

# VMEPH

## V i e t n a m

**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)



**ANNUAL  
REPORT  
2025**



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### BOARD OF DIRECTORS

#### Executive Directors

Ms. Yeh Huei Fen (*Chairperson*) (*appointed on 10 February 2026*)  
Ms. Wu Jui Chiao (*Chief Executive Officer*)  
Mr. Lin Chun Yu  
Mr. Liu Wu Hsiung (*resigned on 10 February 2026*)

#### Non-executive Directors

Ms. Wu Li Chu  
Mr. Chen Hsu Pin  
Mr. Liu Ju Cheng

#### Independent Non-executive Directors

Ms. Lin Ching Ching  
Ms. Wu Hui Lan  
Ms. Yu Yi Jhen (*appointed on 12 November 2025*)  
Mr. Cheung On Kit Andrew (*passed away on 18 August 2025*)

### AUDIT COMMITTEE

Ms. Lin Ching Ching (*Chairperson*)  
Ms. Wu Hui Lan  
Ms. Yu Yi Jhen (*appointed on 12 November 2025*)  
Mr. Cheung On Kit Andrew (*passed away on 18 August 2025*)

### REMUNERATION COMMITTEE

Ms. Lin Ching Ching (*Chairperson*)  
Ms. Wu Hui Lan  
Ms. Yeh Huei Fen (*appointed on 10 February 2026*)  
Mr. Liu Wu Hsiung (*resigned on 10 February 2026*)

### NOMINATION COMMITTEE

Ms. Lin Ching Ching (*Chairperson*)  
(*appointed as the Chairperson on 10 February 2026*)  
Ms. Yu Yi Jhen (*appointed on 12 November 2025*)  
Mr. Chen Hsu Pin (*appointed on 10 February 2026*)  
Mr. Cheung On Kit Andrew (*passed away on 18 August 2025*)  
Mr. Liu Wu Hsiung (*resigned on 10 February 2026*)

### AUTHORISED REPRESENTATIVES

Ms. Yeh Huei Fen (*appointed on 10 February 2026*)  
Ms. Au Wing Han (*appointed on 12 March 2026*)  
Mr. Liu Wu Hsiung (*resigned on 10 February 2026*)  
Ms. Lee Angel Pui Shan (*resigned on 12 March 2026*)

### COMPANY SECRETARY

Ms. Au Wing Han (*appointed on 12 March 2026*)  
Ms. Lee Angel Pui Shan (*resigned on 12 March 2026*)

### AUDITOR

KPMG  
Certified Public Accountants  
Public Interest Entity Auditor registered in accordance  
with the Accounting and Financial Reporting Council  
Ordinance

### LEGAL ADVISER

Norton Rose Fulbright Hong Kong

### REGISTERED OFFICE

Cricket Square, Hutchins Drive  
P.O. Box 2681, Grand Cayman KY1-1111  
Cayman Islands

### HEAD OFFICE

Section 5, Tam Hiep Ward, Bien Hoa City  
Dong Nai, Vietnam

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Dah Sing Financial Centre  
No. 248 Queen's Road East  
Wanchai, Hong Kong

### CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited  
Suite 3204, Unit 2A, Block 3  
Building D, P.O. Box 1586, Gardenia Court  
Camana Bay, Grand Cayman, KY1-1100  
Cayman Islands

### HONG KONG BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited  
Shops 1712-16, 17th Floor, Hopewell Centre  
183 Queen's Road East, Wanchai, Hong Kong

### PRINCIPAL BANKERS

Asia Commercial Bank  
Joint Stock Commercial Bank for Foreign Trade of Vietnam

### STOCK CODE

422

### COMPANY'S WEBSITE AND CONTACT

www.vmeph.com  
Tel: (886) 3597 2788  
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# Financial Summary



The following is a summary of the consolidated results and consolidated assets and liabilities of Vietnam Manufacturing and Export Processing (Holdings) Limited (the "Company") and its subsidiaries (collectively, the "Group") for the last five financial years:

	2025 US\$'M	2024 US\$'M	2023 US\$'M	2022 US\$'M	2021 US\$'M
<b>RESULTS</b>					
Revenue	<b>87.0</b>	81.1	105.1	132.9	93.0
Gross profit	<b>7.6</b>	7.3	15.5	13.6	5.9
Results from operations	<b>8.3</b>	(2.8)	1.9	0.6	(6.6)
Profit/(loss) before taxation	<b>6.9</b>	(3.5)	1.9	(0.04)	(5.6)
Profit/(loss) attributable to equity shareholders	<b>4.6</b>	(3.8)	1.7	(0.2)	(5.6)
Profit/(loss) per share (US\$) (Note 1)	<b>0.0051</b>	(0.0042)	0.0019	(0.0002)	(0.01)
<b>ASSETS AND LIABILITIES</b>					
Total assets	<b>103.7</b>	103.4	106.1	127.0	113.7
Total liabilities	<b>55.2</b>	58.4	55.0	76.1	61.1
Net assets	<b>48.5</b>	45.0	51.1	50.9	52.6
Equity attributable to equity shareholders	<b>48.5</b>	45.0	51.1	50.9	52.6
Return on equity (%)	<b>9.5</b>	(8.4)	3.3	(0.4)	(10.6)
Current ratio (times) (Note 2)	<b>1.8</b>	1.7	1.8	1.6	1.8
Gearing ratio (%) (Note 3)	<b>77</b>	75	84	79	69

Notes:

1. The calculation of profit/(loss) per share for above is based on the profit/(loss) attributable to equity shareholders and the weighted average number of ordinary shares in issue (i.e. 907,680,000 shares) of the Company during the year.
2. Current ratio is calculated by dividing current assets by current liabilities.
3. Gearing ratio is equal to total bank loans divided by total equity times 100%.

## 4 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.

### OPERATING ENVIRONMENT

In 2025, the overall global economy maintained a moderate growth while a number of uncertainties remained. Heightened geopolitical tensions and the resurgence of trade protectionism introduced variables into the international trade environment and exerted pressure on the stability of global supply chains. Fluctuations in raw material prices and transportation costs further increased uncertainties in the operating environment of the manufacturing sector. Against such macroeconomic backdrop, Vietnam's economy demonstrated relatively solid resilience. According to official statistics of Vietnam, the country's gross domestic product (GDP) recorded a growth rate of approximately 8.02% in 2025, primarily attributable to the continued development of manufacturing exports, sustained inflow of foreign direct investment and support from domestic demand, with overall economic momentum remaining stable.

On the basis of overall economic growth, the Vietnam motorcycle market maintained a stable scale in 2025. Vietnam has long been one of the markets with a high motorcycle ownership rate globally, and motorcycles remain the primary mode of transportation in both urban and rural areas. According to statistics from the Vietnam Association of Motorcycle Manufacturers, the aggregate sales volume of the top five foreign direct investment manufacturers in Vietnam amounted to 2,615,057 motorbikes in 2025, representing a slight decrease 1.5% as compared to the corresponding period of previous year. Such decline reflected a more prudent demand sentiment amid changes in the macroeconomic environment and the transformation of market structure.

In 2025, the Vietnamese government continued to promote policies aimed at improving air quality and reducing emissions, and studied measures to impose phased restrictions on high-emission vehicles operating in designated areas. Influenced by policy direction and the rising environmental awareness among consumers, the electric motorcycle market recorded notable growth, and the competitive landscape of the industry gradually evolved. Nevertheless, fuel-powered motorcycles continue to possess advantages in terms of price affordability, convenience of refuelling and the maturity of maintenance networks, and are expected to maintain a dominant market position in the short term.

Overall, the Vietnam motorcycle market is undergoing a structural transformation. Against the backdrop of policy initiatives and intensifying market competition, the industry presents both opportunities and challenges. Under the above operating environment and industry transformation pressures, the management of the Group will continue to respond prudently to market changes, promote the steady development of its business, proactively explore potential business opportunities and sustainable development prospects, with a view to enhancing its profitability and long-term competitiveness.

### BUSINESS REVIEW

The Group saw both growth and decline in its main sales regions. The Group sold an aggregate of approximately 38,100 units (which was comprised of approximately 10,700 units of scooters and 27,400 units of cubs) in Vietnam for the year ended 31 December 2025, representing a decrease of 26.3% compared to the corresponding period of the previous year. The Group sold an aggregate of approximately 33,800 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 2025, representing an increase of 22.5% compared to the corresponding period of the previous year.

In 2025, the Group's sales in the Vietnam market were subject to certain pressure. As the Vietnamese government continued to review and announce regulatory and environmental policy directions relating to fuel-powered motorcycles, uncertainties remained in the market regarding their future usage environment, leading certain consumers to adopt a more cautious approach in their purchasing decisions. Meanwhile, domestic and foreign brands in Vietnam actively promoted competitively priced electric motorcycle products, which exerted substitution pressure on entry-level fuel-powered models. Amid an overall slowdown in market demand, intensified promotional activities across various brands further heightened market competition.

To respond to market changes, the Group continued to optimise its product portfolio and launched new models, including NAGA 150 and TPBW 125, targeting the 150cc and 125cc segments respectively, in order to enhance product competitiveness and diversify market risks. NAGA 150 strengthened the Group's presence in the mid-to-high displacement segment, contributing to the optimisation of its product mix and the enhancement of its value positioning. TPBW 125 targets urban commuters, responding to market demand for fuel efficiency and practicality. The introduction of the aforesaid new models further enriched the Group's product portfolio, catering to the needs of different consumer segments and laying a solid foundation for the stabilisation of its sales structure and the enhancement of its brand vitality in the medium to long term. Meanwhile, the Group reallocated its marketing resources and strengthened its presence in rural markets in order to diversify risks arising from regional policy impacts. By promoting a common platform strategy for domestic and export models and optimising its regional distribution network, the Group expanded its market coverage and stabilised its sales foundation.

# Management Discussion and Analysis



## BUSINESS REVIEW (Continued)

In respect of its export business, the Group continued to deepen its regional presence. Amid the overall recovery of the ASEAN motorcycle market and stable demand, the Group recorded sales growth in core markets such as Malaysia and the Philippines. In the Malaysian market, the Group enhanced its competitiveness by optimising its product mix and introducing models aligned with local consumer preferences. In the Philippine market, overall motorcycle demand remained stable, supported by commuting and commercial usage needs. The Group continued to strengthen its distribution network and product positioning to consolidate its market base.

In addition to consolidating its core ASEAN markets, the Group also continued to expand into the European market. Leveraging its accumulated experience in product development and market operations in the ASEAN markets, the Group introduced models tailored to the needs of key customer segments in Europe and progressively optimised local product offerings to enhance market competitiveness. Through expanding into diversified regional markets and adjusting its product mix, the Group further mitigated risks arising from fluctuations in any single market, optimised its export structure and enhanced overall operational stability. The Group will continue to improve its operational efficiency and product competitiveness to respond flexibly to evolving market conditions.

## FINANCIAL REVIEW

The Group's net profit for the year ended 31 December 2025, was US\$4.6 million, compared to a net loss of US\$3.8 million for the year ended 31 December 2024, representing an increase of US\$8.4 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 2025 increased to US\$87.0 million from US\$81.1 million for the year ended 31 December 2024, representing an increase of US\$5.9 million or 7.3%. The growth in revenue was primarily driven by the increase in export sales volume and the improvement in product mix. The relatively higher average selling prices of products in the European market contributed positively to revenue and partially offset the decline in sales in the Vietnam market. In addition, the Group continued to increase the proportion of mid-to-high models in its sales mix, which helped optimise its revenue structure.

In terms of geographical contribution, approximately 36.8% of total revenue was generated from the domestic market in Vietnam for the year ended 31 December 2025 as compared with approximately 50.3% for the year ended 31 December 2024. Revenue from domestic sales in Vietnam decreased by 21.6% from US\$40.8 million for the year ended 31 December 2024 to US\$32.0 million for the year ended 31 December 2025. Revenue from export sales increased by 36.5% from US\$40.3 million for the year ended 31 December 2024 to US\$55.0 million for the year ended 31 December 2025.

### COST OF SALES

The Group's cost of sales increased by 7.6%, from US\$73.9 million for the year ended 31 December 2024 to US\$79.5 million for the year ended 31 December 2025. The Group's cost of sales mainly comprised raw material costs and direct labour costs. The increase was primarily attributable to changes in product mix. Nevertheless, the Group continued to optimise its procurement strategies and strengthen supply chain management to enhance its bargaining power and production efficiency, thereby partially mitigating the impact of rising costs.

As a percentage of total revenue, the Group's cost of sales increased from 91.0% for the year ended 31 December 2024 to 91.3% for the year ended 31 December 2025, which remained broadly in line with those of the previous year.

### GROSS PROFIT AND GROSS PROFIT MARGIN

For the year ended 31 December 2025, the Group recorded a gross profit and gross profit margin of approximately US\$7.6 million and 8.7% respectively (for the year ended 31 December 2024: gross profit and gross profit margin of approximately US\$7.3 million and 9.0% respectively), the gross profit and gross profit margin were broadly in line with those of the previous year.

### OTHER INCOME

The Group's other income increased from US\$0.7 million for the year ended 31 December 2024 to US\$11.3 million for the year ended 31 December 2025. The increase was primarily attributable to the completion of the transfer of the land use rights and related assets located in Bien Hoa City, Dong Nai Province, Vietnam on 22 December 2025. For the year ended 31 December 2025, the Group recorded other income of approximately US\$10.3 million arising from such transfer.

### DISTRIBUTION EXPENSES

The Group's distribution expenses were broadly in line with those of the previous year, amounting to US\$4.2 million for the year ended 31 December 2025 as compared with US\$4.2 million for the year ended 31 December 2024.

## 6 Management Discussion and Analysis

### ADMINISTRATIVE AND OTHER OPERATING EXPENSES

The Group's administrative and other operating expenses decreased by 4.5% from US\$6.6 million for the year ended 31 December 2024 to US\$6.3 million for the year ended 31 December 2025, reflecting the Group's continued efforts to enhance operational efficiency and effectively control related expenses. The Group's administrative and other operating expenses are 7.3% of the Group's total revenue for the year ended 31 December 2025.

### RESULTS FROM OPERATIONS

As a result of the factors discussed above, for the year ended 31 December 2025, the Group recorded a profit from operating of US\$8.3 million (for the year ended 31 December 2024: loss from operations of US\$2.8 million).

### IMPAIRMENT LOSS ON 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 newly 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 (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\$0.3 million on the other property, plant and equipment was required as at 31 December 2025.

### NET FINANCE COST

The Group's net finance cost increased from US\$0.1 million for the year ended 31 December 2024 to US\$1.1 million for the year ended 31 December 2025. Such increase was mainly attributable to (1) a decrease in bank interest income by US\$0.2 million, (2) an increase in foreign exchange loss of US\$0.5 million arising from fluctuation of the Vietnamese Dong against the US dollar and (3) an increase in bank interest and lease liabilities interest expense by US\$0.3 million.

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

As a result of the above factors, the Group recorded a net profit of US\$4.6 million for the year ended 31 December 2025, as compared with a net loss of US\$3.8 million for the year ended 31 December 2024, representing an improvement of US\$8.4 million. The Group recorded a net loss margin of 4.7% for the year ended 31 December 2024, which improved to a net profit margin of 5.3% for the year ended 31 December 2025.

### LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2025, the Group's net current assets amounted to US\$45.0 million (31 December 2024: US\$39.3 million) which consisted of current assets of US\$99.6 million (31 December 2024: US\$95.6 million) and current liabilities of US\$54.6 million (31 December 2024: US\$56.3 million).

As at 31 December 2025, the Group's interest-bearing loans repayable within one year was US\$37.2 million (31 December 2024: US\$33.8 million). As at 31 December 2025, the Group had no interest-bearing loans repayable beyond one year (31 December 2024: nil). As at 31 December 2025, the gearing ratio was 76.7% (31 December 2024: 75.2%) calculated by dividing total bank loans by total shareholders' equity.

As at 31 December 2025, the Group's cash and bank balances (including time deposits), amounted to US\$58.9 million, which included US\$48.3 million denominated in Vietnamese Dong, US\$10.0 million denominated in US dollar and US\$0.6 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).

### 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 2025, the Group did not use any financial instrument to hedge its foreign exchange risks.

### KEY FINANCIAL INDICATORS

For details of the key financial performance indicators to the performance of the Group's business, please refer to "Financial Summary" on page 3 of this annual report.

### CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The Group had no material capital commitments and contingent liabilities as at 31 December 2025.

# Management Discussion and Analysis



## MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the year ended 31 December 2025, the Group had no material acquisition or disposal of subsidiaries and associated companies.

## SIGNIFICANT INVESTMENT HELD

During the year ended 31 December 2025, the Group did not hold any significant investment.

## FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this report, the Group did not have any other specific plan for material investments or acquisitions of capital assets as at 31 December 2025.

## PLEDGE ON ASSETS

As at 31 December 2025, the Group pledged its bank time deposits of US\$15,040,074 as securities for banking facilities granted to the Group.

## 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 2025, the Group had 933 employees (2024: 1,014). The total amount of salaries and related costs for the year ended 31 December 2025 amounted to approximately US\$9.5 million (2024: US\$10.5 million).

## SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

Subsequent to the year ended 31 December 2025 and up to the date of this report, there were no significant events that might affect the Group.

## PROSPECTS

Looking ahead to 2026, the global economy is expected to maintain moderate growth. However, geopolitical developments, changes in the trade environment and fluctuations in commodity prices may continue to create uncertainties in international markets. As one of the major manufacturing and export bases, Vietnam continues to attract foreign investment and deepen regional economic cooperation. Several international institutions have projected that Vietnam's economy will remain on a steady growth trajectory in 2026.

With increasing environmental awareness, the Vietnamese government continues to promote policies relating to urban traffic management and emission control, and certain cities are studying or implementing such measures in phases. As policy directions are progressively advanced, the market is expected to undergo ongoing structural adjustments. The penetration rate of electric motorcycles is expected to increase gradually. However, fuel-powered motorcycles continue to maintain advantages in terms of price affordability and refuelling convenience and are expected to retain a certain market base in non-restricted areas, as well as in secondary and tertiary cities and rural areas, supported by daily commuting demand. Industry competition is expected to place greater emphasis on product positioning, technological upgrades and improvements in channel efficiency.

In response to changes market and policy developments, the Group will continue to optimise its product mix and introduce new models in Vietnam and overseas markets to meet the needs of different markets and customer segments. In respect of marketing and sales channels, the Group will integrate online and offline resources, strengthen brand promotion and enhance its after-sales service network, with a view to improving service quality and brand competitiveness. Meanwhile, the Group will continue to optimise its overseas market presence, diversify regional risks and prudently pursue the long-term and steady development of its business.

The Group will seize all development opportunities and pursue new opportunities to drive business growth while proactively enhancing long-term profitability and maximizing returns for the shareholders of the Company.

## 8 Management Discussion and Analysis

### 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 2025:

<b>Net proceeds from the initial public offering as stated in the Prospectus and the Announcement</b> <i>Approximately in US\$' million</i>	<b>Balance unutilised as at 1 January 2025</b> <i>Approximately in US\$' million</i>	<b>Amount utilised during the year ended 31 December 2025</b> <i>Approximately in US\$' million</i>	<b>Balance unutilised as at 31 December 2025</b> <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	0.3
Land development	19.3	15.1	–
<b>Total</b>	<b>76.7</b>	<b>17.1</b>	<b>0.3</b>
			<b>16.8</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.

### REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE

The annual results for the year ended 31 December 2025 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.

### FINAL DIVIDEND

The board (the "Board") of directors (the "Director(s)") of the Company (the "Board") does not recommend the payment of a final dividend for the year ended 31 December 2025.

### 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**  
**Yeh Huei Fen**  
*Chairperson*

Hong Kong, 12 March 2026

# Corporate Governance Report



The Board is committed to maintaining high standards of corporate governance. The principles of corporate governance adopted by the Company emphasize a Board of high quality, sound internal control, transparency and accountability to all Shareholders.

## CORPORATE CULTURE

While staying the concept of “Quality First and Customer Satisfaction”, the Company is committed to building a positive and progressive culture in terms of the vision, mission and values.

The Company strictly complies with national laws and regulations, continuously improves the corporate governance structure, and makes efforts to enhance the level of corporate governance. The Company will continue to carry forward the corporate culture of integrity, take a high standard of business ethics as a criterion to follow for business development and actively shoulder and fulfill our responsibilities in environmental protection, striving to lay a good foundation for high-quality and sustainable development of the Company and continuously create value for shareholders, customers, employees and society.

Details of the corporate culture, business strategies and business models of the Company are set out in the “Management Discussion and Analysis” and “Environmental, Social and Governance Report” sections of this annual report.

## CORPORATE GOVERNANCE PRACTICES

During the year ended 31 December 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 (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

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 2025.

## THE BOARD OF DIRECTORS

The Board has a balance of skills and experience and a balanced composition of executive Directors and non-executive Directors and is responsible for the oversight of the management of the Group’s business and affairs.

The principal roles of the Board are:

- (a) to set the Group’s objectives, strategies, policies and business plan;
- (b) to monitor and control operating and financial performance by deciding the annual budget; and
- (c) to set appropriate policies to manage risks in pursuit of the Group’s strategic objectives.

The Board has delegated the day-to-day operational responsibilities to the executive Directors and senior management of the Company. The executive Directors and senior management of the Company, who meet on a regular basis and are accountable to the Board, collectively make principal management decisions according to the delegated authorities from the Board.

The Company has established mechanisms to ensure independent views and input are available to the Board including but not limited to, all Directors are entitled to retain independent professional advisors as and when it is required, all Directors are encouraged to express their views in an open and candid manner during the Board or committees meetings and that the number of independent non-executive Directors comply with the requirements of the Listing Rules that at least one-third of the Board members are independent non-executive Directors. The implementation and effectiveness of such mechanisms are reviewed on an annual basis by the Board.

## COMPOSITION OF THE BOARD

The members of the Board for the year ended 31 December 2025 and as at the date of this annual report are:

### Executive Directors

Ms. Yeh Huei Fen (*Chairperson*) (*appointed on 10 February 2026*)

Ms. Wu Jui Chiao (*Chief Executive Officer*)

Mr. Lin Chun Yu

Mr. Liu Wu Hsiung (*resigned on 10 February 2026*)

### Non-executive Directors

Ms. Wu Li Chu

Mr. Chen Hsu Pin

Mr. Liu Ju Cheng

### Independent Non-executive Directors

Ms. Lin Ching Ching

Ms. Wu Hui Lan

Ms. Yu Yi Jhen (*appointed on 12 November 2025*)

Mr. Cheung On Kit Andrew (*passed away on 18 August 2025*)

Following the passing of Mr. Cheung On Kit Andrew on 18 August 2025, the Company was not in compliance with (i) the minimum number of independent non-executive directors as required under Rule 3.10(1) of the Listing Rules; (ii) the number of independent non-executive directors representing at least one-third of the Board as required under Rule 3.10A of the Listing Rules; (iii) the minimum number of members in the audit committee as required under Rule 3.21 of the Listing Rules; and (iv) the requirement under Rule 3.27A of the Listing Rule that the nomination committee must be comprise a majority of independent non-executive directors, for the period from 18 August 2025 to 12 November 2025. As disclosed in the announcement of the Company dated 12 November 2025, following the appointment of Ms. Yu Yi Jhen as an independent non-executive Director, a member of the Audit Committee and the Nomination Committee, the Company has complied with the aforesaid requirements.

Save as disclosed in this annual report, the Directors (including the Chairperson of the Board and the chief executive officer) have no financial, business, family or other material/relevant relationships with each other. The biographical details of the current Directors are set out in the "Directors and Senior Management Profile" section on pages 20 to 21 of this annual report.

The Company has also maintained on its website and that of the Stock Exchange an updated list of the Directors identifying their roles and functions. The independent non-executive Directors are explicitly identified in all of the Company's corporate communications.



## BOARD MEETINGS AND GENERAL MEETINGS

A Board meeting is held at least quarterly, and more frequently as and when business or operational needs arise. The Board meetings are also held whenever necessary to discuss various corporate matters including corporate actions, new major investments and significant changes in regulatory requirements that affect the Group. Board meetings are also held to discuss and review the quarterly, interim and annual results of the Group before the publication of results announcements, and to discuss and approve the Group's annual budget and business plans.

9 Board meetings and 2 general meetings (including annual general meeting and extraordinary general meeting) were held during the year ended 31 December 2025. The attendance record of each Director at the Board meetings and the general meetings is set out in the table below:

Name of Directors	Number of Attendance/ Number of Meetings during Tenure	
	Board meetings	General meetings
Mr. Liu Wu Hsiung ( <i>resigned on 10 February 2026</i> )	9/9	2/2
Ms. Wu Jui Chiao	9/9	2/2
Mr. Lin Chun Yu	9/9	2/2
Ms. Wu Li Chu	8/9	0/2
Mr. Chen Hsu Pin	8/9	0/2
Mr. Liu Ju Cheng	9/9	0/2
Ms. Lin Ching Ching	9/9	2/2
Ms. Wu Hui Lan	9/9	2/2
Ms. Yu Yi Jhen ( <i>appointed on 12 November 2025</i> )	1/1	0/0
Mr. Cheung On Kit Andrew ( <i>passed away on 18 August 2025</i> )	6/7	2/2

Minutes of Board meetings and Board committee meetings are recorded in appropriate detail and are kept by the Company appropriately. Draft minutes are circulated to the Directors for comment within a reasonable period of time after each meeting and the final version is open for the Directors' inspection. If necessary, the Directors may, upon reasonable request, seek independent professional advice in appropriate circumstances, at the Company's expense.

All Directors have confirmed that they have devoted sufficient time and attention to the affairs of the Group during their tenure for the year ended 31 December 2025. In addition, the Directors have timely disclosed to the Company their other commitments, including directorships in other public listed companies and other major appointments, and have notified the Company of any subsequent changes. As at the date of this report, none of the independent non-executive Directors holds directorships in more than 3 listed companies (including the Company).

## THE CHAIRPERSON AND CHIEF EXECUTIVE OFFICER

Under code provision C.2.1 of the Code, the roles of the Chairperson and the chief executive officer should be separated and should not be performed by the same individual. As at the date of this report, the Chairperson and chief executive officer of the Company are Ms. Yeh Huei Fen and Ms. Wu Jui Chiao respectively.

The roles and responsibilities of the Chairperson and the chief executive officer of the Company are separated so as to ensure a balance of power and authority. This balance ensures that all matters brought before the Board are fully and objectively discussed, taking into account the interests of Shareholders as a whole, including in particular, those of the minority Shareholders.

## TERM OF NON-EXECUTIVE DIRECTORS

Each of the non-executive Directors (including the independent non-executive Directors) is appointed for a specific term of three years, subject to re-election at annual general meetings of the Company in accordance with the articles of association of the Company ("Articles of Association").

## CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received written confirmations from each of the independent non-executive Directors of their independence pursuant to the factors set out in Rule 3.13 of the Listing Rules and considers them are independent.

## REMUNERATION OF DIRECTORS AND FIVE EMPLOYEES WITH HIGHEST EMOLUMENTS

Details of the remuneration of the Directors and five employees with the highest remuneration for the year ended 31 December 2025 are set out in note 8 and note 9 to the consolidated financial statements, respectively.

**BOARD COMMITTEES**

The Company currently maintains three board committees (namely the audit committee, the remuneration committee and the nomination committee) with defined terms of reference which are posted on the websites of the Company and the Stock Exchange.

**REMUNERATION COMMITTEE**

The Company has established a remuneration committee (the “Remuneration Committee”) which consists of two independent non-executive Directors and one executive Director. The members of the Remuneration Committee for the year ended 31 December 2025 were Ms. Lin Ching Ching (Chairperson), Ms. Wu Hui Lan and Mr. Liu Wu Hsiung.

The Remuneration Committee is responsible for ensuring that the Company has formal and transparent procedures for developing and overseeing its policies on the remuneration of the Directors and senior management of the Company. The Remuneration Committee’s authorities and duties are set out in its written terms of reference.

The terms of reference of the Remuneration Committee are aligned with the relevant provisions under the Code. The primary duties of the Remuneration Committee include:

- (a) considering and recommending the Board on the Company’s policy and structure of remuneration of the Directors and senior management of the Company and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (b) recommending the Board on the specific remuneration packages of the executive Directors and senior management of the Company;
- (c) recommending for the Board’s approval the remuneration of the non-executive Directors;
- (d) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;
- (e) reviewing and approving the compensation payable to the executive Directors and senior management of the Company in connection with any loss or termination of their office or appointment,
- (f) reviewing and approving compensative arrangements relating to dismissal or removal of Directors for misconduct; and
- (g) reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules.

During the year ended 31 December 2025, the Remuneration Committee held three meetings. The Remuneration Committee recommended to the Board on the overall remuneration policy and structure relating to executive Directors and senior management of the Company and ensure none of the Directors determine their own remuneration. The Remuneration Committee also reviewed the discretionary bonuses for the two executive Directors, with a recommendation to the Board for approval. It also approved and recommended to the Board of the remuneration of the new independent non-executive Director.

The individual attendance record of each member of the meetings of the Remuneration Committee during the year ended 31 December 2025 is set out below:

<b>Name of Directors</b>	<b>Number of Attendance/ Number of Committee Meetings during Tenure</b>
Ms. Lin Ching Ching	3/3
Ms. Wu Hui Lan	3/3
Mr. Liu Wu Hsiung <i>(resigned on 10 February 2026)</i>	3/3



## AUDIT COMMITTEE

The Company has established an audit committee (the “Audit Committee”) which consists of three independent non-executive Directors. The members of the Audit Committee for the year ended 31 December 2025 were Ms. Lin Ching Ching (Chairperson), Mr. Cheung On Kit Andrew (passed away on 18 August 2025), Ms. Wu Hui Lan and Ms. Yu Yi Jhen (appointed on 12 November 2025).

The terms of reference of the Audit Committee are aligned with the relevant provisions set out in the Code. The primary duties of the Audit Committee include:

- (a) considering, and making recommendation to the Board on, the appointment, reappointment and removal of the external auditor, and approving the audit fee and other terms of engagement of the external auditor, and any questions of resignation or dismissal of the external auditor;
- (b) discussing with external auditors before the audit commences, the nature and scope of the audit and reporting obligations;
- (c) reviewing quarterly, interim and annual financial statements before submission to the Board;
- (d) discussing problems and reservations arising from the audits, and any matters the external auditors may wish to discuss; and
- (e) considering and reviewing the Company’s financial report, risk management and internal control systems.

During the year ended 31 December 2025, the Audit Committee held four meetings and performed their duties. The Audit Committee met with the external auditors to discuss and review areas of concern, risk management and internal control system, and reviewed the interim and annual financial statements of the Group before submission to the Board. The Audit Committee has reviewed with management of the Company the accounting principles and practices adopted by the Group and discussed risk management and internal control and financial reporting matters including the review of the audited financial statements, the interim and annual reports. The Audit Committee received comprehensive reports from the management and the internal and external auditors of the Company for the meetings held. The annual results for the year ended 31 December 2025 have been reviewed by the Auditor Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements.

The individual attendance record of each member at the meetings of the Audit Committee during the ended 31 December 2025 is set out below:

<b>Name of Directors</b>	<b>Number of Attendance/ Number of Committee Meetings during Tenure</b>
Ms. Lin Ching Ching	4/4
Ms. Wu Hui Lan	4/4
Ms. Yu Yi Jhen (appointed on 12 November 2025)	0/0
Mr. Cheung On Kit Andrew (passed away on 18 August 2025)	3/3

### **NOMINATION COMMITTEE**

The Company has established a nomination committee (the "Nomination Committee") which consists of two independent non-executive Directors and one executive Director. The members of the Nomination Committee for the year ended 31 December 2025 were Mr. Liu Wu Hsiung (Chairperson), Ms. Lin Ching Ching, Mr. Cheung On Kit Andrew (passed away on 18 August 2025) and Ms. Yu Yi Jhen (appointed on 12 November 2025).

The terms of reference of the Nomination Committee are aligned with the relevant provisions set out in the Code. The primary duties of the Nomination Committee include:

- (a) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually, assist the Board in maintaining a board skills matrix and to make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (b) to identify individuals who are suitably qualified to become a member of the Board and to select or make recommendations to the Board on the selection of individuals nominated for directorships;
- (c) to assess the independence of independent non-executive directors;
- (d) to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the Chairperson of the Board and the chief executive officer of the Company;
- (e) to support the Company's regular evaluation of the performance of the Board;
- (f) to review the Board's diversity policy on an annual basis; and make disclosure of its review results in the Corporate Governance Report annually;
- (g) to review and assess the time commitment and contribution to the Board by each director as well as the director's ability to discharge his or her responsibilities effectively; and
- (h) to consider other matters, as determined or assigned by the Board from time to time or otherwise required by the Listing Rules from time to time.

The role of the Nomination Committee is to make recommendations to the Board on the appointment of Directors, evaluation of Board composition and the management of Board succession with reference to certain guidelines as endorsed by the Nomination Committee. These guidelines include appropriate professional knowledge and industry experience, personal ethnics, integrity and personal skills, time commitments of members, diversity of the Board members, the potential contribution could be brought to the Board and the independency of the nominees for the position of independent non-executive Directors. During the year ended 31 December 2025, the Nomination Committee held two meetings to discuss the Board structure, size and composition, making a recommendation to the Board for approval of the appointment of a new Director and making recommendation as to which Directors shall retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

The procedures for nomination of Directors are summarised as follows:

- (i) The Nomination Committee shall invite nominations of candidates, if any, from members of the Board for consideration by the Nomination Committee.
- (ii) The Nomination Committee shall identify individuals suitably qualified to become Board members and make recommendations to the Board for consideration and approval.
- (iii) In respect of the appointment of any candidate as a member of the Board, the Nomination Committee shall conduct adequate due diligence on each candidate and make recommendations to the Board for consideration and approval.
- (iv) In respect of the re-appointment of any existing member of the Board, the Nomination Committee shall make recommendations to the Board for consideration and recommendation to shareholders for re-election at general meetings.



The individual attendance record of each member at the meetings of the Nomination Committee during the ended 31 December 2025 is set out below:

Name of Directors	Number of Attendance/ Number of Committee Meetings during Tenure
Mr. Liu Wu Hsiung ( <i>resigned on 10 February 2026</i> )	2/2
Ms. Lin Ching Ching	2/2
Ms. Yu Yi Jhen ( <i>appointed on 12 November 2025</i> )	0/0
Mr. Cheung On Kit Andrew ( <i>passed away on 18 August 2025</i> )	1/1

### Board Diversity Policy

The Company has adopted a board diversity policy which sets out the approach to achieve diversity of the Board members. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. The Nomination Committee considers that it has made progress on achieving diversity of the Board by including members of different gender and education background and professional qualifications.

In terms of gender diversity, the gender diversity and parity of the Board members has been demonstrated with four female Directors among nine Directors on the Board as at 31 December 2025. The Nomination Committee will continue to search for and identify suitably qualified candidates and make nomination recommendations to the Board as and when appropriate to ensure there will be successors to the Board from time to time to maintain gender diversity wherever necessary.

The Group has adopted the workforce diversity policy and is committed to establishing a diverse and inclusive workplace. Diversity is a core value embraced by the Group. The Group is committed to creating an inclusive and supportive working environment for its employees, such that individual differences are respected and employees are treated with dignity. The Group is also committed to fostering gender empowerment, gender equality and gender diversity across its workforce, and providing equal opportunities in relation to recruitment, training and development, compensation, and career and promotion opportunities.

As at 31 December 2025, the Group had 720 male employees and 213 female employees. Female employees accounted for approximately 22.8% and 24.2% of the Group's total workforce and senior management, respectively. The Group will continue to take gender diversity into consideration during recruitment and increase the female proportion at all levels over time with the ultimate goal of achieving gender parity, such that there is a pipeline of female senior management and potential successors to the Board in the future.

### EXTERNAL AUDITOR AND AUDITOR'S REMUNERATION

For the year ended 31 December 2025, the remunerations paid or payable to KPMG, the external auditor of the Company, in respect of its audit services and non-audit services are US\$358,015 and US\$60,130 (2024: US\$384,106 and US\$23,454), respectively. The non-audit services for the year of 2025 mainly consist of tax services.

There was no disagreement between the Board and the Auditor Committee on the selection and appointment of the external auditor during the year ended 31 December 2025.

## COMPANY SECRETARY

During the year ended 31 December 2025, Ms. Lee Angel Pui Shan (“Ms. Lee”) is the company secretary of the Company. She is a corporate secretarial executive of SWCS Corporate Services Group (Hong Kong) Limited (“SWCS”) and has extensive company secretarial professional experience. Ms. Lee was resigned as the company secretary of the Company on 12 March 2026 and Ms. Au Wing Han (“Ms. Au”) was appointed as the company secretary of the Company on the same day. Their primary contact person with the Company is Mr. Lin Chun Yu, the executive Director and the chief financial officer of the Company.

Ms. Lee is responsible for providing advice to the Board on corporate governance matters. Ms. Lee has confirmed that she has taken no less than 15 hours of relevant professional training for the year ended 31 December 2025.

## DIRECTORS’ RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors are responsible for ensuring that the Group keeps proper accounting records with reasonable accuracy of the financial position of the Group at the relevant time. The Directors are also responsible for ensuring that the preparation of the financial statements of the Group for the relevant accounting periods are in compliance with applicable statutory and regulatory requirements and that such financial statements give a true and fair view of the financial position, the financial performance and cashflows of the Group.

In preparing the financial statements of the Group for the year ended 31 December 2025, suitable accounting policies have been adopted and applied consistently. The Board is not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Group’s ability to continue in business. The financial statements of the Group for the reporting year have been prepared on a going concern basis.

## PERFORMANCE OF CORPORATE GOVERNANCE DUTIES

The Board is responsible for performing the corporate governance duties set out in paragraph A.2.1 of the Code. During the year ended 31 December 2025, the Board had reviewed the Group’s policies and practices on corporate governance and compliance with legal and regulatory requirements including monitors the Group of compliance with the corporate governance code during the year and the disclose in the corporate governance report. The Board also reviewed the training and continuous professional development of Directors and senior management of the Company.

## RISK MANAGEMENT AND INTERNAL CONTROL

The Group has set up the Internal Audit Department performs internal audit function and the Board is responsible for evaluating and determining the nature and extent of the risks (including material risks relating to environmental, social and governance) it is willing to take in achieving the Group’s strategic business objectives, and ensuring the Group establishes and maintains appropriate and effective risk management and internal control systems. The Board also reviews and monitors the effectiveness of the internal control and risk management systems at least annually to ensure that the systems in place are adequate. The internal control system of the Group aims to facilitate effective and efficient operation which in turn minimises the risks to which the Group is exposed. The system can only provide reasonable but not absolute assurance against misstatement or losses.

The Board has conducted a review of the risk management and internal control system of the Group for the year ended 31 December 2025, covering financial, operational and legal compliance controls and risk management system. The Board keeps monitoring the risk management system on an ongoing basis, ensuring a review of the effectiveness of the Group’s risk management system is conducted regularly. The Directors consider that the Group has implemented appropriate procedures safeguarding the Group’s assets against unauthorised use or misappropriation, maintaining proper accounting records, execution with appropriate authority and compliance of the relevant laws and regulations. In addition, the Board also considered the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group’s accounting and internal audit and financial reporting function. For the year ended 31 December 2025, the management of the Company has confirmed to the Board that the risk management and internal control systems of the Company are effective and adequate.

The Group recognises that good risk management is essential for the long-term development on the Group’s business. The management of the Company is responsible for establish, implement, review and evaluate the sound and effective internal control system underpinning the risk management framework. All employees are committed to implementing the risk management framework into the daily operation.

The internal audit reports (“IA Reports”) were issued by the management of the Company to the Audit Committee and the Board for review of the adequacy and effectiveness of the internal audit function. The issues raised in the IA Reports would be addressed and managed promptly by the management of the Company, and the Audit Committee and the Board are satisfied that there are adequate risk management and internal control systems in the Company.



## Process used to identify, evaluate and manage significant risks

During the process of risk assessment, the management of the Company is responsible for identifying the risk of the Group and deciding on the risk levels and the Board is responsible for assessing and determining the nature and extent of the risks that are acceptable to the Group when achieving its strategic objectives. After discussing and taking into consideration the risk response, the relevant departments and business units shall be assigned to implement the risk management solutions in accordance with their respective roles and responsibilities. In the event of significant internal control deficiencies, the management of the Company will report to the Audit Committee and the Board in a timely manner to ensure that the deficiencies are promptly addressed on a timely basis.

## Procedures and internal controls for the handling and dissemination of inside information

The Group complies with requirements of Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“SFO”) and the Listing Rules. The Group discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the safe harbours as provided in the SFO. Before the information is fully disclosed to the public, the Group ensures the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Group is committed to ensure that information contained in announcements or circulars are not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

## DIRECTORS’ CONTINUOUS PROFESSIONAL DEVELOPMENT

All Directors have been given relevant guideline materials regarding the duties and responsibilities of being a Director, the relevant laws and regulations applicable to the Directors, duty of disclosure of interest and business of the Group. And the newly appointed Directors were given an induction on the first occasion of his/her appointment so as to ensure that they have appropriate understanding of the Group’s business and of their duties and responsibilities under the Listing Rules and the relevant statutory and regulatory requirements.

Ms. Yu Yi Jhen was appointed as Directors on 12 November 2025. She received the legal opinion as stated in Rule 3.09D of the Listing Rules on 12 November 2025, and she has confirmed her understanding of the obligations as a director of the listed issuer.

All Directors confirmed that they have complied with the requirements on continuous professional development as set out in the Corporate Governance Code.

During the year ended 31 December 2025, the continuing professional development participated by the Directors is summarized as follows:

Name of Directors	Type of trainings	
	Training organized by professional organizations, including but not limited to conferences and webcast training relevant to regulatory and governance updates	Reading materials relating to the corporate governance and directors’ duties and responsibilities
Mr. Liu Wu Hsiung	✓	✓
Ms. Wu Jui Chiao	✓	✓
Mr. Lin Chun Yu	✓	✓
Ms. Wu Li Chu	✓	✓
Mr. Chen Hsu Pin	✓	✓
Mr. Liu Ju Cheng	✓	✓
Ms. Lin Ching Ching	✓	✓
Ms. Wu Hui Lan	✓	✓
Ms. Yu Yi Jhen	✓	✓

## SAFEGUARDING THE INTERESTS OF INDEPENDENT SHAREHOLDERS

Mechanisms are in place to safeguard the interests of independent Shareholders in the decision making process in relation to (i) the deed of non-competition dated 26 November 2007 entered into between Sanyang Motor Co., Ltd. the then executive and non-executive Directors (collectively, the “Covenantors”) and the Company (the “Deed of Non-competition”); and (ii) the continuing connected transactions entered into by the Group, as described below.

## DEED OF NON-COMPETITION

The independent non-executive Directors are to review whether or not to pursue any investment or other commercial opportunity referred to the Company by any of the Covenantors under the Deed of Non-competition (to the extent such opportunity arises and is referred by the Covenantors).

For the year ended 31 December 2025, each of the Covenantors also declares that it/he/she has complied with the Deed of Non-competition. Having made specific enquiries with all of the Covenantors, the independent non-executive Directors confirmed the Covenantors' compliance with the Deed of Non-competition for the year ended 31 December 2025.

## CONTINUING CONNECTED TRANSACTIONS

The continuing connected transactions entered into by the Group for the year ended 31 December 2025 were based on normal commercial terms, in the ordinary and usual course of business of the Group and were conducted on a fair and reasonable basis.

The independent non-executive Directors reviewed the terms of the continuing connected transactions entered into by the Group during the year ended 31 December 2025 to ensure that the terms of such transactions were in the best interests of the Company and the Shareholders as a whole.

The Company's external auditor, KPMG, reviewed the continuing connected transactions entered into by the Group during the year ended 31 December 2025 and provided a letter to the Board confirming (i) the matters set out in Rule 14A.56 of the Listing Rules; and (ii) that the amounts for the relevant continuing connected transactions have not exceeded the relevant proposed annual caps.

Details of the continuing connected transactions entered into by the Group during the year ended 31 December 2025 are set out on pages 26 to 28 of this annual report.

## INVESTOR AND SHAREHOLDERS RELATIONS

The Board recognizes the importance of maintaining clear, timely and effective communication with the Shareholders and the Company's investors. The Board also recognizes that the effective communication with the Company's investors is the key to establishing investor confidence and attracting new investors. The Company has adopted a formal shareholders' communication policy which sets out the channels of communication with the Shareholders and other stakeholders, including general meetings, corporate website and corporate communication which includes documents issued by the Company for the information and action of Shareholders including but not limited to annual/interim report, circulars and announcements. Shareholders may send by email to the Company's email address (info@vmeph.com) or by post to the Company's principal place of business in Hong Kong (40th Floor, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong) to raise enquiries regarding the Company to the Board.

The Group is committed to maintaining a high degree of transparency to ensure that the Company's investors and the Shareholders are receiving accurate, clear, comprehensive and timely information relating to the Group via the publication of annual reports, interim reports, quarterly reports, announcements and circulars on the website of the Stock Exchange, and also via the Company's website at [www.vmeph.com](http://www.vmeph.com).

The Board continues to maintain regular dialogue with institutional investors and analysts to keep them informed of the Group's strategies, operations, management and plans. The Directors and the committee members are available to answer questions in the annual general meeting of the Company. External auditors are also available at such annual general meeting to address Shareholders' queries. Separate resolutions are proposed at such annual general meeting on each substantially separate issue.

The Company has held the annual general meeting for the year ended 31 December 2024 on 27 June 2025. The annual general meeting enabled the Directors to exchange views with the Shareholders and answer their questions.

The Company has reviewed the shareholders' communication policy and its implementation, and believes that during the year ended 31 December 2025, the policy and its implementation remained effective.



## SHAREHOLDERS' RIGHTS

Shareholders may put forward their proposals or inquiries to the Board by sending their written request to the Company's principal place of business in Hong Kong at 40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong, for the attention of the Board.

### (a) Procedures for Shareholders to convene an extraordinary general meeting ("EGM")

The Board shall, on the requisition in writing of one or more Shareholders holding at the date of deposit of requisition of not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company on a one vote per share basis upon which all calls or other sums then due have been paid; and the EGM shall be held within two months after the deposit of such requisition. The written request, stating the objects or resolution of the EGM and signed by the Shareholders concerned, should be deposited at the Company's principal place of business in Hong Kong at 40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong, for the attention of the Board. If within twenty-one clear days of such deposit the Board fails to proceed to convene the EGM, the requisitionist(s) may convene an EGM in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

### (b) Procedures for putting forward proposals at shareholders' meeting

There are no provisions under the Company's Articles of Association or the Companies Act, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands regarding procedures for Shareholders to put forward proposals at general meetings other than a proposal of a person for election as Director. Shareholders may follow the procedures for convening an EGM in putting forward proposals at a general meeting.

Pursuant to Article 88 of the Company's Articles of Association, no person other than a retiring director shall, unless recommended by the Board for election, be eligible for election to the office of director at any general meeting, unless a Shareholder other than the person to be proposed shall have given a notice in writing of the intention to propose that person for election as a Director and also a notice in writing by that person of his willingness to be elected shall have been given to the Company in the period commencing no earlier than the day after the despatch of the notice of the meeting appointed for such election and ending no later than 7 clear days prior to the date of such meeting, provided that the minimum length of such notice period shall be at least 7 clear days. The written notice must state that person's biographical details as required by Rule 13.51(2) of the Listing Rules.

### (c) Shareholders' enquiries

Shareholders should direct their questions about their shareholdings to the Company's Hong Kong branch share registrar. Shareholders and potential investors of the Company may at any time make a request for the Company's information to the extent that such information is publicly available. Shareholders may also make enquiries to the Board by writing to the company secretary of the Company, at the Company's principal place of business in Hong Kong at 40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong.

## CONSTITUTIONAL DOCUMENTS

There was no change in the Company's Articles of Association for the year ended 31 December 2025.

The following sets out the profile of the Directors of the Company and senior management of the Group as at the date of this annual report:

## DIRECTORS

### Executive Directors

**Ms. Yeh Hwei Fen (葉蕙芬)**, aged 65, was appointed as an executive Director and the chairperson of the Board of the Company on 10 February 2026. Ms. Yeh is also a member of the Remuneration Committee. Prior to joining the Group, Ms. Yeh was employed for many years by Sanyang, the ultimate controlling shareholder of the Company, from February 1982 to February 2001, during which she held various positions in departments related to accounting, information technology and audit. She also served as an audit manager at Jingwei Technology Co., Ltd. (currently known as Kunyue Development Co., Ltd.) from March 2001 to October 2003 and subsequently returned to Sanyang to serve as an audit management position from October 2003 to February 2026. Ms. Yeh has over 30 years of experience in corporate internal audit and related management work. Ms. Yeh obtained a bachelor's degree in Business Administration from National Taiwan Ocean University in 1985 and a master's degree in Business Administration from Chung Yuan Christian University in 2003. She also holds the professional qualification of Certified Internal Auditor (CIA).

**Ms. Wu Jui Chiao (吳睿蕎)**, aged 43, was appointed as an executive Director in November 2023. Ms. Wu joined the Group in December 2017 and is currently a chief executive officer of the Company, a director and a general manager of the Company's subsidiaries, VMEP and a general manager of the Company's subsidiaries, Chin Zong Trading Co., Ltd.. Ms. Wu is primarily responsible for handling the operation of the corporate and formulating business strategies of the Group. Ms. Wu has over 10 years of experience in administration and management and is familiar with the day-to-day operations of the Group. Ms. Wu graduated from United University, Taiwan, with a bachelor's degree in Safety, Health and Environmental Engineering in 2004, and obtained a master's degree in Executive Management and Business Administration from the College of Management at National Kaohsiung University of Science and Technology, Taiwan, in 2025. Ms. Wu is the niece of Ms. Wu Li Chu (a non-executive Director of the Company).

**Mr. Lin Chun Yu (林俊宇)**, aged 51, was appointed as an executive Director of the Company in April 2016. Mr. Lin has over 20 years of experience in the audit and finance field and has held senior financial and administration management positions in various companies. Mr. Lin joined the Group in June 2015, and is currently the chief financial officer of the Company and the head of the finance department of various major subsidiaries of the Group, including VMEP and Vietnam Casting Forge Precision Ltd. ("VCFP") and the assistant vice president in the real estate development department of VMEP. Before joining the Group in June 2015, he was the finance manager of Sanyang Motor Vietnam Co., Ltd., a subsidiary of Sanyang, which is the ultimate holding company of the Group, from 2010 to 2015. Mr. Lin graduated from Fu Jen Catholic University in Taiwan with a bachelor degree in accounting in 1997.

### Non-executive Directors

**Ms. Wu Li Chu (吳麗珠)**, aged 60, was appointed as an executive Director of the Company in August 2015 and re-designated as a non-executive Director of the Company on 27 June 2016. She is currently the vice Chairperson of Sanyang and a director of various subsidiaries of Sanyang Group. She has also worked as the finance manager at Jiou Ding Construction Co., Ltd., and finance and administration officer at Ying Cheng Construction Co., Ltd. Ms. Wu has over 30 years of experience in finance, administration and management by holding leader positions in companies in the construction and manufacturing industry in Taiwan. Ms. Wu also holds an executive master degree in business administration (EMBA) from Nanjing Normal University. Ms. Wu is the aunt of Ms. Wu Jui Chiao (an executive Director and chief executive officer of the Company).

**Mr. Chen Hsu Pin (陳旭斌)**, aged 69, was appointed as a non-executive Director in April 2021. Mr. Chen is also a member of the Nomination Committee. He has over 35 years of experience in the motor vehicle industry which he has acquired through his work experience and leadership role at Sanyang Group. He has joined Sanyang Group since 1983, and had worked in various departments of Sanyang Group including research and development, sales, management and marketing. He was the general manager of Sanyang's subsidiaries, namely, Xiamen Xiashing Motorcycle Co., Ltd and Three Brothers Machinery Industrial Co., Ltd. Mr. Chen is the vice president in president office of Sanyang and a director of a few subsidiaries of Sanyang. He graduated from Chung Yuan Christian University, Taiwan with a bachelor degree in mechanical engineering in 1979 and Chiao Tung University, Taiwan with a master degree in mechanical engineering in 1983.

**Mr. Liu Ju Cheng (柳如承)**, aged 46, was appointed as a non-executive Director in November 2023. Mr. Liu has extensive experience of over 10 years in sales, foreign operation, accounting, audit and financial management. Mr. Liu has been management role of overseas marketing division and overseas marketing sector at Sanyang since 2016. Prior to joining Sanyang, he served as consultant for financial underwriting and management at Fubon Securities Co., Ltd. from 2005 to 2010, served as financial manager at Zentek Photonics, Inc from 2010 to 2011 and served as sale manager at Empire Vision Optical Co., Ltd. from 2012 to 2016. Mr. Liu obtained a master's degree in business administration from Aston Business School in the United Kingdom in 2009.

# Directors and Senior Management Profile



## Independent non-executive Directors

**Ms. Lin Ching Ching (林青青)**, aged 61, was appointed as an independent non-executive Director of the Company in November 2007. Ms. Lin is the Chairperson of the Audit Committee, the Remuneration Committee and the Nomination Committee. Ms. Lin was the supervisor of Sea Sonic Electronics Co., Ltd. (Taiwan Stock Exchange Stock Code: 6203) from June 2017 to June 2020. She is currently an independent director of Sea Sonic Electronics Co., Ltd.. Ms. Lin has over 25 years of experience in the finance industry and has held senior financial management positions in various companies, including Deloitte & Touche, Corporate Finance Co., Ltd. and Citibank, N.A., Taipei. She graduated from Eastern Michigan University with a master's degree in business administration in 1991 and graduated from Fu Jen Catholic University in Taiwan with a bachelor's degree in accounting in 1987.

**Ms. Wu Hui Lan (吳惠蘭)**, aged 66, was appointed as an independent non-executive Director of the Company in November 2023, and she is also a member of the Audit Committee and the Remuneration Committee. Ms. Wu has over 30 years of experience in audit, management accounting, and corporate governance. Ms. Wu is currently a Chairperson and general manager of Mutual Benefit Consulting Co., Ltd., a director of SIPP Technology Corporation, a director of E-Sight Co., Ltd., a director of Affinity Sensing Technology Co., Ltd, an independent director of Rayzher Industrial Co., Ltd. (Taiwan Stock Exchange Stock Code: 7703) and an independent director of Shine Passion Engineering Co., Ltd. (Taiwan Stock Exchange Stock Code: 7849).

Ms. Wu worked at Ainos Inc. (a company listed on NASDAQ, America, stock code: AIMD) from 2021 to 2023 as chief financial officer. She also served as a partner at KPMG Taiwan and worked at KPMG Taiwan for 22 years and her primary responsibilities included providing initial public offering, internal management and control systems and financial statement audit and assurance work. In addition, Ms. Wu is dedicated to promoting impact investment in Taiwan. She has provided guidance to numerous startup companies through organizations such as iLab Accelerator and Center of Industry Accelerator and Patent Strategy of Yang Ming Chiao Tung University Industry in Taiwan.

Ms. Wu holds an executive master degree of business administration (EMBA) from Yang Ming Chiao Tung University in Taiwan. She is a certified public accountant of China and the Republic of China.

**Ms. Yu Yi Jhen (尤宜蕓)**, aged 44, was appointed as an independent non-executive Director in November 2025. Ms. Yu is a member of the Audit Committee and the Nomination Committee of the Company. Ms. Yu has over 18 years of experience in audit and tax management. She has held audit positions in various accounting firms, including Baker Tilly Clock & Co CPA Firm and Yunkai CPA Firm. Ms. Yu is currently the principal of Yu Yi Jhen CPA Firm. Ms. Yu graduated from Ming Chuan University, Taiwan with a bachelor degree in accounting in 2003. She is a certified public accountant of the Republic of China.

## COMPANY SECRETARY

**Ms. Au Wing Han (區泳嫻)** was appointed as the company secretary of the Company from 12 March 2026. Ms. Au is an assistant manager of SWCS Corporate Services Group (Hong Kong) Limited, a professional services provider specialising in corporate services, and has over 10 years of experience in corporate secretarial field and is responsible for providing corporate service to listed and private companies. She is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom and holds a degree of Bachelor of Business Administration (Hons).

## SENIOR MANAGEMENT

**Mr. Huang Lu Wei (黃律惟)**, aged 47, is the assistant vice president of president's office of VMEP. Mr. Huang joined the Group in 2016 and has extensive experience in sales and purchasing. He graduated from Tamkang University in Taiwan with a bachelor's degree of water resources and environmental engineering in 2003.

**Mr. Tsai Yu Tsai (蔡有財)**, age 68, is the assistant vice president of quality control management department of VMEP. Mr. Tsai joined the Group in 1999 and has over 38 years of experience in the production of motorbikes. He graduated from Kai Nan High School of Commerce and Industry in Taiwan with a degree in mechanical engineering in 1973.

**Mr. Yang Wen Te (楊文德)**, aged 56, is the vice president of VCFP. Mr. Yang joined the Group in 2010 and has over 34 years of experience in the production of vehicles and motorbikes. He graduated from Youth Senior High School in Taiwan with a degree in auto mechanics in 1988.

The Board hereby present their report and the audited financial statements of the Company and the Group for the year ended 31 December 2025.

## **DIRECTORS**

The Directors of the Company for the year ended 31 December 2025 and up to the date of this annual report were:

### **Executive Directors**

Ms. Yeh Huei Fen (*Chairperson*) (*appointed on 10 February 2026*)

Ms. Wu Jui Chiao (*Chief Executive Officer*)

Mr. Lin Chun Yu

Mr. Liu Wu Hsiung (*resigned on 10 February 2026*)<sup>(1)</sup>

### **Non-executive Directors**

Ms. Wu Li Chu

Mr. Chen Hsu Pin

Mr. Liu Ju Cheng

### **Independent Non-executive Directors**

Ms. Lin Ching Ching

Ms. Wu Hui Lan

Ms. Yu Yi Jhen (*appointed on 12 November 2025*)

Mr. Cheung On Kit Andrew (*passed away on 18 August 2025*)

*Note:*

1. Mr. Liu Wu Hsiung resigned as Director due to his decision to devote more time for his other endeavours.

## **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the Company is investment holding and the principal activities of the Group are manufacturing and sale of motorbikes, related spare parts and engines and provision of motorbike maintenance services. Particulars of the principal activities of the Company's major subsidiaries are set out in note 26 to the consolidated financial statements.

Further discussion and analysis of these activities as required by Schedule 5 to the Hong Kong Companies Ordinance can be found in the Management Discussion and Analysis set out on pages 4 to 8 of this annual report. This discussion forms part of this directors' report.

## **RESULTS AND DIVIDENDS**

The Group's result for the year ended 31 December 2025 and the financial position of the Group as at that date are set out in the financial statements on pages 67 to 112 of this annual report.

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: Nil).

## **DIVIDEND POLICY**

The Company has adopted a dividend policy, the objective of which is to allow shareholders of the Company to participate in the Company's profits whilst retaining adequate reserves to sustain the Group's future growth. The payment of dividend is also subject to any restrictions under the applicable laws and the requirements of the Articles of Association of the Company. In deciding whether to declare any dividend, the Board will take into account a number of factors, including the financial results, the distributable reserves, the operations and liquidity requirements, and the current and future development plans of the Company.

The dividend policy of the Company will continue to be reviewed from time to time and there is no assurance that any dividend will be paid in any particular amount for any given period or that the Company is obliged to declare any dividend at any time or from time to time.

## **FINANCIAL SUMMARY**

A financial summary of the results and the financial position of the Group for the last five financial years for the year ended 31 December 2025 is set out on page 3 on this annual report.

## **TAX RELIEF**

The Directors are not aware of any tax relief available to the Shareholders by reason of their holding of the Company's securities.



## OTHER PROPERTY, PLANT AND EQUIPMENT

Details of movements in the other property, plant and equipment of the Group during year ended 31 December 2025 are set out in note 11 to the consolidated financial statements.

## BANK LOANS

Details of bank loans are set out in note 17 to the consolidated financial statements.

## SHARE CAPITAL

Details of movements in the Group's registered and issued share capital for the year ended 31 December 2025 are set out in note 20 to the consolidated financial statements.

## PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the memorandum and Articles of Association of the Company or the Companies Laws of the Cayman Islands which would oblige the Company to offer new shares on a pro-rata basis to the existing Shareholders.

## PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities for the year ended 31 December 2025 (including sale of treasury shares).

As at 31 December 2025, the Company did not hold any treasury shares.

## RESERVES

Details of movements in the reserves of the Company and the Group for the year ended 31 December 2025 are set out in note 20 to the consolidated financial statements and in the consolidated statement of changes in equity, respectively. The Company's reserves available for distribution to Shareholders as at 31 December 2025 was US\$45,594,417.

## MAJOR CUSTOMERS AND SUPPLIERS

The percentages of sales and purchases for the year ended 31 December 2025 attributable to the Group's major customers and suppliers were as follows:

- (1) The aggregate amount of turnover attributable to the Group's five largest customers represented 59.1% of the Group's total turnover. The amount of sales to the Group's largest customer represented 31.5% of the Group's total turnover.
- (2) The aggregate amount of purchases attributable to the Group's five largest suppliers represented 63.9% of the Group's total purchases. The amount of purchases from the Group's largest supplier represented 22.1% of the Group's total purchases.

None of the directors of the Company and their close associates or shareholders who hold more than 5% of the shares of the Company has any interest in the top five suppliers of the Group except Sanyang (the ultimate controlling shareholder of the Group), Xiamen Xiashing Motorcycle Co., Ltd. (subsidiaries of Sanyang), Sanyang Global Co., Ltd. (subsidiaries of Sanyang) and Vietnam Three Brothers Machinery Industry Co., Limited (an associate of the Company and a non-wholly owned subsidiary of Sanyang).

## RELATIONSHIP WITH SUPPLIERS AND CUSTOMERS

The Group has maintained close relationships with a number of suppliers and takes great care to ensure that they share the Group's commitment on quality and ethics. The Group carefully selects and requires the suppliers to satisfy certain assessment criteria including, experience, reputation, ability to produce high-quality products and quality control effectiveness.

The Group is committed to offering a wide range of motorbikes models and motorbike engines and parts to its customers. The Group has also been aiming to provide quality services to its clients in order to maintain continuous relationship. The Group stays connected with its customers. The Group maintains communications with its customers through various channels like the Company's website, telephone, direct mail and marketing materials.

## RELATIONSHIP WITH EMPLOYEES

The Group understands that employees are valuable assets to the Group and on which the Group's success depends. The Group provides competitive remuneration packages to attract and motivate the employees. The Group regularly reviews the remuneration packages of employees and makes necessary adjustments to conform with the market standard. The Group also places emphasis on the training and development of staff. In particular, the Group focuses on the training of management and key personnel to develop their management and decision-making abilities to enhance their work performance.

### **RETIREMENT BENEFITS SCHEMES**

Details of the retirement benefits schemes participated by the Group are set out in note 6(b) to the consolidated financial statements.

### **DONATIONS**

For the year ended 31 December 2025, the Group made charitable and other donations amounted to about US\$5,000.

### **COMPLIANCE WITH LAWS AND REGULATIONS**

During the year ended 31 December 2025, as far as the Company is aware, there is no material breach of or non-compliance with applicable laws and regulations by the Group which has a significant impact on its business and operations.

### **RETIREMENT OF DIRECTORS**

Pursuant to article 87(1) of the Articles of Association of the Company, one third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one third) shall retire from office by rotation at each annual general meeting provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. Further, article 86(3) of the Articles of Association of the Company, provides that any Director appointed by the Board to fill a casual vacancy shall hold office until the first annual general meeting of Shareholders after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

A circular containing the detailed information of the retiring Directors at the forthcoming annual general meeting will be sent in accordance with Articles of Association of the Company and the Listing Rules.

### **DIRECTORS AND SENIOR MANAGEMENT'S BIOGRAPHIES**

Biographical details of the current Directors and senior management of the Group are set out in the section headed "Directors and Senior Management Profile" in this annual report.

### **DIRECTORS' SERVICE CONTRACTS**

Each of the executive Directors, non-executive Directors and independent non-executive Directors has entered into a service contract with the Company. None of the Directors have entered into any service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

### **DIRECTORS' REMUNERATION**

The Directors' remuneration is determined by the Board with reference to the Company's operating results, individual performance and comparable market statistics. Details of the Directors' remuneration are set out in note 8 to the consolidated financial statements.

### **DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS**

Details of the connected transactions and the material related party transactions during the year ended 31 December 2025 are set out on pages 26 to 28 and pages 107 to 109 of this annual report respectively. Save as disclosed in this report, none of the Directors or any entity connected with the Directors or controlling shareholders of the Company or its subsidiaries had a material interest, either directly or indirectly, in any transactions, arrangements and contract of significance to the business of the Group to which the Company, or any of the subsidiaries of the Company, or any of the Company's holding companies, or any of the subsidiaries of such holding companies, was a party, which subsisted at the end of the Year or at any time during the year.

### **DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

For the year ended 31 December 2025, no rights to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, granted to any Director or their respective spouses or minor children aged under 18, or were such rights exercised by them, or was the Company, or any of the subsidiaries of the Company, or any of the Company's holding companies, or any of the subsidiaries of such holding companies a party to any arrangement to enable the Directors to acquire such benefits through such means.



## INTERESTS AND/OR SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE OF THE COMPANY IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATION

As at 31 December 2025, the interests and/or short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO, which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including those taken or deemed as their interests and short position in accordance with such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register kept by the Company referred to therein, or which were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange were as follows:

### Interests and/or short positions in the shares of Sanyang Motor Co., Ltd.

Name of directors	Types of shares	Capacity	Number of shares held (shares)	Approximate percentage of total share capital (%) <sup>1</sup>
Mr. Liu Wu Hsiung	Ordinary Shares	Beneficial Owner	111,380 (L)	0.014%
Ms. Wu Li Chu	Ordinary Shares	Beneficial Owner	17,046,560 (L)	2.175%
Mr. Liu Ju Cheng	Ordinary Shares	Beneficial Owner	4,000 (L)	0.001%
Mr. Liu Ju Cheng	Ordinary Shares	Interest of spouse	295,000 (L)	0.038%

(L) – Long position

Note:

- The calculation is based on the total number of 783,675,604 shares of Sanyang Motor Co., Ltd. in issue as at 31 December 2025.

Save as disclosed above, as at 31 December 2025, so far as is known to the Directors, none of the Directors or chief executive of the Company had any interests and/or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including those taken or deemed as their interest and short position in accordance with such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register kept by the Company referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

As at 31 December 2025, so far as known to the Company after reasonable enquiry, the following persons (other than the Directors or chief executive of the Company) had interests and/or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and has been entered in the register kept by the Company according to Section 336 of the SFO:

Name of substantial shareholders	Types of shares	Capacity	Number of shares/ underlying shares held (shares)	Approximate percentage of total share capital (%)
Sanyang Motor Co., Ltd.	Ordinary Shares	Interest in controlled corporation	608,818,000 (L)	67.07%
SY International Ltd. <sup>1</sup>	Ordinary Shares	Beneficial owner	608,818,000 (L)	67.07%

(L) – Long position

Note:

- SY International Ltd. is a direct wholly-owned subsidiary of Sanyang Motor Co., Ltd. and therefore Sanyang Motor Co., Ltd. is deemed to be interested in the shares of the Company held by SY International Ltd. under Part XV of the SFO.

Save as disclosed above, as at 31 December 2025, the Directors are not aware of any other person (other than Directors or chief executive of the Company) having an interest and/or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to Division 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by the Company under section 336 of the SFO.

## DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the year ended 31 December 2025 and up to the date of this report, none of the Directors has any interests in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

## PRINCIPAL RISKS AND UNCERTAINTIES FACING BY THE GROUP

The Group recognizes the importance of risk management practices. Thus, it endeavors its best to mitigate its exposure to operating and financial risks in an effective and efficient manner.

The principal risks and uncertainties facing by the Group include the risks pertaining to the motorbike industry in Vietnam. In recent years, the motorbike industry in Vietnam has been affected by unfavorable factors such as market situation changes and intensified competition among peers. The future competition of the industry is largely reflected in the all-round business competition.

The financial risk management objectives and policies of the Group can be found in note 21 to the consolidated financial statements.

## CONTINUING CONNECTED TRANSACTIONS

The Group's material related party transactions for the year ended 31 December 2025 set out in note 22 to the consolidated financial statements constitute the continuing connected transactions as defined in chapter 14A of the Listing Rules and the Company has complied with the disclosure requirements in chapter 14A of the Listing Rules.

Details of the continuing connected transactions of the Group with Sanyang (an indirect substantial Shareholder of the Company) and the Sanyang Group are as follows:

### Continuing connected transactions which are subject to the reporting, announcement requirements and independent Shareholders' approval requirements

	2025 US\$	2024 US\$
Master Purchase Agreement <sup>1</sup>	18,259,670	13,559,643
Master Sales Agreement <sup>2</sup>	16,505,843	4,202,896
Distributorship Agreement <sup>3</sup>	25,215,411	18,921,585

#### Notes:

- On 3 December 2024, the Group and the Sanyang Group entered into the Master Purchase Agreement in relation to purchase of motorbike parts by the Group from members of the Sanyang Group. In accordance with the Master Purchase Agreement, the annual cap shall be US\$39,300,000, US\$49,100,000 and US\$58,100,000 in 2025, 2026 and 2027 respectively. Details of the Master Purchase Agreement were set out in the circulars of the Company dated 24 February 2025 (the "2025 Circular").
- On 3 December 2024, the Group and the Sanyang Group entered into the Master Sales Agreement in relation to supply to the Sanyang Group motorbikes and/or any other products manufactured by the Group or purchased by the Group from Independent Third Parties from time to time, on a non-exclusive basis, and provide services to the Sanyang Group from time to time in connection with the supply of such products, including but not limited to motorbike maintenance services. In accordance with the Master Sales Agreement, the annual cap shall be US\$20,220,000, US\$24,000,000 and US\$26,300,000 in 2025, 2026 and 2027 respectively. Details of the Master Sales Agreement were set out in the 2025 Circular of the Company.
- On 3 December 2024, the Group and the Sanyang Group entered into the Distributorship Agreement in relation to the Group as the exclusive distributor of motorbikes and related parts manufactured by Sanyang Group in all of the member countries of the Association of South East Asian Nations (excluding Vietnam, unless the motorbikes are resold in Vietnam for exhibition purposes). In accordance with the Distributorship Agreement, the annual cap shall be US\$30,660,000, US\$34,270,000 and US\$37,200,000 in 2025, 2026 and 2027 respectively. Details of the Distributorship Agreement were set out in the 2025 Circular of the Company.



## Continuing connected transactions which are subject to the reporting and announcement requirements but exempt from independent Shareholders' approval requirement

	2025 US\$	2024 US\$
Research and Development Agreement <sup>1</sup>	–	– <sup>2</sup>
Technology Licence Agreement <sup>3</sup>	113,583	119,023
Parts Sales Agreement <sup>4</sup>	278,984	264,006
Production Machinery, Moulds and Equipment Purchase Agreement <sup>5</sup>	86,338	50,591

### Notes:

- On 3 December 2024, the Group and the Sanyang Group entered into the Research and Development Agreement in relation to provision of research and development and technical support services by Sanyang Group to the Group. In accordance with the Research and Development Agreement, the annual cap shall be US\$1,800,000, US\$1,600,000 and US\$1,800,000 in 2025, 2026 and 2027 respectively. Details of the Research and Development Agreement were set out in the Company's announcements dated 3 December 2024.
- For the year ended 31 December 2024, the Research and Development Agreement was the continuing connected transaction which were subject to reporting, announcement requirements and independent Shareholder' approval requirements.
- On 26 November 2007, VMEP, a subsidiary of the Group and the Sanyang entered into the Technology Licence Agreement in relation to license of technology, know-how, trade secrets and production information by Sanyang to VMEP. In accordance with the Technology Licence Agreement, the annual cap shall be US\$400,000, US\$701,000 and US\$920,000 in 2025, 2026 and 2027 respectively. Details of the Technology Licence Agreement were set out in the Company's announcements dated 3 December 2024.
- On 3 December 2024, the Group and the Sanyang Group entered into the Parts Sales Agreement in relation to sale of motorbike parts by the Group to Sanyang Group. In accordance with the Parts Sales Agreement, the annual cap shall be US\$500,000, US\$500,000 and US\$500,000 in 2025, 2026 and 2027 respectively. Details of the Parts Sales Agreement were set out in the Company's announcements dated 3 December 2024.
- On 3 December 2024, the Group and the Sanyang Group entered into the Production Machinery, Moulds and Equipment Purchase Agreement in relation to purchase of production machinery, moulds and equipment by the Group from Sanyang Group. In accordance with such purchase agreement, the annual cap shall be US\$750,000, US\$550,000 and US\$650,000 in 2025, 2026 and 2027 respectively. Details of the Production Machinery, Moulds and Equipment Purchase Agreement were set out in the Company's announcement 3 December 2024.

The continuing connected transactions disclosed above complied with the reporting, announcement and annual review requirements and are exempt from the independent shareholders' approval requirements (as the case may be) under Chapter 14A of the Listing Rules.

For the year ended 31 December 2025, the actual transaction amount for each of the abovementioned continuing connected transactions has not exceeded the respective annual cap of the relevant transactions as approved by the Board or the independent Shareholders (as the case may be).

The independent non-executive Directors have reviewed the above continuing connected transactions in accordance with Rule 14A.55 of the Listing Rules, and confirmed that the transactions have been entered into:

- in the ordinary and usual course of business of the Group;
- on normal commercial terms or on terms no less favourable than terms available to or from independent third parties; and
- in accordance with the relevant agreements governing such transactions on terms that are fair and reasonable and in the interests of the Shareholders of the Company as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued their unmodified letter containing the auditor's findings and conclusions in respect of the continuing connected transactions disclosed by the Group on pages 26 to 28 of this annual report in accordance with Rule 14A.56 of the Listing Rules.

Save as disclosed above, none of the material related party transactions as disclosed in note 22 to the consolidated financial statements of the Group falls under the definition of connected transaction or constituted continuing connected transactions under the Listing Rules which are required to be disclosed in this annual report in accordance with Chapter 14A of the Listing Rules.

The Company confirms that its continuing connected transactions conducted during the year ended 31 December 2025 has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

### **SUFFICIENCY OF PUBLIC FLOAT**

Based on information that is publicly available to the Company and within knowledge of the Directors, the Company has maintained a sufficient public float as required under the Listing Rules for the year ended 31 December 2025 and up to the latest practicable date prior to the issue of this report.

### **INDEMNITY OF DIRECTORS**

A permitted indemnity provision (as defined in section 469 of the Hong Kong Companies Ordinance) for the benefit of the Directors of the Company is currently in force and was in force throughout the year ended 31 December 2025.

### **EQUITY-LINKED AGREEMENT**

No equity-linked agreement was entered into by the Group, or existed during the year ended 31 December 2025.

### **MANAGEMENT CONTRACTS**

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year ended 31 December 2025.

### **ENVIRONMENTAL, SOCIAL AND GOVERNANCE**

The Group is committed to contributing to the sustainability of the environment and maintaining a high standard of corporate social governance essential for creating a framework for motivating staff, and contributes to the community in which we conduct our businesses and creating a sustainable return to the Group. Information on the environmental and social responsibility of the Group is set out in the "Environmental, Social and Governance Report" on pages 29 to 62 of this annual report.

### **AUDITOR**

KPMG will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting. A resolution for re-appointment of KPMG as auditor of the Company will be proposed at the forthcoming annual general meeting. No change in auditor of the Company within the last three years.

By order of the Board  
**Vietnam Manufacturing and Export Processing (Holdings) Limited**  
**Yeh Huei Fen**  
*Chairperson*

Hong Kong, 12 March 2026



## 1 ABOUT THIS REPORT

Vietnam Manufacturing and Export Processing (Holdings) Limited (the “Company”) and its subsidiaries (the “Group” or “we”) publish this Environmental, Social and Governance (“ESG”) Report (the “Report”), outlining the management policies, commitments, management approaches, regulatory compliance, implementation measures, and annual performance relating to sustainability for the period from 1 January 2025 to 31 December 2025 (the “Reporting Period” or “this year”). For detailed information on the Group’s corporate governance, please refer to the “Corporate Governance Report” section in the Annual Report or visit the official website of the Group.

### Reporting Standards

This Report has been prepared in accordance with the Environmental, Social and Governance Reporting Code (the “Code”) set out in Appendix C2 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), and has complied with the “comply or explain” provisions of the Code. This Report is accompanied by “Appendix II: Content Index for the Environmental, Social and Governance Reporting Code” for readers’ quick reference.

This Report has adopted the reporting principles of Materiality, Quantitative, Balance, and Consistency, as follows:

- **Materiality:** The Group has conducted a materiality assessment by inviting internal and external stakeholders to rate ESG topics through online questionnaires and interviews, in order to identify ESG issues that are material to the Group’s business and its stakeholders. This Report has been prepared based on the results of the materiality assessment, and the identified material ESG issues have been disclosed and elaborated upon herein.
- **Quantitative:** The ESG Report discloses the calculation standards, methodologies, and sources of conversion factors for quantitative key performance indicators (“KPIs”).
- **Consistency:** This Report adopts the same KPIs and statistical methodologies as in previous years. Where KPIs or statistical methodologies have been changed, further explanation will be provided to enable meaningful comparison.
- **Balance:** This Report presents the Group’s ESG performance during the Reporting Period in an impartial manner.

### Reporting Scope

The scope of data reported in this Report is consistent with the Annual Report, and the reporting scope of social KPIs is consistent with the Annual Report. The reporting scope of environmental KPIs covers the Group’s major operating locations in Vietnam, primarily including the following 2 factories located in Vietnam:

- Production factory at Industrial Zone No. II, Nhon Trach District, Dong Nai Province, Vietnam
- Production factory in Hanoi, Vietnam

The reporting scope of the above environmental KPIs was selected and determined based on revenue and factors relating to major operating locations. As other subsidiaries account for only a small portion of the Group’s revenue, their relevant data and performance have not been disclosed in this ESG Report. We are committed to expanding the reporting scope of environmental KPIs in the future to more comprehensively reflect environmental KPI performance.

**2 ESG MANAGEMENT**

The Group has integrated ESG management into its business operations by establishing and refining rules, regulations, and management systems, embedding ESG strategies into day-to-day workflows, and driving progress towards ESG objectives. We encourage employees to actively participate in activities such as energy conservation and carbon reduction, community services, and charitable contributions, putting the concept of sustainable development into practice. In addition, we have strengthened collaboration with suppliers and distributors, encouraging partners to adopt practices that meet ESG standards and to jointly address environmental and social issues, thereby promoting ESG practices and social development across the value chain.

**2.1 The Board’s Statement**

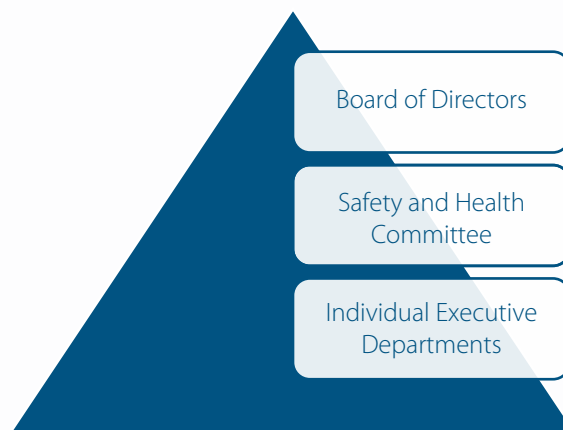
The Board of Directors of the Group (the “Board”), as the highest authority and decision-making body, bears full responsibility for the Group’s ESG management approach and this Report. The Board leads and oversees the Group’s ESG matters and guides the Group in addressing the opportunities and risks arising from sustainable development.

The Board values the concerns of stakeholders and continuously conducts assessments of material ESG issues through stakeholder engagement, incorporating stakeholder feedback to refine ESG strategies and set ESG management objectives. The Board reviews the results of the materiality assessment of ESG issues on an annual basis, examines the progress of ESG-related targets, and considers any necessary adjustments or improvements, ensuring that the Group continuously optimises its ESG performance.

This Report provides a comprehensive disclosure of the Group’s ESG progress and achievements for the year 2025, and was reviewed and approved at the Board meeting on 12 March 2026.

**2.2 ESG Governance Structure**

The Group has established a three-tier ESG governance structure comprising the Board – Safety and Health Committee – Individual Executive Departments, continuously strengthening ESG management. The Board, as the leadership tier, approves and resolves the Group’s ESG management approach, and leads and oversees all ESG matters. The Safety and Health Committee is chaired by the General Manager, with the Manager of the Administration Department and representatives from the General Affairs and Environmental Safety Division responsible for coordination. As the management tier, the Safety and Health Committee is responsible for reviewing the Group’s ESG policies and performance in order to assist the Board in overseeing related matters and better implementing ESG-related policies. Individual Executive Departments, as the execution tier, receive ESG policy directives, implement management requirements, and collect and report upward ESG-related data and information.





## 2.2 ESG Governance Structure (Continued)

ESG Governance Structure	Key Responsibilities and Duties
Board of Directors	<ul style="list-style-type: none"> <li>Regularly resolves and oversees ESG policies and strategies;</li> <li>Confirms and approves the results of material ESG issue assessments and prioritisation;</li> <li>Approves and confirms the setting of ESG and climate-related targets;</li> <li>Regularly reviews progress against ESG and climate-related targets;</li> <li>Regularly examines ESG and climate-related risks and opportunities, and incorporates them into the Group's major decision-making considerations; and</li> <li>Approves the annual ESG Report.</li> </ul>
Safety and Health Committee	<ul style="list-style-type: none"> <li>Regularly reports the Group's ESG performance to the Board;</li> <li>Drafts ESG strategies and policies, and identifies material ESG issues;</li> <li>Assesses and determines ESG and climate-related risks and opportunities, and formulates corresponding measures; and</li> <li>Reviews the annual ESG Report and makes recommendations to the Board.</li> </ul>
Individual Executive Departments	<ul style="list-style-type: none"> <li>Receives ESG-related work directives and implements ESG management requirements; and</li> <li>Collects and reports upward ESG-related data and information.</li> </ul>

## 2.3 Stakeholder Engagement

We are committed to establishing and maintaining strong relationships with our stakeholders, and to improving the Group's operational performance in a targeted manner by collecting their views and feedback. Our primary channels of engagement with key stakeholders are as follows:

Key Stakeholders	Primary Engagement Methods
Customers	Customer service centre Online service platforms Telephone and email
Shareholders/Investors	Annual General Meeting and other general meetings Interim reports and annual reports Corporate communications, such as letters/circulars to shareholders and notices of meetings Results announcements Company website Shareholder consultation
Employees	Performance appraisals Meetings and interviews Business briefings Volunteer activities Employee communication meetings
Business Partners	Reports Meetings Site visits
Regulatory Authorities	Legal and regulatory compliance Disclosure of compliance information Emissions reduction
Community/NGOs	Community activities
Suppliers	Supplier management programmes Meetings Supplier/contractor assessment systems On-site inspections
Distributors	Distributor management programmes On-site inspections

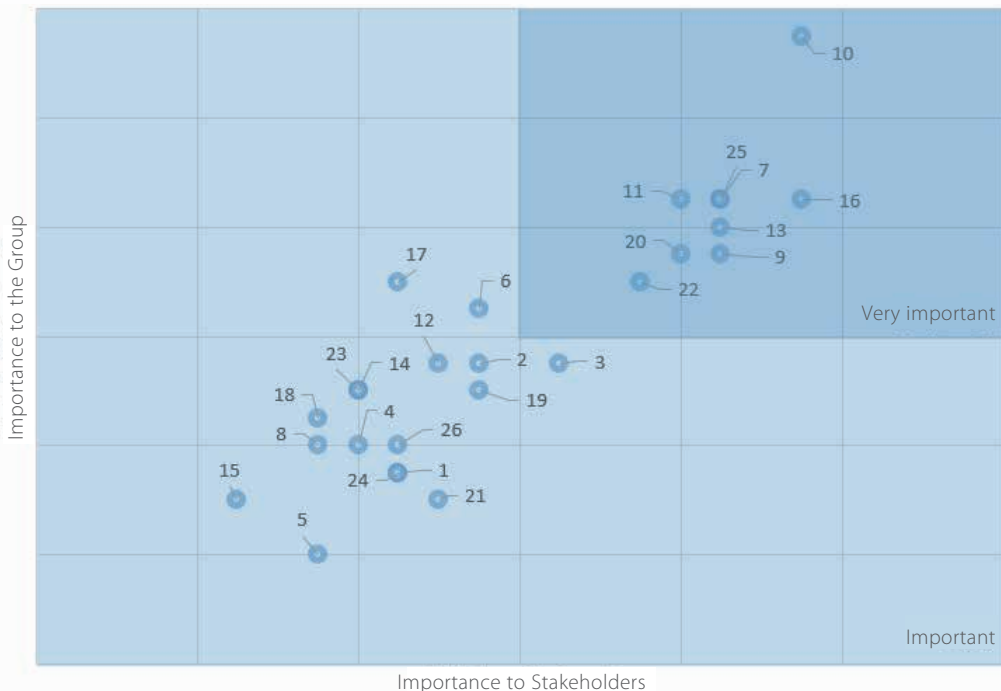
**2.4 Materiality Assessment and Matrix**

During the year, we rigorously followed the analytical and assessment process for material issues, taking comprehensive account of changes in laws and regulations, regulatory developments, stakeholder expectations, industry trends, and the Group’s own circumstances. Through close communication with stakeholders, collection of feedback, and analysis of industry characteristics, we conducted a comprehensive evaluation and prioritisation of material ESG issues, which serves as an important reference for updating our ESG management approaches and strategies. Our Board of Directors participated in the materiality assessment by evaluating, prioritising, and confirming material ESG-related matters. The materiality assessment steps we adopted are as follows:

1. Issue Identification	<ul style="list-style-type: none"> <li>With reference to the Code, the SASB Materiality Finder, the Global Reporting Initiative (GRI), and other relevant standards, and taking into comprehensive consideration industry developments and the Group’s business development, applicable ESG issues were identified and summarised.</li> </ul>
2. Issue Prioritisation	<ul style="list-style-type: none"> <li>An ESG issue assessment questionnaire was designed to score the 26 identified ESG issues across two dimensions: importance to the Group’s business and importance to stakeholders.</li> <li>The questionnaire results were then statistically analysed, and the materiality matrix was adjusted accordingly.</li> </ul>
3. Assessment Results	<ul style="list-style-type: none"> <li>Assessment results were produced through the materiality matrix and confirmed</li> <li>The assessment results were reviewed and approved by the Board of the Group.</li> </ul>



## 2.4 Materiality Assessment and Matrix (Continued)



ESG Issue List			
1	ESG Management Structure	14	Employee Benefits and Talent Attraction
2	Greenhouse Gas Emissions Management	15	Research and Development and Technological Innovation
3	Waste Gas Emissions Management	16	Product Safety and Quality Management
4	Energy Use and Management	17	Product Lifecycle Management
5	Resource Use and Management	18	Green Product Practices
6	Non-hazardous Waste Management	19	Intellectual Property Management
7	Hazardous Waste Management	20	Quality Customer Service
8	Climate Change Response	21	Sustainable Supply Chain Management
9	Labour Practices and Management Systems	22	Information Security and Privacy Protection
10	Avoidance of Child Labour and Forced Labour	23	Industry Collaboration and Ecosystem Development
11	Diversity and Elimination of Discrimination	24	Responsible Investment
12	Employee Development and Training	25	Business Ethics and Anti-Corruption
13	Employee Health and Safety	26	Social Investment and Charitable Contributions

3 PRODUCT RESPONSIBILITY

3.1 Product Quality Management

The Group places great importance on product quality and has established and continuously refined a quality management (“QM”) system, implementing standardized QM procedures. Quality control is applied at every stage, including incoming materials inspection, the production process, and pre-shipment inspection upon completion of production. Through the coordinated functions of quality planning, quality control, quality improvement, and quality assurance, the Group upholds its highest guiding principle of “focusing on core business, quality first, and customer satisfaction.” We have obtained ISO 9001 Quality Management System certification and have passed the EU Certificate of Conformity of Production (COP) inspection.



ISO 9001 Quality Management System Certification



EU COP Certificate of Conformity of Production



The Group sets quality objectives each year in accordance with company policies and quality management requirements, and continuously tracks progress and attainment of targets. Our quality management evaluation indicators include the number of market defect cases, market defect rate, and warranty period costs for completed vehicles. In addition, the Group strictly requires all production units to implement the following measures, and incorporates quality-related performance into assessment indicators as a basis for salary adjustments or bonus payments for production units and teams:

- Continuously strengthen quality management education, training, and practical operations
- Ensure the quality management system operates as intended throughout the production process, adhering to the “Three No’s Principle” of not accepting, not producing, and not passing on defective products
- Strictly implement monitoring and management of quality-related indicators

The Group has established the Market Quality Meeting Regulations, under which the General Manager’s Office convenes weekly meetings with relevant departments including R&D, production, service, and quality management, to review significant quality issues that have occurred or may occur in the market, and to formulate response and improvement plans, ensuring product quality is sound and compliant with relevant national laws and regulations. We also implement the Training Management Measures, providing quality control training to personnel in quality control positions to ensure efficient and high-quality management practices are carried out effectively.

Furthermore, with regard to product quality defect incidents, the Group has established the Product Quality Defect Recall and Corrective Action Procedures. In the event of a quality defect incident, the relevant units must follow company policy and implement the product recall procedure. During the Reporting Period, the Group complied with all relevant laws and regulations, and no material quality violations or product recall incidents occurred.



## 3.2 Product Research and Development and Innovation

The Group implements a strategic plan for product research and development, and has established a Regulatory Verification Department, a Research and Development Department, and a Development Department, which work in coordination to build capability and drive the innovation and development of new vehicle models and new machine types. We have formulated regulations including the New Machine Type Design and Research Process and the New Machine Type Development Process to standardise the product design and development workflow. During the product R&D phase, we give full consideration to market conditions in Vietnam, customer requirements, and legal and regulatory requirements, to achieve efficient design and planning.

In accordance with Vietnamese laws and regulations, we are committed to developing multiple vehicle types; we emphasise characteristics such as compact design and ease of use, giving full consideration to customer needs during the product design and development phase, and seeking market and business development opportunities.

Furthermore, with regard to intellectual property regulations and scenarios relevant to the Group, we have formulated regulations including the Patent Management Measures and the Intellectual Property Patent Protection Registration Process. During the design and research process for new vehicle models and machine types, searches are conducted on new designs to confirm that no third-party patents are infringed. During the Reporting Period, the Group complied with all relevant laws and regulations, and no incidents of infringement of third-party intellectual property occurred.

We encourage employee innovation and, through the Incentive Scheme for Industrial Patent Inventions, set out the rules for patent invention rewards to motivate employees to exercise their creative abilities. In addition, we provide employees in R&D and innovation roles with training courses covering project management, design of experiments, energetic working and positive thinking, creativity stimulation, creative vitality camps, design review, patent management, intellectual property management, and R&D project management. The R&D Manager selects appropriate content, which the company arranges as customised training, to continuously enhance employees' R&D and innovation capabilities.

## 3.3 Maintaining Customer Relationships

### **Customer Communication**

The Group places great importance on customer feedback and incorporates it as a key consideration in improving product quality, workflows, and business development performance. We ensure that dedicated personnel are assigned at every stage — from product development and design to production, delivery, and after-sales service — to carry out customer visits and routine communication in order to understand customer needs and product expectations.

Review meetings are convened to report findings to senior management, and matters with which customers are dissatisfied are referred to the relevant departments for the formulation of improvement plans. In addition, the Group responds to customer comments and feedback in a timely manner in order to maintain long-term and positive cooperative relationships. During the Reporting Period, the Group received no complaints regarding products, services, or business development.

Furthermore, during the initial launch period of new products, we gather market satisfaction data through distributors to understand consumers' usage experience and preferences regarding our products, which serves as a reference for future product planning directions and promotes service improvement and alignment with social trends.

### **Distributor Communication**

The Group relies on local Vietnamese and overseas distributors to sell its products. To ensure that distributors provide high-quality sales operations and after-sales services, the Group has established the Warranty Operations Standards, which reinforce quality requirements for distributors during the manufacturing process as well as warranty services following delivery. Hotline telephone numbers and other customer complaint channels are also provided to ensure that customer complaints are effectively communicated, followed up, and resolved.

In addition, pursuant to the Distributor Performance Assessment Management Measures, the Group conducts regular quarterly performance assessments of distributors, with the results serving as the basis for distributor improvement and for the Company's guidance and subsidy provisions.





3.4 Product and Service Responsibility

The Group strictly complies with all relevant laws and regulations in relation to product and service information and labelling, and marketing communications (including advertising, promotions, and sponsorships), and conducts responsible marketing in accordance with voluntary codes. We have established processes including the Advertising Campaign Process, the Advertisement Film/Graphic Design Production Process, and the Advertising Collateral Production Process, which are strictly implemented by the Marketing Planning Department to manage advertising activities and ensure that publicly communicated information is impartial and balanced. During the Reporting Period, the Group complied with all relevant laws and regulations, and no incidents occurred involving violations of regulations or voluntary codes relating to the provision and use of the Group's products and services that had a material impact on the Group.

Case Study: SYM Vietnam Customer Service Advertisement

For those who have a passion for motorcycles, a motorcycle is more than just a means of transport – it is a companion on every journey.

Understanding this, in addition to offering brand-new, high-quality vehicle models, SYM Vietnam also provides thoughtful and attentive customer service:

-  Long-term warranty policy, giving you greater peace of mind when using your motorcycle
  -  Professional maintenance and repair services, ensuring your vehicle always runs smoothly and reliably
  -  Genuine parts, extending the service life of your vehicle for long-lasting durability
- With a network of hundreds of dealerships spanning from north to south, SYM Vietnam is always ready to serve you.
-  Choose SYM, and you will not only own a stylish vehicle model, but also enjoy the freedom to ride with complete confidence.





### 3.5 Supply Chain Management

The Group's suppliers are primarily from Vietnam, China, and Thailand, comprising approximately 135 suppliers, including those in die casting, electrical components (such as lighting), metal parts, and plastic parts categories.

The Group has established regulations including the Domestic and Overseas Procurement Management Measures and the Third-Party Supplier Assessment Measures, which are followed by the Procurement Department in carrying out supplier screening, evaluation, and qualification activities. The Group conducts monthly assessments of supplier delivery quality, reports quality improvements for non-conforming products, and requires compensation or applies deductions accordingly. In addition, regular on-site audits covering quality, technology, occupational health and safety, and environmental protection are conducted to ensure that suppliers' product quality meets the Company's requirements and that suppliers comply with local environmental and labour regulations. Any supplier found to have committed serious violations or to be non-compliant will have its cooperation with the Group terminated. For new suppliers, the Group has established a rigorous evaluation and review procedure that must be successfully completed before a supplier can be admitted into the Group's third-party supplier system.

To ensure the quality of key components and raw materials, we set out clear requirements relating to supplier qualifications and certifications, fulfilment capability, and product quality. We apply a global procurement principle, seeking suppliers worldwide that offer the best quality, the most competitive pricing, and products that comply with local regulations, Vietnamese government requirements, and the laws of other consumer markets. To contribute to the local economy, we endeavour to source locally wherever Vietnamese suppliers are capable of producing the required components, thereby reducing our environmental footprint.

In addition, we pay close attention to ESG performance across the supply chain, including the potential environmental impact of our suppliers. We promote sustainable supply chain development through indicator-based assessment, screening, and advocacy, incorporating indicators such as suppliers' fulfilment of social responsibility and compliance of components with REACH standards into supplier assessments, to promote green procurement and the development of a sustainable supply chain.

To maintain relationships with suppliers and promote harmonious development across the industry chain, the Group convened one third-party supplier meeting during the year. In addition to fostering connections through a shared meal and sporting activities, the meeting also helped the Group gain an understanding of issues encountered by suppliers, facilitating joint discussion of solutions.

**3.6 Information Security**

The Group places great importance on information security protection and has established information management systems including the Programme and Data Access Control, Computer System Data Control, and File and Equipment Security Control policies, to protect information systems, control access permissions, and encrypt data. With regard to the use of personal data, the Group requires relevant personnel to obtain the explicit consent of data owners before collecting, processing, or storing such data. We require employees who handle sensitive information or trade secrets to sign confidentiality undertakings, and impose strict penalties on acts that compromise information systems, result in data leakage, or involve unauthorised access. We implement the following information system and cybersecurity management regulations:

Information System Classification	<ul style="list-style-type: none"> <li>Information systems that are critical, sensitive, or involve trade secrets must be clearly identified so that appropriate protective measures can be applied.</li> </ul>
System Design and Implementation	<ul style="list-style-type: none"> <li>Cybersecurity must be ensured from the design and deployment stages;</li> <li>Technical, operational, and management requirements must be adopted to guard against risks.</li> </ul>
Cybersecurity Inspection and Assessment	<ul style="list-style-type: none"> <li>Regular system security inspections and assessments are conducted;</li> <li>Response plans for cybersecurity incidents are established.</li> </ul>
Data Protection Processes	<ul style="list-style-type: none"> <li>Establish processes to protect personal data, internal data, and customer data.</li> <li>The responsibilities of each department with regard to information protection are clearly defined.</li> </ul>
Confidentiality Undertakings	<ul style="list-style-type: none"> <li>Employees who handle sensitive data must sign confidentiality undertakings;</li> <li>In the event of a breach, the Company may take disciplinary action.</li> </ul>

In addition, we conduct security checks on project controls, including web service permissions, email security management, and computer virus prevention management, to strengthen information security management. We set passwords and access permissions for computer system users and carry out data file backups and storage to prevent information security incidents. With regard to software installation by employees, we issue notices reminding employees not to install software without authorisation, and the IT Department conducts regular checks of software installed on Company computers twice a year to ensure that employees do not install unauthorised software, thereby preventing information security attacks.



### 3.7 Anti-Corruption

#### **Anti-Corruption Policy**

The Group complies with all relevant laws and regulations and strictly prohibits any form of corruption, extortion, misappropriation of funds, and money laundering. The Group has established a strict “Code of Professional Ethics”, which sets out anti-corruption, anti-bribery, and anti-money laundering guidelines in the employee handbook and company regulations, requiring all employees to strictly comply. To ensure there are no conflicts of interest, all employees are prohibited from, directly or indirectly, either personally or through relatives and friends, soliciting or accepting any private remuneration, gifts, money, loans, services, or presents from vendors that have or intend to have business dealings with the Company. In addition, our procurement and supply contracts contain anti-bribery clauses that clearly define the responsibilities and obligations of both parties. Should any breach of the Group’s Code of Professional Ethics occur, employees or vendors may report it to the Group’s audit and human resources units at any time through any channel, including email, written correspondence, or mobile applications. The Group will conduct investigations and handle such matters seriously in accordance with established procedures.

To strengthen employee work discipline, foster team spirit, and improve work efficiency and operational performance, the Group incorporates employee discipline as a key component of induction training for new employees. All employees are required to complete training courses on rule of law, occupational health and safety, and information security. Whenever new regulations are issued by competent authorities, employees will be informed of the relevant requirements through announcements, advocacy briefings, and training sessions. Directors and employees across all levels of the Group have participated in integrity education and training. Through reviewing relevant materials, both directors and employees have strengthened their awareness of integrity-related risks. During the Reporting Period, the Group complied with all relevant laws and regulations, and no material fraud or corruption incidents involving regulatory violations occurred.

#### **Internal Audit**

The Group has established a comprehensive internal audit system encompassing five dimensions: control environment, risk assessment, control activities, information and communication, and monitoring, which serves as the primary internal control measure for preventing corruption, fraud, and other unlawful activities. An internal audit unit reporting directly to the Board of Directors has been established, with the Board bearing full responsibility for the effectiveness of the internal oversight and control systems.

During the Reporting Period, the Group’s audit unit conducted routine audits across nine cycles, covering procurement and payment, production, research and development, payroll, fixed assets, sales and receipts, financing, investment, and electronic data processing. No material non-conformities or corruption-related matters were identified.

**4 EMPLOYEE CARE**

The Group regards its employees as a vital pillar of its long-term development and values their dedication and contributions to the Group. We strictly comply with employment-related laws and regulations including Vietnam’s Labour Code and Law on Social Insurance, and have formulated relevant human resources policies covering talent recruitment, training and promotion, performance appraisal, performance evaluation, remuneration and benefits, and all other employee-related matters. We continuously optimise our employee management practices to drive the mutual development of both employees and the Group. During the Reporting Period, no material employment-related violations occurred within the Group.

The Group’s employee profile for the year is as follows:

Indicator	Unit	2025
Total number of employees	Number	933
<b>Number of employees by gender</b>		
Female employees	Number	213
Male employees	Number	720
<b>Number of employees by position type</b>		
Full-time junior staff	Number	685
Full-time middle management	Number	215
Full-time senior management	Number	33
<b>Number of employees by age group</b>		
Under 30	Number	155
30–50 years old	Number	573
Over 50 years old	Number	205
<b>Number of employees by region</b>		
Vietnam-based employees	Number	917
Taiwan-based employees	Number	16



## 4.1 Labour Practices

### ***Recruitment and Dismissal***

The Group's workforce is primarily composed of Taiwanese and Vietnamese employees. The Group has built its human resources management system on the values of respect for diversity and non-discrimination, and opposes any form of discrimination or harassment. The highest guiding principle is to treat Taiwanese and Vietnamese employees equally, uphold gender equality, recognise contributions, nurture talent, and emphasise unity, so as to create a fair, diverse, and inclusive working environment.

The employment of both Vietnamese and foreign employees within the Group strictly complies with local laws and regulations. Based on relevant labour legislation, the Group has established the Recruitment and Employment Management Measures, which clearly set out the principles governing employee recruitment and employment, labour rights and obligations, remuneration and benefits, and other matters, ensuring that the recruitment process is open and transparent. In terms of talent recruitment, we conduct stepwise vacancy analysis, candidate sourcing, and selection to identify the most suitable candidates. In addition, the Group regards its employees as an important human resource and asset. Unless an employee commits a serious disciplinary offence, the Group will not effect immediate termination of an employment contract. Where there are reasonable grounds for termination of employment, the employee will receive compensation in accordance with local labour legislation. During the Reporting Period, no material violations related to recruitment and dismissal occurred within the Group.

### ***Prohibition of Child Labour and Forced Labour***

The Group strictly complies with the Labour Code and other relevant laws and regulations to ensure that no workers above or below the statutory working age are employed, and resolutely prohibits the use of child labour and forced labour, thereby safeguarding employees' rights and interests. During the recruitment process, we strictly require candidates to provide identity documents and other materials to verify their identity, age, and work history, so as to prevent erroneous hiring. The Group also prohibits forced labour and strictly enforces standard working hours. Where employees are required to work overtime during statutory public holidays and rest periods, prior application must be submitted, and the Group pays wages in accordance with applicable regulations, respecting and protecting employees' right to rest, thereby ensuring both work efficiency and physical wellbeing. During the Reporting Period, no material violations related to child labour or forced labour occurred within the Group.

### ***Remuneration and Performance***

The Group determines employees' salary levels based on their educational background, professional knowledge and skills, years of professional experience, and individual performance. Employee remuneration does not vary on account of gender, ethnicity, religion, political affiliation, marital status, or trade union membership. To ensure a stable labour supply, reduce employee turnover costs and risks, and provide employees with a better standard of living, the Group's standard salaries for employed personnel are approximately 6% above the statutory minimum wage set by the government. In addition to base salary, the Group also provides year-end bonuses, Labour Day and National Day bonuses, and other variable remuneration to motivate employees and encourage outstanding performance.

The Group has also established the Performance Appraisal Management Measures and other systems, clearly designating factories, departments, and offices as appraisal units, classifying performance grades according to corresponding standards, and conducting comprehensive evaluations with reference to employees' reward and disciplinary records in accordance with the relevant approval authority. Salary adjustment proposals are formulated based on the Vietnamese government's regulations on minimum wage adjustments for the relevant regions and annual performance appraisal results, and are implemented upon approval, providing employees with more favourable remuneration.

### ***Promotion Pathways***

The Group has established the Promotion Management Measures to provide high-performing employees with greater opportunities and upward mobility. The Group's promotion system clearly distinguishes between positional promotion and grade promotion, with corresponding competency standards defined for each. The Group conducts annual employee performance appraisals and yearly promotions. Each unit reviews the work outcomes of its employees, conducts comprehensive evaluations of outstanding employees who have demonstrated exceptional performance in areas such as competency, results, and potential, taking into consideration their performance, work capabilities, and overall qualities. Promotion lists are then formulated and take effect upon final approval, recognising employee contributions, ensuring employees have sufficient development opportunities, rationally optimising the Group's talent structure, and supporting future development strategies.

4.1 Labour Practices (Continued)

**Benefits**

The Group's benefits system is directed at permanent employees. To provide all employees with a high-quality working environment and help them find satisfaction in their work, a Labour-Management Welfare Committee (the "Welfare Committee") composed of representatives from both management and employees has been established to administer employee welfare matters. The Group and the Welfare Committee also provide allowances and subsidies of varying amounts for different events, including weddings, funerals, further education, hospitalisation, and occupational injuries.

In accordance with relevant laws and regulations, the Group purchases retirement insurance, medical insurance, unemployment insurance, maternity insurance, and other coverage for all employees, and provides labour and health insurance, maternity/parental leave, and retirement reserves, fully safeguarding employees' rights and interests. In addition, we provide employees with complimentary group personal accident insurance and annual health check-ups, and also arrange mutual aid insurance, overseas business travel insurance, and other coverage. Annual year-end bonuses, September 2nd bonuses, and other payments are also disbursed. The Welfare Committee also provides employees with subsidies for cultural, recreational, club, and sporting activities, language learning allowances (English, Chinese, and Vietnamese), education subsidies for employees' children, birthday gifts, festive and Labour Day welfare vouchers for three major festivals, travel subsidies, and various other benefits.

**Case Study: Employee Fun Competition Activities**

In 2025, we organised a fun competition event for 60 company employees, with an allocated budget of VND 12,000,000 to cover activity expenses, prize money, and gifts for participants.





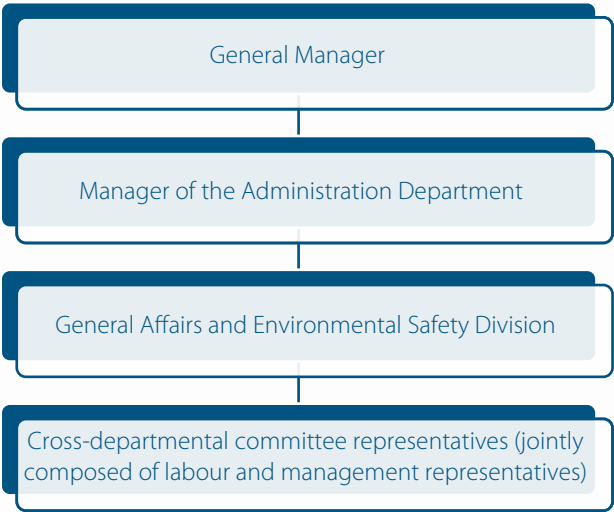
### 4.2 Occupational Health and Safety

The Group strictly complies with the Law on Occupational Safety and Hygiene and other relevant laws and regulations, treating the potential safety and health hazards that frontline employees may encounter in their daily work as the primary occupational health and safety concern, and ensuring the provision of working environment inspection reports and regular employee health examination results.

In terms of occupational safety and health management, we comprehensively promote the 5S management system, encompassing Sort (SEIRI), Set in Order (SEITON), Shine (SEISO), Standardise (SEIKETSU), and Safety (SAFETY), to enhance product quality, promote workplace safety and hygiene, safeguard employees' physical and mental wellbeing, and reduce the occurrence of occupational diseases and workplace accidents.

The Group has clearly defined the Responsibilities for Occupational Safety and Hygiene, Fire Prevention, and Environmental Work, and has established a Safety and Health Committee responsible for reviewing environmental and labour safety policies and performance, and continuously driving improvements. The Safety and Health Committee is chaired by the General Manager, with the Manager of the Administration Department and representatives from the General Affairs and Environmental Safety Division responsible for coordination, implementation, and follow-up of relevant policies and resolutions. Committee members are jointly composed of representatives from both labour and management, ensuring smooth communication between both parties and achieving the objectives of preventing workplace accidents and safeguarding the safety and health of employees.

The structure of the Safety and Health Committee is as follows:



In addition, the Group has established a Labour Protection Organisation. The General Affairs and Environmental Safety Division conducts regular inspections of labour protection practices at each sub-factory every six months to one year according to different workplace safety themes, and carries out unscheduled factory floor inspections, issuing improvement notices as required. Where potential major safety hazards are identified, unit supervisors are required to implement measures to eliminate the hazardous factors.

## 4.2 Occupational Health and Safety (Continued)

The basic occupational health and safety measures provided by the Group to employees primarily include:

- Annual working environment inspections covering noise, toxic waste gases, dust, volatile organic compounds, and other items; health examinations and tiered management are conducted for employees working in specially hazardous workplaces based on inspection results;
- Annual general health check-ups for all employees to monitor their health status and implement tiered management, with position transfers arranged as appropriate;
- Bi-annual occupational disease examinations for employees in specialist positions; examination results in 2025 indicated that no employees were found to have contracted an occupational disease;
- Annual environmental safety and health education and training to raise employees' awareness of environmental safety and hygiene;
- One medical nurse stationed at each factory, equipped with medicines and first aid equipment.

In terms of safe production and occupational disease prevention management, the Group implements relevant management in accordance with applicable laws, regulations, and internal codes. We display safety and health slogans, standard operating procedures, and workplace safety notices throughout the factory premises, and provide basic pre-employment training to ensure employees are aware of the specific conditions of their roles. We equip employees involved in relevant scenarios with labour protection equipment including safety shoes, reflective vests, earplugs, gloves, and face masks, and remind employees to wear protective equipment as required. In accordance with laws and regulations, the Group provides in-kind subsidies for workers engaged in work environments with hazardous or harmful factors, including a heavy and toxic work allowance of VND 300,000 per person, a milk supplement of one pack per four hours, and bi-annual occupational disease examinations for employees in specialist positions.

In terms of advocacy, the Group has formulated the Employee Safety and Health Work Code in accordance with occupational safety and health education and training regulations, and stipulates the required safety and environmental certifications, training, and on-the-job education for various job categories. Fire drills and emergency medical response training are also conducted. A training needs survey is conducted at the end of each year to serve as the basis for planning and scheduling training sessions in the following year, and the importance of environmental protection, safety, and health is promoted through education and training programmes.

No employee fatalities due to work-related causes occurred within the Group in 2023, 2024, or 2025.



### 4.3 Training and Development

The Group has a well-established employee training system and follows regulations including the Education and Training Management Measures, with the highest guiding principle of enhancing employees’ knowledge, skills, and overall qualities, and improving individual and organisational work quality and performance.

The KPI performance related to training for the year is as follows:

Indicator	Unit	2025
<b>Percentage of employees trained by gender</b>		
Female employees	%	13.25
Male employees	%	86.75
<b>Percentage of employees trained by employment category</b>		
Full-time junior staff	%	78.42
Full-time middle management	%	18.57
Full-time senior management	%	3
<b>Average training hours per employee by gender</b>		
Female employees	Hour	6
Male employees	Hour	6
<b>Average training hours per employee by employment category</b>		
Full-time junior staff	Hour	6
Full-time middle management	Hour	6
Full-time senior management	Hour	6

The Group has a training centre equipped with various practical workshops, equipment, and instructors. The training centre conducts courses in accordance with the Company’s training framework, and records participants and hours in the education and training system for future reference in promotion decisions. Each year, the training centre conducts training needs surveys across all units based on the Company’s operational guidelines and strategic objectives, and compiles an annual training plan. In addition to organising its own training programmes, the centre also accepts commissioned training from other enterprises, providing diverse training courses and quality on-the-job education to cultivate professionally competent and motivated talent.

The Group’s training system encompasses the following categories of training courses:

- General Training: Environmental protection, fire safety, induction training for new employees (basic legal knowledge, workplace safety obligations, employee rights, etc.), and occupational safety and health management
- Quality Management Training: Quality inspector training, ISO training, introduction to basic quality management concepts, etc.
- Management Training: Project management, topical reporting and presentation skills, the Three Realities and Five Principles, the Seven QC Tools, introduction to business management, problem analysis and decision-making, etc.
- Language Training: Mandarin Chinese and Vietnamese language training

**4.3 Training and Development (Continued)**

The Group offers a diverse range of training courses. In addition to basic fire safety, factory safety, occupational safety and health, ISO quality management, and environmental management system courses, CIC training, forklift and equipment operation safety training, and other programmes are also offered. During the year, we provided employees with relevant training including basic training on internal regulations, work procedures, safe operations, and corporate culture; management skills training covering communication skills, teamwork, time management, and problem-solving; as well as fire safety training, emergency medical response, and environmental protection knowledge. The Group also encourages employees to pursue skills assessments and obtain professional certifications.

Furthermore, in order to realise the sustainable development objective of “talent cultivation”, enhance employees’ management capabilities, and enable them to learn from the management techniques and corporate culture of the Company’s ultimate holding company, the Group provides Vietnamese managerial staff with opportunities to undertake training and internships at the ultimate holding company, SYM Motor Co., Ltd. (“SYM”), in Taiwan. The training content covers multiple subjects including corporate strategic planning concepts, cost management concepts, departmental operations management, and departmental budget control.

**5 ENVIRONMENTAL STEWARDSHIP**

The Group strictly complies with the Law on Environmental Protection and other relevant laws and regulations, and follows the requirements of the ISO 14001 Environmental Management System to establish a comprehensive environmental management system, which has been certified. In day-to-day operations, the Group conducts effective monitoring and measurement, carries out internal audits, implements corrective and preventive measures, and pursues continuous improvement.



ISO 14001 Environmental Management System Certification



## 5.1 Climate Change Response Governance

The Group has incorporated the governance responsibilities for climate-related matters into its ESG governance structure. The Board of Directors, as the highest decision-making body of the Group’s governance, bears ultimate responsibility for climate-related matters. The Safety and Health Committee reviews the Group’s climate-related policies and performance, and specific work is implemented by the individual executive departments. With regard to climate change, the key matters we have identified include, but are not limited to, the identification, assessment, and management system development for climate-related risks, as well as the ongoing monitoring and review of the formulation and progress of climate-related targets. During the year, we arranged ESG-related thematic training covering topics including climate change, to ensure that the ESG governance structure continuously acquires professional understanding and competence in relation to ESG and climate change matters. For detailed responsibilities of the ESG governance structure, please refer to the “ESG Governance Structure” section.

### Strategy

The Group continuously monitors changes in the external environment and dynamically reviews and updates its climate strategy. We have identified a series of climate-related risks and opportunities with material financial implications, and have conducted in-depth assessments of their direct and indirect financial impacts on the Company across three-time horizons: short-term (within 3 years), medium-term (3–5 years), and long-term (over 5 years). Targeted response measures have been formulated to mitigate their adverse effects.

Risk type	Risk Description	Potential financial impacts	Time Horizon	Value Chain Impact	Response Measures
Physical risk					
Acute Risks	The increasing frequency of extreme weather events such as typhoons, floods, and storms may affect daily operations and equipment safety at offices and factory premises; may cause supply chain disruptions; and may extend employee commuting times, having a certain impact on employee safety and normal business operations.	<ul style="list-style-type: none"> <li>Increased operating costs</li> <li>Increased equipment maintenance costs</li> <li>Increased employee insurance and subsidy costs</li> <li>Decreased operating revenue</li> </ul>	Short-term	Upstream value chain; Direct operations	<ul style="list-style-type: none"> <li>Formulate and implement emergency response plans and recovery mechanisms</li> <li>Monitor operational risks and track weather forecasts</li> <li>Install facility protection measures and enhance the disaster resilience of buildings and infrastructure</li> <li>Establish backup facilities in high-risk areas</li> <li>Implement localised procurement and designate backup suppliers to maintain supply chain stability</li> <li>Provide employees with safety training to raise their safety awareness</li> </ul>
Chronic Risks	Environmental changes resulting from global warming, such as rising average temperatures and changing precipitation patterns, may increase demand for cooling equipment and water resources at offices and factory premises.	<ul style="list-style-type: none"> <li>Increased operating costs</li> <li>Increased capital expenditure</li> </ul>	Long-term	Upstream value chain; Direct operations	<ul style="list-style-type: none"> <li>Conduct forward-looking risk identification and assessment, incorporating findings into considerations for the selection of office and factory locations</li> </ul>

**5.1 Climate Change Response (Continued)**

Risk type	Risk Description	Potential financial impacts	Time Horizon	Value Chain Impact	Response Measures
Transition risks					
Policy and Regulatory Risks	Laws and regulations governing safety, labour relations, and waste gas emissions in the industry are becoming increasingly stringent, and carbon management policies, regulations, and carbon pricing measures are being progressively introduced by governments in various regions, which may affect corporate compliance, information disclosure, and brand image.	<ul style="list-style-type: none"> <li>Increased compliance costs</li> <li>Increased operating costs</li> <li>Increased capital expenditure</li> </ul>	Medium- to long-term	Upstream value chain; Direct operations; Downstream value chain	<ul style="list-style-type: none"> <li>Motorcycles already comply with Euro emission standards, and plans have been put forward to address the regulations of various countries</li> <li>Reduce carbon emissions through energy conservation and accelerating the development and utilisation of renewable energy</li> </ul>
Technology Risks	Products and services face pressure from the green and low-carbon transition, as well as technology and equipment upgrades.	<ul style="list-style-type: none"> <li>Increased operating costs</li> <li>Increased capital expenditure</li> </ul>	Medium- to long-term	Upstream value chain; Direct operations	<ul style="list-style-type: none"> <li>In accordance with local government energy-saving requirements, adopt low-friction and low-resistance designs or technologies to ensure vehicle models meet requirements for reduced fuel consumption and improved fuel efficiency</li> <li>Monitor technological developments and replace equipment and production lines that meet energy consumption requirements and improve efficiency in a timely manner, to achieve product upgrades and operational improvements</li> </ul>



## 5.1 Climate Change Response (Continued)

Risk type	Risk Description	Potential financial impacts	Time Horizon	Value Chain Impact	Response Measures
Market Risks	The industry faces disruption from green vehicles, and local authorities may impose restrictions on vehicle numbers, leading to changes in market size and customer demand.	<ul style="list-style-type: none"> <li>Decreased operating revenue</li> </ul>	Medium- to long-term	Direct operations; Downstream value chain	<ul style="list-style-type: none"> <li>Monitor local market demand and conduct vehicle model research, development, and sales in accordance with local conditions</li> <li>Adjust market strategies and develop export markets; consider the local suitability of existing vehicle models before reintroducing them for sale</li> <li>Improve operational performance, strictly control costs and expenses, and continuously innovate research and development technologies</li> </ul>
Reputational Risks	Stakeholders are increasingly concerned about corporate green development and energy-saving and emissions reduction performance, and expectations for corporate social responsibility fulfilment are rising	<ul style="list-style-type: none"> <li>Increased operating costs</li> <li>Increased financing costs</li> </ul>	Long-term	Direct operations; Downstream value chain	<ul style="list-style-type: none"> <li>Enhance the level of sustainable development information disclosure</li> <li>Actively fulfil social responsibilities, participate in public interest activities, and promote industry and social progress</li> </ul>

Opportunity Type	Opportunity Description	Time Horizon	Response Measures
Product Opportunities	As consumer environmental awareness increases, preference for green vehicles continues to grow	Medium- to long-term	<ul style="list-style-type: none"> <li>Continuously research, develop, and launch environmentally friendly vehicle models and electric vehicles to attract more environmentally conscious consumers and maintain market competitiveness</li> </ul>
Market Opportunities	As industry development drives technological upgrades, motorcycle performance across various dimensions improves, leading to enhanced adaptability in regions with different terrains and road conditions, and an expansion of application scenarios.	Medium- to long-term	<ul style="list-style-type: none"> <li>Conduct vehicle model research, development, and sales in accordance with local conditions.</li> <li>Develop export markets; consider the local suitability of existing vehicle models before reintroducing them for sale</li> <li>Continuously research, develop, and launch new vehicle models to provide consumers with a wider range of choices</li> </ul>

**5.1 Climate Change Response (Continued)**

In light of the exemption arrangements provided by the Stock Exchange (including the reasonable data exemption, capability exemption, and financial impact exemption), this Report refrains from disclosing details on financial impacts and climate-related scenario analysis for the time being, and instead adopts primarily qualitative descriptions. In addition, we have not yet implemented a climate-related transition plan. The Group is committed to continuously enhancing its relevant capabilities and will progressively improve disclosures in future reports. During the Reporting Period, no incidents occurred within the Group that resulted in material operational or financial impacts due to extreme weather events.

**Risk Management**

The Company has established a comprehensive risk management framework and system. With respect to material risks including operational, compliance, ESG, and climate change risks, potential impacts are mitigated and sustainable operations are ensured through risk inventorying, assessment, and response measures such as carbon reduction projects, regulatory compliance mechanisms, and business continuity plans.

Risk Identification	Continuously collect internal and external information relevant to the Group’s risk management, including historical data and future projections, to comprehensively identify the risks faced by the Group. Climate change risks are also identified based on business characteristics, industry-specific features, and the climatic conditions of the regions in which the Group operates.
Risk Assessment	Based on the Group’s risk management philosophy and risk tolerance, strategic, operational, compliance, and financial objectives are established. Various factors that may hinder the achievement of objectives, impede value creation, or erode existing value are considered in conducting a comprehensive assessment of identified risks.
Risk Response	Formulate solutions for various categories of risk, including risk resolution objectives, the management and business processes involved, the resources required, and the specific response measures and risk management tools to be applied before, during, and after the occurrence of a risk event.
Risk Monitoring and Improvement	Establish information communication channels through which management, functional departments, and individual executive departments carry out risk monitoring and improvement, and continuously follow up on risk management work.

**Metrics and Targets**

To better understand and continuously track the Group’s effectiveness in addressing climate change, the Group proactively sets and manages environmental targets, and is committed to maintaining or progressively reducing energy consumption, water consumption, and waste generation relative to the 2019 baseline.

The Group defines Scope 1 greenhouse gas emissions as direct greenhouse gas emissions from sources owned and controlled by the Company, and Scope 2 greenhouse gas emissions as indirect greenhouse gas emissions resulting from the generation of electricity, heat, and cooling, or steam purchased externally by the Company. We continuously disclose Scope 1 and Scope 2 greenhouse gas emissions data, and continuously provide human resources support, management system development, and financial investment towards greenhouse gas emissions reduction. The Group intends to install a solar power generation system to promote the adoption of green energy; no related capital expenditure has been incurred during the Reporting Period.

In light of the exemption arrangements provided by the Stock Exchange (including the reasonable data exemption, capability exemption, and commercially sensitive exemption), this Report refrains from disclosing Scope 3 greenhouse gas emissions data, cross-industry metrics, and industry-specific metrics for the time being. In addition, we make negative statements with respect to internal carbon pricing and remuneration matters. The Group is committed to continuously enhancing its relevant capabilities and will progressively improve disclosures in future reports.



**5.1 Climate Change Response (Continued)**  
**Metrics and Targets (Continued)**

We collect environmental KPIs from the production factory at Industrial Zone No. 2, Nhon Trach District, Dong Nai Province, Vietnam, and the production factory in Hanoi, Vietnam, to conduct annual greenhouse gas emissions inventories. A summary of greenhouse gas emissions is as follows:

Greenhouse Gas Emissions Performance	Unit	2025
Greenhouse Gas Emissions (Scope 1 and 2)	Metric tonnes of CO <sub>2</sub> equivalent	5,338.29
Greenhouse Gas Emissions Intensity (Scope 1 and 2)	Metric tonnes of CO <sub>2</sub> equivalent /revenue	0.00017

In the process of transitioning towards a low-carbon future, the Group prioritises the phased development of management capabilities and green energy infrastructure. We currently have plans to install a solar power generation system and are continuously optimising the energy efficiency of production equipment. Based on the current progress in developing our data collection systems and the volatility of the external economic environment, we are adopting a gradual and planned approach to setting carbon reduction targets. Using 2025 as the base year, we aim to achieve a 1% reduction in carbon emissions intensity (Scope 1 and 2) by 2030. Specific quantitative emissions reduction milestones will be progressively implemented based on implementation results, with the aim of fulfilling a scientifically grounded and practically achievable environmental commitment.

**5.2 Air Pollutants**

The most significant and potentially harmful air pollutants generated by the Group in its day-to-day operations are volatile organic compound (VOC) waste gases produced during the plastic coating process. If coating waste gases are not thoroughly captured and treated, they may cause pollution within the Group’s premises or in the surrounding environment, and may further extend to regional pollution, while also affecting the health of frontline employees and nearby residents.

To prevent coating waste gases from escaping, the Group installs dust-proof nets throughout the operating environments of all factory premises, and uses water curtains to absorb waste gases. Residual paint sludge is properly collected and entrusted to qualified vendors for disposal.

To effectively control waste gas emissions, the Group formulates an annual inspection plan. Regular inspections are conducted annually in accordance with the plan, with inspection items carried out according to environmental protection regulatory requirements. Assessment reports are prepared based on inspection results and serve as the basis for improving waste gas emissions quality. The 2025 inspection results were all in compliance with national standards and relevant laws and regulations.

With regard to the Group’s vehicles, the Group implements a series of management measures, planning vehicle usage arrangements through an inventory of existing vehicle numbers and emission status. We have formulated a vehicle replacement schedule and conduct regular maintenance inspections of relevant vehicles to ensure emissions comply with standards.

During the Reporting Period, no material violations related to air pollution occurred within the Group.

**5.3 Waste and Wastewater*****Waste Management***

The Group's waste management is guided by the principle of "reducing emissions and recycling wherever possible." The Group continuously promotes and strengthens waste source separation across all departments. Through thorough source separation, emissions are reduced and pollution is minimised. In accordance with the Waste Disposal Regulations, we require all units to sort and store waste in accordance with the labelling of the waste storage areas. General Affairs and Environmental Safety Division personnel are responsible for identifying qualified vendors for waste disposal. When waste leaves the premises, it must be weighed and recorded, and all records must be filed in accordance with the stipulated retention period for ongoing management purposes. In addition, the disposal and storage of hazardous waste is monitored by security personnel or General Affairs and Environmental Safety Division staff.

The hazardous waste generated by the Group in its operations primarily comprises paint sludge, sludge, waste oil, and waste cloth. With regard to hazardous waste, the Group complies with all relevant environmental laws and regulations. Our production factories have each filed declarations with the competent authorities and obtained hazardous waste discharge permits from the local environmental protection authority, and hazardous waste is collected and processed by qualified vendors. To reduce and manage paint sludge, we implement strengthened material requisition controls, standardise spray painting quantities, and ensure that paint sludge is left to settle before being outsourced for disposal.

The non-hazardous waste generated by the Group in its operations includes household waste, cardboard boxes, wooden pallets, and metal underframes. For non-hazardous waste, we likewise apply the principles of sorted collection and centralised disposal to reduce resource wastage and improve the rate of reuse. We have designated appropriate waste storage areas, equipped with bins categorised according to waste type and clearly labelled with waste classification signage. At the end of each working day, waste is moved to a centralised area, re-sorted, and then handed over to qualified units for disposal.

We will progressively reduce the generation of hazardous waste through process optimisation improvements, material substitution, classification controls, and recycling measures, while strengthening monitoring and compliance management to ensure environmental safety. We continuously reuse cardboard boxes, wooden pallets, and metal underframes to reduce the generation of non-hazardous waste and save costs. During the Reporting Period, no material violations related to waste disposal occurred within the Group.

***Wastewater Management***

The Group's Nhon Trach factory in Dong Nai Province is located at Section 4, Road 5C, Nhon Trach Industrial Zone II, and falls within the Dong Nai River basin, which serves as a water source for residents of Bien Hoa City, Nhon Trach District, and Ho Chi Minh City. The Hanoi factory is located on Le Trong Tan Street, La Khe Ward, Ha Dong District, Hanoi, and falls within the Hanoi River basin, which serves as a water source for residents of Ha Dong District and the wider Hanoi metropolitan area. As the wastewater discharged by the relevant factories has a direct bearing on the health and safety of residents, the industrial wastewater discharged by the Group's factories is subject to strict government controls, and effluent discharge must comply with national standards.

All of the Group's factories are equipped with comprehensive wastewater treatment systems. Wastewater generated during production processes is uniformly collected and treated, undergoing concentration equalisation, sedimentation, biological treatment, suspended solids filtration, and disinfection before being discharged externally, ensuring compliance with national effluent discharge standards.

During the Reporting Period, wastewater discharge from all factory premises within the Group complied with national standards and relevant laws and regulations, and no material violations related to wastewater discharge occurred.



## 5.4 Energy and Water Conservation Measures

The primary energy and resource inputs used by the Group in its production processes include electricity, petrol, diesel, natural gas, and tap water. Our water resources are sourced from the municipal water supply network, and we therefore face no issues with regard to water sourcing. Through regular environmental impact assessments, we identify major sources of impact relating to energy, water resources, and waste, and implement improvement measures including energy conservation, recycling, and emissions reduction.

The Group's General Affairs and Environmental Safety Division is specifically responsible for planning, promoting, and overseeing the implementation of various energy and water conservation programmes. The Group manages electricity consumption by production systems and indirect units separately, proposing and implementing improvement plans tailored to the characteristics of each type of work. In terms of production processes, the objective is to continuously improve energy and resource use efficiency and reduce resource wastage; for office and administrative functions, energy-saving improvements are targeted at air conditioning and lighting in common areas.

The Group is committed to reducing energy consumption through measures including inspecting and replacing electrical equipment, prioritising the procurement of energy-efficient products, improving system design, adopting high-efficiency equipment, and implementing recycling and reuse. General Affairs and Environmental Safety Division personnel conduct regular checks of water supply pipelines for cracks and leaks, and carry out timely repairs. We implement resource reuse measures for packaging materials, utilising metal frames and cardboard boxes from imported components for export packaging, and reusing cardboard boxes and nylon bags for packaging purposes.

In addition, through the accurate monthly recording and statistical compilation of consumption figures for energy, water, and other resource inputs, the Group is able to track usage patterns, identify anomalies, and implement improvements and conservation measures. Furthermore, the Group continuously promotes the concept of increasing efficiency and reducing waste among employees, and strengthens controls over resource usage.

Data on energy and water consumption is as follows:

Energy and Water Resource Usage		Unit	2025
Fuel Consumption by Fixed Equipment	Diesel	Litres	108,839
	Natural gas	Kilograms	118,400
Fuel Consumption by Motor Vehicles	Diesel	Litres	82,410
	Petrol	Litres	58,615
Electricity Consumption	Electricity	Kilowatt-hours	8,098,410
Water Resource Consumption	Tap water	Cubic metres	116,255
Packaging Material Consumption	Packaging film	Kilograms	16,854
	Paper	Kilograms	226,633

## 5.5 Environment and Natural Resources

The Group upholds the principles of energy conservation, carbon reduction, and recycling, and promotes measures relating to energy efficiency, water resource management, waste reduction, and pollution prevention, in fulfilment of its sustainable commitment to the environment and natural resources. Through regular environmental impact assessments, we identify our environmental impacts on the locations in which we operate and ensure compliant operations. We continuously raise the environmental awareness of all managerial staff and employees, and regularly organise training and education for all staff to ensure that the resources and capabilities required to implement the above commitments are in place, thereby reducing the material environmental impacts arising from production and operational activities. During the Reporting Period, no material environmental violations occurred within the Group.

**6 COMMUNITY INVESTMENT**

Guided by the community investment philosophy of “taking from society and giving back to society, and being an enterprise that Vietnam needs”, the Group has been committed to giving back to local communities since its establishment. Since 2003, the Group has established the “Love and Care Association” to organise and promote related activities, encouraging suppliers and Group colleagues to participate together, embodying the spirit of “lending a hand for the public good — with both heart and virtue; joining hands for the public good — for a happier and more beautiful world.” Through actively contributing to Vietnamese society, the Group has cultivated deep roots in Vietnam over the years and has earned wide recognition and affirmation from Vietnamese society and the government.

The Company has introduced a corporate social responsibility community investment framework, promoting comprehensive community investment work across three dimensions: environmental protection, social participation, and education and culture, in fulfilment of its social responsibilities. In 2025, we organised 45 employees to donate gifts to families in need within the Phu An commune, with a total contribution of USD5,000.



In addition, to raise traffic safety awareness among young people, we actively engage with Vietnamese high school campuses and organise a series of safe driving activities each year that combine education with hands-on practice, continuously promoting traffic safety awareness throughout society and fulfilling our social responsibilities.





## APPENDIX I: SUSTAINABLE DEVELOPMENT DATA SUMMARY

Environmental KPIs <sup>1</sup>	Unit	2025
<b>Vehicle Air Emissions</b>		
Nitrogen Oxides (NO <sub>x</sub> )	Metric tonnes	0.51
Sulfur Oxides (SO <sub>x</sub> )	Metric tonnes	0.72
Particulate Matter (PM)	Milligrams/cubic metre	23
<b>Greenhouse Gases</b>		
Greenhouse Gas Emissions (Scope 1 and 2)	Metric tonnes of CO <sub>2</sub> equivalent	5,338.29
Greenhouse Gas Emissions Intensity (Scope 1 and 2)	Metric tonnes of CO <sub>2</sub> equivalent/revenue	0.00017
<b>Non-Hazardous Waste</b>		
Non-hazardous waste discharge volume	Kilograms	186,240
Non-hazardous waste discharge intensity	Kilograms/output	3.21
<b>Hazardous Waste</b>		
Hazardous waste discharge volume	Kilograms	238,587
Hazardous waste discharge intensity	Kilograms/output	4.11
<b>Packaging Materials</b>		
Paper	Kilograms	226,633
Packaging film	Kilograms	16,854
Total packaging material consumption	Kilograms	243,487
Packaging material consumption intensity	Kilograms/output	4.19
<b>Energy</b>		
Stationary source diesel	Litres	108,839
Stationary source natural gas	Litres	118,400
Mobile source diesel	Litres	82,410
Mobile source petrol	Litres	58,615
Electricity	Kilowatt-hours	8,098,410
Electricity consumption intensity	Kilowatt-hours/output	139.38
<b>Water Resources</b>		
Tap water	Cubic metres	116,255
Water resource consumption intensity	Cubic metres/output	2.0

<sup>1</sup> The environmental indicators disclosure scope covers the production factory at Industrial Zone No. 2, Nhon Trach District, Dong Nai Province, Vietnam, and the production factory in Hanoi.

Social KPIs <sup>2</sup>	Unit	2025
<b>Employee Headcount</b>		
Total number of employees	Number	933
<b>Number of employees by gender</b>		
Female employees	Number	213
Male employees	Number	720
<b>Number of employees by position type</b>		
Full-time junior staff	Number	685
Full-time middle management	Number	215
Full-time senior management	Number	33
<b>Number of employees by age group</b>		
Under 30	Number	155
30–50 years old	Number	573
Over 50 years old	Number	205
<b>Number of employees by region</b>		
Vietnam-based employees	Number	917
Taiwan-based employees	Number	16
<b>Employee Turnover</b>		
Total turnover rate	%	21.6
<b>Employee turnover rate by gender</b>		
Female employees	%	14.3
Male employees	%	85.7
<b>Employee turnover rate by age group</b>		
Under 30	%	13.1
30–50 years old	%	84.4
Over 50 years old	%	6.2
<b>Employee turnover rate by region</b>		
Vietnam-based employees	%	97.3
Taiwan-based employees	%	2.7
<b>Occupational Health and Safety (Work-Related Injury and Fatality Cases)</b>		
Number of work-related fatalities (FY2023, FY2024, and FY2025)	Number	0
Rate of work-related fatalities (FY2023, FY2024, and FY2025)	%	0
Number of working days lost due to work-related injuries	Days	31

<sup>2</sup> The social indicators disclosure scope is consistent with the Annual Report

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Social KPIs <sup>2</sup>	Unit	2025
<b>Employee Training</b>		
Percentage of employees trained	%	16.81
Average training hours per employee	Hour	6
<b>Percentage of employees trained by gender</b>		
Female employees	%	13.25
Male employees	%	86.75
<b>Percentage of employees trained by employment category</b>		
Full-time junior staff	%	78.42
Full-time middle management	%	18.57
Full-time senior management	%	3.0
<b>Average training hours per employee by gender</b>		
Female employees	Hour	6
Male employees	Hour	6
<b>Average training hours per employee by employment category</b>		
Full-time junior staff	Hour	6
Full-time middle management	Hour	6
Full-time senior management	Hour	6

<sup>2</sup> The social indicators disclosure scope is consistent with the Annual Report

**APPENDIX II: CONTENT INDEX FOR THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE**

ESG Indicator		Corresponding Section
<b>Aspect A1: Emissions</b>		
General Disclosure	Policies and information on compliance with relevant laws and regulations that have a material impact on the issuer, in respect of:  (a) air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste; and  (b) compliance with relevant laws and regulations.	Section 5 – Environmental Stewardship
KPI A1.1	Types of emissions and related emissions data.	
KPI A1.2	Total hazardous waste produced (in tonnes) and, where applicable, intensity (e.g. per unit of production, per facility).	
KPI A1.3	Total non-hazardous waste produced (in tonnes) and, where applicable, intensity (e.g. per unit of production, per facility).	
KPI A1.4	Description of targets set for reducing emissions and the steps taken to achieve them.	
KPI A1.5	Description of how hazardous and non-hazardous wastes are handled, and description of targets set for reducing waste and the steps taken to achieve them.	
<b>Aspect A2: Resource Use</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water, and other raw materials.	Section 5 – Environmental Stewardship
KPI A2.1	Total direct and/or indirect energy consumption by type (e.g. electricity, gas, or oil) in total (in thousands of kilowatt-hours) and intensity (e.g. per unit of production, per facility).	
KPI A2.2	Total water consumption and intensity (e.g. per unit of production, per facility).	
KPI A2.3	Description of targets set for energy efficiency and the steps taken to achieve them.	
KPI A2.4	Description of whether there are any issues in sourcing water that is fit for purpose, and the targets set for water efficiency and the steps taken to achieve them.	
KPI A2.5	Total packaging materials used for finished products (in tonnes) and, where applicable, per unit produced.	



ESG Indicator		Corresponding Section
<b>Aspect A3: Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Section 5 – Environmental Stewardship
KPI A3.1	Description of the significant impacts of business activities on the environment and natural resources, and the actions taken to manage those impacts.	
<b>Aspect B1: Employment</b>		
General Disclosure	<p>Policies on compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</p> <p>(a) air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste; and</p> <p>(b) compliance with relevant laws and regulations.</p>	Section 4 – Employee Care
KPI B1.1	Total workforce by gender, employment type (e.g. full-time or part-time), age group, and region.	
KPI B1.2	Employee turnover rate by gender, age group, and region.	
<b>Aspect B2: Health and Safety</b>		
General Disclosure	<p>Policies on providing a safe working environment and protecting employees from occupational hazards.</p> <p>(a) air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste; and</p> <p>(b) compliance with relevant laws and regulations.</p>	Section 4 – Employee Care
KPI B2.1	Number and rate of work-related fatalities for each of the past three years, including the reporting year.	
KPI B2.2	Number of working days lost due to work-related injuries.	
KPI B2.3	Description of occupational health and safety measures adopted, and the related implementation and monitoring methods.	
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Section 4 – Employee Care
KPI B3.1	Percentage of employees trained by gender and employee category (e.g. senior management, middle management).	
KPI B3.2	Average hours of training completed per employee by gender and employee category.	

ESG Indicator		Corresponding Section
<b>Aspect B4: Labour Standards</b>		
General Disclosure	Policies on preventing child and forced labour.  (a) air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste; and  (b) compliance with relevant laws and regulations.	Section 4 – Employee Care
KPI B4.1	Description of measures to review recruitment practices to avoid child and forced labour.	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks in the supply chain.	Section 3 – Product Responsibility
KPI B5.1	Number of suppliers by region.	
KPI B5.2	Description of practices relating to engaging suppliers, the number of suppliers implementing such practices, and the related implementation and monitoring methods.	
KPI B5.3	Description of practices for identifying environmental and social risks at each stage of the supply chain, and the related implementation and monitoring methods.	
KPI B5.4	Description of practices for promoting the use of environmentally preferable products and services when selecting suppliers, and the related implementation and monitoring methods.	
<b>Aspect B6: Product Responsibility</b>		
General Disclosure	Policies on health and safety, advertising, labelling, and privacy matters relating to products and services provided, and methods of redress.  (a) air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste; and  (b) compliance with relevant laws and regulations.	Section 3 – Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	
KPI B6.2	Number of complaints received and how they were dealt with in respect of products and services.	
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	
KPI B6.4	Description of quality assurance process and product recall procedures.	
KPI B6.5	Description of consumer data protection and privacy policies, and the related implementation and monitoring methods.	



ESG Indicator		Corresponding Section
<b>Aspect B7: Anti-Corruption</b>		
General Disclosure	Policies on preventing bribery, extortion, fraud, and money laundering. (a) air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste; and (b) compliance with relevant laws and regulations.	Section 3 – Product Responsibility
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	
KPI B7.2	Description of preventive measures and whistleblowing procedures, and the related implementation and monitoring methods.	
KPI B7.3	Description of anti-corruption training provided to directors and staff.	
<b>Aspect B8: Community Investment</b>		
General Disclosure	Policies on engaging with the communities in which the issuer operates to understand their needs and to ensure that its business activities take into consideration the interests of those communities.	Section 6 – Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	
KPI B8.2	Resources contributed (e.g. money or time) in the focus areas.	

Climate-Related Disclosures		Disclosure	Corresponding Section
Governance	Governance body responsible for overseeing climate-related risks and opportunities	Disclosed	Section 5.1 – Addressing Climate Change
Strategy	Climate-related risks and opportunities	Disclosed	Section 5.1 – Addressing Climate Change
Strategy	Business model and value chain	Disclosed	Section 5.1 – Addressing Climate Change
Strategy	Strategy and decision-making	Disclosed	Section 5.1 – Addressing Climate Change
Strategy	Financial position, financial performance, and cash flows – current financial impacts	Qualitative financial impacts disclosed	Section 5.1 – Addressing Climate Change
Strategy	Financial position, financial performance, and cash flows – anticipated financial impacts	Qualitative financial impacts disclosed	Section 5.1 – Addressing Climate Change
Strategy	Climate resilience	Not yet disclosed	The Group will conduct assessments and analysis in the future
Risk Management	How the processes for identifying, assessing, prioritising, and monitoring climate-related risks and opportunities are integrated into the issuer's overall risk management process, and the extent of such integration	Disclosed	Section 5.1 – Addressing Climate Change
Metrics and targets	Greenhouse gas emissions	Disclosed	Section 5.1 – Addressing Climate Change
Metrics and targets	Climate-related transition risks	Not yet disclosed	The Group's business operations do not involve assets or business activities affected by climate-related transition risks
Metrics and targets	Climate-related physical risks	Not yet disclosed	The Group's business operations do not involve assets or business activities affected by climate-related physical risks
Metrics and targets	Climate-related opportunities	Not yet disclosed	The Group's business operations do not involve assets or business activities related to climate-related opportunities
Metrics and targets	Capital deployment	Disclosed	Section 5.1 – Addressing Climate Change
Metrics and targets	Internal carbon pricing	Negative statement issued	The Group has not yet established carbon pricing
Metrics and targets	Remuneration	Negative statement issued	The Group has not yet incorporated climate-related considerations into its remuneration policies
Metrics and targets	Industry metrics	Not yet disclosed	The Group has not yet identified or disclosed industry metrics
Metrics and targets	Climate-related targets	Disclosed	Section 5.1 – Addressing Climate Change

# Independent Auditor’s Report



**Independent auditor’s report to the shareholders of  
Vietnam Manufacturing and Export Processing (Holdings) Limited**  
*(incorporated in the Cayman Islands with limited liability)*

### OPINION

We have audited the consolidated financial statements of Vietnam Manufacturing and Export Processing (Holdings) Limited (“the Company”) and its subsidiaries (“the Group”) set out on pages 67 to 112, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA’s *Code of Ethics for Professional Accountants* (“the Code”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

**KEY AUDIT MATTER (Continued)**

**Valuation of motorbikes manufacturing inventories**

Refer to note 13 to the consolidated financial statements and the accounting policies in note 2(j).

**The Key Audit Matter**

Inventories are carried at the lower of cost and net realisable value (“NRV”) in the consolidated financial statements.

At 31 December 2025, the Group’s motorbikes manufacturing inventories, which accounted for 100% (2024: 88%) of the total inventories with gross amount of US\$25.0 million (2024: US\$23.5 million), against which a write-down of US\$3.9 million (2024: US\$3.9 million) was recorded.

Management performs a regular review of the motorbikes manufacturing inventories held by the Group and assess if any write-down is required due to their deteriorating physical conditions, long ageing or the expectation that they would not be fully utilised based on expected future manufacturing or trading orders.

Where there are such motorbikes manufacturing inventories, a write-down may be required to reduce the carrying amount to NRV.

We identified the valuation of motorbikes manufacturing inventories as a key audit matter because significant degree of management judgement required to assess the appropriate level of write-down for motorbikes manufacturing inventories.

**How the matter was addressed in our audit**

Our audit procedures to assess the valuation of the motorbikes manufacturing inventories included the following:

- evaluating the Group’s policy for provision for inventories with reference to the requirements of the prevailing accounting standards;
- assessing, on a sample basis, whether items in the inventory ageing report of motorbikes manufacturing inventories were classified within the appropriate ageing bracket by comparing individual items with goods receipt notes;
- assessing, on a sample basis, the reasonableness of NRV of motorbikes manufacturing inventories estimated by management for those long-aged and slow-moving motorbikes manufacturing inventories with reference to the movements, ageing analysis, forward customers’ orders and the selling price subsequent to the year end;
- challenging management on the reasonableness of NRV of motorbikes manufacturing inventories for damaged inventories by comparing the management’s assessment of the conditions of the damaged inventories with our observation during our attendance of the year-end inventory count on motorbikes manufacturing inventories on a sample basis;
- re-calculating the write-down for motorbikes manufacturing inventories based on the Group’s write-down policy; and
- performing retrospective review, on a sample basis, by comparing the carrying values of finished goods of motorbikes manufacturing inventories as at 31 December 2024 with the sales prices achieved during the reporting period and raw materials and work-in-progress of motorbikes manufacturing inventories as at 31 December 2024 with subsequent utilisation record to assess the reliability of management’s judgement and whether there is any indication of management bias.



## INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon as part of our engagement to audit the consolidated financial statements. We have performed an assurance engagement on the disclosed continuing connected transactions that form part of the other information and provided a separate assurance practitioner's conclusion thereon that is included within the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Yeung Yuk Fan (practising certificate number: P05438).

**KPMG**

*Certified Public Accountants*

8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

12 March 2026

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025  
(Expressed in United States dollars)



	Note	2025 US\$	2024 US\$
<b>Revenue</b>	4	<b>87,007,270</b>	81,138,430
Cost of sales		<b>(79,456,656)</b>	(73,851,650)
<b>Gross profit</b>		<b>7,550,614</b>	7,286,780
Other income	5	<b>11,267,639</b>	663,745
Distribution costs		<b>(4,197,790)</b>	(4,199,899)
Administrative and other operating expenses		<b>(6,338,350)</b>	(6,594,278)
<b>Results from operations</b>		<b>8,282,113</b>	(2,843,652)
Finance income		<b>2,274,254</b>	2,430,523
Finance costs		<b>(3,338,466)</b>	(2,560,684)
<b>Net finance costs</b>	6(a)	<b>(1,064,212)</b>	(130,161)
Impairment loss on other property, plant and equipment	6(c)	<b>(342,623)</b>	(481,192)
Share of profit/(loss) of an associate		<b>50,693</b>	(69,557)
		<b>(291,930)</b>	(550,749)
<b>Profit/(loss) before taxation</b>	6	<b>6,925,971</b>	(3,524,562)
Income tax expense	7(a)	<b>(2,279,252)</b>	(319,911)
<b>Profit/(loss) for the year</b>		<b>4,646,719</b>	(3,844,473)
<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		<b>(1,123,570)</b>	(2,310,527)
<b>Total comprehensive income for the year</b>		<b>3,523,149</b>	(6,155,000)
<b>Profit/(loss) for the year attributable to:</b>			
Equity shareholders of the Company		<b>4,646,614</b>	(3,844,473)
Non-controlling interests		<b>105</b>	–
		<b>4,646,719</b>	(3,844,473)
<b>Total comprehensive income attributable to:</b>			
Equity shareholders of the Company		<b>3,523,044</b>	(6,155,000)
Non-controlling interests		<b>105</b>	–
		<b>3,523,149</b>	(6,155,000)
<b>Earnings/(loss) per share</b>			
– Basic and diluted	10	<b>0.0051</b>	(0.0042)

The notes on pages 71 to 112 form part of these financial statements.

# Consolidated Statement of Financial Position

At 31 December 2025

(Expressed in United States dollars)

	Note	2025 US\$	2024 US\$
<b>Non-current assets</b>			
Investment properties	11	3,581,933	3,725,726
Other property, plant and equipment	11	–	3,544,783
Interest in an associate	12	551,142	516,470
		<b>4,133,075</b>	7,786,979
<b>Current assets</b>			
Inventories	13	21,094,767	22,292,912
Trade receivables, other receivables and prepayments	14	19,591,270	18,886,534
Current tax recoverable	19(a)	12,832	–
Time deposits maturing after 3 months	15(b)	29,638,666	40,113,263
Cash and cash equivalents	15(a)	29,277,040	14,278,204
		<b>99,614,575</b>	95,570,913
<b>Current liabilities</b>			
Trade and other payables	16	15,248,009	22,220,446
Bank loans	17	37,177,513	33,823,923
Lease liabilities	18	9,548	55,085
Current tax payable	19(a)	2,137,519	200,245
		<b>54,572,589</b>	56,299,699
		<b>45,041,986</b>	39,271,214
<b>Net current assets</b>			
		<b>49,175,061</b>	47,058,193
<b>Non-current liabilities</b>			
Deferred tax liabilities	19(b)	15,890	14,395
Lease liabilities	18	653,501	2,061,277
		<b>669,391</b>	2,075,672
<b>NET ASSETS</b>			
		<b>48,505,670</b>	44,982,521
<b>Capital and reserves</b>			
Share capital	20(b)	1,162,872	1,162,872
Reserves		47,338,381	43,815,337
<b>Total equity attributable to equity shareholders of the Company</b>			
		<b>48,501,253</b>	44,978,209
Non-controlling interests		4,417	4,312
<b>TOTAL EQUITY</b>			
		<b>48,505,670</b>	44,982,521

Approved and authorised for issue by the Board of Directors on 12 March 2026.

**Wu, Jui-Chiao**  
Director

**Lin, Chun-Yu**  
Director

The notes on pages 71 to 112 form part of these financial statements.

# Consolidated Statement of Changes in Equity

For the year ended 31 December 2025  
(Expressed in United States dollars)



	Attributable to equity shareholders of the Company							Non- controlling interests	Total equity
	Share capital	Share premium	Capital reserve	Exchange reserve	Statutory reserves	Accumulated losses	Total		
	US\$	US\$	US\$	US\$	US\$	US\$	US\$		
<b>Balance at 1 January 2024</b>	1,162,872	112,198,709	1,962,666	(37,481,264)	47,049	(26,756,823)	51,133,209	4,312	51,137,521
<b>Changes in equity for 2024:</b>									
Loss for the year	-	-	-	-	-	(3,844,473)	(3,844,473)	-	(3,844,473)
Other comprehensive income	-	-	-	(2,310,527)	-	-	(2,310,527)	-	(2,310,527)
Total comprehensive income	-	-	-	(2,310,527)	-	(3,844,473)	(6,155,000)	-	(6,155,000)
Transfer retained profits to statutory reserves	-	-	-	-	53,966	(53,966)	-	-	-
<b>Balance at 31 December 2024</b>	1,162,872	112,198,709	1,962,666	(39,791,791)	101,015	(30,655,262)	44,978,209	4,312	44,982,521
<b>Balance at 1 January 2025</b>	<b>1,162,872</b>	<b>112,198,709</b>	<b>1,962,666</b>	<b>(39,791,791)</b>	<b>101,015</b>	<b>(30,655,262)</b>	<b>44,978,209</b>	<b>4,312</b>	<b>44,982,521</b>
<b>Changes in equity for 2025:</b>									
Profit for the year	-	-	-	-	-	4,646,614	4,646,614	105	4,646,719
Other comprehensive income	-	-	-	(1,123,570)	-	-	(1,123,570)	-	(1,123,570)
Total comprehensive income	-	-	-	(1,123,570)	-	4,646,614	3,523,044	105	3,523,149
Transfer retained profits to statutory reserves	-	-	-	-	107,525	(107,525)	-	-	-
<b>Balance at 31 December 2025</b>	<b>1,162,872</b>	<b>112,198,709</b>	<b>1,962,666</b>	<b>(40,915,361)</b>	<b>208,540</b>	<b>(26,116,173)</b>	<b>48,501,253</b>	<b>4,417</b>	<b>48,505,670</b>

The notes on pages 71 to 112 form part of these financial statements.

# Consolidated Cash Flow Statement

For the year ended 31 December 2025  
(Expressed in United States dollars)

	Note	2025 US\$	2024 US\$
<b>Operating activities</b>			
Profit/(loss) before taxation		6,925,971	(3,524,562)
Adjustments for:			
Net gain on disposal of other property, plant and equipment	5	(10,309,609)	(63,013)
Interest income	6(a)	(2,274,254)	(2,430,523)
Interest expenses	6(a)	2,077,551	1,777,529
Depreciation of property, plant and equipment	6(c)	148,875	246,832
Provision for write-down of inventories	6(c)	453,537	1,668,167
Reversal of loss allowance of trade receivables	6(c)	(185,589)	(402,483)
Impairment loss on other property, plant and equipment	6(c)	342,623	481,192
Share of (profit)/loss of an associate		(50,693)	69,557
Foreign exchange gain		(1,025,590)	(1,086,606)
		(3,897,178)	(3,263,910)
Changes in working capital:			
Decrease/(increase) in inventories		744,608	(1,108,063)
(Increase)/decrease in trade receivables, other receivables and prepayments		(811,792)	1,099,575
(Decrease)/increase in trade and other payables		(6,861,261)	13,032,892
Cash (used in)/generated from operations		(10,825,623)	9,760,494
Income tax paid		(338,804)	(262,005)
<b>Net cash (used in)/generated from operating activities</b>		<b>(11,164,427)</b>	<b>9,498,489</b>
<b>Investing activities</b>			
Interest received		2,500,448	3,161,647
Proceeds from disposal of other property, plant and equipment		12,292,945	63,013
Payment for purchase of other property, plant and equipment		(342,623)	(481,192)
Decrease/(increase) in time deposits maturing after three months		9,474,057	(4,995,320)
<b>Net cash generated from/(used in) investing activities</b>		<b>23,924,827</b>	<b>(2,251,852)</b>
<b>Financing activities</b>			
Proceeds from borrowings	15(c)	97,719,239	83,418,818
Repayment of borrowings	15(c)	(93,006,564)	(90,759,661)
Capital element of lease rentals paid	15(c)	(138,430)	(152,568)
Interest element of lease rentals paid	15(c)	(52,986)	(49,868)
Other borrowing costs paid	15(c)	(2,024,565)	(1,727,661)
<b>Net cash generated from/(used in) financing activities</b>		<b>2,496,694</b>	<b>(9,270,940)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>15,257,094</b>	<b>(2,024,303)</b>
<b>Cash and cash equivalents at 1 January</b>		<b>14,278,204</b>	<b>16,831,966</b>
<b>Effect of foreign exchange rate changes</b>		<b>(258,258)</b>	<b>(529,459)</b>
<b>Cash and cash equivalents at 31 December</b>	15	<b>29,277,040</b>	<b>14,278,204</b>

The notes on pages 71 to 112 form part of these financial statements.

# Notes to the Consolidated Financial Statements

(Expressed in United States dollars unless otherwise indicated)



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## 1 REPORTING ENTITY

Vietnam Manufacturing and Export Processing (Holdings) Limited (the “Company”) was incorporated in the Cayman Islands on 20 June 2005 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

The Company and its subsidiaries (collectively, the “Group”) are principally engaged in manufacture and sales of motorbikes, and related spare parts and engines.

The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 20 December 2007.

## 2 MATERIAL ACCOUNTING POLICIES

### (a) Statement of compliance

These financial statements have been prepared in accordance with all applicable IFRS Accounting Standards, which collective term includes all applicable individual International Financial Reporting Standards (“IFRSs”), 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. Material accounting policies adopted by the Group are disclosed below.

The IASB has issued certain new or amended IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2(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 accounting period reflected in these financial statements.

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

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries 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 IFRS Accounting Standards 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.

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 3.

### (c) Changes in accounting policies

The Group has applied amendments to IAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the IASB to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements 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.

**2 MATERIAL ACCOUNTING POLICIES (Continued)****(d) Subsidiaries and non-controlling interests**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests ("NCI") either at fair value or at the NCI's proportionate share of the subsidiary's net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(i)(ii)).

**(e) Associates and joint operations**

- (i) An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over the financial and operating policies.

An interest in an associate is accounted for using the equity method. It is initially recognised at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of those investees, until the date on which significant influence ceases.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associate, after applying the expected credit losses ("ECL"s) model to such other long-term interests where applicable (see note 2(i)(i)).

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

- (ii) A joint operation is a joint arrangement whereby the Group and other parties contractually agree to share control of the arrangement, have the rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group recognises its interest in the joint operation by combining the assets, liabilities, revenues and expenses attributable to its interest with similar items on a line-by-line basis. Consistent accounting policies are applied for like transactions and events in similar circumstances.



## 2 MATERIAL ACCOUNTING POLICIES (Continued)

### (f) Investment properties

Investment properties are stated at cost less accumulated depreciation and impairment losses (see note 2(i)(ii)).

Investment properties are depreciated on a straight-line basis over the shorter of the unexpired term of leases and their estimated useful lives. Both the useful life of investment properties and residual values, if any are reviewed annually.

Gains or losses on disposal of investment property is determined as the difference between the net disposal proceeds and the carrying amount of the investment property and is recognised in profit or loss on the date of retirement or disposal.

### (g) Other property, plant and equipment

The following items of other property, plant and equipment are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses (see note 2(i)(ii)):

- right-of-use assets arising from leases over leasehold properties where the Group is not the registered owner of the property interest;
- buildings held for own use which are situated on leasehold land;
- right-of-use assets arising from prepaid land lease rentals and related cost; and
- other items of plant and equipment.

If significant parts of an item of other property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of other property, plant and equipment is recognised in profit or loss.

Depreciation is calculated to write off the cost of items of other property, plant and equipment, less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

- |   |               |
|---|---------------|
| – Leasehold land  | 30 – 50 years |
| – Buildings held for own use  | 20 – 30 years |
| – Machinery, moulds and equipment   | 2 – 12 years  |
| – Office equipment, furniture and fittings  | 4 – 10 years  |
| – Electrical, water and utility systems   | 5 – 10 years  |
| – Motor vehicles  | 5 – 7 years   |
| – The Group's interests in buildings situated on leasehold land are depreciated over the shorter of the unexpired term of lease and building's estimated useful life. |               |

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if applicable.

Assets under construction are stated at cost less impairment losses. Cost includes expenditure that is directly attributable to the construction and comprises construction costs and applicable borrowing costs incurred during the construction period. On completion, the assets under construction are transferred to other categories within property, plant and equipment. No depreciation is provided for assets under construction. The carrying amount of assets under construction is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see note 2(i)(ii)).

**2 MATERIAL ACCOUNTING POLICIES (Continued)****(h) Leased assets**

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

**As a lessee**

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 2(g) and 2(i)(ii)).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.



## 2 MATERIAL ACCOUNTING POLICIES (Continued)

### (i) Credit losses and impairment of assets

#### (i) Credit losses from financial instruments

The Group recognises a loss allowance for ECLs on financial assets measured at amortised cost (including cash and cash equivalents, and trade and other receivables).

#### *Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and the expected amounts.

The expected cash shortfalls are discounted using the effective interest rate determined at initial recognition or an approximation thereof if the effect is material.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and
- lifetime ECLs: these are the ECLs result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

- financial instruments that are determined to have low credit risk at the reporting date; and
- other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

#### *Significant increases in credit risk*

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition, and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is 90 days past due.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

**2 MATERIAL ACCOUNTING POLICIES (Continued)****(i) Credit losses and impairment of assets (Continued)****(i) Credit losses from financial instruments (Continued)****Credit-impaired financial assets**

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

**Write-off policy**

The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the asset becomes 91 days past due or when the Group otherwise determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

**(ii) Impairment of other non-current assets**

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset, or CGU, exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**(iii) Interim financial reporting and impairment**

Under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Group is required to prepare an *interim financial report* in compliance with IAS 34, *Interim financial reporting*, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 2(i)(i) and (ii)).

# Notes to the Consolidated Financial Statements

(Expressed in United States dollars unless otherwise indicated)



## 2 MATERIAL ACCOUNTING POLICIES (Continued)

### (j) Inventories

Inventories are measured at the lower of the cost and net realisable value as follows:

- Motorbike manufacturing

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

- Properties for sale

Cost of properties comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less any estimated costs of completion and costs to be incurred in selling the property.

### (k) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost.

Insurance reimbursement is recognised and measured in accordance with note 2(q).

### (l) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with note 2(t).

### (m) Trade and other payables (other than refund liabilities) and contract liabilities

#### (i) Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

#### (ii) Contract liabilities

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue. A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such latter cases, a corresponding receivables is also recognised (see note 2(k)).

### (n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL in accordance with the policy set out in note 2(i)(i).

**2 MATERIAL ACCOUNTING POLICIES (Continued)****(o) Employee benefits****(i) Short-term employee benefits and contributions to defined contribution retirement plans**

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

**(ii) Termination benefits**

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

**(p) Income tax**

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.



## 2 MATERIAL ACCOUNTING POLICIES (Continued)

### (q) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

### (r) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Further details of the Group's revenue and other income recognition policies are as follows:

#### (i) Sales of goods

Revenue is recognised when the control of goods was transferred. The transfer of the control of goods means that the goods had been delivered to the customer and the customer could solely decide the sales channel and price of the goods. There were no outstanding obligations that would affect the customer's acceptance of the goods. Delivery occurred at the place of delivery specified in the contract, the risk of obsolescence and loss had been transferred to the customer, and the customer had accepted the goods in accordance with the sales contract. The acceptance terms had expired, or the Group had objective evidence that all acceptance conditions had been met.

Payment terms and conditions vary by customers and are based on the billing schedule established in the contracts or purchase orders with customers, but the Group generally provides credit terms to overseas customers with 60 to 90 days upon customer acceptance. The Group takes advantage of the practical expedient in paragraph 63 of IFRS 15 and does not adjust the consideration for any effects of a significant financing component as the period of financing is 12 months or less.

The Group provided a standard warranty for the sales of goods and therefore had the obligation to provide a repair and maintenance for product defects. It had set aside a warranty liability provision for this obligation.

The Group offers retrospective volume rebates to certain major customers when their purchases reach an agreed threshold. Such volume rebates give rise to variable consideration based on the Group's current and further performance expectations and all information that is reasonably available. This estimated amount is included in the transaction price to the extent it is highly probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. At the time of sales of goods, the Group recognises revenue after taking into account adjustment to transaction price arising from rebates, and is included in other payables.

**2 MATERIAL ACCOUNTING POLICIES (Continued)****(r) Revenue and other income (Continued)****(ii) Rendering of services**

Revenue from repair services is recognised in profit or loss when services are rendered.

**(iii) Dividend income**

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

**(iv) Interest income**

Interest income is recognised using the effective interest method. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

**(s) Translation of foreign currencies**

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

The assets and liabilities of foreign operations are translated into United States dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into United States dollars at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

**(t) Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

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## 2 MATERIAL ACCOUNTING POLICIES (Continued)

### (u) Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
  - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

### (v) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

**3 ACCOUNTING JUDGEMENT AND ESTIMATES**

In the process of applying the Group's accounting policies, management has made the following accounting judgements:

**(a) Impairment loss on other property, plant and equipment**

The Group assesses annually whether there are indications of impairment of other property, plant and equipment in accordance with the relevant accounting policies. If such indication exists, the recoverable amounts of the assets would be determined by reference to value-in-use and fair value less costs of disposal. Value-in-use is determined using the discounted cash flow method. Due to inherent risk associated with estimations in the timing and magnitude of the future cash flows, the estimated recoverable amount of the assets may be different from its actual recoverable amount and the Group's profit or loss could be affected by the accuracy of the estimations. Changes in facts and circumstances may result in revisions to the conclusion of whether an indication of impairment exists and revised estimates of recoverable amounts, which would affect profit or loss in future years.

**(b) Loss allowances on trade receivables**

The Group uses provision matrix to calculate ECLs for trade and other receivables. The provision matrix is based on the Group's historical credit loss experience (including credit history of its customers) and the current and forecast economic conditions. Management reassesses the provision at the end of each reporting period.

Significant judgement is exercised on the assessment of the collectability of trade receivables from each customer. In making the judgement, management considers a wide range of factors such as results of follow-up procedures performed by sales personnel, coverage of credit insurance, customer payment trends including subsequent payments and customers' financial positions. If the financial conditions of the customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

**(c) Net realisable value of inventories**

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market prices and the historical experience of distributing and selling products of a similar nature. These estimates could vary significantly as a result of competitor actions in response to severe industry cycles or other changes in market conditions. Management reassesses the estimations at the end of each reporting period.

**4 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 4(b).

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

	<b>2025</b> <b>US\$</b>	2024 <i>US\$</i>
<b>Revenue from contracts with customers within the scope of IFRS 15</b>		
Manufacture and sale of motorbikes	<b>76,671,423</b>	72,781,261
Manufacture and sale of spare parts and engines	<b>10,335,847</b>	8,357,169
	<b>87,007,270</b>	81,138,430

Disaggregation of revenue from contracts with customers by geographic markets is disclosed in note 4(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.

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## 4 REVENUE AND SEGMENT REPORTING (Continued)

### (a) Disaggregation of revenue (Continued)

The Group's customer base is diversified and includes two customers (2024: one customer) with whom transactions have respectively exceeded 10% of the Group's revenue. During the year ended 31 December 2025, revenue from sales of motorbikes to the customers was as follows:

	2025 US\$	2024 US\$
Customer A	27,445,322	19,734,210
Customer B*	13,863,794	N/A

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

Details of concentration of credit risk arising from the customers are set out in note 21(a).

### (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, Greece, Thailand, Spain, Italy, Belgium, Singapore and United Arab Emirates.
- 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/costs. 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/loss of an associate, certain net gain on disposal of other property, plant and equipment, impairment loss 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.

**4 REVENUE AND SEGMENT REPORTING (Continued)****(b) Segment reporting (Continued)****Segment results (Continued)****(i) Reconciliation of 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 purposes of resource allocation and assessment of segment performance for the years ended 31 December 2025 and 2024 is set out below:

	<b>Manufacturing and sale of motorbikes US\$</b>	<b>2025 Manufacturing and sale of spare parts and engines US\$</b>	<b>Total US\$</b>
Revenue from external customers recognised at a point in time	76,671,423	10,335,847	87,007,270
Inter-segment revenue	–	16,492,058	16,492,058
<b>Reportable segment revenue</b>	<b>76,671,423</b>	<b>26,827,905</b>	<b>103,499,328</b>
Segment (loss)/profit before depreciation	(622,555)	212,282	(410,273)
Depreciation	(123,266)	–	(123,266)
<b>Reportable segment (loss)/profit ("adjusted EBIT")</b>	<b>(745,821)</b>	<b>212,282</b>	<b>(533,539)</b>
Share of profit of an associate			50,693
Net finance costs			(1,064,212)
Net gain on disposal of other property, plant and equipment			10,292,054
Impairment loss on other property, plant and equipment			(342,623)
Unallocated corporate expenses			(1,476,402)
<b>Profit before taxation</b>			<b>6,925,971</b>

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## 4 REVENUE AND SEGMENT REPORTING (Continued)

### (b) Segment reporting (Continued)

#### Segment results (Continued)

##### (i) Reconciliation of reportable segment revenue and profit or loss (Continued)

	Manufacturing and sale of motorbikes US\$	2024 Manufacturing and sale of spare parts and engines US\$	Total US\$
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>	<b>72,781,261</b>	<b>25,823,940</b>	<b>98,605,201</b>
Segment profit/(loss) before depreciation	34,764	(671,584)	(636,820)
Depreciation	(219,749)	–	(219,749)
<b>Reportable segment loss (“adjusted EBIT”)</b>	<b>(184,985)</b>	<b>(671,584)</b>	<b>(856,569)</b>
Share of loss of an associate			(69,557)
Net finance costs			(130,161)
Impairment loss on other property, plant and equipment			(481,192)
Unallocated corporate expenses			(1,987,083)
<b>Loss before taxation</b>			<b>(3,524,562)</b>

##### (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.

	Revenues from external customers		Specified non-current assets	
	2025 US\$	2024 US\$	2025 US\$	2024 US\$
Vietnam (place of domicile)	32,049,995	40,759,244	3,581,933	7,270,509
Malaysia	28,552,840	20,239,131	–	–
The Philippines	4,941,298	5,078,507	–	–
Greece	4,136,313	4,068,249	–	–
Thailand	3,174,058	2,491,604	–	–
United Arab Emirates	2,897,857	4,574,222	–	–
Spain	2,734,489	–	–	–
Italy	2,511,983	2,430,412	–	–
Belgium	1,962,371	–	–	–
Singapore	963,224	309,534	–	–
Other countries	3,082,842	1,187,527	–	–
	<b>87,007,270</b>	<b>81,138,430</b>	<b>3,581,933</b>	<b>7,270,509</b>

*(Expressed in United States dollars unless otherwise indicated)***5 OTHER INCOME**

	2025 US\$	2024 US\$
Net gain on disposal of other property, plant and equipment <i>(note)</i>	10,309,609	63,013
Rental income	22,855	24,172
Others	935,175	576,560
	<b>11,267,639</b>	663,745

Note:

On 28 November 2025, the Group entered into an agreement with Ho Nai Industrial Park Joint Stock Company ("Ho Nai"), an independent third party, pursuant to which, the Group has agreed to transfer certain land use rights in Bien Hoa City, Dong Nai Province, Vietnam, to Ho Nai, for an aggregate tax-inclusive consideration of Vietnamese Dong ("VN\$") 385,000,000,000 (equivalent to approximately US\$14,579,653). The transfer was completed on 22 December 2025 and a gain of US\$10,292,054 was recognised as other income during the year. Details of the transaction are set out in the Company's announcement dated 28 November 2025 and circular dated 25 February 2026.

**6 PROFIT/(LOSS) BEFORE TAXATION**

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

**(a) Net finance costs**

	2025 US\$	2024 US\$
Interest income from banks	(2,274,254)	(2,430,523)
Finance income	(2,274,254)	(2,430,523)
Interest paid and payable to banks	2,024,565	1,727,661
Interest on lease liabilities	52,986	49,868
Net foreign exchange loss	1,260,915	783,155
Finance costs	3,338,466	2,560,684
Net finance costs	1,064,212	130,161

**(b) Staff costs**

	2025 US\$	2024 US\$
Salaries, wages and other benefits	7,538,840	9,340,639
Contributions to defined contribution retirement plans	1,954,351	1,120,965
Severance pay allowance	(7,186)	38,155
	<b>9,486,005</b>	10,499,759

**Description of the defined contribution retirement plan**

The Group participates in a defined contribution plans managed by the Vietnam and Taiwan governments whereby the Group is required to make contributions to the plans. The applicable rates are 17.5% and 3% of total contractual salaries for the employer's portion of social and health insurance respectively in Vietnam and 6% of total contractual salaries for the employer's contribution in Taiwan. The Group has no obligation for the payment of retirement benefits other than the contributions described above. The Group's contributions vest fully with the employees when contributed into the plan.

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## 6 PROFIT/(LOSS) BEFORE TAXATION (Continued)

### (c) Other items

	2025 US\$	2024 US\$
Depreciation of property, plant and equipment		
– Other property, plant and equipment	123,266	219,749
– Investment properties	25,609	27,083
	<b>148,875</b>	246,832
Provision for write-down of inventories (note 13(b))	453,537	1,668,167
Reversal of loss allowance of trade receivables (note 21(a))	(185,589)	(402,483)
Impairment loss on other property, plant and equipment (note 11(c))	342,623	481,192
Auditors' remuneration		
– Audit services	358,015	384,106
– Other services	60,130	23,454
Research and development expenses (note (i))	1,513,987	1,722,989
Cost of inventories (note (ii)) (note 13(b))	79,003,119	72,183,483

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 6(b) for each of these types of expenses. No development expenditure was capitalised during the years ended 31 December 2025 and 2024.
- (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 6(b) for each of these types of expenses.

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

### (a) Income tax in the consolidated statement of profit or loss and other comprehensive income represents:

	2025 US\$	2024 US\$
<b>Current tax</b>		
Provision for the year	2,298,102	306,299
(Over)/under-provision in respect of prior year	(19,727)	285
	<b>2,278,375</b>	306,584
<b>Deferred tax</b>		
Origination and reversal of temporary differences (note 19(b)(i))	877	13,327
Actual tax expense	<b>2,279,252</b>	319,911

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

**7 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)****(a) Income tax in the consolidated statement of profit or loss and other comprehensive income represents: (Continued)**

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% (2024: 20%) from 2025 onwards.

The applicable tax rate for Chin Zong Trading Co., Ltd. ("Chin Zong") is 20% (2024: 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.

**(b) Reconciliation between tax expense and accounting profit/(loss) at applicable tax rates:**

	2025 US\$	2024 US\$
Profit/(loss) before taxation	6,925,971	(3,524,562)
Notional tax on profit/(loss) before taxation, calculated at the rates applicable to profit or loss in the countries concerned	1,651,336	(447,572)
Tax effect of non-deductible expenses	294,160	319,992
Tax effect of non-taxable income	(212,838)	(3,680)
Tax effect of utilisation of tax losses previously not recognised	(46,713)	(299)
Tax effect on unused tax losses not recognised	564,099	414,080
(Over)/under-provision in respect of prior year	(19,727)	285
Others	48,935	37,105
Actual tax expense	2,279,252	319,911

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## 8 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	Salaries, allowances and benefits in kind US\$	Discretionary bonuses US\$	Directors' fees US\$	Contributions to defined contribution retirement plans US\$	2025 Total US\$
<i>Chairperson:</i>					
Liu, Wu-Hsiung	43,878	–	–	–	43,878
<i>Executive directors:</i>					
Wu, Jui-Chiao	83,480	3,593	–	–	87,073
Lin, Chun-Yu	74,228	3,431	–	–	77,659
<i>Non-executive directors:</i>					
Wu, Li-Chu	–	–	3,000	–	3,000
Chen, Hsu-Pin	–	–	3,000	–	3,000
Liu, Ju-Cheng	–	–	3,000	–	3,000
<i>Independent non-executive directors:</i>					
Lin, Ching-Ching	–	–	25,000	–	25,000
Cheung, On-Kit Andrew (passed away on 18 August 2025)	–	–	25,000	–	25,000
Wu, Hui-Lan	–	–	25,000	–	25,000
Yu, Yi-Jhen (appointed on 12 November 2025)	–	–	3,397	–	3,397
	<b>201,586</b>	<b>7,024</b>	<b>87,397</b>	<b>–</b>	<b>296,007</b>

	Salaries, allowances and benefits in kind US\$	Discretionary bonuses US\$	Directors' fees US\$	Contributions to defined contribution retirement plans US\$	2024 Total US\$
<i>Chairperson:</i>					
Liu, Wu-Hsiung	42,974	–	–	–	42,974
<i>Executive directors:</i>					
Wu, Jui-Chiao	70,803	3,104	–	–	73,907
Lin, Chun-Yu	74,071	3,337	–	–	77,408
<i>Non-executive directors:</i>					
Wu, Li-Chu	–	–	3,000	–	3,000
Chen, Hsu-Pin	–	–	3,000	–	3,000
Liu, Ju-Cheng	–	–	3,000	–	3,000
<i>Independent non-executive directors:</i>					
Lin, Ching-Ching	–	–	25,000	–	25,000
Cheung, On-Kit Andrew	–	–	25,000	–	25,000
Wu, Hui-Lan	–	–	25,000	–	25,000
	<b>187,848</b>	<b>6,441</b>	<b>84,000</b>	<b>–</b>	<b>278,289</b>

The emoluments of each individual director are within the band of HK\$Nil to HK\$1,000,000 for both years ended 31 December 2025 and 2024.

**9 INDIVIDUALS WITH HIGHEST EMOLUMENTS**

Of the five individuals with the highest emoluments, two (2024: two) are directors whose emoluments are disclosed in note 8. The aggregate of the emoluments in respect of the other three (2024: three) individuals are as follows:

	<b>2025</b>	2024
	<b>US\$</b>	US\$
Salaries and other benefits	<b>178,421</b>	184,274
Discretionary bonuses	<b>7,950</b>	44,577
	<b>186,371</b>	228,851

The emoluments of the three (2024: three) individuals with the highest emoluments are within the band of HK\$Nil to HK\$1,000,000 for both years ended 31 December 2025 and 2024.

**10 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\$4,646,614 (2024: loss attributable to equity shareholders of the Company of US\$3,844,473) and the weighted average of 907,680,000 (2024: 907,680,000) ordinary shares in issue during the year. The amount of basic earnings per share is US\$0.0051 (2024: basic loss per share of US\$0.0042) for the year ended 31 December 2025.

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

The amount of diluted earnings/(loss) per share is the same as the earnings/(loss) per share for the years ended 31 December 2025 and 2024 as there were no potential dilutive ordinary share in existence during the years ended 31 December 2025 and 2024.

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## 11 INVESTMENT PROPERTIES AND OTHER PROPERTY, PLANT AND EQUIPMENT

### (a) Reconciliation of carrying amount

	Other property, plant and equipment								Investment properties	Total
	Right-of-use assets	Buildings held for own use	Machinery, moulds and equipment	Office equipment, furniture and fittings	Electrical, water and utility systems	Motor vehicles	Assets under construction	Sub-total		
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$		
<b>Cost</b>										
At 1 January 2024	13,577,067	20,165,413	56,574,529	1,672,669	6,525,744	766,052	3,823,160	103,104,634	4,077,901	107,182,535
Additions	–	3,908	466,549	3,545	7,190	–	–	481,192	–	481,192
Disposals	–	(1,966)	(5,208,629)	(23,053)	–	(15,885)	–	(5,249,533)	–	(5,249,533)
Exchange adjustments	(523,838)	(882,922)	(2,632,461)	(76,723)	(350,748)	(35,255)	(138,267)	(4,640,214)	(189,110)	(4,829,324)
At 31 December 2024 and 1 January 2025	13,053,229	19,284,433	49,199,988	1,576,438	6,182,186	714,912	3,684,893	93,696,079	3,888,791	97,584,870
Additions	–	–	211,920	8,764	61,875	9,772	50,292	342,623	–	342,623
Disposals	(1,512,407)	(4,019,560)	(2,250,900)	(9,890)	(72,578)	(2,734)	–	(7,868,069)	–	(7,868,069)
Exchange adjustments	(351,300)	(601,960)	(1,612,654)	(49,590)	(228,680)	(22,598)	(89,726)	(2,956,508)	(123,179)	(3,079,687)
At 31 December 2025	11,189,522	14,662,913	45,548,354	1,525,722	5,942,803	699,352	3,645,459	83,214,125	3,765,612	86,979,737
<b>Accumulated depreciation and impairment losses</b>										
At 1 January 2024	12,118,684	17,680,112	56,574,529	1,672,669	6,525,744	766,052	3,823,160	99,160,950	143,077	99,304,027
Written back on disposals	–	(1,966)	(5,208,629)	(23,053)	–	(15,885)	–	(5,249,533)	–	(5,249,533)
Charge for the year	77,523	142,226	–	–	–	–	–	219,749	27,083	246,832
Impairment loss	–	3,908	466,549	3,545	7,190	–	–	481,192	–	481,192
Exchange adjustments	(457,525)	(770,083)	(2,632,461)	(76,723)	(350,748)	(35,255)	(138,267)	(4,461,062)	(7,095)	(4,468,157)
At 31 December 2024 and 1 January 2025	11,738,682	17,054,197	49,199,988	1,576,438	6,182,186	714,912	3,684,893	90,151,296	163,065	90,314,361
Written back on disposals	(321,238)	(1,997,548)	(2,250,900)	(9,890)	(72,578)	(2,734)	–	(4,654,888)	–	(4,654,888)
Charge for the year	73,303	49,963	–	–	–	–	–	123,266	25,609	148,875
Impairment loss	–	–	211,920	8,764	61,875	9,772	50,292	342,623	–	342,623
Exchange adjustments	(301,225)	(443,699)	(1,612,654)	(49,590)	(228,680)	(22,598)	(89,726)	(2,748,172)	(4,995)	(2,753,167)
At 31 December 2025	11,189,522	14,662,913	45,548,354	1,525,722	5,942,803	699,352	3,645,459	83,214,125	183,679	83,397,804
<b>Net book value</b>										
At 31 December 2025	–	–	–	–	–	–	–	–	3,581,933	3,581,933
At 31 December 2024	1,314,547	2,230,236	–	–	–	–	–	3,544,783	3,725,726	7,270,509

**11 INVESTMENT PROPERTIES AND OTHER PROPERTY, PLANT AND EQUIPMENT (Continued)****(b) Right-of-use assets**

Right-of-use assets represent the ownership interests in leasehold land and other properties leased for own use.

**(i) Ownership interests in leasehold land**

The Group holds several leasehold land for its motorbike business, where its manufacturing facilities are primarily located. The leases are with remaining lease term of between 10 and 50 years. The Group is the registered owner of these land.

**(ii) Other properties leased for own use**

The Group has obtained the right to use other properties as its office buildings and warehouses through tenancy agreements. The leases typically run for an initial period of one to five years.

**(iii) The analysis of expense items in relation to leases recognised in profit or loss is as follows:**

	2025 US\$	2024 US\$
Depreciation charge of right-of-use assets	73,303	77,523
Interest on lease liabilities (note 6(a))	52,986	49,868
Expense relating to leases of low-value assets	5,026	5,311

**(c) 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 motorbike non-current assets) over the past few years due to the fierce competition in the motorbike business industry and increase of manufacturing costs on newly launched products. Based on an impairment assessment conducted by management, impairment losses totalling US\$342,623 (2024: US\$481,192) was recognised in profit or loss during the year to write down the carrying value 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. 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% (2024: 13%). In 2024, management identified certain land and buildings included in the CGU whose carrying values were likely to be recovered through a sales transaction. The recoverable amounts of these land and buildings were measured based on their fair value less costs of disposal. This valuation model considered 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 resulted a higher fair value measurement. The fair value on which recoverable amount was based was categorised as a Level 3 measurement under the three-level fair value hierarchy as defined in IFRS 13, *Fair Value Measurement*. Key unobservable inputs included the premium on quality of the land and buildings, which was estimated at 2%.

**(d) Fair value of investment properties**

As at 31 December 2025, the fair value of investment properties amounted to US\$7,997,622 (2024: US\$9,068,590) which is determined based on valuations carried out by Hoang Quan Appraisal Limited (2024: Hoang Quan Appraisal Limited), an independent professional valuer.

The fair value of the Group's investment properties falls under Level 3 of the three-level fair value hierarchy as defined in IFRS 13. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique. The fair value of investment properties are determined on market basis by reference to comparable sales evidence as available in the relevant markets, with adjustments to the comparable transactions to reflect the differences in specifications between the subjects and comparable.

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## 12 INTEREST IN AN ASSOCIATE

The Group's interest in an associate of US\$551,142 (2024: US\$516,470) at 31 December 2025 represents its share of the net assets of the Vietnam Three Brothers Machinery Industry Co., Limited ("VTBM").

VTBM was originally a wholly foreign-owned enterprise established on 5 September 2002 with a registered capital of US\$1,000,000 by Three Brothers Machinery Industry Co., Ltd. (registered in Taiwan), a subsidiary of Sanyang Motor Co., Ltd., the Company's ultimate holding company. On 7 April 2003, the Group acquired 31% of the contributed capital of VTBM.

VTBM's licensed period of operation is 50 years and its principal activities are manufacturing and sale of motorbike-related spare parts.

VTBM is accounted for using the equity method in the consolidated financial statements.

Summarised financial information of VTBM, adjusted for any differences in accounting policies, and reconciled to the carrying amount in the consolidated financial statements, are disclosed below:

	2025 US\$	2024 US\$
<b>Gross amount of the associate</b>		
Current assets	<b>1,884,606</b>	1,827,979
Non-current assets	<b>288,689</b>	336,103
Current liabilities	<b>(395,418)</b>	(498,050)
Equity	<b>1,777,877</b>	1,666,032
Revenue	<b>3,839,489</b>	3,611,272
Profit/(loss) from continuing operations	<b>163,527</b>	(224,379)
Other comprehensive income	<b>(51,682)</b>	(87,934)
Total comprehensive income	<b>111,845</b>	(312,313)
<b>Reconciled to the Group's interest in the associate</b>		
Gross amount of net assets of the associate	<b>1,777,877</b>	1,666,032
Group's effective interest	<b>31%</b>	31%
Group's share of net assets of the associate and the carrying amount in the consolidated financial statements	<b>551,142</b>	516,470

**13 INVENTORIES****(a) Inventories in the consolidated statement of financial position comprise:**

	2025 US\$	2024 US\$
Motorbikes manufacturing inventories		
– Raw materials	19,202,989	14,893,595
– Tools and supplies	207,164	273,781
– Work in progress	180,496	159,482
– Finished goods	3,264,606	5,876,884
– Merchandise inventories (note (i))	2,187,565	2,290,811
	<b>25,042,820</b>	23,494,553
Provision for write-down of inventories	<b>(3,948,053)</b>	(3,934,206)
	<b>21,094,767</b>	19,560,347
Properties (note (ii))	–	2,732,565
	<b>21,094,767</b>	22,292,912

Notes:

- (i) Merchandise inventories mainly represent spare parts kept for repairs and maintenance.
- (ii) The balance in 2024 represented 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. During the year ended 31 December 2025, the Group entered into an agreement with the business partner to terminate the joint arrangement. Pursuant to this agreement, the Group was entitled to receive a sum of VNĐ72,500,000,000 (equivalent to US\$2,761,800), which includes the full refund of the investment amount and a compensation fee. A gain of US\$133,328 was recognised in profit or loss during the year. Details of the transaction are set out in the Company's announcement dated 27 June 2025.

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

	2025 US\$	2024 US\$
Carrying amount of inventories sold	79,003,119	72,183,483
Provision for write-down of inventories	453,537	1,668,167
	<b>79,456,656</b>	73,851,650

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

	2025 US\$	2024 US\$
At 1 January	3,934,206	2,751,978
Additions	453,357	1,668,167
Utilisation	(324,386)	(332,592)
Exchange adjustments	(115,124)	(153,347)
At 31 December	<b>3,948,053</b>	3,934,206

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## 14 TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

	2025 US\$	2024 US\$
Trade receivables (note 14(a))	7,812,874	9,234,648
Non-trade receivables (note 14(b))	9,043,193	7,336,432
Prepayments (note 14(c))	403,347	487,591
Amounts due from related parties (note 22(b))		
– Trade (note 14(a))	2,331,096	1,827,436
– Non-trade	760	427
	19,591,270	18,886,534

### (a) Trade receivables

#### Ageing analysis

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:

	2025 US\$	2024 US\$
Within 3 months	9,619,174	8,860,451
More than 3 months but within 1 year	524,638	2,116,279
More than 1 year but within 2 years	158	85,354
	10,143,970	11,062,084

Trade receivables are due within 30 to 90 days from the date of billing. Further details on the Group's credit policy are set out in note 21(a).

### (b) Non-trade receivables

	2025 US\$	2024 US\$
Deductible value-added tax	5,288,761	4,113,008
Import tax refundable	1,418,803	998,190
Interest receivable	888,500	869,200
Others	1,447,129	1,356,034
	9,043,193	7,336,432

The above balances are expected to be recovered or utilised within one year.

### (c) Prepayments

	2025 US\$	2024 US\$
Prepayments	110,746	107,503
Advances to suppliers	292,601	380,088
	403,347	487,591

**15 CASH AND BANK BALANCES**

	Note	2025 US\$	2024 US\$
Cash at banks and on hand		10,507,583	6,051,603
Time deposits maturing within 3 months		18,769,457	8,226,601
Cash and cash equivalents	15(a)	29,277,040	14,278,204
Time deposits maturing after 3 months	15(b)	29,638,666	40,113,263
		58,915,706	54,391,467

**(a) Cash and cash equivalents in the consolidated cash flow statement comprise:**

	2025 US\$	2024 US\$
Denominated in VN\$	19,762,244	8,378,332
Denominated in US\$	8,845,080	5,771,941
Denominated in NT\$	607,136	127,931
Denominated in Euro	62,580	–
	29,277,040	14,278,204

**(b) Time deposits maturing after three months**

	2025 US\$	2024 US\$
Denominated in VN\$	28,488,706	40,113,263
Denominated in US\$	1,149,960	–
	29,638,666	40,113,263

The effective interest rates per annum relating to time deposits maturing after three months are as follows:

	2025	2024
Effective interest rates – VN\$	4.1% – 6.2%	3.8% – 5.6%
Effective interest rates – US\$	4.0% – 4.3%	N/A

As at 31 December 2025, certain of the Group’s time deposits with an aggregate value of US\$15,040,074 (2024: US\$19,413,093) were pledged to secure bank loans of the Group (see note 17).

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## 15 CASH AND BANK BALANCES (Continued)

### (c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	Bank loans US\$ (note 17)	Lease liabilities US\$ (note 18)	Total US\$
At 1 January 2025	33,823,923	2,116,362	35,940,285
Changes from financing cash flows:			
Proceeds from borrowings	97,719,239	–	97,719,239
Repayment of borrowings	(93,006,564)	–	(93,006,564)
Capital element of lease rentals paid	–	(138,430)	(138,430)
Interest element of lease rentals paid	–	(52,986)	(52,986)
Other borrowing costs paid	(2,024,565)	–	(2,024,565)
	2,688,110	(191,416)	2,496,694
Other changes:			
Exchange adjustments	(1,359,085)	(85,038)	(1,444,123)
Early termination of leases during the year	–	(1,229,845)	(1,229,845)
Interest expenses (note 6(a))	2,024,565	52,986	2,077,551
Total other changes	665,480	(1,261,897)	(596,417)
At 31 December 2025	37,177,513	663,049	37,840,562

	Bank loans US\$ (note 17)	Lease liabilities US\$ (note 18)	Total US\$
At 1 January 2024	42,779,390	2,273,364	45,052,754
Changes from financing cash flows:			
Proceeds from borrowings	83,418,818	–	83,418,818
Repayment of borrowings	(90,759,661)	–	(90,759,661)
Capital element of lease rentals paid	–	(152,568)	(152,568)
Interest element of lease rentals paid	–	(49,868)	(49,868)
Other borrowing costs paid	(1,727,661)	–	(1,727,661)
	(9,068,504)	(202,436)	(9,270,940)
Other changes:			
Exchange adjustments	(1,614,624)	(4,434)	(1,619,058)
Interest expenses (note 6(a))	1,727,661	49,868	1,777,529
Total other changes	113,037	45,434	158,471
At 31 December 2024	33,823,923	2,116,362	35,940,285

**15 CASH AND BANK BALANCES (Continued)**

**(d) Total cash outflow for leases**

Amounts included in the consolidated cash flow statement for leases comprise the following:

	<b>2025</b>	2024
	<b>US\$</b>	US\$
Within operating cash flows	<b>5,026</b>	5,311
Within financing cash flows	<b>191,416</b>	202,436
	<b>196,442</b>	207,747

These amounts relate to the following:

	<b>2025</b>	2024
	<b>US\$</b>	US\$
Lease rentals paid	<b>196,442</b>	207,747

**16 TRADE AND OTHER PAYABLES**

	<b>2025</b>	2024
	<b>US\$</b>	US\$
Trade payables (note 16(a))	<b>2,520,864</b>	4,340,713
Other payables and accrued operating expenses (note 16(b))	<b>2,907,031</b>	3,277,014
Contract liabilities – billings in advance of performance (note 16(c))	<b>676,969</b>	1,191,403
Provisions (note 16(d))	<b>1,345,110</b>	1,705,450
Amounts due to related parties (note 22(c))		
– Trade (note 16(a))	<b>7,796,065</b>	11,696,403
– Non-trade	<b>1,970</b>	9,463
	<b>15,248,009</b>	22,220,446

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

**(a) 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>2025</b>	2024
	<b>US\$</b>	US\$
Within 3 months	<b>9,438,678</b>	15,292,974
More than 3 months but within 1 year	<b>875,425</b>	736,989
More than 1 year but within 2 years	<b>2,826</b>	7,153
	<b>10,316,929</b>	16,037,116

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## 16 TRADE AND OTHER PAYABLES (Continued)

### (b) Other payables and accrued operating expenses

	2025 US\$	2024 US\$
Other tax payables	144,669	26,228
Commission and bonuses payable to dealers	89,873	214,440
Accrued expenses	1,491,467	1,707,621
Other payables	1,181,022	1,328,725
	<b>2,907,031</b>	<b>3,277,014</b>

### (c) Contract liabilities – billings in advance of performance

When the Group receives a deposit before the delivery of products in its sales activity, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the sales exceeds the amount of the deposit. The Group typically receives a 100% deposit on acceptance of domestic sales orders. The amount of revenue recognised during the year ended 31 December 2025 that was included in the contract liabilities at the beginning of the year is US\$1,191,403 (2024: US\$370,313).

### (d) Provisions

	Warranties US\$	Severance pay US\$	Total US\$
At 1 January 2024	1,339,046	960,643	2,299,689
(Reversal of)/additional provisions made	(313,821)	72,995	(240,826)
Provision utilised	(228,326)	(34,188)	(262,514)
Exchange adjustments	(52,886)	(38,013)	(90,899)
At 31 December 2024	744,013	961,437	1,705,450
At 1 January 2025	<b>744,013</b>	<b>961,437</b>	<b>1,705,450</b>
Reversal of provisions made	<b>(64,837)</b>	<b>(32,745)</b>	<b>(97,582)</b>
Provision utilised	<b>(204,068)</b>	<b>(8,363)</b>	<b>(212,431)</b>
Exchange adjustments	<b>(25,362)</b>	<b>(24,965)</b>	<b>(50,327)</b>
At 31 December 2025	<b>449,746</b>	<b>895,364</b>	<b>1,345,110</b>

Pursuant to the labour regulations in Vietnam, employers are required to pay a severance allowance to each local employee, who joined the Company before 1 January 2009, which was calculated as half a month's salary for every completed year of service when the employee leaves the Group. In addition, pursuant to the policy of the Group, a severance allowance will be paid to each Taiwanese employee (calculated as one month's salary for every completed year of service) when the employee leaves the Group. For both severance allowances, the obligation vests and is payable regardless of the reasons for departure.

## 17 BANK LOANS

At 31 December 2025, the bank loans are interest-bearing at 3.6% to 5.8% (2024: 3.6% to 5.8%) per annum and to be settled within 1 to 6 months. As at 31 December 2025, bank loans of US\$18,477,307 (2024: US\$33,277,859) were secured by certain time deposits of the Group (see note 15(b)).

**18 LEASE LIABILITIES**

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the current and previous reporting periods:

	2025		2024	
	Present value of the minimum lease payments US\$	Total minimum lease payments US\$	Present value of the minimum lease payments US\$	Total minimum lease payments US\$
Within 1 year	9,548	54,635	55,085	198,997
After 1 year but within 2 years	10,197	54,635	58,830	198,997
After 2 years but within 5 years	34,942	163,904	129,934	397,994
After 5 years	608,362	1,256,603	1,872,513	3,299,675
	653,501	1,475,142	2,061,277	3,896,666
	663,049	1,529,777	2,116,362	4,095,663
Less: total future interest expenses		(866,728)		(1,979,301)
Present value of lease liabilities		663,049		2,116,362

**19 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

(a) Current taxation in the consolidated statement of financial position represents:

	2025 US\$	2024 US\$
Provision for tax for the year	2,298,102	306,299
Provisional tax paid	(196,752)	(105,226)
	2,101,350	201,073
Exchange adjustments	23,337	(828)
	2,124,687	200,245
Represented by:		
Current tax payable	2,137,519	200,245
Current tax receivable	(12,832)	-
	2,124,687	200,245



## 19 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

### (b) Deferred tax liabilities recognised:

#### (i) Movement of each component of deferred tax liabilities

The components of deferred tax liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

Deferred tax arising from:	Unrealised exchange differences US\$
At 1 January 2024	(1,435)
Charged to profit or loss	(13,327)
Exchange adjustments	367
At 31 December 2024 and 1 January 2025	<b>(14,395)</b>
Charged to profit or loss	<b>(877)</b>
Exchange adjustments	<b>(618)</b>
At 31 December 2025	<b>(15,890)</b>

### (c) Deferred tax assets not recognised:

In accordance with the accounting policy set out in note 2(p), the Group has not recognised deferred tax assets in respect of cumulative tax losses of US\$11,119,541 (2024: US\$7,763,159) of a subsidiary as at 31 December 2025, as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses would expire within 5 years under current tax legislation.

## 20 CAPITAL AND RESERVES

### (a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

The Company	Share capital US\$	Share premium US\$	Capital reserve US\$	Accumulated losses US\$	Total US\$
<b>Balance at 1 January 2024</b>	1,162,872	112,198,709	1,962,666	(66,774,678)	48,549,569
<b>Change in equity for 2024:</b>					
Total comprehensive income for the year	–	–	–	(1,628,779)	(1,628,779)
<b>Balance at 31 December 2024 and 1 January 2025</b>	<b>1,162,872</b>	<b>112,198,709</b>	<b>1,962,666</b>	<b>(68,403,457)</b>	<b>46,920,790</b>
<b>Change in equity for 2025:</b>					
Total comprehensive income for the year	–	–	–	(163,501)	(163,501)
<b>Balance at 31 December 2025</b>	<b>1,162,872</b>	<b>112,198,709</b>	<b>1,962,666</b>	<b>(68,566,958)</b>	<b>46,757,289</b>

**20 CAPITAL AND RESERVES (Continued)****(b) Share capital**

	2025		2024	
	Number of shares	Amount US\$	Number of shares	Amount US\$
Ordinary shares of HK\$0.01 each	10,000,000,000	12,811,479	10,000,000,000	12,811,479
<b>Ordinary shares, issued and fully paid:</b>				
At 1 January/31 December	907,680,000	1,162,872	907,680,000	1,162,872

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

**(c) Nature and purpose of reserves****(i) Share premium**

Share premium represents the difference between the par value of the shares of the Company and proceeds received from the issuance of shares of the Company. Under the Companies Law of the Cayman Islands, the share premium account of the Company is distributable to the shareholders of the Company provided that immediately following the date on which a dividend is proposed to be distributed, the Company would be in a position to pay off its debts as they fall due in the ordinary course of business.

**(ii) Exchange reserve**

The exchange reserves comprise all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy adopted for foreign currencies (see note 2(s)).

**(iii) Statutory reserves**

Statutory reserves represent the statutory reserve of Chin Zong.

In accordance with Chin Zong's Articles of Association, after Chin Zong has paid all taxes due at the end of the fiscal year, Chin Zong shall offset its accumulated losses (if any) and set aside 10% of the net profit as a statutory reserve before distribution of profit.

**(d) Distributability of reserves**

At 31 December 2025, the aggregate amount of reserves available for distribution to equity shareholders of the Company was US\$45,594,417 (2024: US\$45,757,918).

**(e) Capital management**

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group defines "capital" as including all components of equity less unaccrued proposed dividends.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements in either the current or prior year.



## 21 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

The Group's business strategies, tolerance of risk and general risk management philosophy are determined by the management in accordance with prevailing economic and operating conditions.

The Group's financial assets comprise mainly cash and cash equivalents, trade and other receivables and deposits with banks. The Group's financial liabilities comprise bank loans and trade and other payables.

Exposure to credit, currency, interest rate and liquidity risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

### (a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade receivables from customers. The Group's exposure to credit risk arising from bank deposits and cash is limited because the counterparties are banks and financial institutions with high credit rating for which the Group considers to have low risk.

The Group's exposure to credit risk is low as the Group generally offers no credit terms to domestic customers, which accounted for approximately 24% (2024: 18%) of total revenue. Overseas customers are generally granted credit terms ranging from 30 days to 90 days.

At the end of the reporting period, 48% (2024: 60%) of the total trade receivables was due from the Group's largest debtor.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30 to 90 days from the date of billing. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The Group measures loss allowance on financial assets based on the past loss experience, existing market conditions, as well as forward-looking information at the end of each reporting period. Having considered those factors, the Group considered that there is no significant loss allowance recognised in accordance with IFRS 9 as at 31 December 2025 and 2024, and no ECL rate has therefore been disclosed.

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

	2025 US\$	2024 US\$
At 1 January	192,939	617,206
Reversal of loss allowance (note 6(c))	(185,589)	(402,483)
Exchange adjustments	(7,350)	(21,784)
	-	192,939

## 21 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

### (b) Currency risk

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in a foreign currency i.e. a currency other than the functional currency of the operations to which the transactions relate. In addition, the Group's deposits with banks and bank loans denominated in a currency other than the functional currency of the entity to which they relate also give rise to currency risk. The currency giving rise to significant currency risk is primarily US\$.

The Group ensures that the net exposure to this risk is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

### (i) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in United States dollars, translated using the spot rate at the end of the reporting period. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are excluded.

2025	Exposure to foreign currencies (expressed in US\$) US\$
Trade and other receivables	4,202,845
Cash and bank balances	7,973,840
Trade and other payables	(2,709,583)
Bank loans	(18,598,999)
Net exposure arising from recognised assets and liabilities	(9,131,897)
2024	Exposure to foreign currencies (expressed in US\$) US\$
Trade and other receivables	9,158,085
Cash and bank balances	4,450,676
Trade and other payables	(13,123,670)
Bank loans	(7,768,484)
Net exposure arising from recognised assets and liabilities	(7,283,393)



## 21 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

### (b) Currency risk (Continued)

#### (ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit/(loss) after tax and accumulated losses that would arise if foreign exchange rate to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

	2025			2024		
	Increase/ (decrease) in foreign exchange rates	Decrease/ (increase) profit after tax US\$	Increase/ (decrease) accumulated losses US\$	Increase/ (decrease) in foreign exchange rates	Increase/ (decrease) loss after tax US\$	Increase/ (decrease) accumulated losses US\$
US\$	5%	377,666	377,666	5%	302,306	302,306
	(5)%	(377,666)	(377,666)	(5)%	(302,306)	(302,306)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit/(loss) after tax and equity measured in the respective functional currencies, translated into US\$ at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis for 2024.

### (c) Interest rate risk

The Group's interest rate risk arises primarily from bank deposits and bank borrowings. All the bank borrowings are on fixed rate basis. The Group did not materially expose to interest rates fluctuation.

## 21 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

### (d) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The individual subsidiaries within the Group are responsible for their own cash management, including raising loans to cover the expected cash demands, subject to approval by the Company's board of directors. The Group's policy is to regularly monitor its liquidity requirements to ensure that the Group maintains sufficient reserves of cash and adequate committed lines of funding from banks to meet its liquidity requirements in the short and longer term. The contractual maturities of financial liabilities are disclosed in notes 16, 17 and 18.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on:

- contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the date the Group is contractually required to pay, or if the counterparty has the choice of when the amount should be paid (irrespective of the fulfilment of covenants), the earliest date the Group can be required to pay; and
- expected undiscounted cash flows provided to the Group's key management personnel and the date the Group is expected to pay, shown as adjustments to the contractual undiscounted cash flows if the timing and/or amount to the cash flows are expected to be different from the contractual undiscounted cash flows.

	Contractual undiscounted cash outflow					Carrying amount at 31 December US\$
	Within 1 year or on demand US\$	1 to 2 years US\$	2 to 5 years US\$	More than 5 years US\$	Total US\$	
<b>2025</b>						
Trade and other payables excluding contract liabilities	14,571,040	-	-	-	14,571,040	14,571,040
Bank loans	37,958,240	-	-	-	37,958,240	37,177,513
Lease liabilities	54,635	54,635	163,904	1,256,603	1,529,777	663,049
	<b>52,583,915</b>	<b>54,635</b>	<b>163,904</b>	<b>1,256,603</b>	<b>54,059,057</b>	<b>52,411,602</b>
	Contractual undiscounted cash outflow					
	Within 1 year or on demand US\$	1 to 2 years US\$	2 to 5 years US\$	More than 5 years US\$	Total US\$	Carrying amount at 31 December US\$
<b>2024</b>						
Trade and other payables excluding contract liabilities	21,029,043	-	-	-	21,029,043	21,029,043
Bank loans	34,295,321	-	-	-	34,295,321	33,823,923
Lease liabilities	198,997	198,997	397,994	3,299,675	4,095,663	2,116,362
	<b>55,523,361</b>	<b>198,997</b>	<b>397,994</b>	<b>3,299,675</b>	<b>59,420,027</b>	<b>56,969,328</b>

### (e) Business risk

The Group has certain concentration risk of raw materials and finished goods sourcing from related parties. The Group's total purchases of raw materials and finished goods from the related parties amounted to US\$43,475,081 (2024: US\$32,481,228) which accounted for approximately 61% (2024: 51%) of the Group's total purchases for the year ended 31 December 2025.

In the opinion of the directors, the Group has taken appropriate quality control measures to mitigate the effect from any claims caused by products, which may affect adversely its financial results and has made sufficient provision for warranty claims.

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## 21 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

### (f) Fair value measurement

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2025 and 2024.

## 22 MATERIAL RELATED PARTY TRANSACTIONS

During the year ended 31 December 2025, transactions with the following parties are considered as material related party transactions:

Name of party	Relationship
Sanyang Motor Co., Ltd. ("Sanyang")	The ultimate holding company
Sanyang Global Co., Ltd.	A subsidiary of Sanyang
Xiamen Xiashing Motorcycle Co., Ltd.	A subsidiary of Sanyang
Sanyang Motor Colombia S.A.S	A subsidiary of Sanyang
Vietnam Three Brothers Machinery Industry Co., Limited	The associate of the Company and a non-wholly owned subsidiary of Sanyang

### (a) Recurring transactions

	2025 US\$	2024 US\$
<b>Sales of finished goods and spare parts: Note (i)</b>		
Sanyang Motor Co., Ltd.	13,863,794	4,334,259
Xiamen Xiashing Motorcycle Co., Ltd.	89,033	132,643
Sanyang Global Co., Ltd.	2,832,000	–
	<b>16,784,827</b>	4,466,902
<b>Purchases of raw materials and finished goods: Note (ii)</b>		
Sanyang Motor Co., Ltd.	10,205,282	2,892,732
Sanyang Global Co., Ltd.	15,095,604	9,376,529
Xiamen Xiashing Motorcycle Co., Ltd.	15,623,791	17,298,311
Vietnam Three Brothers Machinery Industry Co., Limited	2,550,404	2,913,656
	<b>43,475,081</b>	32,481,228
<b>Purchases of other property, plant and equipment: Note (iii)</b>		
Sanyang Motor Co., Ltd.	17,020	–
Vietnam Three Brothers Machinery Industry Co., Limited	69,318	16,334
Xiamen Xiashing Motorcycle Co., Ltd.	–	34,257
	<b>86,338</b>	50,591
<b>Technology transfer fees: Note (iv)</b>		
Sanyang Motor Co., Ltd.	113,583	119,023

**22 MATERIAL RELATED PARTY TRANSACTIONS (Continued)****(a) Recurring transactions (Continued)***Notes:*

- (i) Sales of finished goods and spare parts are carried out based on mutually agreed terms with reference to comparable market prices, where applicable, and in the ordinary course of business.
- (ii) Purchases of raw materials and finished goods are carried out based on mutually agreed terms with reference to comparable market prices, where applicable, and in the ordinary course of business.
- (iii) Purchases of other property, plant and equipment were carried out based on mutually agreed terms with reference to comparable market prices, where applicable, and in the ordinary course of business.
- (iv) Pursuant to certain technology transfer agreements entered into between Sanyang, the Company and VMEP ("Technology License Agreements"), Sanyang has granted an exclusive license to VMEP to use the technology, know-how, trade secrets and production information owned by Sanyang in connection with the Group's manufacturing and sale of "SYM" brand motorbikes and related parts in all of the member countries of the Association of South East Asians Nations, including Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam. The license fee as provided for in the Technology License Agreement is 4% of the annual net selling price of products manufactured using such technology. Starting from 1 January 2017, technology transfer fees are only payable for motorbikes and related products within 3 years from the date of commencement of mass production.

**(b) Amounts due from related parties**

	<b>2025</b>	2024
	<b>US\$</b>	US\$
<b>Trade</b>		
Sanyang Motor Co., Ltd.	<b>1,300,590</b>	1,818,100
Xiamen Xiashing Motorcycle Co., Ltd.	<b>88,010</b>	5,865
Sanyang Motor Colombia S.A.S	<b>–</b>	3,471
Sanyang Global Co., Ltd.	<b>942,496</b>	–
Subtotal	<b>2,331,096</b>	1,827,436
<b>Non-trade</b>		
Sanyang Motor Co., Ltd.	<b>760</b>	427
<b>Total</b>	<b>2,331,855</b>	1,827,863

Trade balances due from related parties are unsecured, interest-free and are expected to be recovered within 30 to 60 days.

The non-trade balances due from related parties are expected to be recovered within one year.

# Notes to the Consolidated Financial Statements

(Expressed in United States dollars unless otherwise indicated)

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## 22 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

### (c) Amounts due to related parties

	2025 US\$	2024 US\$
<b>Trade</b>		
Sanyang Motor Co., Ltd.	2,707,674	265,554
Sanyang Global Co., Ltd.	1,548,997	3,902,494
Xiamen Xiasheng Motorcycle Co., Ltd.	3,375,872	7,142,540
Vietnam Three Brothers Machinery Industry Co., Limited	163,522	385,815
Subtotal	7,796,065	11,696,403
<b>Non-trade</b>		
Sanyang Motor Co., Ltd.	1,970	7,830
Sanyang Global Co., Ltd.	-	1,633
	1,970	9,463
<b>Total</b>	<b>7,798,035</b>	<b>11,705,866</b>

Trade payables due to related parties are all unsecured, interest-free and are expected to be settled within 30 to 120 days.

The non-trade balances due to related parties are expected to be settled within one year.

### (d) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 8 and certain of the highest paid employees as disclosed in note 9, is as follows:

	2025 US\$	2024 US\$
Short-term employee benefits	477,724	626,206

### (e) Applicability of the Listing Rules relating to connected transactions

The related party transactions in respect of note 22(a) above constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in section "Continuing Connected Transactions" of the Directors' Report.

**23 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION**

	2025 US\$	2024 US\$
<b>Non-current asset</b>		
Investments in subsidiaries	46,444,743	46,444,743
<b>Current assets</b>		
Trade receivables, other receivables and prepayments	5,155,381	5,826
Cash and cash equivalents	1,933,693	1,321,265
	7,089,074	1,327,091
<b>Current liabilities</b>		
Trade and other payables	6,620,035	673,536
Provisions	156,493	177,508
	6,776,528	851,044
<b>Net current assets</b>	312,546	476,047
<b>NET ASSETS</b>	46,757,289	46,920,790
<b>Capital and reserves</b>		
Share capital	1,162,872	1,162,872
Reserves	45,594,417	45,757,918
<b>TOTAL EQUITY</b>	46,757,289	46,920,790

Approved and authorised for issue by the Board of Directors on 12 March 2026.

**Wu, Jui-Chiao**  
Director

**Lin, Chun-Yu**  
Director



## 24 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At 31 December 2025, the directors consider the immediate parent and ultimate controlling party of the Company to be SY International Ltd. and Sanyang Motor Co., Ltd., respectively. Sanyang Motor Co., Ltd. is incorporated in Taiwan and produces financial statements available for public use.

## 25 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2025

Up to the date of issue of these financial statements, the IASB has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	<b>Effective for accounting periods beginning on or after</b>
Amendments to IFRS 9, <i>Financial instruments</i> and IFRS 7, <i>Financial instruments: disclosures</i> – <i>Contracts referencing nature-dependent electricity</i>	1 January 2026
Amendments to IFRS 9, <i>Financial instruments</i> and IFRS 7, <i>Financial instruments: disclosures</i> – <i>Amendments to the classification and measurement of financial instruments</i>	1 January 2026
Annual improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027
IFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	1 January 2027

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements, except for the following:

### **IFRS 18, *Presentation and disclosure in financial statements***

IFRS 18 will replace IAS 1, *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18 and is still in the process of assessing the impact of the adoption.

**26 LIST OF PRINCIPAL SUBSIDIARIES**

Details of the principal subsidiaries of the Company as at 31 December 2025 are set out below. The class of shares held is ordinary unless otherwise stated.

Name of company	Place and date of incorporation, establishment and operation	Particulars of issued and fully paid share capital/registered capital	Proportion of ownership interest		Principal activities
			Held by the Company %	Held by a subsidiary %	
Vietnam Manufacturing and Export Processing Co., Ltd.	Vietnam 25 March 1992	US\$147,060,000/ US\$147,060,000	100	–	Manufacturing and sale of motorbikes and related spare parts
Chin Zong Trading Co., Ltd.	Taiwan 6 July 2007	NT\$45,000,000/ NT\$300,000,000	100	–	Sale of motor vehicles and motorbikes and related spare parts
Vietnam Casting Forge Precision Ltd.	Vietnam 12 April 2002	US\$4,500,000/ US\$4,500,000	–	100	Manufacturing of spare parts for motorbikes and motor vehicles
Dinh Duong Joint Stock Company	Vietnam 28 September 2018	US\$7,269,361/ US\$7,269,361	–	99.9	Real estate development