

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

Financial Highlights :		(expressed in US\$)	
	Six months ended 30 June		
	2025	2024	Change Amount
• Revenue	46,602,134	32,849,975	13,752,159
• Gross profit	5,399,679	2,832,826	2,566,853
• Profit/(loss) after tax	42,597	(2,418,353)	2,460,950
• Earnings/(loss) per share	0.00005	(0.00266)	0.00271

The board of directors (the “**Board**”) of Vietnam Manufacturing and Export Processing (Holdings) Limited (the “**Company**”) hereby announces the unaudited consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2025 together with the comparative figures for the corresponding period in 2024. The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025 - Unaudited

(Expressed in United States dollars)

		Six months ended 30 June	
		2025	2024
	Note	US\$	US\$
Revenue	3	46,602,134	32,849,975
Cost of sales		(41,202,455)	(30,017,149)
Gross profit		<u>5,399,679</u>	<u>2,832,826</u>
Other income		564,244	125,682
Distribution costs		(1,936,470)	(1,889,763)
Technology transfer fees		(56,674)	(71,710)
Administrative and other operating expenses		(3,067,806)	(3,107,416)
Results from operations		<u>902,973</u>	<u>(2,110,381)</u>
Finance income		1,121,808	1,242,306
Finance costs		(1,826,283)	(1,211,010)
Net finance (costs)/income	4(a)	<u>(704,475)</u>	<u>31,296</u>
Impairment loss on other property, plant and equipment	4(c)	(125,278)	(282,675)
Share of profit/(loss) of an associate		29,212	(56,306)
		<u>(96,066)</u>	<u>(338,981)</u>
Profit/(loss) before taxation	4	102,432	(2,418,066)
Income tax expense	5	(59,835)	(287)
Profit/(loss) for the period		<u>42,597</u>	<u>(2,418,353)</u>

Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)

For the six months ended 30 June 2025 - Unaudited

(Expressed in United States dollars)

		Six months ended 30 June	
		2025	2024
	Note	US\$	US\$
Other comprehensive income for the period (after tax)			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of overseas subsidiaries and an associate		(682,459)	(2,320,448)
Total comprehensive income for the period		<u>(639,862)</u>	<u>(4,738,801)</u>
Profit/(loss) for the period attributable to:			
Equity shareholders of the Company		42,518	(2,418,353)
Non-controlling interests		79	-
		<u>42,597</u>	<u>(2,418,353)</u>
Total comprehensive income attributable to:			
Equity shareholders of the Company		(639,941)	(4,738,801)
Non-controlling interests		79	-
		<u>(639,862)</u>	<u>(4,738,801)</u>
Earnings/(loss) per share			
- Basic and diluted	6	<u>0.00005</u>	<u>(0.00266)</u>

Consolidated Statement of Financial Position

At 30 June 2025 - Unaudited

(Expressed in United States dollars)

		At 30 June 2025 US\$	At 31 December 2024 US\$
	Note		
Non-current assets			
Investment properties		3,613,808	3,725,726
Other property, plant and equipment	8	3,345,490	3,544,783
Interest in an associate		531,381	516,470
		<u>7,490,679</u>	<u>7,786,979</u>
Current assets			
Inventories		25,271,692	22,292,912
Trade receivables, other receivables and prepayments	9	21,248,539	18,886,534
Current tax recoverable		8,371	-
Cash and bank balances		58,590,173	54,391,467
		<u>105,118,775</u>	<u>95,570,913</u>
Current liabilities			
Trade and other payables	10	22,914,631	22,220,446
Bank loans		43,250,656	33,823,923
Lease liabilities		55,445	55,085
Current tax payable		52,063	200,245
		<u>66,272,795</u>	<u>56,299,699</u>
Net current assets		<u>38,845,980</u>	<u>39,271,214</u>
Total assets less current liabilities		<u>46,336,659</u>	<u>47,058,193</u>
Non-current liabilities			
Deferred tax liabilities		16,107	14,395
Lease liabilities		1,977,893	2,061,277
		<u>1,994,000</u>	<u>2,075,672</u>
NET ASSETS		<u>44,342,659</u>	<u>44,982,521</u>

Consolidated Statement of Financial Position (continued)

At 30 June 2025 - Unaudited

(Expressed in United States dollars)

	At 30 June 2025 US\$	At 31 December 2024 US\$
Capital and reserves		
Share capital	1,162,872	1,162,872
Reserves	43,175,396	43,815,337
Total equity attributable to equity shareholders of the Company	44,338,268	44,978,209
Non-controlling interests	4,391	4,312
TOTAL EQUITY	44,342,659	44,982,521

Notes:

1. BASIS OF PREPARATION

The financial information set out in this announcement does not constitute the Group's interim financial report for the six months ended 30 June 2025, but is derived from the interim financial report.

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (“IAS”) 34, *Interim financial reporting*, issued by the International Accounting Standards Board (“IASB”).

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in Note 2.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with IFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by the Company's auditor, KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants.

The financial information relating to the financial year ended 31 December 2024 that is included in the interim financial report as comparative information does not constitute the Company's annual consolidated financial statements for that financial year but is derived from those financial statements. The Company's auditor has reported on those financial statements. The auditor's report was unqualified and did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report.

2. CHANGES IN ACCOUNTING POLICIES

The Group has applied the amendments to IAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the ISAB to this interim financial report for the current accounting period. The amendments do not have a material impact on this interim report as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. REVENUE AND SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by business lines (products or services). In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified two reportable segments. No operating segments have been aggregated to form the following reportable segments.

(a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines and geographical location of customers is as follows:

	Six months ended 30 June	
	2025	2024
	US\$	US\$
Revenue from contracts with customers within the scope of International Financial Reporting Standard ("IFRS") 15		
Disaggregated by major products or service lines		
- Manufacture and sale of motorbikes	41,798,757	28,704,173
- Manufacture and sale of spare parts and engines	4,803,377	4,145,802
	<u>46,602,134</u>	<u>32,849,975</u>
Disaggregated by geographical location of customers		
- Vietnam (place of domicile)	18,348,302	17,467,360
- Malaysia	11,534,868	7,120,613
- Greece	3,522,944	1,778,689
- The Philippines	2,903,796	2,639,203
- Thailand	2,362,185	1,484,395
- Spain	1,997,629	-
- Belgium	1,490,656	-
- Chinese Mainland	971,370	122,872
- United Arab Emirates	-	1,783,994
- Other countries	3,470,384	452,849
	<u>46,602,134</u>	<u>32,849,975</u>

(b) Information about reportable segment revenue and profit or loss

Information regarding the Group's reportable segments as provided to the Group's senior executive management for the purpose of resource allocation and assessment of segment performance for the period is set out below:

	Six months ended 30 June 2025		
	Manufacture and sale of motorbikes US\$	Manufacture and sale of spare parts and engines US\$	Total US\$
Revenue from external customers recognised at a point in time	41,798,757	4,803,377	46,602,134
Inter-segment revenue	-	9,770,012	9,770,012
Reportable segment revenue	41,798,757	14,573,389	56,372,146
Segment profit before depreciation	1,479,874	62,011	1,541,885
Depreciation	(107,281)	-	(107,281)
Reportable segment profit (“adjusted EBIT”)	1,372,593	62,011	1,434,604
Share of profit of an associate			29,212
Net finance costs			(704,475)
Impairment loss on other property, plant and equipment			(125,278)
Unallocated corporate expenses			(531,631)
Profit before taxation			102,432

	Six months ended 30 June 2024		
	Manufacture and sale of motorbikes US\$	Manufacture and sale of spare parts and engines US\$	Total US\$
Revenue from external customers recognised at a point in time	28,704,173	4,145,802	32,849,975
Inter-segment revenue	-	7,596,180	7,596,180
Reportable segment revenue	28,704,173	11,741,982	40,446,155
Segment loss before depreciation	(670,973)	(423,062)	(1,094,035)
Depreciation	(110,605)	-	(110,605)
Reportable segment loss (“adjusted EBIT”)	(781,578)	(423,062)	(1,204,640)
Share of loss of an associate			(56,306)
Net finance income			31,296
Impairment loss on other property, plant and equipment			(282,675)
Unallocated corporate expenses			(905,741)
Loss before taxation			(2,418,066)

The measure used for reporting segment result is adjusted EBIT i.e. “adjusted earnings or loss before interest and taxes”, where “interest” is regarded as net finance costs/(income). To arrive at adjusted EBIT, the Group’s earnings are further adjusted for items not specifically attributed to individual segments, such as share of result of an associate, impairment losses on other property, plant and equipment (“**Motorbike non-current assets**”) and other head office or corporate administration expenses.

4. **PROFIT/(LOSS) BEFORE TAXATION**

Profit/(loss) before taxation is arrived at after (crediting)/charging:

(a) **Net finance costs/(income)**

	Six months ended 30 June	
	2025	2024
	US\$	US\$
Interest income from banks	(1,121,808)	(1,242,306)
Finance income	<u>(1,121,808)</u>	<u>(1,242,306)</u>
Interest paid and payable to banks	848,815	886,878
Interest on lease liabilities	71,472	50,200
Net foreign exchange loss	<u>905,996</u>	<u>273,932</u>
Finance costs	<u>1,826,283</u>	<u>1,211,010</u>
Net finance costs/(income)	<u>704,475</u>	<u>(31,296)</u>

(b) **Staff costs**

	Six months ended 30 June	
	2025	2024
	US\$	US\$
Salaries, wages and other benefits	4,543,328	4,327,554
Contributions to defined contribution retirement plans	<u>552,773</u>	<u>557,285</u>
	<u>5,096,101</u>	<u>4,884,839</u>

(c) Other items

	Six months ended 30 June	
	2025	2024
	US\$	US\$
Depreciation of investment properties and other property, plant and equipment	120,503	124,237
Gain on disposal of other property, plant and equipment	(9,170)	(63,433)
(Reversal of)/provision for write-down of inventories	(994,606)	652,246
Reversal of loss allowance of trade receivables	(191,641)	(345,771)
Research and development expenses	823,681	728,748
Impairment loss on other property, plant and equipment #	<u>125,278</u>	<u>282,675</u>

The manufacturing and sale of motorbikes segment and manufacturing and sale of spare parts and engines segment in Vietnam are considered one cash generating unit (“CGU”) of the Group.

The Group suffered significant operating losses (before impairment losses on Motorbike non-current assets) over the past few years due to the fierce competition in the motorbike industry and increase of manufacturing cost on newly launched products. Based on an impairment assessment conducted by management, impairment losses totaling US\$125,278 (six months ended 30 June 2024: US\$282,675) was recognised in profit or loss during the period to write down the carrying amount of other property, plant and equipment of the CGU to their recoverable amounts.

The recoverable amount of the CGU is determined based on the higher of its value-in-use and the fair value less costs of disposal. Management identified certain land and buildings included in the CGU, which carrying values are likely to be recovered through a sales transaction. The recoverable amounts of these land and buildings are measured based on their fair value less costs of disposal. This valuation model considers recent sales prices of comparable properties on a price per square foot basis, adjusted for a premium or a discount specific to the quality of the Group’s land and buildings compared to the recent sales. Higher premium for higher quality buildings will result a higher fair value measurement. The fair value on which recoverable amount is based is categorised as a Level 3 measurement under the three-level fair value hierarchy as defined in IFRS 13, *Fair Value Measurement*. Key unobservable inputs include the premium on quality of the buildings of 2% - 5% (six months ended 30 June 2024: 0% - 2%). For assets which management considers are likely to recover through continuing use, the Group assessed the recoverable amount based on a value-in-use calculation. These calculations use cash flow forecast based on financial budgets approved by management in which cash flows are discounted using pre-tax discount rate of 13% (six months ended 30 June 2024: 13%).

5. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	US\$	US\$
Current tax		
Provision for the period	59,835	287

No provision for Hong Kong Profits Tax has been made as the Group did not earn any income subject to Hong Kong Profits Tax for the six months ended 30 June 2025 and 2024.

Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.

In accordance with the Law of Foreign Investment of 1987, as amended in 1990 and 1992 in Vietnam, provision for corporate income tax (“CIT”) for Vietnam Manufacturing and Export Processing Co., Ltd. is calculated at 18% of the taxable profits on motorbike assembling and manufacturing activities and at the rate of 10% of taxable profits on engine assembling and manufacturing activities. The applicable tax rate for profits from other operating activities is 20%.

In accordance with the Law of Foreign Investment of 1996, as amended in 2000 and 2014 in Vietnam, the applicable CIT rate for Vietnam Casting Forge Precision Ltd. is 20% from 2024 onwards.

In accordance with the Corporate Income Tax Law of Taiwan, as amended in 2019, the applicable tax rate for Chin Zong Trading Co., Ltd. is 20% if the taxable profit for the year is above New Taiwan Dollar (“NT\$”) 120,000. Income tax is exempted if the taxable profit is below NT\$120,000.

6. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/ (loss) per share

The calculation of basic earnings/(loss) per share is based on the profit attributable to equity shareholders of the Company of US\$42,518 (six months ended 30 June 2024: loss attribute to equity shareholders of the Company of US\$2,418,353) and the weighted average of 907,680,000 ordinary shares (2024: 907,680,000 ordinary shares) in issue during the interim period. The amount of basic earnings per share is US\$0.00005 (six months ended 30 June 2024: basic loss per share of US\$0.00266) for the six months ended 30 June 2025.

(b) Diluted earnings/(loss) per share

The amount of diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share for the six months ended 30 June 2025 and 2024 as there were no potential dilutive ordinary shares in existence during the six months ended 30 June 2025 and 2024.

7. DIVIDEND

No dividend has been paid or declared by the Company for the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

8. OTHER PROPERTY, PLANT AND EQUIPMENT

(a) During the six months ended 30 June 2025, the Group recognised items of other property, plant and equipment with a cost of US\$125,278 (six months ended 30 June 2024: US\$282,675).

(b) Impairment losses

During the six months ended 30 June 2025, an impairment loss of US\$125,278 (six months ended 30 June 2024: US\$282,675) was recognised in profit or loss for other property, plant and equipment (see note 4(c)).

9. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

	At 30 June 2025 US\$	At 31 December 2024 US\$
Trade receivables	9,396,308	9,234,648
Non-trade receivables	9,948,033	7,336,432
Prepayments	494,964	487,591
Amounts due from related parties		
- Trade	1,409,234	1,827,436
- Non-trade	-	427
	<u>21,248,539</u>	<u>18,886,534</u>

As of the end of the reporting period, the ageing analysis of trade receivables, based on the invoice date (or date of revenue recognition, if earlier) and net of loss allowance, is as follows:

	At 30 June 2025 US\$	At 31 December 2024 US\$
Within 3 months	10,193,165	8,860,451
More than 3 months but within 1 year	612,377	2,116,279
More than 1 year but within 2 years	-	85,354
	<u>10,805,542</u>	<u>11,062,084</u>

10. TRADE AND OTHER PAYABLES

	At 30 June	At 31 December
	2025	2024
	<i>US\$</i>	<i>US\$</i>
Trade payables	3,726,062	4,340,713
Other payables and accrued operating expenses	2,891,912	3,277,014
Contract liabilities - billings in advance of performance	1,088,497	1,191,403
Provisions	1,643,301	1,705,450
Amounts due to related parties		
- Trade	13,563,198	11,696,403
- Non-trade	1,661	9,463
	<u>22,914,631</u>	<u>22,220,446</u>

As of the end of the reporting period, the ageing analysis of trade payables of the Group (including trade payables due to related parties), based on the invoice date, is as follows:

	At 30 June	At 31 December
	2025	2024
	<i>US\$</i>	<i>US\$</i>
Within 3 months	17,273,568	15,292,974
More than 3 months but within 1 year	12,661	736,989
More than 1 year but within 5 years	3,031	7,153
	<u>17,289,260</u>	<u>16,037,116</u>

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is one of the leading manufacturers of scooters and cub motorbikes in Vietnam. Its manufacturing and assembly operations are located in Dong Nai Province (near Ho Chi Minh City) and Hanoi of Vietnam with an annual production capacity of 200,000 motorbikes. The Group's motorbikes are sold under the SYM brand name and offering a wide range of models and types. It also produces motorbike parts and engines for internal use and export to overseas customers.

OPERATION ENVIRONMENT

In the first half of 2025, global trade and political landscapes continued to undergo adjustment, presenting complex and dynamic challenges to the market. The United States imposed additional tariffs on a range of imported goods, further increasing operating costs for enterprises and accelerating the restructuring of global supply chains. Despite persistent market volatility, consumption and production activities in certain regions have shown signs of recovery, and the global economy has remained on a path of moderate growth.

As a major global manufacturing and export base, Vietnam maintained resilient economic performance despite external economic and trade challenges. According to statistics, Vietnam's gross domestic product (GDP) grew by 7.52% in the first half of 2025, ranking among the top performers within the Association of Southeast Asian Nations ("ASEAN"), underscoring its critical role in regional economic development. According to the statistics from the Vietnam Association of Motorcycle Manufacturers, the total sales volume of the top five foreign direct investment manufacturers in Vietnam in the first half of 2025 was 1,284,291 motorbikes, representing an increase of 6.4% compared to the corresponding period of 2024. As the Vietnamese economy continues to grow, demand for convenient modes of transportation has steadily increased, supporting the sustained development of the motorcycle market. The management of the Group will strive to promote business growth, continue to devote its best efforts to proactively identify potential business opportunities, pursue sustainable development and strive to enhance its profitability in order to ensure stability in production and keep its operation in order with a view to mitigate the adverse impacts.

BUSINESS REVIEW

For the six months ended 30 June 2025, the Group sold about 22,400 units of motorbikes (including about 6,600 units of scooters and 15,800 units of cubs) in Vietnam, representing an increase of 4.7% as compared with the same period last year. The Group exported an aggregate of approximately 18,400 units of scooters and cubs to various markets, including ASEAN countries and Europe markets, representing an increase of 65.8% from the same period last year.

The increase in the Group's total sales volume in Vietnam was mainly attributable to the Group continually improving its technology in motorcycle manufacturing and tirelessly engaging in research and development to design innovative high-quality motorcycle products. In the first half of 2025, the Group launched a variety of new and trendy scooters and cub motorbikes to satisfy the needs of different target consumer groups. The Group also organised a motorbike driving safety education campaign in schools throughout the nation and strengthen its online brand promotional activities to attract more consumers, increasing the Group's sales volume for motorbikes. In terms of brand building, the Group has been working with its distributors to comprehensively upgrade more modern physical stores and provide consumers with a more comfortable, brighter product display environment and efficient repair service, so as to continue to explore and focus on its channel operations in Vietnam to enhance SYM brand awareness and lay a solid foundation for steady sales growth. As of 30 June 2025, the Group's extensive distribution network comprised over 129 SYM authorised stores owned by dealers, covering every province in Vietnam.

The Group's total export sales volume recorded significant growth, primarily driven by strong sales momentum in its key export market, Malaysia. In the first half of 2025, the Group's sales volume in the Malaysian market increased by approximately 34.3% compared to the corresponding period in 2024, significantly outpacing the overall market growth rate. The Group closely monitors local consumer trends and introduces high-displacement vehicle models promptly, aligning with market preferences and addressing the growing demand for recreational

travel and high-performance models. Leveraging the favorable environment of stable macroeconomic conditions and manageable inflationary pressures in Malaysia, the Group continues to strengthen its product portfolio and distribution network, laying a solid foundation for the steady development of its export business. In the European market, the Group began its strategic expansion in 2024 and commenced full-scale shipments in the first half of 2025. In the first half of 2025, the Group's sales volume in the European market recorded significant growth, reflecting the initial success of the Group's market expansion strategy. The Group will continue to expand its diversified sales channels to further enhance the competitiveness and market share of the SYM brand in the European market.

FINANCIAL REVIEW

The Group's revenue increased by 42.1% from US\$32.8 million for the six months ended 30 June 2024 to US\$46.6 million for the six months ended 30 June 2025. The Group recorded a net profit of US\$0.04 million for the six months ended 30 June 2025, which increased by US\$2.46 million, as compared to the net loss of US\$2.42 million for the six months ended 30 June 2024. Further analysis on the operating results of the Group is set out below.

REVENUE

The Group's revenue for the six months ended 30 June 2025 was US\$46.6 million, representing an increase of US\$13.8 million or 42.1% as compared with US\$32.8 million for the six months ended 30 June 2024. For overseas sales and domestic sales in Vietnam, the launch of a brand-new motorbike model drove sales performance. The Group will continue to explore new models and new customers vigorously to seek business growth opportunities, increase revenue and create higher value.

COST OF SALES

The Group's cost of sales for the six months ended 30 June 2025 was US\$41.2 million, representing an increase of 37.3% as compared with US\$30.0 million for the six months ended 30 June 2024. The majority of the Group's cost of sales comprised of raw material cost and direct labour costs. The increase was mainly due to the increase in overall sales volume. Moreover, the Group centralised bulk procurement of raw materials enabled the Group to strengthen its bargaining power and be in a better position to negotiate with suppliers, improve its bargaining power with certain suppliers through bulk purchasing, and in turn reduce its production costs, which partially offset the increase in raw material costs.

As a percentage of total revenue, the Group's cost of sales decreased from 91.4% for the six months ended 30 June 2024 to 88.4% for the six months ended 30 June 2025. The decrease in cost rate was attributable to the increase in sales volume, which decreased the percentage of costs to total revenue.

GROSS PROFIT AND GROSS PROFIT MARGIN

During the six months ended 30 June 2025, the Group recorded a gross profit and gross profit margin of approximately US\$5.4 million and 11.6% respectively (for the six months ended 30 June 2024: gross profit and gross profit margin of approximately US\$2.8 million and 8.6% respectively). The gross profit and gross profit margin increased due to the increase in sales from the major sources of profit as discussed above.

DISTRIBUTION EXPENSES

The Group's distribution expenses increased by 2.6%, from US\$1.89 million for the six months ended 30 June 2024 to US\$1.94 million for the six months ended 30 June 2025. The increase in distribution expenses was mainly attributable to the increase in transportation-related expenses and package expenses resulting from the increasing export sales volume of the Group.

ADMINISTRATIVE AND OTHER OPERATING EXPENSES

The Group's administrative and other operating expenses decreased by 1.3%, from US\$3.11 million for the six months ended 30 June 2024 to US\$3.07 million for the six months ended 30 June 2025, reflecting the Group's continued efforts to enhance operational efficiency and effectively control related expenses. The administrative and other operating expenses accounted for 6.6% of the Group's total revenue for the six months ended 30 June 2025.

RESULTS FROM OPERATIONS

As a result of the factors discussed above, for the six months ended 30 June 2025, the Group recorded a profit from operations of US\$0.9 million (for the six months ended 30 June 2024: loss from operations of US\$2.1 million).

NET FINANCE COSTS/INCOME

The Group's recorded a net finance income of US\$0.03 million for the six months ended 30 June 2024, compared to a net finance costs of US\$0.70 million for the six months ended 30 June 2025, representing a variance of US\$0.73 million. The change was primarily attributable to (1) a decrease in bank interest income by US\$0.12 million, (2) an increase in foreign exchange loss of US\$0.63 million arising from fluctuation of the New Taiwan Dollar against the US dollar and (3) a decrease in bank interest and lease liabilities interest expense by US\$0.02 million.

IMPAIRMENT LOSS ON OTHER PROPERTY, PLANT AND EQUIPMENT

Due to the persistent intense competition in the motorbike industry and rising manufacturing costs, the Group continues to face certain operational challenges, which have impacted the performance of the manufacturing and sales of motorbikes segment, and manufacturing and sales of spare parts and engines segment. Based on the latest market conditions and financial performance, the Group considered it was an indication that the other property, plant and equipment and prepayments for other property, plant and equipment (the "**Relevant PPE**") may be impaired. Accordingly, the Group carried out an impairment testing on the Relevant PPE and noted an impairment loss of approximately US\$0.1 million on the other property, plant and equipment were required during the six months ended 30 June 2025. This impairment mainly reflects the Group's prudent financial management and reassessment of the value of its assets. The management will continue to monitor market developments and adjust business strategies as necessary to enhance future operational efficiency and asset returns.

PROFIT/LOSS FOR THE PERIOD AND NET PROFIT/LOSS MARGIN

As a result of the factors discussed above, the Group recorded a net profit of US\$0.04 million for the six months ended 30 June 2025, increased by US\$2.46 million as compared to the net loss of US\$2.42 million for the six months ended 30 June 2024. The Group recorded the net loss margin of 7.4% for the six months ended 30 June 2024, while the net profit margin for the six months ended 30 June 2025 was 0.1%.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2025, the Group's net current assets amounted to US\$38.8 million (31 December 2024: US\$39.3 million) which consisted of current assets of US\$105.1 million (31 December 2024: US\$95.6 million) and current liabilities of US\$66.3 million (31 December 2024: US\$56.3 million).

As at 30 June 2025, the Group's interest-bearing loans repayable within one year was US\$43.3 million (31 December 2024: US\$33.8 million). As at 30 June 2025, the Group had no interest-bearing loans repayable beyond one year (31 December 2024: Nil). As at 30 June 2025, the gearing ratio was 97.5% (31 December 2024: 75.2%) calculated by dividing total bank loans by total shareholders' equity.

As at 30 June 2025, the Group's cash and bank balances (including time deposits) amounted to US\$58.6 million, which included US\$51.0 million denominated in Vietnamese Dong, US\$6.6 million denominated in US dollar, US\$0.1 million denominated in Euro and US\$0.9 million denominated in New Taiwan Dollar (31 December 2024: US\$54.4 million, which included US\$48.5 million denominated in Vietnamese Dong, US\$5.8 million denominated in US dollar and US\$0.1 million denominated in New Taiwan Dollar).

The Group actively and regularly reviews and manages its capital structure to enhance its financial strength for the Group's long-term development. There was no change in the Group's approach to capital management during the six months ended 30 June 2025.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

Transactions of the Group are mainly denominated in Vietnamese Dong and US dollar. The Group will closely monitor the trend of fluctuation exchange rate and strengthen relevant personnel's awareness of risk prevention to deal with exchange rate risks. The Group adopts conservative treasury policies in cash and financial management, with its cash generally placed in short-term deposits mostly denominated in Vietnamese Dong and US dollar. As of 30 June 2025, the Group did not use any financial instrument to hedge its foreign exchange risks.

HUMAN RESOURCES AND REMUNERATION POLICIES

The Group currently offers competitive remuneration packages to its staff in Vietnam and Taiwan, and regularly reviews its remuneration packages in light of the overall development of the Group. The Group's remuneration packages include basic salaries, bonuses, staff quarters, training and development opportunities, medical benefits, insurance plan and retirement benefits. As at 30 June 2025, the Group had 1,021 employees (30 June 2024: 1,003). The total amount of salaries and related costs for the six months ended 30 June 2025 amounted to approximately US\$5.1 million (for the six months ended 30 June 2024: approximately US\$4.9 million).

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The Group had no material capital commitments and contingent liabilities as at 30 June 2025.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the six months ended 30 June 2025, the Group had no material acquisition or disposal of subsidiaries and associated companies.

SIGNIFICANT INVESTMENT HELD

During the six months ended 30 June 2025, the Group did not hold any significant investment.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this announcement, the Group did not have any other specific plan for material investments or acquisitions of capital assets as at 30 June 2025.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

As at 30 June 2025, the Company did not hold any treasury shares.

PLEDGE ON ASSETS

As at 30 June 2025, the Group pledged its bank time deposits of US\$19,582,961 as securities for banking facilities granted to the Group.

CHANGES SINCE 31 DECEMBER 2024

Save as disclosed in this announcement, since 31 December 2024, there were no other significant changes in the Group's financial position and there were no other significant changes in relation to the information disclosed under the section headed "Management Discussion and Analysis" in the annual report of the Company for the year ended 31 December 2024.

PROSPECTS

Looking ahead to the second half of 2025, the global economy remains in a phase of inflation adjustment and the rebalancing of monetary and trade policies. As U.S. tariff policies become increasingly clear, uncertainties surrounding the trade environment and supply chain restructuring are expected to ease; however, the overall operating environment remains challenging.

The Group will continue to prudently respond to fluctuations in the international market and flexibly adjust the product strategies and regional sales deployment. For domestic sales, the Group will precisely target key customer segments based on different product positioning, and strengthen brand engagement through diversified marketing channels, including organising offline experiential events and leveraging various media platforms for online promotion, thereby enhancing brand visibility and favourability among potential consumers. For export sales, the Group will step up further to engage in marketing, enhance the brand loyalty, launch new products with enhanced product strength and aggressively explore global overseas markets, so as to highlight the benefits of our diversified product portfolio and achieve further sales success. The Group will also continue to extend the geographical coverage of its sales and services centres in order to provide its customers with better product repair and maintenance services, thereby strengthening brand trust.

The Group will adhere to its operating approach of focusing on its primary business, product quality and customers' satisfaction. The Group will adopt product innovation as its key strategy to further strengthen its capabilities in product design and core technology development. Based on fulfilling the needs of core customers, the Group will actively expand its potential consumer base, enhance brand influence, promote the growth of overall sales scale and maximise returns to the shareholders of the Company.

APPLICATION OF INITIAL PUBLIC OFFERING PROCEEDS

The proceeds from the issuance of new shares in the initial public offering by the Company in December 2007, net of listing expenses, were approximately US\$76.7 million, which will be used in accordance with the manners stated in the prospectus of the Company (the “**Prospectus**”) and the announcement titled “change in use of proceeds” of the Company dated 10 May 2019 (the “**Announcement**”).

The table below sets out the detailed items of the use of proceeds from the initial public offering as at 30 June 2025:

	Net proceeds from the initial public offering as stated in the Prospectus and the Announcement <i>Approximately in US\$’ million</i>	Balance unutilised as at 1 January 2025 <i>Approximately in US\$’ million</i>	Amount utilised during the six months ended 30 June 2025 <i>Approximately in US\$’ million</i>	Balance unutilised as at 30 June 2025 <i>Approximately in US\$’ million</i>
Construction of research and development centre in Vietnam	11.7	-	-	-
Expanding distribution channels in Vietnam				
- Upgrading of existing facilities	4.0	-	-	-
- Establishing of new facilities	15.0	-	-	-
Mergers and acquisitions	9.0	-	-	-
General working capital	2.7	-	-	-
Development of production sites as well as the relocation of existing production facilities	15.0	2.0	0.1	1.9
Land development	19.3	15.1	-	15.1
Total	76.7	17.1	0.1	17.0

The unutilised balance was placed as deposits (including bank deposits) with several reputable financial institutions. For further details, please see the paragraph headed “**Liquidity and Financial Resources**” in this announcement.

The unutilised amount of net proceeds is expected to be fully utilised by 2030.

CORPORATE GOVERNANCE PRACTICES

During the six months ended 30 June 2025, the Company has complied with all applicable code provisions as set out in the Corporate Governance Code (the “**Code**”) contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the Code, and maintain a high standard of corporate governance practices of the Company.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the code of conduct in respect of transactions in securities of the Company by the directors of the Company. Having made specific enquiry of all the directors of the Company, the Company confirms that the directors of the Company have complied with the required standard set out in the Model Code for the six months ended 30 June 2025.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within knowledge of the directors of the Company, the Company has maintained a sufficient public float as required under the Listing Rules during the six months ended 30 June 2025 and up to the date of this announcement.

SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

Subsequent to the six months ended 30 June 2025 and up to the date of this announcement, there were no significant events that might affect the Group.

REVIEW OF INTERIM RESULTS

The unaudited interim results for the six months ended 30 June 2025 and the interim report have been reviewed by the audit committee of the Company which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements.

The interim results is unaudited, but has been reviewed by the Company’s auditor, KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the HKEXnews website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the Company’s website at www.vmeph.com. The 2025 interim report of the Company will also be published on the aforesaid websites in due course.

OUR APPRECIATION

Lastly, we would like to express the sincere gratitude to the shareholders of the Company and the suppliers and customers of the Group for their unwavering support. We would also like to thank our dedicated staff for their hard work and contribution to the Group.

By order of the Board
Vietnam Manufacturing and Export Processing (Holdings) Limited
Liu Wu Hsiung
Chairman

Hong Kong, 11 August 2025

As at the date of this announcement, the Board comprised three executive directors, namely Mr. Liu Wu Hsiung, Ms. Wu Jui Chiao and Mr. Lin Chun Yu, three non-executive directors, namely Ms. Wu Li Chu, Mr. Chen Hsu Pin and Mr. Liu Ju Cheng and three independent non-executive directors, namely Ms. Lin Ching Ching, Mr. Cheung On Kit Andrew and Ms. Wu Hui Lan.