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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 2018**

Financial Highlights :

(expressed in US\$'million)

Nine months ended 30 September

	2018	2017	Change
	(Unaudited)	(Unaudited)	Amount
• Total revenue	73.0	73.8	(0.8)
• Gross (loss) / profit	(0.5)	7.0	(7.5)
• Net loss after tax	(10.2)	(3.5)	(6.7)

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 2018 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, 12 November 2018

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 2018

	Nine months ended 30 September	
	2018	2017
	US\$	US\$
Revenue	73,024,679	73,758,664
Cost of sales	<u>(73,520,339)</u>	<u>(66,758,305)</u>
Gross (loss) / profit	(495,660)	7,000,359
Other income	219,323	121,698
Distribution costs	(4,646,957)	(5,285,916)
Technology transfer fees	(1,158,772)	(1,773,604)
Administrative expenses	(6,944,340)	(6,211,348)
Other operating expenses	<u>(18,315)</u>	<u>(29,502)</u>
Results from operating activities	<u>(13,044,721)</u>	<u>(6,178,313)</u>
Finance income	3,112,184	3,152,053
Finance costs	<u>(644,269)</u>	<u>(499,889)</u>
Net finance income	<u>2,467,915</u>	<u>2,652,164</u>
Share of profit of an associate	<u>4,288</u>	<u>55,894</u>
Loss before taxation	(10,572,518)	(3,470,255)
Income tax	<u>345,428</u>	<u>8,407</u>
Loss for the period attributable to equity shareholders of the Company	(10,227,090)	(3,461,848)
Other comprehensive income for the period (after tax)		
Item that may be reclassified subsequently to profit or loss		
Exchange differences on translation of financial statements of overseas subsidiaries	<u>(1,366,757)</u>	<u>371,730</u>
Total comprehensive income for the period attributable to equity shareholders of the Company	<u>(11,593,847)</u>	<u>(3,090,118)</u>

Note:

The Group's unaudited consolidated results for the third quarter and nine months ended 30 September 2018 has been approved for issue by the board of directors of the Company on 12 November 2018. 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 2017.

Unaudited Consolidated Statement of Financial Position

At 30 September 2018

	At 30 September 2018 US\$	At 31 December 2017 US\$
Non-current assets		
Property, plant and equipment	11,056,135	14,095,943
Intangible assets	1,100	9,011
Lease prepayments	6,262,539	4,732,658
Interest in an associate	533,955	544,336
Deferred tax assets	<u>1,987,416</u>	<u>1,322,531</u>
	<u>19,841,145</u>	<u>20,704,479</u>
Current assets		
Inventories	26,978,416	18,958,820
Trade receivables, other receivables and prepayments	22,605,764	19,828,211
Time deposits maturing after three months	71,062,314	88,805,816
Cash and cash equivalents	16,250,193	13,356,314
Current tax recoverable	<u>-</u>	<u>25,504</u>
	<u>136,896,687</u>	<u>140,974,665</u>
Current liabilities		
Trade and other payables	14,423,014	11,726,438
Bank loans	27,276,548	23,343,521
Current tax payable	119,886	-
Provisions	<u>717,733</u>	<u>814,687</u>
	<u>42,537,181</u>	<u>35,884,646</u>
Net current assets	<u>94,359,506</u>	<u>105,090,019</u>
Net assets	<u>114,200,651</u>	<u>125,794,498</u>
Capital and reserves		
Share capital	1,162,872	1,162,872
Reserves	<u>113,037,779</u>	<u>124,631,626</u>
Total equity	<u>114,200,651</u>	<u>125,794,498</u>

Unaudited Condensed Consolidated Cash Flow Statement

For the nine months ended 30 September 2018

	Nine months ended 30 September	
	2018	2017
	US\$	US\$
Net cash (used in) / generated from operating activities	(18,663,192)	3,825,034
Net cash generated from / (used in) investing activities	19,355,333	(1,736,802)
Net cash generated from / (used in) financing activities	<u>3,568,499</u>	<u>(2,287,855)</u>
Net increase / (decrease) in cash and cash equivalents	4,260,640	(199,623)
Cash and cash equivalents at the beginning of the period	13,356,314	11,106,900
Effect of foreign exchange rate changes	<u>(1,366,761)</u>	<u>371,726</u>
Cash and cash equivalents at the end of the period	<u><u>16,250,193</u></u>	<u><u>11,279,003</u></u>