

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)

Vietnam Manufacturing and Export Processing (Holdings) Limited
Announces Proposed Listing on the Main Board of the HKEx

Offering of 226,920,000 shares* between HK\$3.61 - HK\$4.64 per share

Investment Highlights

- Located in Vietnam at the heart of the ASEAN region, with enormous development potential and benefitting from rapid economic growth in the region
- A leading motorbike manufacturer in Vietnam
- Vietnam-based operations with strong R&D capabilities and dual branding strategy
- Extensive sales and strong supplier networks

[5 December 2007, Hong Kong] – Leading motorbike manufacturer **Vietnam Manufacturing and Export Processing (Holdings) Limited** (“VMEPH” or “Company”, with its subsidiaries collectively “The Group”, stock code: 422) today announces its proposed listing on the Main Board of the Hong Kong Stock Exchange Limited (“HKSE”).

VMEPH intends to issue by way of a Global Offering a total of 226,920,000 Shares with 90% International Placing Shares and 10% Hong Kong Offer Shares, at an Offer Price within the range between HK\$3.61 and HK\$4.64. The pricing is expected to be determined on the 11th of December (Tuesday). The allotment results of the Hong Kong Public Offerings is expected to be announced on the 19th of December (Wednesday), and dealings in the Shares of **VMEPH** are expected to commence on the Main Board of the HKSE from 20th of December (Thursday). The Shares, with the stock code of 422, will be traded in board lots of 1,000 Shares. The Over-allotment Option will be up to 34,038,000 Shares (“Over-allotment Option”), representing 15% of the initial Offer Shares.

BNP Paribas Capital (Asia Pacific) Limited is the global coordinator, bookrunner, sponsor and lead manager in relation to the listing of the Company.

**Subject to the Over-allotment Option*

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Speaking of the Group's upcoming listing, **Mr. Chen Pang Hsiung, CEO and Executive Director**, said, "The Company's listing on the Main Board of the SEHK marks a milestone in its development. It is my great pleasure to be part of this success. As the Company expands, listing will consolidate its business development and pave the way for entering the international market.

VMEPH is one of the leading manufacturers of scooter and cub motorbikes in Vietnam, which the Directors believe currently ranks third amongst the principal foreign-owned motorbike manufacturers in term of sales. Besides its core business, the Group also produces motorbike engines and parts for internal use and for sale to overseas, and sells and services moulds for making die-cast and forged metal parts. The Group's manufacturing and assembly operations are principally carried out in two factories located near the largest cities in Vietnam, Ho Chi Minh City and Hanoi.

Being one of the large scale foreign-owned enterprises that targets the Vietnam market, and having enjoyed a long history in the country, the Group is an enterprise with deep roots in Vietnam. The Group has established both its operations base and its research and design department in Vietnam. This decision has enhanced the Group's ability to respond quickly to changing customer and market demands. The Group's local presence and focus have also improved its ability to devise and carry out marketing campaigns that are effective with local consumers. Further, its local presence has led to improved quality, because the Group has been able to quickly make design modifications to address any issues that arise post-production. By reducing its labour and transportation costs, the Group's local base of operations has also boosted its profitability.

To boost its market share, **VMEPH** manufactures a range of scooters and cubs that meet the needs of different customers. In addition, the Group has implemented a dual-branding strategy whereby the Group markets its products under both the "SYM" and "SANDA" brand names. This strategy has helped the Group increase its penetration of the consumer market. SYM scooters are high-end products that use numbers of custom-designed components and are marketed as stylish and technologically modern. The Directors believe SYM has become one of the most recognizable brands in the Vietnamese scooter and cub market, with the Attila model name associated in customers' minds with style, quality and reliability.

The Group has an extensive dealership network, with approximately 230 authorized SYM stores throughout Vietnam, and it manages to maintain close and long-term relationships with its dealers. The Group intends to continue its efforts to look for low-cost suppliers in ASEAN countries to strengthen its cost competitiveness.

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Mr. Chen concluded, “Vietnam’s economy is expanding rapidly, boosting the development of the motorbike industry. The Group was completely confident about this market opportunity when it entered the Vietnam motorbike industry some years ago. In the future, the Group will continue to invest in research and development, enhance its cost controls, and further promote the SYM image. Vietnam Manufacturing & Export Processing (Holdings) Limited will consolidate its leadership position in Vietnam while continuing its strategic expansion into fast-growing ASEAN countries, in order to generate the best possible returns for investors.”

Track Record and Profit Forecast:

Set out below is the summary of the consolidated audited results of **VMEPH** for the financial years from 2004 to 2006 and for the six months ended 30 June 2006 and 30 June 2007 respectively:

	Year ended 31 December			Six months ended 30 June	
	2004	2005	2006	2006 (unaudited)	2007
	US '000	US '000	US '000	US '000	US '000
Revenue	260,956	183,794	184,308	91,832	114,965
Gross profit	69,668	40,589	44,232	25,652	27,676
Profit for the year/period	42,984	16,476	23,321	15,150	14,003

Profit forecast for the year ending 31 December, 2007 is as follows:

Consolidated profit attributable to equity holders	Not less than US\$ 30.0 million
Unaudited pro-forma forecast earnings per Share	Not less than US\$ 0.033

Placing and Offering Details:

Number of Offer Shares	:	226,920,000 Shares (subject to Over-allotment Option)
- Number of Hong Kong Public Offer Shares	:	22,692,000 Shares (subject to adjustment)
- Number of International Placing Shares	:	204,228,000 Shares (subject to adjustment and the Over-allotment Option)
- Over-allotment Option Shares	:	Up to 34,038,000 Shares
Offer Price	:	HK\$3.61 - HK\$4.64 per Offer Share
Nominal value	:	HK\$0.01 per Share
Public Offer Commence	:	6 December 2007 (Thursday)
Listing Date	:	20 December 2007 (Thursday)
Stock Code	:	422

Use of Proceeds:

The net proceeds of the Global Offering accruing to the Company after deduction of underwriting fees and estimated expenses payable by the Company in relation to the Global Offering, assuming the Over-allotment Option is not exercised, are estimated to be approximately HK\$ 637,400,000.

VMEPH intends to apply the net proceeds from the Global Offering as follows:

- Approximately HK\$ 388,800,000 for investment in the Group's distribution channel in Vietnam to be made within the next two years, of which approximately 8% of the allocated net proceeds is intended to be used to upgrade approximately 165 existing authorised SYM stores (including SYM flagship stores and large scale SYM showrooms) owned by dealers in premium locations through cash subsidies in decoration and shop renovation; approximately 12% of the allocated net proceeds is intended to be used to establish around 20 new authorized SYM stores through joint ventures with existing or new dealers; and approximately 80% of the allocated net proceeds is intended to be used to open about 20 new SYM stores owned by the Group in premium locations;
- Approximately HK\$ 114,700,000 for the construction and setting up of a research and development centre in Vietnam which is expected to commence operations in March 2009;
- Approximately HK\$ 70,100,000 for potential mergers and acquisitions of assets or businesses that are related to the Group's business in ASEAN and elsewhere; and
- The remaining balance as the Group's general working capital.

Assuming an Offer Price of HK\$ 4.64, the amount of additional net proceeds to be received by the Company is estimated to be approximately HK\$ 87,400,000, which the Directors intend to apply as additional funding for the Group's investments in mergers and acquisitions of assets or businesses that are related to the Group's business in ASEAN and elsewhere.

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Application Forms

- 13 branches of Standard Chartered Bank

Des Voeux Road Branch, Central Branch, Wanchai Southorn Branch, Causeway Bay Branch, North Point Centre Branch, Kwun Tong Branch, Mongkok Branch, Tsimshatsui Branch, Cheung Sha Wan Branch, San Po Kong Branch, Telford Gardens Branch, Tsuen Wan Branch, Metroplaza Branch

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

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