IN THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

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CAUSE NO. FSD OF 2020 ( )

IN THE MATTER OF SECTIONS 15 AND 86 OF THE COMPANIES LAW (2020 REVISION)

AND IN THE MATTER OF THE GRAND COURT RULES 1995 ORDER 102

AND IN THE MATTER of VIETNAM MANUFACTURING AND EXPORT PROCESSING (HOLDINGS) LIMITED 越南製造加工出口(控股)有限公司

PETITION

To: The Grand Court of the Cayman Islands

July 1, 2020

THE HUMBLE PETITION of Vietnam Manufacturing and Export Processing (Holdings) Limited 越南製造加工出口(控股)有限公司 shows as follows:

1. The object of this Petition is to seek:

   a. the sanction of the Court, pursuant to section 86 of the Companies Law (2020 Revision) (the "**Companies Law**"), to a proposed scheme of arrangement (the "**Scheme of Arrangement**") between the petitioner, Vietnam Manufacturing and Export Processing (Holdings) Limited 越南製造加工出口(控股)有限公司 (the "**Company**"), and the Scheme Shareholders (the "**Scheme of Arrangement**"). "Scheme Shareholders" is defined in the Scheme of Arrangement, contained in a composite scheme document (the "**Composite Scheme Document**") a draft of which is attached as Exhibit "LCC-1" to the first affirmation of Lin Ching Ching which will be sent to, among others, the Independent Shareholders (as defined below); and

b. the confirmation of the Court, pursuant to section 15 of the Companies Law, of the reduction of the issued share capital of the Company consequent upon the cancellation of the Scheme Shares (the "**Capital Reduction**") pursuant to the Scheme of Arrangement. The Capital Reduction is expected to be approved by way of a special resolution to be passed at an extraordinary general meeting of the Shareholders (as defined below) to be held immediately after the Court Meeting referred to herein. The "Scheme Shares" is defined in the Scheme of Arrangement to refer to the issued ordinary shares of HK$0.01 par value each in the share capital of the Company held by the Scheme Shareholders.

Information of the Company

2. The Company is an investment holding company and its subsidiaries (which together with the Company are collectively referred to as the "**Group**") are principally engaged in the manufacture and sale of motorbikes, related spare parts and engines and provision of motorbike maintenance services ("**PRC**").

3. The Company was incorporated under the name of Gold Way Holdings Corporation on 20 June 2005 under the Companies Law as an exempted company with registration number 150607. On 14 September 2007, the Company changed its name from "Gold Way Holdings Corporation" to "Vietnam Manufacturing and Export Processing (Holdings) Limited 越南製造加工出口(控股)有限公司".

4. As an exempted company, the objects for which the Company was established are unrestricted, save for generally applicable statutory restrictions on its powers to trade in the Cayman Islands and is otherwise capable of exercising all the functions of a natural person as provided by section 27(2) of the Companies Law.

5. The registered office of the Company is situated at the offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company in Hong Kong is at 40th Floor, Sunlight Tower, No. 248 Queen's Road East, Wanchai, Hong Kong.

Share Capital and Listing

6. As at 18 June 2020 (the "**Latest Practicable Date**"), the Company has an authorised share capital of HK$100,000,000 divided into 10,000,000,000 ordinary shares of par value HK$0.01 each (the "**Shares**"), of which 907,680,000 Shares have been issued and fully paid-up or credited as fully paid-up and the remainder are unissued.

7. The Company has been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") since 20 December 2007.

8. As at the Latest Practicable Date, 608,818,000 Shares (representing approximately 67.07% of the total number of issued Shares) were legally and/or beneficially owned by SY International Ltd. (the "**Offeror**"). None of the parties acting in concert with the Offeror or presumed to be acting in concert with the Offeror (the "**Offeror Concert Parties**"), as such term "acting in concert" is defined under the Code on Takeovers and Mergers of Hong Kong (the "**Takeovers Code**"), holds any Shares as at the Latest Practicable Date.

9. Other than the Shares that are held by the Offeror mentioned above, as at the Latest Practicable Date, there are 298,862,000 Shares (representing approximately 32.93% of the total number of issued Shares) are held by independent holders of Shares (the "**Independent Shareholders**") which can vote on the Scheme of Arrangement.

10. On the assumption that there is no other change in shareholdings in the Company from the Latest Practicable Date up to the Effective Date (as defined in the Scheme of Arrangement), the profile of the holders of the Shares (the "**Shareholders**") as at the Effective Date is expected to be as follows:

	As at the Latest Practicable Date		**As at the Effective Date**	
Shareholders	**Number of Shares**	**%**	**Number of Shares**	**%**
Offeror (aggregate number of Shares not voting on the Scheme of Arrangement)	608,818,000	67.07	907,680,000	100

Scheme Shareholders who are independent (i.e., Independent Shareholders)	298,862,000	32.93	--	--
Total Shares in issue	907,680,000	100	907,680,000	100
Total number of Scheme Shares (which represent all issued Shares except for those held by the Offeror)	298,862,000	32.93	--	--

All percentages in the above table are approximations.

Information of the Offeror and the Offeror Concert Parties

11. The Offeror is a company incorporated under the laws of Samoa with limited liability on 1 November 2005. Its registered office is at Vistra Corporate Services Centre, Ground Floor NPF Building Road, Apia, Samoa. The Offeror is wholly-owned by Sanyang Motor Co., Limited (the “**Parent**”). The Parent is a company incorporated under the laws of Taiwan on 14 September 1961. The Parent is listed on the Taiwan Stock Exchange.

12. The Offeror has provided its undertaking to be bound by the terms of the Scheme of Arrangement.

Purpose of the Scheme of Arrangement

13. The purpose of the Scheme of Arrangement is to privatise the Company so that the Offeror will own 100% of the Company. This will be achieved by the steps summarised in paragraph 14 below.

Principal Features of the Scheme of Arrangement

14. The principal features of the Scheme of Arrangement are:

    a. the Capital Reduction, by the cancellation and extinguishment of the Scheme Shares held by the Scheme Shareholders pursuant to the Scheme of Arrangement, in consideration of which the Scheme Shareholders will receive HK$0.45 in cash for each Scheme Share cancelled and extinguished (the “**Cancellation Price**”);

b. subject to and simultaneously with the Capital Reduction taking effect, the number of issued Shares in the share capital of the Company being restored to its former amount by the allotment and issue to the Offeror, credited as fully paid at par, the same number of Shares as the number of Scheme Shares cancelled and extinguished at the Effective Date (as defined in the Scheme of Arrangement) (the "**Restoration of Capital**"); and

c. the credit arising in the books of account of the Company as a result of the Capital Reduction resulting from the cancellation and extinguishment of the Scheme Shares pursuant to the Scheme of Arrangement being applied in paying up in full at par such number of Shares as is equal to the number of Scheme Shares cancelled and extinguished at the Effective Date, which shall be allotted and issued to the Offeror as mentioned in paragraph 14b. above.

15. The Scheme of Arrangement is conditional upon the Capital Reduction becoming effective.

Reasons for the Scheme of Arrangement

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

17. The Offeror considers that the Scheme of Arrangement 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.

18. 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 Hong Kong Stock Exchange for the 30, 90 and 180

trading days up to and including 26 May 2020 (the "**Last Trading Day**"), respectively.

19. During the one year up to and including the Last Trading Day, the lowest and highest closing prices per Share on the Hong Kong 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.

20. 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.

21. The Scheme of Arrangement 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

22. 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.

23. Furthermore, following the implementation of the Scheme of Arrangement, 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 Scheme of Arrangement will enable the Group to execute its strategies more efficiently and effectively

24. 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.

25. In response to the tough business environment, the Group has been reviewing its business operation and strategies, and with the Scheme of Arrangement 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 the Parent, the Offeror considers it will help improving the Company's operational efficiency and achieve economies of scale, for example through resources sharing with the Parent such as sharing of expertise, hence achieving cost savings.

26. After careful consideration, the Board of Directors of the Company (with Mr Liu Wu Hsiung, Mr Lin Chih Ming, Mr Chiang Chin Yung, Mr Chiu Ying Feng and Ms Wu Li Chu (being Offeror Concert Parties) abstain from voting) believes that the terms of the Scheme of Arrangement are fair and reasonable and that the implementation of the

Scheme of Arrangement is in the interests of the Scheme Shareholders. Accordingly, the Board of Directors of the Company (with Mr Liu Wu Hsiung, Mr Lin Chih Ming, Mr Chiang Chin Yung, Mr Chiu Ying Feng and Ms Wu Li Chu (being Offeror Concert Parties) abstain from voting) approved the Scheme of Arrangement.

27. Under the Takeovers Code, persons deemed to be acting in concert with the Offeror in connection with the implementation of the Scheme of Arrangement and who are also Shareholders shall not be counted (unless permitted by the Securities and Futures Commission of Hong Kong) for the purposes of satisfying the voting requirements of the Takeovers Code. The Shareholders who are parties acting in concert with the Offeror will not vote on the Scheme of Arrangement at the Court Meeting (as hereinafter defined) and all Independent Shareholders will be entitled to vote at the Court Meeting.

28. The Company intends to make an application for directions herein for declarations and orders that, among other things:

    a. the relevant class of shareholders of the Company affected by the Scheme of Arrangement is the Independent Shareholders and they shall vote as single class;

    b. the Company be at liberty to convene and hold a court meeting of the Independent Shareholders (voting together as a single class) (the "**Court Meeting**") for the purpose of considering and, if thought fit, approving (with or without modification(s)) the Scheme of Arrangement;

    c. directions as to the mode of delivery of an explanatory statement and proxy form to the Independent Shareholders;

    d. the appointment of a chairman of the Court Meeting and for the conduct of the Court Meeting generally; and,

    e. directions as to the treatment of Shares held by custodians, clearing houses and other nominees for the purposes of the "majority in number" calculation.

29. The Company proposes to convene the Court Meeting in accordance with section 86

of the Companies Law to be held on or around 7 September 2020 at which the following resolution (with such amendment(s) as may be approved at the Court Meeting) will be considered (each of the capitalised terms referred to in the resolution below are defined in the Composite Scheme Document):

*"THAT a scheme of arrangement (the "**Scheme of Arrangement**") dated* [7 August] 2020 *between the Company and the Scheme Shareholders (as defined in Scheme of Arrangement) in the form of the print thereof which has been produced to this Court Meeting and, for the purpose of identification signed by the chairman of this Court Meeting, or in such other form and on such terms and conditions as may be approved or imposed by the Grand Court of the Cayman Islands, be and is hereby approved."*

30. The Shareholders who are persons acting in concert with the Offeror in connection with the implementation of the Scheme of Arrangement will not vote at the Share

31. Article 6 of the Articles of Association of the Company provides as follows:

"The Company may from time to time by special resolution, subject to any confirmation or consent required by the Law, reduce its share capital or any capital redemption reserve or other undistributable reserve in any manner permitted by law."

32. The Company intends to convene an extraordinary general meeting of the Shareholders (voting together as a single class) to take place as soon as after the conclusion of the Court Meeting at which it is intended to submit, among others, a special resolution to confirm the Capital Reduction pursuant to the Scheme of Arrangement, a special resolution to confirm the withdrawal of listing of the Company and an ordinary resolution to approve the Restoration of Capital. These resolutions are set out below.

SPECIAL RESOLUTIONS

(1) **THAT**:

a. pursuant to a scheme of arrangement dated [7 August] 2020 (the "**Scheme of Arrangement**") between the Company and the Scheme Shareholders (as defined in the Scheme of Arrangement) in the form of the print thereof, which has been produced to this meeting and for the purposes of identification signed by the chairman of this meeting, or in such other form and on such terms and conditions as may be approved or imposed by the Grand Court of the Cayman Islands, on the Effective Date (as defined in the Scheme of Arrangement), the issued shares in the share capital of the Company shall be reduced by the cancellation and extinguishment of the Scheme Shares (as defined in the Scheme of Arrangement); and

b. any one of the directors of the Company be and is hereby authorised to do all acts and things considered by him to be necessary or desirable in connection with the implementation of the Scheme of Arrangement and the reduction of the number of issued shares in the share capital of the Company pursuant to the Scheme of Arrangement, including (without limitation) giving consent to any modification of, or addition to, the Scheme of Arrangement or the reduction of the number of issued shares in the share capital of the Company which the Grand Court of the Cayman Islands may see fit to impose.

(2) **THAT:**

a. subject to the Scheme of Arrangement has become effective, the withdrawal of the listing of the shares of the Company from The Stock Exchange of Hong Kong Limited be and is here approved; and

b. any one of the directors of the Company be and is hereby authorised to apply to The Stock Exchange of Hong Kong Limited for the withdrawal of the listing of the shares of the Company.

ORDINARY RESOLUTION

(3) **THAT**:

a. subject to and simultaneously with the cancellation and extinguishment of the Scheme Shares referred to in resolution 1(a) taking effect, the number of issued shares in the share capital of the Company be restored to its former amount by allotting and issuing to the Offeror (as defined in the Scheme of Arrangement), credited as fully paid at par, the same number of ordinary shares of HK$0.01 each in the share capital of the Company as is equal to the number of Scheme Shares cancelled and extinguished;

b. the credit arising in the books of account of the Company consequent upon the reduction of its issued share capital resulting from the cancellation and extinguishment of the Scheme Shares referred to in resolution 1(a) shall be applied by the Company in paying up in full at par the new ordinary shares allotted and issued to the Offeror pursuant to resolution 3(a) above, and any one of the directors of the Company be and is hereby authorised to allot and issue the same accordingly; and

c. any one of the directors of the Company be and is hereby authorised to do all acts and things considered by him to be necessary or desirable in connection with the implementation of the Scheme of Arrangement and the restoration of capital pursuant to the Scheme of Arrangement, including (without limitation) the giving of consent to any modification of, or addition to, the Scheme of Arrangement or the restoration of capital, which the Grand Court of the Cayman Islands may see fit to impose.

33. The Scheme of Arrangement and the Capital Reduction would not involve any diminution of liability in respect of any unpaid share capital or the payment to any member of the Company of any paid up capital or alteration of the underlying assets, business operations, management or financial position of the Company and would have no effect on the creditors of the Company. It is to be noted that the Capital Reduction and the Restoration of Capital will occur simultaneously. The Company will continue to

be able to pay its debts as they fall due in the ordinary course of business. It is therefore proposed to dispense with preparing a list of creditors.

34. The form of Minute proposed to be registered in relation to the Capital Reduction pursuant to the Scheme of Arrangement is as follows:

*"The issued shares of par value HK$0.01 each (the "**Shares**") in the share capital of Vietnam Manufacturing and Export Processing (Holdings) Limited 越南製造加工出口(控股)有限公司 was by virtue of a Special Resolution passed on 2020 and with the sanction of an Order of the Grand Court of the Cayman Islands dated 2020 reduced from HK$ divided into Shares to HK$ divided into Shares (the "**Capital Reduction**"). Simultaneously with the Capital Reduction, the issued Shares in the share capital of Vietnam Manufacturing and Export Processing (Holdings) Limited 越南製造加工出口(控股)有限公司 was restored to HK$ by allotting and issuing to SY International Ltd., credited as fully paid at par, Shares.*

The authorised share capital of the Company, on the registration of this Minute, is HK$100,000,000 divided into 10,000,000,000 ordinary shares of par value HK$0.01 each."

35. The completed Minute will be provided to the Grand Court before the sanction of the Capital Reduction pursuant to the Scheme of Arrangement by the Grand Court.

36. Your petitioner, the Company therefore prays as follows:

a. That the Scheme of Arrangement to be approved at the Court Meeting to be convened and held at the direction of this Honourable Court be sanctioned by this Honourable Court so as to be binding on the Company, the Scheme Shareholders and the Offeror.

b. That the Capital Reduction may be confirmed and that the Minute mentioned in paragraph 34 may be approved by the Court.

c. That the preparation of a list of creditors for the Scheme of Arrangement be dispensed with.

d. That to this end, all necessary inquiries and directions may be made and given.

e. Such further or other order or relief as this Honourable Court shall see fit.

And your Petitioner will ever pray etc.

Dated this 1st day of July 2020

Conyers Dill & Pearman

Conyers Dill & Pearman
Attorneys-at-Law for the Petitioner herein

NOTE: It is intended to serve this Petition on Vietnam Manufacturing and Export Processing (Holdings) Limited 越南製造加工出口(控股)有限公司at its registered office located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

This Petition was filed by Conyers Dill & Pearman, Attorneys-at-Law for and on behalf of the Petitioner herein whose address for service is that of its said Attorneys-at-Law, SIX, Cricket Square, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands

Notice of Hearing

This Petition, having been presented to the Court on the day of 2020, will be heard at the Law Courts, George Town, Grand Cayman on the day of 2020 at a.m. or as soon thereafter as the Petition can be heard.