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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 2025**

<b>Financial Highlights :</b>	<b>( expressed in US\$ )</b>		
	<b>2025</b>	<b>2024</b>	<b>Change Amount</b>
• Revenue	87,007,270	81,138,430	5,868,840
• Gross profit	7,550,614	7,286,780	263,834
• Profit/(loss) after tax	4,646,719	(3,844,473)	8,491,192
• Earnings/(loss) per share	0.0051	(0.0042)	0.0093

The board of directors (the “**Board**”) of Vietnam Manufacturing and Export Processing (Holdings) Limited (the “**Company**”) is pleased to announce the consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025 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 2025.

## Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2025

*(Expressed in United States dollars)*

	Note	2025 US\$	2024 US\$
<b>Revenue</b>	2	87,007,270	81,138,430
Cost of sales		(79,456,656)	(73,851,650)
<b>Gross profit</b>		7,550,614	7,286,780
Other income	3	11,267,639	663,745
Distribution costs		(4,197,790)	(4,199,899)
Administrative and other operating expenses		(6,338,350)	(6,594,278)
<b>Results from operations</b>		8,282,113	(2,843,652)
Finance income		2,274,254	2,430,523
Finance costs		(3,338,466)	(2,560,684)
<b>Net finance costs</b>	4(a)	(1,064,212)	(130,161)
Impairment loss on other property, plant and equipment	4(c)	(342,623)	(481,192)
Share of profit/(loss) of an associate		50,693	(69,557)
		(291,930)	(550,749)
<b>Profit/(loss) before taxation</b>	4	6,925,971	(3,524,562)
Income tax expense	5	(2,279,252)	(319,911)
<b>Profit/(loss) for the year</b>		4,646,719	(3,844,473)

# Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2025

**(continued)**

*(Expressed in United States dollars)*

	Note	2025 US\$	2024 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>(1,123,570)</u>	<u>(2,310,527)</u>
<b>Total comprehensive income for the year</b>		<u><u>3,523,149</u></u>	<u><u>(6,155,000)</u></u>
<b>Profit/(loss) for the year attributable to:</b>			
Equity shareholders of the Company		4,646,614	(3,844,473)
Non-controlling interests		<u>105</u>	<u>-</u>
		<u><u>4,646,719</u></u>	<u><u>(3,844,473)</u></u>
<b>Total comprehensive income attributable to:</b>			
Equity shareholders of the Company		3,523,044	(6,155,000)
Non-controlling interests		<u>105</u>	<u>-</u>
		<u><u>3,523,149</u></u>	<u><u>(6,155,000)</u></u>
<b>Earnings/(loss) per share</b>			
- Basic and diluted	6	<u><u>0.0051</u></u>	<u><u>(0.0042)</u></u>

## Consolidated Statement of Financial Position at 31 December 2025

(Expressed in United States dollars)

	Note	2025 US\$	2024 US\$
<b>Non-current assets</b>			
Investment properties		3,581,933	3,725,726
Other property, plant and equipment	7	-	3,544,783
Interest in an associate		551,142	516,470
		<u>4,133,075</u>	<u>7,786,979</u>
<b>Current assets</b>			
Inventories	8	21,094,767	22,292,912
Trade receivables, other receivables and prepayments	9	19,591,270	18,886,534
Current tax recoverable		12,832	-
Time deposits maturing after 3 months		29,638,666	40,113,263
Cash and cash equivalents		29,277,040	14,278,204
		<u>99,614,575</u>	<u>95,570,913</u>
<b>Current liabilities</b>			
Trade and other payables	10	15,248,009	22,220,446
Bank loans		37,177,513	33,823,923
Lease liabilities		9,548	55,085
Current tax payable		2,137,519	200,245
		<u>54,572,589</u>	<u>56,299,699</u>
<b>Net current assets</b>		<u>45,041,986</u>	<u>39,271,214</u>
<b>Total assets less current liabilities</b>		<u>49,175,061</u>	<u>47,058,193</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		15,890	14,395
Lease liabilities		653,501	2,061,277
		<u>669,391</u>	<u>2,075,672</u>
<b>NET ASSETS</b>		<u>48,505,670</u>	<u>44,982,521</u>

## Consolidated Statement of Financial Position at 31 December 2025

(continued)

(Expressed in United States dollars)

	<b>2025</b>	<b>2024</b>
	<i>US\$</i>	<i>US\$</i>
<b>Capital and reserves</b>		
Share capital	1,162,872	1,162,872
Reserves	47,338,381	43,815,337
<b>Total equity attributable to equity shareholders of the Company</b>	<u>48,501,253</u>	<u>44,978,209</u>
Non-controlling interests	4,417	4,312
<b>TOTAL EQUITY</b>	<u><u>48,505,670</u></u>	<u><u>44,982,521</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 2025, but is derived from those financial statements.

**(a) Statement of compliance**

These financial statements have been prepared in accordance with all applicable IFRS Accounting Standards, which collective term includes all applicable individual International Financial Reporting Standards (“IFRSs”), 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 or amended IFRS Accounting Standards 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 accounting period reflected in these financial statements.

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

The consolidated financial statements for the year ended 31 December 2025 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 IFRS Accounting Standards 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 Group has applied amendments to IAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the IASB to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

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, and related spare parts and engines.

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>2025</b>	<b>2024</b>
	<i>US\$</i>	<i>US\$</i>
<b>Revenue from contracts with customers within the scope of IFRS 15</b>		
Manufacture and sale of motorbikes	76,671,423	72,781,261
Manufacture and sale of spare parts and engines	10,335,847	8,357,169
	<u>87,007,270</u>	<u>81,138,430</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 (2024: one customer) with whom transactions have respectively exceeded 10% of the Group's revenue. During the year ended 31 December 2025, revenue from sales of motorbikes to the customers was as follows:

	<b>2025</b>	<b>2024</b>
	<i>US\$</i>	<i>US\$</i>
Customer A	27,445,322	19,734,210
Customer B*	<u>13,863,794</u>	<u>N/A</u>

\* Revenue from customer B for the year ended 31 December 2024 did not contribute over 10% of the total revenue of the Group.

**(b) Segment reporting**

The Group manages its businesses by divisions, which are organised by business lines (products and services). 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 two 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, Greece, Thailand, Spain, Italy, Belgium, Singapore and United Arab Emirates.
- 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.

**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/costs. 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/loss of an associate, certain net gain on disposal of other property, plant and equipment, impairment loss 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. 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 2025 and 2024 is set out below:

	<b>2025</b>		
	<b>Manufacturing and sale of motorbikes US\$</b>	<b>Manufacturing and sale of spare parts and engines US\$</b>	<b>Total US\$</b>
Revenue from external customers recognised at a point in time	76,671,423	10,335,847	87,007,270
Inter-segment revenue	-	16,492,058	16,492,058
<b>Reportable segment revenue</b>	<b>76,671,423</b>	<b>26,827,905</b>	<b>103,499,328</b>
Segment (loss)/profit before depreciation	(622,555)	212,282	(410,273)
Depreciation	(123,266)	-	(123,266)
<b>Reportable segment (loss)/profit ("adjusted EBIT")</b>	<b>(745,821)</b>	<b>212,282</b>	<b>(533,539)</b>
Share of profit of an associate			50,693
Net finance costs			(1,064,212)
Net gain on disposal of other property, plant and equipment			10,292,054
Impairment loss on other property, plant and equipment			(342,623)
Unallocated corporate expenses			(1,476,402)
<b>Profit before taxation</b>			<b>6,925,971</b>

	<b>2024</b>		
	<b>Manufacturing and sale of motorbikes</b>	<b>Manufacturing and sale of spare parts and engines</b>	<b>Total</b>
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
Revenue from external customers recognised at a point in time	72,781,261	8,357,169	81,138,430
Inter-segment revenue	-	17,466,771	17,466,771
<b>Reportable segment revenue</b>	<u>72,781,261</u>	<u>25,823,940</u>	<u>98,605,201</u>
Segment profit/(loss) before depreciation	34,764	(671,584)	(636,820)
Depreciation	(219,749)	-	(219,749)
<b>Reportable segment loss ("adjusted EBIT")</b>	<u>(184,985)</u>	<u>(671,584)</u>	(856,569)
Share of loss of an associate			(69,557)
Net finance costs			(130,161)
Impairment loss on other property, plant and equipment			(481,192)
Unallocated corporate expenses			(1,987,083)
<b>Loss before taxation</b>			<u>(3,524,562)</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. The geographical location of the specified non-current assets is based on the physical location of the assets.

	Revenues from external customers		Specified non-current assets	
	2025 US\$	2024 US\$	2025 US\$	2024 US\$
Vietnam (place of domicile)	32,049,995	40,759,244	3,581,933	7,270,509
Malaysia	28,552,840	20,239,131	-	-
The Philippines	4,941,298	5,078,507	-	-
Greece	4,136,313	4,068,249	-	-
Thailand	3,174,058	2,491,604	-	-
United Arab Emirates	2,897,857	4,574,222	-	-
Spain	2,734,489	-	-	-
Italy	2,511,983	2,430,412	-	-
Belgium	1,962,371	-	-	-
Singapore	963,224	309,534	-	-
Other countries	3,082,842	1,187,527	-	-
	<u>87,007,270</u>	<u>81,138,430</u>	<u>3,581,933</u>	<u>7,270,509</u>

### 3. OTHER INCOME

	2025 US\$	2024 US\$
Net gain on disposal of other property, plant and equipment (note)	10,309,609	63,013
Rental income	22,855	24,172
Others	935,175	576,560
	<u>11,267,639</u>	<u>663,745</u>

Note:

On 28 November 2025, the Group entered into an agreement with Ho Nai Industrial Park Joint Stock Company (“**Ho Nai**”), an independent third party, pursuant to which, the Group has agreed to transfer certain land use rights in Bien Hoa City, Dong Nai Province, Vietnam, to Ho Nai, for an aggregate tax-inclusive consideration of VND385,000,000,000 (equivalent to approximately US\$14,579,653). The transfer was completed on 22 December 2025 and a gain of US\$10,292,054 was recognised as other income during the year. Details of the transaction are set out in the Company’s announcement dated 28 November 2025 and circular dated 25 February 2026.

#### 4. PROFIT/(LOSS) BEFORE TAXATION

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

##### (a) Net finance costs

	<b>2025</b>	<b>2024</b>
	<i>US\$</i>	<i>US\$</i>
Interest income from banks	(2,274,254)	(2,430,523)
Finance income	<u>(2,274,254)</u>	<u>(2,430,523)</u>
Interest paid and payable to banks	2,024,565	1,727,661
Interest on lease liabilities	52,986	49,868
Net foreign exchange loss	1,260,915	783,155
Finance costs	<u>3,338,466</u>	<u>2,560,684</u>
Net finance costs	<u><u>1,064,212</u></u>	<u><u>130,161</u></u>

##### (b) Staff costs

	<b>2025</b>	<b>2024</b>
	<i>US\$</i>	<i>US\$</i>
Salaries, wages and other benefits	7,538,840	9,340,639
Contributions to defined contribution retirement plans	1,954,351	1,120,965
Severance pay allowance	(7,186)	38,155
	<u>9,486,005</u>	<u>10,499,759</u>

##### (c) Other items

	<b>2025</b>	<b>2024</b>
	<i>US\$</i>	<i>US\$</i>
Depreciation of property, plant and equipment		
- Other property, plant and equipment	123,266	219,749
- Investment properties	25,609	27,083
	<u>148,875</u>	<u>246,832</u>
Provision for write-down of inventories	453,537	1,668,167
Reversal of loss allowance of trade receivables	(185,589)	(402,483)
Impairment loss on other property, plant and equipment (note 7)	342,623	481,192
Auditors' remuneration		
- Audit services	358,015	384,106
- Other services	60,130	23,454
Research and development expenses (note (i))	1,513,987	1,722,989
Cost of inventories (note (ii))	<u>79,003,119</u>	<u>72,183,483</u>

Notes:

- (i) Research and development expenses include amounts relating to technology transfer fees, staff costs, depreciation expenses and other miscellaneous expenses, which are also included in the respective total amounts disclosed separately above or in note 4(b) for each of these types of expenses. No development expenditure was capitalised during the years ended 31 December 2025 and 2024.
- (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 4(b) for each of these types of expenses.

## 5. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2025	2024
	US\$	US\$
<b>Current tax</b>		
Provision for the year	2,298,102	306,299
(Over)/under-provision in respect of prior year	(19,727)	285
	<u>2,278,375</u>	<u>306,584</u>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	877	13,327
Actual tax expense	<u>2,279,252</u>	<u>319,911</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 2025 and 2024.

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 Co., Ltd. (“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 and 2014 in Vietnam, the applicable CIT rate for Vietnam Casting Forge Precision Ltd. (“VCFP”) is 20% (2024: 20%) from 2025 onwards.

The applicable tax rate for Chin Zong Trading Co., Ltd. (“Chin Zong”) is 20% (2024: 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.

## 6. EARNINGS/(LOSS) PER SHARE

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

The calculation of basic earnings/(loss) per share is based on the profit attributable to equity shareholders of the Company of US\$4,646,614 (2024: loss attributable to equity shareholders of the Company of US\$3,844,473) and the weighted average of 907,680,000 (2024: 907,680,000) ordinary shares in issue during the year. The amount of basic earnings per share is US\$0.0051 (2024: basic loss per share of US\$0.0042) for the year ended 31 December 2025.

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

The amount of diluted earnings/(loss) per share is the same as the earnings/(loss) per share for the years ended 31 December 2025 and 2024 as there were no potential dilutive ordinary share in existence during the years ended 31 December 2025 and 2024.

## 7. OTHER PROPERTY, PLANT AND EQUIPMENT

### Impairment losses

The manufacturing and sale of motorbikes segment, and manufacturing and sale of spare parts and engines 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 motorbike business non-current assets) over the past few years due to the fierce competition in the motorbike business industry and increase of manufacturing costs on newly launched products. Based on an impairment assessment conducted by management, impairment losses totalling US\$342,623 (2024: US\$481,192) was recognised in profit or loss during the year to write down the carrying value of other property, plant and equipment of the CGU to their recoverable amounts.

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. 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% (2024: 13%). In 2024, management identified certain land and buildings included in the CGU whose carrying values were likely to be recovered through a sales transaction. The recoverable amounts of these land and buildings were measured based on their fair value less costs of disposal. This valuation model considered 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 land and buildings compared to the recent sales. Higher premium for higher quality land and buildings resulted a higher fair value measurement. The fair value on which recoverable amount was based was categorised as a Level 3 measurement under the three-level fair value hierarchy as defined in IFRS 13, *Fair Value Measurement*. Key unobservable inputs included the premium on quality of the land and buildings, which was estimated at 2%.

## 8. INVENTORIES

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

	<b>2025</b>	<b>2024</b>
	<i>US\$</i>	<i>US\$</i>
Motorbikes manufacturing		
- Raw materials	19,202,989	14,893,595
- Tools and supplies	207,164	273,781
- Work in progress	180,496	159,482
- Finished goods	3,264,606	5,876,884
- Merchandise inventories (note (i))	2,187,565	2,290,811
	<u>25,042,820</u>	<u>23,494,553</u>
Provision for write-down of inventories	<u>(3,948,053)</u>	<u>(3,934,206)</u>
	21,094,767	19,560,347
Properties (note (ii))	-	2,732,565
	<u>21,094,767</u>	<u>22,292,912</u>

#### Notes:

- (i) Merchandise inventories mainly represent spare parts kept for repairs and maintenance.
- (ii) The balance in 2024 represented 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. During the year ended 31 December 2025, the Group entered into an agreement with the business partner to terminate the joint arrangement. Pursuant to this agreement, the Group was entitled to receive a sum of VND72,500,000,000 (equivalent to US\$2,761,800), which includes the full refund of the investment amount and a compensation fee. A gain of US\$133,328 was recognised in profit or loss during the year. Details of the transaction are set out in the Company's announcement dated 27 June 2025.

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

	<b>2025</b>	<b>2024</b>
	<i>US\$</i>	<i>US\$</i>
Carrying amount of inventories sold	79,003,119	72,183,483
Provision for write-down of inventories	453,537	1,668,167
	<u>79,456,656</u>	<u>73,851,650</u>

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

	<b>2025</b>	<b>2024</b>
	<i>US\$</i>	<i>US\$</i>
At 1 January	3,934,206	2,751,978
Additions	453,357	1,668,167
Utilisation	(324,386)	(332,592)
Exchange adjustments	(115,124)	(153,347)
At 31 December	<u>3,948,053</u>	<u>3,934,206</u>

**9. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS**

	<b>2025</b>	<b>2024</b>
	<i>US\$</i>	<i>US\$</i>
Trade receivables	7,812,874	9,234,648
Non-trade receivables	9,043,193	7,336,432
Prepayments	403,347	487,591
Amounts due from related parties		
-Trade	2,331,096	1,827,436
-Non-trade	760	427
	<u>19,591,270</u>	<u>18,886,534</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>2025</b>	<b>2024</b>
	<i>US\$</i>	<i>US\$</i>
Within 3 months	9,619,174	8,860,451
More than 3 months but within 1 year	524,638	2,116,279
More than 1 year but within 2 years	158	85,354
	<u>10,143,970</u>	<u>11,062,084</u>

## 10. TRADE AND OTHER PAYABLES

	<b>2025</b>	<b>2024</b>
	<i>US\$</i>	<i>US\$</i>
Trade payables	2,520,864	4,340,713
Other payables and accrued operating expenses	2,907,031	3,277,014
Contract liabilities - billings in advance of performance	676,969	1,191,403
Provisions	1,345,110	1,705,450
Amounts due to related parties		
- Trade	7,796,065	11,696,403
- Non-trade	1,970	9,463
	<u>15,248,009</u>	<u>22,220,446</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>2025</b>	<b>2024</b>
	<i>US\$</i>	<i>US\$</i>
Within 3 months	9,438,678	15,292,974
More than 3 months but within 1 year	875,425	736,989
More than 1 year but within 2 years	2,826	7,153
	<u>10,316,929</u>	<u>16,037,116</u>

## 11. DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: 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 offers a wide range of models and types. It also produces motorbike parts and engines for internal use and export to overseas customers.

### **OPERATION ENVIRONMENT**

In 2025, the overall global economy maintained a moderate growth while a number of uncertainties remained. Heightened geopolitical tensions and the resurgence of trade protectionism introduced variables into the international trade environment and exerted pressure on the stability of global supply chains. Fluctuations in raw material prices and transportation costs further increased uncertainties in the operating environment of the manufacturing sector. Against such macroeconomic backdrop, Vietnam's economy demonstrated relatively solid resilience. According to official statistics of Vietnam, the country's gross domestic product (GDP) recorded a growth rate of approximately 8.02% in 2025, primarily attributable to the continued development of manufacturing exports, sustained inflow of foreign direct investment and support from domestic demand, with overall economic momentum remaining stable.

On the basis of overall economic growth, the Vietnam motorcycle market maintained a stable scale in 2025. Vietnam has long been one of the markets with a high motorcycle ownership rate globally, and motorcycles remain the primary mode of transportation in both urban and rural areas. According to statistics from the Vietnam Association of Motorcycle Manufacturers, the aggregate sales volume of the top five foreign direct investment manufacturers in Vietnam amounted to 2,615,057 motorbikes in 2025, representing a slight decrease 1.5% as compared to the corresponding period of previous year. Such decline reflected a more prudent demand sentiment amid changes in the macroeconomic environment and the transformation of market structure.

In 2025, the Vietnamese government continued to promote policies aimed at improving air quality and reducing emissions, and studied measures to impose phased restrictions on high-emission vehicles operating in designated areas. Influenced by policy direction and the rising environmental awareness among consumers, the electric motorcycle market recorded notable growth, and the competitive landscape of the industry gradually evolved. Nevertheless, fuel-powered motorcycles continue to possess advantages in terms of price affordability, convenience of refuelling and the maturity of maintenance networks, and are expected to maintain a dominant market position in the short term.

Overall, the Vietnam motorcycle market is undergoing a structural transformation. Against the backdrop of policy initiatives and intensifying market competition, the industry presents both opportunities and challenges. Under the above operating environment and industry transformation pressures, the management of the Group will continue to respond prudently to market changes, promote the steady development of its business, proactively explore potential business opportunities and sustainable development prospects, with a view to enhancing its profitability and long-term competitiveness.

### **BUSINESS REVIEW**

The Group saw both growth and decline in its main sales regions. The Group sold an aggregate of approximately 38,100 units (which was comprised of approximately 10,700 units of scooters and 27,400 units of cubs) in Vietnam for the year ended 31 December 2025, representing a decrease of 26.3% compared to the corresponding period of the previous year. The Group sold an aggregate of approximately 33,800 units of scooters and cubs by exporting to Association of Southeast Asian Nations ("ASEAN") countries and overseas markets outside of ASEAN for the year ended 31 December 2025, representing an increase of 22.5% compared to the corresponding period of the previous year.

In 2025, the Group's sales in the Vietnam market were subject to certain pressure. As the Vietnamese government continued to review and announce regulatory and environmental policy directions relating to fuel-powered

motorcycles, uncertainties remained in the market regarding their future usage environment, leading certain consumers to adopt a more cautious approach in their purchasing decisions. Meanwhile, domestic and foreign brands in Vietnam actively promoted competitively priced electric motorcycle products, which exerted substitution pressure on entry-level fuel-powered models. Amid an overall slowdown in market demand, intensified promotional activities across various brands further heightened market competition.

To respond to market changes, the Group continued to optimise its product portfolio and launched new models, including NAGA 150 and TPBW 125, targeting the 150cc and 125cc segments respectively, in order to enhance product competitiveness and diversify market risks. NAGA 150 strengthened the Group's presence in the mid-to-high displacement segment, contributing to the optimisation of its product mix and the enhancement of its value positioning. TPBW 125 targets urban commuters, responding to market demand for fuel efficiency and practicality. The introduction of the aforesaid new models further enriched the Group's product portfolio, catering to the needs of different consumer segments and laying a solid foundation for the stabilisation of its sales structure and the enhancement of its brand vitality in the medium to long term. Meanwhile, the Group reallocated its marketing resources and strengthened its presence in rural markets in order to diversify risks arising from regional policy impacts. By promoting a common platform strategy for domestic and export models and optimising its regional distribution network, the Group expanded its market coverage and stabilised its sales foundation.

In respect of its export business, the Group continued to deepen its regional presence. Amid the overall recovery of the ASEAN motorcycle market and stable demand, the Group recorded sales growth in core markets such as Malaysia and the Philippines. In the Malaysian market, the Group enhanced its competitiveness by optimising its product mix and introducing models aligned with local consumer preferences. In the Philippine market, overall motorcycle demand remained stable, supported by commuting and commercial usage needs. The Group continued to strengthen its distribution network and product positioning to consolidate its market base.

In addition to consolidating its core ASEAN markets, the Group also continued to expand into the European market. Leveraging its accumulated experience in product development and market operations in the ASEAN markets, the Group introduced models tailored to the needs of key customer segments in Europe and progressively optimised local product offerings to enhance market competitiveness. Through expanding into diversified regional markets and adjusting its product mix, the Group further mitigated risks arising from fluctuations in any single market, optimised its export structure and enhanced overall operational stability. The Group will continue to improve its operational efficiency and product competitiveness to respond flexibly to evolving market conditions.

## **FINANCIAL REVIEW**

The Group's net profit for the year ended 31 December 2025, was US\$4.6 million, compared to a net loss of US\$3.8 million for the year ended 31 December 2024, representing an increase of US\$8.4 million. Further analysis on the operating results of the Group is set out below.

### **REVENUE**

Revenue of the Group for the year ended 31 December 2025 increased to US\$87.0 million from US\$81.1 million for the year ended 31 December 2024, representing an increase of US\$5.9 million or 7.3%. The growth in revenue was primarily driven by the increase in export sales volume and the improvement in product mix. The relatively higher average selling prices of products in the European market contributed positively to revenue and partially offset the decline in sales in the Vietnam market. In addition, the Group continued to increase the proportion of mid-to-high models in its sales mix, which helped optimise its revenue structure.

In terms of geographical contribution, approximately 36.8% of total revenue was generated from the domestic market in Vietnam for the year ended 31 December 2025 as compared with approximately 50.3% for the year ended 31 December 2024. Revenue from domestic sales in Vietnam decreased by 21.6% from US\$40.8 million for the year ended 31 December 2024 to US\$32.0 million for the year ended 31 December 2025. Revenue from export sales increased by 36.5% from US\$40.3 million for the year ended 31 December 2024 to US\$55.0 million for the year ended 31 December 2025.

## **COST OF SALES**

The Group's cost of sales increased by 7.6%, from US\$73.9 million for the year ended 31 December 2024 to US\$79.5 million for the year ended 31 December 2025. The Group's cost of sales mainly comprised raw material costs and direct labour costs. The increase was primarily attributable to changes in product mix. Nevertheless, the Group continued to optimise its procurement strategies and strengthen supply chain management to enhance its bargaining power and production efficiency, thereby partially mitigating the impact of rising costs.

As a percentage of total revenue, the Group's cost of sales increased from 91.0% for the year ended 31 December 2024 to 91.3% for the year ended 31 December 2025, which remained broadly in line with those of the previous year.

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

For the year ended 31 December 2025, the Group recorded a gross profit and gross profit margin of approximately US\$7.6 million and 8.7% respectively (for the year ended 31 December 2024: gross profit and gross profit margin of approximately US\$7.3 million and 9.0% respectively), the gross profit and gross profit margin were broadly in line with those of the previous year.

## **OTHER INCOME**

The Group's other income increased from US\$0.7 million for the year ended 31 December 2024 to US\$11.3 million for the year ended 31 December 2025. The increase was primarily attributable to the completion of the transfer of the land use rights and related assets located in Bien Hoa City, Dong Nai Province, Vietnam on 22 December 2025. For the year ended 31 December 2025, the Group recorded other income of approximately US\$10.3 million arising from such transfer.

## **DISTRIBUTION EXPENSES**

The Group's distribution expenses were broadly in line with those of the previous year, amounting to US\$4.2 million for the year ended 31 December 2025 as compared with US\$4.2 million for the year ended 31 December 2024.

## **ADMINISTRATIVE AND OTHER OPERATING EXPENSES**

The Group's administrative and other operating expenses decreased by 4.5% from US\$6.6 million for the year ended 31 December 2024 to US\$6.3 million for the year ended 31 December 2025, reflecting the Group's continued efforts to enhance operational efficiency and effectively control related expenses. The Group's administrative and other operating expenses are 7.3% of the Group's total revenue for the year ended 31 December 2025.

## **RESULTS FROM OPERATIONS**

As a result of the factors discussed above, for the year ended 31 December 2025, the Group recorded a profit from operating of US\$8.3 million (for the year ended 31 December 2024: loss from operations of US\$2.8 million).

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

The Group suffered significant operating losses over the past few years due to the fierce competition in the motorbike industry and increase of manufacturing costs on newly launched products, resulting in the poor results of the Group's manufacturing and sales of motorbikes segment, and manufacturing and sales of spare parts and engines segment over the past few years. The Group considered it was an indication that the other property, plant and equipment (the "**Relevant PPE**") may be impaired. Accordingly, the Group carried out an impairment testing on the Relevant PPE and noted an impairment loss of approximately US\$0.3 million on the other property, plant and equipment was required as at 31 December 2025.

## **NET FINANCE COST**

The Group's net finance cost increased from US\$0.1 million for the year ended 31 December 2024 to US\$1.1 million for the year ended 31 December 2025. Such increase was mainly attributable to (1) a decrease in bank interest income by US\$0.2 million, (2) an increase in foreign exchange loss of US\$0.5 million arising from fluctuation of the Vietnamese Dong against the US dollar and (3) an increase in bank interest and lease liabilities interest expense by US\$0.3 million.

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

As a result of the above factors, the Group recorded a net profit of US\$4.6 million for the year ended 31 December 2025, as compared with a net loss of US\$3.8 million for the year ended 31 December 2024, representing an improvement of US\$8.4 million. The Group recorded a net loss margin of 4.7% for the year ended 31 December 2024, which improved to a net profit margin of 5.3% for the year ended 31 December 2025.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 31 December 2025, the Group's net current assets amounted to US\$45.0 million (31 December 2024: US\$39.3 million) which consisted of current assets of US\$99.6 million (31 December 2024: US\$95.6 million) and current liabilities of US\$54.6 million (31 December 2024: US\$56.3 million).

As at 31 December 2025, the Group's interest-bearing loans repayable within one year was US\$37.2 million (31 December 2024: US\$33.8 million). As at 31 December 2025, the Group had no interest-bearing loans repayable beyond one year (31 December 2024: nil). As at 31 December 2025, the gearing ratio was 76.7% (31 December 2024: 75.2%) calculated by dividing total bank loans by total shareholders' equity.

As at 31 December 2025, the Group's cash and bank balances (including time deposits), amounted to US\$58.9 million, which included US\$48.3 million denominated in Vietnamese Dong, US\$10.0 million denominated in US dollar and US\$0.6 million denominated in New Taiwan Dollar (31 December 2024: US\$54.4 million, which included US\$48.5 million denominated in Vietnamese Dong, US\$5.8 million denominated in US dollar and US\$0.1 million denominated in New Taiwan Dollar).

## **EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES**

Transactions of the Group are mainly denominated in Vietnamese Dong and US dollar. The Group will closely monitor the trend of fluctuation exchange rate and strengthen relevant personnel's awareness of risk prevention to deal with exchange rate risks. 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. As at 31 December 2025, the Group did not use any financial instrument to hedge its foreign exchange risks.

## **HUMAN RESOURCES AND REMUNERATION POLICIES**

The Group currently offers competitive remuneration packages to its staff in Vietnam and Taiwan, and regularly reviews its remuneration packages in light of the overall development of the Group. The Group's remuneration packages include basic salaries, bonuses, staff quarters, training and development opportunities, medical benefits, insurance plan and retirement benefits. As at 31 December 2025, the Group had 933 employees (2024: 1,014). The total amount of salaries and related costs for the year ended 31 December 2025 amounted to approximately US\$9.5 million (2024: US\$10.5 million).

## **PROSPECTS**

Looking ahead to 2026, the global economy is expected to maintain moderate growth. However, geopolitical developments, changes in the trade environment and fluctuations in commodity prices may continue to create uncertainties in international markets. As one of the major manufacturing and export bases, Vietnam continues to attract foreign investment and deepen regional economic cooperation. Several international institutions have projected that Vietnam's economy will remain on a steady growth trajectory in 2026.

With increasing environmental awareness, the Vietnamese government continues to promote policies relating to urban traffic management and emission control, and certain cities are studying or implementing such measures in phases. As policy directions are progressively advanced, the market is expected to undergo ongoing structural adjustments. The penetration rate of electric motorcycles is expected to increase gradually. However, fuel-powered motorcycles continue to maintain advantages in terms of price affordability and refuelling convenience and are expected to retain a certain market base in non-restricted areas, as well as in secondary and tertiary cities and rural areas, supported by daily commuting demand. Industry competition is expected to place greater emphasis on product positioning, technological upgrades and improvements in channel efficiency.

In response to changes market and policy developments, the Group will continue to optimise its product mix and introduce new models in Vietnam and overseas markets to meet the needs of different markets and customer segments. In respect of marketing and sales channels, the Group will integrate online and offline resources, strengthen brand promotion and enhance its after-sales service network, with a view to improving service quality and brand competitiveness. Meanwhile, the Group will continue to optimise its overseas market presence, diversify regional risks and prudently pursue the long-term and steady development of its business.

The Group will seize all development opportunities and pursue new opportunities to drive business growth while proactively enhancing long-term profitability and maximizing 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 2025:

	Net proceeds from the initial public offering as stated in the Prospectus and the Announcement <i>Approximately</i> <i>in</i> <i>US\$' million</i>	Balance unutilised as at 1 January 2025 <i>Approximately</i> <i>in</i> <i>US\$' million</i>	Amount utilised during the year ended 31 December 2025 <i>Approximately</i> <i>in</i> <i>US\$' million</i>	Balance unutilised as at 31 December 2025 <i>Approximately</i> <i>in</i> <i>US\$' million</i>
Construction of research and development centre in Vietnam	11.7	-	-	-
Expanding distribution channels in Vietnam				
- Upgrading of existing facilities	4.0	-	-	-
- Establishing of new facilities	15.0	-	-	-
Mergers and acquisitions	9.0	-	-	-
General working capital	2.7	-	-	-
Development of production sites as well as the relocation of existing production facilities	15.0	2.0	0.3	1.7
Land development	19.3	15.1	-	15.1
<b>Total</b>	<b>76.7</b>	<b>17.1</b>	<b>0.3</b>	<b>16.8</b>

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

As the application for the development of land project with the government authorities of Vietnam is still in progress, the unutilised amount of net proceeds is expected to be fully utilised by 2030.

## CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The Group had no material capital commitments and contingent liabilities as at 31 December 2025.

## MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the year ended 31 December 2025, the Group had no material acquisition or disposal of subsidiaries and associated companies.

## SIGNIFICANT INVESTMENT HELD

During the year ended 31 December 2025, the Group did not hold any significant investment.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

Save as disclosed in this announcement, the Group did not have any other specific plan for material investments or acquisitions of capital assets as at 31 December 2025.

## **PLEDGE ON ASSETS**

As at 31 December 2025, the Group pledged its bank time deposits of US\$15,040,074 as securities for banking facilities granted to the Group.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including treasury shares).

As at 31 December 2025, the Company did not hold any treasury shares.

## **SIGNIFICANT EVENT AFTER THE REPORTING PERIOD**

Subsequent to the year ended 31 December 2025 and up to the date of this announcement, there were no significant events that might affect the Group.

## **CORPORATE GOVERNANCE PRACTICES**

During the year ended 31 December 2025, the Company has complied with all applicable code provisions as set out in the Corporate Governance Code (the "**Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the Code, and maintain a high standard of corporate governance practices of the Company.

## **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 C3 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 2025.

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

The annual results for the year ended 31 December 2025 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 2025 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 Monday, 29 June 2026. 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 Wednesday, 24 June 2026 to Monday, 29 June 2026 (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, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, 23 June 2026. Shareholders of the Company whose names are recorded in the register of members of the Company on 29 June 2026 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 2025 (2024: nil).

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on information that is publicly available to the Company and within knowledge of the directors of the Company, the Company has maintained a sufficient public float as required under the Listing Rules during the year ended 31 December 2025 and up to the date of this announcement.

## **PUBLICATION OF ANNUAL 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.hk](http://www.hkexnews.hk) and the Company’s website at [www.vmeph.com](http://www.vmeph.com). The 2025 annual report of the Company will also be published on the aforesaid websites in due course.

## **OUR APPRECIATION**

Lastly, we would like to express the 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**  
**Yeh Huei Fen**  
Chairperson

Hong Kong, 12 March 2026

*As at the date of this announcement, the Board comprised three executive directors, namely Ms. Yeh Huei Fen, Ms. Wu Jui Chiao and Mr. Lin Chun Yu, three non-executive directors, namely Ms. Wu Li Chu, Mr. Chen Hsu Pin and Mr. Liu Ju Cheng and three independent non-executive directors, namely Ms. Lin Ching Ching, Ms. Wu Hui Lan and Ms. Yu Yi Jhen.*