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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Vietnam Manufacturing and Export Processing (Holdings) Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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VMEPH
V i e t n a m

Vietnam Manufacturing and Export Processing (Holdings) Limited

越南製造加工出口(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 422)

**FURTHER REVISION OF ANNUAL CAP FOR
CONTINUING CONNECTED TRANSACTIONS
AND**

NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser

to the Independent Board Committee and the Independent Shareholders

ALTUS CAPITAL LIMITED

A letter from the Board (as defined herein) is set out on pages 4 to 10 of this circular. A letter from the Independent Board Committee (as defined herein) containing its advice to the Independent Shareholders (as defined herein) is set out on page 11 of this circular. A letter from Altus Capital Limited as independent financial adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 12 to 19 of this circular.

A notice convening the EGM (as defined herein) of Vietnam Manufacturing and Export Processing (Holdings) Limited to be held at Meeting Room 200, 3 Chung Hua Road, Hukou, Hsinchu, Taiwan on Friday, 29 October 2021 at 10:00 a.m. is set out on pages 24 to 25 of this circular. A form of proxy for use by the Independent Shareholders at the EGM is enclosed with this circular.

Whether or not you are able to attend the EGM, please complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time of the EGM (i.e. before 10:00 a.m. on Wednesday, 27 October 2021) or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending the EGM and voting in person should you so wish and, in such event, the form of proxy shall be deemed to be revoked.

24 September 2021

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DEFINITIONS

In this circular, the following expressions shall have the meanings set out below unless the content requires otherwise:

“Altus” or “Independent Financial Adviser”	Altus Capital Limited, a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders as to, among others, the Further Revised Annual Cap
“Announcement”	the announcement of the Company dated 27 March 2020 in relation to the Revised Annual Cap of the Master Purchase Agreement
“Board”	the board of Directors of the Company
“Company”	Vietnam Manufacturing and Export Processing (Holdings) Limited (越南製造加工出口(控股)有限公司), a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at Meeting Room 200, 3 Chung Hua Road, Hukou, Hsinchu, Taiwan on Friday, 29 October 2021 at 10:00 a.m. to consider, and if thought fit, to approve the Further Revised Annual Cap
“Exclusive Territory”	all of the member countries of the Association of South East Asian Nations, including Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam
“Further Revised Annual Cap”	the revised annual cap proposed by the Board for the year ending 31 December 2021 for the Master Purchase Agreement Transactions in the amount of US\$43,500,000
“GPX”	GP Motor (Thailand) Co., LTD, an Independent Third Party
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollar, being the lawful currency of Hong Kong

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board which comprises all independent non-executive Directors and was established to advise the Independent Shareholders on, among others, the Further Revised Annual Cap
“Independent Shareholders”	Shareholders who are not required to abstain from voting on the resolution to be proposed at the extraordinary general meeting under the articles of association of the Company and the Listing Rules
“Independent Third Parties”	independent third party(ies) not connected with the Company or its connected persons (as defined in the Listing Rules)
“Latest Practicable Date”	21 September 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“Master Purchase Agreement”	the agreement dated 12 November 2018 entered into between the Company as the purchaser and Sanyang as the seller in relation to purchases of motorbike parts by the Group from the Sanyang Group
“Master Purchase Agreement Transactions”	the transactions under the Master Purchase Agreement
“PRC”	the People’s Republic of China and for the purpose of this circular, excludes Taiwan, the Macau Special Administrative Region of the PRC and Hong Kong
“Revised Annual Cap”	the revised annual cap for the year ending 31 December 2021 for the Master Purchase Agreement in the amount of US\$32,590,000
“Sanyang”	Sanyang Motor Co., Limited (三陽工業股份有限公司), a company incorporated in Taiwan and listed on the Taiwan Stock Exchange, which is the ultimate controlling shareholder of the Company

DEFINITIONS

“Sanyang Group”	Sanyang, its subsidiaries and associates (excluding the Group)
“SFO”	the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of Share(s)
“Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of HK\$0.01 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“SYI”	SY International Ltd., a company incorporated in Samoa with limited liability and a direct controlling shareholder of the Company
“US\$”	United States Dollars, being the lawful currency of the United States
“%”	per cent.

In this circular, unless the context requires otherwise, the terms “applicable percentage ratio”, “associate(s)”, “connected person(s)”, “connected transaction(s)”, “controlling shareholder(s)”, “subsidiary(ies)” and “substantial shareholder(s)” shall have the meaning given to such terms in the Listing Rules.

LETTER FROM THE BOARD

VMEPH Vietnam

Vietnam Manufacturing and Export Processing (Holdings) Limited

越南製造加工出口(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 422)

Executive Directors:

Mr. Liu Wu Hsiung (*Chairman*)

Mr. Cheng Hsu Chi

Mr. Lin Chun Yu

Non-executive Directors:

Mr. Chiang Chin Yung

Mr. Chen Hsu Pin

Ms. Wu Li Chu

Independent non-executive Directors:

Ms. Lin Ching Ching

Ms. Wu Kwei Mei

Mr. Cheung On Kit Andrew

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Principal Place of Business

in Hong Kong:

40th Floor, Dah Sing Financial Centre

No. 248 Queen's Road East

Wanchai, Hong Kong

24 September 2021

To the Shareholders

Dear Sir or Madam,

**FURTHER REVISION OF ANNUAL CAP FOR
CONTINUING CONNECTED TRANSACTIONS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 11 August 2021 in which the Company announced, among others, that as the Board expects that the Revised Annual Cap will not be sufficient for the Group's expected production and sales volume of motorbikes for the year ending 31 December 2021. The Board therefore proposes to revise the Revised Annual Cap to the Further Revised Annual Cap for the year ending 31 December 2021, being US\$43,500,000 for the Master Purchase Agreement in relation to the amounts payable by the Group for its purchase of motorbike parts supplied by members of the Sanyang Group.

The Independent Board Committee has been established by the Company to advise the Independent Shareholders in respect of the Further Revised Annual Cap. Altus has been appointed by the Company as its independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of such matters.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with details of the Further Revised Annual Cap and to seek your approval of the ordinary resolution set out in the notice of the EGM on pages 24 to 25 of this circular. The recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Further Revised Annual Cap is set out on page 11 of this circular. The letter from Altus to the Independent Board Committee and the Independent Shareholders containing its advice in relation to the Further Revised Annual Cap is set out on pages 12 to 19 of this circular.

Master Purchase Agreement

- Date:** 12 November 2018
- Parties:**
- (a) the Company (on behalf of other members of the Group) as the purchaser;
and
 - (b) Sanyang (for itself and on behalf of other members of the Sanyang Group)
as the seller
- Term:** 1 January 2019 to 31 December 2021

Major terms and pricing terms of the Master Purchase Agreement

Under the Master Purchase Agreement, the Group engages the Sanyang Group to supply motorbike parts, which are either manufactured by the Sanyang Group or sourced by it from Independent Third Parties, for the Group's production of motorbikes. The pricing at which motorbike parts are to be purchased by the Group from the Sanyang Group under such agreement is at a cost plus basis, which will be determined at the manufacturing cost or purchase cost (as the case may be) of such products plus a margin of 10% (if Vietnam import duty for such product is 20% or more) or of 15% (if Vietnam import duty for such product is less than 20%). Such manufacturing cost or purchase cost (as the case may be) will be determined on an annual basis subject to adjustments in any annual period with respect to fluctuations in foreign exchange rates and modifications to model of motorbikes for which the motorbike parts to be purchased by the Group from Sanyang pursuant to the Master Purchase Agreement is used.

Individual purchase orders will be entered into between the relevant members of the Group and the Sanyang Group from time to time in respect of the specific types of motorbike parts to be purchased, price, delivery arrangements and any other terms which may be relevant to the supply of the parts to the Group. The Group shall settle the purchase costs under the Master Purchase Agreement in cash within 30 to 60 days (as the case may be) after the date of the invoice unless the relevant parties determined otherwise in the individual purchase orders.

LETTER FROM THE BOARD

Reasons and benefits for the Master Purchase Agreement

The Board believes it is in the Company's best interests to purchase certain motorbike parts from the Sanyang Group because, by centralising and aggregating the Sanyang Group's sourcing of such parts with those of the Group's, the Sanyang Group is in a position to negotiate better purchase price and terms with the suppliers and enjoy benefits of bulk purchase, which also benefits the Group as the Sanyang Group will be able to supply the parts to the Group at lower costs.

Besides, given the Sanyang Group already possesses existing production platforms, know-how and technologies for the production of motorbike parts for advanced-level and high-quality motorbikes and that it has been a long term business partner of the Group and a reliable supplier of quality motorbike parts, the Board considers it more efficient in terms of costs and time to source relevant motorbike parts from the Sanyang Group to capture the anticipated market demand in the Exclusive Territory and Greece for advanced-level and high-quality motorbikes, and also for the launch in July 2021 of an upgraded version of the DRONE model scooter in Thailand a high quality model developed jointly with GPX, a leading local motorbike manufacturer in Thailand, which has been well received by the mid-to-high-end market in Thailand since its launch in November 2020, in response to its popularity.

REVISION OF THE REVISED ANNUAL CAP FOR THE MASTER PURCHASE AGREEMENT TRANSACTIONS

Historical transaction amounts of the Master Purchase Agreement Transactions

The table below sets out the historical transaction amounts of the Master Purchase Agreement Transactions for the three years ended 31 December 2018 and 2019 and 2020, and the seven months ended 31 July 2021:

Historical transaction amounts between the Group and the Sanyang Group (for the following financial years/period ended):	<i>(in US\$'000)</i>
31 December 2018 (audited)	13,284
31 December 2019 (audited)	10,827
31 December 2020 (audited)	14,883
31 July 2021 (unaudited)	23,685

The actual transaction amounts of the Master Purchase Agreement Transactions for the three years ended 31 December 2018 and 2019 and 2020 had not exceeded the respective annual caps of the relevant years. The actual transaction amount of the Master Purchase Agreement Transactions for the first seven months of 2021 and up to the date of this circular had not exceeded the Revised Annual Cap for the year ending 31 December 2021.

LETTER FROM THE BOARD

Despite the negative economic impact brought about by the outbreak of the COVID-19 pandemic, which adversely affected the sales of the Group's motorbikes and hence the utilisation rates under the Master Purchase Agreement, the Group still achieved an utilisation rate of approximately 72.68% of the Revised Annual Cap for the year ending 31 December 2021 based on the transaction amount of the Master Purchase Agreement Transactions up to 31 July 2021.

Proposed revision of Revised Annual Cap of the Master Purchase Agreement and the basis of determination

In light of (i) a significant increase in the sales of motorbikes for the first six months for the year ending 31 December 2021 as compared to that for the corresponding period in the year ended 31 December 2020 which was primarily attributable to the Group's launch of high-quality and advanced-level motorbikes in the year ended 31 December 2020 (for example, the JET X model scooters which target young urban commuters in Malaysia, the DRONE model scooters developed jointly with GPX, and the VF3i 185 model and VF125 model motorbikes under the VF-series which are characterised by their engine performances and endurance and target the mid-to-high-end market in Greece), as a result of which approximately 72.68% of the Revised Annual Cap for the year ending 31 December 2021 has already been utilised as at 31 July 2021, and (ii) the expected launch of an upgraded version of the DRONE model scooters in the second half of the year ending 31 December 2021 in Thailand which encompasses an upgrade of the engine to bring about an improved riding experience and a more delicate design and outlook, the Company expects that the annual amounts payable by the Group under the Master Purchase Agreement for the year ending 31 December 2021 will exceed the Revised Annual Cap based on projections on the volume of motorbikes to be produced for the second half of the year ending 31 December 2021 and the types and value of motorbike parts to be purchased, which are more advanced and higher in quality and costs, especially for the production of the upgraded version of the DRONE model scooters.

The Board therefore proposes to revise the Revised Annual Cap in respect of the Master Purchase Agreement as follows to reflect the expected increase of such purchase amounts:

	Revised Annual Cap (for the following financial year ending) <i>(in US\$'000)</i>	Further Revised Annual Cap (for the following financial year ending) <i>(in US\$'000)</i>
31 December 2021	32,590	43,500

LETTER FROM THE BOARD

In addition to the basis for determination of the Revised Annual Cap as disclosed in the Announcement, the Further Revised Annual Cap has been determined by the Board based on the historical transaction amounts of the Master Purchase Agreement Transactions and expected production of the relevant motorbikes for the year ending 31 December 2021, taking into account the following factors:

- (i) the Revised Annual Cap for the year ending 31 December 2021;
- (ii) historical transaction amounts and the utilisation rate of the Revised Annual Cap pursuant to the Master Purchase Agreement Transactions;
- (iii) the projected and/or targeted sales volume of the upgraded version of the DRONE model scooters in Thailand for the second half of the year ending 31 December 2021 with the projected procurement costs (including, among others, the purchase of motorbike parts) being approximately US\$14.25 million for the relevant period;
- (iv) general increase in price of motorbike parts in light of the COVID-19 pandemic; and
- (v) the projected and/or targeted demand for the JET X model scooters, and the VF3i 185 model and VF125 model motorbikes for the second half of the year ending 31 December 2021, with the projected procurement costs (including, among others, the purchase of motorbike parts) being approximately US\$4.63 million for the relevant period.

Save for the revision to the Revised Annual Cap for the year ending 31 December 2021, other terms of the Master Purchase Agreement, including but not limited to the internal control measures, remain unchanged.

INFORMATION OF THE COMPANY, THE GROUP, SANYANG AND SANYANG GROUP

The Company is an investment holding company. The Group is one of the leading manufacturers of scooters and cub motorbikes in Vietnam which is principally engaged in the production of scooters and cub motorbikes, engines and related parts.

Sanyang, together with its subsidiaries, is principally engaged in the manufacturing of (i) motorbikes and related parts and (ii) motor cars, trucks and related parts. As at the date of this circular, Sanyang, through its wholly-owned subsidiary, SYI, held 608,818,000 issued shares of the Company (approximately 67.07% of the issued share capital of the Company).

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Sanyang, through its wholly-owned subsidiary, SYI, held approximately 67.07% of the issued share capital of the Company and thus, is an indirect controlling Shareholder. As Sanyang is an indirect controlling Shareholder and thus a connected person of the Company by virtue of Rule 14A.07(1) of the Listing Rules, members of the Sanyang Group are also connected persons of the Company. Accordingly, the Master Purchase Agreement Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

Pursuant to Rule 14A.54 of the Listing Rules, the Company should re-comply with the applicable requirements under Chapter 14A of the Listing Rules when the proposed annual cap is exceeded. As one or more of the applicable percentage ratios in respect of the Further Revised Annual Cap exceed 5%, the Master Purchase Agreement is subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Hence, the Further Revised Annual Cap is conditional on the approval by the Independent Shareholders being obtained at the EGM.

BOARD VIEWS

As at the Latest Practicable Date, each of Ms. Wu Li Chu, Mr. Chiang Chin Yung, Mr. Liu Wu Hsiung and Mr. Cheng Hsu Chi (all being Directors) has a 2.123%, 0.010%, 0.014% and 0.000002% shareholding in Sanyang respectively. Ms. Wu Li Chu is the deputy vice chairperson of Sanyang and she serves as the director of various subsidiaries of Sanyang. Mr. Chen Hsu Pin is the vice president of the president office of Sanyang and a director of various subsidiaries of Sanyang. Therefore, pursuant to the articles of association of the Company and the Listing Rules, Ms. Wu Li Chu, Mr. Chiang Chin Yung, Mr. Liu Wu Hsiung, Mr. Cheng Hsu Chi and Mr. Chen Hsu Pin had abstained from voting in the Board meeting to approve the Further Revised Annual Cap due to the aforesaid overlapping of roles and shareholding interests in Sanyang. Save as mentioned above, no other Directors were in any way materially interested in and therefore have abstained from voting in the Board meeting approving the Further Revised Annual Cap.

The Directors (excluding the independent non-executive Directors who have expressed their views in the letter from the Independent Board Committee set out on page 11 of this circular) consider that the Master Purchase Agreement has been and will continue to be carried out in the ordinary and usual course of business of the Group and are on normal commercial terms, and that the terms of such transactions and the Further Revised Annual Cap are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EGM

A notice convening the EGM to be held at Meeting Room 200, 3 Chung Hua Road, Hukou, Hsinchu, Taiwan on Friday, 29 October 2021 at 10:00 a.m. is set out on pages 24 to 25 of this circular. At the EGM, an ordinary resolution will be proposed for the Independent Shareholders to consider and, if thought fit, to approve the Further Revised Annual Cap.

The ordinary resolution to be proposed at the EGM will be determined by way of poll by the Independent Shareholders. Sanyang, the ultimate controlling shareholder, through its wholly-owned subsidiary, SYI, was interested in 608,818,000 shares of the Company (representing approximately 67.07% of the total issued share capital of the Company) at the Latest Practicable Date. Therefore, Sanyang, its subsidiaries and associates are required to abstain from voting on the resolution in respect of the Further Revised Annual Cap at the EGM. Save as disclosed above and Mr. Cheng Hsu Chi's spouse, Ms. Ku Hsiu Ling, (who is a holder of 22,000 units of Taiwan depository receipts of the Company which are listed on the Taiwan Stock Exchange (Taiwan Depository Receipts Code: 9110), which is equivalent to 44,000 shares of the Company), no other Shareholder is required to abstain from voting on the resolution in respect of the Further Revised Annual Cap at the EGM.

LETTER FROM THE BOARD

For determining the entitlement to attend and vote in the EGM, the register of members of the Company will be closed from Tuesday, 26 October 2021 to Friday, 29 October 2021 (both days inclusive) during which period no transfer of Shares will be registered. In order to qualify for the attendance of the EGM, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 25 October 2021.

A form of proxy for use in connection with the EGM is enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible to the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong and in any event not later than 48 hours before the time of the EGM (i.e. before 10:00 a.m. on Wednesday, 27 October 2021) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM should you so wish and in such event, the form of proxy shall be deemed to be revoked.

RECOMMENDATION

The Independent Board Committee, having taken into account the advice of Altus, is of the opinion that the Further Revised Annual Cap is fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board and the Independent Board Committee recommend the Independent Shareholders to vote in favour of the ordinary resolution to approve the Further Revised Annual Cap at the EGM.

GENERAL INFORMATION

Your attention is drawn to (i) the letter from the Independent Board Committee, (ii) the letter from Altus, (iii) the additional information set out in the appendix to this circular and (iv) the notice of the EGM.

By order of the Board
**Vietnam Manufacturing and Export
Processing (Holdings) Limited**
Liu Wu Hsiung
Chairman

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V i e t n a m

Vietnam Manufacturing and Export Processing (Holdings) Limited

越南製造加工出口(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 422)

24 September 2021

Dear Independent Shareholders,

**FURTHER REVISION OF ANNUAL CAP FOR
CONTINUING CONNECTED TRANSACTIONS**

We refer to the circular of the Company dated 24 September 2021 (the “**Circular**”) of which this letter forms a part. Terms defined in the Circular bear the same meanings herein unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to advise you in respect of the fairness and reasonableness of the Further Revised Annual Cap. Altus has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in this regard.

Having taken into account the advice of Altus, we are of the opinion that the Further Revised Annual Cap is fair and reasonable and in the interests of the Company and its Shareholders as a whole. Accordingly, we would advise the Independent Shareholders to vote in favour of the ordinary resolution to approve the Further Revised Annual Cap at the EGM.

We also draw the attention of the Independent Shareholders to (i) the letter from the Board, (ii) the letter from Altus, and (iii) the appendix to the Circular.

Yours faithfully,
For and on behalf of the
Independent Board Committee

Ms. Lin Ching Ching
*Independent non-executive
Director*

Ms. Wu Kwei Mei
*Independent non-executive
Director*

Mr. Cheung On Kit Andrew
*Independent non-executive
Director*

LETTER FROM ALTUS

The following is the text of a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Further Revised Annual Cap, which has been prepared for the purposes of incorporation in this circular.

ALTUS.

Altus Capital Limited
21 Wing Wo Street
Central
Hong Kong

24 September 2021

*To the Independent Board Committee and
the Independent Shareholders*

Vietnam Manufacturing and Export Processing (Holdings) Limited
40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

Dear Sirs,

FURTHER REVISION OF ANNUAL CAP FOR CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Further Revised Annual Cap for the Continuing Connection Transactions contemplated under the Master Purchase Agreement. Details of which are set out in the "Letter from the Board" contained in the circular of the Company dated 24 September 2021 (the "**Circular**"). Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

The Board expects that the Revised Annual Cap (which was approved at the extraordinary general meeting of the Company held on 23 June 2020) will not be sufficient for the Group's expected production and sales volume of motorbikes under the Master Purchase Agreement for the year ending 31 December 2021. The Board therefore proposes to further revise the Revised Annual Cap under the Master Purchase Agreement for the year ending 31 December 2021 to US\$43,500,000 which is the amounts payable by the Group for its purchase of motorbike parts supplied by members of the Sanyang Group.

LETTER FROM ALTUS

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Sanyang, through its wholly-owned subsidiary, SYI, held approximately 67.07% of the issued share capital of the Company and thus, is an indirect controlling Shareholder. As Sanyang is an indirect controlling Shareholder and thus a connected person of the Company by virtue of Rule 14A.07(1) of the Listing Rules, members of the Sanyang Group are also connected persons of the Company. Accordingly, the transactions contemplated under the Master Purchase Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54 of the Listing Rules, the Company should re-comply with the applicable requirements under Chapter 14A of the Listing Rules when the proposed annual cap is exceeded.

As one or more of the applicable percentage ratios in respect of the Further Revised Annual Cap exceeds 5%, the Master Purchase Agreement is subject to the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Sanyang, either itself or its associates, being the counterparty to the Master Purchase Agreement, is materially interested in those transactions, Sanyang, its subsidiaries and its associates will abstain from voting on the resolution in respect of the Further Revised Annual Cap to be proposed at the EGM. Save as disclosed above, no other Shareholder is required to abstain from voting on the resolution in respect of the Further Revised Annual Cap at the EGM.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors, namely Ms. Lin Ching Ching, Ms. Wu Kwei Mei and Mr. Cheung On Kit Andrew, has been established to advise the Independent Shareholders on (i) whether the Further Revised Annual Cap has been fairly and reasonably arrived at; and (ii) how to vote at the EGM, taking into account the recommendation of the Independent Financial Adviser.

THE INDEPENDENT FINANCIAL ADVISER

As the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders on (i) whether the Further Revised Annual Cap has been fairly and reasonably arrived at; and (ii) how the Independent Shareholders should vote in respect of the resolution relating thereto to be proposed at the EGM.

LETTER FROM ALTUS

We had acted as the independent financial adviser to the Company with regard to the revision of annual caps for continuing connected transactions in relation to the Master Purchase Agreement, details of which are set out in the circular of the Company dated 13 May 2020. Save for the aforesaid engagement, we have not acted as independent financial adviser in relation to any transactions of the Company in the last two years prior to the date of the Circular. Pursuant to Rule 13.84 of the Listing Rules, and given that remuneration for our engagement to opine on the Further Revised Annual Cap is at market level and not conditional upon successful passing of the resolution to be proposed at the EGM, and that our engagement is on normal commercial terms, we are independent of and not associated with the Company, its controlling shareholder(s) or connected person(s).

BASIS OF OUR ADVICE

In formulating our opinion, we have reviewed, amongst others, (i) the annual report of the Company for the year ended 31 December 2020; (ii) full invoice list for transactions under the Master Purchase Agreement for the years ended 31 December 2019 and 2020 and the six months ended 30 June 2021; (iii) sample invoices and purchase orders under the Master Purchase Agreement respectively for the years ended 31 December 2019 and 2020 and the six months ended 30 June 2021; (iv) motorbike sales for the month ended 31 July 2021; and (v) the Company's internal sales target for the year ending 31 December 2021.

We have also relied on the statements, information, opinions and representations contained or referred to in the Circular and/or provided to us by the Company, the Directors and the management of the Group (the "**Management**"). We have assumed that all the statements, information, opinions and representations for matters relating to the Group contained or referred to in the Circular and/or provided to us by the Company, the Directors and the Management were reasonably made after due and careful enquiry and were true, accurate and complete at the time they were made and continued to be so as at the date of the Circular.

We have no reason to believe that any of such statements, information, opinions or representations are untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render them untrue, inaccurate or misleading.

We consider that we have been provided with, and have reviewed, sufficient information to reach an informed view and provide a reasonable basis for our opinion. We have not, however, conducted an independent investigation into the business, financial conditions and affairs or future prospects of the Group.

LETTER FROM ALTUS

PRINCIPAL FACTORS AND REASONS CONSIDERED

1. BACKGROUND INFORMATION

1.1 Principal business of the Group and Sanyang Group

The Group is principally engaged in the production of scooters and cub motorbikes, engines and related parts. It is one of the leading manufacturers of scooters and cub motorbikes in Vietnam.

Sanyang Group is principally engaged in the manufacturing of motorbikes and related parts, as well as motor cars, trucks and related parts.

1.2 Prospects of the Group

Though significant progress has been made in putting various pandemic preventive measures in place to revitalise the economy through development of effective drugs and vaccination programmes, the development of the COVID-19 pandemic remains uncertain as a resurgence of cases has been observed over the world, including the Exclusive Territory. The Management believes that uncertainties and risks are still expected to remain in the supply chain and short-term procurement of production parts, as well as in the ASEAN market's sales activities.

In response to the challenging environment, the Group has adopted product innovation as its key strategy to further strengthen its capabilities in product design and core technology development. The Group is rolling out a number of new or modified motorbike models in the Exclusive Territory in the second half of 2021, including scooter, cub and electric motorbikes, so as to achieve product diversification and greater profitability, and offer consumers with environmentally-friendly and convenient products at reasonable prices and restructure the product lines to raise the proportion of high value-added products. The number of low gross profit items will be reduced to maintain reasonable profitability of products and, in turn, operations.

Further, the Group expects to further leverage on its existing production platforms, know-how and technologies, as well as the partnership with GPX, a leading local motorbike manufacturer in Thailand, to continue to develop and launch advanced-level and high-quality motorbikes to the market. Such advanced-level and high-quality motorbikes are expected to bring diversification to the Group's product range and help the Group to achieve greater profitability amid the challenging environment.

2. REASONS FOR THE FURTHER REVISED ANNUAL CAP

In view of the business strategies as mentioned in the paragraph headed "1.2 Prospects of the Group" above and the transaction amount under the Master Purchase Agreement for the seven months ended 31 July 2021, the Board expects that the Revised Annual Cap will not be sufficient for the Group's expected production and sales volume of motorbikes for the year ending 31 December 2021. Hence, the annual cap under the Master Purchase Agreement for the year ending 31 December 2021 needs to be revised upwards to accommodate the latest business needs of the Group.

LETTER FROM ALTUS

The Master Purchase Agreement will expire on 31 December 2021. Save for the Further Revised Annual Cap, all other terms and conditions of the Master Purchase Agreement shall remain in full force and effect. As such, we are of the view that the transactions contemplated under the Master Purchase Agreement will continue to be conducted on normal commercial terms.

To assess the fairness and reasonableness of the Further Revised Annual Cap, we have considered (i) the historical amount and usage for the years ended 31 December 2019 and 2020, as well as the seven months ended 31 July 2021; and (ii) the expected amount and usage for the year ending 31 December 2021 as per the Group's business needs according to the Group's production schedule and confirmed orders as of 31 July 2021.

2.1 Historical transactions under the Master Purchase Agreement

The table below sets out the (i) historical transaction amounts of the Master Purchase Agreement Transactions for the years ended 31 December 2019 and 2020 and the seven months ended 31 July 2021, and the respective utilisation rates; and (ii) the Further Revised Annual Cap under the Master Purchase Agreement.

	For the year ended 31 December 2019 ("FY2019") (US\$'000) (audited)	For the year ended 31 December 2020 ("FY2020") (US\$'000) (audited)	For the year ending 31 December 2021 ("FY2021") (US\$'000) (unaudited)
Master Purchase Agreement			
Historical transaction amounts	10,827	14,883	23,685
(Utilisation rate)	(97.5%)	(59.4%)	(72.7%) ^(Note 1)
Original annual caps and Revised Annual Caps	11,100	25,070 ^(Note 2)	32,590 ^(Note 2)
Further Revised Annual Cap			43,500

Notes:

- The utilisation rate was calculated by dividing the transaction amount for the seven months ended 31 July 2021 against the total Revised Annual Cap for the year ending 31 December 2021.
- The annual caps for the year ended 31 December 2020 and the year ending 31 December 2021 had been revised from US\$12,110,000 to US\$25,070,000 and from US\$12,700,000 to US\$32,590,000 respectively during the year ended 31 December 2020.

For the Master Purchase Agreement, the Group utilised approximately 97.5% of the Original Annual Cap for the year ended 31 December 2019. The high utilisation rate was primarily due to (i) higher procurement cost in relation to the Strategic Alliance; and (ii) increase in procurement cost in relation to 50 cc cub motorbikes for the year ended 31 December 2019.

LETTER FROM ALTUS

The Group utilised approximately 59.4% of the Revised Annual Cap for the year ended 31 December 2020. The utilisation rate was affected by the outbreak of COVID-19 since the beginning of 2020, which has created uncertainty to global economic environment and negatively impacted the consumer sentiment. As the situation of the COVID-19 pandemic remains volatile during 2020, the sales of motorbikes in the Exclusive Territory decreased by 26.1% as compared to 2019, and hence negatively affected the amount utilised under the Master Purchase Agreement for the year ended 31 December 2020.

Despite the negative economic impact brought about by the outbreak of the COVID-19 pandemic, which adversely affected the sales of the Group's motorbikes and hence the utilisation rates under the Master Purchase Agreement, the Group had achieved an utilisation rate of approximately 72.7% of the Revised Annual Cap for the year ending 31 December 2021 based on the transaction amount of the Master Purchase Agreement Transactions for the seven months ended 31 July 2021. The high utilisation rate during the seven months ended 31 July 2021 was primarily due to the significant increase in the sales of motorbikes due to the Group's launch of high-quality and advanced-level motorbikes, and the easing of the COVID-19 pandemic in ASEAN countries during the period.

The Group intends to continue the launch and sales of high-quality and advanced-level motorbikes (being the DRONE models, the JET X model and the VF-series, together the "**New Motorbike Models**") in the year ending 31 December 2021, which is in line with the Group's business strategy to focus on the development and launch of new or modified motorbike models, so as to achieve product diversification and greater profitability. Such business strategy had proven to be effective as the number of motorbikes sold in the Excluded Territory for the seven months ended 31 July 2021 increased by more than two times as compared with the same period last year, mainly contributed by the sales of certain New Motorbike Models launched during the period. Additionally, the Management expects that the annual amounts payable by the Group under the Master Purchase Agreement will exceed the Revised Annual Cap based on projections on the production volume of scooters and motorbikes for the remaining five months ending 31 December 2021 and the types and value of scooter and motorbike parts to be purchased, which are more advanced and higher in quality and costs as well.

Up to 31 July 2021, the Group had already utilised approximately 72.7% of the Revised Annual Cap under the Master Purchase Agreement for the year ending 31 December 2021. In view of the above, the Management believes, and we concur, that there is a need to revise the Revised Annual Cap under the Master Purchase Agreement for the year ending 31 December 2021 to cater for the Group's business needs.

For further details on the basis of calculating the Further Revised Annual Cap, please refer to the paragraph headed "3. Analysis on the Further Revised Annual Cap" below in this letter.

LETTER FROM ALTUS

3. ANALYSIS ON THE FURTHER REVISED ANNUAL CAP

As advised by the Management, the Further Revised Annual Cap of the Master Purchase Agreement has been determined with reference to (i) the historical sales per management account and related procurement costs under the Master Purchase Agreement for the seven months ended 31 July 2021; and (ii) the positive impact from the expected transaction amount as a result of projected sales volume of various upgraded or advanced-level motorbikes to be launched in the remaining five months ending 31 December 2021.

For the utilisation of the Revised Annual Cap for the year ending 31 December 2021 under the Master Purchase Agreement up to 31 July 2021, please refer to the paragraph headed “2.1 Historical transactions under the Master Purchase Agreement” of this letter.

Based on the market reception and historical sales of the New Motorbike Models during the seven months ended 31 July 2021, the Management is optimistic about the launching of the other New Motorbike Models for the rest of year ending 31 December 2021.

We have reviewed (i) the sales plan of the existing scooters and motorbikes and the New Motorbike Models to be launched provided by the Company; (ii) the historical sales and procurement costs of parts under the Master Purchase Agreement for the existing scooters and motorbikes as well as the New Motorbike Models up to 31 July 2021; and (iii) purchase invoices of confirmed orders of the existing scooters and motorbikes as well as New Motorbike Models as of 31 July 2021.

We noted that the confirmed orders up to 31 July 2021 for the remaining year ending 31 December 2021, based on the historical procurement cost for each model, require approximately US\$13.7 million procurement costs for parts under the Master Purchase Agreement, representing approximately 31.5% of the Further Revised Annual Cap. Together with the historical transaction amount up to 31 July 2021 of approximately US\$23.7 million, the confirmed transaction amount under the Master Purchase Agreement amounts to approximately US\$37.4 million, representing approximately 85.9% of the Further Revised Annual Cap.

Based on the above, the Management believes and we concur that the expected procurement costs of parts for the year ending 31 December 2021 under the Master Purchase Agreement have been fairly and reasonably arrived at.

LETTER FROM ALTUS

RECOMMENDATION

Having considered the above principal factors, we are of the view that (i) the transactions contemplated under the Master Purchase Agreement will continue to be conducted on normal commercial terms; and (ii) the Further Revised Annual Cap is fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the resolution to be proposed at the EGM to approve the Further Revised Annual Cap.

Yours faithfully,
For and on behalf of
Altus Capital Limited

Jeanny Leung
Executive Director

Leo Tam
Executive Director

*Ms. Jeanny Leung (“**Ms. Leung**”) is a Responsible Officer of Altus Capital Limited licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO and permitted to undertake work as a sponsor. She is also a Responsible Officer of Altus Investments Limited licensed to carry on Type 1 (dealing in securities) regulated activity under the SFO. Ms. Leung has over 30 years of experience in corporate finance advisory and commercial field in Greater China, in particular, she has participated in sponsorship work for initial public offerings and acted as financial adviser or independent financial adviser in various corporate finance transactions.*

*Mr. Leo Tam (“**Mr. Tam**”) is a Responsible Officer of Altus Capital Limited licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO and permitted to undertake work as a sponsor. He has over six years of experience in corporate finance and advisory in Hong Kong, in particular, he has participated in sponsorship work for initial public offerings and acted as financial adviser or independent financial adviser in various corporate finance transactions. Mr. Tam is a certified public accountant of the Hong Kong Institute of Certified Public Accountants.*

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests of Directors

As at the Latest Practicable Date, the interests and short positions of each Director and chief executive of the Company in the Shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executives were deemed or taken to have under such provisions of the SFO), or which were required to be and are recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in Appendix 10 of the Listing Rules which is adopted by the Company were as follows:

Name of director	Name of corporation/ associated corporation	Nature of interest	Types of shares/ underlying shares	Number of shares held (shares) ⁽⁴⁾	Approximate percentage of interest in the share capital (%)
Cheng Hsu Chi	Company	Interest of spouse ⁽²⁾	Ordinary shares	44,000 (L)	0.005% ⁽³⁾
Liu Wu Hsiung	Sanyang	Beneficial owner	Ordinary shares	111,380 (L)	0.014% ⁽⁴⁾
Cheng Hsu Chi	Sanyang	Beneficial owner	Ordinary shares	18 (L)	0.000% ⁽⁴⁾
Chiang Chin Yung	Sanyang	Beneficial owner	Ordinary shares	80,480 (L)	0.010% ⁽⁴⁾
Wu Li Chu	Sanyang	Beneficial owner	Ordinary shares	17,046,560 (L)	2.123% ⁽⁴⁾

Notes:

- (1) The letter “L” denotes a long position in such shares.
- (2) Mr. Cheng Hsu Chi’s spouse, Ms. Ku Hsiu Ling, holds 22,000 units of Taiwan depository receipts of the Company which are listed on the Taiwan Stock Exchange (Taiwan Depository Receipts Code: 9110), which is equivalent to 44,000 shares of the Company. Mr. Cheng is deemed to be interested in the shares of the Company held by his spouse, Ms. Ku Hsiu Ling, under Part XV of the SFO.
- (3) The calculation is based on the total number of 907,680,000 shares of the Company in issue as at the Latest Practicable Date.
- (4) The calculation is based on the total number of 803,077,604 shares of Sanyang in issue as at the Latest Practicable Date.

Save as disclosed above, so far as is known to the Directors, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Directors' positions in substantial shareholders

As at the Latest Practicable Date, as disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, (1) SYI was interested in 608,818,000 Shares of the Company, representing approximately 67.07% of the total number of Shares of the Company in issue; and (2) Sanyang, being the indirect sole shareholder of SYI, was deemed to be interested in the Shares held by SYI.

As at the Latest Practicable Date, Ms. Wu Li Chu is the deputy vice chairperson of Sanyang and she also served as the director of various subsidiaries of Sanyang. Mr. Chen Hsu Pin is the vice president of the president office of Sanyang and a director of various subsidiaries of Sanyang.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors was a director or employee of a company which had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO.

3. COMPETING BUSINESS INTERESTS OF DIRECTORS

As at the Latest Practicable Date, none of the Directors or their respective associates had any interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

4. QUALIFICATION

The following is the qualification of the expert who has given an opinion or advice on the information contained in this circular:

Name	Qualification
Altus Capital Limited (Independent Financial Adviser)	Altus Capital limited, a corporation licensed to carry on Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO

As at the Latest Practicable Date, Altus did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Altus did not have any direct or indirect interest in any assets of the Group which had, since 31 December 2020, being the date to which the latest published audited financial statements of the Group were made up, been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

5. CONSENT

Altus has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they respectively appear herein.

6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Company is not aware of any material adverse change in the financial or trading position of the Group since 31 December 2020, being the date to which the latest published audited financial statements of the Group were made up.

7. LITIGATION

So far as the Company is aware, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was pending or threatened against the Company or any of its subsidiaries.

8. MISCELLANEOUS

- (a) None of the Directors has entered into or is proposed to enter into a service contract with any member of the Group which does not expire or which is not determinable by such member of the Group within one year without payment of compensation, other than statutory compensation.
- (b) As at the Latest Practicable Date, save as disclosed in this circular, none of the Directors nor Altus was beneficially interested in the share capital of any member of the Group or had any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group, and none of the Directors had any interest, either directly or indirectly, in any assets which have been, since 31 December 2020, being the date to which the latest published audited financial statements of the Group were made up, acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

- (c) As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group, which was subsisting and was significant in relation to the business of the Group.
- (d) The English text of this circular shall prevail over the Chinese text in case of any inconsistency.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours of any business days at the principal place of business in Hong Kong of the Company at 40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong from the date of this circular to the date of the EGM (both days inclusive):

- (a) the Master Purchase Agreement;
- (b) the letter from the Independent Board Committee dated 24 September 2021, the text of which is set out on page 11 of this circular;
- (c) the letter from Altus, the text of which is set out on pages 12 to 19 of this circular; and
- (d) the consent letter from Altus referred to in the paragraph headed "Consent" in this Appendix.

NOTICE OF EXTRAORDINARY GENERAL MEETING

VMEPH

V i e t n a m

Vietnam Manufacturing and Export Processing (Holdings) Limited

越南製造加工出口(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 422)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “**EGM**”) of Vietnam Manufacturing and Export Processing (Holdings) Limited (the “**Company**”) will be held at Meeting Room 200, 3 Chung Hua Road, Hukou, Hsinchu, Taiwan on Friday, 29 October 2021 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following ordinary resolution:

ORDINARY RESOLUTION

1. “**THAT** the proposed further revised annual cap for the year ending 31 December 2021 (details of which have been set out in the circular (“**Circular**”) of the Company dated 24 September 2021) in respect of the agreement dated 12 November 2018 entered into between the Company and Sanyang Motor Co., Limited (“**Sanyang**”) in relation to the purchases of motorbike parts by the Company and its subsidiaries (together, “**Group**”) from Sanyang and its subsidiaries (together, “**Sanyang Group**”) be and are hereby approved, confirmed and ratified.”

By order of the Board
**Vietnam Manufacturing and Export
Processing (Holdings) Limited**
Liu Wu Hsiung
Chairman

Hong Kong, 24 September 2021

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal Place of Business

in Hong Kong:
40th Floor, Dah Sing Financial Centre
No. 248 Queen’s Road East
Wanchai, Hong Kong

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. For determining the entitlement to attend and vote in the EGM, the register of members of the Company will be closed from Tuesday, 26 October 2021 to Friday, 29 October 2021 (both days inclusive) during which period no transfer of shares of the Company will be registered. In order to qualify for the attendance of the EGM, all transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 25 October 2021.
2. Any member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and to vote in his stead. A proxy need not be a member of the Company. If more than one proxy is appointed, the appointment shall specify the number of Shares in respect of which each such proxy is appointed.
3. In order to be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time fixed for holding of the meeting (i.e. before 10:00 a.m. on Wednesday, 27 October 2021) or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. In accordance with Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), Sanyang, the ultimate controlling shareholder of the Company, its subsidiaries and associates (as defined in the Listing Rules), and Mr. Cheng Hsu Chi's spouse, Ms. Ku Hsiu Ling, (who is a holder of 22,000 units of Taiwan depository receipts of the Company which are listed on the Taiwan Stock Exchange (Taiwan Depository Receipts Code: 9110), which is equivalent to 44,000 shares of the Company) are required to abstain from voting on the above ordinary resolution.
5. The ordinary resolution set out above will be determined by way of poll.