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SY INTERNATIONAL LTD.
a wholly-owned subsidiary of
Sanyang Motor Co., Ltd.
三陽工業股份有限公司
(Incorporated in Taiwan with limited liability)
(TWSE Stock Code: 2206)

VMEPH
V i e t n a m
Vietnam Manufacturing and Export
Processing (Holdings) Limited
越南製造加工出口(控股)有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 422)

JOINT ANNOUNCEMENT

**(1) PROPOSED PRIVATISATION OF VIETNAM
MANUFACTURING AND EXPORT PROCESSING (HOLDINGS)
LIMITED BY SY INTERNATIONAL LTD.
BY WAY OF A SCHEME OF
ARRANGEMENT UNDER SECTION 86 OF THE COMPANIES
LAW OF THE CAYMAN ISLANDS**

(2) PROPOSED WITHDRAWAL OF LISTING

AND

(3) RESUMPTION OF TRADING

Joint Financial Advisers to SY International Ltd.



Independent Financial Adviser to the Independent Board Committee



THE PROPOSAL

The Offeror and the Company jointly announce that on 26 May 2020, the Offeror requested the Board to put forward the Proposal, which will involve the Scheme to cancel and extinguish the Scheme Shares and the payment of the Cancellation Price to the Scheme Shareholders, and the withdrawal of the listing of the Shares on the Stock Exchange. The Proposal will be carried out by way of a scheme of arrangement under Section 86 of the Companies Law.

If all the Scheme Conditions are fulfilled (or waived as applicable) on or before the Long Stop Date, the Offeror will implement the Proposal to cancel and extinguish the Scheme Shares and the Company will apply to the Stock Exchange for the withdrawal of listing of the Shares on the Stock Exchange.

If the Scheme does not become unconditional on or before the Long Stop Date, the Proposal will not be implemented and the Scheme will not become effective.

THE SCHEME

Under the Scheme, the Scheme Shares will be cancelled and extinguished and, in consideration thereof, each Scheme Shareholder will be entitled to receive the Cancellation Price, being HK\$0.45 in cash for each Scheme Share cancelled and extinguished.

The total consideration payable to the Scheme Shareholders for the Scheme Shares cancelled and extinguished will be paid by the Offeror.

The Cancellation Price will not be increased, and the Offeror does not reserve the right to do so.

The Cancellation Price has been determined on an arm's length basis after taking into account, among other things, the challenging operating environment facing the Company, the recent and historic trended prices of the Shares, publicly available financial information of the Company, and other privatisation transactions in Hong Kong in recent years.

The implementation of the Proposal will be conditional upon the fulfilment or waiver, as applicable, of all the Scheme Conditions as described in the section headed "Scheme Conditions" below. All of the Scheme Conditions must be fulfilled or waived, as applicable, on or before the Long Stop Date failing which the Scheme will lapse.

TOTAL CONSIDERATION AND FINANCIAL RESOURCES

As at the Announcement Date, there are 907,680,000 Shares in issue of which the Offeror holds an aggregate of 608,818,000 Shares (representing approximately 67.07% of the issued share capital of the Company), and there are 298,862,000 Scheme Shares in issue. There are no outstanding warrants, derivatives or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company that carry a right to subscribe for or which are convertible into Shares.

The amount of cash required for the Scheme is approximately HK\$134.5 million.

The Offeror intends to finance the cash required for the Proposal through its internal cash resources. China Tonghai, a financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror for discharging its obligations in respect of the full implementation of the Proposal.

INDEPENDENT BOARD COMMITTEE

An Independent Board Committee, comprising three independent non-executive Directors, namely Ms. Lin Ching Ching, Mr. Shen Hwa Rong and Ms. Wu Kwei Mei, has been established by the Board to make a recommendation to the Independent Shareholders as to whether the terms of the Proposal are, or are not, fair and reasonable and as to voting. Each of the two non-executive Directors, being Mr. Chiu Ying Feng and Ms. Wu Li Chu, has shareholding interest of approximately 0.002% and 1.997% in Sanyang respectively, and therefore is not a member of the Independent Board Committee.

As at the Announcement Date, each of Ms. Wu Li Chu, Mr. Chiang Chin Yung, Mr. Liu Wu Hsiung, Mr. Lin Chih Ming and Mr. Chiu Ying Feng (all being Directors) has approximately 1.997%, 0.019%, 0.013%, 0.003% and 0.002% shareholding in Sanyang respectively. Each of Ms. Wu Li Chu and Mr. Chiu Ying Feng also hold a position of vice chairman and deputy vice president of Sanyang, respectively. The Interested Directors will abstain from voting at meetings of the Board in relation to the Proposal given each of them has a material interest in the Proposal. The Independent Board Committee has reserved its opinion pending the advice of Rainbow Capital.

INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT BOARD COMMITTEE

Rainbow Capital has been appointed as the independent financial adviser to advise the Independent Board Committee in connection with the Proposal and the Scheme. The appointment of Rainbow Capital as the independent financial adviser has been approved by the Independent Board Committee.

DESPATCH OF SCHEME DOCUMENT

Under Rule 8.2 of the Takeovers Code, unless the Executive's consent is obtained, the Scheme Document should be despatched to the Shareholders within 21 days of the Announcement Date, which in this case would be on or before 26 June 2020, and in compliance with the requirements of the Companies Law, the Grand Court and other applicable regulations.

As all the Scheme Conditions cannot be satisfied or validly waived (as applicable) within 21 days of the Announcement Date and additional time is required to procure the holding of the Direction Hearing and finalise the financial information to be included in the Scheme Document, the Offeror has applied to the Executive and the Executive is minded to grant consent to extend the latest time for the despatch of the Scheme Document to 14 August 2020.

WITHDRAWAL OF LISTING OF SHARES

Upon the Scheme becoming effective, it is anticipated that listing of the Shares on the Stock Exchange will be withdrawn. The Company will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange immediately following the Scheme becoming effective.

IF THE PROPOSAL IS NOT APPROVED OR OTHERWISE LAPSES

The listing of the Shares on the Stock Exchange will not be withdrawn if the Scheme does not become effective or otherwise lapses.

If the Proposal is not approved or otherwise lapses, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Proposal is not approved or otherwise lapses, announce an offer or possible offer for the Company, except with the consent of the Executive.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted from 9:00 a.m. on 27 May 2020 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 8 June 2020.

WARNINGS

Shareholders and potential investors of the Company should be aware that the implementation of the Proposal is subject to the Scheme Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

This announcement is not intended to and does not constitute, or form part of, any offer to sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Proposal or otherwise, nor shall there be any sale, issuance or transfer of securities of the Company in any jurisdiction in contravention of applicable law. The Proposal will be made solely through the Scheme Document, which will contain the full terms and conditions of the Proposal, including details of how to vote in favour or against of the Proposal. Any vote, acceptance or other response to the Proposal should be made only on the basis of information in the Scheme Document or any other document by which the Proposal is made.

The availability of the Proposal to persons who are not resident in Hong Kong may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in Hong Kong should inform themselves about, and observe, any applicable legal or regulatory requirements of their jurisdictions. Further details in relation to overseas Shareholders will be contained in the Scheme Document.

I. INTRODUCTION

On 26 May 2020, the Offeror requested the Board to put forward the Proposal, which will involve the Scheme to cancel and extinguish the Scheme Shares and the payment of the Cancellation Price to Scheme Shareholders, and the withdrawal of the listing of the Shares on the Stock Exchange. The Proposal will be carried out by way of a scheme of arrangement under Section 86 of the Companies Law.

If the Scheme is approved and the Proposal is implemented, the share capital of the Company will, on the effective date of the Scheme, be reduced by cancelling and extinguishing the Scheme Shares. Upon such reduction, the share capital of the Company will be increased to its former amount by the issuance at par to the Offeror, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled and extinguished. The reserve created in the Company's books of account as a result of the capital reduction will be applied in paying up in full at par the new Shares so issued, credited as fully paid, to the Offeror.

II. THE PROPOSAL

The Scheme

Under the Scheme, the Scheme Shares will be cancelled and extinguished and, in consideration thereof, each Scheme Shareholder will be entitled to receive the Cancellation Price, being HK\$0.45 in cash for each Scheme Share cancelled and extinguished.

The total consideration payable to the Scheme Shareholders for the Scheme Shares cancelled and extinguished will be paid by the Offeror.

The Cancellation Price will not be increased, and the Offeror does not reserve the right to do so.

The Cancellation Price of HK\$0.45 per Scheme Share cancelled and extinguished represents:

- a premium of approximately 163.2% over the closing price of HK\$0.171 per Share as quoted on the Stock Exchange on the Last Trading Day;
- a premium of approximately 167.1% over the average closing price of approximately HK\$0.169 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;
- a premium of approximately 161.4% over the average closing price of approximately HK\$0.172 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- a premium of approximately 146.7% over the average closing price of approximately HK\$0.182 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day;
- a premium of approximately 134.1% over the average closing price of approximately HK\$0.192 per Share based on the daily closing prices as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Day;
- a premium of approximately 123.1% over the average closing price of approximately HK\$0.202 per Share based on the daily closing prices as quoted on the Stock Exchange for the 120 trading days up to and including the Last Trading Day;

- a premium of approximately 117.4% over the average closing price of approximately HK\$0.207 per Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Day; and
- a discount of approximately 18.4% over the audited consolidated net asset value after deducting non-controlling interests (the “NAV”) per Share of approximately HK\$0.551 as at 31 December 2019, calculated based on the NAV of the Group of approximately US\$64,560,788 (equivalent to approximately HK\$500,346,107) and the 907,680,000 Shares in issue as at the Announcement Date.

The Cancellation Price has been determined on an arm’s length basis after taking into account, among other things, the challenging operating environment facing the Company, the recent and historic trended prices of the Shares, publicly available financial information of the Company, and other privatisation transactions in Hong Kong in recent years.

Highest and lowest prices of the Shares

During the 3 years ended on and including the Last Trading Date, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.480 on 2 June to 23 June, 17 July, 18 July, 21 July, 24 July, 31 July, 4 August, 9 August and 10 August, 2017 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.163 on 18 May 2020.

Trading volume and liquidity of the Shares

The trading volume and liquidity of the Shares during the relevant periods prior to and including the Last Trading Day are illustrated below:

- on the Last Trading Day, a total number of approximately 800,000 Shares, representing approximately 0.088% of the issued Shares as of Last Trading Day, were traded with a turnover of approximately HK\$136,171;
- during the period from the last 10 trading days up to and including the Last Trading Day, an average daily trading volume of approximately 231,100 Shares, representing approximately 0.025% of the issued Shares as of Last Trading Day, and average daily turnover of approximately HK\$39,117;
- during the period from the last 30 trading days up to and including the Last Trading Day, an average daily trading volume of approximately 141,933 Shares, representing approximately 0.016% of the issued Shares as of Last Trading Day, and average daily turnover of approximately HK\$24,201;

- during the period from the last 60 trading days up to and including the Last Trading Day, an average daily trading volume of approximately 111,317 Shares, representing approximately 0.012% of the issued Shares as of Last Trading Day, and average daily turnover of approximately HK\$19,802;
- during the period from the last 90 trading days up to and including the Last Trading Day, an average daily trading volume of approximately 112,556 Shares, representing approximately 0.012% of the issued Shares as of Last Trading Day, and average daily turnover of approximately HK\$20,838;
- during the period from the last 120 trading days up to and including the Last Trading Day, an average daily trading volume of approximately 101,918 Shares, representing approximately 0.011% of the issued Shares, as of Last Trading Day, and average daily turnover of approximately HK\$19,574;
- during the period from the last 180 trading days up to and including the Last Trading Day, an average daily trading volume of approximately 148,495 Shares, representing approximately 0.016% of the issued Shares as of Last Trading Day, and average daily turnover of approximately HK\$31,020;

During the period from the last 180 trading days up to and including the Last Trading Day, there was no trading of the Shares on 44 trading days, representing approximately 24.44% of the total number of trading days during that period.

The Scheme Conditions

The implementation of the Proposal is, and the Scheme will become effective and binding on the Offeror, the Company and the Scheme Shareholders, subject to the fulfilment or waiver (as applicable) of the following Scheme Conditions:

- (a) the approval of the Scheme (by way of poll) by a majority in number of the Independent Shareholders representing not less than 75% in value of the Shares held by the Independent Shareholders present and voting either in person or by proxy at the Court Meeting;
- (b) (i) the Scheme is approved (by way of poll) by the Independent Shareholders holding at least 75% of the votes attaching to the Shares held by the Independent Shareholders that are voted either in person or by proxy at the Court Meeting; and (ii) the number of votes cast (by way of poll) by the Independent Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Shares held by all the Independent Shareholders;

- (c) (i) the passing of a special resolution by a majority of not less than three-fourths of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve and give effect to the reduction of the number of issued Shares in the share capital of the Company by cancelling and extinguishing the Scheme Shares, (ii) the passing of a special resolution by a majority of not less than three-fourths of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve the withdrawal of listing of the Shares upon the Scheme becoming effective, and (iii) the passing of an ordinary resolution by a simple majority of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to immediately thereafter increase the issued Shares in the share capital of the Company to the amount prior to the cancellation and extinguishment of the Scheme Shares and apply the reserve created as a result of the aforesaid cancellation and extinguishment of the Scheme Shares to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished as a result of the Scheme, credited as fully paid, for issuance to the Offeror;
- (d) the Grand Court's sanction of the Scheme (with or without modifications) and its confirmation of the reduction of the number of issued Shares in the share capital of the Company, and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of the Grand Court for registration;
- (e) compliance, to the extent necessary, with the procedural requirements and conditions, if any, under Sections 15 and 16 of the Companies Law in relation to the reduction of the number of issued Shares in the share capital of the Company referred to in paragraph (c)(i) above;
- (f) all authorisations, registrations, filings, rulings, consents, opinions, permissions and approvals in connection with the Proposal required before the Scheme becoming effective having been obtained from, given by or made with (as the case may be) the Relevant Authorities, in the Cayman Islands, Hong Kong and any other relevant jurisdictions;

- (g) all authorisations, registrations, filings, rulings, consents, opinions, permissions and approvals in connection with the Proposal required before the Scheme becoming effective remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any Relevant Authorities which is not expressly provided for, or is in addition to requirements expressly provided for, in relevant laws, rules, regulations or codes in connection with the Proposal or any matters, documents (including circulars) or things relating thereto, in each aforesaid case up to and at the time when the Scheme becomes effective;
- (h) all necessary consents which may be required for the implementation of the Proposal under any existing contractual obligations of the Company being obtained or waived by the relevant party(ies), where any failure to obtain such consent or waiver would have a material adverse effect on the business of the Group;
- (i) no government, governmental, quasi-governmental, statutory or regulatory body, court or agency in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order that would make the Proposal or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal or its implementation in accordance with its terms) from the Announcement Date up to the date when all the Scheme Conditions are satisfied or validly waived (as applicable), other than such actions, proceedings, suits, investigations or enquiries as would not have a material adverse effect on the legal ability of the Offeror to proceed with the Proposal;
- (j) there being no provision of any arrangement, agreement, licence or other instrument to which any member of the Group is a party or by or to which any of them is or are or may be bound, entitled or subject which as a consequence of the implementation of the Proposal could or might reasonably result in, to an extent which is material in the context of the Group taken as a whole from the Announcement Date up to the date when all the Scheme Conditions are satisfied or validly waived (as applicable):
 - (i) any monies borrowed by or other indebtedness (actual or contingent) of any member of the Group being repayable or being capable of being declared payable prior to their stated maturity;
 - (ii) the creation of any mortgage, charge or other security interest over the whole or any material part of the business, property or assets of any member of the Group or any such security (whether arising or having arisen) becoming enforceable; and

- (iii) any such arrangement, agreement, licence, permit, franchise or other instrument being terminated or adversely modified or any material action being taken or any material obligation arising thereunder; and
- (k) each member of the Group remaining solvent and not being subject to any insolvency or bankruptcy proceedings or likewise and no liquidator, receiver or other person carrying out any similar function having been appointed anywhere in the world in respect of the whole or any substantial part of the assets and undertakings of any member of the Group from the Announcement Date up to the date when all the Scheme Conditions are satisfied or validly waived (as applicable).

The Offeror reserves the right to waive Scheme Conditions (f) to (k) either in whole or in part, either generally or in respect of any particular matter. Scheme Conditions (a) to (e) cannot be waived in any event. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Scheme Conditions as a basis for not proceeding with the Proposal if the circumstances which give rise to the right to invoke any such Scheme Condition are of material significance to the Offeror in the context of the Proposal. The Company has no right to waive any of the Scheme Conditions. All of the above Scheme Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Scheme will lapse. When all the Scheme Conditions are satisfied or waived (as applicable), the Scheme will become effective and binding on the Offeror, the Company and all the Scheme Shareholders.

Assuming that the Scheme Conditions are satisfied or validly waived (as applicable), it is expected that the Scheme will become effective on or around 24 September 2020. A detailed timetable will be included in the Scheme Document.

In respect of Scheme Conditions (f) to (h), apart from the Scheme Condition (d) and the approval from each of the board of directors of Sanyang, the Offeror and the Company in respect of the implementation of the Proposal, the Offeror is not currently aware of any other authorisations or consents which are required. As at the Announcement Date, the approvals from each of the board of directors of Sanyang, the Offeror and the Company in respect of the implementation of the Proposal have been obtained.

WARNING

Shareholders and potential investors of the Company should be aware that the implementation of the Proposal is subject to the Scheme Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

III. REASONS FOR AND BENEFITS OF THE PROPOSAL

The Proposal represents a good opportunity for the Scheme Shareholders to realise their investment with a significant premium against the backdrop of low liquidity

The Offeror considers that the Proposal will provide Scheme Shareholders with an opportunity to realise their investment in the Company at a price significantly above the prevailing market price of the Shares in light of the challenging and uncertain operating environment faced by the Company.

The Cancellation Price, being HK\$0.45 per Share, represents a premium of approximately 163.2% over the closing price of HK\$0.171 per Share as quoted on the Stock Exchange on the Last Trading Day. It also represents a premium of approximately 161.4%, 134.1% and 117.4% over the average closing price of approximately HK\$0.172, HK\$0.192 and HK\$0.207 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30, 90 and 180 trading days up to and including the Last Trading Day, respectively.

During the one year up to and including the Last Trading Day, the lowest and highest closing prices per Share on the Stock Exchange were HK\$0.163 and HK\$0.265, respectively. The Cancellation Price represents a premium of approximately 176.1% to the lowest closing price and a premium of approximately 69.8% to the highest closing price in the above period.

The liquidity of Shares has been at a relatively low level over a long period of time. The average daily trading volume of the Shares for the one year up to and including the Last Trading Day was approximately 125,522 Shares per day, representing only approximately 0.014% of the issued Shares as of the Last Trading Day and average daily turnover of approximately HK\$26,709. The low trading liquidity of the Shares makes it difficult for Shareholders to execute on-market disposals without adversely affecting the share price of the Company.

The Proposal is intended to provide the Scheme Shareholders with an opportunity to realise their investment in the Company for cash at an attractive premium without having to suffer any illiquidity discount.

Cost and expenses of maintaining the Company's listing status

To maintain its listed status, the Company faces administrative and compliance burdens, as well as related costs and expenses. Since its listing, the listing platform of the Company has not been utilized for any material external equity fund raising activities. Due to the illiquidity in trading of the Shares and the general decreasing trend in stock price of the Shares in recent years in the trading of the Shares, it is difficult to raise funds through equity financing, and the Offeror believes the position is unlikely to improve significantly in the near future. As such, the Offeror considers the administrative and compliance costs and management resources associated with maintaining the Company's listing status are no longer justified.

Furthermore, following the implementation of the Proposal, the Company can be relieved from market expectations and share price fluctuation as a publicly listed company. The management of the Company can also utilize the resources which would otherwise go towards administrative, compliance and other listing-related matters of the Company on business operations of the Group.

The Proposal will enable the Group to execute its strategies more efficiently and effectively

The principal activities of the Group are the manufacturing and sale of scooters, cub motor bikes, engines and related parts. The products are mainly distributed domestically in Vietnam and exported to other Southeast Asia countries. The motorbike industry has been experiencing a number of challenges including intensified price competition by other market players that seize market share in Vietnam aggressively, the continued decrease in export sales in Southeast Asia due to the import of low-priced motorbikes from China, increasing sales requirements such as smaller order sizes and quicker turnaround time that undermined economies of scale, rising costs of labour and raw materials in Vietnam, and tightened regulatory controls in Vietnam including air pollution standards for vehicles and motorbikes. All the above have contributed to the continued net losses of the Group in recent years. In order to achieve long-term commercial development and maintain competitiveness, the Group needs to reassess its strategies and implement necessary changes to its business model.

In response to the tough business environment, the Group has been reviewing its business operation and strategies, and with the Proposal being implemented, the Group will be in a better position to execute its business strategies more efficiently and effectively as a private entity. With the Company becoming an unlisted wholly-owned subsidiary of Sanyang, the Offeror considers it will help improving the Company's operational efficiency and achieve economies of scale, for example through resources sharing with Sanyang such as sharing of expertise, hence achieving cost savings.

IV. TOTAL CONSIDERATION AND FINANCIAL RESOURCES

The Proposal will involve the cancellation and extinguishment of the Scheme Shares at the Cancellation Price of HK\$0.45 per Scheme Share cancelled and extinguished. As at the Announcement Date, there are 907,680,000 Shares in issue of which the Offeror holds an aggregate of 608,818,000 Shares (representing approximately 67.07% of the issued share capital of the Company), and there are 298,862,000 Scheme Shares in issue. There are no outstanding warrants, derivatives or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company that carry a right to subscribe for or which are convertible into Shares.

The amount of cash required for the Scheme is approximately HK\$134.5 million.

The Offeror intends to finance the cash required for the Proposal through its internal cash resources. China Tonghai, a financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror for discharging its obligations in respect of the full implementation of the Proposal.

V. SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Announcement Date, the authorised share capital of the Company is HK\$100,000,000 divided into 10,000,000,000 Shares, and the Company has 907,680,000 Shares in issue.

The table below sets out the simplified shareholding structure of the Company (i) as at the Announcement Date; and (ii) on the basis that the Scheme becomes effective, immediately upon completion of the Proposal:

Shareholders	As at the Announcement Date		Upon completion of the Proposal	
	<i>Number of Shares</i>	<i>Approximate% of the issued share capital of the Company (Note 1)</i>	<i>Number of Shares</i>	<i>Approximate% of the issued share capital of the Company (Note 1)</i>
The Offeror and the Offeror Concert Parties (Note 2)	608,818,000	67.07	907,680,000	100
Total number of Scheme Shares held by the Independent Shareholders	<u>298,862,000</u>	<u>32.93</u>	<u>–</u>	<u>–</u>
Total	<u>907,680,000</u>	<u>100.00</u>	<u>907,680,000</u>	<u>100.00</u>

Notes:

- 1) All percentages in the above table are approximations.
- 2) All such Shares are held by the Offeror, and the Offeror Concert Parties have no shareholding interest in the Company.

As at the Announcement Date, there are no options, warrants or convertible securities in respect of the Shares held, controlled or directed by the Offeror and the Offeror Concert Parties, or outstanding derivatives in respect of the Shares entered into by the Offeror and the Offeror Concert Parties. The Company does not have in issue any warrants, options, derivatives, convertible securities or other securities convertible into Shares as at the Announcement Date.

VI. FINANCIAL INFORMATION OF THE GROUP

Based on the published audited consolidated financial statements of the Company, the loss before and after taxation and total comprehensive income attributable to equity shareholders of the Company for the two financial years ended 31 December 2018 and 2019 and the total equity attributable to equity shareholders of the Company as at 31 December 2018 and 2019 are as follows:

	For the year ended 31 December			
	2019		2018	
	<i>Approximately</i>	<i>Equivalent to</i>	<i>Approximately</i>	<i>Equivalent to</i>
	<i>US\$</i>	<i>approximately</i>	<i>US\$</i>	<i>approximately</i>
	<i>thousands</i>	<i>HK\$</i>	<i>thousands</i>	<i>thousands</i>
	<i>(audited)</i>		<i>(audited)</i>	
Loss before taxation	(17,570)	(136,168)	(40,509)	(313,945)
Loss after taxation	(17,594)	(136,354)	(41,843)	(324,283)
Total comprehensive income attributable to equity shareholders of the Company	<u>(17,559)</u>	<u>(136,082)</u>	<u>(43,675)</u>	<u>(338,481)</u>
Total equity attributable to equity shareholders of the Company	<u>64,561</u>	<u>500,348</u>	<u>82,120</u>	<u>636,430</u>

VII. OFFEROR'S INTENTION REGARDING THE COMPANY

The Company is incorporated in the Cayman Islands with limited liability and the Company has been listed on the Main Board of the Stock Exchange since 20 December 2007 with the stock code 422. The Group is principally engaged in the manufacturing and sale of scooters, cub motor bikes, engines and related parts.

Following implementation of the Proposal, the Offeror intends that the Company should continue carrying on its current business and do not intend to make any major changes to the current operations. The Offeror will continue to monitor the Group's performance and implement appropriate strategies for the Group and its business in light of the challenging environment for motorbike manufacturing businesses in Vietnam.

VIII. INFORMATION ON THE OFFEROR

The Offeror is incorporated in Samoa with limited liability, and is principally engaged in investment holding.

The Offeror is a direct wholly-owned subsidiary of Sanyang, a company incorporated in Taiwan with limited liability, and has been listed on the Taiwan Stock Exchange since 29 July 1996 with the stock code 2206. Sanyang, together with its subsidiaries, has over 60 years of experience in motorbikes and automobiles industry and is principally engaged in the manufacturing of motorbikes, motor cars, trucks and their related parts. As at the Announcement Date, each of 大洋投資有限公司, 川原投資有限公司 and 百科投資有限公司 holds approximately 7.71%, 5.55% and 5.18% of Sanyang, respectively. Based on the website of the Ministry of Economic Affairs in Taiwan, as at the Announcement Date, 大洋投資有限公司 is wholly-owned by an individual called 許調謀; 川原投資有限公司 is wholly-owned by an individual called 王國億; and 百科投資有限公司 is wholly-owned by an individual called 張文隆. As at the Announcement Date, there is no controlling shareholder of Sanyang.

As at the Announcement Date, each of Ms. Wu Li Chu, Mr. Chiang Chin Yung, Mr. Liu Wu Hsiung, Mr. Lin Chih Ming and Mr. Chiu Ying Feng (all being Directors) has approximately 1.997%, 0.019%, 0.013%, 0.003% and 0.002% shareholding in Sanyang respectively.

As at the Announcement Date, the Offeror held 608,818,000 Shares of the Company (representing approximately 67.07% of the issued share capital of the Company).

IX. INDEPENDENT BOARD COMMITTEE

An Independent Board Committee, comprising three independent non-executive Directors, namely Ms. Lin Ching Ching, Mr. Shen Hwa Rong and Ms. Wu Kwei Mei, has been established by the Board to make a recommendation to the Independent Shareholders as to whether the terms of the Proposal are, or are not, fair and reasonable and as to voting. Each of the two non-executive Directors, being Mr. Chiu Ying Feng and Ms. Wu Li Chu, has shareholding interest of approximately 0.002% and 1.997% in Sanyang respectively, and therefore is not a member of the Independent Board Committee.

As at the Announcement Date, each of Ms. Wu Li Chu, Mr. Chiang Chin Yung, Mr. Liu Wu Hsiung, Mr. Lin Chih Ming and Mr. Chiu Ying Feng (all being Directors) has approximately 1.997%, 0.019%, 0.013%, 0.003% and 0.002% shareholding in Sanyang respectively. Each of Ms. Wu Li Chu and Mr. Chiu Ying Feng also hold a position of deputy vice chairperson and deputy vice president of Sanyang, respectively. The Interested Directors will abstain from voting at meetings of the Board in relation to the Proposal given each of them has a material interest in the Proposal. The Independent Board Committee has reserved its opinion pending the advice of Rainbow Capital.

The Independent Shareholders are reminded to carefully read the Scheme Document, including the letter of advice from Rainbow Capital to the Independent Board Committee contained therein before making a decision.

X. INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT BOARD COMMITTEE

Rainbow Capital has been appointed as the independent financial adviser to advise the Independent Board Committee in connection with the Proposal and the Scheme. The appointment of Rainbow Capital as the independent financial adviser has been approved by the Independent Board Committee.

XI. WITHDRAWAL OF LISTING OF SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and extinguished and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange immediately following the Scheme becoming effective. The Shareholders will be notified by way of an announcement of the exact date of the last day for dealing in the Shares and on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective. A detailed timetable of the Scheme will be included in the Scheme Document, which will also contain, inter alia, further details of the Proposal.

XII. IF THE SCHEME IS NOT APPROVED OR OTHERWISE LAPSES

Subject to the requirements of the Takeovers Code, the Scheme will lapse if any of the Scheme Conditions has not been fulfilled or waived, as applicable, on or before the Long Stop Date. The listing of the Shares on the Stock Exchange will not be withdrawn if the Scheme does not become effective.

If the Scheme is not approved or otherwise lapses, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or otherwise lapses, announce an offer or possible offer for the Company, except with the consent of the Executive.

Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company. If they are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

XIII. OVERSEAS SCHEME SHAREHOLDERS

The making and implementation of the Proposal to Scheme Shareholders who are not resident in Hong Kong may be subject to the laws of the relevant jurisdictions in which such Scheme Shareholders are located. Such Scheme Shareholders should inform themselves about and observe any applicable legal, tax or regulatory requirements. It is the responsibility of any overseas Scheme Shareholders wishing to take any action in relation to the Proposal to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

Any acceptance by overseas Scheme Shareholders will be deemed to constitute a representation and warranty from such persons to the Company, the Offeror and their respective advisers, that those laws and regulatory requirements have been complied with. If such overseas Shareholders are in doubt as to their positions, they should consult their professional advisers.

In the event that the despatch of the Scheme Document to overseas Scheme Shareholders is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the directors of the Offeror or the Company regard as unduly onerous or burdensome (or otherwise not in the best interests of the Offeror or the Company or their respective shareholders), the Scheme Document will not be despatched to such overseas Scheme Shareholders. For that purpose, the Company will apply for any waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any such waiver will only be granted if the Executive is satisfied that it would be unduly burdensome to despatch the Scheme Document to such overseas Scheme Shareholders. In granting the waiver, the Executive will be concerned to see that all material information in the Scheme Document is made available to such overseas Scheme Shareholders.

For the TDR Holders, the Scheme Document will be delivered to the Depository Agent for the Depository Agent to take necessary actions on behalf of the TDR Holders, such as relaying messages including notices to the TDR Holders, receiving applications from the TDR Holders to convert to the Shares and handling payments to the TDR Holders on behalf of the Shareholders.

XIV. TAX AND INDEPENDENT ADVICE

Scheme Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting the Proposal. It is emphasised that none of the Offeror, Offeror Concert Parties and the Company or any of their respective directors, officers or associates or any other person involved in the Proposal accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Proposal.

XV. SCHEME SHARES, COURT MEETING, AND EGM

As at the Announcement Date, the Offeror holds an aggregate of 608,818,000 Shares representing approximately 67.07% of the total number of issued Shares in the share capital of the Company. Such 608,818,000 Shares will not constitute Scheme Shares and will not be voted on the Scheme at the Court Meeting.

The Offeror will undertake to the Grand Court that it will be bound by the Scheme, so as to ensure that it will comply with and be subject to the terms and conditions of the Scheme.

Each of KPMG and China Tonghai is presumed to be acting in concert with the Offeror under class (5) of the definition of “acting in concert” in the Takeovers Code. As at the Announcement Date, no Shares are owned, controlled or directed by each of KPMG and China Tonghai.

All Shareholders will be entitled to attend the EGM and vote on, among other things, (i) a special resolution to approve and give effect to the reduction of the number of issued Shares in the share capital of the Company by cancelling and extinguishing the Scheme Shares, (ii) a special resolution to approve the withdrawal of listing of the Shares upon the Scheme becoming effective, and (iii) an ordinary resolution to immediately thereafter increase the number of issued Shares in the share capital of the Company to the amount prior to the cancellation and extinguishment of the Scheme Shares and apply the reserve created as a result of the aforesaid cancellation and extinguishment of the Scheme Shares to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished as a result of the Scheme, credited as fully paid, for issuance to the Offeror.

The Offeror has undertaken that if the Scheme is approved at the Court Meeting, they will cast the votes in respect of those Shares held by them in favour of the resolutions to be proposed at the EGM.

XVI. COSTS OF THE SCHEME

If the Independent Board Committee or Rainbow Capital does not recommend the Proposal, and the Proposal is not approved, all expenses incurred by the Company in connection therewith shall be borne by the Offeror in accordance with Rule 2.3 of the Takeovers Code.

XVII. GENERAL

The Offeror has appointed KPMG and China Tonghai as its joint financial advisers in connection with the Proposal.

There are no arrangements (whether by way of option, indemnity or otherwise) in relation to shares of the Offeror or the Company which might be material to the Proposal (see Note 8 to Rule 22 of the Takeovers Code).

There are no agreements or arrangements to which the Offeror is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Proposal.

The Offeror and the Offeror Concert Parties have not borrowed or lent any Shares or any other securities of the Company as at the Announcement Date.

Other than the consideration payable under the Proposal for cancelling the Scheme Shares, the Offeror or the Offeror Concert Parties have not paid and will not pay any other consideration, compensation or benefit in whatever form to the Scheme Shareholders or persons acting in concert with them in relation to the Scheme Shares.

As at the Announcement Date, there are no options, warrants or convertible securities in respect of the Shares held, controlled or directed by the Offeror and the Offeror Concert Parties, or outstanding derivatives in respect of the Shares entered into by the Offeror and the Offeror Concert Parties. No irrevocable commitment to vote for or against the Proposal has been received by the Offeror and the Offeror Concert Parties, as at the Announcement Date.

As at the Announcement Date, there is no understanding, arrangement or agreement or special deal between (i) any Scheme Shareholders and persons acting in concert with them; and (ii)(a) the Offeror and the Offeror Concert Parties or (b) the Company, its subsidiaries or associated companies.

As at the Announcement Date, the Company has no intention to propose, declare or pay any dividends; nor the Cancellation Price is subject to any dividend proposed, declared but not yet paid.

XVIII. DESPATCH OF SCHEME DOCUMENT

Under Rule 8.2 of the Takeovers Code, unless the Executive's consent is obtained, the Scheme Document containing, inter alia, further details of the Proposal, the Scheme, the expected timetable, an explanatory statement as required under the Companies Law and the rules of the Grand Court, information regarding the Company, recommendations from the Independent Board Committee with respect to the Proposal, the Scheme and the letter of advice from Rainbow Capital to the Independent Board Committee, a notice of the Court Meeting and a notice of the EGM, together with forms of proxy in relation thereto, should be despatched to the Shareholders within 21 days of the Announcement Date, which in this case would be on or before 26 June 2020, and in compliance with the requirements of the Companies Law, the Grand Court and other applicable regulations.

The Scheme Document is to be issued in connection with the scheme of arrangement under section 86 of the Companies Law, and may only be despatched to the Shareholders after the Grand Court has, at a Direction Hearing to be held on a date indicated by the Grand Court, determined that it is satisfied with the terms and conditions of the Scheme and the form and contents of the Scheme Document including the proposed court order, the proposed date of the Court Meeting, the proposed notice and associated proxy form in relation thereto.

As all the Scheme Conditions cannot be satisfied or validly waived (as applicable) within 21 days of the Announcement Date and additional time is required to procure the holding of the Direction Hearing and finalise the financial information to be included in the Scheme Document, the Offeror has applied to the Executive and the Executive is minded to grant consent to extend the latest time for the despatch of the Scheme Document to 14 August 2020.

A detailed timetable for the Proposal will be set out in the Scheme Document and in the announcement to be jointly made by the Company and the Offeror upon despatch of the Scheme Document. The Scheme Document will contain important information and the Scheme Shareholders are urged to read the Scheme Document containing such disclosures carefully before casting any vote at (or providing any proxy in respect of) the Court Meeting and the EGM.

XIX. DISCLOSURE OF DEALINGS

Associates of the Offeror and the Company (as defined in the Takeovers Code, including shareholders holding 5% or more of the relevant securities (as defined in paragraphs (a) to (d) in Note 4 to Rule 22 of the Takeovers Code) of the Offeror or the Company) are hereby reminded to disclose their dealings in any securities of the Company under Rule 22 of the Takeovers Code during the offer period commencing on the Announcement Date.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

XX. RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted from 9:00 a.m. on 27 May 2020 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 8 June 2020.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“acting in concert”	has the meaning ascribed to it in the Takeovers Code
“Announcement Date”	5 June 2020, being the date of this joint announcement
“associates”	has the meaning ascribed to it in the Takeovers Code
“Board”	the board of directors of the Company
“Cancellation Price”	the cancellation price of HK\$0.45 per Scheme Share payable in cash by the Offeror to the Scheme Shareholders pursuant to the Scheme for every Scheme Share cancelled and extinguished
“China Tonghai”	China Tonghai Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and joint financial adviser to the Offeror
“Company”	Vietnam Manufacturing and Export Processing (Holdings) Limited (越南製造加工出口(控股)有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange (stock code: 422)
“Companies Law”	the Companies Law Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Court Meeting”	a meeting of the Independent Shareholders to be convened and held at the direction of the Grand Court at which the Scheme will be voted upon
“Depository Agent”	Yuanta Commercial Bank Co., Ltd, which issued the TDR as an agent of the Company

“Direction Hearing”	a direction hearing of the Grand Court for the purpose of giving direction as to the holding of the Court Meeting
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting to be convened and held by the Company for the Shareholders to consider and, if thought fit, approve, among others, (i) a special resolution in relation to the reduction of the number of issued Shares in the share capital of the Company by cancelling and extinguishing the Scheme Shares; (ii) a special resolution in relation to the withdrawal of listing of the Shares upon the Scheme becoming effective; and (iii) an ordinary resolution in relation to the restoration of the number of issued Shares in the share capital of the Company to its former amount by the issue of the same number of Shares as the number of the Scheme Shares cancelled and extinguished, credited as fully paid, to the Offeror
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate thereof
“Grand Court”	the Grand Court of the Cayman Islands
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Company, which comprises three independent non-executive Directors, namely Ms. Lin Ching Ching, Mr. Shen Hwa Rong and Ms. Wu Kwei Mei, to make a recommendation to the Independent Shareholders, in respect of, among others, the Proposal and the Scheme, respectively

“Interested Directors”	Ms. Wu Li Chu, Mr. Chiang Chin Yung, Mr. Liu Wu Hsiung, Mr. Lin Chih Ming and Mr. Chiu Ying Feng
“Independent Shareholders”	the Shareholders other than the Offeror and the Offeror Concert Parties
“KPMG”	KPMG Corporate Finance Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO and joint financial adviser to the Offeror
“Last Trading Day”	26 May 2020, being the last trading day on which the Shares were traded on the Stock Exchange prior to the publication of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 December 2020, or such later date as may be agreed between the Offeror and the Company, subject to approval by KPMG and China Tonghai, or to the extent applicable, as the Executive may consent and as the Grand Court on application of the Offeror or the Company may allow
“Offeror”	SY International Ltd., a company incorporated in Samoa with limited liability and a controlling shareholder of the Company
“Offeror Concert Parties”	parties acting in concert or presumed to be acting in concert with the Offeror under the definition of “acting in concert” under the Takeovers Code, including the Interested Directors, KPMG and China Tonghai
“Proposal”	the proposal for the privatisation of the Company by the Offeror by way of the Scheme
“Rainbow Capital”	Rainbow Capital (HK) Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser in respect of the Proposal and the Scheme appointed by the Company with the approval of the Independent Board Committee

“Relevant Authorities”	appropriate governments and/or governmental bodies, regulatory bodies, courts or institutions
“Sanyang”	Sanyang Motor Co., Ltd. (三陽工業股份有限公司), a company incorporated in Taiwan and listed on the Taiwan Stock Exchange (stock code: 2206), and is the ultimate controlling shareholder of the Company and the sole shareholder of the Offeror
“Scheme”	a scheme of arrangement between the Company and the Scheme Shareholders under Section 86 of the Companies Law (subject to the Scheme Conditions) involving the cancellation and reduction of all the Scheme Shares and the restoration of the number of issued Shares in the share capital of the Company to the amount immediately before the cancellation and reduction of the Scheme Shares
“Scheme Conditions”	the conditions to the implementation of the Proposal as set out in the section headed “Scheme Conditions” in this joint announcement
“Scheme Document”	the composite scheme document of the Company and the Offeror to be issued to all Shareholders containing, inter alia, further details of the Proposal together with the additional information specified in the section headed “Despatch of Scheme Document” in this joint announcement
“Scheme Record Date”	the date on which the Scheme becomes effective or such other date as shall have been announced to the Independent Shareholders, being the record date for the purpose of determining the entitlement of the Independent Shareholders to the Cancellation Price upon the Scheme becoming effective

“Scheme Record Time”	4:00 p.m. (Hong Kong time) on the Scheme Record Date
“Scheme Share(s)”	Share(s) other than those directly or indirectly held by the Offeror as at the Scheme Record Time on the Scheme Record Date
“Scheme Shareholder(s)”	holders of Scheme Shares as at the Scheme Record Time on the Scheme Record Date
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 par value each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Taiwan Stock Exchange” or “TWSE”	Taiwan Stock Exchange Corporation
“Takeovers Code”	the Code on Takeovers and Mergers of Hong Kong
“trading day(s)”	day(s) on which the Stock Exchange is/are open for the business of dealings in securities
“TDR”	the Taiwan depository receipts, each unit of which represents two Shares, issued by the Depository Agent and are listed on the Taiwan Stock Exchange (Taiwan Depository Receipts Code: 9110)

“TDR Holders”	holders of the TDR
“US\$”	United States dollar(s), the lawful currency of the United States

For the purpose of this announcement and for illustrative purpose only, US\$ is converted into HK\$ at the rate of 7.75. No representation is made at any amounts in US\$ has been or could be converted at the above rate or at any other rates.

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

Hong Kong, 5 June 2020

As at the Announcement Date, the Board of the Company comprised four executive directors, namely Mr. Liu Wu Hsiung, Mr. Lin Chih Ming, Mr. Lin Chun Yu and Mr. Chiang Chin Yung, two non-executive directors, namely Mr. Chiu Ying Feng and Ms. Wu Li Chu and three independent non-executive directors, namely Ms. Lin Ching Ching, Mr. Shen Hwa Rong and Ms. Wu Kwei Mei.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the Announcement Date, the directors of the Offeror are Mr. Wu Ching-yuan and Mr. Huang Kuei-chin and the directors of Sanyang are Mr. Wu Ching-Yuan, Ms. Wu Li-Chu, Mr. Huang Yu-Chang, Mr. Chiang Li-Hsi, Mr. Chang Te-Ching, Mr. Tian Jen Hao, Mr. Chen Chiang, Mr. Chih-Hung Hsieh and Mr. Chung-Chuan Shih. The directors of the Offeror and the directors of Sanyang jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.