

INFORMATION ON INDOPARK

RELATIONSHIP WITH INDOPARK

At the Latest Practicable Date, Indopark, an investment holding company indirectly wholly-owned by Merrill Lynch, was the holder of a 10% shareholding in the Company. Following completion of the Global Offering, both Indopark and Merrill Lynch will be Independent Third Parties which will not be considered connected persons of the Company within the meaning of the Listing Rules.

Indopark acquired 5,856,000 shares in the Company of US\$1.00 each, which represented a 10% shareholding in the Company, pursuant to a sale and purchase agreement entered into in May 2006 with Sanyang and SYI. It acquired this shareholding from SYI at a cash consideration of US\$22,000,000. Such consideration was determined on an arm's length basis by reference to, among other things, the profitability and earnings potential of the Group. On the basis of this consideration, the investment cost per Share for Indopark represents a discount of approximately 49.6% to the Offer Price, assuming that it is determined at the high end of the price range, being HK\$4.64 per Offer Share, or a discount of approximately 35.2% to the Offer Price, assuming that it is determined at the low end of the price range, being HK\$3.61 per Offer Share.

Indopark is indirectly wholly-owned by Merrill Lynch, which is one of the leading investment banks worldwide. The Directors consider that Indopark's investment as a shareholder in the Company helps significantly improve its profile, both within the motorbike industry and in international financial markets.

Indopark, Sanyang, SYI and the Company have also entered into the Shareholders' Agreement in relation to the Group. Pursuant to the Shareholders' Agreement, Indopark was granted the right to sell up to a maximum of 30% of its shareholding in the Company as part of the Global Offering. Indopark has exercised this right and will be offering to sell 21,960,000 Shares pursuant to, and on and subject to the terms and conditions of, the Global Offering, representing approximately 42.9% of the Sale Shares being offered as part of the Global Offering. Immediately following the disposal of such Shares and the completion of the Global Offering, Indopark will (assuming that the Over-allotment Option is not exercised) retain an approximately 5.7% shareholding in the Company (or, if the Over-allotment Option is exercised in full, an approximately 5.4% shareholding in the Company).

Certain provisions in the Shareholders' Agreement will terminate upon the Listing, including the obligations of the Company to provide accounting information to Indopark and to notify it if the Group is involved in any litigation, arbitration or other proceedings. The following provisions will survive and continue to be effective:

(1) *Restrictions on disposal*

Indopark has undertaken to Sanyang and SYI that it will not transfer or dispose of or agree to transfer or dispose of or create or permit to be created any encumbrance over any part of the Shares or any interest therein held by it at any time during the period of six months falling immediately after the Listing Date (the "**Indopark Lock-up Period**"). This undertaking does not restrict Indopark from transferring or disposing of any Shares held by it to any affiliates of Merrill Lynch.

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(2) Undertaking regarding disposal of Shares

If Indopark wishes to dispose of 20% or more of its Shares on any single trading day on the Stock Exchange at any time during the period of six months falling immediately after the expiry of the Indopark Lock-up Period, Indopark is required to give notice to Sanyang of its intention to do so no later than 10:00 a.m. on the business day immediately preceding the date of such disposal, and Sanyang may offer to purchase those Shares from Indopark no later than 10:00 a.m. on the date of disposal. Indopark, however, is under no obligation to accept Sanyang's offer. There is no provision in the Shareholders' Agreement governing the determination of the disposal price.

(3) Put option

Indopark has the right to require Sanyang to purchase all or any part of its Shares (the "**Indopark Put Option**") on the day falling immediately after the expiry of the Indopark Lock-up Period if, on the last three trading days immediately prior to such day, the volume weighted average closing price of the Shares quoted on the Stock Exchange is lower than a certain target return share price (the "**Target Return Share Price**"), the calculation of which has been specified in the Shareholders' Agreement and which serves to guarantee Indopark a minimum rate of return on its investment. The Indopark Put Option may be exercised only once. If Indopark exercises the Indopark Put Option, Sanyang will be obliged to purchase the Shares to be sold by Indopark at a price to be calculated on the basis of the Target Return Share Price.