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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 OF ANNUAL RESULTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

<b>Financial Highlights :</b>	<b>( expressed in US\$'million )</b>		
	<b>2024</b>	<b>2023</b>	<b>Change Amount</b>
• Revenue	81.1	105.1	(24.0)
• Gross profit	7.3	15.5	(8.2)
• (Loss)/profit after tax	(3.8)	1.7	(5.5)
• (Loss)/earnings per share (US\$)	(0.0042)	0.0019	(0.0061)

The board of directors (the “**Board**”) of Vietnam Manufacturing and Export Processing (Holdings) Limited (the “**Company**”) hereby announces the consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2024 together with the comparative figures for the immediately preceding financial year. The Board does not recommend the payment of a final dividend for the year ended 31 December 2024.

# Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2024

*(Expressed in United States dollars)*

		2024	2023
	Note	US\$	US\$
<b>Revenue</b>	2	81,138,430	105,147,919
Cost of sales		<u>(73,851,650)</u>	<u>(89,657,485)</u>
<b>Gross profit</b>		7,286,780	15,490,434
Other income		663,745	1,030,615
Distribution costs		(4,199,899)	(5,915,868)
Technology transfer fees		(119,023)	(806,317)
Administrative and other operating expenses		<u>(6,475,255)</u>	<u>(7,920,847)</u>
<b>Results from operations</b>		<u>(2,843,652)</u>	<u>1,878,017</u>
Finance income		2,430,523	3,338,690
Finance costs		<u>(2,560,684)</u>	<u>(2,930,985)</u>
<b>Net finance (costs)/income</b>	3(a)	<u>(130,161)</u>	<u>407,705</u>
Impairment loss on other property, plant and equipment and prepayments for other property, plant and equipment	3(c)	(481,192)	(454,207)
Share of (loss)/profit of an associate		<u>(69,557)</u>	<u>26,351</u>
		<u>(550,749)</u>	<u>(427,856)</u>
<b>(Loss)/profit before taxation</b>	3	(3,524,562)	1,857,866
Income tax expense	4	<u>(319,911)</u>	<u>(171,666)</u>
<b>(Loss)/profit for the year</b>		<u>(3,844,473)</u>	<u>1,686,200</u>

# Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2024

**(continued)**

*(Expressed in United States dollars)*

	Note	2024 US\$	2023 US\$
<b>Other comprehensive income for the year (after tax):</b>			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of overseas subsidiaries and an associate		(2,310,527)	(1,431,425)
<b>Total comprehensive income for the year</b>		(6,155,000)	254,775
<b>(Loss)/profit for the year attributable to:</b>			
Equity shareholders of the Company		(3,844,473)	1,686,198
Non-controlling interests		-	2
		(3,844,473)	1,686,200
<b>Total comprehensive income attributable to:</b>			
Equity shareholders of the Company		(6,155,000)	254,773
Non-controlling interests		-	2
		(6,155,000)	254,775
<b>(Loss)/earnings per share</b>			
- Basic and diluted	5	(0.0042)	0.0019

## Consolidated Statement of Financial Position at 31 December 2024

(Expressed in United States dollars)

		2024	2023
	Note	US\$	US\$
<b>Non-current assets</b>			
Investment properties		3,725,726	3,934,824
Other property, plant and equipment	6	3,544,783	3,943,684
Interest in an associate		516,470	613,287
		<u>7,786,979</u>	<u>8,491,795</u>
<b>Current assets</b>			
Inventories	7	22,292,912	22,853,016
Trade receivables, other receivables and prepayments	8	18,886,534	20,779,858
Cash and bank balances		54,391,467	53,980,524
		<u>95,570,913</u>	<u>97,613,398</u>
<b>Current liabilities</b>			
Trade and other payables	9	22,220,446	9,746,471
Bank loans		33,823,923	42,779,390
Lease liabilities		55,085	54,085
Current tax payable		200,245	167,012
		<u>56,299,699</u>	<u>52,746,958</u>
<b>Net current assets</b>		<u>39,271,214</u>	<u>44,866,440</u>
<b>Total assets less current liabilities</b>		<u>47,058,193</u>	<u>53,358,235</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		14,395	1,435
Lease liabilities		2,061,277	2,219,279
		<u>2,075,672</u>	<u>2,220,714</u>
<b>NET ASSETS</b>		<u>44,982,521</u>	<u>51,137,521</u>

## Consolidated Statement of Financial Position at 31 December 2024

(continued)

(Expressed in United States dollars)

	2024	2023
	<i>US\$</i>	<i>US\$</i>
<b>Capital and reserves</b>		
Share capital	1,162,872	1,162,872
Reserves	43,815,337	49,970,337
<b>Total equity attributable to equity shareholders of the Company</b>	44,978,209	51,133,209
Non-controlling interests	4,312	4,312
<b>TOTAL EQUITY</b>	<u>44,982,521</u>	<u>51,137,521</u>

*Notes:*

**1. BASIS OF PREPARATION**

The financial information set out in this announcement does not constitute the Group's financial statements for the year ended 31 December 2024, but is derived from those financial statements.

**(a) Statement of compliance**

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“IFRSs”), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations issued by the International Accounting Standards Board (“IASB”). These financial statements also comply with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The IASB has issued certain amendments to IFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

**(b) Basis of preparation of the financial statements**

The consolidated financial statements for the year ended 31 December 2024 comprise the Group and the Group's interest in an associate.

The measurement basis used in the preparation of the financial statements is the historical cost basis.

Items included in the financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates. The Group has adopted United States dollars (“US\$”) as its presentation currency as the directors of the Company consider that presentation of the consolidated financial statements in US\$ will facilitate analysis of the Group's financial information.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**(c) Changes in accounting policies**

The Group has applied the following new and amended IFRSs issued by the IASB to these financial statements for the current accounting period:

- Amendments to IAS 1, *Presentation of financial statements – Classification of liabilities as current or non-current* and amendments to IAS 1, *Presentation of financial statements – Non-current liabilities with covenants*
- Amendments to IFRS 16, *Leases – Lease liability in a sale and leaseback*

- Amendments to IAS 7, *Statement of cash flows* and IFRS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

## 2. REVENUE AND SEGMENT REPORTING

### (a) Disaggregation of revenue

The principal activities of the Group are manufacturing and sale of motorbikes, and related spare parts and engines.

Further details regarding the Group's principal activities are disclosed in note 2(b).

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

	<b>2024</b>	<b>2023</b>
	<i>US\$</i>	<i>US\$</i>
<b>Revenue from contracts with customers within the scope of IFRS 15</b>		
Manufacture and sale of motorbikes	72,781,261	95,887,544
Manufacture and sale of spare parts and engines	8,357,169	9,260,375
	<u>81,138,430</u>	<u>105,147,919</u>

Disaggregation of revenue from contracts with customers by geographic markets is disclosed in note 2(b)(ii).

The Group has applied the practical expedient in paragraph 121 of IFRS 15 to its sales contracts and does not disclose information about remaining performance obligations that have original expected duration of one year or less.

The Group's customer base is diversified and includes one customer (2023: one customer) with whom transactions have respectively exceeded 10% of the Group's revenue. During the year ended 31 December 2024, revenue from sales of motorbikes to the customers was as follows:

	<b>2024</b>	<b>2023</b>
	<i>US\$</i>	<i>US\$</i>
Customer A*	19,734,210	N/A
Customer B*	<u>N/A</u>	<u>40,805,000</u>

- \* Revenue from customer A for the year ended 31 December 2023 did not contribute over 10% of the total revenue of the Group, and revenue from customer B for the year ended 31 December 2024 did not contribute over 10% of the total revenue of the Group.

**(b) Segment reporting**

The Group manages its businesses by divisions, which are organised by business lines (products and 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 presented the following two reportable segments.

- Manufacturing and sale of motorbikes: the Group's principal products are motorbikes manufactured for the Vietnamese market. The Group also exports motorbikes to other countries including Malaysia, the Philippines, Thailand, Italy, Greece, United Arab Emirates and Singapore.
- Manufacturing and sale of spare parts and engines: the Group manufactures engines for use in the Group's motorbikes, while the Group also exports engines to third parties. The Group manufactures parts for use in repair servicing and product assembly.

**Segment results**

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments.

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 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 profit of an associate, impairment losses on non-current assets and other head office or corporate administration expenses.

In addition to receiving segment information concerning adjusted EBIT, management is provided with segment information concerning revenue (including inter-segment sales), and depreciation. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.



- (i) Reconciliation of reportable segment revenues and profit or loss  
Information regarding the Group's reportable segments as provided to the Group's senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2024 and 2023 is set out below:

	<b>2024</b>		
	<b>Manufacture and sale of motorbikes US\$</b>	<b>Manufacture and sale of spare parts and engines US\$</b>	<b>Total US\$</b>
Revenue from external customers recognised at a point in time	72,781,261	8,357,169	81,138,430
Inter-segment revenue	-	17,466,771	17,466,771
<b>Reportable segment revenue</b>	<u>72,781,261</u>	<u>25,823,940</u>	<u>98,605,201</u>
Segment profit/(loss) before depreciation	34,764	(671,584)	(636,820)
Depreciation	<u>(219,749)</u>	<u>-</u>	<u>(219,749)</u>
<b>Reportable segment loss ("adjusted EBIT")</b>	<u>(184,985)</u>	<u>(671,584)</u>	(856,569)
Share of loss of an associate			(69,557)
Net finance costs			(130,161)
Impairment loss on other property, plant and equipment and prepayments for other property, plant and equipment			(481,192)
Unallocated corporate expenses			<u>(1,987,083)</u>
<b>Loss before taxation</b>			<u>(3,524,562)</u>

	<b>2023</b>		
	<b>Manufacture and sale of motorbikes US\$</b>	<b>Manufacture and sale of spare parts and engines US\$</b>	<b>Total US\$</b>
Revenue from external customers recognised at a point in time	95,887,544	9,260,375	105,147,919
Inter-segment revenue	-	29,061,900	29,061,900
<b>Reportable segment revenue</b>	<u>95,887,544</u>	<u>38,322,275</u>	<u>134,209,819</u>
Segment profit before depreciation	2,285,122	1,388,434	3,673,556
Depreciation	(245,216)	-	(245,216)
<b>Reportable segment profit ("adjusted EBIT")</b>	<u>2,039,906</u>	<u>1,388,434</u>	3,428,340
Share of profit of an associate			26,351
Net finance income			407,705
Impairment loss on other property, plant and equipment and prepayments for other property, plant and equipment			(454,207)
Unallocated corporate expenses			(1,550,323)
<b>Profit before taxation</b>			<u>1,857,866</u>

(ii) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's investment properties and other property, plant and equipment ("specified non-current assets"). The geographical location of customers is based on the location at which the goods were delivered to. The geographical location of the specified non-current assets is based on the physical location of the assets.

	<b>Revenues from external customers</b>		<b>Specified non-current assets</b>	
	<b>2024 US\$</b>	<b>2023 US\$</b>	<b>2024 US\$</b>	<b>2023 US\$</b>
Vietnam (place of domicile)	40,759,244	36,131,761	7,270,509	7,878,508
Malaysia	20,239,131	6,754,409	-	-
The Philippines	5,078,507	4,559,016	-	-
United Arab Emirates	4,574,222	3,246,179	-	-
Greece	4,068,249	3,468,606	-	-
Thailand	2,491,604	50,158,581	-	-
Italy	2,430,412	-	-	-
Singapore	309,534	91,042	-	-
Other countries	1,187,527	738,325	-	-
	<u>81,138,430</u>	<u>105,147,919</u>	<u>7,270,509</u>	<u>7,878,508</u>

### 3. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at after (crediting)/charging:

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

	<b>2024</b>	<b>2023</b>
	<i>US\$</i>	<i>US\$</i>
Interest income from banks	(2,430,523)	(3,338,690)
Finance income	<u>(2,430,523)</u>	<u>(3,338,690)</u>
Interest paid and payable to banks	1,727,661	2,306,910
Interest on lease liabilities	49,868	171,076
Net foreign exchange loss	783,155	452,999
Finance costs	<u>2,560,684</u>	<u>2,930,985</u>
	<u>130,161</u>	<u>(407,705)</u>

#### (b) Staff costs

	<b>2024</b>	<b>2023</b>
	<i>US\$</i>	<i>US\$</i>
Contributions to defined contribution retirement plans	1,120,965	1,302,630
Severance pay allowance	38,155	23,799
Salaries, wages and other benefits	9,340,639	10,642,128
	<u>10,499,759</u>	<u>11,968,557</u>

(c) Other items

	<b>2024</b>	<b>2023</b>
	<i>US\$</i>	<i>US\$</i>
Depreciation of property, plant and equipment		
- other property, plant and equipment	219,749	245,216
- investment properties	27,083	30,222
	<u>246,832</u>	<u>275,438</u>
Write-down of inventories	1,668,167	196,144
(Reversal)/provision of loss allowance of trade receivables	(402,483)	539,836
Impairment loss on other property, plant and equipment (note 6)	481,192	458,905
Reversal of impairment loss on prepayments for other property, plant and equipment (note 6)	-	(4,698)
Auditors' remuneration		
- Audit services	384,106	388,903
- Other services	23,454	7,511
Research and development expenses (note (i))	1,722,989	2,420,421
Cost of inventories (note (ii))	<u>72,183,483</u>	<u>89,461,341</u>

Notes:

- (i) Research and development expenses include amounts relating to technology transfer fees, staff costs, depreciation expenses and other miscellaneous expenses, which are also included in the respective total amounts disclosed separately above or in note 3(b) for each of these types of expenses. No development expenditure was capitalised during the years ended 31 December 2024 and 2023.
- (ii) Cost of inventories includes amounts relating to staff costs and depreciation expenses, which are also included in the respective total amounts disclosed separately above or in note 3(b) for each of these types of expenses.

#### 4. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2024	2023
	US\$	US\$
<b>Current tax</b>		
Provision for the year	306,299	196,619
Under-provision in respect of prior year	285	6,757
	<u>306,584</u>	<u>203,376</u>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	13,327	(31,710)
Actual tax expense	<u>319,911</u>	<u>171,666</u>

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 years ended 31 December 2024 and 2023.

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. (“VMEP”) 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. (“VCFP”) is 20% (2023: 15%) from 2024 onwards.

The applicable tax rate for Chin Zong Trading Co., Ltd. (“Chin Zong”) is 20% (2023: 20%) if the taxable profit is above New Taiwan Dollar (“NT\$”) 120,000. Income tax is exempted if the taxable profit is below NT\$120,000.

#### 5. (LOSS)/EARNINGS PER SHARE

##### (a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the loss attributable to equity shareholders of the Company of US\$3,844,473 (2023: profit of US\$1,686,198) and the weighted average of 907,680,000 (2023: 907,680,000) ordinary shares in issue during the year. The amount of basic loss per share is US\$0.0042 (2023: basic earnings per share of US\$0.0019) for the year ended 31 December 2024.

##### (b) Diluted (loss)/earnings per share

The amount of diluted (loss)/earnings per share is the same as the basic (loss)/earnings per share for the years ended 31 December 2024 and 2023 as there were no potential dilutive ordinary shares in existence during the years ended 31 December 2024 and 2023.

## 6. OTHER PROPERTY, PLANT AND EQUIPMENT

### Impairment losses

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

The Group suffered significant operating losses (before impairment losses on non-current assets) over the past few years due to the fierce competition in the motorbike industry and increase of manufacturing costs on new launched products. Based on an impairment assessment conducted by management, impairment losses totalling US\$481,192 (2023: US\$454,207) was recognised in profit or loss during the year to write down the carrying value of other property, plant and equipment and prepayments for 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 land and 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 land and buildings 2% (2023: 5%). For assets which management considers are likely to be recovered through continuing use, the Group assessed the recoverable amount based on 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% (2023: 13%).

## 7. INVENTORIES

### (a) Inventories in the consolidated statement of financial position comprise:

	<b>2024</b>	<b>2023</b>
	<i>US\$</i>	<i>US\$</i>
Motorbikes manufacturing		
- Raw materials	14,893,595	14,767,260
- Tools and supplies	273,781	336,770
- Work in progress	159,482	168,145
- Finished goods	5,876,884	5,221,062
- Merchandise inventories (note (i))	2,290,811	2,246,308
	<u>23,494,553</u>	<u>22,739,545</u>
Provision for write-down of inventories	<u>(3,934,206)</u>	<u>(2,751,978)</u>
	19,560,347	19,987,567
Properties (note (ii))	2,732,565	2,865,449
	<u>22,292,912</u>	<u>22,853,016</u>

Notes:

- (i) Merchandise inventories mainly represent spare parts kept for repairs and maintenance.
- (ii) The balance represents the share of properties interest under an investment cooperation memorandum. In 2019, the Group has established a joint arrangement with an unrelated third party to undertake property investing in Vietnam in the form of a joint operation. In accordance with the investment cooperation memorandum, the decisions about relevant activities require unanimous consent of the parties sharing control and, therefore management has accounted for the investments as a joint operation, which is accounted for using the line-by-line basis to the extent of the Group's interest in the joint operation. Details of the arrangement and key terms of the investment cooperation memorandum were disclosed in the Company's announcements dated 24 October 2019 and 4 November 2019. At 31 December 2024 and 2023, the properties are under development stage.

**(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:**

	<b>2024</b>	<b>2023</b>
	<i>US\$</i>	<i>US\$</i>
Carrying amount of inventories sold	72,183,483	89,461,341
Write-down of inventories	1,668,167	196,144
	<u>73,851,650</u>	<u>89,657,485</u>

**(c) Movements in the provision for write-down of inventories were as follows:**

	<b>2024</b>	<b>2023</b>
	<i>US\$</i>	<i>US\$</i>
At 1 January	2,751,978	2,954,049
Additions	1,668,167	196,144
Utilisation	(332,592)	(322,805)
Exchange adjustments	(153,347)	(75,410)
At 31 December	<u>3,934,206</u>	<u>2,751,978</u>

**8. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS**

	<b>2024</b>	<b>2023</b>
	<i>US\$</i>	<i>US\$</i>
Trade receivables	9,234,648	10,282,879
Non-trade receivables	7,336,432	10,059,160
Prepayments	487,591	338,090
Amounts due from related parties		
-Trade	1,827,436	93,751
-Non-trade	427	5,978
	<u>18,886,534</u>	<u>20,779,858</u>

**Trade receivables**

All of the trade receivables (including trade receivables and amounts due from related parties) are expected to be recovered within one year.

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

	<b>2024</b>	<b>2023</b>
	<i>US\$</i>	<i>US\$</i>
Within 3 months	8,860,451	4,233,872
More than 3 months but within 1 year	2,116,279	6,142,758
More than 1 year but within 2 years	85,354	-
	<u>11,062,084</u>	<u>10,376,630</u>

## 9. TRADE AND OTHER PAYABLES

	<b>2024</b>	<b>2023</b>
	<i>US\$</i>	<i>US\$</i>
Trade payables	4,340,713	2,101,628
Other payables and accrued operating expenses	3,277,014	3,665,255
Contract liabilities - billings in advance of performance	1,191,403	370,313
Provisions	1,705,450	2,299,689
Amounts due to related parties		
- Trade	11,696,403	1,095,229
- Non-trade	9,463	214,357
	<u>22,220,446</u>	<u>9,746,471</u>

All the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

### Trade payables

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

	<b>2024</b>	<b>2023</b>
	<i>US\$</i>	<i>US\$</i>
Within 3 months	15,292,974	3,182,607
More than 3 months but within 1 year	736,989	10,534
More than 1 year but within 2 years	7,153	3,716
	<u>16,037,116</u>	<u>3,196,857</u>

## 10. DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: Nil).



## **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 2024, the global economy progressively recovered, with inflation gradually easing and trade showing signs of improvement. However, geopolitical risks, such as the ongoing Russia-Ukraine war, escalating tensions in the Middle East, and the intensifying US-China trade conflict, continue to undermine confidence in economic optimism.

Vietnam has been actively attracting foreign investment in recent years and has achieved long-term stable economic growth. Amid the US-China trade conflict, Vietnam has become a destination for many companies looking to relocate their production facilities and play a pivotal role in restructuring regional supply chains. It has also actively participated in regional economic and trade consolidation, for example, by signing free trade zone agreements such as the Free Trade Agreement (FTA), the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Regional Comprehensive Economic Partnership (RCEP) with developed economies such as the United Kingdom (UK), the European Union (EU) and the People's Republic of China (PRC), which is beneficial to the overall development of the country. Vietnam's overall economic growth rate (GDP) was 7.09% in 2024, demonstrating the robust recovery momentum of its economic activities.

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 2024 was 2,653,607 motorbikes, representing an increase of 5.46% compared to the corresponding period of 2023. There has been still keen competition in the overall business environment. This includes various electric motorbike brands competing with fuel vehicles in the market, but fuel vehicles still hold undeniable advantages, such as reasonable prices and the convenience of gas stations, and will continue to be the primary mode of transportation in Vietnam in the short term. Facing such operating pressure, 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.

### **BUSINESS REVIEW**

The Group saw both growth and decline in its main sales regions. The Group sold an aggregate of approximately 51,700 units (which was comprised of approximately 15,800 units of scooters and 35,900 units of cubs) in Vietnam for the year ended 31 December 2024, representing an increase of 30.8% compared to the corresponding period of the previous year. The Group sold an aggregate of approximately 27,600 units of scooters and cubs by exporting to Association of Southeast Asian Nations ("ASEAN") countries and overseas markets outside of ASEAN for the year ended 31 December 2024, representing a decrease of 41.0% compared to the corresponding period of the previous 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 2024, the Group launched a variety of new and trendy scooters and cub motorbikes to satisfy the needs of different consumers, especially the first brand-new scooter model with electronic fuel injection (E.F.I) PRITI 50, which has generated significant discussion and attention on social media platforms and well recognised by both distributors and consumers. The Group has upgraded and launched the PRITI 125, the brand new scooter model featuring the EnMIS dual spark plug ignition system. The successful launch of the PRITI 125 has boosted buying momentum and led to a significant increase in scooter sales, further enhancing the Group's brand awareness. In terms of brand building, the Group has been working with its distributors to gradually upgrade more modern physical stores and provide consumers with a more

comfortable, brighter product display environment and reliable and efficient repair service, so as to continue to explore and focus on its channel operations in Vietnam to enhance SYM brand awareness. As of 31 December 2024, the Group's extensive distribution network comprised over 176 SYM authorised stores owned by dealers, covering every province in Vietnam.

The decrease in the Group's total export sales to ASEAN countries was mainly attributable to consumers in the Group's major export markets, Thailand continued to preserve its purchasing power in 2024, and the overall motorbike sales market declined compared to the corresponding period of the previous year. Moreover, in the Thailand market, it was due to the fact that the management of the Group became more conservative in the policy of customer credit control in order to strengthen its risk management, and as a result, the shipment volume was impacted. The economic recovery has gradually increased market demand in Malaysia and the Philippines compared to previous periods, and the Group timely launched a brand-new scooter model "HUSKY", which was well received by local consumers and drove the sales performance, partially offsetting the sales difficulties in the Thailand market. In 2024, the Group upheld the strategy of market risk diversification in its operations, the Group aggressively explored markets other than ASEAN countries, including Europe and Middle East markets, exploiting diversified distribution channels. The total export sales volume in markets outside the ASEAN countries increased by 72.8% in 2024 compared to 2023. In a highly competitive operating environment, the Group has continued to reinforce strategic partnerships with existing customers while actively expanding its product offerings and markets. This enables the Group to respond flexibly to the evolving market dynamics.

## **FINANCIAL REVIEW**

The Group's net loss for the year ended December 31 2024, was US\$3.8 million, compared to a net profit of US\$1.7 million for the year ended December 31 2023, representing a decrease of US\$5.5 million. Further analysis on the operating results of the Group is set out below.

### **REVENUE**

Revenue of the Group for the year ended 31 December 2024 decreased to US\$81.1 million from US\$105.1 million for the year ended 31 December 2023, representing a decrease of US\$24.0 million or 22.8%. For overseas sales, the Group experienced a significant decline in sales in Thailand, resulting in a decrease in revenue. To mitigate the impact of the sales decline in the Thailand market, the Group has reinforced its position in the Malaysian and Philippine markets while actively expanding into new markets in Europe. For domestic sales in Vietnam, the launch of a brand-new motorbike model drove sales performance and partially offset the decrease in revenue. The Group will continue to explore new models and new customers vigorously to seek business growth opportunities, increase revenue and create higher value.

In terms of geographical contribution, approximately 50.3% of total revenue was generated from the domestic market in Vietnam for the year ended 31 December 2024 as compared with approximately 34.4% for the year ended 31 December 2023. Revenue from domestic sales in Vietnam increased by 13.0% from US\$36.1 million for the year ended 31 December 2023 to US\$40.8 million for the year ended 31 December 2024. Revenue from export sales decreased by 41.6% from US\$69.0 million for the year ended 31 December 2023 to US\$40.3 million for the year ended 31 December 2024.

### **COST OF SALES**

The Group's cost of sales decreased by 17.6%, from US\$89.7 million for the year ended 31 December 2023 to US\$73.9 million for the year ended 31 December 2024. The majority of the Group's cost of sales comprised of raw material cost and direct labour costs. The decrease was mainly due to the decline in overall sales volume. The Group 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. That change will help to a certain extent stabilize production costs and enhance the profitability of the Group.

As a percentage of total revenue, the Group's cost of sales increased from 85.3% for the year ended 31 December 2023 to 91.0% for the year ended 31 December 2024. The increase in cost rate was attributable to the decline in

sales volume, which increased the percentage of costs to total revenue. Furthermore, the utilisation rate of the Group's overall capacity was restricted due to the decline in sales volume, resulting in increased fixed operating cost allocation per unit of product.

### **GROSS PROFIT AND GROSS PROFIT MARGIN**

For the year ended 31 December 2024, the Group recorded a gross profit and gross profit margin of approximately US\$7.3 million and 9.0% respectively (for the year ended 31 December 2023: gross profit and gross profit margin of approximately US\$15.5 million and 14.7% respectively), representing a decrease of US\$8.2 million in gross profit and 5.7 percentage points in gross profit margin. The gross profit margin decreased, due to the decline in sales from the major sources of profit as discussed above and the Group's overall production capacity was not effectively utilized.

### **DISTRIBUTION EXPENSES**

The Group's distribution expenses decreased by 28.8%, from US\$5.9 million for the year ended 31 December 2023 to US\$4.2 million for the year ended 31 December 2024. The decrease in distribution expenses was mainly attributable to the decrease in transportation-related expenses and package expenses resulting from the decreasing export sales volume of the Group to ASEAN countries.

### **TECHNOLOGY TRANSFER FEES**

The technology transfer fees decreased by 87.5% from US\$0.8 million for the year ended 31 December 2023 to US\$0.1 million for the year ended 31 December 2024, resulting from a decrease in the sales of SYM-branded motorbike models, which require payment of technology transfer fees, in Vietnam and ASEAN countries.

### **ADMINISTRATIVE AND OTHER OPERATING EXPENSES**

The Group's administrative and other operating expenses decreased by 17.7% from US\$7.9 million for the year ended 31 December 2023 to US\$6.5 million for the year ended 31 December 2024. The decrease in administrative and other operating expenses was principally due to the reversal of previously recognized loss allowance for trade receivables, which had a positive impact on the Group's financial position. The Group's administrative and other operating expenses are 8.0% of the Group's total revenue for the year ended 31 December 2024.

### **RESULTS FROM OPERATIONS**

As a result of the factors discussed above, for the year ended 31 December 2024, the Group recorded a loss from operating of US\$2.8 million (for the year ended 31 December 2023: profit from operations of US\$1.9 million).

### **IMPAIRMENT LOSS ON OTHER PROPERTY, PLANT AND EQUIPMENT AND PREPAYMENTS FOR OTHER PROPERTY, PLANT AND EQUIPMENT**

The Group suffered significant operating losses over the past few years due to the fierce competition in the motorbike industry and increase of manufacturing costs on new launched products, resulting in the poor results of the Group's manufacturing and sales of motorbikes segment, and manufacturing and sales of spare parts and engines segment over the past few years. 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\$0.5 million on the other property, plant and equipment and prepayments for other property, plant and equipment were required as at 31 December 2024.

## **NET FINANCE INCOME**

The Group's net finance income decreased by 125.0%, from recorded a net finance profit US\$0.4 million for the year ended 31 December 2023 to recorded a net finance loss US\$0.1 million for the year ended 31 December 2024. Such decrease was mainly attributable to (1) a decrease in bank interest income by US\$0.9 million, (2) an increase in foreign exchange loss of US\$0.3 million arising from fluctuation of the Vietnamese Dong against the US dollar and (3) a decrease in bank interest and lease liabilities interest expense by US\$0.7 million.

## **LOSS/PROFIT FOR THE YEAR AND NET LOSS MARGIN/NET PROFIT MARGIN**

As a result of the factors discussed above, the Group recorded a net loss of US\$3.8 million for the year ended 31 December 2024, which was decreased by US\$5.5 million, as compared to the net profit of US\$1.7 million for the year ended 31 December 2023. The Group recorded the net profit margin of 1.6% for the year ended 31 December 2023, which was decreased to the net loss margin for the year ended 31 December 2024 of 4.7%.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 31 December 2024, the Group's net current assets amounted to US\$39.3 million (31 December 2023: US\$44.8 million) which consisted of current assets of US\$95.6 million (31 December 2023: US\$97.6 million) and current liabilities of US\$56.3 million (31 December 2023: US\$52.8million).

As at 31 December 2024, the Group's interest-bearing loans repayable within one year was US\$33.8 million (31 December 2023: US\$42.8 million). As at 31 December 2024, the Group had no interest-bearing loans repayable beyond one year (31 December 2023: Nil). As at 31 December 2024, the gearing ratio was 75.2% (31 December 2023: 83.7%) calculated by dividing total bank loans by total shareholders' equity.

As at 31 December 2024, the Group's cash and bank balances (including time deposits), amounted to 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 (31 December 2023: US\$54.0 million, which included US\$48.9 million denominated in Vietnamese Dong, US\$4.6 million denominated in US dollar and US\$0.5 million denominated in New Taiwan Dollar).

## **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 at 31 December 2024, 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 31 December 2024, the Group had 1,014 employees (2023: 1,109). The total amount of salaries and related costs for the year ended 31 December 2024 amounted to approximately US\$10.5 million (2023: US\$12.0 million).

## **PROSPECTS**

Looking forward into 2025, given the global shift into a cycle of interest rate cuts, declining international oil prices and commodity prices, and slowing of inflation in various countries, which are conducive to stimulate market demand, the outlook for stable economic growth in the coming year remains uncertainties due to risks arising from tariffs and protectionist policies of the new U.S. administration.

As awareness of environmental protection grows, the Vietnamese government has actively promoted a motorbike emission control policy to reduce environmental pollution. Such initiative encourages consumers to replace their old vehicles with new models that are compliant with the government's regulations, thereby increasing the overall demand for replacement of motorbikes in Vietnam's motorcycle market. The Group will capitalize on this opportunity and continuously enhance its overall operational flexibility by actively developing new products and increasing its scale of production. Greater emphasis is placed on meeting consumer needs to create momentum for sales growth, with a view to improving profitability. In terms of products, the Company plans to launch two to three new or upgraded motorbike models in the Vietnam market, including scooters and cub motorbikes. This aims to enhance product diversification and profitability, while providing consumers with environmentally friendly, convenient and affordable products. In marketing promotion and sales channels, we will integrate online and offline promotional resources, strengthen brand advertising, and continue to expand our sales and maintenance service outlets to provide better maintenance and repair services to consumers who purchase the Group's products, thereby enhancing the customers' brand loyalty for the growth of our potential consumer base. For global expansion, the Group will continue to optimize its product portfolio in ASEAN countries to boost market share and profitability. We will actively explore new channels and markets, including Italy, Germany and France, by strengthening brand positioning and competitive advantages to enhance the Group's performance.

In regard to our manufacturing plants and facilities, as the Vietnamese government accelerated the pace of urbanisation and societal transformation, the Group has relocated the manufacturing facilities in Bien Hoa City of Dong Nai Province to Nhon Trach Industrial Zone II in 2019. The Group will continue to review the strategic function value and asset value of the manufacturing plants and facilities in Bien Hoa City of Dong Nai Province, or the potential return on land development. In addition, as disclosed in the announcement of the Company dated 14 May 2018, the Group proposed to establish a joint venture company for the purpose of investing in and development of a project of the Group in connection with the plots of land located at La Khe Ward, Ha Tay District, Hanoi City, Vietnam. As of the date of this announcement, the Group is still in discussion and negotiation with the relevant government authorities and the joint venture partner as to the application for the land development project and the timetable for the establishment of the joint venture company. Upon the formal documents for the approval of land development are issued by the Vietnamese government authorities, the manufacturing facilities of the Group in Ha Tay District will be moved out of their current location.

The Group will seize all development opportunities to drive business growth while proactively enhancing long-term profitability and maximizing returns for 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 31 December 2024:

	Net proceeds from the initial public offering as stated in the Prospectus and the Announcement <i>Approximately</i> <i>in</i> <i>US\$’ million</i>	Balance unutilised as at 1 January 2024 <i>Approximately</i> <i>in</i> <i>US\$’ million</i>	Amount utilised during the year ended 31 December 2024 <i>Approximately</i> <i>in</i> <i>US\$’ million</i>	Balance unutilised as at 31 December 2024 <i>Approximately</i> <i>in</i> <i>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	2.5	0.5	2.0
Land development	19.3	15.1	-	15.1
<b>Total</b>	<b>76.7</b>	<b>17.6</b>	<b>0.5</b>	<b>17.1</b>

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

As the application for the development of land project with the government authorities of Vietnam is still in progress, the unutilised amount of net proceeds is expected to be fully utilised by 2030.

## CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The Group had no material capital commitments and contingent liabilities as at 31 December 2024.

## MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the year ended 31 December 2024, the Group had no material acquisition or disposal of subsidiaries and associated companies.

## SIGNIFICANT INVESTMENT HELD

During the year ended 31 December 2024, 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 31 December 2024.

## **PLEDGE ON ASSETS**

As at 31 December 2024, the Group pledged its bank time deposits of US\$19,413,093 as securities for banking facilities granted to the Group.

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

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including treasury shares).

As at 31 December 2024, the Company did not hold any treasury shares.

## **SIGNIFICANT EVENT AFTER THE REPORTING PERIOD**

Subsequent to the year ended 31 December 2024 and up to the date of this announcement, there were no significant events that might affect the Group.

## **CORPORATE GOVERNANCE PRACTICES**

During the year ended 31 December 2024, 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 year ended 31 December 2024.

## **REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE**

The annual results for the year ended 31 December 2024 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.

## **SCOPE OF WORK OF KPMG**

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been compared by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor.

## **ANNUAL GENERAL MEETING AND BOOK CLOSURE FOR ENTITLEMENT OF ATTENDING THE MEETING**

The forthcoming annual general meeting (“AGM”) of the Company will be held on Friday, 27 June 2025. Notice of the AGM will be published and issued to the shareholders of the Company in due course. For determining the entitlement to attend and vote in the AGM, the register of members of the Company will be closed from Tuesday, 24 June 2025 to Friday, 27 June 2025 (both days inclusive) during which period no transfer of shares of the Company will be registered. In order to qualify for the attendance of the AGM, all transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 23 June 2025. Shareholders of the Company whose names are recorded in the register of members of the Company on 27 June 2025 are entitled to attend and vote at the AGM.

## **FINAL DIVIDEND**

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: nil).

## **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 year ended 31 December 2024 and up to the date of this announcement.

## **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This annual results announcement is published on the HKEXnews website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company’s website at [www.vmeph.com](http://www.vmeph.com). The 2024 annual 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 over last year.

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

Hong Kong, 12 March 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.*