



Vietnam Manufacturing and Export Processing (Holdings) Limited

越南製造加工出口(控股)有限公司

*Despite Economic Challenges in Vietnam
VMEPH Recorded Steady Growth on Scooter Sales
Gross Profit and Net Profit Recorded 30.5% and 17.8% Growth Respectively*

Financial Review (For the six months ended 30 June)			
US\$(mil)	2008	2007	Changes
Revenue	134.3	115.0	+16.7%
Gross Profit	36.1	27.7	+30.5%
Net Profit	16.5	14.0	+17.8%
Basic Earnings per Share (US\$)	0.018	0.019	- 5.3%

[20 August 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 interim results for the six months ended 30 June 2008 (the “Period under review”).

Despite the rapid increase of Vietnam’s overall Consumer Price Index (CPI) in the first half of 2008, the Vietnamese motorbike market reported a double-digit growth. Under the macro-economic inflation, the Group achieved a satisfactory result by persistent improvement in its operations and stringent cost control. Revenue of the Group for the six months ended 30 June 2008 increased by 16.7%, to US\$134,275,121; gross profit increased by 30.5% to US\$36,114,756; the Groups gross profit margin in the first half of 2008 has increased to 26.9% from 24.1% of the first half of 2007, net profit recorded US\$16,498,455, representing an increase of 17.8% as compared to the same period last year. Basic earnings per share recorded US\$0.018. The Board not recommend the payment of an interim dividend for the review period.

Commenting on the Group’s satisfactory performance during the period under review, **Mr. Chen Pang Hsiung, CEO of VMEPH** said “The steady growth of Vietnamese motorbike market has provoked the growth of the Group’s business. During the period under review, all the business segments of the Group demonstrated steady growth trends. In particular, domestic sales of scooters increased by 26.8% as compared with the same period last year. The popular Attila series contributed as the growth driver of the Group during the period under review.”

During the period under review, the Group has practiced stringent cost control strategies through increased local parts purchase and persistent cost structure enhancements. As a percentage of the total revenue, the Group’s cost of sales decreased from 75.9% for the six months ended 30 June 2007 to 73.1% for the same period in 2008, reflecting the results of our cost control efforts.

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During the period under review, the increase in gross profit of the Group was mainly due to the revenue contribution of new products and the Group's strategic focus on the sales of scooters with higher profit margin. To enhance the Group's brand image, the Group has increased investment in advertising and marketing, organized marketing activities and renovated flagship stores in the first half of 2008 which stimulated the Group's sales.

Mr. Chen continued, "Looking forward, the inflation and economic recession in Vietnam will continue to affect the Group's operating environment. However, we believe the domestic demand of motorbikes will constantly increase as motorbikes are still the major means of transport of the Vietnamese. The Group will aim at continue to enhance its leading position in the motorbike manufacturing industry and strengthening business growth. Meanwhile, the Group will continue to increase the investment in research and development, improve cost control, expand distribution network in both Vietnam and overseas, as well as consolidate brand image to enhance our product value.

To match the market needs, the Group will develop products according to the consumer's taste and trends in Vietnam. Besides the popular Attila series, the Group will also explore the motorbike market focusing on male consumers in order to expand the it's penetration in the market. With the Group's effective strategies, we are confident that the Group's business will continue to grow and bring best returns to our shareholders."

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 280 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.

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