assessing whether or not to retain their interests in Shares in the event that the Cancellation is approved and becomes effective:

- as indicated above, there will be no market facility for dealing in the Shares and no price will be publicly quoted for Shares. As such, interests in Shares are unlikely to be readily capable of sale and where a buyer is identified, it may be difficult to place a fair value on any such sale;

- as an unquoted company, it will no longer be subject to the AIM Rules and Shareholders will only be able to rely on the protections afforded to minority shareholders under general company law;
- the Company will no longer be subject to the rules relating to disclosure of interests in Shares set out in the DTR, such that it may be difficult to ascertain the ownership of Shares from time to time;
- the levels of disclosure and corporate governance within the Company are unlikely to be as stringent as for a company quoted on AIM;
- the regulatory and financial reporting regime applicable to companies whose shares are admitted to trading on AIM will no longer apply;
- N+1 Singer will cease to act as Nominated Adviser to the Company; and
- certain existing or prospective investors may be unwilling to trade or continue to trade in the Shares in the event that the Shares are no longer traded on AIM.

The Company will remain registered with the Registrar of Companies in the Isle of Man in accordance with and subject to the Isle of Man Companies Act 2006, notwithstanding the Cancellation. Shareholders should also note that the Takeover Code will continue to apply to the Company following the Cancellation for the period of at least 10 years from the date of Cancellation. However, the Takeover Code may cease to apply earlier, if a majority of the Directors cease to be resident in the UK, Channel Islands or Isle of Man.

The above considerations are non-exhaustive and Shareholders should seek their own independent advice when assessing the likely impact of the Cancellation on them.

In addition, the Company confirms that there is currently no intention to change the existing Directors following the Cancellation.

7. Taxation

If you are in any doubt about your tax position, and/or are subject to tax in a jurisdiction other than the UK, you should consult an appropriate independent professional adviser. You should note that following the Cancellation the Shares will no longer be quoted on AIM or any other public market.

8. Extraordinary General Meeting

Under the AIM Rules, it is a requirement that the Cancellation must be approved by not less than 75 per cent. of votes cast by Shareholders in a general meeting. Accordingly, the Notice set out at the end of this document contains a special resolution:

1. to approve the application to London Stock Exchange for cancellation of admission of the Shares to trading on AIM; and
2. to approve such cancellation.

The EGM will be held at First Names House, Victoria Road, Douglas, Isle of Man, IM2 4DF commencing at 11.00 a.m. on 7 May 2020. If approved it is expected that the Cancellation will take effect from 7.00 a.m. on 18 May 2020.

The Board is closely monitoring the Coronavirus (COVID-19) situation. In order to safeguard the well-being of our Shareholders, physical attendance at the EGM is restricted only to the minimum number of Shareholders of the Company permissible and to those based in the Isle of Man. Please do not therefore seek to attend the EGM in person as you will not be granted admittance. We recommend Shareholders appoint Stephen Edmonds or, failing him, Stuart Gibson as their proxy in accordance with the instructions on proxy voting set out below. The EGM will end immediately following the formal business of the EGM.

We are, as always, committed to engagement with our Shareholders. Shareholders may therefore dial-in to follow the proceedings on +44 (0)1624 653191. Shareholders

should email Stephen.Edmonds@iqeq.com to obtain the access code, which will be made available on request.

9. Action to be taken

You will find enclosed with this document a Form of Proxy for use at the EGM. Shareholders are requested to complete and sign the Form of Proxy and return it to the Company Secretary at First Names House, Victoria Road, Douglas, Isle of Man, IM2 4DF as soon as possible and, in any event, not later than 11.00 a.m. on 5 May 2020. Unless the Form of Proxy is received by this date and time, it will be invalid.

10. Further Information

Copies of this document may be inspected at the Company's registered office during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for one month from the date of this document. The document will also be available on the Company's website, <http://www.eihplc.co.uk/>.

11. Recommendation

The Directors consider that the Resolution is in the best interests of the Company and the Shareholders as a whole. Accordingly, your Directors unanimously recommend that Shareholders vote in favour of the Resolution to be proposed at the EGM.

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