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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 2019**

Financial Highlights :

(expressed in US\$'million)

Nine months ended 30 September

	2019	2018	Change
	(Unaudited)	(Unaudited)	Amount
• Total revenue	77.0	73.0	4.0
• Gross profit / (loss)	3.9	(0.5)	4.4
• Net loss after tax	(10.8)	(10.2)	(0.6)

Vietnam Manufacturing and Export Processing (Holdings) Limited (the “**Company**”) hereby announces the unaudited consolidated results of the Company and its subsidiaries (the “**Group**”) for the nine months ended 30 September 2019 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, 13 November 2019

As at the date of this announcement, the board of directors of the Company comprised four executive directors, namely Mr. Liu Wu Hsiung, Mr. Lin Chih Ming, Mr. Lin Chun Yu and Mr. Chiang Chin Yung, 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 2019

	Nine months ended 30 September	
	2019	2018
	<i>US\$</i>	<i>US\$</i>
Revenue	76,975,334	73,024,679
Cost of sales	<u>(73,086,806)</u>	<u>(73,520,339)</u>
Gross profit / (loss)	3,888,528	(495,660)
Other income	308,119	219,323
Distribution costs	(4,390,244)	(4,646,957)
Technology transfer fees	(1,452,810)	(1,158,772)
Administrative expenses	(6,010,226)	(6,944,340)
Other operating expenses	<u>(18,121)</u>	<u>(18,315)</u>
Results from operating activities(7,674,754)(13,044,721)
Finance income	2,373,945	3,112,184
Finance costs	<u>(553,091)</u>	<u>(644,269)</u>
Net finance income1,820,8542,467,915
Impairment loss on other property, plant and equipment and right-of-use assets	(4,966,514)	-
Share of profit of an associate	<u>44,911</u>	<u>4,288</u>
Loss before taxation	(10,775,503)	(10,572,518)
Income tax (expense) / credit	<u>(42,531)</u>	<u>345,428</u>
Loss for the period	<u><u>(10,818,034)</u></u>	<u><u>(10,227,090)</u></u>
Loss for the period attributable to:		
Equity shareholders of the Company	(10,818,005)	(10,227,090)
Non-controlling interests	<u>(29)</u>	<u>-</u>
	<u><u>(10,818,034)</u></u>	<u><u>(10,227,090)</u></u>

Unaudited Consolidated Statement of Profit or Loss

For the nine months ended 30 September 2019 (continued)

	Nine months ended 30 September	
	2019	2018
	US\$	US\$
Loss for the period	<u>(10,818,034)</u>	<u>(10,227,090)</u>
Other comprehensive income for the period (after tax)		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of overseas subsidiaries	<u>(299,027)</u>	<u>(1,366,757)</u>
Total comprehensive income for the period	<u>(11,117,061)</u>	<u>(11,593,847)</u>
Total comprehensive income for the period attributable to:		
Equity shareholders of the Company	(11,117,032)	(11,593,847)
Non-controlling interests	<u>(29)</u>	<u>-</u>
	<u>(11,117,061)</u>	<u>(11,593,847)</u>

Note:

The Group's unaudited consolidated results for the nine months ended 30 September 2019 has been approved for issue by the board of directors of the Company on 13 November 2019. The third quarterly results has been prepared in accordance with all applicable International Financial Reporting Standards issued by the International Accounting Standards Board, and has also adopted the same accounting policies as disclosed in the last annual report for the year ended 31 December 2018.

Unaudited Consolidated Statement of Financial Position

At 30 September 2019

	At 30 September 2019 US\$	At 31 December 2018 US\$
Non-current assets		
Investment property	1,238,090	-
Other property, plant and equipment	3,755,454	3,324,760
Interest in an associate	527,327	482,437
Other non-current prepayments	<u>5,874,730</u>	<u>628,727</u>
	----- 11,395,601	----- 4,435,924
Current assets		
Inventories	15,635,201	24,571,587
Trade receivables, other receivables and prepayments	26,847,879	22,446,972
Time deposits maturing after three months	29,539,633	35,154,347
Cash and cash equivalents	31,550,618	28,578,446
Current tax recoverable	<u>-</u>	<u>23,938</u>
	----- 103,573,331	----- 110,775,290
Current liabilities		
Trade and other payables	17,779,662	13,392,333
Bank loans	23,936,382	18,925,591
Lease liabilities	20,759	-
Current tax payable	317,416	22,763
Provisions	<u>953,102</u>	<u>737,757</u>
	----- 43,007,321	----- 33,078,444
Net current assets	<u>60,566,010</u>	<u>77,696,846</u>
Total assets less current liabilities	----- 71,961,611	----- 82,132,770
Non-current liabilities		
Lease liabilities	941,712	-
Deferred tax liabilities	<u>12,907</u>	<u>13,037</u>
	----- 954,619	----- 13,037
Net assets	<u>71,006,992</u>	<u>82,119,733</u>

Unaudited Consolidated Statement of Financial Position

At 30 September 2019 (continued)

	At 30 September 2019 US\$	At 31 December 2018 US\$
Capital and reserves		
Share capital	1,162,872	1,162,872
Reserves	<u>69,839,829</u>	<u>80,956,861</u>
Total equity attributable to equity shareholders of the Company	71,002,701	82,119,733
Non-controlling interests	<u>4,291</u>	<u>-</u>
Total equity	<u><u>71,006,992</u></u>	<u><u>82,119,733</u></u>

Unaudited Condensed Consolidated Cash Flow Statement

For the nine months ended 30 September 2019

	Nine months ended 30 September	
	2019	2018
	US\$	US\$
Net cash generated from / (used in) operating activities	2,504,619	(18,663,192)
Net cash (used in) / generated from investing activities	(3,693,405)	19,355,333
Net cash generated from financing activities	<u>4,459,956</u>	<u>3,568,499</u>
Net increase in cash and cash equivalents	3,271,170	4,260,640
Cash and cash equivalents at the beginning of the period	28,578,446	13,356,314
Effect of foreign exchange rate changes	<u>(298,998)</u>	<u>(1,366,761)</u>
Cash and cash equivalents at the end of the period	<u><u>31,550,618</u></u>	<u><u>16,250,193</u></u>