
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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)

**(1) DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO ACQUISITION OF
SANYANG MOTOR VIETNAM COMPANY LIMITED
AND
(2) 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 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 Rooms 4 & 5, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong on Tuesday, 26 June 2018 at 10:30 a.m. (or immediately after the annual general meeting of the Company convened on the same day, if earlier) 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 Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time of the EGM (i.e. before 10:30 a.m. on Sunday, 24 June 2018) 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.

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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 to advise the Independent Board Committee and the Independent Shareholders as to the Acquisition
“Acquisition”	the proposed acquisition of the Capital Contribution of the Target Company by the Company from SYI in accordance with the terms and conditions of the Sale and Purchase Agreement
“Board”	the board of Directors
“Capital Contribution”	the capital contribution by SYI in the Target Company comprising the entire charter capital of the Target Company
“Company”	Vietnam Manufacturing and Export Processing (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Stock Exchange
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Sale and Purchase Agreement
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at Rooms 4 & 5, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong on Tuesday, 26 June 2018 at 10:30 a.m. (or immediately after the annual general meeting of the Company convened on the same day, if earlier) or any adjournment thereof to consider, and if thought fit, to approve the Acquisition
“Group”	the Company and its subsidiaries immediately prior to Completion
“HK\$”	Hong Kong Dollar, being the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Independent Board Committee”	the independent committee of the Board, comprising the independent non-executive Directors, namely Ms. Lin Ching Ching, Mr. Shen Hwa Rong and Ms. Wu Kwei Mei, established for the purpose of advising the Independent Shareholders on the Acquisition
“Independent Shareholders”	shareholders of the Company other than SYI and its associates and any other Shareholder(s) materially interested in the Acquisition
“Latest Practicable Date”	11 May 2018, 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)
“PRC”	the People’s Republic of China and for the purposes of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Sale and Purchase Agreement”	a sale and purchase agreement dated 26 March 2018 and entered into between SYI (as vendor) and the Company (as purchaser) in connection with the Acquisition
“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 Corporation, which is the ultimate controlling shareholder of the Company and SYI
“SFO”	the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong)
“Shareholders”	holder(s) of the shares of the Company from time to time
“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, thus a connected person of the Company
“Target Company”	Sanyang Motor Vietnam Company Limited, a company incorporated in Vietnam with limited liability

DEFINITIONS

“US\$”	United States Dollars, being the lawful currency of the United States
“Vietnam”	Socialist Republic of Vietnam
“VND”	Vietnamese Dong, being the lawful currency of Vietnam
“%”	per cent.

In this circular, unless the context requires otherwise, the terms “applicable percentage ratio”, “associate(s)”, “close 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, as modified by the Stock Exchange from time to time.

For the purpose of this circular, unless the context otherwise requires, conversion of (i) US\$ into HK\$; and (ii) VND into US\$ is based on the approximate exchange rate of (i) US\$1.00 to HK\$7.84 and (ii) VND10,000 to US\$0.4413. Each of these exchange rates is for the purpose of illustration only and does not constitute a representation that any amounts in HK\$, US\$ or VND have been, could have been or may be converted at such or any other rate or at all.

LETTER FROM THE BOARD

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)

Executive Directors:

Mr. Liu Wu Hsiung (*Chairman*)

Mr. Lu Tien Fu (*Chief Executive Officer*)

Mr. Lin Chun Yu

Non-executive Directors:

Ms. Wu Li Chu

Mr. Chiu Ying Feng

Independent non-executive Directors:

Ms. Lin Ching Ching

Mr. Shen Hwa Rong

Ms. Wu Kwei Mei

Registered Office:

Cricket Square

Hutchins Drive

P. O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Principal Place of Business in

Hong Kong:

18/F., Tesbury Centre

28 Queen's Road East

Wanchai, Hong Kong

16 May 2018

To the Shareholders

Dear Sir or Madam,

**(1) DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO ACQUISITION OF
SANYANG MOTOR VIETNAM COMPANY LIMITED
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 26 March 2018, whereby the Board announced that the Company and SYI, a direct controlling shareholder of the Company, entered into the Sale and Purchase Agreement, pursuant to which the Company has conditionally agreed to purchase, and SYI has conditionally agreed to sell, the Capital Contribution of Sanyang Motor Vietnam Company Limited for a cash consideration of US\$2,700,000 (equivalent to approximately HK\$21,168,000).

LETTER FROM THE BOARD

The purpose of this circular is to provide you with further information on, among other things, (a) the Acquisition; (b) the recommendation of the Independent Board Committee to the Independent Shareholders; (c) the advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (d) a notice convening the EGM. The form of proxy for the EGM is also enclosed in this circular.

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are set out below.

- Date** 26 March 2018
- Parties** (i) SYI (as vendor); and
(ii) the Company (as purchaser).

Subject matter

The Company has conditionally agreed to purchase, and SYI has conditionally agreed to sell the Capital Contribution of the Target Company, subject to the terms and conditions of the Sale and Purchase Agreement.

Consideration

The consideration for the Acquisition shall be US\$2,700,000 (equivalent to approximately HK\$21,168,000) which shall be settled by the Company in cash upon Completion.

Basis for determining the consideration

The consideration was determined at arm's length negotiations between SYI and the Company based on the audited net asset value of the Target Company as at 31 December 2017 which was VND61,332,024,383 (equivalent to approximately US\$2,706,582). The Company intends to finance the Acquisition by the internal resources of the Group.

The Target Company was loss making for the previous two financial years as it has ceased its principal activities of manufacturing and assembling of automobile and small trucks since June 2015, due to the decrease in demand and the sales of its products. As stated in the section headed "Reasons for and benefits of entering into the Sale and Purchase Agreement" below, the Company's objective of the Acquisition is to acquire the existing production facilities owned by the Target Company which can then be revamped and integrated with its adjacent production plants within the Dong Nai province, rather than to acquire the business operations of the Target Company. As such, the consideration was determined based on the net asset value of the Target Company which reflected the value of the production facilities, and accordingly the Directors consider that the consideration is fair and reasonable taking into account the above factors.

In addition, as at the date of the Sale and Purchase Agreement and immediately before Completion, the Target Company owes an interest-free loan to SYI in an amount of US\$2,000,000. Pursuant to the Sale and Purchase Agreement, the Company shall procure the Target Company to repay the loan to SYI within five business days after Completion. Upon the repayment of the loan, the Target Company will no longer owe any outstanding sums to SYI.

LETTER FROM THE BOARD

Completion

Completion shall take place on the second business day after all the conditions to the Sale and Purchase Agreement as set out in the paragraph headed “Conditions precedent” below have either been fulfilled or waived (as the case may be), or such other date as may be otherwise agreed by the parties to the Sale and Purchase Agreement.

Conditions precedent

Completion of the Sale and Purchase Agreement is subject to, and conditional upon, the satisfaction (or, if applicable, the waiver) of the following conditions precedent:

- (i) approval having been obtained from the Independent Shareholders at the EGM for approving the Acquisition;
- (ii) the Target Company having obtained all necessary licences, consents or approvals (where applicable) of any of its owners, creditors and/or any other third parties, which are required for the execution and performance of the Sale and Purchase Agreement and the transaction contemplated thereunder and which have not been revoked prior to Completion;
- (iii) SYI having obtained all necessary licences, consents or approvals (where applicable) of any governmental or regulatory bodies which are required for the execution and performance of the Sale and Purchase Agreement and the transaction contemplated thereunder and which have not been revoked prior to Completion;
- (iv) the Company having obtained all necessary licences, consents or approvals (where applicable) of any governmental or regulatory bodies which are required for the execution and performance of the Sale and Purchase Agreement and the transactions contemplated thereunder and which have not been revoked prior to Completion, including but not limited to obtaining approval from the Vietnam Dong Nai Investment Project Office (越南同奈省投資計劃廳) and the Vietnam Dong Nai Industrial District Management Committee (越南同奈省各工業區管理委員會) for the registration of transfer of the Capital Contribution;
- (v) no relevant governmental or regulatory authority or body, court or agency having granted any order or made any decision that restricts or prohibits the implementation of the transaction contemplated under the Sale and Purchase Agreement; and
- (vi) the warranties of SYI remaining true and accurate and not misleading in any material respect if they were repeated at any time prior to Completion by reference to the facts and circumstances then existing.

As at the Latest Practicable Date, the conditions set out in paragraphs (ii), (iii), (iv) and (v) above have been fulfilled. None of the parties shall have the right to waive the condition set out in paragraph (i) above, and the Company may at its discretion waive the condition set out in paragraph (vi) above.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF ENTERING INTO THE SALE AND PURCHASE AGREEMENT

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. The Group currently has several production facilities in the Dong Nai province in Vietnam. The Target Company owns production plants and processing factories, which manufacture automobiles and their related parts and accessories, which are located adjacent to the existing production plants of the Group in the Dong Nai province. As such, and in view of the accelerating urbanisation plans of the government which requires the relocation of the Group's existing production facilities in another area in the Dong Nai province, the Directors consider that the Acquisition is beneficial to the Group as it allows the Group to acquire the production plant owned by the Target Company which can then be integrated with its adjacent production plants owned by the Group. Such integration creates synergy with the Group's existing production facilities and allows the Group to achieve economies of scale.

The Directors (other than the independent non-executive Directors whose views are set out in the letter from the Independent Board Committee in this circular) are of the view that the terms of the Sale and Purchase Agreement and the transaction contemplated thereunder, which have been reached after arm's length negotiations among the parties, are on normal commercial terms or better, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, each of Ms. Wu Li Chu, Mr. Liu Wu Hsiung, Mr. Lu Tien Fu and Mr. Chiu Ying Feng (all being Directors) has a 1.93%, 0.013%, 0.001% and 0.002% interest in Sanyang respectively. Ms. Wu Li Chu is also a director of the Target Company and the deputy vice chairperson of Sanyang and she serves on the board of other subsidiaries of Sanyang. Therefore, pursuant to the articles of association of the Company and the Listing Rules, Ms. Wu Li Chu, Mr. Liu Wu Hsiung, Mr. Lu Tien Fu and Mr. Chiu Ying Feng have abstained from voting on the Board resolutions approving the transactions contemplated under the Sale and Purchase Agreement. Save as mentioned above, no other Directors were in any way materially interested in and therefore have abstained from voting on the Board resolutions approving the transactions contemplated under the Sale and Purchase Agreement.

AS COMPLETION IS SUBJECT TO THE CONDITIONS PRECEDENT SET OUT IN THE SALE AND PURCHASE AGREEMENT INCLUDING, AMONG OTHERS, THE APPROVAL OF THE INDEPENDENT SHAREHOLDERS AT THE EGM, THE ACQUISITION MAY OR MAY NOT PROCEED. SHAREHOLDERS AND POTENTIAL INVESTORS SHOULD EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY.

LETTER FROM THE BOARD

INFORMATION ON THE COMPANY

The Company is an investment holding company. As mentioned above, 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. The Group currently owns several production plants and processing facilities at (i) 798 Ngu Phuc Hamlet, Ho Nai Ward, Trang Bom District, Dong Nai Province; (ii) Plot I-21H, Ho Nai Industrial zone, Trang Bom District, Dong Nai Province and (iii) I-21D Area, Ho Nai Industry Zone, Thong Nhat District, Dong Nai Province, which are adjacent to the production plant owned by the Target Company in Dong Nai.

INFORMATION ON SYI

SYI is a company incorporated in Samoa with limited liability and a controlling shareholder of the Company. It is principally engaged in investment holding, including holding interest in the Company and the Target Company.

INFORMATION OF THE TARGET COMPANY

The Target Company is a company incorporated in Vietnam with limited liability. It is principally engaged in the production and sales of automobiles and small trucks and related parts. The Target Company currently owns production plants and processing facilities at No 4, 5C Street, Nhon Trach Industrial Zone II Nhon Trach District, Dong Nai Province, Vietnam, which is adjacent to the Group's existing production facilities in Dong Nai. As at the Latest Practicable Date, there are no ongoing production activities in the production facilities of the Target Company. After the completion of the Acquisition, the production plant and some relevant infrastructure of the Target Company can remain for the Group's production use.

Set out below is the summary of the key financial information of the Target Company based on the audited financial statements of the Target Company for the two years ended 31 December 2017.

	Year ended 31 December 2016 (Audited) VND'000	Year ended 31 December 2017 (Audited) VND'000
Revenue	10,614,755	7,443,001
Net profit/(loss) before taxation	(26,400,540)	(27,694,416)
Net profit/(loss) after taxation	(26,400,540)	(27,694,416)
	As at 31 December 2016 (Audited) VND'000	As at 31 December 2017 (Audited) VND'000
Net assets	89,026,440	61,332,024

The aggregate capital contribution made by SYI in respect of its interest in the Target Company is US\$43,000,000.

LETTER FROM THE BOARD

Based on the audited financial statement of the Target Company for the year ended 31 December 2017, the amount of the total assets of the Target Company was VND112,828,480,853, which mainly comprised (a) tangible fixed assets of VND79,705,688,815, including buildings and structures in an amount of VND40,779,307,029 (representing approximately 36.14% of the total assets of the Target Company), and other assets such as office equipment, plant and equipment and motor vehicles; and (b) current assets mainly comprised of cash and cash equivalents and short-term investments.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios exceed(s) 5% but are all less than 25%, the Acquisition constitutes a disclosable transaction of the Company under Chapter 14 of the Listing Rules.

SYI is a connected person of the Company by virtue of it being a direct controlling shareholder of the Company. Therefore, the Acquisition constitutes a connected transaction of the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

EGM

A notice convening the EGM to be held at Rooms 4 & 5, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong on Tuesday, 26 June 2018 at 10:30 a.m. (or immediately after the annual general meeting of the Company convened on the same day, if earlier) 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 Acquisition.

The ordinary resolution to be proposed at the EGM will be determined by way of poll by the Independent Shareholders. As at the Latest Practicable Date, based on the knowledge of the Company and after having made all reasonable enquiries, SYI and its associates are interested in 608,818,000 shares of the Company (representing approximately 67.07% of the total issued share capital of the Company) and will be required to abstain from voting on resolutions regarding the Acquisition at the EGM. Save as disclosed above, no other Shareholder is required to abstain from voting on the resolutions in respect of the Acquisition at the EGM.

For determining the entitlement to attend and vote in the EGM, the register of members of the Company will be closed from Thursday, 21 June 2018 to Tuesday, 26 June 2018 (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, Wan Chai, Hong Kong, not later than 4:30 p.m. on Wednesday, 20 June 2018.

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 Rooms 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong and in any event not later than 48 hours before the time of the EGM (i.e. before 10:30 a.m. on Sunday, 24 June 2018) 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.

LETTER FROM THE BOARD

RECOMMENDATION

The Independent Board Committee, having taken into account the advice of Altus, is of the opinion that although the Acquisition has not been entered into in the ordinary and usual course of the business of the Group, the Acquisition is based on normal commercial terms and the terms of the Acquisition are fair and reasonable and in the interests of the Company and its 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 Acquisition at the EGM.

GENERAL

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

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

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)

16 May 2018

Dear Independent Shareholders,

**(1) DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO ACQUISITION OF
SANYANG MOTOR VIETNAM COMPANY LIMITED
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

We refer to the circular of the Company dated 16 May 2018 (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 Acquisition. Altus has been appointed as the independent financial adviser to advise us and the Independent Shareholders in this regard.

Having considered the terms of the Sale and Purchase Agreement, and the advise and opinion of Altus in relation thereto as set out on pages 12 to 19 of the Circular, we are of the opinion that (i) the terms and conditions of the Sale and Purchase Agreement and the transaction contemplated thereunder are on normal commercial terms and are fair and reasonable; and (ii) although the Acquisition is not in the ordinary and usual course of business of the Company, it is in the interest of the Company and the Shareholders as a whole. Accordingly, we would recommend the Independent Shareholders to vote in favour of the ordinary resolution to approve the Acquisition at the EGM.

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

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

Mr. Shen Hwa Rong
*Independent non-executive
Director*

Ms. Wu Kwei Mei
*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 relation to the Acquisition which has been prepared for the purpose of incorporation in this circular.

ALTUS.

Altus Capital Limited
21 Wing Wo Street
Central, Hong Kong

16 May 2018

To the Independent Board Committee and the Independent Shareholders

Vietnam Manufacturing and Export Processing (Holdings) Limited
18/F., Tesbury Centre
28 Queen's Road East
Wan Chai
Hong Kong

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF SANYANG MOTOR VIETNAM COMPANY LIMITED

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 Acquisition. Details of the Acquisition are set out in the "Letter from the Board" contained in the circular of the Company dated 16 May 2018 (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

On 26 March 2018 (after trading hours), the Company (being the purchaser) and SYI (being the vendor), a direct controlling shareholder of the Company, entered into the Sale and Purchase Agreement, pursuant to which the Company has conditionally agreed to purchase, and SYI has conditionally agreed to sell, the Capital Contribution of the Target Company, being a wholly-owned subsidiary of SYI, for a cash consideration of US\$2,700,000 (equivalent to approximately HK\$21,168,000). In addition to the cash consideration, pursuant to the Sale and Purchase Agreement, the Company shall procure the Target Company to repay the loan of US\$2,000,000 to SYI within five business days after Completion.

LETTER FROM ALTUS

Each of Ms. Wu Li Chu, Mr. Liu Wu Hsiung, Mr. Lu Tien Fu and Mr. Chiu Ying Feng (being executive or non-executive Directors) has a 1.93%, 0.013%, 0.001% and 0.002% interest in Sanyang (an indirect controlling shareholder of the Company), respectively. Ms. Wu Li Chu is also a director of the Target Company and the deputy vice chairperson of Sanyang and she also serves on the board of other subsidiaries of Sanyang. Therefore, pursuant to the articles of association of the Company and the Listing Rules, Ms. Wu Li Chu, Mr. Liu Wu Hsiung, Mr. Lu Tien Fu and Mr. Chiu Ying Feng have abstained from voting on the Board resolution approving the transaction contemplated under the Sale and Purchase Agreement. Save as mentioned above, no other Directors were in any way materially interested in and therefore have abstained from voting on the Board resolution approving the transaction contemplated under the Sale and Purchase Agreement.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios of the Acquisition exceed(s) 5% but are all less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

SYI is a connected person of the Company by virtue of it being a direct controlling shareholder of the Company. Therefore, the Acquisition constitutes a connected transaction of the Company. As the applicable ratios are less than 25% but the cash consideration of the Acquisition will be more than HK\$10,000,000, the Acquisition is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As SYI, being the vendor of the Sale and Purchase Agreement for the Acquisition, is materially interested in the Acquisition, SYI and its associates will abstain from voting on the resolution concerning the Acquisition at the EGM.

THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all the independent non-executive Directors, namely Ms. Lin Ching Ching, Mr. Shen Hwa Rong and Ms. Wu Kwei Mei, has been established to consider the Sale and Purchase Agreement and the transaction contemplated thereunder and to advise the Independent Shareholders as to (i) whether the terms and conditions of the Sale and Purchase Agreement and the transaction contemplated thereunder are on normal commercial terms and are fair and reasonable as far as the Independent Shareholders are concerned; (ii) whether the Acquisition is in the ordinary and usual course of business of the Company and is in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolution to be proposed at the EGM for the approval of the Acquisition, taking into account the recommendation of the Independent Financial Adviser.

LETTER FROM ALTUS

As the independent financial adviser to the Independent Board Committee and the Independent Shareholders, our role is to give an independent opinion to them as to (i) whether the terms and conditions of the Sale and Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable as far as the Independent Shareholders are concerned; (ii) whether the Acquisition is in the ordinary and usual course of business of the Company and is in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolution to be proposed at the EGM for the approval of the Acquisition.

We have not acted as independent financial adviser or financial adviser for the Company's other transactions 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 Acquisition 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 persons(s).

BASIS OF OUR ADVICE

In formulating our opinion, we have reviewed, amongst others, (i) the Sale and Purchase Agreement; (ii) the announcement of annual results of the Company for the year ended 31 December 2017 (the "**Result Announcement**"); (iii) the audited financial statement of the Target Company for the year ended 31 December 2017 (the "**Financial Statement**"); (iv) the loan contract entered between SYI and the Target Company (the "**Loan Contract**"); and (v) the other information as set out in the Circular. We have 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 Company (the "**Management**"). We have assumed that all statements, information, opinions and representations contained or referred to in the Circular and/or provided to us were true, accurate and complete at the time they were made and continued to be so as at the date of the Circular. The Directors collectively and individually accept full responsibility, including particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other facts the omission of which would make any statement in the Circular misleading.

We have no reason to believe that any statements, information, opinions or representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the statements, information, opinions or representations provided to us untrue, inaccurate or misleading. 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 and the Management have been reasonably made after due and careful enquiry and have relied on such statements, information, opinions and representations. We consider that we have been provided with and have reviewed sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent investigation into the business, financial conditions and affairs or the future prospects of the Group.

LETTER FROM ALTUS

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation, we have considered the principal factors and reasons set out below:

1 Background information on the Group

The Group is principally engaged in the manufacturing of scooters and cub motorbikes in Vietnam. The Group's major operational locations in Vietnam mainly include the headquarter and production plants in Dong Nai Province and production plants in Ha Tay Province. The Group also produces motorbike engines and parts for internal use and export as well as selling and providing services associated with moulds to make die-cast and forged metal parts.

The Group's business in Vietnam recently is impacted by the Vietnam's tightening-up regulation. In particular, due to the accelerating urbanisation and social transition of Vietnam in the past 20 years, one of the Group's production facilities located in Section 5 Tam Hiep Ward, Bien Hoa City, Dong Nai Province (the "VMEPH Facility") will have to be relocated. Bien Hoa City is the capital city of Dong Nai Province and it was previously an industrial zone within the area. According to "The Urban Construction Planning on Dong Nai Province", Bien Hoa City is currently undergoing an urban renewal process, during which most of the factories and facilities are forced to relocate outside of Bien Hoa City. Through negotiations with the Vietnam government, the VMEPH Facility will have to be relocated before June 2019. In light of the circumstances, the Group has been actively seeking for an ideal location for the relocation of the VMPEH Facility.

2 Background information on the Target Company

The Target Company is a company incorporated in Vietnam with limited liability and is a wholly-owned subsidiary of SYI. The principal activities of the Target Company are the manufacturing and assembly of automobile, as well as the manufacturing of automobile equipment and small trucks. According to the Financial Statement, the Target Company has ceased its principal activities such as manufacturing and assembling automobile and small trucks since June 2015 due to decrease in the sales of its products.

Set out below is the summary of the financial position of the Target Company based on the Financial Statement (which has been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting) as at 31 December 2016 and 2017.

LETTER FROM ALTUS

	As at 31 December	
	2016	2017
	<i>VND</i>	<i>VND</i>
	<i>(audited)</i>	<i>(audited)</i>
Current assets	35,428,271,599	32,793,262,041
Cash and cash equivalents	6,901,542,542	6,082,484,650
Long-term assets	101,587,827,725	80,035,218,812
Total assets	137,016,099,324	112,828,480,853
Current liabilities	47,418,298,103	47,117,223,126
Long-term liabilities	571,360,927	4,379,233,344
Total liabilities	47,989,659,030	51,496,456,470
Net assets	89,026,440,294	61,332,024,383

According to the Management, total assets of approximately VND112.8 billion as at 31 December 2017 mainly comprises fixed assets of approximately VND79.7 billion, representing approximately 70.6% of the total assets, which the Management believes can be utilised subsequent to the Acquisition. The remaining assets of the Target Company mainly comprises cash and cash equivalents and short-term investments.

Total liabilities of approximately VND51.5 billion as at 31 December 2017 mainly comprises the loan from SYI which is unsecured and interest free.

Total net asset value of the Target Company is approximately VND61.3 billion as at 31 December 2017, which is equivalent to approximately US\$2.7 million utilising the exchange rate as at 31 December 2017.

The Target Company currently owns production plants and processing facilities (the “**SMV Facilities**”) close to the existing production facilities of the Group within other industrial zones of Dong Nai Province. The SMV Facilities are located at No 4, 5C Street, Nhon Trach Industrial Zone II Nhon Trach District, Dong Nai Province. The SMV Facilities have an area of approximately 23,757 square metres and there have been no ongoing production activities in the SMV Facilities since June 2015. Per our discussion with the Management, the lease of the land for the SMV Facilities are valid up to June 2047, and the Management considers the SMV Facilities to be well maintained.

LETTER FROM ALTUS

3 Reasons for and benefits of the Acquisition

As mentioned in the paragraph headed “1. Background information on the Group” above, the Group currently has several production facilities located in Dong Nai Province in Vietnam. Due to the accelerating urbanisation and social transition of Vietnam, in particular, the urban renewal process in Bien Hoa City, the Vietnam government requested the VMEPH Facility be relocated before June 2019. The Group has to relocate the VMEPH Facility and seek possible integration of its existing production facilities in Dong Nai Province in order to achieve effective management of its production. As a result of above, the Group plans to relocate its VMEPH Facility to the SMV Facilities through the Acquisition to integrate the SMV Facilities with the Group’s existing production facilities.

As mentioned in the paragraph headed “2. Background information on the Target Company” above, the SMV Facilities are located in Nhon Trach Industrial Zone II. The Nhon Trach Industrial Zone II is approximately 33.4 kilometres to the south of Bien Hoa City. According to the Management, during the negotiation with relevant authorities in Vietnam on the relocation issue, the authorities posed no objection on the relocation of VMEPH Facility to SMV Facilities. Up to the Latest Practicable Date, the Management is also not aware of, and does not foresee any relocation requirement which will be imposed to the factory facilities located within the Nhon Trach Industrial Zone II.

According to the Management, it has taken considerable time and effort to identify suitable production facilities within the Dong Nai Province for relocation. The Management has considered two options for the relocation, which are (i) relocating to SMV Facilities in Nhon Trach Industrial Zone II through the Acquisition; or (ii) relocating to one of the Group’s research centres in another industrial zone. While choosing the appropriate area for the relocation of the VMEPH Facility, the Management conducted a comparison analysis on (i) the cost required to develop the area for the Group’s production use; (ii) the size of the area; (iii) the infrastructure and transportation network surrounding the area; and (iv) the labour supply of the surrounding area. Given that (i) the cost for revamping the SMV Facilities is lower than that for redeveloping the Group’s research centre; (ii) the SMV Facilities have comparable size with the Group’s research centre; (iii) some infrastructure in SMV Facilities can remain for the Group’s production use after the Acquisition; and (iv) the fact that the Group already has another facility in the area and is well aware of the area’s infrastructure, transportation network and labour supply situation, the Management is of the view that, relocation through the Acquisition is a more cost-effective option for the Group.

Land is owned by the government in Vietnam. According to the Management, rental rate for the land on which SMV Facilities are situated amounts to approximately US\$1.1 per square metre while the rental rate for the land within the same industrial zone (Nhon Trach Industrial Zone II) is approximately US\$3.0 per square metre. The lease of the land for SMV Facilities are valid up to June 2047. In addition, as the SMV Facilities are located close to one of the Group’s existing production plants in Dong Nai Province, it would be more efficient for the Group to manage production in these newly acquired plants and facilities.

Since the Group has already possessed the permit to manufacture two-wheel motorcycles in Vietnam, the Management foresees no issues in obtaining license to carry out the Group’s manufacturing business in the SMV Facilities after Acquisition.

LETTER FROM ALTUS

In view of the above, in particular the need to relocate the VMEPH Facility and the proximity of SMV Facilities to the Group's existing production plants and the cost and benefit analysis carried out by the Management, we are of the view that although the Acquisition is not in the ordinary and usual course of business of the Company, it is in the interests of the Company and the Shareholders as a whole.

4 Principal terms of the Sale and Purchase Agreement

For details of the principal terms of the Sale and Purchase Agreement, please refer to the "Letter from the Board" of the Circular.

When considering reasonableness of the terms of the Sale and Purchase Agreement, we have taken into account the following factors:

4.1 Consideration

The cash consideration in the sum of US\$2,700,000 (equivalent to approximately HK\$21,168,000) was determined at arm's length negotiations between SYI and the Company based on the audited net asset value of the Target Company as at 31 December 2017, which was VND61,332,024,383 (equivalent to approximately US\$2,706,582). Since there is no commercial value attached to the land which the SMV Facilities are erected thereon, the net asset value of the Target Company reflects mainly its fixed assets as at 31 December 2017. As disclosed in the "Letter from the Board" of the Circular, the Target Company recorded loss for each of the past two financial years. According to the Management, as the Target Company has ceased production since June 2015, the loss incurred for each of the past two financial years was largely due to depreciation charges, which were non-cash by nature. Given that the Target Company has ceased production since June 2015 and the purpose of the Acquisition is to relocate the VMEPH Facility to SMV Facilities, rather than to revive the business of the Target Company, the Management considered the past performance of the Target Company (though recorded loss for two consecutive years as mentioned above) would not be a determining factor of the consideration of the Acquisition. Taken into account of the above, we therefore concur with the Management that the consideration is fairly and reasonably arrived at by making reference to the net asset value of the Target Company.

The Company intends to finance the Acquisition by its internal resources. Based on the Result Announcement, and as confirmed by the Directors, the Group has sufficient fund to finance the Acquisition.

4.2 Loan

As at the date of the Sale and Purchase Agreement and immediately before Completion, the Target Company owes an interest-free loan to SYI in an amount of US\$2,000,000. We have reviewed the Loan Contract and are of the view that terms contemplated therein are normal commercial terms. Pursuant to the Sale and Purchase Agreement, the Company shall procure the Target Company to repay the loan to SYI within five business days after Completion. Upon the repayment of the loan, the Target Company will no longer owe any outstanding sums to SYI.

Having considered above factors, we are of the view that the terms of the Sale and Purchase Agreement are fair and reasonable, on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

LETTER FROM ALTUS

5 Possible financial effects as a result of the Acquisition

Upon Completion, the Target Company will become a subsidiary of the Company, and its financial results, assets and liabilities will be consolidated with the accounts of the Group thereafter. The cash consideration will be settled by cash balance of the Group. As a result, the cash balance of the Group is expected to decrease while property, plant and equipment is expected to enhance by the SMV Facilities. Other than that, the Directors are of the view that the Acquisition will not have material financial impact on the Group. The Target Company recorded loss for each of the past two financial years mainly due to depreciation charges which were non-cash by nature. The Management believes that the past performance of the Target Company will not affect the Group's performance going forward. Once the Target Company re-commence its production at the SMV Facilities, the Management expects that the Target Company will generate sufficient income to cover its operating expenses and hence, it will have minimal financial impact on the Group. We are of the view that the overall potential financial effects on the Group as a result of the Acquisition are acceptable.

RECOMMENDATION

In view of the above principal factors and reasons for the Acquisition, we are of the view that (i) the terms of the Sale and Purchase Agreement and the transaction contemplated thereunder are on normal commercial terms and are fair and reasonable as far as the Independent Shareholders are concerned; and (ii) although the Acquisition is not in the ordinary and usual course of business of the Company, it is in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders, as well as 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 Sale and Purchase Agreement and the transaction contemplated thereunder.

Yours faithfully,
For and on behalf of
Altus Capital Limited

Jeanny Leung
Executive Director

Leo Tam
Assistant 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 about 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 three 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, if any, 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 Companies adopted by the Company (the “**Model Code**”) were as follows:

Name of director	Name of corporation	Capacity	Interests in Shares/ underlying Shares	Total number of Shares ⁽¹⁾	Approximate percentage of interest in the share capital
Liu Wu Hsiung	Sanyang	Beneficial owner	Ordinary shares	111,380 (L)	0.01%
Lu Tien Fu	Sanyang	Beneficial owner	Ordinary shares	8,098 (L)	0.00%
Chiu Ying Feng	Sanyang	Beneficial owner	Ordinary shares	18,412 (L)	0.00%
Wu Li Chu	Sanyang	Beneficial owner	Ordinary shares	17,046,560 (L)	1.93%

(1) The letter “L” denotes a long position in such shares.

Save as disclosed above, none of the Directors or the chief executive of the Company had, as at the Latest Practicable Date, 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 Divisions 2 and 3 of Part XV of the SFO, (1) SY International Ltd. was interested in 608,818,000 Shares, representing approximately 67.07% of the total number of Shares in issue; and (2) Sanyang, being the direct sole shareholder of SY International Ltd., was deemed to be interested in the Shares held by SY International Ltd.

As at the Latest Practicable Date, Ms. Wu Li Chu was the deputy vice chairperson of Sanyang and she also served on the board of other subsidiaries of Sanyang. Mr. Chiu Ying Feng was an employee 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 Divisions 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 2017, 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 2017, 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 had any interest, either directly or indirectly, in any assets which have been, since 31 December 2017, 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 at the offices of the Company at 18/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong from the date of this circular to the date of the EGM (both days inclusive):

- (a) the Sale and Purchase Agreement;
- (b) the letter from the Independent Board Committee dated 16 May 2018, 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 of shareholders (the “**EGM**”) of Vietnam Manufacturing and Export Processing (Holdings) Limited (the “**Company**”) will be held at Rooms 4 & 5, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong on Tuesday, 26 June 2018 at 10:30 a.m. (or immediately after the annual general meeting of the Company convened on the same day, if earlier) for the purpose of considering and, if thought fit, passing the following ordinary resolution:

ORDINARY RESOLUTION

1. “**THAT**

- (a) the sale and purchase agreement (the “**Sale and Purchase Agreement**”) dated 26 March 2018 entered into between the Company as purchaser and SY International Ltd. (“**SYI**”) as vendor in relation to the acquisition of the capital contribution of Sanyang Motor Vietnam Company Limited and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (b) any one of the directors of the Company be and is hereby authorised to sign, execute, perfect, deliver, negotiate, agree and do all such documents, deeds, acts, matters and things, as the case may be, as he/she may in his/her opinion or absolute discretion consider reasonable, necessary, desirable or expedient to implement and/or give effect to the Sale and Purchase Agreement and the transactions contemplated thereunder with any changes as such director of the Company may in his/her absolute discretion think fit.”

By order of the Board
**Vietnam Manufacturing and Export
Processing (Holdings) Limited**

Liu Wu Hsiung

Chairman

Hong Kong, 16 May 2018

NOTICE OF EXTRAORDINARY GENERAL MEETING

Registered Office:

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

Principal Place of Business

in Hong Kong:
18/F., Tesbury Centre
28 Queen's Road East
Wanchai, Hong Kong

Notes:

1. For determining the entitlement to attend and vote in the EGM, the register of members of the Company will be closed from Thursday, 21 June 2018 to Tuesday, 26 June 2018 (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, Wan Chai, Hong Kong, not later than 4:30 p.m. on Wednesday, 20 June 2018.
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 Rooms Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not less than 48 hours before the time fixed for holding of the meeting (i.e. before 10:30 a.m. on Sunday, 24 June 2018) 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**"), SYI, the direct controlling shareholder of the Company, its subsidiaries and associates (as defined in the Listing Rules) 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.