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VIETNAM MANUFACTURING AND EXPORT PROCESSING (HOLDINGS) LIMITED

越南製造加工出口(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 422)

ANNOUNCEMENT

UNAUDITED RESULTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016

Financial Highlights :

(expressed in US\$'million)

	Three months ended 30 September			Nine months ended 30 September		
	2016	2015	Change	2016	2015	Change
	(Unaudited)	(Unaudited)	Amount	(Unaudited)	(Unaudited)	Amount
• Total revenue	40.1	30.3	9.8	101.3	100.8	0.5
• Gross profit	5.0	2.8	2.2	12.3	8.2	4.1
• Net profit / (loss) after tax	0.4	(1.0)	1.4	(0.1)	(4.8)	4.7

Vietnam Manufacturing and Export Processing (Holdings) Limited (the “**Company**”) hereby announce the unaudited consolidated results of the Company and its subsidiaries (the “**Group**”) for the third quarter and nine months ended 30 September 2016 in line with its current practice to publish the Group’s financial results quarterly and pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

By order of the board

**Vietnam Manufacturing and Export
Processing (Holdings) Limited**

Liu Wu Hsiung

Chairman

Hong Kong, 20 October 2016

As at the date of this announcement, the board of directors of the Company comprised four executive Directors, namely Mr. Liu Wu Hsiung, Mr. Lu Tien Fu, Mr. Lin Chun Yu and Mr. Chou Ken Yuan, two non-executive Directors, namely Mr. Chiu Ying Feng and Ms. Wu Li Chu and three independent non-executive Directors, namely Ms. Lin Ching Ching, Mr. Shen Hwa Rong and Ms. Wu Kwei Mei.

Unaudited Consolidated Statement of Profit or Loss
For the nine months ended 30 September 2016

	Three months ended		Nine months ended	
	30 September		30 September	
	2016	2015	2016	2015
	US\$	US\$	US\$	US\$
Revenue	40,131,249	30,320,708	101,273,041	100,832,611
Cost of sales	<u>(35,128,892)</u>	<u>(27,522,300)</u>	<u>(88,994,023)</u>	<u>(92,672,245)</u>
Gross profit	<u>5,002,357</u>	<u>2,798,408</u>	<u>12,279,018</u>	<u>8,160,366</u>
Other income	414,881	315,654	952,666	478,012
Distribution expenses	(2,342,701)	(1,433,168)	(5,707,720)	(5,718,241)
Technology transfer fees	(989,245)	(722,562)	(2,461,362)	(2,334,996)
Administrative expenses	(2,392,557)	(2,279,780)	(6,687,322)	(7,166,207)
Other expenses	<u>(263)</u>	<u>(3,198)</u>	<u>(57,072)</u>	<u>(72,587)</u>
Results from operating activities	<u>(307,528)</u>	<u>(1,324,646)</u>	<u>(1,681,792)</u>	<u>(6,653,653)</u>
Finance income	1,005,768	1,185,553	2,911,667	3,944,009
Finance expenses	<u>(303,619)</u>	<u>(873,675)</u>	<u>(1,364,788)</u>	<u>(2,050,871)</u>
Net finance income	<u>702,149</u>	<u>311,878</u>	<u>1,546,879</u>	<u>1,893,138</u>
Share of profit of an associate, net of tax	<u>24,798</u>	<u>14,012</u>	<u>67,501</u>	<u>48,535</u>
Profit / (Loss) before taxation	419,419	(998,756)	(67,412)	(4,711,980)
Income tax	<u>(16,702)</u>	<u>(28,127)</u>	<u>(63,093)</u>	<u>(115,798)</u>
Profit / (Loss) for the period	<u>402,717</u>	<u>(1,026,883)</u>	<u>(130,505)</u>	<u>(4,827,778)</u>
Attributable to:				
Equity holders of the Company	<u>402,717</u>	<u>(1,026,883)</u>	<u>(130,505)</u>	<u>(4,827,778)</u>

Note: The Group's unaudited consolidated results for the third quarter and nine months ended 30 September 2016 have been approved for issue by the board of directors of the Company on 20 October 2016. The third-quarterly results have been prepared in accordance with all applicable International Financial Reporting Standards issued by the International Accounting Standards Board, and have also adopted the same accounting policies as disclosed in the last annual report for the year ended 31 December 2015.

Unaudited Consolidated Statement of Financial Position

At 30 September 2016

	At 30 September 2016 US\$	At 31 December 2015 US\$
Non-current assets		
Property, plant and equipment	18,677,156	18,259,022
Intangible assets	46,005	79,668
Lease prepayments	4,852,792	5,114,868
Interest in an associate	649,423	577,189
Deferred tax assets	780,130	774,244
	<u>25,005,506</u>	<u>24,804,991</u>
Current assets		
Inventories	22,920,010	20,649,546
Trade receivables, other receivables and prepayments	24,476,238	29,341,932
Time deposits maturing after three months	66,335,648	81,550,559
Cash and cash equivalents	46,248,047	20,988,920
	<u>159,979,943</u>	<u>152,530,957</u>
Current liabilities		
Trade and other payables	21,041,626	15,355,074
Bank loans	25,063,957	24,558,291
Current tax payable	18,831	53,847
Provisions	1,640,792	1,018,653
	<u>47,765,206</u>	<u>40,985,865</u>
Net current assets	<u>112,214,737</u>	<u>111,545,092</u>
Total assets less current liabilities	<u>137,220,243</u>	<u>136,350,083</u>
Non-current liabilities		
Deferred tax liabilities	0	58,766
Net assets	<u>137,220,243</u>	<u>136,291,317</u>
Capital and reserves		
Share capital	1,162,872	1,162,872
Reserves	136,057,371	135,128,445
Total equity	<u>137,220,243</u>	<u>136,291,317</u>

Unaudited Condensed Consolidated Cashflow Statement
For the nine months ended 30 September 2016

	Nine months ended 30 September	
	2016	2015
	US\$	US\$
Net cash generated from / (used in) operating activities	8,778,817	(5,417,808)
Net cash generated from investing activities	15,350,508	22,273,271
Net cash generated from / (used in) financing activities	<u>70,371</u>	<u>(9,364,761)</u>
Net increase in cash and cash equivalents	24,199,696	7,490,702
Cash and cash equivalents at the beginning of the period	20,988,920	15,985,869
Effect of foreign exchange rate changes	<u>1,059,431</u>	<u>(1,284,198)</u>
Cash and cash equivalents at the end of the period	<u><u>46,248,047</u></u>	<u><u>22,192,373</u></u>