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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 OF ANNUAL RESULTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**Financial Highlights :**

	( expressed in US\$'million )		
	<b>2021</b>	<b>2020</b>	<b>Change Amount</b>
• Total revenue	93.0	84.1	8.9
• Gross profit	5.9	8.1	(2.2)
• Loss after tax	(5.6)	(7.3)	1.7
• Loss per share (US\$)	(0.006)	(0.008)	0.002

The board of directors (the “**Board**”) of Vietnam Manufacturing and Export Processing (Holdings) Limited (the “**Company**”) hereby announces the consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2021 together with the comparative figures for the immediately preceding financial year. The Board does not recommend the payment of a final dividend for the year ended 31 December 2021.

# Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2021

*(Expressed in United States dollars)*

		2021 US\$	2020 US\$
Revenue	Note 2	93,018,885	84,107,777
Cost of sales		<u>(87,159,261)</u>	<u>(75,998,522)</u>
<b>Gross profit</b>		5,859,624	8,109,255
Other income		435,397	688,698
Distribution costs		(5,186,251)	(4,737,206)
Technology transfer fees		(681,197)	(1,104,521)
Administrative and other operating expenses		<u>(7,024,000)</u>	<u>(7,864,963)</u>
<b>Results from operations</b>		.....(6,596,427)	.....(4,908,737)
Finance income		2,386,210	2,135,977
Finance costs		<u>(953,216)</u>	<u>(1,055,055)</u>
<b>Net finance income</b>	3(a)	.....1,432,994	.....1,080,922
Impairment loss on other property, plant and equipment	3(c)	(390,545)	(3,379,872)
Impairment loss on prepayments for other property, plant and equipment	3(c)	(45,585)	(86,654)
Impairment loss on right-of-use assets	3(c)	-	(65,183)
Share of profit of an associate		<u>27,482</u>	<u>37,156</u>
		<u>.....(408,648)</u>	<u>.....(3,494,553)</u>
<b>Loss before taxation</b>	3	(5,572,081)	(7,322,368)
Income tax credit	4	<u>3,538</u>	<u>36,520</u>
<b>Loss for the year</b>		<u>.....(5,568,543)</u>	<u>.....(7,285,848)</u>

**Consolidated Statement of Profit or Loss and Other  
Comprehensive Income for the year ended 31 December 2021  
(continued)**

*(Expressed in United States dollars)*

	Note	2021 US\$	2020 US\$
<b>Other comprehensive income for the year (after tax):</b>			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of overseas subsidiaries and an associate		<u>688,593</u>	<u>192,415</u>
<b>Total comprehensive income for the year</b>		<u><u>(4,879,950)</u></u>	<u><u>(7,093,433)</u></u>
<b>Loss for the year attributable to:</b>			
Equity shareholders of the Company		(5,568,542)	(7,285,844)
Non-controlling interests		<u>(1)</u>	<u>(4)</u>
		<u><u>(5,568,543)</u></u>	<u><u>(7,285,848)</u></u>
<b>Total comprehensive income attributable to:</b>			
Equity shareholders of the Company		(4,879,949)	(7,093,429)
Non-controlling interests		<u>(1)</u>	<u>(4)</u>
		<u><u>(4,879,950)</u></u>	<u><u>(7,093,433)</u></u>
<b>Loss per share</b>			
- Basic and diluted	5	<u><u>(0.006)</u></u>	<u><u>(0.008)</u></u>

## Consolidated Statement of Financial Position at 31 December 2021

(Expressed in United States dollars)

	Note	2021 US\$	2020 US\$
<b>Non-current assets</b>			
Investment properties		4,192,630	4,168,310
Other property, plant and equipment	6	2,919,138	3,035,417
Interest in an associate		615,055	580,039
Deferred tax assets		<u>93,203</u>	<u>87,913</u>
		<u>7,820,026</u>	<u>7,871,679</u>
<b>Current assets</b>			
Inventories	7	29,492,257	25,415,896
Trade receivables, other receivables and prepayments	8	25,778,262	24,797,444
Current tax recoverable		32,340	31,851
Cash and bank balances		<u>50,584,588</u>	<u>49,078,816</u>
		<u>105,887,447</u>	<u>99,324,007</u>
<b>Current liabilities</b>			
Trade and other payables	9	23,288,897	17,352,943
Bank loans		36,052,299	30,529,160
Lease liabilities		9,302	39,800
Current tax payable		7,171	1,764
Provisions		<u>1,058,435</u>	<u>1,100,406</u>
		<u>60,416,104</u>	<u>49,024,073</u>
<b>Net current assets</b>		<u>45,471,343</u>	<u>50,299,934</u>
<b>Total assets less current liabilities</b>		53,291,369	58,171,613
<b>Non-current liabilities</b>			
Lease liabilities		<u>699,649</u>	<u>699,943</u>
<b>NET ASSETS</b>		<u>52,591,720</u>	<u>57,471,670</u>

## Consolidated Statement of Financial Position at 31 December 2021

(continued)

(Expressed in United States dollars)

	2021 <i>US\$</i>	2020 <i>US\$</i>
<b>Capital and reserves</b>		
Share capital	1,162,872	1,162,872
Reserves	<u>51,424,538</u>	<u>56,304,487</u>
<b>Total equity attributable to equity shareholders of the Company</b>	52,587,410	57,467,359
Non-controlling interests	<u>4,310</u>	<u>4,311</u>
<b>TOTAL EQUITY</b>	<u><u>52,591,720</u></u>	<u><u>57,471,670</u></u>

*Notes:*

**1. BASIS OF PREPARATION**

The financial information set out in this announcement does not constitute the Group's financial statements for the year ended 31 December 2021, but is derived from those financial statements.

**(a) Statement of compliance**

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“**IFRSs**”), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards (“**IASs**”) and Interpretations issued by the International Accounting Standards Board (“**IASB**”). These financial statements also comply with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

**(b) Basis of preparation of the financial statements**

The consolidated financial statements for the year ended 31 December 2021 comprise the Group and the Group's interest in an associate.

The measurement basis used in the preparation of the financial statements is the historical cost basis.

Items included in the financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates. The Group has adopted United States dollars (“**US\$**”) as its presentation currency as the directors of the Company consider that presentation of the consolidated financial statements in US\$ will facilitate analysis of the Group's financial information.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**(c) Changes in accounting policies**

The IASB has issued a number of amendments to IFRSs that are first effective for the current accounting period of the Group.

None of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

## 2. REVENUE AND SEGMENT REPORTING

### (a) Disaggregation of revenue

The principal activities of the Group are manufacturing and sale of motorbikes, related spare parts and engines and provision of motorbike maintenance services.

Further details regarding the Group's principal activities are disclosed in note 2(b).

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	<b>2021</b> <i>US\$</i>	<b>2020</b> <i>US\$</i>
<b>Revenue from contracts with customers within the scope of IFRS 15</b>		
Manufacture and sale of motorbikes	82,631,173	72,965,221
Manufacture and sale of spare parts and engines	10,268,193	10,978,227
Moulds and repair services	<u>119,519</u>	<u>164,329</u>
	<u><u>93,018,885</u></u>	<u><u>84,107,777</u></u>

Disaggregation of revenue from contracts with customers by geographic markets is disclosed in note 2(b)(ii).

The Group has applied the practical expedient in paragraph 121 of IFRS 15 to its sales contracts and does not disclose information about remaining performance obligations that have original expected duration of one year or less.

The Group's customer base is diversified and includes two customers (2020: one customer) with whom transactions have respectively exceeded 10% of the Group's revenue. During the year ended 31 December 2021, revenue from sales of motorbikes to the customers was as follows:

	<b>2021</b> <i>US\$</i>	<b>2020</b> <i>US\$</i>
Customer A	30,301,385	N/A
Customer B	<u>19,469,004</u>	<u>22,016,941</u>
	<u><u>49,770,389</u></u>	<u><u>22,016,941</u></u>

**(b) 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 presented the following three reportable segments.

- Manufacturing and sale of motorbikes: the Group's principal products are motorbikes manufactured for the Vietnamese market. The Group also exports motorbikes to other countries including Malaysia, the Philippines, Thailand, Greece and Taiwan.
- Manufacturing and sale of spare parts and engines: the Group manufactures engines for use in the Group's motorbikes, while the Group also exports engines to third parties. The Group manufactures parts for use in repair servicing and product assembly.
- Moulds and repair services: the Group manufactures and maintains moulds used for making metal parts, for example, by die-casting and pressing. The Group manufactures moulds to its domestic suppliers and to domestic manufacturers unrelated to the production of parts for the Group's products.

**Segment results**

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments.

The measure used for reporting segment result is "adjusted EBIT" i.e. "adjusted earnings or loss before interest and taxes", where "interest" is regarded as net finance income. To arrive at adjusted EBIT the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as share of profit of an associate, impairment losses on non-current assets and other head office or corporate administration expenses.

In addition to receiving segment information concerning adjusted EBIT, management is provided with segment information concerning revenue (including inter-segment sales), and depreciation and amortisation. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.



- (i) Reconciliation of reportable segment revenues and profit or loss  
Information regarding the Group's reportable segments as provided to the Group's senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2021 and 2020 is set out below:

	<b>2021</b>			
	<b>Manufacture and sale of motorbikes US\$</b>	<b>Manufacture and sale of spare parts and engines US\$</b>	<b>Moulds and repair services US\$</b>	<b>Total US\$</b>
Revenue from external customers recognised at a point in time	82,631,173	10,268,193	119,519	93,018,885
Inter-segment revenue	<u>-</u>	<u>23,693,580</u>	<u>-</u>	<u>23,693,580</u>
<b>Reportable segment revenue</b>	<u>82,631,173</u>	<u>33,961,773</u>	<u>119,519</u>	<u>116,712,465</u>
Segment (loss)/profit before depreciation	(2,569,511)	(2,085,783)	23,713	(4,631,581)
Depreciation	<u>(153,646)</u>	<u>-</u>	<u>-</u>	<u>(153,646)</u>
<b>Reportable segment (loss)/profit ("adjusted EBIT")</b>	<u>(2,723,157)</u>	<u>(2,085,783)</u>	<u>23,713</u>	(4,785,227)
Share of profit of an associate				27,482
Net finance income				1,432,994
Impairment loss on other property, plant and equipment				(390,545)
Impairment loss on prepayments for other property, plant and equipment				(45,585)
Unallocated corporate expenses				<u>(1,811,200)</u>
<b>Loss before taxation</b>				<u>(5,572,081)</u>

	<b>2020</b>			
	<b>Manufacture and sale of motorbikes US\$</b>	<b>Manufacture and sale of spare parts and engines US\$</b>	<b>Moulds and repair services US\$</b>	<b>Total US\$</b>
Revenue from external customers recognised at a point in time	72,965,221	10,978,227	164,329	84,107,777
Inter-segment revenue	-	23,703,856	-	23,703,856
<b>Reportable segment revenue</b>	<u>72,965,221</u>	<u>34,682,083</u>	<u>164,329</u>	<u>107,811,633</u>
Segment (loss)/profit before depreciation	(1,182,111)	(1,464,131)	21,430	(2,624,812)
Depreciation	(151,230)	-	-	(151,230)
<b>Reportable segment (loss)/profit ("adjusted EBIT")</b>	<u>(1,333,341)</u>	<u>(1,464,131)</u>	<u>21,430</u>	(2,776,042)
Share of profit of an associate				37,156
Net finance income				1,080,922
Impairment loss on other property, plant and equipment				(3,379,872)
Impairment loss on prepayments for other property, plant and equipment				(86,654)
Impairment loss on right-of-use assets				(65,183)
Unallocated corporate expenses				<u>(2,132,695)</u>
<b>Loss before taxation</b>				<u>(7,322,368)</u>

(ii) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's investment properties and other property, plant and equipment ("specified non-current assets"). The geographical location of customers is based on the location at which the goods were delivered to or the services were provided. The geographical location of the specified non-current assets is based on the physical location of the assets.

	<b>Revenues from external customers</b>		<b>Specified non-current assets</b>	
	<b>2021 US\$</b>	<b>2020 US\$</b>	<b>2021 US\$</b>	<b>2020 US\$</b>
Vietnam (place of domicile)	25,545,250	37,743,062	7,111,768	7,202,425
Thailand	37,041,604	10,432,607	-	-
Malaysia	23,149,906	23,839,475	-	-
Greece	2,434,888	2,102,777	-	-
The Philippines	2,349,651	6,581,861	-	-
Taiwan	114,314	706,351	-	1,302
Other countries	<u>2,383,272</u>	<u>2,701,644</u>	-	-
	<u>93,018,885</u>	<u>84,107,777</u>	<u>7,111,768</u>	<u>7,203,727</u>

### 3. Loss before taxation

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

#### (a) Net finance income

	<b>2021</b> <i>US\$</i>	<b>2020</b> <i>US\$</i>
Interest income from banks	(1,962,267)	(2,135,977)
Net foreign exchange gain	<u>(423,943)</u>	<u>-</u>
Finance income	<u>(2,386,210)</u>	<u>(2,135,977)</u>
Interest paid and payable to banks	902,392	912,811
Interest on lease liabilities	50,824	52,973
Net foreign exchange loss	<u>-</u>	<u>89,271</u>
Finance costs	<u>953,216</u>	<u>1,055,055</u>
	<u>(1,432,994)</u>	<u>(1,080,922)</u>

#### (b) Staff costs

	<b>2021</b> <i>US\$</i>	<b>2020</b> <i>US\$</i>
Contributions to defined contribution retirement plans	1,150,018	1,252,871
Severance pay allowance	77,782	171,830
Salaries, wages and other benefits	<u>9,957,004</u>	<u>10,575,907</u>
	<u>11,184,804</u>	<u>12,000,608</u>

**(c) Other items**

	<b>2021</b>	<b>2020</b>
	<i>US\$</i>	<i>US\$</i>
Depreciation of property, plant and equipment		
- other property, plant and equipment	153,646	151,349
- investment properties	<u>29,258</u>	<u>28,793</u>
	182,904	180,142
Write-down of inventories	1,483,520	1,085,672
Impairment loss on other property, plant and equipment (note 6)	390,545	3,379,872
Impairment loss on prepayments for other property, plant and equipment (note 6)	45,585	86,654
Impairment loss on right-of-use assets (note 6)	-	65,183
Auditors' remuneration		
- Audit services	353,465	392,571
- Other services	4,624	5,639
Research and development expenses (note (i))	2,065,613	3,118,176
Cost of inventories (note (ii))	<u>87,159,261</u>	<u>75,998,522</u>

Notes:

- (i) Research and development expenses include amounts relating to technology transfer fee, staff costs, depreciation expenses and other miscellaneous expenses, which are also included in the respective total amounts disclosed separately above or in note 3(b) for each of these types of expenses. No development expenditure was capitalised during the years ended 31 December 2021 and 2020.
- (ii) Cost of inventories includes amounts relating to staff costs and depreciation expenses, which are also included in the respective total amounts disclosed separately above or in note 3(b) for each of these types of expenses.

#### 4. Income tax in the consolidated statement of profit or loss and other comprehensive income

	2021 US\$	2020 US\$
<b>Current tax</b>		
Provision for the year	13,026	16,890
(Over)/under-provision in respect of prior year	<u>(12,662)</u>	<u>22</u>
	364	16,912
<b>Deferred tax</b>		
Origination and reversal of temporary differences	<u>(3,902)</u>	<u>(53,432)</u>
Actual tax credit	<u><u>(3,538)</u></u>	<u><u>(36,520)</u></u>

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 years ended 31 December 2021 and 2020.

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 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 20%.

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 (“VCFP”) 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.

The applicable tax rate for Chin Zong Trading Co., Ltd. (“Chin Zong”) is 20% (2020: 20%) if the taxable profit is above New Taiwan Dollar (“NT\$”) 120,000. Income tax is exempted if the taxable profit is below NT\$120,000.

#### 5. Loss per share

##### (a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to equity shareholders of the Company of US\$5,568,542 (2020: US\$7,285,844) and the weighted average of 907,680,000 (2020: 907,680,000) ordinary shares in issue during the year.

##### (b) Diluted loss per share

The amount of diluted loss per share is the same as the basic loss per share for the year ended 31 December 2021 (2020: same) as there were no potential dilutive ordinary shares in existence during the years ended 31 December 2021 and 2020.

## 6. Other property, plant and equipment

### Impairment losses

The manufacturing and sales of motorbikes segment, manufacturing and sales of spare parts and engines segment and moulds and services segment (“**motorbike business**”) in Vietnam are considered one cash generating unit (“CGU”) of the Group.

The Group suffered significant operating losses (before impairment losses on non-current assets) over the past few years due to the fierce competition in the motorbike industry and increase of manufacturing costs on new launched products. Based on an impairment assessment conducted by management, impairment losses totalling US\$436,130 (2020: US\$3,531,709) was recognised in profit or loss during the year to write down the carrying value of other property, plant and equipment, right-of-use assets and prepayments for other property, plant and equipment of the CGU to their recoverable amounts of US\$2,919,138 (2020: US\$3,035,417).

The recoverable amount of the CGU is determined based on the higher of its value-in-use and the fair value less costs of disposal. Management identified certain buildings included in the CGU which carrying values are likely to be recovered through a sales transaction. The recoverable amounts of these buildings are measured based on their fair value less costs of disposal. This valuation model considers recent sales prices of comparable properties on a price per square foot basis, adjusted for a premium or a discount specific to the quality of the Group’s buildings compared to the recent sales. Higher premium for higher quality buildings will result a higher fair value measurement. The fair value on which recoverable amount is based is categorised as a Level 3 measurement under the three-level fair value hierarchy as defined in IFRS 13, *Fair Value Measurement*. Key unobservable inputs include the premium on quality of the buildings 3% (2020: 5%). For assets which management considers are likely to be recovered through continuing use, the Group assessed the recoverable amount based on value-in-use calculation. These calculations use cash flow forecast based on financial budgets approved by management in which cash flows are discounted using pre-tax discount rate of 13% (2020: 15%).

## 7. Inventories

### (a) Inventories in the consolidated statement of financial position comprise:

	<b>2021</b>	<b>2020</b>
	<i>US\$</i>	<i>US\$</i>
Motorbikes manufacturing		
- Raw materials	23,698,036	17,092,238
- Tools and supplies	354,000	397,117
- Work in progress	319,890	366,213
- Finished goods	2,695,201	4,698,860
- Merchandise inventories (note (i))	<u>3,104,430</u>	<u>2,622,451</u>
	30,171,557	25,176,879
Provision for write-down of inventories	<u>(3,689,771)</u>	<u>(2,733,199)</u>
	26,481,786	22,443,680
Properties (note (ii))	<u>3,010,471</u>	<u>2,972,216</u>
	<u><u>29,492,257</u></u>	<u><u>25,415,896</u></u>

Notes:

- (i) Merchandise inventories mainly represent spare parts kept for repairs and maintenance.
- (ii) The balance represents the share of properties interest under an investment cooperation memorandum. In 2019, the Group has established a joint arrangement with an unrelated third party to undertake property investing in Vietnam in the form of a joint operation. In accordance with the investment cooperation memorandum, the decisions about relevant activities require unanimous consent of the parties sharing control and, therefore management has accounted for the investments as a joint operation, which is accounted for using the line-by-line basis to the extent of the Group's interest in the joint operation. Details of the arrangement and key terms of the investment cooperation memorandum were disclosed in the Company's announcements dated 24 October 2019 and 4 November 2019. At 31 December 2021 and 31 December 2020, the properties are under development stage.

**(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:**

	<b>2021</b>	<b>2020</b>
	<i>US\$</i>	<i>US\$</i>
Carrying amount of inventories sold	85,675,741	74,912,850
Write-down of inventories	<u>1,483,520</u>	<u>1,085,672</u>
	<u><u>87,159,261</u></u>	<u><u>75,998,522</u></u>

**(c) Movements in the provision for write-down of inventories were as follows:**

	<b>2021</b>	<b>2020</b>
	<i>US\$</i>	<i>US\$</i>
At 1 January	2,733,199	4,205,281
Additions	1,483,520	1,085,672
Utilisation	(565,739)	(2,532,468)
Exchange adjustments	<u>38,791</u>	<u>(25,286)</u>
At 31 December	<u><u>3,689,771</u></u>	<u><u>2,733,199</u></u>

**8. Trade receivables, other receivables and prepayments**

	<b>2021</b>	<b>2020</b>
	<i>US\$</i>	<i>US\$</i>
Trade receivables	10,543,474	12,360,754
Non-trade receivables	14,491,519	12,106,333
Prepayments	160,080	147,313
Amounts due from related parties		
-Trade	527,928	103,261
-Non-trade	<u>55,261</u>	<u>79,783</u>
	<u><u>25,778,262</u></u>	<u><u>24,797,444</u></u>

**Trade receivables**

All of the trade receivables (including trade receivables and amounts due from related parties) are expected to be recovered within one year.

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

	<b>2021</b>	<b>2020</b>
	<i>US\$</i>	<i>US\$</i>
Within 3 months	10,539,789	12,252,029
More than 3 months but within 1 year	530,802	211,986
More than 1 year	811	-
	<u>11,071,402</u>	<u>12,464,015</u>

## 9. Trade and other payables

	<b>2021</b>	<b>2020</b>
	<i>US\$</i>	<i>US\$</i>
Trade payables	4,711,066	6,005,364
Other payables and accrued operating expenses	5,091,241	6,518,201
Contract liabilities – billings in advance of performance	1,280,985	596,014
Amounts due to related parties		
-Trade	11,961,731	2,640,028
-Non-trade	243,874	1,593,336
	<u>23,288,897</u>	<u>17,352,943</u>

All the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

### Trade payables

As of the end of the reporting period, the aging analysis of trade payables of the Group (including trade payables due to related parties), based on the invoice date, is as follows:

	<b>2021</b>	<b>2020</b>
	<i>US\$</i>	<i>US\$</i>
Within 3 months	16,647,442	8,465,316
More than 3 months but within 1 year	24,739	169,035
More than 1 year but within 5 years	616	11,041
	<u>16,672,797</u>	<u>8,645,392</u>

## 10. Commitments

Capital commitments outstanding at 31 December 2021 not provided for in the financial statements were as follows:

	<b>2021</b>	<b>2020</b>
	<i>US\$</i>	<i>US\$</i>
Contracted for	<u>1,265,084</u>	<u>1,249,008</u>

## 11. Dividends

The Board does not recommend the payment of a final dividend for the year ended 31 December 2021 (2020: Nil).



## **MANAGEMENT DISCUSSION AND ANALYSIS**

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 and types. It also produces motorbike parts and engines for internal use and export to overseas customers as well as selling and providing services associated with moulds to make die-cast and forged metal parts.

### **Operation Environment**

In 2021 under review, the global economy was still suffering from the heavy blow dealt on by the novel coronavirus (the “COVID-19”) pandemic. Economic activities in major regions had still not yet been recovered and overall consumption was slow. Many regions were locked down, transportation was inconvenient which led to the imbalance between supply and demand of some commodities and an extremely volatile market. The operating performance of the Group was also restrained during the year ended 31 December 2021 (the “Year”).

In Vietnam, the Group's major operating location, the COVID-19 pandemic started to worsen in the second quarter of 2021 with most regions reporting infection cases. To contain infections, the government started implementing social distancing rules in provinces and cities, and tightened the restrictions on companies' operations, as a result, sales and production activities slowed down in most regions. At the same time, as major trading partners were also affected by the COVID-19 pandemic, export was affected. Thus, the overall economic growth rate of Vietnam and ASEAN countries decreased.

The heightened external uncertainties mentioned above exerted considerable pressure on the Group's motorbike manufacturing business. According to the statistics from the Vietnam Association of Motorcycle Manufacturers, the total sales volume of the top five foreign direct investment manufacturers in Vietnam in 2021 was 2,492,372 motorbikes, representing a decrease of 8.1% compared to 2020 and the third consecutive year of decline.

In addition to the above-mentioned impacts of the COVID-19 pandemic, there has been still keen competition in the business environment in Vietnam and ASEAN countries. Facing such operating pressure, the management of the Group will continue to devote its best efforts to proactively identify potential business opportunities and pursue sustainable development in order to ensure stability in production and keep its operation in order with a view to mitigate the adverse impacts.

### **BUSINESS REVIEW**

The year under review in 2021 was a period of profuse and complex challenges. The COVID-19 pandemic has had a significant impact on individuals, communities, and businesses globally. Employees at all levels of the Group's business were asked to change the way they work, and to interact professionally and socially. In line with the various governmental health measures, the Group implemented significant controls and requirements at all its sites to protect the health and safety of its workforce, their families, local suppliers, and neighbouring communities, while ensuring a safe environment for operations to continue.

To weather the challenges, a series of cost containment measures streamlining operations and work processes were implemented. Also, in response to the slowdown in sales in Vietnam and ASEAN countries, the pace and quality of production and procurement were strictly controlled to reduce the burden on inventory costs. Despite a sharp decline in sales during the Year, through the adoption of a series of operating cost control measures, the financial position of the Group remained stable.

The Group's operation resilience was tested under the COVID-19 pandemic. The Group saw both growth and decline in its main sales regions. The Group sold an aggregate of approximately 28,100 units (which was comprised of approximately 3,300 units of scooters, 24,500 units of cubs and 300 units of electric motorbikes) in Vietnam for the year ended 31 December 2021, representing a decrease of 38.9% from the previous year. Such

decrease was mainly attributed to the COVID-19 prevention policies implemented by the Vietnamese government, in response to which the Group suspended the operations at its major plants for the manufacturing and assembly of motorbikes in Vietnam from 22 July 2021 to 15 October 2021, resulting in a decline in both production volume and orders.

During the Year, the Group sold an aggregate of approximately 47,000 units of scooters and cubs by exporting to ASEAN countries, representing an increase of 15.6% from the previous year. Such increase was mainly attributed to the Group's efforts to proactively expand its sales market to Thailand and Greece. The sales of the motorbike models for which the Group provided original equipment manufacturing services for Lambretta (a brand under the Group's partner) remained stable in Thailand. Moreover, the DRONE model, a high-quality scooter developed jointly with a renowned local motorbike manufacturer in Thailand, GP Motor (Thailand) Co., LTD, was well received by the mid-to-high-end market in Thailand. The launch of which caused a sensation in the market and has successfully driven the sales. In the Greek market, the Group's two products, which were launched in response to the more stringent environmental emission regulation "EURO5", provide enhanced power output with reliability and durability, and saw steady monthly sales growth in 2021. In Malaysia, the Group's focused export market, sales of the major advanced-level models of VF-series motorbikes grew steadily in 2021 with the stable control of the COVID-19 pandemic, while the newly launched JET X scooter model, targeting the mature white-collar market, received an enthusiastic response from the market. However, with the resurgence and spread of the COVID 19 pandemic in Malaysia, the Group's sales in the country were slowed or suspended, which directly affected the local operations. In mid-October 2021, following the gradual relaxation of the Vietnamese government's pandemic prevention policies, the Group resumed full production and sales to meet the pent-up demand for motorbikes from customers in the ASEAN market as a result of the Group's previous production halt.

Over the years, the Group strived to build its product sales network, aim to achieve customer loyalty by constant expansion across Vietnam and implement flexible marketing strategies. As of 31 December 2021, the Group's extensive distribution network comprised over 194 SYM authorised stores owned by dealers, covering every province in Vietnam.

## **FINANCIAL REVIEW**

The Group's net loss for the year ended 31 December 2021 decreased by US\$1.7 million, from a net loss of US\$7.3 million for the year ended 31 December 2020 to a net loss of US\$5.6 million for the year ended 31 December 2021. Further analysis on the operating results of the Group is set out below.

## **REVENUE**

Revenue of the Group for the year ended 31 December 2021 increased to US\$93.0 million from US\$84.1 million for the year ended 31 December 2020, representing an increase of US\$8.9 million or 10.6%. Such increase was attributed to the following reasons: For domestic sales in Vietnam, the Group has gradually raised the selling price of its products since the first half of 2021 while distributors in Vietnam have been pre-ordering products in anticipation of the price increase, which boosted sales and hence revenue. However, the traditional peak season for motorbikes in Vietnam was disrupted by the pandemic from the second half of 2021 onwards, resulting in lower sales than expected, which in turn affected our revenue growth. For export sales, the revenue growth was driven by increased sales of mid-to-high-end products, partially offset by the slowdown or suspension of sales activities due to the recurrent outbreak of the COVID-19 pandemic in ASEAN countries. In line with the Vietnamese government's pandemic prevention policies, the Group's motorbike manufacturing and assembly plants were halted for almost three months, which also imposed a significant impact on the Group's domestic and overseas sales and revenue.

In terms of geographical contribution, approximately 27.4% of total revenue was generated from the domestic market in Vietnam for the year ended 31 December 2021 as compared with approximately 44.9% for the year ended 31 December 2020. Domestic sales in Vietnam decreased by 32.4% from US\$37.7 million for the year

ended 31 December 2020 to US\$25.5 million for the year ended 31 December 2021. Export sales increased by 45.5% from US\$46.4 million for the year ended 31 December 2020 to US\$67.5 million for the year ended 31 December 2021.

### **COST OF SALES**

The Group's cost of sales increased by 14.7%, from US\$76.0 million for the year ended 31 December 2020 to US\$87.2 million for the year ended 31 December 2021. Such increase was mainly attributed to the shortage of raw materials and the rising prices of components, which exert continuous cost pressure on the Group. During the nearly three-month halt of the motorbike manufacturing and assembly plants in Vietnam, the Group remained to incur direct labour costs and hence the cost pressure inevitably increased. As a percentage of total revenue, the Group's cost of sales increased from 90.4% for the year ended 31 December 2020 to 93.7% for the year ended 31 December 2021.

### **GROSS PROFIT AND GROSS PROFIT MARGIN**

For the year ended 31 December 2021, the Group recorded a gross profit and gross profit margin of approximately US\$5.9 million and 6.3% respectively (for the year ended 31 December 2020: gross profit and gross profit margin of approximately US\$8.1 million and 9.6% respectively). Owing to the COVID-19 pandemic, the halt of the motorbike manufacturing and assembly plants in Vietnam and the highly competitive business environment in Vietnamese and ASEAN markets together with the rising costs of materials as discussed above, the Group was unable to reflect the increased costs by adjusting its selling prices for the time being. The greater increase in costs than in prices will continue to negatively impact the profitability of the Group's products. The Group has actively reviewed and optimised the sales mix of products, implemented a persistent control over production costs, and explored strategic alliances and collaborations. These moves, coupled with its geographical advantage and international experience, are expected to enhance the business synergy and diversify the income stream of the Group.

### **DISTRIBUTION EXPENSES**

The Group's distribution expenses increased by 10.6%, from US\$4.7 million for the year ended 31 December 2020 to US\$5.2 million for the year ended 31 December 2021. The increase in expenses was mainly attributed to the surge in international freight rates and packaging costs for exported products as the Group's overseas sales volume gradually increased. The increase in distribution expenses was partially offset by the ongoing rectification of the Group's existing distribution network and the reduction in sales incentives and supporting fees payable to distributors.

### **TECHNOLOGY TRANSFER FEES**

The technology transfer fees decreased by 36.4% from US\$1.1 million for the year ended 31 December 2020 to US\$0.7 million for the year ended 31 December 2021, resulting from a decrease in the sales of SYM-branded motorbikes in Vietnam and ASEAN countries.

### **ADMINISTRATIVE AND OTHER OPERATING EXPENSES**

The Group's administrative and other operating expenses decreased by 11.4% from US\$7.9 million for the year ended 31 December 2020 to US\$7.0 million for the year ended 31 December 2021, which account for 7.6% of the Group's total revenue for the year ended 31 December 2021. The Group took proactive action in 2021 to integrate the platforms for developing different models of motorbikes, resulting in a significant reduction in research and development expenses. Moreover, the Group reduced its overall administrative and other operating expenses by actively reducing other expenses through strengthened management and cost saving.

## **RESULTS FROM OPERATING ACTIVITIES**

As a result of the factors discussed above, the Group's results from operating activities increased by 34.7%, from a loss of US\$4.9 million for the year ended 31 December 2020 to a loss of US\$6.6 million for the year ended 31 December 2021.

## **IMPAIRMENT LOSS ON OTHER PROPERTY, PLANT AND EQUIPMENT AND PREPAYMENTS FOR OTHER PROPERTY, PLANT AND EQUIPMENT**

Due to the poor results of the Group's manufacturing and sales of motorbikes segment, manufacturing and sales of spare parts and engines segment and moulds and services segment during the year ended 31 December 2021, the Group considered it was an indication that the other property, plant and equipment for the manufacturing and sales of motorbikes segment, manufacturing and sales of spare parts and engines segment and moulds and services segment (the "Relevant PPE") and prepayments for other property, plant and equipment may be impaired. Accordingly, the Group carried out an impairment testing on the Relevant PPE and prepayments for other property, plant and equipment and noted an impairment loss of approximately US\$0.4 million on the other property, plant and equipment and prepayments for other property, plant and equipment were required as at 31 December 2021.

## **NET FINANCE INCOME**

The Group's net finance income increased by 27.3%, from US\$1.1 million for the year ended 31 December 2020 to US\$1.4 million for the year ended 31 December 2021. Such increase was mainly attributable to an increase in foreign exchange gains of US\$0.5 million arising from fluctuation of the Vietnamese Dong against the US dollar for the Year, decrease in bank interest expense by US\$0.01 million, decrease in lease liabilities interest expense by US\$0.002 million and offset by decrease in bank interest income by US\$0.2 million.

## **LOSS FOR THE YEAR AND NET LOSS MARGIN**

As a result of the factors discussed above, the Group's net loss for the year ended 31 December 2021 amounted to US\$5.6 million, representing a decrease of 23.3% as compared to a loss of US\$7.3 million for the year ended 31 December 2020. The Group's net loss margin decreased from 8.7% for the year ended 31 December 2020 to 6.0% for the year ended 31 December 2021.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 31 December 2021, the Group's net current assets amounted to US\$45.5 million (31 December 2020: US\$50.3 million) which consisted of current assets of US\$105.9 million (31 December 2020: US\$99.3 million) and current liabilities of US\$60.4 million (31 December 2020: US\$49.0 million).

As at 31 December 2021, the Group's interest-bearing loans repayable within one year was US\$36.1 million (31 December 2020: US\$30.5 million). As at 31 December 2021, the Group had no interest-bearing loans repayable beyond one year (31 December 2020: Nil). As at 31 December 2021, the gearing ratio was 69% (31 December 2020: 53%) calculated by dividing total bank loans by total shareholders' equity.

As at 31 December 2021, the Group's cash and bank balances (including bank deposits), amounted to US\$50.6 million, which mainly included US\$44.0 million denominated in Vietnamese Dong and US\$6.3 million denominated in US dollar (31 December 2020: US\$49.1 million, which mainly included US\$37.9 million denominated in Vietnamese Dong and US\$11.1 million denominated in US dollar).

## **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 and US dollar. The Group was not exposed to material exchange rate risk and had not employed any financial instrument 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 dollar.

## **HUMAN RESOURCES AND REMUNERATION POLICIES**

The Group currently offers competitive remuneration packages to its staff in Vietnam, Taiwan and Hong Kong, and regularly reviews its remuneration packages in light of the overall development of the Group. The Group's remuneration packages include basic salaries, bonuses, quality staff living quarters, training and development opportunities, medical benefits, an insurance plan and retirement benefits. As at 31 December 2021, the Group had 1,116 employees (2020: 1,293). The total amount of salaries and related costs for the year ended 31 December 2021 amounted to approximately US\$11.2 million (2020: US\$12.0 million).

## **PROSPECTS**

Looking ahead to 2022, significant progress has been made in putting various pandemic preventive measures in place to revitalise the economy, through accelerated development of effective drugs and vaccination programmes. The global economy is expected to begin a recovery in 2022, as countries gradually emerge from the peak of the pandemic.

However, the overall outlook for the motorbike industry and the business environment in which the Group operates remains challenging in the coming year, with expected volatility and competition in motorbike prices, as well material prices are likely to remain high due to persistent supply chain disruptions, increased global demand, and global energy price increases. It foresees there will remain uncertainties and risks associated with the supply of production parts and short term procurement activities.

Amid the tough business environment, the Group will adhere to its operating approach of focusing on its primary business, product quality and customers' satisfaction. The Group will adopt product innovation as its key strategy to further strengthen its capabilities in product design and core technology development. In 2022, the Group plans to roll out a number of new or modified motorbike models in the Vietnamese market and ASEAN countries, including scooter, cub and electric motorbikes, so as to achieve product diversification and greater profitability, and offer consumers with environmentally-friendly and convenient products at reasonable prices and restructure the product lines to raise the proportion of high value-added products. The number of low gross profit items will be reduced to maintain reasonable profitability of products and, in turn, operations. As for sales channels, the Group will improve its "distributor licensing system" and extend the geographical coverage of its sales and services centres in order to provide its customers with better product repair and maintenance services. In regard to our manufacturing plants and facilities, as the Vietnamese government accelerated the pace of urbanisation and societal transformation, the Group has relocated the manufacturing facilities in Bien Hoa City of Dong Nai Province to Nhon Trach Industrial Zone II in 2019. The Group will continue to review the strategic function value and asset value of the manufacturing plants and facilities in Bien Hoa City of Dong Nai Province, or the potential return on land development. In addition, as disclosed in the announcement of the Company dated 14 May 2018, the Group proposed to establish a joint venture company for the purpose of investing in and development of a project of the Group in connection with the plots of land located at La Khe Ward, Ha Dong District, Hanoi City, Vietnam. The Group is still in discussion and negotiation with the relevant government authorities and the joint venture partner as to the application for the land development project and the timetable for the establishment of the joint venture company. Upon the formal documents for the approval of land development are issued by the Vietnamese government authorities, the manufacturing facilities of the Group in Ha Dong District will be moved out of their current location. The Board may consider exploring opportunities to diversity the Group's revenue streams by means of engaging in land development and/or acquisition should suitable opportunities arise.

In regards to ASEAN markets, the Group will step up further to engage in marketing and promotional activities, and to provide better after-sales services overseas. The Group will launch more motorbike models with higher unit prices to boost and stimulate the profitability of export sales. Apart from the ongoing deepening of market channels, the Group will make use of its resources for further market expansion together with industry peers and players from other industries. The Group will also introduce a range of OEM products to increase its production scale, thereby maintaining and maximising its brand benefits to achieve an overall and enhanced expansion of the Group's businesses.

In addition, the Group will seize all available development opportunities to enhance its long-term profitability and maximise returns for the shareholders of the Company.

### APPLICATION OF INITIAL PUBLIC OFFERING PROCEEDS

The proceeds from the issuance of new shares in the initial public offering by the Company in December 2007, net of listing expenses, were approximately US\$76.7 million, which will be used in accordance with the manners stated in the prospectus of the Company (the “**Prospectus**”) and the announcement titled “change in use of proceeds” of the Company dated 10 May 2019 (the “**Announcement**”).

The table below sets out the detailed items of the use of proceeds from the initial public offering as at 31 December 2021:

	Net proceeds from the initial public offering as stated in the Prospectus and the Announcement Approximately in US\$' million	Amounts utilised as at 31 December 2021 Approximately in US\$' million	Balance unutilised as at 31 December 2021 Approximately in US\$' million
Construction of research and development centre in Vietnam	11.7	11.7	–
Expanding distribution channels in Vietnam			
– Upgrading of existing facilities	4.0	4.0	–
– Establishing of new facilities	15.0	15.0	–
Mergers and acquisitions	9.0	9.0	–
General working capital	2.7	2.7	–
Development of production sites as well as the relocation of existing production facilities	15.0	11.3	3.7
Land development	<u>19.3</u>	<u>4.2</u>	<u>15.1</u>
Total	<u>76.7</u>	<u>57.9</u>	<u>18.8</u>

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

## **CORPORATE GOVERNANCE PRACTICES**

During the year ended 31 December 2021, the Company has complied with the code provisions as set out in the Corporate Governance Code (the “**Code**”) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), except for the following deviation:

Paragraphs A.5.1 and A.5.2 of the Code (which is re-numbered as rule 3.27A of the Listing Rules and paragraph B.3 of Part 2 of the Code with effect from 1 January 2022) provides that an issuer should establish a nomination committee with specific written terms of reference for 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 recommendation to the Board on the appointment or reappointment of directors and succession planning for directors. The Company had not set up a nomination committee as all major decisions regarding the Board composition and its members were made in consultation with the Board in which all directors of the Company would participate in the process and perform the duties of a nomination committee as contemplated in the Code. The Board considered that it was not necessary to establish a nomination committee given that the current arrangements meet the objective of the Code.

The Company has set up a nomination committee with its terms of reference with effect from 19 January 2022 and since then, the relevant deviation has been remediated.

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

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out 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 the directors of the Company, the Company confirms that the directors of the Company have complied with the required standard set out in the Model Code for the year ended 31 December 2021.

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

The annual results for the year ended 31 December 2021 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.

## **SCOPE OF WORK OF KPMG**

The financial figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2021 as set out in the preliminary announcement have been compared by the Group’s auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group’s draft consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor.

## **ANNUAL GENERAL MEETING AND BOOK CLOSURE FOR ENTITLEMENT OF ATTENDING THE MEETING**

The forthcoming annual general meeting (“**AGM**”) of the Company will be held on Friday, 24 June 2022. Notice of the AGM will be published and issued to the shareholders of the Company in due course. For determining the entitlement to attend and vote in the AGM, the register of members of the Company will be closed from Tuesday, 21 June 2022 to Friday, 24 June 2022 (both days inclusive) during which period no transfer of shares of the Company will be registered. In order to qualify for the attendance of the AGM, all transfers of shares of the

Company accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Monday, 20 June 2022. Shareholders of the Company whose names are recorded in the register of members of the Company on 24 June 2022 are entitled to attend and vote at the AGM.

#### **FINAL DIVIDEND**

The Board does not recommend the payment of a final dividend for the year ended 31 December 2021 (2020: nil).

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

For the year ended 31 December 2021, there was no purchase, sale or redemption made by the Company, or any of its subsidiaries, of the shares of the Company.

#### **PUBLICATION OF FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This annual results announcement is published on the HKEXnews website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.com.hk](http://www.hkexnews.com.hk) and on the Company's website at [www.vmeph.com](http://www.vmeph.com). The annual report 2021 of the Company will also be published on the aforesaid websites in due course.

#### **OUR APPRECIATION**

Lastly, on behalf of the Board, I hereby express my sincere 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 over last year.

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

Hong Kong, 29 March 2022

*As at the date of this announcement, the Board comprised three executive directors, namely Mr. Liu Wu Hsiung, Mr. Huang Tsung Yeh and Mr. Lin Chun Yu, three non-executive directors, namely Mr. Chiang Chin Yung, Mr. Chen Hsu Pin and Ms. Wu Li Chu and three independent non-executive directors, namely Ms. Lin Ching Ching, Ms. Wu Kwei Mei and Mr. Cheung On Kit Andrew.*