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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 2020

Financial Highlights :

(expressed in US\$'million)

Nine months ended 30 September

	2020	2019	Change
	(Unaudited)	(Unaudited)	Amount
• Total revenue	56.4	77.0	(20.6)
• Gross profit	4.4	3.9	0.5
• Net loss after tax	(6.0)	(10.8)	4.8

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 2020 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 of
**Vietnam Manufacturing and Export
Processing (Holdings) Limited**
Liu Wu Hsiung
Chairman

Hong Kong, 11 November 2020

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 four independent non-executive directors, namely Ms. Lin Ching Ching, Mr. Shen Hwa Rong, Ms. Wu Kwei Mei and Mr. Cheung On Kit Andrew.

Unaudited Consolidated Statement of Profit or Loss

For the nine months ended 30 September 2020

	Nine months ended 30 September	
	2020	2019
	<i>US\$</i>	<i>US\$</i>
Revenue	56,439,738	76,975,334
Cost of sales	<u>(52,018,244)</u>	<u>(73,086,806)</u>
Gross profit	<u>4,421,494</u>	<u>3,888,528</u>
Other income	502,808	308,119
Distribution costs	(3,568,233)	(4,390,244)
Technology transfer fees	(428,884)	(1,452,810)
Administrative expenses	(5,371,856)	(6,010,226)
Other operating expenses	<u>(126,007)</u>	<u>(18,121)</u>
Results from operating activities	<u>(4,570,678)</u>	<u>(7,674,754)</u>
Finance income	1,634,132	2,373,945
Finance costs	<u>(587,669)</u>	<u>(553,091)</u>
Net finance income	<u>1,046,463</u>	<u>1,820,854</u>
Impairment loss on other property, plant and equipment and right-of-use assets	(2,510,847)	(4,966,514)
Share of profit of an associate	<u>9,796</u>	<u>44,911</u>
	<u>(2,501,051)</u>	<u>(4,921,603)</u>
Loss before taxation	(6,025,266)	(10,775,503)
Income tax expense	<u>(435)</u>	<u>(42,531)</u>
Loss for the period	<u>(6,025,701)</u>	<u>(10,818,034)</u>
Loss for the period attributable to:		
Equity shareholders of the Company	(6,025,698)	(10,818,005)
Non-controlling interests	<u>(3)</u>	<u>(29)</u>
	<u>(6,025,701)</u>	<u>(10,818,034)</u>

Unaudited Consolidated Statement of Profit or Loss

For the nine months ended 30 September 2020 (continued)

	Nine months ended 30 September	
	2020	2019
	US\$	US\$
Loss for the period	<u>(6,025,701)</u>	<u>(10,818,034)</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>842,675</u>	<u>(299,027)</u>
Total comprehensive income for the period	<u>(5,183,026)</u>	<u>(11,117,061)</u>
Total comprehensive income for the period attributable to:		
Equity shareholders of the Company	(5,183,023)	(11,117,032)
Non-controlling interests	<u>(3)</u>	<u>(29)</u>
	<u>(5,183,026)</u>	<u>(11,117,061)</u>

Note:

The Group's unaudited consolidated results for the nine months ended 30 September 2020 has been approved for issue by the board of directors of the Company on 11 November 2020. 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 2019.

Unaudited Consolidated Statement of Financial Position

At 30 September 2020

	At 30 September 2020 US\$	At 31 December 2019 US\$
Non-current assets		
Investment property	4,165,681	4,214,515
Other property, plant and equipment	3,064,873	3,199,305
Interest in an associate	551,228	544,900
Deferred tax assets	<u>69,446</u>	<u>29,864</u>
	----- 7,851,228	----- 7,988,584
Current assets		
Inventories	20,900,363	23,320,944
Trade receivables, other receivables and prepayments	21,759,945	25,883,043
Cash and bank balances	<u>52,411,440</u>	<u>52,028,047</u>
	----- 95,071,748	----- 101,232,034
Current liabilities		
Trade and other payables	16,130,763	14,716,024
Bank loans	25,718,506	27,943,369
Lease liabilities	40,686	18,194
Current tax payable	-	40,102
Provisions	<u>942,729</u>	<u>1,012,190</u>
	----- 42,832,684	----- 43,729,879
Net current assets	----- 52,239,064	----- 57,502,155
Total assets less current liabilities	----- 60,090,292	----- 65,490,739
Non-current liabilities		
Lease liabilities	<u>708,215</u>	<u>925,636</u>
NET ASSETS	----- 59,382,077	----- 64,565,103

Unaudited Consolidated Statement of Financial Position

At 30 September 2020 (continued)

	At 30 September 2020 US\$	At 31 December 2019 US\$
Capital and reserves		
Share capital	1,162,872	1,162,872
Reserves	<u>58,214,893</u>	<u>63,397,916</u>
Total equity attributable to equity shareholders of the Company	59,377,765	64,560,788
Non-controlling interests	<u>4,312</u>	<u>4,315</u>
TOTAL EQUITY	<u>59,382,077</u>	<u>64,565,103</u>

Unaudited Condensed Consolidated Cash Flow Statement

For the nine months ended 30 September 2020

	Nine months ended 30 September	
	2020	2019
	US\$	US\$
Net cash generated from operating activities	3,358,989	2,504,619
Net cash generated from / (used in) investing activities	16,194	(3,693,405)
Net cash (used in) / generated from financing activities	<u>(2,941,556)</u>	<u>4,459,956</u>
Net increase in cash and cash equivalents	433,627	3,271,170
Cash and cash equivalents at the beginning of the period	19,016,628	28,578,446
Effect of foreign exchange rate changes	<u>842,675</u>	<u>(298,998)</u>
Cash and cash equivalents at the end of the period	<u>20,292,930</u>	<u>31,550,618</u>