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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 2017**

Financial Highlights :

(expressed in US\$'million)

	Three months ended 30 September			Nine months ended 30 September		
	2017	2016	Change	2017	2016	Change
	(Unaudited)	(Unaudited)	Amount	(Unaudited)	(Unaudited)	Amount
• Total revenue	27.9	40.1	(12.2)	73.8	101.3	(27.5)
• Gross profit	2.8	5.0	(2.2)	7.0	12.3	(5.3)
• Net (loss) / profit after tax	(1.0)	0.4	(1.4)	(3.5)	(0.1)	(3.4)

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 2017 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 2017

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. Huang Kwang Wu, 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 2017

	Three months ended		Nine months ended	
	30 September		30 September	
	2017	2016	2017	2016
	US\$	US\$	US\$	US\$
Revenue	27,874,423	40,131,249	73,758,664	101,273,041
Cost of sales	<u>(25,030,566)</u>	<u>(35,128,892)</u>	<u>(66,758,305)</u>	<u>(88,994,023)</u>
Gross profit	<u>2,843,857</u>	<u>5,002,357</u>	<u>7,000,359</u>	<u>12,279,018</u>
Other income	65,310	414,881	121,698	952,666
Distribution expenses	(1,972,112)	(2,342,701)	(5,285,916)	(5,707,720)
Technology transfer fees	(717,365)	(989,245)	(1,773,604)	(2,461,362)
Administrative expenses	(2,338,282)	(2,392,557)	(6,211,348)	(6,687,322)
Other expenses	<u>(3,767)</u>	<u>(263)</u>	<u>(29,502)</u>	<u>(57,072)</u>
Results from operating activities	<u>(2,122,359)</u>	<u>(307,528)</u>	<u>(6,178,313)</u>	<u>(1,681,792)</u>
Finance income	1,179,177	1,005,768	3,152,053	2,911,667
Finance expenses	<u>(115,447)</u>	<u>(303,619)</u>	<u>(499,889)</u>	<u>(1,364,788)</u>
Net finance income	<u>1,063,730</u>	<u>702,149</u>	<u>2,652,164</u>	<u>1,546,879</u>
Share of profit of an associate, net of tax	<u>22,281</u>	<u>24,798</u>	<u>55,894</u>	<u>67,501</u>
(Loss) / Profit before taxation	(1,036,348)	419,419	(3,470,255)	(67,412)
Income tax	<u>4,165</u>	<u>(16,702)</u>	<u>8,407</u>	<u>(63,093)</u>
(Loss) / Profit for the period	<u>(1,032,183)</u>	<u>402,717</u>	<u>(3,461,848)</u>	<u>(130,505)</u>
Attributable to:				
Equity holders of the Company	<u>(1,032,183)</u>	<u>402,717</u>	<u>(3,461,848)</u>	<u>(130,505)</u>

Note:

The Group's unaudited consolidated results for the third quarter and nine months ended 30 September 2017 have been approved for issue by the board of directors of the Company on 13 November 2017. 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 2016.

Unaudited Consolidated Statement of Financial Position
At 30 September 2017

	At 30 September 2017 US\$	At 31 December 2016 US\$
Non-current assets		
Property, plant and equipment	17,001,531	18,077,947
Intangible assets	13,574	37,037
Lease prepayments	4,547,970	4,864,995
Interest in an associate	554,868	498,764
Deferred tax assets	961,844	936,285
	<u>23,079,787</u>	<u>24,415,028</u>
Current assets		
Inventories	22,939,207	24,810,273
Trade receivables, other receivables and prepayments	18,090,151	24,535,220
Time deposits maturing after three months	96,295,312	93,040,713
Cash and cash equivalents	11,279,003	11,106,900
Current tax recoverable	-	73,490
	<u>148,603,673</u>	<u>153,566,596</u>
Current liabilities		
Trade and other payables	14,426,760	16,371,490
Bank loans	24,242,747	26,166,074
Current tax payable	32,068	13,905
Provisions	1,474,912	835,432
	<u>40,176,487</u>	<u>43,386,901</u>
Net current assets	<u>108,427,186</u>	<u>110,179,695</u>
Total assets less current liabilities	<u>131,506,973</u>	<u>134,594,723</u>
Non-current liabilities		
Deferred tax liabilities	38,012	35,644
Net assets	<u>131,468,961</u>	<u>134,559,079</u>
Capital and reserves		
Share capital	1,162,872	1,162,872
Reserves	130,306,089	133,396,207
Total equity	<u>131,468,961</u>	<u>134,559,079</u>

Unaudited Condensed Consolidated Cash Flow Statement
For the nine months ended 30 September 2017

	Nine months ended 30 September	
	2017	2016
	US\$	US\$
Net cash generated from operating activities	3,825,034	8,778,817
Net cash generated (used in) / from investing activities	(1,736,802)	15,350,508
Net cash generated (used in) / from financing activities	<u>(2,287,855)</u>	<u>70,371</u>
Net (decrease) / increase in cash and cash equivalents	(199,623)	24,199,696
Cash and cash equivalents at the beginning of the period	11,106,900	20,988,920
Effect of foreign exchange rate changes	<u>371,726</u>	<u>1,059,431</u>
Cash and cash equivalents at the end of the period	<u><u>11,279,003</u></u>	<u><u>46,248,047</u></u>