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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)

ANNOUNCEMENT
REVISION OF ANNUAL CAPS FOR AN
EXISTING CONTINUING CONNECTED TRANSACTION

Reference is made to the Announcement of the Company dated 20 August 2010 ("**Announcement**") in relation to, among other things, the revision of annual caps for existing continuing connected transactions under VMEPH Distributorship Agreement. Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meanings given to them in the Announcement.

As disclosed in the Announcement, the Company decided to revise the Original Annual Caps for VMEPH Distributorship Agreement to Revised Annual Caps for VMEPH Distributorship Agreement, being US\$10,500,000 (equivalent to approximately HK\$81,375,000) each year for the three years ending 31 December 2012 respectively.

Having considered the actual and historical figures in the past and the estimated business trends of the Company from now to end of 2012, the Company has given further consideration and come to the view that it is appropriate to revise the Revised Annual Caps for the VMEPH Distributorship Agreement to US\$10,000,000 ("**New Caps**") (equivalent to approximately HK\$77,500,000) each year for the three years ending 31 December 2012 respectively. When determining the New Caps, the Company re-calculated the anticipated increase in sales amount under the VMEPH Distributorship Agreement having made further assessment of the projected business trend in the relevant markets. The Company holds the view that the New Caps would already provide sufficient room for the anticipated growth of the relevant line of business relevant to the VMEPH Distributorship Agreement, and that the New Caps are sufficient to cover the value of the transactions to be carried out pursuant to that agreement for the three years ending 31 December 2012.

Pursuant to Rule 14A.34 of the Listing Rules, the applicable percentage ratios for the Revised Annual Caps for VMEPH Distributorship Agreement are less than 5%, and therefore the transactions under the VMEPH Distributorship Agreement are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules, but are exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Company would comply with the relevant requirements under the Listing Rules if and when the Revised Annual Caps for VMEPH Distributorship Agreement were exceeded.

By order of the Board
**Vietnam Manufacturing and Export
Processing (Holdings) Limited**
Chang Kwang Hsiung
Chairman

Hong Kong, 25 August 2010

All amounts denominated in US\$ have been translated into HK\$ at an exchange rate of US\$ 1.00 = HK\$7.75 in this announcement for illustration purpose only.

As at the date of this announcement, the board of Directors comprised four executive Directors, namely Mr. Chang Kwang Hsiung, Mr. Lou Hen Wen, Mr. Lee Hsi Chun and Mr. Wang Ching Tung, two non-executive Directors, namely Mr. Huang Kwang Wu and Mr. Liu Wu Hsiung Harrison, and three independent non-executive Directors, namely Mr. Hsu Nai Cheng Simon, Ms. Lin Ching Ching and Mr. Wei Sheng Huang.