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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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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)

REVISION OF 2012 ANNUAL CAP FOR CONTINUING CONNECTED TRANSACTIONS UNDER VMEPH DISTRIBUTORSHIP AGREEMENT

**Independent financial adviser
to the Independent Board Committee and the Independent Shareholders**



CENTURION CORPORATE FINANCE LIMITED

A letter from the Board (as defined herein) is set out on pages 4 to 9 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 10 of this circular. A letter from Centurion Corporate Finance Limited containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 11 to 22 of this circular.

A notice convening the EGM (as defined herein) to be held at United Conference Centre, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong at 10:30 a.m. on Monday, 25 June 2012 (or immediately after the annual general meeting of the Company convened on the same day, if earlier) is set out on pages 27 to 28 of 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 Rooms 1806-7, 18th 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. Completion and delivery of the form of proxy will not preclude you from attending the EGM and voting in person should you so wish.

1 June 2012

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DEFINITIONS

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

“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors the Company
“Centurion”	Centurion Corporate Finance Limited, a licensed corporation under the SFO permitted to engage in types 1, 4, 6 and 9 of the regulated activities under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the Revised 2012 Annual Cap
“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, the shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at United Conference Centre, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong at 10:30 a.m. on Monday, 25 June 2012 (or immediately after the annual general meeting of the Company convened on the same day, if earlier) to approve the Revised 2012 Annual Cap
“Exclusive Territory”	all of the member countries of the Association of South East Asian Nations (“ASEAN”), including Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam
“Group”	the Company and its subsidiaries from time to time

DEFINITIONS

“HK\$”	Hong Kong Dollar, being the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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 Mr. Wei Sheng Huang, established for the purpose of advising the Independent Shareholders in respect of the Revised 2012 Annual Cap
“Independent Shareholders”	Shareholders other than Sanyang and its associates, who are not required to abstain from voting on the resolution to be proposed at the EGM under the Listing Rules
“Latest Practicable Date”	29 May 2012, 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
“Original 2012 Annual Cap”	the original annual cap amount for the transactions under the VMEPH Distributorship Agreement for the year ending 31 December 2012, as revised and approved by the Independent Shareholders at the extraordinary general meeting of the Company held on 19 July 2011
“PRC”	the People’s Republic of China and for the purpose of this circular, excludes Taiwan, the Macau Special Administrative Region and Hong Kong
“Revised 2012 Annual Cap”	the revised annual cap amount proposed by the Board for the transactions under the VMEPH Distributorship Agreement for the year ending 31 December 2012, being US\$28,500,000 (equivalent to approximately HK\$222,300,000), which is subject to the approval of the Independent Shareholders at the EGM

DEFINITIONS

“Sanyang”	三陽工業股份有限公司 (Sanyang Industry Co., Limited), a company incorporated in Taiwan and listed on the Taiwan Stock Exchange Corporation, the ultimate controlling shareholder of the Company
“Sanyang Group”	Sanyang and its subsidiaries from time to time (excluding the Group)
“SFO”	the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong)
“Shareholders”	holders of Shares
“Shares”	ordinary shares 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
“subsidiaries”	has the meaning given that term under section 2(4) of the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“US\$” or “US dollar”	United States Dollar, the lawful currency of the United States of America
“VMEPH Distributorship Agreement”	the agreement dated 9 November 2009 and entered into between the Company and Sanyang in relation to the exclusive distribution by the Group of motorbikes and related parts manufactured by Sanyang Group in the Exclusive Territory (excluding Vietnam, unless the motorbikes are resold in Vietnam for exhibition purposes)
“%”	per cent.

LETTER FROM THE BOARD



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. Chang Kwang Hsiung (*the Chairman*)
Mr. Wang Ching Tung (*Chief Executive Officer*)
Mr. Yu Wen Lung (*Chief Financial Officer*)
Mr. Chou Ken Yuan

Non-executive Directors:

Mr. Chiang Shih Huang
Mr. Chiu Ying Feng

Independent non-executive Directors:

Ms. Lin Ching Ching
Mr. Shen Hwa Rong
Mr. Wei Sheng Huang

Registered Office:

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

Principal Place of Business

in Hong Kong:
Room 2106, 21/F
Technology Plaza
651 King's Road
North Point
Hong Kong

1 June 2012

To the Shareholders

Dear Sir or Madam,

REVISION OF 2012 ANNUAL CAP FOR CONTINUING CONNECTED TRANSACTIONS UNDER VMEPH DISTRIBUTORSHIP AGREEMENT

INTRODUCTION

Reference is made to the announcement of the Company dated 18 May 2012 regarding, among others, the Revised 2012 Annual Cap. In view of the recent business expansion and developments, the Board proposes to further revise the Original 2012 Annual Cap.

LETTER FROM THE BOARD

The Independent Board Committee has been formed to advise the Independent Shareholders in connection with the Revised 2012 Annual Cap. Centurion has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the same.

VMEPH DISTRIBUTORSHIP AGREEMENT

On 9 November 2009, the Company entered into the VMEPH Distributorship Agreement with Sanyang for a term of three years commencing from 1 January 2010 in relation to, among others, the Group's exclusive distributorship of motorbikes and related parts manufactured by the Sanyang Group in the Exclusive Territory (excluding Vietnam, in which the Company is only entitled to re-sell such motorbikes to customers solely for use in exhibitions).

Under the VMEPH Distributorship Agreement, the Group only purchases products from the Sanyang Group when confirmed customer orders are received and the products being purchased are restricted to those models of motorbikes which are not produced by the Group. The Sanyang Group sells such products of the Group at a price that is at least 3.5% lower than the indicative purchase price for such products offered by independent third parties (being persons or entities who/which are not connected persons) customers to whom the Group proposes to re-sell such products. Such pricing basis ensures that the Group will have the benefit of a margin of at least 3.5% as a minimum guaranteed profit on each product manufactured by the Sanyang Group which the Group re-sells to end customers in the Exclusive Territory. The Group is required to pay for all purchases made under the VMEPH Distributorship Agreement in cash within 30 days after the date of delivery.

Historical Amounts

After the entering into of the VMEPH Distributorship Agreement in November 2009, the Board has, with the approval of the Independent Shareholders if required by Listing Rules, revised the annual caps of the VMEPH Distributorship Agreement in August 2010 and July 2011, respectively. Please refer to the Company's announcements dated 20 August 2010, 25 August 2010 and 28 March 2011 for further details.

LETTER FROM THE BOARD

The original annual caps (as revised from time to time with the approval of the Independent Shareholders) and the historical transaction amounts of the VMEPH Distributorship Agreement for the two years ended 31 December 2011 are set out as follows:

For the year ended 31 December 2010	Proposed annual cap (as revised pursuant to announcement dated 25 August 2010)	US\$10,000,000 (equivalent to approximately HK\$78,000,000)
	Actual transaction amount	US\$9,538,244 (equivalent to approximately HK\$74,398,303)
For the year ended 31 December 2011	Proposed annual cap (as revised pursuant to announcement dated 28 March 2011)	US\$13,000,000 (equivalent to approximately HK\$101,400,000)
	Actual transaction amount	US\$12,883,870 (equivalent to approximately HK\$100,494,186)

Revised 2012 Annual Cap

In view of the expected business development and expansion, the Board estimates that the Original 2012 Annual Cap will not be sufficient for the expected sales of the Group for the financial year ending 31 December 2012. The Board therefore proposes to further revise the annual cap in relation to the distribution of motorbike and related parts manufactured by Sanyang Group in the Exclusive Territory under the VMEPH Distributorship Agreement for the year ending 31 December 2012.

The Original 2012 Annual Cap, the actual transaction amounts under the VMEPH Distributorship Agreement up to 30 April 2012, and the Revised 2012 Annual Cap proposed by the Board are as follows:

Original 2012 Annual Cap (as revised pursuant to announcement dated 28 March 2011)	US\$14,500,000 (equivalent to approximately HK\$113,100,000)
Actual transaction amount for the four months ended 30 April 2012 (based on unaudited management accounts)	US\$6,764,400 (equivalent to approximately HK\$52,762,320)
Revised 2012 Annual Cap	US\$28,500,000 (equivalent to approximately HK\$222,300,000)

LETTER FROM THE BOARD

In determining the Revised 2012 Annual Cap, the Board took into account (i) the historical transaction amounts for the four months ended 30 April 2012, (ii) the confirmed purchase order of motorbikes and related parts for the first half of year 2012 and (iii) the estimated sales for the second half of 2012. Though the peak season of the Group's purchases of motorbikes normally only starts in the second half of the financial year, the Group's purchases under the VMEPH Distributorship Agreement during the first four months of 2012, based on the Group's unaudited management accounts, have already reached US\$6,764,400, which represents (i) approximately 47% of the Original 2012 Annual Cap; and (ii) an increase of approximately 50% when compared with the same period in 2011.

As at the Latest Practicable Date, based on the Group's latest unaudited management accounts, the actual transaction amounts under the VMEPH Distributorship Agreement have not exceeded the Original 2012 Annual Cap.

REASONS FOR AND BENEFITS OF THE REVISED 2012 ANNUAL CAP

The Group manufactures various types of scooters and cubs to cope with different customer demand. Apart from the sales of scooters and cubs it manufactured, the Group also purchases motorbikes and related parts from the Sanyang Group for distribution to the Group's customers in various South-east Asian countries (excluding Vietnam). By strengthening its distribution network and motorbike parts sourcing network, the Group's responsiveness to customer demand and market changes will be enhanced.

In the first quarter of 2012, the Board noticed a significant increase in demand of motorbikes, scooters and cubs of models with higher output powers, particularly amongst various ASEAN countries. Though the peak season of the Group's purchases of motorbikes normally only starts in the second half of the financial year, the Group's purchases of motorbikes (for reselling) under the VMEPH Distributorship Agreement during the first four months ended 30 April 2012, based on the Group's unaudited management accounts, have already reached US\$6,764,400, representing (i) approximately 47% of the Original 2012 Annual Cap; and (ii) an increase of approximately 50% when compared with the same period in 2011. The Board considered the increase in distribution of motorbikes manufactured by Sanyang Group was mainly driven by strong demand from two ASEAN countries, namely (i) the Philippines, for its increased import of specific motorbikes models manufactured by Sanyang Group for commercial tricycle use; and (ii) Malaysia, where consumers have a strong preference for established and popular branded motorbikes with higher output powers manufactured by Sanyang Group.

Taking into account the confirmed purchase orders of motorbikes and related parts for the first half of year 2012, and having considered the peak seasons of motorbike sales typically fall on the second half of a financial year as well as the steady growth in local commercial activities, consumers' preference and purchasing powers in ASEAN countries in particular, the Philippines and Malaysia, the Board expects such strong demand of motorbikes manufactured by Sanyang Group to sustain throughout the year 2012. Therefore, the Group plans to increase its purchases of higher power outputs motorbikes from Sanyang Group under the VMEPH Distributorship Agreement to meet different customer demands across South-east Asia. The Board believes it will help increasing the Group's market share and further broadening the Group's revenue stream.

LETTER FROM THE BOARD

INFORMATION OF THE GROUP AND SANYANG GROUP

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

Sanyang Group is principally engaged in the manufacturing of (i) motorbikes and related parts and (ii) motor cars, trucks and related parts.

As at Latest Practicable Date, Sanyang, through its wholly-owned subsidiary, SY International Ltd., held 608,318,000 issued Shares (approximately 67.02% of the issued share capital of the Company) and thus, is an indirect substantial shareholder of the Company. Therefore, members of the Sanyang Group are connected persons of the Company.

LISTING RULES IMPLICATIONS

Pursuant to the Listing Rules, if the Company proposes to revise the annual cap for the VMEPH Distributorship Agreement, the Company is required to comply with the provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transactions.

As Sanyang is an indirect substantial shareholder of the Company and thus a connected person of the Company by virtue of Rule 14A.11(1) of the Listing Rules, members of the Sanyang Group are also connected persons of the Company. Accordingly, the transactions under the VMEPH Distributorship Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios for the Revised 2012 Annual Cap exceed 5%, the transactions under the VMEPH Distributorship Agreement will constitute non-exempt continuing connected transactions of the Company subject to the reporting, annual review, announcement and independent shareholders' approval requirements under the Listing Rules.

DIRECTORS' VIEWS

Each of Mr. Chang Kwang Hsiung, Mr. Yu Wen Lung and Mr. Chou Ken Yuan (each being an executive Director) has a 0.0030%, 0.0109%, 0.0024% shareholding in Sanyang, respectively. Mr. Chiang Shih Huang serves on the boards of both Sanyang and the Company, while Mr. Chiu Ying Feng serves on the board of the Company and is an employee of Sanyang. Therefore, pursuant to the Articles of Association of the Company, Mr. Chang Kwang Hsiung, Mr. Yu Wen Lung, Mr. Chou Ken Yuan, Mr. Chiang Shih Huang and Mr. Chiu Ying Feng had abstained from voting at the board meeting to approve the Revised 2012 Annual Cap due to the aforesaid overlapping of roles and shareholding interests in Sanyang.

The Board (excluding the independent non-executive Directors who have expressed their views in the letter from the Independent Board Committee set out on page 10 of this circular) are of the view that the VMEPH Distributorship Agreement has been entered into in the ordinary and usual course of the business of the Group and are based on normal commercial terms, and the VMEPH Distributorship Agreement and the Revised 2012 Annual Cap are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

EGM

A notice convening the EGM to be held at United Conference Centre, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong at 10:30 a.m. on Monday, 25 June 2012 (or immediately after the annual general meeting of the Company convened on the same day, if earlier) is set out on pages 27 to 28 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 Revised 2012 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, SY International Ltd., was interested in approximately 67.02% of the issued share capital of the Company as at the Latest Practicable Date. Therefore, Sanyang, its subsidiaries and associates are required to abstain from voting at the EGM.

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 1806-7, 18th 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 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.

RECOMMENDATION

The Independent Board Committee, having taken into account the advice of Centurion, is of the opinion that the VMEPH Distributorship Agreement has been entered into in the ordinary and usual course of the business of the Group and are based on normal commercial terms, and the VMEPH Distributorship Agreement and the Revised 2012 Annual Cap are fair and reasonable and in the interests of the Company and its Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolution to approve the Revised 2012 Annual Cap at the EGM.

GENERAL

Your attention is drawn to the letter from the Independent Board Committee, the letter from Centurion and the additional information set out in the appendix to this circular and the notice of the EGM.

Yours faithfully,
By order of the Board

Vietnam Manufacturing and Export Processing (Holdings) Limited
Chang Kwang Hsiung
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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 June 2012

Dear Independent Shareholders,

**REVISION OF 2012 ANNUAL CAP FOR
CONTINUING CONNECTED TRANSACTIONS
UNDER VMEPH DISTRIBUTORSHIP AGREEMENT**

We refer to the circular of the Company dated 1 June 2012 (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 Revised 2012 Annual Cap. Centurion 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 Centurion, we are of the opinion that the VMEPH Distributorship Agreement has been entered into in the ordinary and usual course of the business of the Group and are based on normal commercial terms, and the VMEPH Distributorship Agreement and the Revised 2012 Annual Cap are 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 Revised 2012 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 Centurion, and (iii) the appendix to the Circular.

Yours faithfully,

For and on behalf of the Independent Board Committee

LIN Ching Ching
*Independent non-executive
Director*

SHEN Hwa Rong
*Independent non-executive
Director*

WEI Sheng Huang
*Independent non-executive
Director*

LETTER FROM CENTURION

The following is the text of the letter of advice to the Independent Board Committee and the Independent Shareholders from Centurion dated 1 June 2012 for incorporation in this circular:–



CENTURION CORPORATE FINANCE LIMITED
盛百利財務顧問有限公司

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1 June 2012

*To the Independent Board Committee and the Independent Shareholders of
Vietnam Manufacturing and Export Processing
(Holdings) Limited*

Dear Sirs,

REVISION OF 2012 ANNUAL CAP FOR CONTINUING CONNECTED TRANSACTIONS UNDER VMEPH DISTRIBUTORSHIP AGREEMENT

INTRODUCTION

We have been engaged to advise the Independent Board Committee and the Independent Shareholders with respect to the terms of the non-exempt continuing connected transactions contemplated under the Revised 2012 Annual Cap of the VMEPH Distributorship Agreement, details of which are outlined in the “Letter From The Board” set out from pages 4 to 9 of the circular dated 1 June 2012 to the Shareholders (“Circular”) of which this letter forms a part. We have been appointed to give an opinion as to whether the Revised 2012 Annual Cap and the continuing connected transactions contemplated under the VMEPH Distributorship Agreement are or will be carried out in the ordinary and usual course of business, are of normal commercial terms and that the terms of such transactions are fair and reasonable and in the interests of the Shareholders as a whole. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

The Company announced on 18 May 2012 regarding, among other things, the Board expects that the Original 2012 Annual Cap of the VMEPH Distributorship Agreement will not be sufficient for the expected sales of the Group for the financial year ending 31 December 2012. The Board therefore proposes to further revise the Original 2012 Annual Cap and to replace it with the Revised 2012 Annual Cap in relation to the distribution of motorbike and related parts manufactured by the Sanyang Group in the Exclusive Territory under the VMEPH Distributorship Agreement.

LETTER FROM CENTURION

As Sanyang is an indirect substantial shareholder of the Company and thus a connected person of the Company by virtue of Rule 14A.11(1) of the Listing Rules, members of the Sanyang Group are also connected persons of the Company. Accordingly, the transactions under the VMEPH Distributorship Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios for the Revised 2012 Annual Cap exceed 5%, the transactions under the VMEPH Distributorship Agreement will constitute non-exempt continuing connected transactions of the Company subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under the Listing Rules.

Accordingly, the EGM will be convened by the Company with a view to seeking approval of the Revised 2012 Annual Cap of the VMEPH Distributorship Agreement and the transactions contemplated thereunder from the Independent Shareholders in accordance with the requirements of the Listing Rules. 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, SY International Ltd., was interested in approximately 67.02% of the issued share capital of the Company as at the Latest Practicable Date. Therefore, Sanyang, its subsidiaries and associates are required to and will abstain from voting at the EGM in respect of such resolution. In this regard, please refer to the sections headed "EGM" as set out in the "Letter From The Board" for further details.

The Independent Board Committee has been established to consider the Revised 2012 Annual Cap of the VMEPH Distributorship Agreement and the continuing connected transaction contemplated thereunder, and such transactions are also subject to the annual review requirements of Rules 14A.37 to 14A.40 of the Listing Rules.

BASIS OF OUR OPINION

In formulating our opinion and recommendation, we have relied on the accuracy of the information, opinions and representations contained in the Circular, the prospectus of the Company dated 6 December 2007 and other documents (including but not limited to the sample invoices, customers' orders, ledgers and price quotations for the various continuing connected transactions under the VMEPH Distributorship Agreement), which have been provided to us by the executive Directors and for which they take full responsibility. We have also assumed that all statements, information, opinions and representations made or referred to in the Circular were true at the time they were made and continued to be true at the date of this Circular. We have also assumed that all statements of belief, opinions and intentions made by the Directors in the Circular are reasonably made after due and careful enquiry.

LETTER FROM CENTURION

In respect of the financial information of each of the Group and the Sanyang Group, we have relied principally on their respective audited and/or unaudited financial statements, and their respective ledgers, sale contracts and invoices. The financial statements of the Group were all prepared by the Company and for which the Directors take full responsibility. We have also sought and obtained confirmation from the Company that no material facts have been omitted from the information provided and/or referred to in the Circular.

We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the executive Directors. We consider that we have reviewed sufficient financial information to enable us to reach an informed view and to justify reliance on the accuracy of the financial information of the Group as contained in the Circular. We have not, however, conducted any form of independent or in-depth investigation into the businesses and affairs of the prospects of the Group, Sanyang Group, or any of their respective subsidiaries or associates, or the cap amounts sought or approved, nor have we independently verified any of the information (including but not limited to the sample invoices, customers' orders, ledgers and price quotations) supplied to us.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our recommendation, we have taken into consideration the following principal factors and reasons:

1. Background

The Group is one of the leading manufacturers of scooter 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 Latest Practicable Date, Sanyang, through its wholly-owned subsidiary, SY International Ltd., held 608,318,000 Shares (approximately 67.02% of the issued share capital of the Company) and thus, is an indirect substantial shareholder of the Company. Therefore, members of the Sanyang Group are connected persons of the Company.

LETTER FROM CENTURION

The Group's motorbikes are retailed under the SYM and SANDA brand names and its operations in Vietnam commenced in 1992. The Group also produces motorbike engines and parts for internal use and for sale to overseas customers, and sells and provides services in respect of moulds for making die-cast and forged metal parts. Principal operations of the Group are undertaken through VMEPH. The following table summarises the Group's segment revenue for the year ended 31 December 2011:–

Table A: Segment revenue of the Group for the year ended 31 December 2011
(in US\$)

	Manufacture and sales of motorbikes	Manufacture and sales of spare parts and engines	Moulds and repair services	Group
Revenue from external customers	240,560,976	29,561,532	111,828	270,234,336
Inter segment revenue	2,482	94,859,433	1,535,067	96,396,982
Reportable segment revenue	240,563,458	124,420,965	1,646,895	366,631,318
Reportable segment profits (Adjusted EBIT)	7,967,981	6,362,244	231,672	14,561,897

(Source: 2011 annual report of the Company)

As set out in the 2011 annual report of the Company, revenue of the Group for the year ended 31 December 2011 increased to US\$270.2 million from US\$246.9 million for the year ended 31 December 2010, representing an increase of US\$23.3 million or 10%. Such increment was due to stable domestic demand in Vietnam during the year of 2011. The Group's domestic sales quantities of scooters increased by 8% for the year ended 31 December 2011 as compared with the year ended 31 December 2010, while overall sales quantities also increased from approximately 235,000 units for the year ended 31 December 2010 to 264,000 units for the year ended 31 December 2011, representing an increase of 12% over the comparative periods. Sales of scooters continued to be the Group's major profit driver which accounting for 68% of total sales, and the principal models were ATTILA-ELIZABETH, ELEGANT, ANGEL and JOYRIDE.

LETTER FROM CENTURION

In terms of geographical contribution, approximately 89% of total sales were generated from the domestic market in Vietnam for the year ended 31 December 2011. Domestic sales in Vietnam increased 9% from US\$220.0 million for the year ended 31 December 2010 to US\$240.7 million for the year ended 31 December 2011. Due to the increase in the overseas markets demands, export sales increased by US\$2.6 million during the year of 2011. The quantity of engines exported increased by approximately 9,000 units from approximately 25,000 units for the year ended 31 December 2010 to approximately 34,000 units for the year ended 31 December 2011.

Reference is made to the announcements of the Company dated 9 November 2009 and 28 March 2011, in relation to, among other things, the entering into of the VMEPH Distributorship Agreement and the revision of its annual caps for the two years ended 31 December 2012. In view of the recent business expansion and developments, the Board proposes to further revise the Original 2012 Annual Cap to the Revised 2012 Annual Cap. Dealing with the non-exempt continuing connected transactions of the VMEPH Distributorship Agreement is set out below.

2. Principal terms, transaction values, annual caps and the Revised 2012 Cap under the VMEPH Distributorship Agreement

On 9 November 2009, the Company entered into the VMEPH Distributorship Agreement with Sanyang for a term of three years commencing from 1 January 2010 in relation to, among others, the Group's exclusive distributorship of motorbikes and related parts manufactured by the Sanyang Group in the Exclusive Territory (except in the case of Vietnam, the Company will only be entitled to re-sell such motorbikes to customers in Vietnam solely for use in exhibitions).

Under the VMEPH Distributorship Agreement, the Group only purchases products from the Sanyang Group when confirmed customer orders are received and the products being purchased are restricted to those models of motorbikes which are not produced by the Group. The Sanyang Group sells such products at a price that is at least 3.5% lower than the indicative purchase price for such products offered by independent third parties (being persons or entities who/which are not connected persons) customers to whom the Group proposes to re-sell such products. Such pricing basis ensures that the Group will have the benefit of a margin of at least 3.5% as a minimum guaranteed profit on each product manufactured by the Sanyang Group which the Group re-sells to end customers in the Exclusive Territory. The Group is required to pay for all purchases made under the VMEPH Distributorship Agreement in cash within 30 days after the date of delivery.

LETTER FROM CENTURION

The historical transaction values and existing annual caps of the continuing connected transactions under the VMEPH Distributorship Agreement are set out in the following table:–

Table B: Historical transaction values and annual caps of the transactions under the VMEPH Distributorship Agreement (in US\$)

<i>(in US\$)</i>	For the year ended 31 December 2009	For the year ended 31 December 2010	For the year ended 31 December 2011
Transaction amount	5,071,671 (approximately HK\$39,559,034)	9,538,244 (approximately HK\$74,398,303)	12,883,870 (approximately HK\$100,494,186)
Annual caps sought and approved	7,700,000 (approximately HK\$60,060,000)	10,000,000 (approximately HK\$78,000,000)	13,000,000 (approximately HK\$101,400,000)

For the reasons set out in the “Letter From The Board” and below under the section headed “Reasons For And Benefits Of The Revised 2012 Annual Cap”, the following Revised 2012 Annual Cap for the VMEPH Distributorship Agreement is to be sought.

Table C: Transaction values, original caps and the Revised 2012 Annual Cap for the transactions under the VMEPH Distributorship Agreement (in US\$)

<i>(in US\$)</i>	For the period ended 30 April 2012	For the year ending 31 December 2012
Actual transaction amount	6,764,400 (approximately HK\$52,762,320)	–
Original 2012 Annual Cap approved (as revised pursuant to announcement dated 28 March 2011)	–	14,500,000 (approximately HK\$113,100,000)
Proposed Revised 2012 Annual Cap to be sought	–	28,500,000 (approximately HK\$222,300,000)

LETTER FROM CENTURION

In determining the Revised 2012 Annual Cap, the Board took into account (i) the historical transaction amounts for the four months ended 30 April 2012, (ii) the confirmed purchase order of motorbikes and related parts for the first half of year 2012 and (iii) the estimated sales for the second half of 2012 when the peak season of sales is expected to start. The Group's purchases of motorbikes (for reselling) under the VMEPH Distributorship Agreement during the four months period ended 30 April 2012 was US\$6,764,400, which represents (i) approximately 47% of the Original 2012 Annual Cap; and (ii) an increase of approximately 50% when compared with the same period in 2011.

As set out in the "Letter From The Board", as at the Latest Practicable Date, based on the Group's latest unaudited management accounts, the actual transaction amounts under the VMEPH Distributorship Agreement have not yet exceeded the Original 2012 Annual Cap.

3. Findings on the terms of the continuing connected transactions under the VMEPH Distributorship Agreement

In order to satisfy ourselves that the terms of the non-exempt continuing connected transactions contemplated under Revised 2012 Annual Cap of the VMEPH Distributorship Agreement will be, in general, carried out in the ordinary and usual course of business, are of normal commercial terms and that the terms of such transactions are no less favourable to the Group than those available to independent third parties and where applicable, the pricing thereof will in general, be in line with the pre-determined margins or the prevailing market price, we have reviewed certain randomly selected samples from ledgers provided by the Company, these samples include sample invoices, customers' orders, ledgers and price quotations. Our findings under the VMEPH Distributorship Agreement are set out below.

As set out above, under the VMEPH Distributorship Agreement, the Group only purchases products from the Sanyang Group and (i) the products being purchased are restricted to those models of motorbikes which are not produced by the Group; and (ii) the Sanyang Group sells such products at a price that is at least 3.5% lower than the indicative purchase price for such products offered by independent third party customers to whom the Group proposes to re-sell such products.

Amongst the sample invoices reviewed by us, we noted that those invoice numbers began with a "SY" reference all had to pay a 5% sales tax (based on cost) to the Taiwan tax authority. We understand from management of the Company that such payments have since been refunded, following refund applications lodged on a regular basis. We have also been provided with selected supporting documents evidencing such tax refunds. On the basis that all such sales taxes will continue to be refunded in full, the sample invoices and relevant cost data reviewed by us did adhere to this minimum 3.5% profit margin arrangement.

LETTER FROM CENTURION

Based on the above information, we concur with the Board's view (excluding the independent non-executive Directors whose views are expressed in the "Letter From The Independent Board Committee" as set out in this Circular) that the VMEPH Distributorship Agreement has been entered into in the ordinary and usual course of the business of the Group and is based on normal commercial terms, and the VMEPH Distributorship Agreement and the Revised 2012 Annual Cap are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

4. Reasons for and benefits of the Revised 2012 Annual Cap

The Group manufactures various types of scooters and cubs to cope with different customer demand. Apart from the sales of scooters and cubs manufactured by the Group, it also purchases motorbikes of models which are not produced by the Group and related parts from the Sanyang Group for distribution to the Group's customers in various Association of Southeast Asian Nations ("ASEAN") countries (excluding Vietnam). By strengthening its distribution network and motorbike parts sourcing network, the Group's responsiveness to customer demand and market changes will be enhanced.

Since the first quarter of 2012, the Board noticed a significant increase in demand of motorbikes, scooters and cubs of models with higher output powers, particularly amongst ASEAN countries, and expects such strong demand to sustain throughout the year 2012. Therefore, the Group plans to increase its distribution of higher output powers motorbikes purchased from Sanyang Group under the VMEPH Distributorship Agreement. The expected increase in units of motorbikes to be distributed under VMEPH Distributorship Agreement will enable the Group to meet different customer demands across South-east Asia thereby increasing its market share, and at the same time, to further broaden its revenue stream.

We have reviewed randomly selected sample invoices, customers' orders, ledgers and price quotations of the historical transactions in 2011 and in the first four months of 2012, the relevant projections prepared by the management of the Company and have noted that during the first four months period ended 30 April 2012: (i) the motorbike models with higher output powers were indeed the principal drivers for the increase in demand for motorbikes (i.e. purchase of motorbikes for reselling) and related parts manufactured by the Sanyang Group in the Exclusive Territory; and (ii) the two ASEAN countries which had reported higher demand for such higher output motorbikes were the Philippines and Malaysia. We take the view that the local macro economic factors in each of the Philippines and Malaysia may also be attributable to such increase in demands of higher output motorbikes.

LETTER FROM CENTURION

The reason for the aforesaid increase in demand from the Philippines was, according to management of the Group, due to the increase in demand in using such higher output motorbikes for commercial tricycle usage. Whereas in Malaysia, the demand was driven by consumers' preference for larger engine motorbikes and those motorbikes with 250 c.c. and 400 c.c. engines manufactured by the Sanyang Group in Taiwan are in particular, more sought after by the local consumers, as these motorbikes have established a following amongst local consumers in Malaysia.

Our views

In light of the aforesaid, our view is that such historical transaction amounts, coupled with other macro economic factors as set out below, are in line with the Revised 2012 Annual Cap for the VMEPH Distributorship Agreement.

Independent Shareholders should take note of the special and close relationship between the Group and the Sanyang Group, details of which are set out in the prospectus of the Company dated 6 December 2007 under the section headed "Relationship With The Sanyang Group". The Sanyang Group began selling its motorbikes in 1970s in Taiwan. Sanyang, which was incorporated in Taiwan in 1961 with its shares having been listed on the Taiwan Stock Exchange since 29 July 1996, has the depth and breadth in the manufacture of motorbikes and related parts.

The Group would purchase parts from Sanyang and not directly from independent third party suppliers which were also known to the Group because the combined purchase volume of Sanyang and the Group would enable Sanyang to negotiate better terms with those suppliers which in turn, would benefit the Group. We also understand from management of the Company that the whole supply chain arrangement of the Group is driven by a combination of important factors like pricing, quality, logistics services and supports, which are the underlying reasons for the no-exempt continuing connected transactions.

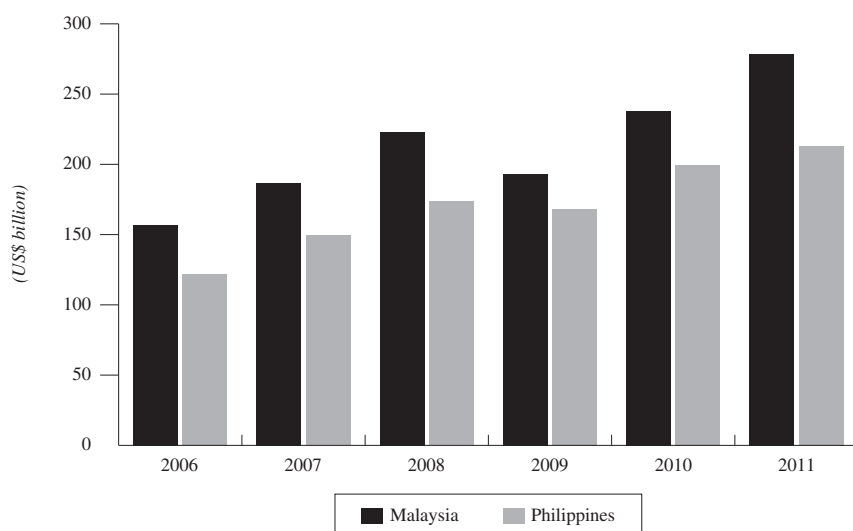
In light of the aforesaid, in particular, the motorbike manufacturing capability of the Sanyang Group, the Group's historical relationship with Sanyang, the need to source motorbikes from or through the Sanyang Group due to pricing, quality, stability of supply and other supply chain factors, given the rising material costs and other prevailing economic circumstances, we are in concurrence with the abovementioned reasons for and benefits of the Revised 2012 Annual Cap as cited by the Board. We also concur with the Board that the VMEPH Distributorship Agreement has been entered into in the ordinary and usual course of business of the Group, the continuing connected transactions contemplated thereunder and the Revised 2012 Annual Cap are in the interests of the Company and its Shareholders as a whole.

LETTER FROM CENTURION

We have also reviewed certain projections prepared by the Company and have noted the relevant bases and assumptions supporting such reasons for the Revised 2012 Annual Cap. The expected increase in volumes of motorbikes to be distributed under the Revised 2012 Annual Cap is based on a sharp increase in sales of the larger engine motorbikes under the VMEPH Distributorship Agreement totalling US\$6,764,400 (approximately HK\$52,762,320) for the first four months ended 30 April 2012 and the expected increase in sales of higher output motorbikes in the ASEAN countries, in particular Malaysia and the Philippines, for the remaining of the year ending 31 December 2012. These expected increase in sales are driven by growth in the local commercial activities, consumers' preference and economic strengths. In this regard, a more detailed analysis on the gross domestic product ("GDP") and GDP growth rate of each of Malaysia and the Philippines is also set out below.

We have taken into consideration the two charts below on respectively, GDP and GDP growth rate of each of Malaysia and the Philippines, as published by the International Monetary Fund. We have noted the general V-shape rebound of GDP growth rates of these two countries respectively at the end of 2009, and while the GDP growth rates as set out in Chart II below dropped slightly in 2011, the overall GDP amounts in 2011 of these two countries in Chat I below were still higher than in the previous years. Such increases in GDPs do support the expected strong demand for motorbikes with higher output powers in these marketplaces for 2012.

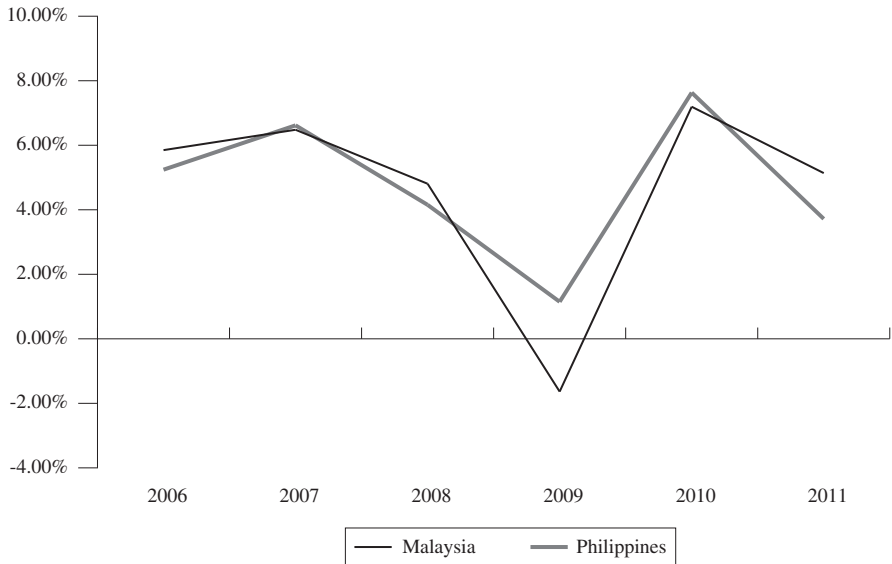
Chart I – GDP of Malaysia and Philippines from 2006 to 2011



(Source: International Monetary Fund, World Economic Outlook Database, April 2012)

LETTER FROM CENTURION

**Chart II – GDP growth rates (constant prices) of
Malaysia and Philippines from 2006 to 2011**



(Source: International Monetary Fund, World Economic Outlook Database, April 2012)

Having considered the aforesaid bases, the effect of the market conditions, the economic data as set out in the charts above, when viewed against the Revised 2012 Annual Cap, we take the view that such cap amount is arrived at based on bases and assumptions which are fair and reasonable and the relevant historical transaction amounts are in line with the Revised 2012 Annual Cap sought. That said, in line with all projections, actual events are likely to be different, as illustrated by the need to revise the cap amount under the Original 2012 Annual Cap. The Group's increased sales under VMEPH Distributorship Agreement is a result of consumers' preference for larger engine motorbikes, commercial needs and perceived values based on different motorbike models of different manufacturers. Some of these underlying reasons for the increased demand could change over time. As such, there is always the possibility that a particular annual cap is either too conservative or aggressive based on actual events, notwithstanding our current view that the Revised 2012 Annual Cap is reasonable.

LETTER FROM CENTURION

We would also like to draw to the attention of the Independent Shareholders that as set out in the first quarter results announcement of the Company dated 27 April 2012, unaudited consolidated profit attributable to Shareholders was down from the previous quarter's US\$8,180,580 to a loss of US\$459,797 for the three months ended 31 March 2012, while revenue of the Group dropped by approximately 39% to US\$47,234,835. Gross profit margin also dropped from approximately 21.4% to approximately 11.5% for the three months ended 31 March 2012. These results were attributable to (i) a decline of sales revenue due to intensified competition in the motorbike market in Vietnam; (ii) the rising production costs in as a result of inflation in Vietnam; and (iii) an increase in research and development expenses attributable to the launch of new motorbike models.

Whilst the increase in sales under the Revised 2012 Annual Cap of the VMEPH Distributorship Agreement, due to the relatively small percentage of these sales when compared to the Group's total sales historically and their minimum margin of 3.5% only, will only have a modest impact on the overall sales and profitability of the Group, maintaining such increase in sales under the proposed Revised 2012 Annual Cap is nevertheless, a positive step forward in achieving better market penetration and profitability of the Group.

RECOMMENDATION

Having considered the principal factors and reasons set out above, we consider that the terms of the non-exempt continuing connected transactions under the Revised 2012 Annual Cap, the entering into of the VMEPH Distributorship Agreement are or will be carried out in the ordinary and usual course of business, are of normal commercial terms and that the terms of such transactions are fair and reasonable and in the interests of the Shareholders as a whole.

We therefore, advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolution approving the Revised 2012 Annual Cap, the VMEPH Distributorship Agreement and the transactions contemplated thereunder, at the EGM.

Yours faithfully,
for and on behalf of
Centurion Corporate Finance Limited
Baldwin LEE
Managing Director

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 issuer. 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	Nature of interest	Interests in Shares/underlying Shares	Total number of ordinary Shares ⁽¹⁾	Approximate percentage of interest in the share capital
Chang Kwang Hsiung	The Company	Personal interest	Share options ⁽²⁾ Shares	498,000 (L) 50,000 (L)	0.06%
Wang Ching Tung	The Company	Personal interest	Share options ⁽²⁾	398,000 (L)	0.04%
Yu Wen Lung	The Company	Personal interest	Share options ⁽²⁾ Shares	249,000 (L) 50,000 (L)	0.03%

⁽¹⁾ The letter "L" denotes a long position in such Shares.

⁽²⁾ These share options were granted to Directors on 4 February 2008 under the share option scheme adopted by the Company on 24 November 2007.

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) Interests of substantial shareholders

So far as is known to any Director or chief executive of the Company, as at the Latest Practicable Date, Shareholders (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares or 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, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name	Nature of interest	Number of Shares ⁽¹⁾	Approximate percentage of interest in the share capital
SY International Ltd. ⁽²⁾	Corporate interest	608,318,000 (L)	67.02%
Sanyang ^{(2) (3)}	Interest in a controlled corporation	608,318,000 (L)	67.02%

⁽¹⁾ The letter "L" denotes a long position in such Shares.

⁽²⁾ SY International Ltd. is a direct wholly-owned subsidiary of Sanyang and therefore, Sanyang is deemed or taken to be interested in the Shares held by SY International Ltd. for the purposes of the SFO.

⁽³⁾ Each of Mr. Chang Kwang Hsiung, Mr. Yu Wen Lung and Mr. Chou Ken Yuan (each being a Director) has a 0.0030%, 0.0109%, 0.0024% shareholding in Sanyang, respectively. Mr. Chiang Shih Huang serves on the boards of both Sanyang and the Company, while Mr. Chiu Ying Feng serves on the board of the Company and is an employee of Sanyang.

Save as disclosed above, as at the Latest Practicable Date, the Company had not been notified by any persons (other than the Directors or chief executive of the Company) who had interests or short positions in the shares or 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, or who were interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any options in respect of such share capital.

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
Centurion Corporate Finance Limited	a licensed corporation under the SFO permitted to engage in types 1, 4, 6 and 9 of the regulated activities under the SFO

5. CONSENT

Centurion 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

Save and except for the information disclosed in the Company's announcement dated 20 April 2012, the Company is not aware of any material adverse change in the financial or trading position of the Group since 31 December 2011, 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 or Centurion 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 had any interest, either directly or indirectly, in any assets which have been, since 31 December 2011, being the date to which the latest published audited financial statements of the Company 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 company secretary and the qualified accountant of the Company is Mr. Chan Chi Shing who is a certified public accountant of the Hong Kong Institute of Certified Public Accountants.
- (e) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (f) The principal place of business of the Company in Hong Kong is at Room 2106, 21/F, Technology Plaza, 651 King's Road, North Point, Hong Kong.
- (g) The branch share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited.
- (h) The principal share registrar and transfer office of the Company is Butterfield Fund Services (Cayman) Limited.
- (i) 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 room 2106, 21/F., Technology Plaza, 651 King's Road, North Point, Hong Kong from the date of this circular to 25 June 2012 (both days inclusive).

- (a) VMEPH Distributorship Agreement;
- (b) the letter from the Independent Board Committee dated 1 June, 2012, the text of which is set out on page 10 of this circular;
- (c) the letter from Centurion, the text of which is set out on pages 11 to 22 of this circular; and
- (d) the consent letter from Centurion referred to in the paragraph headed "Consent" in this Appendix.

NOTICE OF EGM



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 IS HEREBY GIVEN that the extraordinary general meeting of shareholders of Vietnam Manufacturing and Export Processing (Holdings) Limited (the “**Company**”) will be held at United Conference Centre, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong at 10:30 a.m. on Monday, 25 June 2012 (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

“**THAT** the proposed annual cap for the year ending 31 December 2012 (details of which have been set out in the circular of the Company dated 1 June 2012) in respect of the transactions under the agreement dated 9 November 2009, entered into between the Company and Sanyang Industry Co., Limited. (“**Sanyang**”) in relation to the exclusive distributorship by the Company and its subsidiaries (the “**Group**”) of motorbikes and related parts manufactured by Sanyang and its subsidiaries in 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 (excluding Vietnam, in which the Company is only entitled to re-sell such motorbikes to customers solely for use in exhibitions) be and are hereby approved, confirmed and ratified.”

By order of the Board

Vietnam Manufacturing and Export Processing (Holdings) Limited

Chang Kwang Hsiung

Chairman

Hong Kong, 1 June 2012

NOTICE OF EGM

Registered Office:

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

Principal Place of Business

in Hong Kong:
Room 2106, 21/F
Technology Plaza
651 King's Road
North Point
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 21 June 2012 to 25 June 2012 (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 20 June 2012.
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. 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 1806-7, 18th 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 or any adjourned meeting.
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) 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.