

Regulatory Story

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AVI Japan Opport.Tst - AJOT Publication of Prospectus and Circular
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AVI Japan Opportunity Trust PLC
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3 March 2020

**AVI Japan Opportunity Trust PLC
(the "Company")**

Publication of Prospectus and Circular regarding

Initial Placing, Offer for Subscription and Intermediaries Offer for a target issue of up to 30 million Ordinary Shares

Placing Programme of up to 85 million Ordinary Shares and/or C Shares (less the number of Ordinary Shares issued under the Initial Issue)

LEI: 894500IJ5QQD7FPT3J73

The Company today announces an Initial Placing, Offer for Subscription and Intermediaries Offer for a target issue of up to 30 million Ordinary Shares in the Company (the "**Initial Issue**"), as well as a Placing Programme of up to 85 million Ordinary Shares and/or C Shares (less the number of Ordinary Shares issued under the Initial Issue) (the "**Placing Programme**").

The Company intends to direct the Investment Manager to use the net proceeds of the Initial Issue and Placing Programme to fund investments in accordance with the Company's investment objective and policy.

The Company has today published a prospectus in connection, *inter alia*, with the Initial Issue and the Placing Programme (the "**Prospectus**"). The Company has today also published a

circular (including a notice of General Meeting) convening a General Meeting at which the Directors shall seek authority from shareholders to allot Ordinary Shares and/or C Shares and disapply pre-emption rights pursuant to the Initial Issue and Placing Programme (the "**Circular**").

Any capitalised terms used but not otherwise defined in this announcement have the meaning set out in the Prospectus and/or the Circular.

The Initial Issue and Placing Programme are conditional, *inter alia*, on the passing of the Initial Issue Resolutions and the Placing Programme Resolutions, which, if passed, would give authority to the Board to allot Ordinary Shares and/or C Shares and disapply pre-emption rights pursuant to the Initial Issue and Placing Programme.

The Initial Issue and Placing Programme

The Initial Issue is for a target issue of up to 30 million Ordinary Shares. The Placing Programme is for the issue of up to 85 million Ordinary Shares and/or C Shares (less the number of Ordinary Shares issued under the Initial Issue).

The Company is targeting gross proceeds of up to approximately £30 million from the Initial Issue (dependent on the level of subscriptions received and the price at which the Ordinary Shares are to be issued under the Initial Issue).

The Initial Issue Price of the Ordinary Shares which may be issued under the Initial Issue is not known at the date of this announcement, but will be based on the prevailing Net Asset Value (cum-income), in pounds sterling, per Ordinary Share as at close of business on the date prior to publication of results of the Initial Issue, plus a premium of approximately two (2) per cent. (but not more than five (5) per cent.) of the above-mentioned Net Asset Value (cum-income) per Ordinary Share to cover the expenses of the Initial Issue.

The number of Ordinary Shares actually issued under the Initial Issue will depend on investor demand under the Initial Issue, and will be notified by the Company via a Regulatory Information Service prior to Initial Admission.

The Directors intend to direct the Investment Manager to use the net proceeds of the Initial Issue to acquire investments in accordance with the Company's investment objective and policy.

The authorities conferred by the Initial Issue Resolutions at the General Meeting, if passed, will lapse at the annual general meeting of the Company to be held in 2021.

The Prospectus contains details relating to the Initial Issue.

The Placing Programme

The Placing Programme is being implemented to satisfy market demand and to enable the Company to raise additional capital once substantially all of the proceeds of the Initial Issue have been committed.

The Directors are seeking authority to allot up to 85 million Ordinary Shares and/or C Shares pursuant to the Placing Programme, although the number of Ordinary Shares and/or C Shares actually issued under the Placing Programme will depend on investor demand. Also, whilst the Directors are seeking authority to allot up to 85 million Ordinary Shares and/or C Shares pursuant to the Placing Programme, the maximum number of Ordinary Shares and/or C Shares to be issued under the Placing Programme will be 85 million Ordinary Shares and/or C Shares less the number of Ordinary Shares issued under the Initial Issue.

The Placing Programme Price of the Ordinary Shares which may be issued under the Placing Programme is not known at the date of this announcement, but will be not less than the prevailing Net Asset Value (cum- income), in pounds sterling, per Ordinary Share at the time

of issue plus a premium (not expected to exceed two (2) per cent. (and in any event not more than five (5) per cent.) of the prevailing Net Asset Value (cum- income)) to cover the expenses of such issue. The Placing Programme Price of the C Shares which may be issued under the Placing Programme is £1.00 per C Share.

In respect of each Subsequent Placing, the Placing Programme Price of the Ordinary Shares will be announced via a Regulatory Information Service as soon as practicable following the closing of each Subsequent Placing.

The authorities conferred by the Placing Programme Resolutions at the General Meeting, if passed, will lapse at the annual general meeting of the Company to be held in 2021.

The Prospectus contains details relating to the Placing Programme.

Use of Proceeds

The Company intends to direct the Investment Manager to use the net proceeds of the Initial Issue and Placing Programme to fund investments in accordance with the Company's investment objective and policy.

In doing so, the Investment Manager will seek to take advantage of three key investment opportunities:

- Under-valued/cash rich companies;
- Improving corporate governance and shareholder activism; and
- High quality and growing companies.

Prospectus and Circular

The Prospectus and the Circular, including the notice of General Meeting, will shortly be available for inspection at www.morningstar.co.uk/uk/NSM and in electronic form on the Company's website at www.ajot.co.uk.

The Circular convening a General Meeting at which the Directors are seeking authority to allot Ordinary Shares and/or C Shares and disapply pre-emption rights in respect of the Initial Issue and Placing Programme, will be posted to Shareholders today.

General Meeting

The Directors are convening a General Meeting to seek the approval of Shareholders for the Proposals. The General Meeting will be held at the offices of N+1 Singer, 1 Bartholomew Lane, London EC2N 2AX on 26 March 2020 at 11.00 a.m. or, if later, immediately after the conclusion or adjournment of the Annual General Meeting to be held on the same day.

Expected Timetable of Events

Publication of this Prospectus	3 March 2020
Latest time and date for receipt of proxy appointments	11.00 a.m. on 24 March 2020
General Meeting	11.00 a.m. on 26 March 2020
Announcement of the results of the General Meeting	26 March 2020
Initial Issue	
Initial Placing, Offer for Subscription and Intermediaries Offer open	3 March 2020
Latest time and date for commitments under the Initial Placing	5.00 p.m. on 24 March 2020
Last time and date for receipt of completed Application Forms in respect of the Offer for Subscription	1.00 p.m. on 26 March 2020
Latest time and date for receipt of completed applications from the Intermediaries in respect of the Intermediaries Offer	3.00 p.m. on 26 March 2020

Publication of results of Initial Issue and Initial Issue Price	27 March 2020
Initial Admission and dealings in Ordinary Shares commence	8.00 a.m. on 2 April 2020
CREST accounts credited with uncertificated Ordinary Shares	2 April 2020
Where applicable, definitive share certificates despatched by post in the week commencing*	13 April 2020
Placing Programme	
Placing Programme opens	3 April 2020
Earliest date for new Shares to be issued under the Placing Programme	8 April 2020
Publication of Placing Programme Price in respect of each Subsequent Placing of Ordinary Shares	as soon as practicable following the closing of a Subsequent Placing
Admission and crediting of CREST accounts in respect of each Issue	as soon as practicable following the allotment of Shares pursuant to a Subsequent Placing
Definitive share certificates in respect of the Shares issued pursuant to each Subsequent Placing despatched by post	approximately one week following the Admission of any Shares pursuant to a Subsequent Placing
Placing Programme closes and last date for new Shares to be issued pursuant to the Placing Programme	2 March 2021**
*Underlying applicants who apply to Intermediaries for Ordinary Shares under the Intermediaries Offer will not receive share certificates.	
** or, if earlier, such date on which all of the Shares available for issue under the Placing Programme have been issued.	
All references to times in this document are to London (UK) times.	

Dealing Codes

Legal Entity Identifier	894500IJ5QQD7FPT3J73
Ordinary Share ISIN	GB00BD6H5D36
Ordinary Share Ticker	AJOT
Ordinary Share SEDOL	BD6H5D3
C Share ISIN	GB00BL71ND60
C Share Ticker	AJOC
C Share SEDOL	BL71ND6

Norman Crighton, Chairman of the Company, commented:

"The Board is excited to take this next step in growing the Company. The additional capital from the Initial Issue, as well as the flexibility provided by the Placing Programme, will allow the Company to identify and invest further funds in undervalued, cash rich and high-quality Japanese-listed equities, that can benefit from improving corporate governance and shareholder activism."

For further information, please contact:

Asset Value Investors

Joe Bauernfreund

Tel: 020 7659 4800

N+1 Singer (Sponsor, Broker and Placing Agent)

James Maxwell / Justin McKeegan / Harry Mills (Corporate Finance)
Alan Geeves / James Waterlow / Sam Greatrex (Sales)

Tel: 020 7496 3000

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This announcement does not constitute, or form part of, an offer to sell or the solicitation of an offer to purchase or subscribe for any Company securities in any of Australia, Canada, the Republic of South Africa, Japan or the United States.

Neither the Ordinary Shares nor the C Shares have been or will be registered under the United States Securities Act of 1933 (as amended) (the "**US Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered or sold, taken up, exercised, resold, renounced, or otherwise transferred, directly or indirectly in, into or within the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S under the US Securities Act ("**Regulation S**")).

The distribution of this announcement into jurisdictions other than the United Kingdom may be restricted by law, and, therefore, persons into whose possession this announcement comes should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of such jurisdiction. In particular, subject to certain exceptions, this announcement and the Prospectus should not be distributed, forwarded to or transmitted in any of Australia, Canada, the Republic of South Africa, Japan or the United States, or to any US Persons.

This announcement does not constitute a recommendation concerning the Initial Issue or the Placing Programme. The price and value of securities can go down as well as up. Past performance is not a guide to future performance. The contents of this announcement are not to be construed as legal, business, financial or tax advice. Each Shareholder or prospective investor should consult his, her or its own legal adviser, business adviser, financial adviser or tax adviser for legal, financial, business or tax advice.

The information contained in this announcement is given at the date of its publication (unless otherwise marked) and is subject to updating, revision and amendment from time to time. Neither the content of the Company's website nor any website accessible by hyperlinks to the Company's website is incorporated in, or forms part of, this announcement.

Certain statements in this announcement are forward-looking statements which are based on the Company's expectations, intentions and projections regarding its future performance, anticipated events or trends and other matters that are not historical facts. These forward-looking statements, which may use words such as "aim", "anticipate", "believe", "could", "intend", "estimate", "expect" and words of similar meaning, include all matters that are not historical facts. These forward-looking statements involve risks, assumptions and uncertainties that could cause the actual results of operations, financial condition, liquidity and dividend policy and the development of the industries in which the Company's businesses operate to differ materially from the impression created by the forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Given those risks and uncertainties, prospective investors are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date of such statements and, except as required by

the Financial Conduct Authority, the London Stock Exchange or applicable law, the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

N+1 Singer, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for the Company and for no-one else in relation to the Initial Issue, the Placing Programme or any Admission and the other arrangements referred to in this announcement. N+1 Singer will not regard any other person (whether or not a recipient of this announcement) as its client in relation to the Initial Issue, the Placing Programme or any Admission and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing any advice in relation to the Initial Issue, the Placing Programme or any Admission, the contents of this announcement or any transaction or arrangement referred to herein.

Apart from the responsibilities and liabilities, if any, which may be imposed by the Financial Services and Markets Act 2000 (as amended) or the regulatory regime established thereunder, N+1 Singer does not make any representation express or implied in relation to, nor accepts any responsibility whatsoever for, the contents of this announcement or any other statement made or purported to be made by it or on its behalf in connection with the Company, the Ordinary Shares, the C Shares, the Initial Issue, the Placing Programme or any Admission. N+1 Singer accordingly, to the fullest extent permissible by law, disclaims all and any responsibility or liability whether arising in tort, contract or otherwise which it might have in respect of this announcement or any other statement.

Miscellaneous

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the Ordinary Shares and the C Shares have been subject to a product approval process, which has determined that the Ordinary Shares and the C Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**").

Notwithstanding the Target Market Assessment, distributors should note that: the price of the Ordinary Shares and/or the C Shares may decline and investors could lose all or part of their investment; the Ordinary Shares and the C Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares and/or the C Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Initial Issue and/or the Placing Programme. Furthermore, it is noted that, notwithstanding the Target Market Assessment, N+1 Singer will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a

recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares and/or the C Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and/or the C Shares and determining appropriate distribution channels.

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