

**VMEP**

Vietnam

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)



**HÀ LONG- QUẢNG NINH**  
Ha Long - Quang Ninh

**ELITE 50**

INTERIM REPORT **2017**

# CONTENTS

Corporate Information	2
Management Discussion and Analysis	3
Other Information	7
Independent Auditors' Review Report	13
Consolidated Statement of Profit or Loss and Other Comprehensive Income	14
Consolidated Statement of Financial Position	15
Consolidated Statement of Changes in Equity	16
Condensed Consolidated Cash Flow Statement	17
Notes to the Unaudited Interim Financial Report	18



## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

#### **Executive Directors**

Mr. Liu Wu Hsiung (Chairman)  
Mr. Lu Tien Fu (Chief Executive Officer)  
Mr. Lin Chun Yu  
Mr. Huang Kwang Wu  
(appointed on 10 August 2017)  
Mr. Chou Ken Yuan  
(resigned on 10 August 2017)

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

Ms. Wu Li Chu  
Mr. Chiu Ying Feng

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

Ms. Lin Ching Ching  
Mr. Shen Hwa Rong  
Ms. Wu Kwei Mei

#### **AUDIT COMMITTEE**

Ms. Lin Ching Ching (Chairman)  
Mr. Shen Hwa Rong  
Ms. Wu Kwei Mei

#### **REMUNERATION COMMITTEE**

Ms. Lin Ching Ching (Chairman)  
Ms. Wu Kwei Mei  
Mr. Liu Wu Hsiung

#### **AUTHORISED REPRESENTATIVES**

Mr. Liu Wu Hsiung  
Ms. Ng Wing Shan

#### **COMPANY SECRETARY**

Ms. Ng Wing Shan

#### **AUDITORS**

KPMG

#### **LEGAL ADVISERS**

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**

18/F., Tesbury Centre  
28 Queen's Road East  
Wanchai, Hong Kong

#### **CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR**

SMP Partners (Cayman) Limited  
Royal Bank House, 3rd Floor  
24 Shedden Road, P.O. Box 1586  
Grand Cayman, KY1-1110  
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

#### **STOCK CODE**

422

#### **WEBSITE AND CONTACT**

[www.vmeph.com](http://www.vmeph.com)  
Tel: (886) 3597 2788  
Fax: (886) 3597 1883



## MANAGEMENT DISCUSSION AND ANALYSIS

Vietnam Manufacturing and Export Processing (Holdings) Limited (the “Company”) and its subsidiaries (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. It also produces motorbike engines and parts for internal use and export as well as selling and providing services associated with moulds to make die-cast and forged metal parts.

## OPERATION ENVIRONMENT

According to the report of the General Statistics Office of Vietnam, Vietnam’s gross domestic product (GDP) grew by 6.17% in the first half of 2017, higher than that of 5.52% for the same period last year. The inflation rate was under control and the macroeconomic remained stable.

In the first half of 2017, according to the statistics of The Vietnam Association of Motorcycle Manufacturers, the five largest foreign direct investment manufacturers in Vietnam sold more than 1.52 million units of motorbikes in total, representing an increase of 5.6% as compared with the same period last year, demonstrating the continuous expansion of foreign investment manufacturers in Vietnam, which led the Group to an intensive competition during this year.

## BUSINESS REVIEW

For the six months ended 30 June 2017, the Group sold about 23,200 units of motorbikes (including about 2,900 units of scooters and about 20,300 units of cubs) in Vietnam, representing a decrease of 12% as compared with the same period last year. It was mainly because the Group launched a new scooter model, namely Elite 50cc, in June 2017, the sales volume of which has not yet been reflected in the first half of 2017. Further, the Vietnamese government has amended the regulations, prohibiting students going to schools by motorbikes, which resulted in a decline in volume of sales to key consumers. The Group exported about 37,300 units of motorbikes to ASEAN countries, representing a decrease of 37% as compared with the same period last year. It was mainly due to the fact that the management of the Group became more conservative in the policy of customer credit control in order to strengthen its risk management, and as a result, the shipment volume was impacted. In view of challenges above, the Group strived to develop market and accelerate product research and development so as to curb the downward trend.

During the first half of 2017, the Group has 215 SYM-authorized stores owned by dealers to cover almost every province in Vietnam.

## FINANCIAL REVIEW

The Group’s revenue decreased by 25% from US\$61.1 million for the six months ended 30 June 2016 to US\$45.9 million for the six months ended 30 June 2017. The Group’s net loss for the six months ended 30 June 2017 increased by US\$1.9 million, from a net loss of US\$0.5 million for the six months ended 30 June 2016 to a net loss of US\$2.4 million for the six months ended 30 June 2017.



## REVENUE

The Group's revenue for the six months ended 30 June 2017 was US\$45.9 million, representing a decrease of US\$15.2 million or 25% as compared with US\$61.1 million for the six months ended 30 June 2016, which was mainly due to the decline in the Group's sales volume in Vietnam and ASEAN countries.

The Group's overall sales volume of all motorbikes in Vietnam and ASEAN countries decreased by 12% and 37% over the comparative periods, respectively. The poor financial performance was attributed to a significant drop of sales volume in ASEAN countries which were the Group's major profit driver.

The principal scooter models include ATTILA-V, ELIZABETH, ELITE and SHARK, and cub models of ELEGANT, GALAXY, START X, AMIGO and ANGELA.

## COST OF SALES

The Group's cost of sales decreased by 23%, from US\$53.9 million for the six months ended 30 June 2016 to US\$41.7 million for the six months ended 30 June 2017, resulting from the drop of total sales volume. As a percentage of total revenue, the Group's cost of sales increased from 88% for the six months ended 30 June 2016 to 91% for the six months ended 30 June 2017. The increase in cost rate was attributable to the decline in sales volume, which increased the percentage of costs to total revenue. Such increase was partly offset by the reduced purchase costs as the Group has strived to develop new sourcing channels.

## GROSS PROFIT AND GROSS PROFIT MARGIN

Owing to the decline in sales of major profit sources as discussed above, the gross profit of the Group decreased by 42%, from US\$7.3 million for the six months ended 30 June 2016 to US\$4.2 million for the six months ended 30 June 2017. As compared with the comparative period, the Group's gross profit margin has decreased from 12% to 9%.

## DISTRIBUTION EXPENSES

The Group's distribution expenses decreased by 3%, from US\$3.4 million for the six months ended 30 June 2016 to US\$3.3 million for the six months ended 30 June 2017. Such decrease was mainly attributed to rectification of existing distribution network, a decrease of sales incentives and supporting fees to distributors.

## TECHNOLOGY TRANSFER FEES

The technology transfer fees decreased by 27%, from US\$1.5 million for the six months ended 30 June 2016 to US\$1.1 million for the six months ended 30 June 2017, resulting from a decrease in the sales of SYM-branded motorbikes.



## ADMINISTRATIVE EXPENSES

The Group's administrative expenses decreased by 9%, from US\$4.3 million for the six months ended 30 June 2016 to US\$3.9 million for the six months ended 30 June 2017. The expenses accounted for 8% of the Group's total revenue for the six months ended 30 June 2017. The decrease was principally due to the decrease of research and development expenses, and efforts to boost operation efficiency and strengthen cost control.

## RESULTS FROM OPERATING ACTIVITIES

As a result of the factors discussed above, the Group's results from operating activities worsened by US\$2.7 million, from a loss of US\$1.4 million for the six months ended 30 June 2016 to a loss of US\$4.1 million for the six months ended 30 June 2017.

## NET FINANCE INCOME

The Group's net finance income increased by 100%, from US\$0.8 million for the six months ended 30 June 2016 to US\$1.6 million for the six months ended 30 June 2017. Such increase was mainly attributable to an increase in interest income by US\$0.07 million, a decrease of bank interest expenses by US\$0.06 million. Foreign exchange losses arisen from fluctuation of the Renminbi ("RMB") against the US dollar ("US\$") for the six months ended 30 June 2016 decreased from US\$0.8 million to US\$0.1 million for the six months ended 30 June 2017.

## LOSS FOR THE PERIOD AND MARGIN

As a result of the factors discussed above, the Group's net loss for the six months ended 30 June 2017 increased by US\$1.9 million, from a loss of US\$0.5 million for the six months ended 30 June 2016 to a loss of US\$2.4 million for the six months ended 30 June 2017. The Group's net loss margin worsened from 0.9% for the six months ended 30 June 2016 to 5.2% for the six months ended 30 June 2017.

## LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2017, the Group's net current assets amounted to US\$109.4 million (31 December 2016: US\$110.2 million) which consisted of current assets amounting to US\$144.1 million (31 December 2016: US\$153.6 million) and current liabilities amounting to US\$34.7 million (31 December 2016: US\$43.4 million).

As at 30 June 2017, the Group had bank loans repayable within one year of US\$20.5 million, including US\$19.2 million denominated in US\$ and US\$1.3 million denominated in Vietnamese Dong (31 December 2016: US\$26.2 million, including US\$23.9 million denominated in US\$ and US\$2.3 million denominated in Vietnamese Dong). As at 30 June 2017, the Group had no bank loans repayable beyond one year (31 December 2016: Nil). As at 30 June 2017, the gearing ratio was 15% (31 December 2016: 19%) calculated as the ratio of total bank loans over total equity.

As at 30 June 2017, the cash and bank balances (including bank deposits) amounted to US\$101.4 million, including US\$59.5 million denominated in Vietnamese Dong, US\$41.8 million denominated in US\$ and US\$0.1 million denominated in New Taiwan Dollar ("NT\$"), RMB and Hong Kong Dollar ("HK\$") (31 December 2016: US\$104.1 million, which mainly included US\$62.2 million denominated in Vietnamese Dong, US\$40.9 million denominated in US\$, US\$1.0 million denominated in RMB).



The Board is of the opinion that the Group is in a healthy financial position and has sufficient resources to satisfy its working capital requirements and foreseeable capital expenditure.

### **EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES**

There have been no significant changes in the Group's policy in terms of exchange rate exposure. Transactions of the Group are mainly denominated in Vietnamese Dong or US\$. The Group was not exposed to material exchange rate risk and had not employed any financial instruments for hedging purposes. 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\$.

### **HUMAN RESOURCES AND REMUNERATION POLICIES**

The Group offers competitive remuneration packages to its staff in Vietnam and Taiwan, and regularly reviews its remuneration packages in light of the overall development of the Group. The Group's remuneration packages include basic salaries, bonuses, staff quarters, training and development opportunities, medical benefits, insurance plan and retirement benefits. As at 30 June 2017, the Group had 1,573 employees (30 June 2016: 1,670). The total amount of salaries and related costs for the employees for the six months ended 30 June 2017 amounted to US\$5.7 million (six months ended 30 June 2016: US\$5.6 million).

### **CHANGES SINCE 31 DECEMBER 2016**

Save as disclosed in this report, since 31 December 2016, there were no other significant changes in the Group's financial position and there were no other significant changes in relation to the information disclosed under the section headed "Management Discussion and Analysis" in the annual report of the Company for the year ended 31 December 2016.

### **PROSPECTS**

During the first half of 2017, the Vietnamese economy grew steadily and experienced a mild inflation, while its business environment and the exchange rate of Vietnamese Dong against US\$ remained relatively stable. Under the environment where export and investment are on the rise, in the second half of 2017, the Vietnamese government will take active steps to adjust its monetary policy in a flexible way, and implement various measures to stimulate domestic demand, with an aim to reach its target annual economic growth rate of 6.7%.

In the second half of 2017, the Group plans to roll out a number of new or modified motorbike models in the Vietnamese market, including two electric motorbikes and other modified models of cub products, so as to achieve product diversification and greater profitability, and offer consumers with environmentally-friendly and convenient products at reasonable prices.



Although the industry outlook remains challenging, the Group will actively improve the operating environment through the following measures including enhance the core competitiveness of products, continue to carry out in-depth cost management, integrate sales teams and actively develop market. In addition, the Group will seize all available development opportunities to enhance its long-term profitability and maximise returns to the shareholders of the Company.

## APPLICATION OF INITIAL PUBLIC OFFERING PROCEEDS

The proceeds from the initial public offering of the Company in December 2007, net of related listing expenses, amounted to US\$76.7 million. As at 30 June 2017, such net proceeds were utilised in the following manner:

	<b>Per Prospectus</b> <i>US\$' million</i>	<b>Amount utilised</b> <i>US\$' million</i>	<b>Balances as at 30 June 2017</b> <i>US\$' million</i>
Construction of research and development centre in Vietnam	15.0	11.7	3.3
Expanding distribution channels in Vietnam			
– Upgrading of existing facilities	4.0	4.0	–
– Establishing of new facilities	46.0	13.0	33.0
Mergers and acquisitions	9.0	1.7	7.3
General working capital	2.7	2.7	–
<b>Total</b>	<b>76.7</b>	<b>33.1</b>	<b>43.6</b>

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

## OTHER INFORMATION

### CHANGES OF DIRECTORS AND DIRECTORS' INFORMATION

Mr. Huang Kwang Wuu has been appointed as an executive director of the Company with effect from 10 August 2017.

Mr. Chou Ken Yuan resigned as an executive director of the Company with effect from 10 August 2017.

Save as disclosed above, no information relating to the directors of the Company is required to be disclosed in accordance with Rules 13.51(2) and 13.51(B)(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) since the publication of the Company’s 2016 annual report.





## SHARE OPTION SCHEME

Pursuant to the written resolutions of the shareholders of the Company passed on 24 November 2007 for approving the share option scheme, the Board, at its discretion, may grant share options to any directors, executives, employees and any other persons who have contributed or will contribute to the Group.

The Board has not granted any share options under the share option scheme during the six months ended 30 June 2017 and no share option was exercised, cancelled or lapsed during the six months ended 30 June 2017. No share options was outstanding as at 30 June 2017.

## INTERESTS AND 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 30 June 2017, the interests and 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 Securities and Futures Ordinance (the "SFO"), which were required to be notified to the Company and the Stock Exchange of Hong Kong Limited ("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 for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Listing Rules to be notified to the Company and the Stock Exchange were as follows:

### Interests and short positions in the shares of the Company

Name of Directors	Types of Shares	Capacity	Number of Shares held (units)	Approximate percentage of total share capital (%)
Mr. Chou Ken Yuan	Taiwan Depository Receipts	Beneficial Owner	16,000 (L) <sup>1</sup>	0.00%

Note:

1. Mr. Chou Ken Yuan holds 16,000 units Taiwan Depository Receipt of the Company, equivalent to 32,000 shares of the Company. Mr. Chou Ken Yuan resigned as director of the Company on 10 August 2017.



## Interests and short positions in the shares of Sanyang Motor Company Limited

Name of Directors	Types of Shares	Capacity	Number of Shares held (shares)	Approximate percentage of total share capital (%)
Mr. Liu Wu Hsiung	Ordinary Shares	Beneficial Owner	111,380 (L)	0.01%
Mr. Lu Tien Fu	Ordinary Shares	Beneficial Owner	8,098 (L)	0.00%
Mr. Chou Ken Yuan	Ordinary Shares	Beneficial Owner	140,299 (L)	0.01%
Ms. Wu Li Chu	Ordinary Shares	Beneficial Owner	17,046,560 (L)	1.93%
Mr. Chiu Ying Feng	Ordinary Shares	Beneficial Owner	18,412 (L)	0.00%
Ms. Wu Kwei Mei	Ordinary Shares	Beneficial Owner	1,000 (L)	0.00%

(L) – Long position

Save as disclosed above, as at 30 June 2017, so far as is known to the Directors, none of the Directors or chief executive of the Company had any interests 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 of 30 June 2017, 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 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 Shareholders	Types of Shares	Capacity	Number of Shares/ underlying shares held (shares)	Approximate percentage of total share capital (%)
Sanyang Motor Company Limited	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:

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

Save as disclosed above, as at 30 June 2017, the Directors are not aware of any other person (other than Directors or chief executive of the Company) have an interest 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' RIGHTS TO ACQUIRE SHARES**

At no time during the six months ended 30 June 2017 were 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 directors of the Company or their respective spouses or minor children, 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.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES**

During the six months ended 30 June 2017, the Group had no material acquisition or disposal of subsidiaries and associated companies. As at the date of this report, the Group has no plan to make any material investment in or acquisition of capital assets.

## **CORPORATE GOVERNANCE PRACTICES**

During the six months ended 30 June 2017, the Company has complied with the code provisions as set out in the Corporate Governance Code (the "Code") contained in Appendix 14 to the Listing Rules, except for the following deviation:

Paragraph A.5.2 of the Code provides that an issuer should establish a nomination committee with specific written terms of reference for, among others, the following duties: (i) review the structure, size and composition of the Board, (ii) select and nominate individuals to be appointed as directors, (iii) assess the independence of independent non-executive directors, and (iv) make recommendations to the Board on the appointment or reappointment of directors and succession planning for directors. The Company has not set up a nomination committee as all major decisions regarding the Board composition and its members are made in consultation with the Board in which all directors of the Company will participate in the process and perform the duties of a nomination committee as contemplated in the Code. The Board considers that it is not necessary to establish a nomination committee given that the current arrangements meet the objectives of the Code.

## **COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code contained in Appendix 10 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 directors of the Company, the Company confirms that the directors of the Company have complied with the required standards set out in the Model Code for the six months ended 30 June 2017.



## **PUBLIC FLOAT**

Based on information that is publicly available to the Company and to the best knowledge of the Board, as at the date of this report, the Company has maintained the prescribed public float of no less than 25% under the Listing Rules.

## **EVENT AFTER THE REPORT DATE**

Save as disclosed in this report, there were no other material events after the reporting period as at the date of this report.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the six months ended 30 June 2017, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

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

The unaudited interim results for the six months ended 30 June 2017 and the interim report have been reviewed by the audit committee of the Company which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements.

## **INTERIM DIVIDEND**

The Board has resolved not to recommend payment of interim dividend for the six months ended 30 June 2017 (2016: Nil). Accordingly, no closure of the register of members of the Company is proposed.

## **OUR APPRECIATION**

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

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

Hong Kong, 10 August 2017





**Review report to the Board of Directors of  
Vietnam Manufacturing and Export Processing (Holdings) Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**INTRODUCTION**

We have reviewed the interim financial report set out on pages 14 to 28 which comprises the consolidated statement of financial position of Vietnam Manufacturing and Export Processing (Holdings) Limited (the "Company") as of 30 June 2017 and the related consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, *Interim financial reporting*, issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

**SCOPE OF REVIEW**

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

**CONCLUSION**

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2017 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim financial reporting*.

**KPMG**

*Certified Public Accountants*  
8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

10 August 2017



## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2017 – unaudited  
(Expressed in United States dollars)

	Note	Six months ended 30 June	
		2017 US\$	2016 US\$
Revenue	4	45,884,241	61,141,792
Cost of sales		(41,727,739)	(53,865,131)
<b>Gross profit</b>		<b>4,156,502</b>	7,276,661
Other income		56,388	537,785
Distribution costs		(3,313,804)	(3,365,019)
Technology transfer fees		(1,056,239)	(1,472,117)
Administrative expenses		(3,873,066)	(4,294,765)
Other operating expenses		(25,735)	(56,809)
<b>Results from operating activities</b>		<b>(4,055,954)</b>	(1,374,264)
Finance income		1,972,876	1,905,899
Finance costs		(384,442)	(1,061,169)
<b>Net finance income</b>	5(a)	<b>1,588,434</b>	844,730
Share of profit of an associate, net of tax		33,613	42,703
<b>Loss before taxation</b>	5	<b>(2,433,907)</b>	(486,831)
Income tax	6	4,242	(46,391)
<b>Loss for the period</b>		<b>(2,429,665)</b>	(533,222)
<b>Other comprehensive income for the period (after tax)</b>			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of overseas subsidiaries		399,135	901,506
<b>Total comprehensive income for the period attributable to equity shareholders of the Company</b>		<b>(2,030,530)</b>	368,284
<b>Loss per share (cents)</b>			
– Basic and diluted	7	(0.003)	(0.001)

The notes on pages 18 to 28 form part of this interim financial report.



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

At 30 June 2017 – unaudited  
(Expressed in United States dollars)

	Note	At 30 June 2017 US\$	At 31 December 2016 US\$
<b>Non-current assets</b>			
Property, plant and equipment	9	16,920,274	18,077,947
Intangible assets		20,844	37,037
Lease prepayments		4,789,746	4,864,995
Interest in an associate		532,352	498,764
Deferred tax assets		936,285	936,285
		<b>23,199,501</b>	24,415,028
<b>Current assets</b>			
Inventories	10	20,754,627	24,810,273
Trade receivables, other receivables and prepayments	11	21,900,136	24,535,220
Time deposits maturing after three months		95,355,489	93,040,713
Cash and cash equivalents		6,055,648	11,106,900
Current tax recoverable		2,781	73,490
		<b>144,068,681</b>	153,566,596
<b>Current liabilities</b>			
Trade and other payables	12	13,256,581	16,371,490
Bank loans	13	20,480,798	26,166,074
Current tax payable		–	13,905
Provisions		964,463	835,432
		<b>34,701,842</b>	43,386,901
<b>Net current assets</b>		<b>109,366,839</b>	110,179,695
<b>Total assets less current liabilities</b>		<b>132,566,340</b>	134,594,723
<b>Non-current liability</b>			
Deferred tax liabilities		37,793	35,644
<b>Net assets</b>		<b>132,528,547</b>	134,559,079
<b>Capital and reserves</b>			
Share capital		1,162,872	1,162,872
Reserves		131,365,675	133,396,207
<b>Total equity</b>		<b>132,528,547</b>	134,559,079

Approved and authorised for issue by the Board of Directors on 10 August 2017.

Director

Director

**Mr. Lu Tien Fu**

**Mr. Lin Chun Yu**

The notes on pages 18 to 28 form part of this interim financial report.





**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY***For the six months ended 30 June 2017 – unaudited**(Expressed in United States dollars)*

	Attributable to equity shareholders of the Company						Total US\$
	Share capital US\$	Share premium US\$	Capital reserve US\$	Exchange reserves US\$	Statutory reserves US\$	Retained profits US\$	
<b>Balance at 1 January 2016</b>	1,162,872	112,198,709	1,962,666	(33,207,960)	202,856	53,972,174	136,291,317
<b>Changes in equity for the six months ended 30 June 2016:</b>							
Loss for the period	-	-	-	-	-	(533,222)	(533,222)
Other comprehensive income	-	-	-	901,506	-	-	901,506
<b>Total comprehensive income</b>	-	-	-	901,506	-	(533,222)	368,284
<b>Balance at 30 June 2016</b>	1,162,872	112,198,709	1,962,666	(32,306,454)	202,856	53,438,952	136,659,601
<b>Balance at 1 January 2017</b>	1,162,872	112,198,709	1,962,666	(34,193,076)	228,343	53,199,565	134,559,079
<b>Changes in equity for the six months ended 30 June 2017:</b>							
Loss for the period	-	-	-	-	-	(2,429,665)	(2,429,665)
Other comprehensive income	-	-	-	399,133	-	-	399,133
<b>Total comprehensive income</b>	-	-	-	399,133	-	(2,429,665)	(2,030,532)
<b>Balance at 30 June 2017</b>	1,162,872	112,198,709	1,962,666	(33,793,943)	228,343	50,769,900	132,528,547

The notes on pages 18 to 28 form part of this interim financial report.



**CONDENSED CONSOLIDATED CASH FLOW STATEMENT***For the six months ended 30 June 2017 – unaudited**(Expressed in United States dollars)*

	<b>Six months ended 30 June</b>	
	<b>2017</b> <b>US\$</b>	2016 <i>US\$</i>
<b>Cash generated from/(used in) operations</b>	<b>1,760,895</b>	(3,503,536)
Tax refunded/(paid)	<b>61,101</b>	(74,704)
<b>Net cash generated from/(used in) operating activities</b>	<b>1,821,996</b>	(3,578,240)
<b>Investing activities</b>		
(Increase)/decrease in time deposits maturing after three months	<b>(2,317,883)</b>	35,326,625
Payment for purchase of property, plant and equipment	<b>(656,587)</b>	(1,375,284)
Interest received	<b>1,985,094</b>	2,339,880
Other cash flows from investing activities	–	3,852
<b>Net cash (used in)/generated from investing activities</b>	<b>(989,376)</b>	36,295,073
<b>Financing activities</b>		
Proceeds from borrowings	<b>23,537,225</b>	29,208,681
Repayment of borrowings	<b>(29,222,501)</b>	(30,286,696)
Interest paid	<b>(201,583)</b>	(349,885)
<b>Net cash used in financing activities</b>	<b>(5,886,859)</b>	(1,427,900)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(5,054,239)</b>	31,288,933
<b>Cash and cash equivalents at 1 January</b>	<b>11,106,900</b>	20,988,920
<b>Effect of foreign exchange rate changes</b>	<b>2,987</b>	356,185
<b>Cash and cash equivalents at 30 June</b>	<b>6,055,648</b>	52,634,038

The notes on pages 18 to 28 form part of this interim financial report.



## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

*(Expressed in United States dollars unless otherwise indicated)*

### 1. REPORTING CORPORATE INFORMATION

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, related spare parts and engines and provision of motorbike maintenance services.

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

### 2. BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (“IAS”) 34, *Interim financial reporting*, issued by the International Accounting Standards Board (“IASB”). It was authorised for issue on 10 August 2017.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2016 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2017 annual financial statements. Details of any changes in accounting policies are set out in Note 3.

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

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2016 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”).

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. KPMG’s independent review report to the Board of Directors is included on page 13.



## 2. BASIS OF PREPARATION (Continued)

The financial information relating to the financial year ended 31 December 2016 that is included in the interim financial report as comparative information does not constitute the Company's annual consolidated financial statements for that financial year but is derived from those financial statements. The auditors have expressed an unqualified opinion on those financial statements in their report dated 24 March 2017.

## 3. CHANGES IN ACCOUNTING POLICIES

The IASB has issued several amendments to IFRSs that are first effective for the current accounting period of the Group. None of these developments has had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report.

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

## 4. SEGMENT REPORTING

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

### (a) Information about profit or loss, assets and liabilities

	Six months ended 30 June 2017			Total US\$
	Manufacture and sale of motorbikes US\$	Manufacture and sale of spare parts and engines US\$	Moulds and repair services US\$	
Revenue from external customers	36,155,192	9,691,132	37,917	45,884,241
Inter-segment revenue	-	14,412,595	294,412	14,707,007
<b>Reportable segment revenue</b>	<b>36,155,192</b>	<b>24,103,727</b>	<b>332,329</b>	<b>60,591,248</b>
<b>Reportable segment loss (adjusted EBIT)</b>	<b>(2,719,550)</b>	<b>(629,092)</b>	<b>(24,345)</b>	<b>(3,372,987)</b>
<b>Reportable segment assets</b>	<b>37,425,343</b>	<b>24,244,610</b>	<b>989,651</b>	<b>62,659,604</b>
<b>Reportable segment liabilities</b>	<b>23,478,130</b>	<b>13,249,929</b>	<b>105,301</b>	<b>36,833,360</b>



**4. SEGMENT REPORTING (Continued)****(a) Information about profit or loss, assets and liabilities (Continued)**

	Six months ended 30 June 2016			
	Manufacture and sale of motorbikes US\$	Manufacture and sale of spare parts and engines US\$	Moulds and repair services US\$	Total US\$
Revenue from external customers	50,835,092	9,832,005	474,695	61,141,792
Inter-segment revenue	-	19,900,838	460,637	20,361,475
<b>Reportable segment revenue</b>	<b>50,835,092</b>	<b>29,732,843</b>	<b>935,332</b>	<b>81,503,267</b>
<b>Reportable segment (loss)/ profit (adjusted EBIT)</b>	<b>(1,358,890)</b>	<b>794,904</b>	<b>(45,454)</b>	<b>(609,440)</b>
<b>Reportable segment assets</b>	<b>19,856,482</b>	<b>41,936,122</b>	<b>1,568,576</b>	<b>63,361,180</b>
<b>Reportable segment liabilities</b>	<b>27,156,798</b>	<b>15,240,166</b>	<b>288,728</b>	<b>42,685,692</b>

The measure used for reporting segment profit or loss is adjusted earnings or loss before interest and taxes ("adjusted EBIT"), where "interest" is regarded as net finance income/costs. To arrive at adjusted EBIT the Group's loss is further adjusted for items not specifically attributed to individual segments, such as share of profit of an associate, directors' and auditors' remuneration and other head office or corporate administration costs.

**(b) Reconciliation of reportable segment profit or loss**

	Six months ended 30 June	
	2017 US\$	2016 US\$
Reportable segment loss	<b>(3,372,987)</b>	(609,440)
Elimination of inter-segment profits	-	-
Reportable segment loss derived from Group's external customers	<b>(3,372,987)</b>	(609,440)
Net finance income	<b>1,588,434</b>	844,730
Share of profit of an associate	<b>33,613</b>	42,703
Unallocated corporate expenses	<b>(682,967)</b>	(764,824)
Consolidated loss before taxation	<b>(2,433,907)</b>	(486,831)



**5. LOSS BEFORE TAXATION**

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

**(a) Net finance income**

	<b>Six months ended 30 June</b>	
	<b>2017</b>	2016
	<b>US\$</b>	US\$
Interest income from banks	<b>(1,972,876)</b>	(1,905,899)
Finance income	<b>(1,972,876)</b>	(1,905,899)
Interest paid and payable to banks	<b>246,367</b>	304,351
Net foreign exchange loss	<b>138,075</b>	756,818
Finance costs	<b>384,442</b>	1,061,169
	<b>(1,588,434)</b>	(844,730)

**(b) Staff costs**

	<b>Six months ended 30 June</b>	
	<b>2017</b>	2016
	<b>US\$</b>	US\$
Salaries and wages	<b>4,347,948</b>	3,914,652
Staff welfare	<b>806,353</b>	1,222,159
Contributions to defined contribution retirement plans	<b>532,943</b>	473,207
	<b>5,687,244</b>	5,610,018

**(c) Other items**

	<b>Six months ended 30 June</b>	
	<b>2017</b>	2016
	<b>US\$</b>	US\$
Amortisation of lease prepayments/intangible assets	<b>155,382</b>	106,137
Depreciation of property, plant and equipment	<b>1,815,242</b>	1,770,080
Write-down of inventories (Note 10)	<b>343,870</b>	197,230
Research and development expenses	<b>1,142,487</b>	2,130,333



**6. INCOME TAX**

	<b>Six months ended 30 June</b>	
	<b>2017</b>	2016
	<b>US\$</b>	US\$
<b>Current tax</b>		
Provision for the period	–	46,129
Over-provision in respect of prior periods	<b>(4,242)</b>	(110)
	<b>(4,242)</b>	46,019
<b>Deferred tax</b>		
Origination and reversal of temporary differences	–	372
	<b>(4,242)</b>	46,391

No provision for Hong Kong Profits Tax has been made as the Group did not earn any income subject to Hong Kong Profits Tax for the six months ended 30 June 2017.

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

In accordance with the Law of Foreign Investment of 1987, as amended in 1990 and 1992 in Vietnam, provision for corporate income tax ("CIT") for Vietnam Manufacturing and Export Processing Co., Limited ("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 25%.

In accordance with the Law of Foreign Investment of 1996, as amended in 2000, the Investment Law of 2006, and the Law on Corporate Income Tax of 2003 in Vietnam, the applicable tax rate for Duc Phat Molds Inc. is 25% from 2013 onwards.

In accordance with the Law of Foreign Investment of 1996, as amended in 2000 in Vietnam, the applicable CIT rate for Vietnam Casting Forge Precision Limited is 15% from 2013 onwards.

On 19 June 2013, the National Assembly in Vietnam approved the Law on amendments and supplements to a number of articles of the Corporate Income Tax Law. Accordingly, the highest income tax rate shall be reduced from 25% to 22% for 2015, and to 20% from 2016.

In accordance with the Corporate Income Tax Law of Taiwan, as amended in 2010, the applicable tax rate for Chin Zong Trading Co., Ltd. is 17% if the taxable profit for the year is above New Taiwan Dollar ("NT\$") 120,000. Income tax is exempted if the taxable profit is below NT\$120,000.



**7. LOSS PER SHARE****(a) Basic loss per share**

The calculation of basic loss per share is based on the loss for the period of US\$2,429,665 (six months ended 30 June 2016: US\$533,222) and 907,680,000 ordinary shares (2016: 907,680,000 ordinary shares) in issue during the interim period.

**(b) Diluted loss per share**

The amount of diluted loss per share is the same as the basic loss per share for the six months ended 30 June 2017 and 2016 as there were no dilutive potential ordinary shares during the six months ended 30 June 2017 and 2016.

**8. DIVIDEND**

No dividend has been paid or declared by the Company for the six months ended 30 June 2017 (31 December 2016: nil).

**9. PROPERTY, PLANT AND EQUIPMENT**

During the six months ended 30 June 2017, the Group acquired items of property, plant and equipment with a cost of US\$656,587 (six months ended 30 June 2016: US\$1,375,284).

**10. INVENTORIES**

During six months ended 30 June 2017, US\$343,870 (six months ended 30 June 2016: US\$197,230) has been recognised as a reduction in the amount of inventories recognised as an expense in profit or loss during the period, being the amount of a write-down of inventories to estimated net realisable value. This write-down arose due to a decrease in the estimated net realisable value of certain inventories as a result of slow moving status.

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

	<b>At 30 June 2017 US\$</b>	At 31 December 2016 US\$
Trade receivables	<b>12,518,675</b>	11,848,607
Non-trade receivables	<b>7,061,465</b>	10,269,379
Prepayments	<b>1,887,463</b>	1,921,943
Amounts due from related parties		
Trade	<b>417,170</b>	432,704
Non-trade	<b>15,363</b>	62,587
	<b>21,900,136</b>	24,535,220





**11. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS (Continued)**

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

	<b>At 30 June 2017 US\$</b>	At 31 December 2016 US\$
Within 3 months	<b>12,850,495</b>	12,189,667
More than 3 months but within 1 year	<b>85,350</b>	91,644
More than 1 year	–	–
<b>Trade receivables, net of allowance for doubtful debts</b>	<b>12,935,845</b>	12,281,311

The Group's exposure to credit risk is low as the Group generally offers no credit terms to domestic customers. Overseas customers are generally granted credit terms ranging from 30 days to 60 days. At the end of the reporting period, 65% (31 December 2016: 74%) of the total trade receivables was due from the Group's largest debtor.

Non-trade receivables mainly represented VAT recoverable of US\$2,067,055 (31 December 2016: US\$5,052,435) and interest receivable of US\$1,731,630 (31 December 2016: US\$1,743,848).

**12. TRADE AND OTHER PAYABLES**

	<b>At 30 June 2017 US\$</b>	At 31 December 2016 US\$
Trade payables	<b>5,548,438</b>	7,166,993
Other payables and accrued operating expenses	<b>4,335,355</b>	5,308,447
Advances from customers	<b>311,023</b>	112,748
Amounts due to related parties		
Trade	<b>1,501,186</b>	1,748,157
Non-trade	<b>1,560,579</b>	2,035,145
<b>Trade and other payables</b>	<b>13,256,581</b>	16,371,490



**12. TRADE AND OTHER PAYABLES (Continued)**

As of the end of the reporting period, the ageing analysis of trade payables, based on the invoice date, is as follows:

	<b>At 30 June 2017 US\$</b>	At 31 December 2016 US\$
Within 3 months	<b>7,049,624</b>	8,915,150
More than 3 months but within 1 year	–	–
More than 1 year	–	–
	<b>7,049,624</b>	8,915,150

**13. BANK LOANS**

As of the end of the reporting period, the bank loans of the Group were secured by time deposits of US\$9,735,683 (31 December 2016: US\$11,396,476) of the Group.

**14. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS**

All of the Group's financial instruments were carried at cost or amortised cost as at 31 December 2016 and 30 June 2017 and their carrying amounts are not materially different from their fair values.

**15. MATERIAL RELATED PARTY TRANSACTIONS**

During the six months ended 30 June 2017, transactions with the following parties are considered as material related party transactions:

<b>Name of party</b>	<b>Relationship</b>
Sanyang Motor Co., Ltd. ("Sanyang") (formerly known as Sanyang Industry Co., Ltd)	The ultimate holding company
Qingzhou Engineering Industry Co., Ltd.	A subsidiary of Sanyang
Sanyang Global Co., Ltd.	A subsidiary of Sanyang
Sanyang Motor Vietnam Co., Ltd.	A subsidiary of Sanyang
Xiamen Xiashing Motorcycle Co., Ltd.	A subsidiary of Sanyang
Jiyang Machinery Industry Co., Ltd.	A subsidiary of Sanyang
Full Ta Co., Ltd.	A subsidiary of Sanyang
Vietnam Three Brothers Machinery Industry Co., Limited	The associate of the Company and a non-wholly owned subsidiary of Sanyang



## 15. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

## (a) Recurring transactions

	Six months ended 30 June	
	2017 US\$	2016 US\$
<b>Sales of finished goods and spare parts:</b>		
Sanyang Motor Co., Ltd.	1,200,901	269,605
Xiamen Xiashing Motorcycle Co., Ltd.	13,931	9,283
	<b>1,214,832</b>	278,888
<b>Purchases of raw materials and finished goods:</b>		
Sanyang Motor Co., Ltd.	1,761,150	3,275,827
Qingzhou Engineering Industry Co., Ltd.	–	133,936
Sanyang Global Co., Ltd.	–	2,949,836
Xiamen Xiashing Motorcycle Co., Ltd.	290,411	263,782
Vietnam Three Brothers Machinery Industry Co., Limited	1,284,258	1,778,243
Jiyang Machinery Industry Co., Ltd	969,663	–
	<b>4,305,482</b>	8,401,624
<b>Purchases of property, plant and equipment:</b>		
Sanyang Motor Co., Ltd.	222,121	1,316,758
<b>Technology transfer fees:</b>		
Sanyang Motor Co., Ltd.	1,056,239	1,472,117
<b>Technical consultancy fee:</b>		
Sanyang Motor Co., Ltd.	386,260	661,977



## 15. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

## (b) Amounts due from related parties

	At 30 June 2017 US\$	At 31 December 2016 US\$
<b>Trade</b>		
Sanyang Motor Co., Ltd.	191,498	73,342
Sanyang Global Co., Ltd.	-	73,848
Xiamen Xiashing Motorcycle Co., Ltd.	3,401	2,255
Vietnam Three Brothers Machinery Industry Co., Ltd.	3,463	-
Jiyang Machinery Industry Co., Ltd.	218,808	283,259
<b>Sub-total</b>	<b>417,170</b>	432,704
<b>Non-trade</b>		
Sanyang Motor Co., Ltd.	15,363	29,497
Vietnam Three Brothers Machinery Industry Co., Limited	-	33,090
<b>Sub-total</b>	<b>15,363</b>	62,587
<b>Total</b>	<b>432,533</b>	495,291



**15. MATERIAL RELATED PARTY TRANSACTIONS (Continued)****(c) Amounts due to related parties**

	<b>At 30 June 2017 US\$</b>	At 31 December 2016 US\$
<b>Trade</b>		
Sanyang Motor Co., Ltd.	<b>484,541</b>	765,532
Sanyang Global Co., Ltd.	–	143,734
Xiamen Xiashing Motorcycle Co., Ltd.	<b>14,012</b>	67,927
Jiyang Machinery Industry Co., Ltd.	<b>529,713</b>	486,200
Vietnam Three Brothers Machinery Industry Co., Limited	<b>472,920</b>	284,764
<b>Sub-total</b>	<b>1,501,186</b>	1,748,157
<b>Non-trade</b>		
Sanyang Motor Co., Ltd.	<b>1,432,396</b>	2,024,829
Xiamen Xiashing Motorcycle Co., Ltd.	<b>128,183</b>	–
Full Ta Co., Ltd.	–	10,316
<b>Sub-total</b>	<b>1,560,579</b>	2,035,145
<b>Total</b>	<b>3,061,765</b>	3,783,302

**16. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE SIX MONTHS ENDED 30 JUNE 2017**

A number of amendments and new standards are effective for annual periods beginning after 1 January 2017 and earlier application is permitted. However, the Group has not early adopted any new or amended standards in preparing this interim financial report.

So far the Group has no update to the information provided in the last annual financial statements about the possible impacts of the new standards issued but not yet effective which may have a significant impact on the Group's consolidated financial statements.

