

A. FURTHER INFORMATION ABOUT THE COMPANY**1. Incorporation**

The Company was incorporated as an exempted limited liability company in the Cayman Islands on 20 June 2005 under the Companies Law. The registered address of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company has established a principal place of business in Hong Kong at Room 2106, 21/F, Technology Plaza, No. 651 King's Road, North Point, Hong Kong and has been registered with the Registrar of Companies in Hong Kong as an oversea company under Part XI of the Companies Ordinance. Mr. Chan Chi Shing of Flat G, 8/F, Block 8, Kornhill Gardens, Quarry Bay, Hong Kong has been appointed as the agent of the Company for the acceptance of service of process and notices on behalf of the Company in Hong Kong.

As the Company was incorporated in the Cayman Islands, it operates subject to the Companies Law and its constitutive documents comprise a memorandum of association and articles of association. A summary of certain parts of the Company's constitution and relevant aspects of the Companies Law is set out in Appendix V to this prospectus.

2. Changes in share capital

As at the date of the incorporation of the Company, the authorised share capital of the Company was US\$1,000,000 divided into 1,000,000 shares of par value of US\$1.00 each. The authorised share capital was increased to US\$200,000,000 divided into 200,000,000 shares of US\$1.00 each on 28 October 2005.

The following sets out the changes in the share capital of the Company since the date of its incorporation:

- (a) On 20 June 2005, one share in the Company of US\$1.00 each was allotted and credited as fully paid to Offshore Incorporations (Cayman) Limited as the initial subscriber, which was transferred to Sanyang on the same day;
- (b) On 20 June 2005, in consideration of US\$999,999 paid by Sanyang to the Company, 999,999 shares in the Company of US\$1.00 each were allotted and credited as fully paid to Sanyang;
- (c) On 1 November 2005, in consideration of US\$57,560,000 paid by Sanyang to the Company, 57,560,000 shares in the Company of US\$1.00 each were allotted to Sanyang;
- (d) On 7 November 2005, Sanyang transferred its entire shareholding in the Company to SYI and SYI became the sole shareholder of the Company;
- (e) On 18 May 2006, in consideration of US\$22,000,000 paid by Indopark to the Company, 5,856,000 shares in the Company of US\$1.00 each were transferred from SYI to Indopark; and
- (f) On 24 November 2007, written resolutions of the Shareholders were passed to approve, among other things, (i) the change in the authorised share capital, (ii) the change in par value; and (iii) the Capitalisation Issue, details of which are set out below.

Assuming the Global Offering becomes unconditional and upon completion of the Capitalisation Issue and the Global Offering, the authorised share capital of the Company will be HK\$100,000,000 divided into 10,000,000,000 Shares of par value of HK\$0.01 each and the issued share capital will be HK\$9,076,800 divided into 907,680,000 Shares of par value of HK\$0.01 each, fully paid or credited as fully paid.

Save as mentioned above and in the paragraph headed “Written resolutions of the Shareholders passed on 24 November 2007”, there has been no alteration in the share capital of the Company since its incorporation.

3. Written resolutions of the Shareholders passed on 24 November 2007

Pursuant to the written resolutions of the Shareholders passed on 24 November 2007:

- (a) the authorised share capital of the Company be increased by HK\$100,000,000 by the creation of 10,000,000,000 shares of HK\$0.01 par value each (the “**Share**”) such that the authorised share capital of the Company would be US\$200,000,000 and HK\$100,000,000 divided into 200,000,000 shares of US\$1.00 each and 10,000,000,000 Shares of HK\$0.01 each (the “**Increase**”);
- (b) following the Increase, an aggregate of 58,560,000 new Shares be issued (the “**Issue**”) for an amount that is equivalent to the Repurchase Proceeds (as defined below) (the “**Subscription Price**”) to the following shareholders:

| Shareholders | No. of new Shares |
|---------------------|--------------------------|
| SYI | 52,704,000 |
| Indopark | 5,856,000 |

- (c) following the Issue, the Company shall repurchase all the issued shares of US\$1.00 each in the share capital of the Company in issue prior to the Issue (the “**Existing Shares**”) from SYI as to 52,704,000 Existing Shares and from Indopark as to 5,856,000 Existing Shares (the “**Repurchase**”) for an amount that is equivalent to the nominal value of the Existing Shares (the “**Repurchase Proceeds**”) out of the proceeds of the fresh issue of shares referred to in (b) above by setting off the Repurchase Proceeds against the Subscription Price;
- (d) following the Repurchase, the authorised but unissued share capital of the Company be diminished by the cancellation of all unissued shares of US\$1.00 each in the capital of the Company;
- (e) the Company approved and adopted its Articles of Association, the terms of which are summarised in Appendix V to this prospectus;
- (f) conditional on the same conditions as stated in the sub-section headed “Conditions of the Hong Kong Public Offering” in the section headed “Structure of the Global Offering”:
 - (i) the Global Offering (including the Over-allotment Option) was approved and the Directors were authorised to allot and issue the New Shares and to approve transfer of the Sale Shares pursuant thereto; and

- (ii) the rules of the Share Option Scheme were approved and adopted and the Directors were authorised to implement the same, grant options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant thereto;
- (g) conditional on the share premium account of the Company having sufficient balance or otherwise being credited as a result of the issue of New Shares pursuant to the Global Offering, the Directors were authorised to capitalise the amount of HK\$6,734,400 from the amount standing to the credit of the share premium account of the Company to pay up in full at par 673,440,000 Shares for allotment and issue to the person(s) whose name(s) appear(s) on the register of members of the Company at the close of business on 30 November 2007, pro-rata to their then existing shareholdings in the Company; and
- (h) the Company granted the Directors a general unconditional mandate to allot, issue and deal with, otherwise than by way of rights or pursuant to the exercise of any options which may be granted under any share option scheme or by virtue of scrip dividend schemes or similar arrangements in accordance with the Articles of Association, Shares with an aggregate nominal value not exceeding:
 - (i) 20% of the aggregate nominal value of the share capital of the Company in issue immediately following completion of the Global Offering and the Capitalisation Issue; and
 - (ii) the aggregate nominal amount of the share capital of the Company repurchased under the authority referred to in sub-paragraph (i) below; and
- (i) the Company granted the Directors a general unconditional mandate to exercise all powers of the Company to repurchase on the Stock Exchange, or on any other stock exchange on which the securities of the Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, up to 10% of the aggregate nominal value of the share capital of the Company in issue immediately following completion of the Global Offering and the Capitalisation Issue.

Each of the general mandate referred to in sub-paragraphs (h) and (i) above will remain in effect until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual meeting of the Company is required to be held; or
- (iii) the time when such mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

4. Corporate reorganisation

The companies comprising the Group underwent a reorganisation in preparation for the listing of the Shares on the Stock Exchange. Following the reorganisation, the Company became the holding company of the Group.

For further information about the reorganisation, please refer to the section headed “History and Development” in this prospectus.

5. Changes in share capital of subsidiaries

The following alterations in the share capital of the subsidiaries of the Company have taken place within the two years preceding the date of this prospectus:

(a) *VMEP*

On 27 June 2007, the registered investment capital of VMEP has been reduced from US\$230,230,000 to US\$160,000,000 and the charter capital has been reduced from US\$79,629,000 to US\$58,560,000, respectively.

(b) *Chin Zong*

On 6 July 2007, Chin Zong was incorporated in Taiwan. It has an authorised share capital of NT\$300,000,000 divided into 30,000,000 shares of par value NT\$10 per share. 15,000,000 shares of NT\$10 each were allotted and issued and credited as fully paid to the Company on the same day.

Save as mentioned above, there has been no alteration in the share capital of any of the subsidiaries of the Company within the two years immediately preceding the date of this prospectus.

6. Repurchases of the Shares

This section includes information relating to the repurchase of the Shares, including information required by the Stock Exchange to be included in this prospectus concerning such repurchase.

(a) *Relevant Legal and Regulatory Requirements*

The Listing Rules permit the Shareholders to grant to the Directors a general mandate to repurchase the Shares that are listed on the Stock Exchange. Such mandate is required to be given by way of an ordinary resolution passed by the Shareholders at a general meeting.

(b) *Shareholders' Approval*

All proposed repurchases of Shares (which must be fully paid up) must be approved in advance by ordinary resolutions of the Shareholders at a general meeting, either by way of general mandate or by specific approval of a particular transaction.

On 24 November 2007, the Directors were granted a general unconditional mandate to repurchase up to 10% of the aggregate nominal value of the share capital of the Company in issue immediately following the Global Offering (excluding Shares which may be allotted and issued under the Over-allotment Option or the Options to be granted under the Share Option Scheme) on the Stock Exchange or on any other stock exchange on which the securities may be listed and which is recognised by the SFC and the Stock Exchange for this purpose. This mandate will expire at the earliest of (i) the conclusion of the next annual Shareholders' general meeting; (ii) the date by which the next Shareholders' general meeting is required by applicable laws and the Articles of Association to be held; or (iii) such mandate being revoked or varied by ordinary resolutions of the Shareholders at a general meeting of the Company (the "Relevant Period").

(c) Source of Funds

The repurchase of the Shares listed on the Stock Exchange must be funded out of funds legally available for the purpose in accordance with the Memorandum of Association and Articles of Association and the applicable laws of the Cayman Islands. The Company may not repurchase the Shares on the Stock Exchange for consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Subject to the foregoing, the Company may make repurchases out of profits or out of the proceeds from an issue of new Shares for the purpose of the repurchase or, if authorised by the Articles of Association and subject to the Companies Law, out of capital; and, in the case of any premium, out of profits or the share premium account of the Company or, if authorised by the Articles of Association and subject to the Company Law, out of capital.

(d) Reasons for Repurchases

The Directors believe that it is in the Company's and the Shareholders' best interests for the Directors to have general authority to execute repurchases of the Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made where the Directors believe that such repurchases will benefit the Company and the Shareholders.

(e) Funding of Repurchases

In repurchasing securities, the Company may only apply funds legally available for such purpose in accordance with the Memorandum of Association and Articles of Association and the Listing Rules.

On the basis of the current financial position of the Company as disclosed in this prospectus and taking into account the current working capital position of the Company, the Directors believe that, if the repurchase mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position as compared with the position disclosed in this prospectus. However, the Directors do not propose to exercise the repurchase mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

(f) *Share Capital*

The exercise in full of the current repurchase mandate, on the basis of 907,680,000 Shares in issue immediately after the Global Offering (without taking into account the exercise of the Over-allotment Option or the Options to be granted under the Share Option Scheme), could accordingly result in up to 90,768,000 Shares being repurchased by the Company during the Relevant Period.

(g) *General*

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) currently intends to sell any of the Shares to the Company.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the repurchase mandate in accordance with the Listing Rules, the Memorandum of Association and Articles of Association, the Cayman Companies Law and any other applicable laws of the Cayman Islands.

If, as a result of any repurchase of the Shares, a Shareholder's proportionate interest in the voting rights is increased, such increase will be treated as an acquisition for the purposes of the Hong Kong Code on Takeovers and Mergers (the "Takeovers Code"). Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with rule 26 of the Takeovers Code. The Directors are not aware of any consequences of repurchases which would arise under the Takeovers Code.

No connected person as defined by the Listing Rules has notified the Company that he has a present intention to sell his Shares to the Company, or has undertaken not to do so, if the repurchase mandate is exercised.

B. FURTHER INFORMATION ABOUT THE BUSINESS

1. Summary of material contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group within the two years preceding the date of this prospectus and are or may be material:

- (a) a capital transfer agreement (the "**SMV Capital Transfer Agreement**") dated 3 August 2007 and entered into between SYI and the Company pursuant to which SYI acquired the entire equity interest in SMV at a cash consideration of US\$5 million;
- (b) an ancillary agreement dated 26 November 2007 to the SMV Capital Transfer Agreement and entered into between SYI and the Company pursuant to which SYI granted to the Company, at nil consideration, the right to purchase all or any part of SYI's rights and interests in SMV and/or the business of manufacturing light trucks and MPVs conducted by SMV, at the then prevailing market price, if at any time during which SYI remains a controlling shareholder of the Company, SYI should decide to dispose of SMV or such business;

- (c) the Shareholders' Agreement;
- (d) a supplemental agreement to the Shareholders' Agreement dated 22 November 2007 and entered into between the Company, Sanyang, SYI and Indopark;
- (e) the Deed of Non-competition;
- (f) a supplemental deed dated 3 December 2007 to the Deed of Non-competition and entered into between Sanyang, Mr. Huang Shi Hui, each of the executive and non-executive Directors and the Company;
- (g) a deed of indemnity dated 26 November 2007 and entered into between Sanyang and Mr. Huang Shi Hui and the Company, pursuant to which Sanyang and Mr. Huang Shi Hui provided, among other things, tax and property indemnities for the benefit of the Group;
- (h) the SYM Agreement;
- (i) an agreement dated 26 November 2007 and entered into between Sanyang and the Company pursuant to which Sanyang granted to the Company, at nil consideration, the right of first refusal to acquire Sanyang's interest in the assembly line which Sanyang (through one of its subsidiaries) owns in Indonesia;
- (j) a Hong Kong underwriting agreement dated 30 November 2007 relating to a Hong Kong public offering and entered into by, among others, the Company, the Global Coordinator and the Hong Kong Underwriters, which has subsequently been terminated; and
- (k) the Hong Kong Underwriting Agreement.

2. Intellectual property rights

A. The Group owns the following intellectual property rights:

a) Patents

Registered invention patent

As at the Latest Practicable Date, the Group had registered the following patents:

| | Patent | Registered owner | Place of registration | Expiry date | Registration number |
|----|---|------------------|-----------------------|-------------|---------------------|
| 1. | Frame body comp | VMEP | Vietnam | 2009/09/29 | 223 |
| 2. | Brake systems | VMEP | Vietnam | 2020/10/05 | 3031 |
| 3. | Fuel tank cover for motorcycles | VMEP | Vietnam | 2022/04/09 | 5354 |
| 4. | Rear mirror systems for motorbikes | VMEP | Vietnam | 2024/03/14 | 6016 |
| 5. | Luggage carrier for motorbikes | VMEP | Vietnam | 2024/05/18 | 6208 |
| 6. | The structure that decreases knock of value | VMEP | Vietnam | 2023/12/12 | 6588 |

Invention patents under application

As at the Latest Practicable Date, the Group has applied for registration of the following patents:

| | Patent | Applicant | Place of Registration | Date of Application | Application number |
|-----|--|------------------|------------------------------|----------------------------|---------------------------|
| 1. | Structure of switch to open seat of motorbikes | VMEP | Vietnam | 2002/8/26 | 1-2002-00784 |
| 2. | Lubrication and cooling system for engines | VMEP | Vietnam | 2002/10/16 | 1-2002-00940 |
| 3. | Cylinder adjust cover | VMEP | Vietnam | 2003/7/28 | 1-2003-00671 |
| 4. | Structure of braking gearing | VMEP | Vietnam | 2003/7/28 | 1-2003-00672 |
| 5. | New Structure of fuel tank of motorbikes | VMEP | Vietnam | 2004/6/3 | 1-2004-00555 |
| 6. | Structure of motorbike frame with large built-in storage | VMEP | Vietnam | 2005/10/5 | 1-2005-01459 |
| 7. | Structure of frame body included large space-in | VMEP | Vietnam | 2006/2/13 | 1-2006-00204 |
| 8. | Structure of luggage box for motorbikes | VMEP | Vietnam | 2006/7/4 | 1-2006-01084 |
| 9. | Slide piece | VMEP | Vietnam | 2006/8/7 | 1-2006-01298 |
| 10. | Decompression device | VMEP | Vietnam | 2006/9/8 | 1-2006-01477 |
| 11. | Structure to open seat automatically for motorbikes | VMEP | Vietnam | 2007/6/14 | 1-2007-01183 |
| 12. | Luminescent parts | VMEP | Vietnam | 2007/6/14 | 1-2007-01184 |

b) Utility solutionsRegistered utility solution

As at the Latest Practicable Date, the Group had registered the following utility solutions:

| | Utility Solution | Registered Owner | Place of Registration | Expiry date | Registration Number |
|----|--|-------------------------|------------------------------|--------------------|----------------------------|
| 1. | System controlling electric light of vehicle | VMEP | Vietnam | 2012/11/13 | 499 |
| 2. | Structure of the step-holder for motorbikes and mopeds | VMEP | Vietnam | 2014/06/25 | 555 |
| 3. | Luggage carrier | VMEP | Vietnam | 2015/02/04 | 586 |
| 4. | Frame body comp | VMEP | Vietnam | 2015/07/26 | 589 |

Utility Solutions under application

As at the Latest Practicable Date, the Group has applied for registration of the following utility solutions:

| | Utility Solution | Applicant | Place of Registration | Application Date | Application Number |
|----|---|------------------|------------------------------|-------------------------|---------------------------|
| 1. | Switch system for motorbikes | VMEP | Vietnam | 2005/1/11 | 2-2005-00004 |
| 2. | Structure to hinder noise of gearing | VMEP | Vietnam | 2005/3/9 | 2-2005-00040 |
| 3. | Frame cover for motorbikes | VMEP | Vietnam | 2005/3/11 | 2-2005-00045 |
| 4. | Structure to separate air and lubricate oil | VMEP | Vietnam | 2004/8/30 | 2-2005-00086 |
| 5. | Exhaust cover for motorbikes | VMEP | Vietnam | 2005/8/23 | 2-2005-00152 |
| 6. | Structure of cover of disk brake for motorbikes | VMEP | Vietnam | 2005/10/28 | 2-2005-00195 |
| 7. | Structure of built-in storage for motorbikes | VMEP | Vietnam | 2005/12/7 | 2-2005-00224 |

c) Industrial designs

Registered Industrial designs

As at the Latest Practicable Date, the Group had registered the following industrial designs:

| | Industrial Design | Registered owner | Place of Registration | Expiry date | Registration Number |
|-----|---------------------------------------|------------------|-----------------------|-------------|---------------------|
| 1. | Motorbikes | VMEP | Vietnam | 2012/03/26 | 7441 |
| 2. | Motorbikes | VMEP | Vietnam | 2012/08/23 | 7445 |
| 3. | Motorbikes | VMEP | Vietnam | 2012/08/23 | 7446 |
| 4. | Motorbikes | VMEP | Vietnam | 2012/09/19 | 7778 |
| 5. | Motorbikes | VMEP | Vietnam | 2012/11/13 | 7779 |
| 6. | Motorbikes | VMEP | Vietnam | 2008/10/28 | 7858 |
| 7. | Motorbikes | VMEP | Vietnam | 2012/08/30 | 7901 |
| 8. | Motorbikes | VMEP | Vietnam | 2009/06/28 | 8181 |
| 9. | Motorbikes | VMEP | Vietnam | 2009/08/09 | 8395 |
| 10. | Motorbikes | VMEP | Vietnam | 2009/06/28 | 8403 |
| 11. | Motorbikes | VMEP | Vietnam | 2009/09/14 | 8457 |
| 12. | Motorbikes | VMEP | Vietnam | 2009/06/01 | 8627 |
| 13. | Motorbikes | VMEP | Vietnam | 2009/02/11 | 8874 |
| 14. | Motorbikes | VMEP | Vietnam | 2009/04/01 | 8875 |
| 15. | Motorbikes | VMEP | Vietnam | 2009/04/26 | 8909 |
| 16. | Motorbikes | VMEP | Vietnam | 2010/03/18 | 9000 |
| 17. | Motorbikes | VMEP | Vietnam | 2009/03/17 | 9326 |
| 18. | Motorbikes | VMEP | Vietnam | 2010/10/28 | 9576 |
| 19. | Motorbikes | VMEP | Vietnam | 2010/10/31 | 9580 |
| 20. | Motorbikes | VMEP | Vietnam | 2012/01/24 | 11095 |
| 21. | Luggage carrier system for motorbikes | VMEP | Vietnam | 2009/06/25 | 8310 |
| 22. | Leg rest system for motorbikes | VMEP | Vietnam | 2009/02/11 | 8325 |
| 23. | Engines for motorbikes | VMEP | Vietnam | 2009/06/02 | 8402 |
| 24. | Engines for motorbikes | VMEP | Vietnam | 2009/07/23 | 8404 |
| 25. | Body cover systems design | VMEP | Vietnam | 2010/10/31 | 9581 |
| 26. | Rear light systems design | VMEP | Vietnam | 2010/10/31 | 9843 |
| 27. | Front section of motorbikes | VMEP | Vietnam | 2010/10/31 | 9844 |
| 28. | Motorbike frame covers | VMEP | Vietnam | 2012/01/24 | 11135 |

Industrial Designs under application

As at the Latest Practicable Date, the Group has applied for registration of the following industrial designs:

| | Industrial Design | Applicant | Place of Registration | Date of Application | Application Number |
|-----|--|-----------|-----------------------|---------------------|--------------------|
| 1. | Covers for motorbikes steering handles | VMEP | Vietnam | 2007/01/24 | 3-2007-00136 |
| 2. | Front covers for motorbikes | VMEP | Vietnam | 2007/01/24 | 3-2007-00137 |
| 3. | Motorbikes | VMEP | Vietnam | 2007/01/29 | 3-2007-00157 |
| 4. | Motorbikes | VMEP | Vietnam | 2007/02/05 | 3-2007-00184 |
| 5. | Rear lights for motorbikes | VMEP | Vietnam | 2007/03/16 | 3-2007-00328 |
| 6. | Back cover for motorbike steering handles | VMEP | Vietnam | 2007/03/16 | 3-2007-00329 |
| 7. | Motorbikes | VMEP | Vietnam | 2007/04/04 | 3-2007-00417 |
| 8. | Motorbikes frame covers | VMEP | Vietnam | 2007/04/04 | 3-2007-00418 |
| 9. | Motorbikes body frame covers | VMEP | Vietnam | 2007/04/04 | 3-2007-00419 |
| 10. | Front covers for motorbikes | VMEP | Vietnam | 2007/04/04 | 3-2007-00420 |
| 11. | Rear handles for motorbikes | VMEP | Vietnam | 2007/04/04 | 3-2007-00421 |
| 12. | Rear light systems for motorbikes | VMEP | Vietnam | 2007/04/04 | 3-2007-00422 |
| 13. | Back cover for motorbikes steering handles | VMEP | Vietnam | 2007/04/04 | 3-2007-00423 |

d) TrademarksRegistered trademarks

As at the Latest Practicable Date, the Group had registered the following trade marks:

| | Trade Mark | Registered Owner | Place of Registration | Class* | Expiry date | Registration Number |
|----|---|------------------|-----------------------|-------------------|-------------|---------------------|
| 1. |  | VMEP | Vietnam | 4,11,12,35 and 37 | 2012/11/27 | 8549 |
| 2. |  | VMEP | Vietnam | 4,11,12,35 and 37 | 2013/04/23 | 10743 |
| 3. |  | VMEP | Vietnam | 4,9,12,37 | 2014/04/30 | 14811 |
| 4. |  | VMEP | Vietnam | 4,11,12,35 and 37 | 2013/04/23 | 15434 |
| 5. |  | VMEP | Vietnam | 4,11,12,35 and 37 | 2013/04/23 | 15435 |
| 6. |  | VMEP | Vietnam | 4 | 2014/04/30 | 16420 |
| 7. | Dr. EARN | VMEP | Vietnam | 12 | 2009/10/22 | 36508 |

| | Trade Mark | Registered Owner | Place of Registration | Class* | Expiry date | Registration Number |
|-----|--|------------------|-----------------------|--------|-------------|---------------------|
| 8. | SANDA | VMEP | Vietnam | 12 | 2009/11/30 | 36515 |
| 9. | STEADY | VMEP | Vietnam | 12 | 2010/01/17 | 37179 |
| 10. | SHARK | VMEP | Vietnam | 12 | 2010/12/27 | 41878 |
| 11. | SALUT | VMEP | Vietnam | 12 | 2011/06/12 | 42182 |
| 12. | AILES | VMEP | Vietnam | 12 | 2011/06/12 | 42183 |
| 13. | JOY RIDE | VMEP | Vietnam | 12 | 2011/05/28 | 44004 |
| 14. | DDI-7  | VMEP | Vietnam | 12 | 2011/11/23 | 45148 |
| 15. | EZ | VMEP | Vietnam | 12 | 2011/11/23 | 47194 |
| 16. |  | VMEP | Vietnam | 12 | 2011/12/03 | 48119 |
| 17. |  | VMEP | Vietnam | 12 | 2013/03/07 | 54715 |
| 18. | E-POWER | VMEP | Vietnam | 12 | 2013/11/03 | 61659 |
| 19. | ELEGANT | VMEP | Vietnam | 12 | 2014/02/26 | 64767 |
| 20. |  | VMEP | Vietnam | 12,35 | 2014/10/26 | 73566 |
| 21. |  | VMEP | Vietnam | 12 | 2014/01/29 | 75716 |
| 22. |  | VMEP | Vietnam | 12,35 | 2014/11/25 | 76546 |
| 23. | STEADY | VMEP | Vietnam | 12 | 2016/07/05 | 83788 |
| 24. | Power | VMEP | Vietnam | 12 | 2016/07/05 | 83789 |
| 25. | BOSS | VMEP | Philippines | 12 | 2014/07/08 | 4-2002-007502 |
| 26. | SALUT | VMEP | Philippines | 12 | 2014/07/08 | 4-2002-007504 |

Trade marks under application

As at the Latest Practicable Date, the Group has applied for registration and/or renewal of the following trademarks:

| | Trade Mark | Applicant | Place of Registration | Class* | Application Date | Application/ Renewal Number |
|----|---|-----------|-----------------------|------------|------------------|-----------------------------|
| 1. |  | VMEP | Vietnam | 12,35 | 2006/01/11 | 4-2006-00507 |
| 2. |  | VMEP | Vietnam | 12 | 2006/10/03 | 4-2006-16539 |
| 3. | SALUT II | VMEP | Vietnam | 12,35 | 2007/03/23 | 4-2007-04870 |
| 4. | SALUT 100 | VMEP | Vietnam | 12,35 | 2007/03/23 | 4-2007-04871 |
| 5. | SALUT POWER | VMEP | Vietnam | 12,35 | 2007/03/23 | 4-2007-04872 |
| 6. | GALAXY | VMEP | Vietnam | 12,35 | 2007/06/08 | 4-2007-10577 |
| 7. |  | VMEPH | Hong Kong | 4,11,12,37 | 2007/11/09 | 300990171 |

B. Trademarks licensed to the Group by Sanyang:

Registered trademarks

As at the Latest Practicable Date, Sanyang had licensed the following trademarks to the Group:

| | Trade Mark | Registered Owner | Place of Registration | Class* | Expiry date | Registration Number |
|-----|------------------------|------------------|-----------------------|---------------|-------------|---------------------|
| 1. | SUN | Sanyang | Vietnam | 4,12,35,37 | 2012/03/25 | 5317 |
| 2. | ELITE | Sanyang | Vietnam | 4,12,35,37 | 2012/03/25 | 6286 |
| 3. | EXCEL | Sanyang | Vietnam | 4,12,35,37 | 2012/03/25 | 6287 |
| 4. | MOTOP | Sanyang | Vietnam | 4,12,35,37 | 2012/03/25 | 6290 |
| 5. | GLORY | Sanyang | Vietnam | 4,12,35,37 | 2012/03/25 | 6294 |
| 6. | ANGEL | Sanyang | Vietnam | 4,12,35,37 | 2012/03/25 | 6393 |
| 7. | SANYANG | Sanyang | Vietnam | 4,11,12,35,37 | 2012/04/02 | 6501 |
| 8. | | Sanyang | Vietnam | 4,11,12,35,37 | 2012/04/02 | 6502 |
| 9. | | Sanyang | Vietnam | 4,12,35,37 | 2012/04/02 | 6503 |
| 10. | BONUS | Sanyang | Vietnam | 4,11,12,35,37 | 2012/11/27 | 8550 |
| 11. | ENJOY | Sanyang | Vietnam | 12 | 2013/07/27 | 12205 |
| 12. | PURE | Sanyang | Vietnam | 12 | 2013/07/27 | 12527 |
| 13. | HUSKY | Sanyang | Vietnam | 12 | 2014/04/07 | 14442 |
| 14. | BOSS | Sanyang | Vietnam | 12 | 2014/05/04 | 15059 |
| 15. | AMIGO | Sanyang | Vietnam | 12 | 2014/05/04 | 15060 |
| 16. | MAGIC | Sanyang | Vietnam | 12 | 2014/07/26 | 15927 |
| 17. | SPACE - IN | Sanyang | Vietnam | 12 | 2014/10/31 | 17030 |
| 18. | MET IN | Sanyang | Vietnam | 12 | 2014/11/21 | 17255 |
| 19. | SYM | Sanyang | Vietnam | 12,37 | 2014/12/22 | 17644 |
| 20. | VIRGO | Sanyang | Vietnam | 12 | 2015/03/03 | 18324 |
| 21. | ATTILA | Sanyang | Vietnam | 12 | 2017/06/26 | 28139 |
| 22. | <i>New Angel Hi</i> | Sanyang | Vietnam | 12 | 2011/12/03 | 52431 |
| 23. | <i>SYM Power</i> | Sanyang | Vietnam | 12 | 2011/12/03 | 53221 |
| 24. | <i>SYM Power Hi</i> | Sanyang | Vietnam | 12 | 2011/12/03 | 53680 |
| 25. | MAGIC HI | Sanyang | Vietnam | 12 | 2012/10/11 | 54661 |
| 26. | ANGEL X | Sanyang | Vietnam | 12 | 2014/07/07 | 72125 |
| 27. | ATTILA VICTORIA | Sanyang | Vietnam | 12,35 | 2014/12/06 | 73689 |
| 28. | MAGIC II | Sanyang | Vietnam | 12,35 | 2015/06/23 | 77519 |
| 29. | ANGEL II | Sanyang | Vietnam | 12,35 | 2015/06/23 | 77520 |
| 30. | SYM | Sanyang | Cambodia | 4 | 2016/09/05 | 25197/06 |
| 31. | SYM | Sanyang | Cambodia | 11 | 2016/09/05 | 25198/06 |
| 32. | SYM | Sanyang | Cambodia | 12 | 2015/03/03 | 5540 |
| 33. | SYM | Sanyang | Laos | 37 | 2015/02/27 | 3239 |
| 34. | SYM | Sanyang | Laos | 12 | 2015/02/27 | 3240 |

| | Trade Mark | Registered Owner | Place of Registration | Class* | Expiry date | Registration Number |
|-----|---|------------------|-----------------------|------------|----------------|---------------------|
| 35. |  | Sanyang | Laos | 04 | 2016/08/18 | 14467 |
| 36. |  | Sanyang | Laos | 11 | 2016/08/18 | 14468 |
| 37. |  | Sanyang | Myanmar | 12, 37 | No expiry date | 1286/1995 |
| 38. |  | Sanyang | Myanmar | 4, 11 | No expiry date | 4/6129/2006 |
| 39. |  | Sanyang | Malaysia | 12 | 2012/02/07 | 95001084 |
| 40. |  | Sanyang | Indonesia | 37 | 2015/02/02 | 354628 |
| 41. |  | Sanyang | Indonesia | 12 | 2015/02/02 | 353904 |
| 42. |  | Sanyang | Singapore | 11 | 2016/08/20 | T06/17239H |
| 43. |  | Sanyang | Singapore | 12 | 2015/02/09 | T95/01097F |
| 44. |  | Sanyang | Singapore | 37 | 2015/02/09 | T95/01098D |
| 45. |  | Sanyang | Thailand | 37 | 2007/11/13 | 8534 |
| 46. |  | Sanyang | Thailand | 12 | 2007/11/13 | 87212 |
| 47. |  | Sanyang | Philippines | 12 | 2021/03/26 | 4-1995-102340 |
| 48. |  | Sanyang | Philippines | 37 | 2021/03/26 | 4-1995-102341 |
| 49. |  | Sanyang | Vietnam | 4 | 2016/01/13 | 22683 |
| 50. |  | Sanyang | Vietnam | 37 | 2017/07/11 | 29102 |
| 51. |  | Sanyang | Vietnam | 12 | 2017/07/11 | 29103 |
| 52. |  | Sanyang | Cambodia | 04 | 2016/09/05 | 25193/06 |
| 53. |  | Sanyang | Cambodia | 11 | 2016/09/05 | 25194/06 |
| 54. |  | Sanyang | Cambodia | 12 | 2016/09/05 | 25195/06 |
| 55. |  | Sanyang | Cambodia | 37 | 2016/09/05 | 25196/06 |
| 56. |  | Sanyang | Laos | 04 | 2016/08/18 | 14469 |
| 57. |  | Sanyang | Laos | 11 | 2016/08/18 | 14470 |
| 58. |  | Sanyang | Laos | 12 | 2016/08/18 | 14471 |
| 59. |  | Sanyang | Laos | 37 | 2015/02/27 | 14472 |
| 60. |  | Sanyang | Myanmar | 4,11,12,37 | no expiry date | 4/6130/2006 |
| 61. |  | Sanyang | Singapore | 4 | 2016/08/20 | T06/17251G |
| 62. |  | Sanyang | Singapore | 12 | 2016/08/20 | T06/17253C |
| 63. |  | Sanyang | Singapore | 37 | 2016/08/20 | T06/17254A |

Trademarks under application

As at the Latest Practicable Date, Sanyang has applied for registration of the following trade marks to be licensed to the Group:

| | Trade Mark | Applicant | Place of Registration | Class* | Application Date | Application Number |
|-----|------------------|-----------|-----------------------|---------------|------------------|--------------------|
| 1. | VICTORIA | Sanyang | Vietnam | 12, 35 | 2004/12/12 | 4-2004-13607 |
| 2. | | Sanyang | Vietnam | 12, 35 | 2005/10/28 | 4-2005-14455 |
| 3. | EXCEL II | Sanyang | Vietnam | 4,12, 35, 37 | 2006/10/10 | 4-2006-17348 |
| 4. | SUN | Sanyang | Vietnam | 4,12,35,37 | 2006/11/09 | 4-2006-19278 |
| 5. | MOTOP | Sanyang | Vietnam | 4,12,35,37 | 2006/11/09 | 4-2006-19279 |
| 6. | GLORY | Sanyang | Vietnam | 4,12,35,37 | 2006/11/09 | 4-2006-19280 |
| 7. | ELITE | Sanyang | Vietnam | 4,12,35,37 | 2006/11/09 | 4-2006-19281 |
| 8. | PARTY | Sanyang | Vietnam | 12,37 | 2006/11/09 | 4-2006-19282 |
| 9. | HUSKY | Sanyang | Vietnam | 12 | 2006/11/09 | 4-2006-19283 |
| 10. | PURE | Sanyang | Vietnam | 12 | 2006/11/09 | 4-2006-19284 |
| 11. | ENJOY | Sanyang | Vietnam | 12 | 2006/11/09 | 4-2006-19285 |
| 12. | ATTILA ELIZABETH | Sanyang | Vietnam | 12, 35 | 2006/11/17 | 4-2006-19956 |
| 13. | SYM | Sanyang | Brunei Darussalam | 4, 11, 37 | 2006/09/07 | 38,146 |
| 14. | SYM | Sanyang | Brunei Darussalam | 12 | 2004/12/28 | 27,315 |
| 15. | SYM | Sanyang | Cambodia | 37 | 2007/08/08 | 9589 |
| 16. | SYM | Sanyang | Cambodia | 12 | 2007/08/06 | 9590 |
| 17. | SYM | Sanyang | Indonesia | 4 | 2006/08/25 | D00 2006 027496 |
| 18. | SYM | Sanyang | Indonesia | 11 | 2006/08/25 | D00 2006 027497 |
| 19. | SYM | Sanyang | Malaysia | 4 | 2006/08/29 | 2006/15376 |
| 20. | SYM | Sanyang | Malaysia | 11 | 2006/08/29 | 2006/15375 |
| 21. | SYM | Sanyang | Malaysia | 37 | 2006/08/29 | 2006/15377 |
| 22. | SYM | Sanyang | Philippines | 4, 11 | 2006/09/07 | 4-2006-009917 |
| 23. | SYM | Sanyang | Singapore | 4 | 2006/08/21 | T06/17237A |
| 24. | SYM | Sanyang | Thailand | 4 | 2006/09/06 | 638113 |
| 25. | SYM | Sanyang | Thailand | 11 | 2006/09/06 | 638114 |
| 26. | SYM | Sanyang | Vietnam | 11 | 2006/08/28 | 4-2006-14179 |
| 27. | | Sanyang | Brunei Darussalam | 4, 11, 12, 37 | 2006/09/07 | 38,147 |
| 28. | | Sanyang | Indonesia | 4 | 2006/08/25 | D00 2006 027498 |
| 29. | | Sanyang | Indonesia | 11 | 2005/10/25 | D00 2005 023598 |
| 30. | | Sanyang | Indonesia | 12 | 2005/10/25 | D00 2005 023601 |
| 31. | | Sanyang | Indonesia | 37 | 2005/10/25 | J002005 023599 |
| 32. | | Sanyang | Malaysia | 4 | 2006/08/29 | 06015378 |
| 33. | | Sanyang | Malaysia | 12 | 2005/11/10 | 5018838 |

| | Trade Mark | Applicant | Place of Registration | Class* | Application Date | Application Number |
|-----|---|-----------|-----------------------|-----------|------------------|--------------------|
| 34. |  | Sanyang | Malaysia | 11 | 2005/11/10 | 5018839 |
| 35. |  | Sanyang | Malaysia | 37 | 2005/11/10 | 5018840 |
| 36. |  | Sanyang | Philippines | 4 | 2006/10/09 | 4-2006-011062 |
| 37. |  | Sanyang | Philippines | 11,12, 37 | 2005/11/29 | 4-2005-011683 |
| 38. |  | Sanyang | Singapore | 11 | 2006/08/21 | T06/17252E |
| 39. |  | Sanyang | Thailand | 4 | 2006/09/07 | 638181 |
| 40. |  | Sanyang | Thailand | 11 | 2006/09/07 | 638182 |
| 41. |  | Sanyang | Thailand | 12 | 2006/09/07 | 638183 |
| 42. |  | Sanyang | Thailand | 37 | 2006/09/18 | 638184 |
| 43. |  | Sanyang | Vietnam | 4 | 2006/08/28 | 4-2006-14178 |
| 44. |  | Sanyang | Vietnam | 11,12,37 | 2006/11/01 | 4-2006-14551 |

* Class 4: All kinds of additive oil, lubricant, brake fluid, machine oil, solid, liquid and gas fuel, industrial oil and other goods in this class.

Class 11: Lighting equipment, heaters, steamers, cookers, coolers, ventilations, water distributors and sanitary, equipment.

Class 12: Motorbikes, cars, transportations with wheels, electric cars, electric motors, electric transportation, planes, boats, accessories and spare parts for transportation machine and other goods in this class.

Class 35: Advertising and business.

Class 37: Construction and repairing, assembling service, restoring, checking and repairing mechanical machines.

C. Domain name

As at the Latest Practicable Date, the Group was the registered owner of the following domain names:

| | Domain name | Registrant | Registration Date | Expiry Date |
|----|-------------------|------------|-------------------|-------------|
| 1. | www.angel.com.vn | VMPEP | 2005/07/28 | 2008/07/28 |
| 2. | www.angel.vn | VMPEP | 2006/08/22 | 2008/08/22 |
| 3. | www.attila.com.vn | VMPEP | 2005/07/28 | 2008/07/28 |
| 4. | www.attila.vn | VMPEP | 2006/08/22 | 2008/08/22 |
| 5. | www.excel.com.vn | VMPEP | 2005/07/28 | 2008/07/28 |
| 6. | www.excel.vn | VMPEP | 2006/08/22 | 2008/08/22 |
| 7. | www.magic.com.vn | VMPEP | 2005/07/28 | 2008/07/28 |
| 8. | www.magic.vn | VMPEP | 2006/08/22 | 2008/08/22 |
| 9. | www.sanda.com.vn | VMPEP | 2005/04/18 | 2009/04/18 |

| | Domain name | Registrant | Registration Date | Expiry Date |
|-----|------------------|------------|-------------------|-------------|
| 10. | www.sanda.vn | VMEP | 2006/08/22 | 2008/08/22 |
| 11. | www.star.com.vn | VMEP | 2005/07/28 | 2008/07/28 |
| 12. | www.star.vn | VMEP | 2006/08/22 | 2008/08/22 |
| 13. | www.sym.com.vn | VMEP | 2002/07/23 | 2008/07/23 |
| 14. | www.virgo.com.vn | VMEP | 2005/07/28 | 2008/07/28 |
| 15. | www.virgo.vn | VMEP | 2006/08/22 | 2008/08/22 |
| 16. | www.vmep.com.vn | VMEP | 2002/07/23 | 2008/07/23 |
| 17. | www.vmeph.com | VMEPH | 2007/11/02 | 2008/11/02 |

Save as aforesaid, there are no other patents, trademarks, service marks or other intellectual or industrial property rights which are material in relation to the Group's business.

C. FURTHER INFORMATION ABOUT THE SUBSIDIARIES OF THE COMPANY

A summary of the corporate information of the subsidiaries of the Company are set out below.

(a) Chin Zong

- (i) Place of incorporation: Taiwan
- (ii) Date of incorporation: 6 July 2007
- (iii) Authorised share capital: NT\$300,000,000
- (iv) Issued share capital: NT\$150,000,000
- (v) Percentage of equity interest owned by the Company: 100%
- (vi) General nature of business: international trade, wholesale and sale of spare parts of motor cars and motorbikes
- (vii) Directors: Mr. Lee Tao Huang, Mr. Chang Kwang Hsiung and Mr. Chen Pang Hsiung
- (viii) Type of company: Private

(b) CQS

- (i) Place of incorporation: Vietnam
- (ii) Date of incorporation: 14 June 2002
- (iii) Authorised investment capital: US\$1,200,000
- (iv) Registered charter capital: US\$3,000,000
- (v) Percentage of equity interest owned by the Company: 70%

(vi) General nature of business: manufacturing, processing, repairing, providing maintenance warranty services in respect of molds and jigs for civil and industrial purposes

(vii) Directors: Mr. Chou Ken Yuan, Mr. Chang Hsiu Mei and Mr. Chen Pang Hsiung

(viii) Type of company: Private

(c) VCFP

(i) Place of incorporation: Vietnam

(ii) Date of incorporation: 12 April 2002

(iii) Authorised investment capital: US\$6,500,000

(iv) Registered charter capital: US\$4,500,000

(v) Percentage of equity interest owned by the Company: 100%

(vi) General nature of business: manufacturing of spare parts for motorbikes and motor vehicles

(vii) Directors: Mr. Chou Ken Yuan, Mr. Chang Wen Wan and Mr. Chen Pang Hsiung

(viii) Type of company: Private

(d) VMEP

(i) Place of incorporation: Vietnam

(ii) Date of incorporation: 25 March 1992

(iii) Authorised investment capital: US\$160,000,000

(iv) Registered charter capital: US\$58,560,000

(v) Percentage of equity interest owned by the Company: 100%

(vi) General nature of business: processing and manufacturing of motorbikes and related parts, establishing internal training centres and guest houses for trainees and establishing research and development centres

(vii) Directors: Mr. Chang Kwang Hsiung, Mr. Chen Pang Hsiung, Mr. Lee Hsi Chun and Mr. Wang Ching Tung

(viii) Type of company: Private

D. FURTHER INFORMATION ABOUT THE DIRECTORS, MANAGEMENT AND STAFF**1. Disclosure of interests**

Save as disclosed in this prospectus and in the sub-paragraph headed “Summary of material contracts” in this Appendix, none of the Directors or the experts named in the sub-paragraph headed “Consents of experts” in this Appendix has any direct or indirect interest in the promotion of any member of the Group or in any assets acquired or disposed of by or leased to any member of the Group or is proposed to be acquired or disposed of by or leased to any member of the Group within the two years immediately preceding the date of this prospectus.

Save as disclosed in the sub-paragraph headed “Summary of material contracts” in this Appendix, none of the Directors is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of the Group.

2. Particulars of service agreements

Each of Mr. Chang Kwang Hsiung, Mr. Chen Pang Hsiung, Mr. Lee Hsi Chun and Mr. Wang Ching Tung has entered into a service contract dated 24 November 2007 with the Company under which each of them agreed to act as the executive Director for a period of three years unless terminated in accordance with the terms of his service contract. Under these service contracts, the initial annual salary payable by the Company to Mr. Chang Kwang Hsiung, Mr. Chen Pang Hsiung, Mr. Lee Hsi Chun and Mr. Wang Ching Tung is approximately US\$77,400, US\$78,000, US\$73,000 and US\$73,000 respectively and is subject to review at the discretion of the Board and the remuneration committee after completion of 12 months of service. Each of the executive Directors will also be entitled to a discretionary bonus as decided by the Board and the remuneration committee having regard to the performance of the relevant executive Director. The amount of the annual salary increment and the bonus payable under such service contracts is at the discretion of the Board and the remuneration committee of the Company, provided that the respective parties to such service contracts shall abstain from voting and not be counted in the quorum in respect of any such determination of the Board in relation to him or her.

Each of Mr. Huang Kwang Wu and Mr. Liu Wu Hsiung Harrison has entered into a letter of appointment dated 24 November 2007 with the Company under which each of them agreed to act as the non-executive Director for a period of one year unless terminated in accordance with the terms of the letter of appointment. Pursuant to the above letter of appointment, each of Mr. Huang Kwang Wu and Mr. Liu Wu Hsiung Harrison is entitled to an annual director’s fee of US\$25,000.

Each of Mr. Hsu Nai Cheng Simon, Ms. Lin Ching Ching and Mr. Wei Sheng Huang has signed a letter of appointment dated 24 November 2007 with the Company under which each of them agreed to act as the independent non-executive Director for a period of one year and will continue thereafter subject to a maximum of three years unless terminated in accordance with the terms of the appointment letter. The initial annual director’s fee for each of the above three independent non-executive Directors is US\$25,000.

Save as disclosed in this prospectus, none of the Directors has or is proposed to have a service contract with the Company other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

3. Directors' remuneration

No remuneration or benefits in kind were paid or granted by the Group to the Directors in respect of the year ended 31 December 2006.

4. Fees or commissions received

Save as disclosed in this prospectus, none of the Directors nor any of the persons whose names are listed in the section headed "– Other Information – Consents of experts" in this Appendix had received any commissions, discounts, agency fee, brokerages or other special terms in connection with the issue or sale of any capital of the Company or any of the subsidiaries from the Company within two years preceding the date of this prospectus.

5. Interests and/or short positions of Directors in the shares, underlying shares or debentures of the Company and its associated corporations

Immediately following completion of the Capitalisation Issue and the Global Offering (without taking into account Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option), none of the Directors or the chief executive of the Company had any interests and short position in the equity or debt securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which will 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/or short positions which they are taken or deemed to have under such provisions of the SFO) once the Shares are listed, or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein once the Shares are listed, or pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules.

6. Interests and/or short position of substantial shareholders in the Shares which are discloseable under Divisions 2 and 3 of Part XV of the SFO

So far as the Directors are aware, immediately following completion of the Capitalisation Issue and the Global Offering (without taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option), the following persons (who is neither a Director nor a chief executive of the Company) will have an interest or short position in Shares or underlying Shares 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 will be, directly or indirectly 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 member of the Group:

The Company

| Name of Shareholder | Nature of interest | Number and class of securities ⁽¹⁾ | Approximate percentage of interest in the Company immediately after the Global Offering ⁽²⁾ |
|---|--------------------------------------|---|--|
| SYI ⁽³⁾⁽⁴⁾ | Corporate Interest | 629,520,000 Shares (L) | 69.4% |
| Sanyang ⁽³⁾⁽⁴⁾ | Interest in a controlled corporation | 629,520,000 Shares (L) | 69.4% |
| Indopark ⁽⁵⁾⁽⁶⁾ | Corporate Interest | 51,240,000 Shares (L) | 5.7% |
| Merrill Lynch L.P. Holdings Inc. ⁽⁶⁾ | Interest in a controlled corporation | 51,240,000 Shares (L) | 5.7% |
| Merrill Lynch Group, Inc. ⁽⁶⁾ | Interest in a controlled corporation | 51,240,000 Shares (L) | 5.7% |
| Merrill Lynch & Co., Inc. ⁽⁶⁾ | Interest in a controlled corporation | 51,240,000 Shares (L) | 5.7% |

(1) The letter “L” denotes the entity’s long position in such Shares.

(2) The relevant percentages have been calculated by reference only to 907,680,000 Shares, being the aggregate number of Shares expected to be in issue on the Listing Date (without taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option).

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

(4) If the Over-allotment Option is fully exercised, the approximate percentage of interest in the Company of SYI and the deemed interest of Sanyang in the Shares will be reduced to approximately 66.9%.

(5) If the Over-allotment Option is fully exercised, the approximate percentage of interest in the Company of Indopark will be reduced to approximately 5.4%.

(6) Indopark is a direct wholly-owned subsidiary of Merrill Lynch L.P. Holdings Inc., which is a direct wholly-owned subsidiary of Merrill Lynch Group, Inc., which is a direct wholly-owned subsidiary of Merrill Lynch & Co., Inc., and therefore, each of Merrill Lynch L.P. Holdings Inc., Merrill Lynch Group, Inc. and Merrill Lynch & Co., Inc. is deemed or taken to be interested in the Shares held by Indopark for the purposes of the SFO.

Subsidiary of the Company

| <u>The subsidiary of the Company</u> | <u>Substantial shareholder in this subsidiary of the Company</u> | <u>Approximate percentage of shareholding/registered capital</u> |
|--------------------------------------|--|--|
| CQS | C.Q.S. May's | 30.0% |

Save as disclosed above, the Directors are not aware of any other persons (who are not Directors) who will, immediately following completion of the Capitalisation Issue and the Global Offering have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, be directly or indirectly 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 member of the Group.

7. Related party transactions

During the two years preceding the date of this prospectus, the Company was engaged in related party transactions as described under the section headed "Connected Transactions" and note 22 of the Accountants' Report set out in Appendix I to this prospectus.

8. Interest in the Group's largest suppliers or customers

Save as disclosed in this prospectus, none of the Directors nor their associates, nor any Shareholder (which to the knowledge of the Director owns more than 5% of the share capital of the Company) has any interest in the five largest suppliers or five largest customers of the Group.

9. Personal guarantees

The Directors have not provided personal guarantees in favour of lenders in connection with banking facilities granted to the Company or any of its subsidiaries.

10. Disclaimers

Save as disclosed in this prospectus:

- (a) none of the Directors or chief executive of the Company has any interest and/or short position in the Shares, underlying shares, listed or unlisted derivatives of or debentures of the Company or any of its associated corporations (within the meaning of the SFO) which will 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 are taken or deemed to have under such provisions of the SFO) or which will be required pursuant to section 352 of the SFO to be entered in the register referred to therein, or pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules, will be required to be notified to the Company and the Stock Exchange once the Shares are listed;

- (b) there are no existing or proposed service contracts (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)) between the Directors and any member of the Group;
- (c) none of the Directors or the experts named in the paragraph headed “Consents of experts” in this Appendix has any direct or indirect interest in the promotion of any member of the Group, or in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to, any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group;
- (d) none of the Directors or the experts named in the paragraph headed “Consents of experts” in this Appendix is materially interested in any contract or arrangement subsisting as at the date of this prospectus which is significant in relation to the business of the Group taken as a whole;
- (e) and taking no account of any Shares which may be taken up under the Global Offering, the Directors are not aware of any person who immediately following the completion of the Global Offering (but without taking account of Shares which may be taken up under the Global Offering and Shares falling to be allotted and issued upon the exercise of the Over-allotment Option) will have an interest or a short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be directly or indirectly 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 member of the Group; and
- (f) none of the experts named in the paragraph headed “Consents of experts” in this Appendix has any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group or is an officer or servant or in employment of an officer or servant of the Group.

E. SHARE OPTION SCHEME

The following is a summary of the principal terms of the Share Option Scheme conditionally adopted pursuant to the written resolutions of the Shareholders passed at the extraordinary general meeting held on 24 November 2007:

1. Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to provide an incentive for Qualified Participants (defined below) to work with commitment towards enhancing the value of the Company and the Shares for the benefit of the Shareholders and to retain and encourage Qualified Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its shareholders as a whole.

2. Participants of the Share Option Scheme and the basis of determining the eligibility of the participants

The board of directors of the Company (the “**Board**”) may at its discretion grant options to (i) any executive director, or employee (whether full time or part time) of the Company, any member of the Group or any entity in which any member of the Group holds an equity interest (“**Invested Entity**”); (ii) any non-executive directors (including independent non-executive directors) of the Company, any member of the Group or any Invested Entity; ((i) and (ii) collectively “**Eligible Employees**”); (iii) any supplier of goods or services to the Company, any member of the Group or any Invested Entity; (iv) any customer of the Company, any member of the Group or any Invested Entity; and (v) any such persons (including but not limited to consultant, adviser, contractor, business partner or service provider of the Company or any member of the Group or any Invested Entity) who in the absolute discretion of the Board has contributed or will contribute to the Group (collectively “**Qualified Participants**”).

3. Status of the Share Option Scheme

(a) Conditions of the Share Option Scheme

The Share Option Scheme shall take effect subject to: (i) the commencement of dealing in the shares on the Hong Kong Stock Exchange; (ii) the passing of the necessary resolutions to adopt the Share Option Scheme by the Shareholders; and (iii) the Listing Committee approving the listing of and permission to deal in any Shares to be allotted and issued pursuant to the exercise of options under the Share Option Scheme (the “**Conditions**”).

(b) Life of the Share Option Scheme

The Share Option Scheme shall be valid and effective for 10 years from the date on which the last of the Conditions is fulfilled (the “**Scheme Period**”), after which time no further option will be granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects.

4. Grant of options

(a) Making of offer

An offer of the grant of an option shall be made to a Qualified Participant by letter (“**Offer Letter**”) in such form as the Board may from time to time determine, requiring the Qualified Participant to undertake to hold the option on the terms on which it is to

be granted and to be bound by the provisions of the Share Option Scheme (including any operational rules made under the Share Option Scheme). The offer shall remain open for acceptance for a period of five business days from the date on which it is made PROVIDED THAT no such offer shall be open for acceptance after the expiry of the Scheme Period or after the termination of the Share Option Scheme. Unless otherwise determined by the Board and stated in the Offer Letter, there shall be no general performance target for the vesting or exercise of options.

(b) Acceptance of an offer

An option shall be deemed to have been granted to (subject to certain restrictions in the Share Option Scheme), and accepted by, the Qualified Participant (the “**Grantee**”) and to have taken effect upon the issue of an option certificate after the duplicate letter comprising acceptance of the option duly signed by the Grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant of the option shall have been received by the Company on or before the last day for acceptance set out in paragraph 4(a) above. The remittance is not in any circumstances refundable. Once accepted, the option is granted as from the date on which it was offered to the relevant Grantee.

(c) Restrictions on time of grant

- (i) No grant of options shall be made after a price sensitive event in relation to the securities of the Company has occurred or a price sensitive matter in relation to the securities of the Company has been the subject of a decision, until the price sensitive information has been announced pursuant to the requirements of the Listing Rules. In particular, no option shall be granted during the period of one month immediately preceding the earlier of:
- (1) the date of the Board meeting as shall have been notified to the Hong Kong Stock Exchange for the approval of the Company’s results for any year, half-year or quarterly or any other interim period (whether or not required under the Listing Rules); and
 - (2) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules or quarterly or other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement. The period during which no option may be granted will cover any period of delay in the publication of a results announcement.

- (ii) No grant of options shall be made to a Qualified Participant who is a director during a period in which the directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers or the Company’s own equivalent Code.

(d) Granting options

Any grant of options to a Qualified Participant who is a director, chief executive or substantial shareholder (each as defined in the Listing Rules) of the Company or their respective associates (as defined in the Listing Rules) must be approved by the independent non-executive directors (excluding any independent non-executive director who is also a proposed Grantee of the options).

(e) Grant to substantial shareholders and independent non-executive directors

Without prejudice to paragraph 4(d) above, any grant of options to a substantial shareholder or an independent non-executive director of the Company or any of their respective associates must be approved by the shareholders in general meeting if the shares issued and to be issued upon exercise of all options already granted and proposed to be granted to him (whether exercised, cancelled or outstanding) in the 12 month period up to and including the proposed date of such grant:

- (i) would represent in aggregate more than 0.1 per cent of the Shares then in issue; and
- (ii) would have an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5,000,000 (or such other amount as shall be permissible under the Listing Rules from time to time).

(f) Proceedings in general meeting to approve the grant of option

At the general meeting to approve the proposed grant of options under paragraph (e), all connected persons of the Company must abstain from voting unless they intend to vote against the proposed grant. At such general meeting, the vote to approve the grant of such options must be taken on a poll in accordance with the relevant provisions of the Listing Rules.

5. Subscription price

The price per Share at which a Grantee may subscribe for Shares upon exercise of an option (the “**Subscription Price**”) shall, subject to any adjustment pursuant to paragraph 7 below, be a price determined by the Board but in any event shall be at least the highest of:

- (i) the closing price of the Shares as stated in the Hong Kong Stock Exchange’s daily quotations sheets on the date on which the option is offered (the “**Offer Date**”);
- (ii) the average of the closing prices of the Shares as stated in the Hong Kong Stock Exchange’s daily quotation sheets for the five business days immediately preceding the Offer Date; and
- (iii) the nominal value of the Shares;

except that for the purposes of calculating the Subscription Price under paragraph 5(ii) above for an option offered within five business days of the Listing Date, the price at which the Shares are to be offered for subscription pursuant to the Global Offering shall be used as the closing price for any business day falling within the period before the Listing Date.

6. Maximum number of Shares available for subscription

(a) *Scheme Mandate*

Subject to sub-paragraphs 6(b) and 6(c) below, the maximum number of Shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed the number of Shares that shall represent 10% of the total number of Shares in issue as of the Listing Date (excluding Shares which may be allotted and issued under the over-allotment option) ("**Scheme Mandate**") which is expected to be 90,768,000 Shares. For the purpose of calculating the Scheme Mandate, options which have lapsed in accordance with the terms of the relevant scheme shall not be counted.

(b) *Renewal of Scheme Mandate*

The Company may seek approval by the Shareholders in general meeting for renewing the Scheme Mandate provided that the total number of Shares in respect of which options may be granted under the Share Option Scheme and any other schemes of the Company under the Scheme Mandate as renewed must not exceed 10% of the total number of Shares in issue as at the date of the shareholders' approval. Options previously granted under the Share Option Scheme and any other share option schemes of the Company, whether outstanding, cancelled, lapsed in accordance with its applicable rules or already exercised, will not be counted for the purpose of calculating the limit as renewed.

For the purpose of seeking the approval of the Shareholders under this sub-paragraph 6(b), a circular containing the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules must be sent to the shareholders.

(c) *Grant of Options beyond Scheme Mandate*

The Company may seek separate approval by the Shareholders in general meeting for granting options beyond the Scheme Mandate provided that the options in excess of the Scheme Mandate are granted only to Qualified Participants who are specifically identified before such approval is sought.

For the purpose of seeking the approval of the Shareholders under this sub-paragraph (6)(c), the Company must send a circular to the Shareholders containing a generic description of the specified Grantees who may be granted such options, the number and terms of the options to be granted, the purpose of granting such options to the Grantees with an explanation as to how the terms of options serve such purpose and the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer as required under Rule 17.02(4) of the Listing Rules.

(d) *Maximum number of Shares issued pursuant to Options*

Notwithstanding anything to the contrary in the Share Option Scheme, the maximum limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes of the Company must not exceed such number of Shares as shall represent 30% of the Shares in issue from time to time. No options may be granted if such grant will result in this 30% limit being exceeded.

(e) Grantee's maximum holding

Unless approved by the Shareholders in general meeting in the manner prescribed in the Listing Rules, the Board shall not grant options to any Grantee if the acceptance of those options would result in the total number of shares issued and to be issued to that Grantee on exercise of his options during any 12 month period exceeding 1% of the total Shares then in issue.

Where any further grant of options to a Grantee, if exercised in full, would result in the total number of Shares already issued or to be issued upon exercise of all options granted and to be granted to such Grantee (including exercised, cancelled and outstanding options) in any 12-month period up to and including the date of such further grant exceeding 1% of the total number of Shares in issue, such further grant must be separately approved by the Shareholders in general meeting with such Grantee and his associates abstaining from voting. The Company must send a circular to the Shareholders and the circular must disclose the identity of the Grantee, the number and terms of the options to be granted and options previously granted to such Grantee and the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules. The number and terms (including the Subscription Price) of the options to be granted to such Participant must be fixed before the Shareholders' approval. The date of the meeting of the Board for proposing such further grant of option should be taken as the date of grant for the purpose of calculating the Subscription Price.

(f) Adjustment

The number of Shares subject to the options and to the Share Option Scheme may be adjusted in such manner as the Company's independent financial advisor or auditor (acting as expert and not as arbitrator) shall certify in writing to the Board to be in its opinion fair and reasonable in accordance with sub-paragraph 7(b) below.

7. Reorganisation of capital structure

(a) Adjustment of options

In the event of any alteration in the capital structure of the Company whilst any option becomes or remains exercisable, whether by way of capitalization of profits or reserves, rights issue, consolidation, subdivision or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party), the Board shall make (and shall notify to the Grantee) such corresponding alterations (if any) in:

- (i) the number of Shares subject to any option so far as such option remains unexercised;
- (ii) the Subscription Price; or
- (iii) the number of Shares subject to the Share Option Scheme;

that are required to give each Grantee the same proportion of the share capital as that to which the Grantee was previously entitled, but not so that the effect would be to enable any Share to be issued to a Grantee at less than its nominal value, provided that no adjustment to the Subscription Price and number of Shares should be made to the advantage of the Qualified Participants without specific prior approval of the Shareholders.

Any adjustment(s) pursuant to 7(a) of this section shall be made in compliance with Chapter 17 of the Listing Rules, the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all issuers relating to share option schemes and any future guidance and interpretation of the Listing Rules issued by the Stock Exchange from time to time.

(b) Auditors/independent financial advisor confirmation

On any capital reorganization other than a capitalization issue, the auditor or an independent financial advisor shall certify in writing to the Board that the adjustments made by the Board pursuant to sub-paragraph 7(a) above is in its opinion fair and reasonable.

8. Cancellation of options

Subject to the consent from the relevant Grantee, the Board may at its discretion cancel options previously granted to and yet to be exercised by a Grantee for the purpose of re-issuing new options to that Grantee provided that there are sufficient available unissued options under the Scheme Mandate as renewed from time to time (excluding such cancelled options) in accordance with the terms of the Share Option Scheme.

9. Assignment of options

An option is personal to the Grantee and shall not be transferable or assignable. No Grantee shall sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any option or attempt to do so (except that the Grantee may nominate a nominee, of which the Grantee is the sole beneficial owner, in whose name the Shares issued pursuant to the Share Option Scheme may be registered provided that evidence of such trust arrangement between the Grantee and the nominee has been provided to the satisfaction of, and on terms acceptable by, the Board).

10. Rights attached to the Shares

The Shares to be allotted upon exercise of an option will be subject to all the provisions of the Articles of Association and will rank *pari passu* with the fully paid Shares in issue as from the day when the name of the Grantee is registered on the register of members of the Company (the “**Registration Date**”). Accordingly the Shares will entitle the holders to participate in all dividends or other distributions paid or made on or after the Registration Date other than any dividends or other distributions previously declared or recommended or resolved to be paid or made with respect to a record date which is before the Registration Date.

A Share issued upon the exercise of an option shall not carry any voting rights until the registration of the Grantee or his nominee as the holder of the Share on the register of members of the Company.

Unless otherwise regulated by applicable law, a Grantee, shall have no rights as a Shareholder with respect to any Shares covered by an option before such Grantee exercises the option.

11. Exercise of options

(a) General

The period during which an option may be exercised in accordance with the terms of the Share Option Scheme (“**Option Period**”) shall be the period of time to be notified by the Board to each Grantee, which the Board may in its absolute discretion determine, save that such period shall not be more than ten years commencing on the Offer Date.

(b) Rights on a takeover

In the event of a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner, is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the option granted to them, the Shareholders. If such offer becomes or is declared unconditional, the Grantee shall be entitled to exercise the option (to the extent not already exercised) to its full extent or to the extent specified in the Grantee’s notice to the Company in exercise of the option at any time before the expiry of the period of ten business days following the date on which the offer becomes or is declared unconditional.

(c) Rights on a voluntary winding up

In the event a notice is given by the Company to the Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each of the Shareholders give notice to all Grantees (together with a notice of the existence of the provisions of this subparagraph 11(c)). Upon receipt of such notice, each Grantee (or where permitted, his or her legal personal representative(s)) shall be entitled to exercise all or any of the option (to the extent which has become exercisable and not already exercised) at any time not later than two (2) business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given. Upon receipt of such notice together with the remittance by the Company, the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid. The allotted Shares shall rank pari passu with all other Shares in issue on the date prior to the passing of the resolution to wind-up the Company to participate in the distribution of assets of the Company available in liquidation.

(d) Rights on a compromise or arrangement

If a compromise or arrangement between the Company and the Shareholders or creditors is proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice to the Grantee on the same day as it gives notice of the meeting to its shareholders or creditors to consider the compromise or arrangement. Upon receipt of the notice, the Grantee may, during the period commencing on the date of the notice and ending on the earlier of:

- (i) the date two calendar months thereafter; and
- (ii) the date on which such compromise or arrangement is sanctioned by the court,

exercise the option (to the extent not already exercised), conditional upon the compromise or arrangement being sanctioned by the court and becoming effective. With effect from the date of such meeting, the rights of all Grantees to exercise their respective options shall forthwith be suspended. The Company may require the Grantee to transfer or otherwise deal with the Shares issued as a result of the exercise of options in these circumstances so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to the compromise or arrangement. If for any reason such compromise or arrangement is not approved by the court (whether upon the terms presented to the court or upon any other terms as may be approved by such court) the rights of the Grantees to exercise their respective options shall with effect from the date of the making of the order by the court be restored in full and shall thereupon become exercisable (but subject to the other terms of the Share Option Scheme) as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its officers for any loss or damage sustained by any Grantee as a result of the aforesaid suspension.

12. Lapse of options

An option whether vested or unvested shall lapse automatically (to the extent not already exercised) on the earliest of:

- (i) the expiry of the Option Period;
- (ii) the expiry of the periods referred to in sub-paragraphs 11(b) to (d) above;
- (iii) the date of the commencement of the winding-up of the Company in respect of the situation contemplated in sub-paragraph 11(c);
- (iv) the date the scheme or compromise referred to in sub-paragraph 11(d) above becomes effective;

- (v) in respect of a Grantee (being an Eligible Employee) who ceases to be engaged by the Group or the Invested Entity by reasons other than termination of employment on grounds under sub-paragraph 12(vi) below, the last date on which such Grantee was at work with the Group or the Invested Entity (whether salary is paid in lieu of notice or not);
- (vi) the date on which the Board or board of the relevant member of the Group or the board of the Invested Entity resolves that Grantee (being Eligible Employee) ceases to be a Qualified Participant by reason of the termination of his employment on any one or more of the following grounds:
 - (a) that he has been guilty of misconduct; or
 - (b) that he has committed an act of bankruptcy or has become insolvent or has made an arrangement or composition with creditors generally; or
 - (c) that he has been convicted of a criminal offence involving his integrity or honesty; or
 - (d) any misconduct based on the sole and absolute option of the Company;and a resolution of the Board or the board of directors of the relevant subsidiary of the Company or of the Interested Entity to that effect shall be conclusive;
- (vii) in the event of a Grantee other than an Eligible Employee, the date on which the Board resolves that such Grantee ceases to be qualified as a Qualified Participant by reason of termination of its business relation with the relevant member of the Group or by reason of its failure to comply with the provisions of the relevant contracts or agreements and/or its breaches of its fiduciary duties under common law or otherwise on other grounds as the Board considers appropriate;
- (viii) the date on which a Grantee commits a breach of paragraph 9 above;
- (ix) if an option was granted subject to certain conditions, restrictions or limitation, the date on which the Board resolves that the Grantee has failed to satisfy or comply with such conditions, restrictions or limitation; and
- (x) the occurrence of such event or expiry of such period as may have been specifically provided for in the offer letter, if any.

13. Amendment of the Share Option Scheme

(a) Amendments requiring Board approval

Any amendment to the Share Option Scheme other than those set out in subparagraph 13(b) below must be approved by the majority of the Board or the scheme administrator.

(b) Amendments requiring shareholder approval

Subject to sub-paragraphs 13(c) and (d), the following matters require the prior sanction of a resolution of the Shareholders in general meeting:

- (i) any change to the provisions relating to:
 - (1) the purpose of the Share Option Scheme;
 - (2) the definitions of “Grantee”, “Option Period”, “ Qualified Participant” and “Scheme Period” contained in the Share Option Scheme;
 - (3) the provisions relating the Scheme Period, the basis of eligibility for options, the making of offer, the contents of offer letter, the acceptance of an option, the Subscription Price, the granting of options to connected persons, substantial shareholders and independent non-executive directors, the exercise of options, the lapse of options, the maximum number of shares available for subscription, cancellation of options, reorganization of capital structure and termination of the Share Option Scheme;

which operates to the advantage of Qualified Participants or Grantees;

- (ii) any change to the authority of the Board or the scheme administrator;
- (iii) any amendment to the terms and conditions of the Share Option Scheme which are of a material nature except where such amendment takes effect automatically under the existing terms of the Share Option Scheme; and
- (iv) any amendment to the terms of options granted except where such amendment takes effect automatically under the existing terms of the Share Option Scheme.

(c) Amendments requiring the super majority consent from the Grantees

Notwithstanding any approval obtained pursuant to sub-paragraphs 13(b) above, no amendment shall operate to adversely affect the terms of issue of any option granted or agreed to be granted prior to such amendment except with the consent or sanction in writing of such number of Grantees as shall together hold options in respect of not less than three-fourths in nominal value of all Shares then subject to the options granted under the Share Option Scheme, except where such amendment takes effect automatically under the existing terms of the Share Option Scheme.

(d) Amendments requiring the approval of the Hong Kong Stock Exchange

Any amendment to the terms and conditions of the Share Option Scheme which are of a material nature shall first be approved by the Hong Kong Stock Exchange except where such amendment takes effect automatically under the existing terms of the Share Option Scheme.

14. Termination

The Company may at any time terminate the operation of the Share Option Scheme by resolution of the Board or resolution of the shareholders in general meeting and in such event no further options will be offered but the provisions of the Share Option Scheme shall remain in force in all other respects to the extent necessary to give effect to the exercise of the options (to the extent not already exercised) granted prior to the termination or otherwise or may be required in accordance with the provisions of the Share Option Scheme. All options granted prior to the termination and yet to be exercised shall continue to be valid and exercisable in accordance with the terms of the Share Option Scheme.

As of the Latest Practicable Date, no option has been granted by the Company under the Share Option Scheme.

F. OTHER INFORMATION

1. Indemnities

Sanyang and Mr. Huang Shi Hui (the “**Indemnifiers**”) have, under a deed of indemnity referred to in paragraph (g) of the sub-section headed “Summary of Material Contracts” in this Appendix, given joint and several indemnities in connection with, among other things, (a) any liability for Hong Kong estate duty which might be payable by any member of the Group by reason of any transfer of any property in accordance with sections 35 and/or 43 of the Estate Duty Ordinance (Chapter 111 of the Laws of Hong Kong) to any member of the Group on or before the date of such deed of indemnity; (b) any taxation which might be payable by any member of the Group (i) in respect of any income, profits or gains earned, accrued or received on or before the date of such deed of indemnity; or (ii) in respect of or in consequence of any event or any transactions or any act or omission occurring or deemed to occur on or before the date of such deed of indemnity and (c) any loss or liability suffered by any member of the Group as a result of or in connection with the legal proceedings brought against Mr. Huang Shi Hui as referred to in the section headed “Business — History and Development — Legal Proceedings Concerning Mr. Huang Sui Hui”.

The Indemnifiers will however, not be liable under the deed of indemnity for taxation to the extent that:

- provision or reserve has been made for such taxation in the audited consolidated income statements, consolidated statements of change in equity and consolidated cash flow statements of the Group for the years ended 31 December 2004, 2005 and 2006 and the six-month period ended 30 June 2007, respectively, and the consolidated balance sheet of the Group as at 31 December 2004, 2005 and 2006 and 30 June 2007, respectively, together with the notes thereto which appear in Appendix I to this prospectus; or
- the taxation arises or is incurred as a result of only a retrospective change in law or a retrospective increase in tax rates coming into force after the date of such deed of indemnity; or

- the taxation liability would have not arisen but for any voluntary act of any member of the Group but excluding any act:
 - (i) carried out pursuant to a legally binding commitment of any member of the Group entered into or incurred on or before the date of such deed of indemnity; or
 - (ii) occurring in the ordinary course of business of the relevant member of the Group.

The Directors have been advised that no material liability for estate duty under the laws of the Cayman Islands, Vietnam or Taiwan is likely to fall upon any member of the Group in the Cayman Islands, Vietnam or Taiwan, respectively.

2. Litigation

As at the Latest Practicable Date, save as disclosed below, no member of the Group was engaged in any material litigation, claim or arbitration and, to the best knowledge of the Group, no such litigation, claim or arbitration is pending or threatened against any member of the Group.

On 28 November 2007, VMEP received a letter (the “**Letter**”) dated 26 November 2007 from a firm of Vietnamese lawyers acting on behalf of a European motorbike manufacturer (the “**European Motorbike Manufacturer**”) which claims that the Attila Elizabeth scooter, which the Group has been selling in Vietnam since August 2007, utilises a design that is confusingly similar to a certain model of scooter produced by the European Motorbike Manufacturer. The Letter alleges that the substantial similarity in designs between the two models of scooter has caused confusion among Vietnamese consumers. It further alleges that VMEP has employed a misleading advertising campaign in Vietnam to market its Attila Elizabeth scooters and that the manufacture, advertising, distribution and sale of its Attila Elizabeth scooters without the consent of the European Motorbike Manufacturer constitutes unfair competitive practices in violation of such manufacturer’s rights. The Letter stipulates that should the European Motorbike Manufacturer commence legal proceedings against VMEP, such manufacturer reserves its right to recover from VMEP all financial losses and damages caused by VMEP’s allegedly unfair competitive practices. The Group is not aware that any legal proceedings have been commenced in relation to any of the alleged matters referred to in the Letter.

VMEP currently holds two patents for industrial design registered with the National Office of Intellectual Property of Vietnam (the “**NOIP**”) in connection with the frame covers and the overall look of the Attila Elizabeth scooter and such registrations will be effective until 2012. On the basis that VMEP was granted such patents by the NOIP, Russin & Vecchi, the Company’s legal advisers as to Vietnamese law, have advised that the designs of the Attila Elizabeth scooter are considered by the NOIP to be distinct from and not confusingly similar to any publicly disclosed or patented design of motorbike.

On the basis of the above, the Directors believe that the allegations and claims contained in the Letter are unfounded and, on the basis of the legal advice given by Russin & Vecchi, the Directors are satisfied that any claims brought by the European Motorbike Manufacturer would fail. The Directors will take such action as may be necessary to contest

the allegations and claims referred to in the Letter. The Group currently sells the Attila Elizabeth only in Vietnam. Before commencing sales of this scooter elsewhere in the ASEAN region, where the Group does not currently hold patents relating to its design, the Group will take legal advice to help ensure that such sales fully respect all relevant intellectual property rights and comply with all applicable competition laws.

3. Sponsor

The Sponsor has made an application on behalf of the Company to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Shares in issue and to be issued as mentioned herein, including any Shares that may be issued under the Over-allotment Option and any Shares falling to be issued pursuant to the exercise of options which may be granted under the Share Option Scheme.

4. Preliminary expenses

The estimated preliminary expenses of the Company are approximately US\$3,200 and are payable by the Company.

5. Promoter

The Company has no promoter for the purpose of the Listing Rules. Within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given or is proposed to be paid, allotted or given to any promoter in connection with the Global Offering and the related transactions described in this prospectus.

6. Details of the Selling Shareholders

The details of the Selling Shareholders are set out below:

| Name | Registered office | Description | Number of Sell Shares |
|----------|---|---|-----------------------|
| Indopark | 4th Floor, IBL House Caudan, Port Louis Republic of Mauritius | a limited liability company incorporated in Mauritius and indirectly wholly-owned by Merrill Lynch & Co., Inc. | 21,960,000 |
| SYI | Offshore Chambers P.O. Box 217 Apia, Samoa | a limited liability company incorporated in Samoa and wholly-owned by Sanyang, a controlling shareholder of the Company | 29,280,000 |

7. Qualifications of experts

The qualifications of the experts (as defined under the Listing Rules and the Companies Ordinance) who have given their opinions or advice in this prospectus are as follows:

| Name | Qualification |
|------------------|--|
| BNP Paribas | Corporation licensed to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO |
| KPMG | Certified public accountants |
| CB Richard Ellis | Property valuers |

| Name | Qualification |
|------------------------|--------------------------------------|
| Chien Yeh Law Offices | Legal advisers on Taiwanese law |
| Conyers Dill & Pearman | Legal advisers on Cayman Islands law |
| Russin & Vecchi | Legal advisers on Vietnamese law |

8. Consents of experts

Each of BNP Paribas, KPMG, CB Richard Ellis, Chien Yeh Law Offices, Conyers Dill & Pearman and Russin & Vecchi, has given and has not withdrawn their respective written consents to the issue of this prospectus with copies of their reports, valuation certificates, letters, opinions or summaries of opinions (as the case may be) and the references to their names included herein in the form and context in which they are respectively included.

None of the experts named above has any shareholding interests in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

9. Share register

The register of members of the Company will be maintained in the Cayman Islands by Butterfield Fund Services (Cayman) Limited and a branch register of members will be maintained in Hong Kong by Computershare Hong Kong Investor Services Limited. Unless the Directors otherwise agree, all transfer and other documents of title to Shares must be lodged for registration with, and registered by, the branch registers in Hong Kong and may not be lodged in the Cayman Islands.

10. Miscellaneous

- (a) Save as disclosed in the section headed “Information on Indopark”, within the two years preceding the date of this prospectus, no share or loan capital of the Company or any of its subsidiaries was under option or was agreed conditionally or unconditionally to be put under option.
- (b) Save as disclosed in the paragraphs headed “A. Further information about the Company – 5. Changes in share capital of subsidiaries” and “C. Further information about the subsidiaries of the Company” in this section, within the two years preceding the date of this prospectus, no share or loan capital of the Company or any of its subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash.
- (c) Within the two years preceding the date of this prospectus, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of the Company or any of its subsidiaries.
- (d) There has not been any interruption in the business of the Group which may have or has had a significant effect on the financial position or prospects of the Group within the twelve months preceding the date of this prospectus.
- (e) No commission has been paid or payable (except commission to sub-underwriters) to any persons for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any shares of the Company or any of its subsidiaries.

- (f) The Company has no founder shares, management shares or deferred shares.
- (g) All necessary arrangements have been made to enable the Shares to be admitted into CCASS.
- (h) The Company has no outstanding convertible debt securities.

11. Binding effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies Ordinance so far as applicable.

12. Compliance Adviser

The Company has appointed Access Capital Limited as its compliance adviser in compliance with Rule 3A.19 of the Hong Kong Listing Rules.

The Company entered into a compliance adviser's agreement with the compliance adviser, the material terms of which the Company expects to be as follows:

- (a) the Company has appointed the compliance adviser as the compliance adviser of the Company for the purpose of Rule 3A.19 of the Listing Rules for a period commencing on the Listing Date and ending on the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of the financial results for the first full financial year commencing after the Listing Date, or until the agreement is terminated, whichever is earlier;
- (b) the compliance adviser shall provide the Company with services, including guidance and advice as to compliance with the requirements under the Listing Rules and other applicable laws, regulations and codes, and to act as one of the principal channels of communication with the Stock Exchange;
- (c) the Company has agreed to indemnify the compliance adviser for certain actions against and losses incurred by the compliance adviser arising out of or in connection with the performance by the compliance adviser of its duties under the agreement, or any material breach or alleged breach by the Company of the provisions of the agreement; and
- (d) the Company may terminate the appointment of any compliance adviser if the compliance adviser's work is of an unacceptable standard as permitted by Rule 3A.26 of the Listing Rules. The compliance adviser may resign or terminate its appointment by service of three months' notice to the Company.

13. Bilingual Prospectus

The English language and Chinese language versions of this prospectus are being published separately in reliance upon the exemption provided by section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).