

Vianet Group PLC - Related Party Transaction

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Regulatory News Announcements

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 Vianet Group PLC
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Vianet Group Plc ("Vianet" or "the Company")

Vianet Group plc is a provider of mobile data connectivity, cashless payment systems and vending solutions.

Related party transaction

Vianet announces today that it has agreed terms for a loan totalling £300,000 ("the Loan") with Barkley Limited ("Barkley"), a Company registered in St Vincent and the Grenadines with registered number 37 CTD 1997. The Loan agreement constitutes a related party transaction, pursuant to Rule 13 of the AIM Rules for Companies, due to Barkley being a substantial shareholder in the Company.

The Loan is intended to provide additional working capital financing for the Company as an alternative to a further injection of equity. In the opinion of the Directors a short term loan facility is a more appropriate and a cheaper financing option for the Company than a further equity issue at the present time.

The Loan is unsecured and bears no interest. It is drawable in two tranches on the following basis:

First tranche:

- £150,000 drawn down on 29 October 2008
- Lender's fee of 10% of the principal amount drawn down (i.e. maximum £15,000, exclusive of VAT)
- Principal amount and lender's fee repayable on 29 October 2009

Second tranche:

- £150,000 available for draw down on 26 November 2008
- Lender's fee of 10% of the principal amount drawn down (i.e. maximum £15,000, exclusive of VAT)
- Principal amount and lender's fee repayable on 26 November 2009.

The Loan and fees are otherwise repayable upon completion by the Company of a refinancing of a principal sum in excess of £1,000,000 unless the refinancing is by way of an equity placing. In the event that the Company completes a placing of new ordinary shares prior to the repayment of the Loan then the outstanding amount of the Loan and any proportion of the lender's fees shall be converted at the placing price coincident with the placing. Where an early repayment or conversion of the Loan is triggered, the lender's fees will be reduced pro-rata to reflect the duration of the Loan.

This further loan is in addition to and on similar terms to existing loans from Barkley totaling £800,000 and repayable during 2009 and 2010.

If the Loan and fees are not repaid when they fall due a repayment premium may then be payable by agreement between the Company and Barkley.

The Directors consider, having consulted with the Company's nominated adviser, Brewin Dolphin Limited, that the terms of the transaction are fair and reasonable insofar as shareholders are

concerned.

For further information please contact:

Vianet Group PLC

Ian Orrock, Chairman

01383 748000

Ian.orrock@vianet.co.uk

College Hill

Matthew Smallwood

07831 379 122

Matthew.Smallwood@collegehill.com

Brewin Dolphin Limited (Nomad)

Sandy Fraser

0131 529 0272

Sandy.Fraser@brewin.co.uk

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Related Instruments

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