

Dated 3 December 2024

SANYANG MOTOR COMPANY LIMITED (1)

and

**VIETNAM MANUFACTURING AND EXPORT
PROCESSING (HOLDINGS) LIMITED (2)**

DISTRIBUTORSHIP AGREEMENT

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THIS AGREEMENT is made on 3 December 2024

BETWEEN

- (1) **SANYANG MOTOR COMPANY LIMITED**, a company incorporated in Taiwan whose registered office is situated at 3 Chunghua Road, Hukou Township, Hsinchu County, Taiwan (the **"Supplier"**); and
- (2) **VIETNAM MANUFACTURING AND EXPORT PROCESSING (HOLDINGS) LIMITED**, an exempted company incorporated in the Cayman Islands whose registered office is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and whose principal place of business in Hong Kong is situated at 40th Floor, Sunlight Tower, No. 248 Queen's Road East, Wanchai, Hong Kong (the **"Distributor"**).

WHEREAS

- (A) The Distributor is an exempted company incorporated in the Cayman Islands whose principal business is the production of motorbikes, engines and related parts.
- (B) The Supplier is a company incorporated in Taiwan whose principal business is the manufacture and sale of motorbikes and related parts. Through its wholly-owned subsidiary, SYI, the Supplier holds an approximate 67.07% shareholding in the Distributor.
- (C) The Supplier wishes to appoint the Distributor as its exclusive distributor for the import, distribution, promotion, marketing and sale of motorbikes and related parts manufactured by the Sanyang Group within the Exclusive Territory (except in the case of Vietnam, where the Distributor shall only be entitled to re-sell any such motorbikes manufactured by the Sanyang Group to customers solely for use as display models in exhibitions).
- (D) The Distributor (for and on behalf of the Group Companies) and the Supplier (for itself and on behalf of the Sanyang Group) have agreed to enter into this Distributorship Agreement in relation to the distribution of the Products by the Group in the Exclusive Territory.

IT IS AGREED AS FOLLOWS:-

1 DEFINITIONS

- 1.1 In this Agreement, unless the context otherwise requires, the capitalised terms used herein shall have the following meanings:-

"Associate"	has the meaning given to that term under the Listing Rules;
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"Change of Control"	means, in relation to the Company, SYI ceases to, at any time:
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- (i) own, directly or indirectly, beneficially, not

	less than 50% of the issued shares of the Company; or
"Control"	(ii) have Control over the Company; means the power to direct the management and policies of an entity, whether through the ownership of voting capital, by contract or otherwise;
"Exclusive Territory"	means the countries specified in Schedule 1;
"Force Majeure"	means, in relation to either party, any act, event, omission or accident beyond the reasonable control of that party (including, but without limitation, any strike, industrial action, lock-out, failure of a utility service or transport network, act of God, natural disaster, epidemic, fire, flood or war);
"Group"	means the Distributor and its Subsidiaries and "Group Company" means any or a specific one of them;"
"HIBOR"	means in relation to a particular period, the rate determined by The Hongkong and Shanghai Banking Corporation Limited to be the annual rate of interest published or reported on Reuters Page HKABHIBOR (or any successor to that screen and/or page selected by the Group) at or about 11:00 a.m. (Hong Kong time) on the first day of such period as being the interest rates offered in the Hong Kong interbank market for deposit in Hong Kong dollars for delivery on the first day of such period for a period equal (or as nearly equal as may be) to the relevant period and if, in any such case, that rate is less than zero, HIBOR shall be deemed to be zero;
"Hong Kong"	means the Hong Kong Special Administrative Region of the People's Republic of China;
"Independent Third Party"	means any party who does not constitute a connected person of the Distributor within the

	meaning of the Listing Rules;
“Listing Rules”	means The Rules Governing the Listing of Securities on the Stock Exchange;
“Port of Destination”	means in relation to any Purchase Order placed by the Distributor or any Sub-distributor, the port of destination specified in such Purchase Order at which the Products are to be delivered to the Distributor or (as the case may be) such Sub-distributor;
“Products”	means subject to clause 9.1(f), motorbikes or related parts (including engines) manufactured by the Sanyang Group from time to time;
“Product Marks”	means the product names of motorbikes which may be affixed onto the Products, the particulars of which are set out in Part 2 of Schedule 4 of the Trade Marks Licence Agreement together with any other product names which the Supplier may permit or procure permission for the Distributor by express notice in Writing to use in the Exclusive Territory in respect of the Products;
“Purchase Order”	means a purchase order in Writing and in such form as may be agreed between the Distributor or (as the case may be) any Sub-distributor and the Sanyang Group and placed by the Distributor or such Sub-distributor with the Sanyang Group for the purchase of any Product in accordance with the terms of this Agreement;
“Sanyang Group”	means the Supplier, its Subsidiaries and Associates (excluding the Group);
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Sub-distributor”	means any Group Company appointed by the Distributor as a sub-distributor in accordance

with Clause 3.2;

“Subsidiaries”

has the meaning given to it under Section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)

“SYI”

means SY International Limited, a company incorporated in Samoa with limited liability which holds an approximate 67.07% shareholding in the Distributor;

“Trade Marks”

the trade mark registrations and applications as set out in Part 1 of Schedule 4 of the Trade Marks Licence Agreement together with any other trade marks which the Supplier may permit or procure permission for the Distributor by express notice in Writing to use in the Exclusive Territory in respect of the Products;

“Trade Marks Licence Agreement”

means the agreement of 26 November 2007 between the Distributor and Supplier pursuant to which the Supplier has agreed to license the Trade Marks and Product Marks to the Distributor in connection with the manufacture and/or sale of the Products and certain products manufactured by the Distributor or any Sub-distributor;

“Writing”

includes facsimile transmission, electronic communication and comparable means of communication; and

“US\$”

means United States dollars, the lawful currency of the United States of America.

- 1.2 References to statutory provisions shall where the context so admits or requires be construed as references to those provisions as respectively amended, consolidated, extended, or re-enacted from time to time, and shall, where the context so admits or requires, be construed as including reference to the corresponding provisions of any earlier legislation (whether repealed or not) directly or indirectly amended, consolidated, extended, or replaced thereby or re-enacted therein and shall include any orders, regulations, instruments or other subordinate legislation made under the relevant statute.

- 1.3 Unless the context otherwise requires, words importing the singular shall include the plural and vice versa and words importing natural persons shall include corporations and un-incorporated associations; words importing the masculine gender shall include the feminine gender and the neuter gender.

2 CONDITION PRECEDENT

This Agreement is conditional upon compliance by the Distributor with all applicable requirements under the Listing Rules, including obtaining the Distributor's independent shareholders' approval if it is required under the Listing Rules.

3 APPOINTMENT

- 3.1 The Supplier appoints the Distributor as its exclusive distributor to import, distribute, promote, market and sell the Products in the Exclusive Territory subject to the restrictions set out in Clause 3.5 and otherwise on and subject to the terms and conditions of this Agreement.
- 3.2 The Distributor shall have the right to appoint any other Group Company as a Sub-distributor in connection with (1) the import, distribution, promotion, marketing and sale of the Products in the Exclusive Territory subject to the restrictions set out in Clause 3.5 and otherwise in accordance with the terms of this Agreement; and/or (2) the performance of any of its obligations under this Agreement, provided that the Distributor shall procure any such Sub-distributor to observe the provisions of this Agreement. The Distributor shall notify the Supplier in Writing of the appointment of any Sub-distributor in accordance with this Clause as soon as reasonably practicable after such appointment.
- 3.3 The Distributor shall not represent itself as an agent of the Sanyang Group for any purpose, nor pledge the credit or give any condition or warranty or make any representation on behalf of the Sanyang Group or commit the Sanyang Group to any contracts.
- 3.4 The Supplier undertakes to the Distributor that during the term of this Agreement:
- (a) it will not sell, distribute or market, and will procure that none of the members of the Sanyang Group will sell, distribute or market, any of the Products in the Exclusive Territory (or any part thereof); and
 - (b) it will not appoint or engage any other person (whether as agent, distributor or otherwise) to sell, distribute or market any of the Products in the Exclusive Territory (or any part thereof).
- 3.5 The right of the Distributor or (as the case may be) any Sub-distributor under this Agreement shall, in the case of Vietnam, be restricted to the resale of the Products to customers solely for use as display models in exhibitions.

4 SUPPLY OF PRODUCTS

- 4.1 On and subject to the terms and conditions of this Agreement, the Distributor or any Sub-distributor appointed by it may (but is not obliged to), purchase Products from the Sanyang Group for distribution and re-sale in the Exclusive Territory subject to the restrictions set out in Clause 3.5 and otherwise pursuant to this Agreement. If the Distributor or any Sub-distributor places a Purchase Order for the purchase of any Product with the Sanyang Group and if such Purchase Order is accepted by the Sanyang Group pursuant to Clause 4.2 below, the Sanyang Group shall supply such Product in accordance with the terms of this Agreement.
- 4.2 The Distributor or any Sub-distributor shall, if it decides to purchase any Product from the Sanyang Group, place a Purchase Order for such Product with the Sanyang Group. When the Sanyang Group receives a Purchase Order from the Distributor or any Sub-distributor, it shall, within seven (7) days, send to the Distributor or (as the case may be) such Sub-distributor, a confirmation in Writing of its acceptance or rejection of such Purchase Order (or if it shall fail to do so within such seven (7)-day period, it shall be deemed to have rejected such Purchase Order). If the Sanyang Group wishes to make any amendment to such Purchase Order, then it must notify the Distributor or (as the case may be) such Sub-distributor in Writing within such seven (7)-day period. Once a Purchase Order has been placed and accepted in accordance with this Clause, it cannot be revoked or amended unless with the agreement of the party placing and the party accepting such Purchase Order.
- 4.3 The Distributor shall deliver to the Supplier:
- (a) not less than ten (10) days before the beginning of each calendar month, an estimate in Writing of the quantity of each Product (setting out the name and specifications of such Product) that it and the Sub-distributors (if any) may require to be supplied or provided by the Sanyang Group during that calendar month;
 - (b) not less than ten (10) days before the beginning of each quarterly-period of each calendar year, an estimate in Writing of the quantity of each Product (setting out the name and specifications of such Product) that it and the Sub-distributors (if any) may require to be supplied or provided by the Sanyang Group during that quarterly period; and
 - (c) not less than sixty (60) days before the beginning of each calendar year, an estimate in Writing of the quantity of each Product (setting out the name and specifications of such Product) that it and the Sub-distributors (if any) may require to be supplied or provided by the Sanyang Group during that calendar year.

The estimates delivered by the Distributor to the Supplier in accordance with this Clause shall be indicative only and shall not be binding on the Distributor, any Sub-distributor and the Sanyang Group and may be revised from time to time by the Distributor provided that the Distributor shall notify the Supplier in Writing as soon as practicable of any such revision.

- 4.4 The Supplier undertakes that it will and shall procure the Sanyang Group to give priority in accepting and performing any Purchase Order placed by the Distributor or any Sub-distributor over purchase orders placed by other customers. If the quantity of Products contained in any Purchase Order placed by the Distributor or any Sub-distributor with the Sanyang Group exceeds the production capacity or available inventory of the Sanyang Group, the Sanyang Group shall as soon as practicable and in any event within the seven (7)-day period referred to in Clause 4.2 notify in Writing the Distributor or (as the case may be) such Sub-distributor.

5 SPECIFICATIONS OF THE PRODUCTS

- 5.1 The Supplier shall ensure and shall procure that the Sanyang Group shall ensure that all Products sold by it to the Distributor or any Sub-distributor pursuant to this Agreement shall conform to such specifications as may be agreed pursuant to Clause 5.2 and be free from damage and defects in materials or workmanship.
- 5.2 The Supplier and the Distributor will consult from time to time with a view to agreeing the specifications of the Products.

6 DELIVERY OF PRODUCTS

The Supplier shall and shall procure that the Sanyang Group shall, in relation to each Purchase Order placed by the Distributor or any Sub-distributor with and accepted by the Sanyang Group, deliver the Products on such date and at the Port of Destination specified in the Purchase Order. If the Sanyang Group is unable for any reason to deliver the Products on the date or at the Port of Destination so specified, it shall notify in Writing the Distributor or (as the case may be) such Sub-distributor as soon as practicable.

7 ACCEPTANCE AND DEFECTIVE PRODUCTS

- 7.1 If any Products delivered to the Distributor or any Sub-distributor by the Sanyang Group pursuant to any Purchase Order does not comply with Clause 5.1 or are otherwise not in compliance with this Agreement, then, without limiting any other right or remedy that it may have, the Distributor or (as the case may be) such Sub-distributor may, by giving notice to the Sanyang Group within thirty (30) days after the date of delivery of such Products, reject those Products and:
- (a) require the Sanyang Group to repair or replace the rejected Products at its own risk and expense within ninety (90) days of being requested to do so; or
 - (b) require the Sanyang Group to repay the price of the rejected Products in full (whether or not the Distributor or (as the case may be) such Sub-distributor has previously required the Sanyang Group to repair or replace the rejected Products); and
 - (c) claim damages for any other costs, expenses or losses resulting from the Sanyang Group's delivery of the Products that are not in compliance with the terms of this Agreement.

7.2 The terms of this Agreement shall apply to any repaired or replacement Products supplied by the Sanyang Group to the Distributor or (as the case may be) any Sub-distributor.

7.3 If in relation to any Purchase Order placed by the Distributor or any Sub-distributor, the Distributor or such Sub-distributor does not give any notice in accordance with Clause 7.1, then it shall be deemed to have accepted the Products delivered pursuant to such Purchase Order.

8 DISTRIBUTOR'S UNDERTAKINGS

8.1 The Distributor undertakes and agrees with the Supplier at all times during the term of this Agreement:

- (a) to use all reasonable endeavours (and to procure any Sub-distributor appointed by it to use all reasonable endeavours) to promote the distribution and sale of the Products in the Exclusive Territory subject to the restrictions set out in Clause 3.5 and to Clause 11.1;
- (b) to submit written reports to the Supplier at the end of each quarterly-period of each calendar year showing details of sales, outstanding Purchase Orders placed by the Distributor or any Sub-distributor with the Sanyang Group and any other information relating to the performance by the Distributor of its obligations under this Agreement the Supplier may reasonably require from time to time; and
- (c) to provide after-sales repair and maintenance services in accordance with the terms of the service and maintenance manual provided by the Sanyang Group in respect of Products sold by the Distributor or any Sub-distributor to customers within the Exclusive Territory (and in the case of any Product sold with a warranty period, such service shall cover the length of such warranty period unless otherwise agreed between the Supplier and the Distributor).

9 SUPPLIER'S UNDERTAKINGS

9.1 The Supplier undertakes and agrees with the Distributor at all times during the term of this Agreement:

- (a) to (and to procure the Sanyang Group to) supply the Products only to the Distributor or any Sub-distributor in the Exclusive Territory and not to supply the Products to other users, distributors or customers in the Exclusive Territory;
- (b) to (and to procure the Sanyang Group to) provide any information and support as may reasonably be requested by the Distributor or any Sub-distributor to enable it properly and efficiently to discharge its duties under this Agreement;
- (c) to approve or reject any promotional information or material submitted by the Distributor or any Sub-distributor within thirty (30) days of receipt;
- (d) not to (and to procure the Sanyang Group not to) market or promote any of the Products in the Exclusive Territory;

- (e) to (and to procure the Sanyang Group or any Independent Third Party which it has engaged for the supply of spare parts to the Distributor or any Sub-Distributor to) supply the spare parts requested by the Distributor or any Sub-distributor which are required to enable it to fulfil its after-sales repair and maintenance obligations under this Agreement;
- (f) that the Products (or any of them) to be supplied by the Sanyang Group pursuant to this Agreement are restricted to those models of motorbikes or related parts which are not produced by the Group at the relevant time; and
- (g) that it will and will procure the Sanyang Group will provide access to the Distributor, its auditors and the independent non-executive directors of the Distributor to such records, books, accounts and information as requested for the purpose of reporting on the transactions carried out under this Agreement in accordance with Rule 14A.55 and Rule 14A.56 of the Listing Rules.

10 PRICING AND PAYMENT

- 10.1 If the Distributor or any Sub-distributor proposes to purchase any Product from the Sanyang Group, then prior to placing a Purchase Order for such Product, the Distributor shall or (as the case may be) shall procure that such Sub-distributor shall give notice to the Sanyang Group setting out details of the Product (including model name and quantity) and the indicative purchase price (the "**Indicative Purchase Price**") that prospective customer(s) (the "**Prospective Customer**") has (have) offered to purchase such Product from the Distributor or such Sub-distributor.
- 10.2 Subject to the receipt by the Distributor or (as the case may be) such Sub-distributor of a purchase order from the Prospective Customer, the Sanyang Group shall sell the Product to the Distributor or (as the case may be) such Sub-distributor at such price as may be quoted by the Sanyang Group on its price list at the time provided that such price shall be at least 3.5% lower than the Indicative Purchase Price.
- 10.3 Neither the Distributor nor any Sub-distributor shall be under any obligation to maintain any level of inventory of the Products.
- 10.4 The Supplier shall and (as the case may be) shall procure that the Sanyang Group shall provide the Distributor and (as the case may be) any Sub-distributor with a copy of its current price list for the Products from time to time.
- 10.5 For each Purchase Order placed by the Distributor or (as the case may be) any Sub-distributor with the Sanyang Group, the Sanyang Group shall be entitled to invoice the Distributor or (as the case may be) such Sub-distributor on or at any time after the date of delivery of the Products.
- 10.6 The Supplier shall and shall procure that the Sanyang Group shall grant to the Distributor or (as the case may be) any Sub-distributor, in respect of any Purchase Order, a credit period of 30 to 60 days (as the case may be) without interest from the date of the invoice unless the relevant parties determined

otherwise in the relevant Purchase Order. In case of any delay in payment, upon demand by the Supplier or (as the case may be) the Sanyang Group, interest may be charged against the Distributor or (as the case may be) such Sub-distributor at the rate of HIBOR plus 0.25 per cent. (0.25%) per annum commencing on the expiry of the credit period granted to the Distributor or (as the case may be) such Sub-distributor until the date of payment.

- 10.7 The Distributor or (as the case may be) any Sub-distributor shall not be entitled by reason of any set-off, counter-claim, abatement, or other similar deduction to withhold payment of any amount due to the Sanyang Group.

11 ADVERTISING AND PROMOTION

- 11.1 The Distributor:

- (a) may (but is not obliged to) advertise and promote the Products in the Exclusive Territory subject to the restrictions set out in Clause 3.5 and if the Distributor decides to conduct any such advertising or promotion, the use by the Distributor of any advertising and promotional materials shall be subject to the prior written approval of the Supplier;
- (b) may (but is not obliged to) display advertising materials and other signs provided by the Supplier; and
- (c) if the Distributor decides to conduct any advertising or promotion of the Products in the Exclusive Territory, it shall observe all directions and instructions given to it by the Supplier in relation thereto and shall not make any written statement as to the quality of the Products without the prior written approval of the Supplier.

- 11.2 The Supplier shall provide the Distributor with such information on the advertising and promotion of the Products carried out by the Supplier from time to time and shall supply such quantities of advertising and promotional materials as may be requested by the Distributor at the cost of the Supplier.

12 COMPLIANCE WITH LAWS AND REGULATIONS

- 12.1 The Sanyang Group shall be responsible for obtaining any necessary import licences or permits necessary for the entry of the Products into the Exclusive Territory, or their delivery to the Distributor or any Sub-distributor.
- 12.2 The Supplier warrants to the Distributor that the Products comply with all laws and regulations affecting the manufacture, sale, packaging and labelling of Products which are in force within the Exclusive Territory (or any part thereof) from time to time.

13 TERMS OF SUPPLY OF PRODUCTS

All sales of Products pursuant to this Agreement pursuant to any Purchase Order placed by the Distributor or any Sub-distributor with and accepted by the Sanyang Group shall be subject to the standard terms of sales of Products adopted by the Sanyang Group from time to time, provided that:-

- (a) such standard terms of sales of Products shall be no less favourable to the Distributor or any Sub-distributor than those offered by the Sanyang Group to customers who are Independent Third Parties (if any) for the sale of the same or substantially similar types of Products in the same or substantially similar quantities;
- (b) if any of those standard terms of sales of Products is inconsistent with any provision of this Agreement, the latter shall prevail; and
- (c) the Sanyang Group and the Distributor or (as the case may be) such Sub-distributor may agree in Writing to vary those standard terms of sales.

14 TRADE MARKS

- 14.1 The Distributor and Supplier acknowledge that the Distributor has been granted an exclusive right to use the Trade Marks and Product Marks for purposes of this Agreement pursuant to the Trade Marks Licence Agreement and both the Distributor and the Supplier agree to be bound by the terms and conditions in the Trade Marks Licence Agreement in relation to the manner in which the Trade Marks and Product Marks are to be used in connection with or arising out of this Agreement and/or the Products.
- 14.2 The Supplier warrants that the Trade Marks and Product Marks do not infringe on any intellectual property rights of Independent Third Parties in the Exclusive Territory and should such infringement occur, the Supplier shall indemnify the Distributor against any loss, damage or costs incurred or suffered by the Distributor or any Sub-distributor as a result of such infringement.
- 14.3 With respect to any infringement of the Trade Marks or Product Marks or other intellectual property rights:
 - (a) each party shall promptly give notice in Writing to the other in the event that it becomes aware of:
 - (i) any infringement or suspected infringement within the Exclusive Territory of the Trade Marks, Product Marks or any other intellectual property rights in or relating to the Products; and
 - (ii) any claim that any Product or the manufacture, use, sale or other disposal of any Product within the Exclusive Territory, whether or not under the Trade Marks or Product Marks, infringes the rights of any Independent Third Party.

- (b) in the case of any matter falling within Clause 14.3 (a)(i):
 - (i) the Supplier and the Distributor shall consult to determine what action if any shall be taken in respect of the matter;
 - (ii) the Supplier and the Distributor shall have joint control over and shall conduct any action as they shall deem necessary in pursuance of Clause 14.3 (b)(i); and
 - (iii) the Supplier shall pay all costs in connection with that action and shall be entitled to all damages and other sums which may be paid or awarded as a result of any such action.

14.4 In the case of any matter falling within Clause 14.3 (a)(ii):

- (a) the Supplier and the Distributor shall consult to decide what steps shall be taken to prevent or terminate the infringement and the proportions in which they shall share the cost of those steps and any damages and other sums which may be awarded in their favour or against them; and
- (b) failing agreement between the parties, either party shall be entitled to take all action as it shall consider to be necessary or appropriate at its own expense to defend such a claim and shall be entitled and subject to all damages and other sums which may be recovered or awarded against it as a result of any such action.

14.5 Each party shall, at the request and expense of the other, provide all reasonable assistance to the other (including but not limited to the use of its name in or being joined as a party to proceedings) in connection with any action to be taken by the other party pursuant to this Clause, provided that that party is given such indemnity as it may reasonably require against any damage to its name.

15 PRODUCT LIABILITY AND INSURANCE

15.1 Subject to fulfilment by the Distributor or (as the case may be) any Sub-distributor of all the conditions contained in this Clause, the Supplier shall indemnify the Distributor or such Sub-distributor against any liability incurred by it in respect of any loss, damage to property, death or personal injury arising from any fault or defect in the Products and any reasonable costs, claims, demands and expenses arising out of or suffered from or in connection with that liability ("**Relevant Claim**"), except to the extent that the liability arises solely as a result of the negligence of the Distributor or (as the case may be) such Sub-distributor.

15.2 The Distributor or any Sub-distributor shall, immediately after it becomes aware of a matter which may result in a Relevant Claim:

- (a) give notice to the Supplier of the details of the matter;
- (b) afford access to the Supplier and permit copies to be taken of any materials, records or documents as the Supplier may require to take action under Clause 15.2 (c);

(c) allow the Supplier the exclusive conduct of any proceedings and take whatever action as the Supplier shall direct to defend or resist the matter, including the use of professional advisers nominated by the Supplier; and

(d) not admit liability or settle the matter without the written consent of the Supplier.

15.3 The Distributor undertakes and shall procure each of the Sub-distributors to maintain appropriate up-to-date and accurate records to enable the immediate recall of any batches of the Products or any of them from the retail or wholesale markets. These records shall include records of deliveries to customers (including details of batch numbers, delivery date, name and address of customer, and telephone number, fax or telex number or email address if available).

15.4 The Distributor shall and shall procure that each of the Sub-distributors shall, at the Sanyang Group's cost, give such assistance as the Sanyang Group may reasonably require for the purpose of recalling as a matter of urgency any quantities of the Products or any of them from the retail or wholesale market.

16 CONFIDENTIALITY

16.1 The Supplier undertakes that it will and will procure that the Sanyang Group will:

(a) keep in strict confidence all information relating to the Products provided by the Distributor or any Sub-distributor, including, without limitation, specifications, formulae, technical know-how, quality standards, testing results, information relating to the production processes and information relating to the pricing of the Products ("**confidential information of the Distributor or any Sub-distributor**"), provided that the Sanyang Group may disclose any such confidential information of the Distributor or any Sub-distributor to its employees for the purposes of fulfilling its obligations under this Agreement but prior to making such disclosure, the Sanyang Group shall ensure that such employees have agreed to be bound by the terms of this Clause; and

(b) not use any confidential information of the Distributor or any Sub-distributor provided by the Distributor or any Sub-distributor for any purpose other than fulfilling its obligations under this Agreement.

16.2 The Distributor undertakes that it will and will procure that each of the Sub-distributors will:

(a) keep in strict confidence all information relating to the Products provided by the Sanyang Group, including, without limitation, information relating to the pricing of the Products, including invoices, accounting records and ledgers ("**confidential information of the Sanyang Group**"), provided that the Distributor or (as the case may be) any Sub-distributor may disclose any such confidential information of the Sanyang Group to its employees for the purposes of assessing whether or not the pricing of any Product is in compliance with the terms of this Agreement or for the purposes of fulfilling its obligations under this Agreement but prior to making such disclosure, the Distributor or (as the case may be) such Sub-distributor shall ensure that such employees have agreed to be bound by the terms of this Clause; and

- (b) not use any confidential information of the Sanyang Group for any purpose other than assessing whether or not the pricing of any Product is in compliance with the terms of this Agreement or for the purposes of fulfilling its obligations under this Agreement.

17 TITLE AND RISK

- 17.1 Title to any Product being sold by the Sanyang Group to the Distributor or any Sub-distributor pursuant to any Purchase Order shall pass to the Distributor or (as the case may be) such Sub-distributor on delivery at the Port of Destination.
- 17.2 Risks on any Product being sold by the Sanyang Group to the Distributor or any Sub-distributor pursuant to any Purchase Order shall pass to the Distributor or (as the case may be) such Sub-distributor on delivery at the Port of Destination.

18 TAXATION

The Sanyang Group shall be responsible for the remittance and payment of any and all taxes, charges, levies, assessments, customs duties, clearance charges, and other fees of any kind imposed by any governmental or other authority in connection with the importation, distribution, purchase or sale of any Product being sold by the Sanyang Group to the Distributor or (as the case may be) any Sub-distributor pursuant to any Purchase Order up to and until the time at which such Product is delivered to the Distributor or (as the case may be) such Sub-distributor at the Port of Destination, after which such responsibility for payment as mentioned in this Clause shall pass to the Distributor or (as the case may be) such Sub-distributor.

19 FORCE MAJEURE

If either party hereto is affected by any event of Force Majeure, it shall promptly notify the other party of the nature and extent of the circumstances in question. Neither party shall be deemed to be in breach of this Agreement, or otherwise be liable to the other, for any delay in performance or the non-performance of any of its obligations under this Agreement, to the extent that the delay or non-performance is due to any event of Force Majeure of which it has notified the other party.

20 DURATION AND TERMINATION

- 20.1 This Agreement shall take effect upon fulfilment of the condition precedent set out in Clause 2 of this Agreement and unless terminated earlier in accordance with this Clause, shall continue in force until 31 December 2027.
- 20.2 Subject to compliance by the Distributor with such requirements (including independent shareholders' approval) as may then be applicable under the Listing Rules, the term of this Agreement may be extended for consecutive periods of three (3) years each on each occasion by agreement in writing between the Distributor and the Supplier before the expiry of the then current term.

20.3 Either party to this Agreement may terminate this Agreement with immediate effect by giving notice to the other if any of the following events occurs:

- (a) the other party commits any material breach of any of the provisions of this Agreement and, in the case of a breach capable of remedy, has failed to remedy the same within sixty (60) days after the non-defaulting party has delivered a notice requiring such breach to be remedied; or
- (b) an encumbrancer takes possession of, or a receiver is appointed over, all or a material part of the property or assets of the other party; or
- (c) the other party becomes insolvent, is adjudicated bankrupt or becomes subject to winding-up proceedings, or compounds with, or makes any arrangement with, or makes a general assignment for the benefit of, its creditors; or
- (d) the other party makes any voluntary arrangement with its creditors or becomes subject to an administration order; or
- (e) the other party goes into liquidation (except for the purpose of amalgamation or reconstruction and in such a manner that the entity resulting therefrom effectively agrees to be bound by or assume the obligation imposed on that other party under this Agreement); or
- (f) a Change of Control occurs; or
- (g) anything analogous to any of the foregoing under the law of any jurisdiction occurs in relation to the other party; or
- (h) the other party ceases or threatens to cease to carry on business.

20.4 If either party to this Agreement has given written notice to terminate this Agreement to the other:

(i) the Supplier shall and shall procure that the Sanyang Group shall promptly:

- (a) return to the Distributor and any Sub-distributor all information, documents and property belonging to the Distributor or (as the case may be) such Sub-distributor and which had been provided to the Sanyang Group pursuant to or in connection with the performance of this Agreement;
- (b) return to the Distributor or (as the case may be) any Sub-distributor all documents and materials (and any copies) which constitute confidential information of the Distributor or any Sub-distributor as referred to in Clause 16.1;
- (c) erase all of the confidential information of the Distributor or any Sub-distributor, as referred to in Clause 16.1, from its computer systems (to the extent possible); and
- (d) upon request, certify in Writing to the Distributor or (as the case may be) any Sub-distributor that it has complied with the requirements of this Clause, and

(ii) the Distributor shall and shall procure that each of the Sub-distributors shall promptly:

- (a) return to the Sanyang Group all information, documents and property belonging to the Sanyang Group and which had been provided to the Distributor and/or any Sub-distributor pursuant to or in connection with the performance of this Agreement;
- (b) return to the Sanyang Group all documents and materials (and any copies) which constitute confidential information of the Sanyang Group as referred to in Clause 16.2;
- (c) erase all of the confidential information of the Sanyang Group, as referred to in Clause 16.2, from its computer systems (to the extent possible); and
- (d) upon request, certify in Writing to the Sanyang Group that it has complied with the requirements of this Clause.

20.5 If this Agreement is terminated due to any reason in accordance with this Clause, the Sanyang Group shall not further supply and deliver any Products to the Distributor or any Sub-distributor (including but not limited to any Products under any outstanding Purchase Orders placed by the Distributor or any Sub-distributor with and accepted by the Sanyang Group prior to such termination of this Agreement).

21 SEVERABILITY

If any of the provisions of this Agreement is found by any court or other competent authority to be void or unenforceable, such provision shall be deemed to be deleted from this Agreement and the remaining provisions of this Agreement shall continue in full force and effect. Notwithstanding the foregoing the parties hereto shall thereupon negotiate in good faith in order to agree the terms of a mutually satisfactory provision to be substituted for the provisions so found to be void or unenforceable. To the extent permitted by applicable law, each party hereby waives any provision of law which would otherwise render any provision of this Agreement unenforceable or invalid.

22 SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon each party's successors and permitted assigns. No party hereto may assign any of its rights and/or obligations hereunder to any other party without the written consent of the other party hereto.

23 COSTS

Save as expressly provided herein, all costs and expenses incurred in connection with the preparation of this Agreement shall be borne by the Distributor.

24 NOTICE

24.1 Any notice or other communication given, or to be given, pursuant to this Agreement shall be in Writing and sent or delivered to the following address or facsimile number:-

To: The Supplier

Address: 3 Chung Hua Road, Hukou Township, Hsinchu County,
Taiwan

Facsimile: +886-35971883

Attention: Mr. Huang Wen Chieh

To: The Distributor

Address: Lot 5, Tam Hiep Ward, Bien Hoa City, Dong Nai
Province, Vietnam

Facsimile: +84-61-3813758

Attention: Ms. Wu Jui Chiao

or such other address or facsimile number as may be notified by such party to the other.

- 24.2 Any notice or other communication shall be deemed to have been received if sent by facsimile, on the date of transmission; or if delivered personally, when delivered; or if sent by post, seven (7) days (if by overseas post) and forty-eight (48) hours (if by local post) after the date of posting.

25 ENTIRE AGREEMENT

This Agreement constitutes the whole agreement and understanding of the parties and supersedes any previous arrangement, understanding or agreement between them relating to the subject matter of this Agreement. Each party acknowledges that, in entering into this Agreement, it has not relied on, and shall have no right or remedy in respect of, any statement, representation, assurance or warranty (whether made negligently or innocently) other than as expressly set out in this Agreement, provided always that nothing in this Clause shall limit or exclude any liability for fraud.

26 COUNTERPARTS

This Agreement may be signed in any number of copies or counterparts, each of which when so signed and delivered shall be deemed an original, but all the counterparts shall together constitute one and the same instrument.

27 GOVERNING LAW, JURISDICTION AND DISPUTE RESOLUTION

- 27.1 This Agreement shall be governed by and construed in all respects in accordance with the laws of Hong Kong.
- 27.2 The parties agree to negotiate in good faith to resolve any dispute between them regarding this Agreement. If the negotiations do not resolve the dispute to the reasonable satisfaction of all parties within thirty (30) days, Clause 27.3 shall apply.

- 27.3 In the event the parties are unable to settle a dispute between them regarding this Agreement in accordance with Clause 27.2, such dispute shall be referred to and finally settled by way of arbitration in Hong Kong in accordance with the rules from time to time adopted by The Hong Kong International Arbitration Centre ("HKIAC"), which rules are deemed to be incorporated by reference into this Clause. The arbitration tribunal shall consist of three arbitrators to be appointed according to the rules adopted by HKIAC. The language of the arbitration shall be English. The parties understand and agree that this provision regarding arbitration shall not prevent any party from pursuing equitable or injunctive relief in a judicial forum to compel another party to comply with this Clause, to preserve the status quo prior to the invocation of arbitration under this Clause, or to prevent or halt actions that may result in irreparable harm. A request for such equitable or injunctive relief shall not waive this arbitration provision.
- 27.4 For the purposes of enforcement of any award made pursuant to arbitration proceedings in accordance with Clause 27.3, the parties, to the extent legally permissible, hereby irrevocably submit to the non-exclusive jurisdiction of any court of competent jurisdiction. Each party hereto, to the extent legally permissible, hereby irrevocably consents to the service of process or any other legal summons out of such courts in respect of any such enforcement proceedings by way of mailing copies thereof by registered airmail postage prepaid to its address specified herein.
- 27.5 Any term of this Agreement may be amended only with the written consent of all of the parties hereto. Any amendment or waiver effected in accordance with this Clause shall be binding upon all of the parties hereto, and their respective assigns.
- 27.6 Each party shall from time to time and at all times hereafter make, do, execute, or cause or procure to be made, done and executed such further acts, deeds, conveyances, consents and assurances without further consideration, which may reasonably be required to effect the transactions contemplated by this Agreement.
- 27.7 No delay or omission in exercising any right, power or remedy accruing to any party hereto, upon any breach or default of any party hereto under this Agreement, shall impair any such right, power or remedy of such party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach or default thereafter occurring; nor shall it be construed to be a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party hereto of any breach or default under this Agreement or any waiver on the part of any party hereto of any provisions or conditions of this Agreement, must be in Writing and shall be effective only to the extent specifically set forth in such Writing. All remedies, either under this Agreement, or by law or otherwise afforded to the parties hereto shall be cumulative and not alternative.

28 PROCESS AGENT

Each of the Distributor and the Supplier hereby irrevocably appoints Ms. Chu Lee Ying of 40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong as their agent to accept service of legal process of the courts of Hong Kong in connection with this Agreement on their behalf.

Each of the Distributor and the Supplier further agrees to maintain a duly appointed agent in Hong Kong during the term of this Agreement to accept service of legal process of the courts of Hong Kong in connection with this Agreement on their behalf and keep the other party informed of any change in respect of such agent, including the name and/or address of such agent. Service of legal process on such agent as may be appointed by the Distributor or (as the case may be) the Supplier from time to time shall be deemed to be proper and due service on the Distributor or (as the case may be) the Supplier.


29 NO THIRD PARTY RIGHTS

No term of this Agreement is enforceable under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) by a person who is not a party to this Agreement.

EXECUTION PAGE

IN WITNESS whereof this Agreement has been entered into the day and year first above written.

SIGNED by a duly authorised) Name (Block capitals) HUANG Kuei Chin
signatory for and on behalf of) Signature 
SANYANG MOTOR COMPANY) Status
LIMITED)

SIGNED by a duly authorised) Name (Block capitals) WU Jui Chiao
signatory for and on behalf of) Signature 
VIETNAM) Status
MANUFACTURING)
AND EXPORT PROCESSING)
(HOLDINGS) LIMITED)

SCHEDULE 1
THE EXCLUSIVE TERRITORY

1. Brunei Darussalam
2. Cambodia
3. Indonesia
4. Laos
5. Malaysia
6. Myanmar
7. Philippines
8. Singapore
9. Thailand
10. Vietnam