

Vietnam Manufacturing and Export Processing (Holdings) Limited

越南製造加工出口(控股)有限公司

To: Business Editor
[For Immediate Release]

VMEPH - Pioneer of Motorbike Manufacturer in Vietnam
Robust Growth of Revenue and Net Profit in 2007

Financial Highlights (For the year ended 31 December)

US(Million)	2007	2006	Change
Revenue	259.7	184.3	+40.9%
Profit for the Year	31.0	23.3	+33.1%
Gross Profit	67.2	44.2	+51.9%
Earnings per Share - Basic (USD)	0.04	0.03	+33.3%

[10 March 2008, Hong Kong]—Vietnam’s leading motorbike manufacturer - **Vietnam Manufacturing and Export Processing (Holdings) Limited** (“VMEPH” or “the **Company**”, with its subsidiaries collectively “the **Group**”, stock code: 422) today announced its first set of annual results for the year ended 31 December 2007 (the “Review Period”) after its successful listing on the Main Board of Stock Exchange of Hong Kong Limited (“SEHK”).

Vietnam’s economy has been developing at a rapid pace in recent years, with the growth rate exceeding other ASEAN countries. Benefiting from the strong economic growth, the Group has achieved satisfactory operating performance during the Review Period. For the 12 months ended 31 December 2007, the Group’s revenue was USD 259,737,332, representing an increase of 40.9%, and its gross profit rose 51.9% to approximately USD 67,178,345. The gross margin increased from 24.0% in 2006 to 25.9% in 2007. Profit for the year recorded USD 31,043,469, representing an increase of 33.1% as compared to the same period in 2006. Basic earnings per share recorded USD 0.04.

The Board recommend final dividend of USD 2.18 cents per share (HKD 0.17) for the Review Period.

Commenting on the Group’s satisfactory performance during the review period, **Mr. Chen Pang Hsiung, CEO of VMEPH** said “Due to the lack of sophisticated public transport infrastructure, motorbike has become the main method of transportation in Vietnam because of its convenience. This boosted the demand for motorbikes and provided a promising platform for the Group’s development. Being one of the leading motorbike manufacturers, the Group is directly benefiting

~More~



from the industry growth. The increase in revenue during the Review Period was mainly attributed to the successful launch of a trendy and stylish new model of Attila series in August 2007 which is designed for urban female consumers. This product brought a steady growth to our sales and strong profit.”

“The successful listing on the SEHK marked a major milestone for the Group, which has strengthened the Group’s financial position, enlarged the shareholder base and enhanced the Group’s brand recognition. It also provided us sufficient capital for further enhancement of our R&D capability. These enabled the Group to exercise efficient cost control and react timely to customer demands and market changes. The Group’s wide range of scooters and cubs which targeted distinct segments of the domestic Vietnamese market, and the dual-branding strategy, allow the Group to further increase its product penetration in the constantly growing consumer market.”

Mr. Chen continued, “Leveraging on the rapid growth of motorbike demand in Vietnam, in 2007, the Group’s sales volume of the two main products, scooter reached 130,100 units and cubs reached 97,000 units, with a robust sales growth increased 62.8% and 13.5% respectively. These all indicated the success of the Group’s business strategy in launching new models and enhance brand recognition.”

Looking ahead, the Group strives to maintain its leading position in Vietnam and enhance aspects in sales, design and management, taking a step forward to refine the business mode, enhance brand value and increase market niche and also adopt a new production development scheme. The Group will capture market needs and customer preferences, accelerating product development and pace of product launch to the market, and enhance the overall competitiveness. With the production centre in southern Vietnam focusing on scooters while the production centre in northern Vietnam focusing on cubs, the strategic locations will enhance and strengthen the Group’s supply chain and to further improve the competitiveness in production.

VMEPH will also expand the sales network and integrate marketing promotions. The Group will upgrade the scooter product lines, enhance the product portfolio and launch new models focusing on different segments. On the other hand, the Group will develop the cub business base on the market research, focus on differentiation in model design and cost control.

Mr. Chen concluded, “**VMEPH** will adopt innovative strategies on production, supply chain, product quality and marketing & promotion. We will upgrade the existing stores in order to enhance the SYM and SANDA brand image, further expand the brand awareness, as to enlarge the market share to increase sales and profit. With the Group’s solid foundation in the Vietnam market and experienced management team, we strive to ensure sustainable profit and sales, as to bring the best return to our shareholders and investors.”

~More~



About Vietnam Manufacturing and Export Processing (Holdings) Limited:

Vietnam Manufacturing and Export Processing (Holdings) Limited (“VMEPH”) is one of the leading manufacturers of scooter and cub motorbikes in Vietnam, which currently ranks third among the principal foreign-owned motorbike manufacturers. The principal business of the Group includes production of scooters and cubs. The Group also produces motorbike engines and parts for internal use and export, and moulds for making die-cast and forged metal parts. The Group’s manufacturing, assembly operations and sales are conducted principally in two operational base located near the two largest cities in Vietnam, namely Ho Chi Minh City and Hanoi. To enhance its market penetration rate, the Group has implemented a unique dual-branding strategy, offering products under both the **SYM** and **SANDA** brand names. **VMEPH** also owns an established dealership network in Vietnam, with approximately 230 authorized **SYM** stores. The Group will enhance the shop image and brand promotional campaign in order to enhance brand value in a more effective way. Leveraging on its experience in Vietnam and strengths of the SYM brand name, the Group will consolidate the leading position in Vietnam while continue to expand with grasp hold the fast growing opportunities in ASEAN countries.

~ End ~

Issued by Porda International (Finance) PR Company Limited for and on behalf of **Vietnam Manufacturing & Export Processing (Holdings) Limited**. For further information, please contact:

Porda International (Finance) PR Company Limited

Ms. Karin Chen	+852 3150 6731	karin@pordafinance.com.hk
Ms. Phoebe Sou	+852 3150 6736	phoebe@pordafinance.com.hk
Ms. Ada Leung	+852 3150 6732	ada@pordafinance.com.hk

Fax: +852 3150 6728





CEO and Executive Director of VMEPH, Mr. Chen Pang Hsiung announced the first set of Annual Results to the public.





Management of VMEPH (From left to right): Executive Director, Mr. Lee Hsi Chun, CEO and Executive Director, Mr. Chan Pang Hsiung, Executive Director, Mr. Wang Ching Tung

