

SUMMARY

This summary aims to give you an overview of the information contained in this prospectus. As this is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to invest in the Shares. Capitalised terms not defined in this summary are defined in the section headed "Definitions".

There are risks associated with any investment. Some of the particular risks in investing in the Shares are described in the section headed "Risk Factors". You should read that section carefully before deciding whether to invest in the Shares.

OVERVIEW

The Group is one of the leading manufacturers of scooter and cub motorbikes in Vietnam, which the Directors believe currently ranks third among the principal foreign-owned motorbike manufacturers in terms of sales volume. The Group also produces motorbike engines and parts for use in its own motorbikes and for sale, and it sells and services moulds for making die-cast and forged metal parts. The Group's manufacturing and assembly operations are conducted principally in two factories located near the two largest cities in Vietnam, namely Ho Chi Minh City and Hanoi. In the first half of 2007, the Group sold on average 17,661 motorbikes per month. The theoretical annual production capacity of the Group's motorbike facilities, calculated by aggregating the maximum output per day of the bottleneck in each of the motorbike production lines as at the Latest Practicable Date, was approximately 314,940 units. The principal operations of the Group are undertaken through VMEP, which began operations in Vietnam in 1992.

Brand Portfolio

The Group's motorbikes are retailed under both the SYM and SANDA brand names. SYM scooters are high-end products that use many custom-designed components and are marketed as stylish and technologically modern. SANDA products are aimed at lower-income consumers and are positioned as practical, functional transport. Revenue generated from the sale of the Group's SYM motorbikes amounted to US\$232.4 million, US\$139.9 million, US\$152.2 million and US\$94.6 million and represented approximately 89.1%, 76.1%, 82.6% and 82.3% of the Group's total revenue in the years ended 31 December 2004, 2005 and 2006 and the six-month period ended 30 June 2007, respectively. For each of these periods, the SANDA motorbike sales amounted to US\$12.4 million, US\$17.8 million, US\$9.4 million and US\$8.4 million which represented approximately 4.7%, 9.7%, 5.1% and 7.3% of the Group's total revenue, respectively.

Sales Network

The Group's sales network in Vietnam consists of authorised SYM stores owned by dealers, SYM-branded service and repair centres run by service providers and retail parts outlets. A dealership network of approximately 230 authorised SYM stores in both urban and rural areas enables the Group's motorbikes to be marketed throughout Vietnam. The Group sells motorbikes and parts to dealers, which usually operate one or more authorised SYM stores on-selling SYM and SANDA motorbikes to consumers and selling parts in connection with their repair services. The Group's dealers comprise exclusive dealers which enter into dealer agreements with the Group and a small number of non-exclusive dealers which purchase motorbikes and parts from the Group using sales and purchase agreements. The Group's service providers purchase parts from the Group for on-sale or for use in the repair services provided by their SYM-branded

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service and repair centres. The retail parts outlets to which the Group sells parts to independent garages and individual consumers. The Group has also exported certain models of SYM motorbikes, as well as engines and parts, primarily to distributors in Malaysia, the Philippines, Singapore and a number of countries in Europe.

The Group has various brand management policies in place with dealers and service providers to ensure that the SYM brand conveys a consistent image. The Group encourages all exclusive dealers and service providers to maintain consistent decoration and product layout in the stores selling or servicing the Group's motorbikes. The Group also offers training to the technical personnel engaged by the exclusive dealers and service providers to provide maintenance and repair services to consumers. When servicing the Group's motorbikes, these businesses must use spare parts and engine oil supplied by the Group. In addition, dealers and service providers are obliged to submit periodic sales, inventory and maintenance reports in order for the Group to monitor the sales of, and services provided through, its sales network. Dealers and service providers are required to obtain the necessary certificates for their businesses and are responsible for the regulatory compliance of their operations.

Dealers

In selecting dealers, the Group considers factors such as the size, location and distribution capability of the potential dealer. The annual dealer agreements generally impose exclusivity upon each authorised SYM store which restrict the store from selling other brands of motorbikes. Each exclusive dealer in the Group's network has a designated sales area in which the dealer is permitted to establish authorised SYM stores. To stabilise the retail sales prices of the Group's motorbikes, the dealers are not permitted to operate authorised SYM stores in close proximity to each other.

The Group's dealers purchase motorbikes and parts directly from the Group at a fixed price and on-sell the products to consumers as well as motorbike shops. The sales price to dealers takes into consideration general market conditions, competitors' products and prices. All payments must be made up-front prior to the delivery of motorbikes or parts. The retail price at which motorbikes and parts should be sold to consumers is set by the Group, taking into account factors such as market supply and demand, competitors' prices and product positioning. Dealers have discretion to adjust the recommended prices of motorbikes in light of local market considerations but are not granted any discretion regarding the retail price at which they may sell parts to consumers.

The Group sets sales targets for dealers to meet, and it is entitled to change dealers for a particular sales area if a dealer fails for three consecutive months to achieve the target. Bonuses are offered to all exclusive dealers in relation to the number of products sold by them. The Group sometimes provides funding to exclusive dealers to subsidise selling-related activities, such as shop renovation or product promotion.

The Group has a small number of non-exclusive dealers who purchase their motorbikes using sales and purchase agreements. The non-exclusive dealers are not required to implement the decoration and product layout instructions of the Group and are not entitled to financial support for advertising and decoration. These dealers also are not obliged to provide warranty services for the Group's motorbikes. In the north of Vietnam, the Group sometimes sells certain SANDA cub models through a dealer acting as a sole distributor when the management team believes that this will enhance the sales of these models.

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Service providers

Each SYM-branded service and repair centre is authorised to service and repair the Group's motorbikes and sell parts supplied by the Group. Parts are sold to service providers at fixed prices representing a discount to the retail prices set by the Group. All payments must be made by service providers before delivery. The Group is entitled to reduce the discounts offered to, or terminate the agreement with, the service provider if the service provider sells the Group's parts at a price different from the one set by the Group.

Each service provider is obliged to repair or service the Group's motorbikes for free on the warranty terms offered by the Group. If services are provided on the Group's motorbikes under warranty, a service provider is entitled to reimbursement for the costs of parts and engine oil used in the service and for its labour costs relating to the services. The agreement places liability on the service providers for any problems caused by any inappropriate services provided by them. The Group is entitled to terminate a service and repair centre agreement upon material breach by a service provider.

Retail parts outlets

Retail parts outlets purchase parts from the Group at fixed prices and on-sell them at the retail prices set by the Group from time to time. All payments must be made before delivery. The Group has sole discretion in deciding discounts or bonuses offered to retail parts outlets. The annual parts supply contracts do not oblige the retail parts outlets to make a minimum level of purchases.

Research and Development

Currently, the research and development related to entirely new models of motorbikes (as distinguished from the redesign of existing models) is provided by Sanyang at the request of the Group. The Group's research and development operations are principally located at the Dong Nai motorbike factory and include more than 160 full-time employees dedicated to developing products specifically for the Vietnamese market.

A new research and development centre in Dong Nai Province is under construction and is expected to commence operations in March 2009. This new site will occupy an area of approximately 300,000 square metres and will include a test-driving circuit for motorbikes and other motor vehicles, emissions testing equipment and a staff dormitory. The Directors anticipate that the new centre will be capable of carrying out advanced research projects. The total capital expenditure budget for the construction of the new research and development centre, which will be funded by the proceeds from the Global Offering and the Group's cash from operations, is expected to be approximately US\$14.8 million.

Relationship with the Sanyang Group

Sanyang, a company that principally engages in the manufacture of motorbikes and related parts in Taiwan, is the ultimate controlling shareholder of the Company. Since 2006, Indopark has held a 10% interest in the Company with Sanyang holding the remaining 90%. During the Track Record Period, the Sanyang Group provided the Group with parts, services and rights through contractual arrangements that the Directors considered necessary or desirable for the Group's business activities, such as (i) the supply of certain parts that were incorporated into the Group's products, (ii) research and development services and (iii) certain intellectual property rights, including the "SYM" trade mark and specific technology and know-how in connection

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with the production of certain models of motorbikes. During this period, the Group's products were marketed and sold overseas through Sanyang's international distribution network, with Sanyang purchasing the products as principal and marking them up on resale overseas.

After the Global Offering, the Group will operate as a stand-alone group, and Sanyang will have no obligation to provide assistance to the Group except pursuant to agreements that are further described in the section headed "Connected Transactions". The Group has recently established its own ASEAN distribution network and, following the Listing, will itself market and sell its products in the ASEAN region rather than doing this through Sanyang. The Trade Marks Licence Agreement will entitle the Group to sell SYM-branded products only in the ASEAN region. Following the Listing, the Group will not sell any of its products to Sanyang, except for motorbike parts pursuant to the VMEP Holdings Parts Sales Agreement. The spin-off of the Group from Sanyang will enable the Group to gain independent access to international capital markets and attract talent by offering more attractive incentive programmes. However, as described in the section headed "Risk Factors", the spin-off of the Group from Sanyang involves certain risks.

Design and competition issue

On 28 November 2007, the Group received a letter sent on behalf of a European motorbike manufacturer, claiming that the Group's Attila Elizabeth scooter, which the Group has been selling since August 2007, utilises a design that is confusingly similar to a scooter model produced by the European manufacturer and that VMEP has employed a misleading advertising campaign in Vietnam to market the Attila Elizabeth. The letter alleges that the manufacture, advertising, distribution and sale of the Attila Elizabeth without the consent of the European motorbike manufacturer constitute unfair competitive practices in violation of the manufacturer's rights, and it reserves the right to commence legal proceedings against VMEP to, among other things, recover for the financial losses and damages allegedly caused by these practices.

On the basis of the fact that the National Office of Intellectual Property of Vietnam has registered in VMEP's name two Vietnamese patents for industrial design in connection with various frame covers and the overall look of the Attila Elizabeth, Russin & Vecchi, the Company's Vietnam counsel, has advised that the design of the Attila Elizabeth was considered by the National Office of Intellectual Property to be distinct from, and not confusingly similar to, any publicly disclosed or patented design of motorbike.

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

Revenue

The Group's revenue for the years ended 31 December 2004, 2005 and 2006 and the six-month period ended 30 June 2007 was US\$261.0 million, US\$183.8 million, US\$184.3 million and US\$115.0 million, respectively. For the same periods, the net profit of the Group

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was US\$43.0 million, US\$16.5 million, US\$23.3 million and US\$14.0 million, respectively. Most of the Group's revenue is derived from the manufacture and sale of motorbikes. For the years ended 31 December 2004, 2005 and 2006 and the six-month period ended 30 June 2007, sales of motorbike engines and parts to third parties accounted for approximately 6.0%, 14.0%, 12.0% and 10.2% of the Group's revenue.

COMPETITIVE STRENGTHS

The Directors believe that the Group has the following key strengths:

- The Group designs and produces its motorbikes specifically for the Vietnamese market.
- The Group's wide range of products and dual-branding strategy position the Group to participate in the growth of different sectors of the motorbike market.
- The Group has substantial market access via an extensive and committed dealership network.
- The Group benefits from a strong supplier network.
- The Group benefits from the strong reputation of the SYM brand and the Attila model name.
- The Group has a highly qualified management team with extensive experience in Vietnam.

STRATEGIES

The Group intends to consolidate its position as a leading manufacturer of motorbikes in Vietnam and, in the process, to focus on achieving sustainable growth and creating long-term shareholder value by improving profitability.

To achieve these objectives, the Group plans to pursue the following key business strategies:

- Increase the Group's investment in its research and development capabilities.
- Accelerate the Group's move to lower-cost reliable suppliers.
- Consolidate the Group's strong position in the scooter market in Vietnam by continuing to introduce new models to broaden its product range, thereby allowing it to pursue additional target markets.
- Regain market share in the cub market by focusing on quality while maintaining price competitiveness.
- Continue to enhance the SYM brand image.
- Expand the Group's distribution network in Vietnam and develop networks in other ASEAN countries.

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USE OF PROCEEDS

The net proceeds of the Global Offering after deducting related expenses, and assuming an Offer Price of HK\$4.13 per Offer Share (being the mid-point of the stated range of the Offer Price of between HK\$3.61 and HK\$4.64 per Offer Share) and that the Over-allotment Option is not exercised in whole or in part, are estimated to amount to about HK\$843.8 million. Of these net proceeds, the Company will receive approximately HK\$637.4 million and the Selling Shareholders will receive approximately HK\$206.4 million.

The Group currently intends to apply the net proceeds as follows:

- approximately 18% of the net proceeds (approximately HK\$114.7 million) for the construction and setting up of a research and development centre in Vietnam which is expected to commence operations in March 2009;
- approximately 61% of the net proceeds (approximately HK\$388.8 million) for investment in the Group's distribution channel in Vietnam to be made within the next two years, of which approximately 8% is intended to be used to upgrade approximately 165 existing authorised SYM stores (including SYM flagship stores and large-scale SYM showrooms) owned by dealers in premium locations through cash subsidies in decoration and shop renovation; approximately 12% is intended to be used to establish around 20 new authorised SYM stores through joint ventures with existing or new dealers; and approximately 80% is intended to be used to open about 20 new SYM stores owned by the Group in premium locations;
- approximately 11% of the net proceeds (approximately HK\$70.1 million) for potential mergers and acquisitions of assets or businesses that are related to the Group's business in ASEAN and elsewhere; and
- the remaining amount as additional general working capital.

The current plan of the Group is to acquire assets or businesses that are related to the Group's business in ASEAN and elsewhere. The Group has not, at this stage, identified any specific investment targets or entered into any legally binding agreement or arrangement with respect to these potential acquisitions, and there is no acquisition in progress. Any companies in which the Group decides to invest are likely to be ones which engage in the same or a similar business as the Group and which, in the view of the Group, may increase the Group's market share or have particular synergies with the businesses of the Group. The Group will also consider investing in or forming partnerships with companies in ASEAN and elsewhere to strengthen its overseas market share.

In the event that the Over-allotment Option is exercised in full, the additional net proceeds of approximately HK\$137.1 million (assuming the Offer Price is determined at the mid-point of the stated range of the Offer Share between HK\$3.61 and HK\$4.64 per Offer Share) will be applied by the Company as additional funding for the Group's investments in mergers and acquisitions of assets or businesses that are related to the Group's business in ASEAN and elsewhere.

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To the extent that the net proceeds of the Global Offering are not immediately required for the above purposes, the Directors intend that such proceeds will be placed on short-term deposit with licensed banks or financial institutions. Further information in relation to the use of proceeds of the Global Offering is set out in the section headed "Use of Proceeds".

The net proceeds from the sale of the Sale Shares by the Selling Shareholders in the Global Offering after deducting related expenses, and assuming an Offer Price of HK\$4.13 per Offer Share (being the mid-point of the stated range of the Offer Price of between HK\$3.61 and HK\$4.64 per Offer Share), are estimated to amount to approximately HK\$206.4 million.

Assuming an Offer Price of HK\$4.64 per Offer Share (being the high-end of the stated range of the Offer Price between HK\$3.61 and HK\$4.64 per Offer Share), the amount of additional net proceeds to be received by the Company is estimated to be approximately HK\$87.4 million, which the Directors intend to apply as additional funding for the Group's investments in mergers and acquisitions of assets or businesses that are related to the Group's business in ASEAN and elsewhere.

Assuming an Offer Price of HK\$3.61 per Offer Share (being the low-end of the stated range of the Offer Price between HK\$3.61 and HK\$4.64 per Offer Share), the Directors intend that the respective amounts to be applied for each of the above purposes will remain unchanged except for the amount to be applied towards funding the Group's investments in mergers and acquisitions of assets or businesses that are related to the Group's business in ASEAN and elsewhere.

SUMMARY HISTORICAL FINANCIAL RESULTS

The following summary historical consolidated income statement data for the years ended 31 December 2004, 2005 and 2006, and the six-month period ended 30 June 2007 set forth below, has been derived from the Accountants' Report set out in Appendix I to this prospectus. These results were prepared on the basis set out in the Accountants' Report.

PROFIT AND LOSS DATA	Year ended 31 December			Six months ended 30 June	
	2004 (US\$)	2005 (US\$)	2006 (US\$)	2006 (US\$) (unaudited)	2007 (US\$)
Revenue	260,956,003	183,793,637	184,308,268	91,832,228	114,964,647
Cost of sales	(191,288,166)	(143,204,825)	(140,076,287)	(66,180,349)	(87,288,531)
Gross profit	69,667,837	40,588,812	44,231,981	25,651,879	27,676,116
Other income	243,779	170,433	203,059	61,860	274,385
Operating expenses	(25,869,269)	(25,126,104)	(22,272,681)	(11,088,637)	(14,792,937)
Operating profit	44,042,347	15,633,141	22,162,359	14,625,102	13,157,564
Net finance income	3,596,597	2,530,923	3,666,863	2,154,556	2,276,759
Share of profits of an equity accounted investee	271,356	71,262	57,074	35,636	53,192
Profit before income tax	47,910,300	18,235,326	25,886,296	16,815,294	15,487,515
Income tax expense	(4,926,064)	(1,758,921)	(2,565,095)	(1,665,153)	(1,484,148)
Profit for the year/period	<u>42,984,236</u>	<u>16,476,405</u>	<u>23,321,201</u>	<u>15,150,141</u>	<u>14,003,367</u>
Dividends	25,000,000	10,000,000	22,000,000	22,000,000	6,000,000

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PROFIT FORECAST FOR THE YEAR ENDING 31 DECEMBER 2007

The forecast of the consolidated profit for the year attributable to equity holders of the Company for the year ending 31 December 2007 prepared by the Directors is based on the audited accounts of the Group for the six months ended 30 June 2007, unaudited management accounts of the Group for the four months ended 31 October 2007 and a forecast of the results of the Group for the remaining two months ending 31 December 2007. The forecast has been prepared on the basis of the accounting policies consistent in all material respects with those currently adopted by the Group (as summarised in the Accountants' Report, the text of which is set out in Appendix I to this prospectus) and is based on the following principal assumptions:

- (a) there will be no material changes in existing government policies or political, legal (including changes in legislation or regulations or rules), fiscal, market or economic conditions in any of the countries, regions or industries in which the Group operates, where the Group's customers carry out business, to which the Group exports its products or from which it imports its parts and raw materials;
- (b) there will be no significant fluctuations in currency exchange rates, interest rates and tariffs and duties in the respective countries in which the Group operates;
- (c) there will be no material changes in the bases or rates of taxation applicable to the Group in the respective jurisdictions in which it operates; and
- (d) the Group's operations and business will not be severely interrupted by any *force majeure* events or unforeseeable factors, or for any unforeseeable reasons, that are beyond the control of the Directors, including but not limited to the occurrence of natural disasters or catastrophes (such as floods and typhoons), epidemics or serious accidents.

Forecast profit after income tax and minority interests not less than US\$30.0 million
(HK\$234.0 million)

Forecast earnings per Share

(a) Pro forma fully diluted basis ⁽¹⁾	US\$0.033 (HK\$0.258)
(b) Weighted average basis ⁽²⁾	US\$0.041 (HK\$0.317)

(1) The calculation of the forecast earnings per Share on a pro forma fully diluted basis is based on the forecast profit after income tax and minority interests for the year ending 31 December 2007 assuming that the Company had been listed since 1 January 2007 and that a total of 907,680,000 Shares were in issue for the entire year. This calculation assumes that the Over-allotment Option will not be exercised and that the Shares issued pursuant to the Global Offering and the Capitalisation Issue were issued on 1 January 2007.

(2) The calculation of the forecast earnings per Share on a weighted average basis is based on the forecast profit after income tax and minority interests for the year ending 31 December 2007 and a weighted average number of approximately 737,294,466 Shares issued and outstanding during the year. This calculation assumes that the Over-allotment Option will not be exercised and that the Shares issued pursuant to the Global Offering will be issued on 20 December 2007.

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GLOBAL OFFERING STATISTICS

	Based on an Offer Price of HK\$3.61 per Offer Share	Based on an Offer Price of HK\$4.64 per Offer Share
Market capitalisation of the Shares ⁽¹⁾	HK\$3,276.7 million	HK\$4,211.6 million
Prospective price/earnings multiple		
– weighted average ⁽²⁾⁽⁵⁾	11.4 times	14.6 times
– fully diluted ⁽³⁾⁽⁵⁾	14.0 times	18.0 times
Unaudited pro forma adjusted net tangible assets per Share ⁽⁴⁾	HK\$1.72	HK\$1.95

- (1) The calculation of the market capitalisation of the Shares is based on 907,680,000 Shares in issue immediately after completion of the Global Offering. It does not take into account any Shares which may be issued upon exercise of the Over-allotment Option or any options which may be granted under the Share Option Scheme.
- (2) The prospective price/earnings multiple on a weighted average basis is based on the forecast earnings per Share on a weighted average basis for the year ending 31 December 2007 of HK\$0.317. The calculation of the forecast earnings per Share on a weighted average basis is based on the forecast consolidated profit for the year attributable to equity holders of the Company for the year ending 31 December 2007 of HK\$234.0 million, and the weighted average number of 737,294,466 Shares expected to be in issue during the year but does not take into account any Shares which may be issued upon exercise of the Over-allotment Option or any options which may be granted under the Share Option Scheme.
- (3) The prospective price/earnings multiple on a fully diluted basis is based on the forecast earnings per Share on a fully diluted basis for the year ending 31 December 2007 of HK\$0.258. The calculation of the forecast earnings per Share on a fully diluted basis is based on the forecast consolidated profit for the year attributable to equity holders of the Company for the year ending 31 December 2007 of HK\$234.0 million, assuming that the Company had been listed since 1 January 2007 and that a total of 907,680,000 Shares had been in issue during the year. It does not take into account any Shares which may be issued upon exercise of the Over-allotment Option or any options which may be granted under the Share Option Scheme. Nor has any account been taken of any interest which might have been earned if the estimated net proceeds from the issue of the New Shares had been received on 1 January 2007.
- (4) The adjusted net tangible asset value per Share has been arrived at after the adjustments referred to in the section headed “Financial Information — Unaudited Pro Forma Adjusted Net Tangible Assets” and on the basis of 907,680,000 Shares in issue at the respective Offer Price of HK\$3.61 and HK\$4.64 per Offer Share immediately following completion of the Global Offering, without taking into account any Shares which may be issued upon exercise of the Over-allotment Option or any options which may be granted under the Share Option Scheme.
- (5) The forecast earnings per Share on a weighted average basis and the forecast earnings per Share on a fully diluted basis for the year ending 31 December 2007, on which, the prospective price/earnings multiples are based, are converted into Hong Kong dollars at a rate of US\$1.00 to HK\$7.80.

DIVIDEND POLICY

Subject to the Companies Law, the Company, through a general meeting, may declare final dividends in any currency, but no dividend may be declared in excess of the amount recommended by the Board. The Articles of Association provide that dividends may be declared and paid out of its profit, realised or unrealised, or from any reserve set aside from profits which the Directors determine is no longer needed. With the sanction of an ordinary resolution, dividends may also be declared and paid out of the share premium account or any other fund or account which can be authorised for this purpose in accordance with the Companies Law.

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The Company's current dividend policy is that not less than 30% of the Group's profits available for distribution will be recommended for distribution in each financial year. The amount of dividend actually distributed to the Shareholders will depend upon the Group's earnings, financial condition, operating requirements and capital requirements, and any other conditions that the Directors may deem relevant, and will be subject to approval of the Shareholders.

Future dividend payments will also depend upon the availability of dividends received from subsidiaries of the Company which may be restricted if they incur debts or losses or in accordance with any restrictive covenants in bank credit facilities, convertible bond instruments or other agreements that the Company or its subsidiaries may enter into in the future.

Dividends of US\$25.0 million and US\$10.0 million were declared and distributed in 2004 and 2005, respectively. The Directors declared and distributed dividends of US\$12.0 million in 2006 to SYI in respect of the year ended 31 December 2004. In addition, a total of US\$10.0 million of dividends were paid in 2006 to SYI and Indopark following the transfer of a 10% interest in the Company to Indopark. In 2007, the Directors declared and distributed a total of US\$39.0 million dividends, which were paid out of the Group's cash flow from operations.

RISK FACTORS

The Directors believe that there are certain risks involved in the Group's operations. They can be categorised as (i) risks relating to the Group, (ii) risks relating to the Industry, (iii) risks relating to Vietnam, and (iv) risks relating to the Global Offering.

These risks are summarised below. For a fuller description, please refer to the section headed "Risk Factors".

Risks relating to the Group

- The Group is dependent on the performance of the motorbike market in Vietnam.
- The Group operates in a highly competitive industry.
- The Group's prospects for future growth are largely dependent upon its ability to develop and successfully introduce innovative products that comply with the latest regulations.
- The Group experienced significant quality defects in its cub motorbikes in 2004 and 2005 primarily due to inadequate quality control procedures.
- The Group's proprietary and licensed technology and designs may not be adequately protected, and its rights to use certain technologies and designs could be challenged.
- The Group's marketing strategy of targeting different models of its motorbikes at specific categories of consumers may not continue to be successful with existing consumers, or may be unsuccessful with new categories of consumers.
- The reputation of the SYM and SANDA brands could suffer, or the Group could fall victim to brand infringement.

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- The Group manufactures products that could expose the Group to product liability claims, product recalls and litigation.
- The Group is reliant on independent dealers for the retail sale of the Group's products, and the Group's business could therefore be adversely impacted by any material problems in the Group's network of dealers.
- The Group has been reliant on Sanyang.
- The Group has limited experience in conducting sales outside of Vietnam.
- The Group is reliant on third-party suppliers for parts and raw materials.
- Changes in provisions for warranties, for example on account of enhancements in warranty coverage, can materially affect the Group's net income.
- The Group's operations are dependent upon attracting and retaining skilled employees.
- The Group will become subject to higher tax rates when certain tax incentives expire and could become subject to unanticipated tax payments as a result of changes in tax policy or disagreements with tax authorities.
- The Group's title and rights in respect of certain real property may not be enforceable.
- The Group's business is subject to seasonal variations.
- Future dividends may be less than the dividends paid historically or may not be declared at all.

Risks relating to the Industry

- Consumer discretionary spending may affect scooter and cub purchases and is affected by various economic conditions and changes.
- The Vietnamese government is investing in other modes of transport, which could reduce demand for motorbikes.
- Any recurrence of severe acute respiratory syndrome, or SARS, or an outbreak of the avian influenza A (H5N1) virus or another widespread public health crisis could adversely affect the business, financial condition and results of operations of the Group.

Risks relating to Vietnam

- Changes in the economic, political and legal environment of Vietnam, and Vietnam's less developed legal system, may adversely affect the business, operating results and financial condition of the Group.
- The adoption of new or amended laws and regulations could have a negative impact on the Group's operations.

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- Vietnamese dong is not freely convertible, and its fluctuation can materially affect the Group's financial condition and results of operations.
- Vietnam's accession to the WTO, or other government policies tending to increase competition, may have a negative impact on the Group's future performance.

Risks relating to the Global Offering

- The Company will continue to be controlled by SYI, whose interests may differ from those of other Shareholders.
- Future sales of securities by the Company or by Shareholders may decrease the value of an investment in the Shares.
- There has been no prior market for the Shares, and the Hong Kong Public Offering may not result in an active or liquid market for these securities, which could adversely affect the market price of the Shares.
- The Offer Price may not be indicative of prices that will prevail in the trading market, and such market prices may be volatile.
- There are risks associated with forward-looking statements.
- It may be difficult to effect service of process upon, or secure judgments against, the Company or its Directors or officers.
- Certain facts, forecasts and statistics contained in this prospectus relating to Vietnam, its economy and the motorbike industry are derived from official government publications where not otherwise indicated, the reliability of which should not be assumed and cannot be assured.
- Investors should read the entire prospectus carefully and the Group strongly cautions investors not to place any reliance on any information contained in press articles or other media, certain of which may not be consistent with information contained herein.