



INTERIM REPORT **2024**



VMEPH
Vietnam

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)



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CORPORATE INFORMATION**BOARD OF DIRECTORS****Executive Directors**

Mr. Liu Wu Hsiung (*Chairman*)
 Ms. Wu Jui Chiao
 Mr. Lin Chun Yu

Non-executive Directors

Ms. Wu Li Chu
 Mr. Chen Hsu Pin
 Mr. Liu Ju Cheng

Independent Non-executive Directors

Ms. Lin Ching Ching
 Mr. Cheung On Kit Andrew
 Ms. Wu Hui Lan

AUDIT COMMITTEE

Ms. Lin Ching Ching (*Chairman*)
 Mr. Cheung On Kit Andrew
 Ms. Wu Hui Lan

REMUNERATION COMMITTEE

Ms. Lin Ching Ching (*Chairman*)
 Mr. Liu Wu Hsiung
 Ms. Wu Hui Lan

NOMINATION COMMITTEE

Mr. Liu Wu Hsiung (*Chairman*)
 Ms. Lin Ching Ching
 Mr. Cheung On Kit Andrew

AUTHORISED REPRESENTATIVES

Mr. Liu Wu Hsiung
 Ms. Lee Angel Pui Shan

COMPANY SECRETARY

Ms. Lee Angel Pui Shan

AUDITOR

KPMG
 Certified Public Accountants
 Public Interest Entity Auditor registered
 in accordance with the Accounting and
 Financial Reporting Council Ordinance

LEGAL ADVISERS

Norton Rose Fulbright Hong Kong

REGISTERED OFFICE

Cricket Square, Hutchins Drive
 P.O. Box 2681, Grand Cayman KY1-1111
 Cayman Islands

HEAD OFFICE

Section 5, Tam Hiep Ward, Bien Hoa City
 Dong Nai, Vietnam

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Dah Sing Financial Centre
 No. 248 Queen's Road East
 Wanchai, Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited
 Suite 3204, Unit 2A, Block 3
 Building D, P.O. Box 1586, Gardenia Court
 Camana Bay, Grand Cayman, KY1-1100
 Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Computershare Hong Kong
 Investor Services Limited
 Shops 1712-16, 17th Floor
 Hopewell Centre
 183 Queen's Road East
 Wanchai, Hong Kong

PRINCIPAL BANKERS

Asia Commercial Bank
 Jointstock Commercial Bank for Foreign
 Trade of Vietnam

STOCK CODE

422

COMPANY'S WEBSITE AND CONTACT

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 Tel: (886) 3597 2788
 Fax: (886) 3597 1883

MANAGEMENT DISCUSSION AND ANALYSIS

Vietnam Manufacturing and Export Processing (Holdings) Limited (the “Company”) and its subsidiaries (collectively, the “Group”) is one of the leading manufacturers of scooters and cub motorbikes in Vietnam. The Group’s 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.

OPERATION ENVIRONMENT

In the first half of 2024, the global economy progressively recovered. However, the global economy continued to be plagued by high inflation, high interest rates and geopolitical uncertainties under Russia-Ukraine and Middle East conflicts and US-China tension. These adverse factors continue to pose challenges to the growth of overall market.

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 the first half of 2024 was 1,206,872 motorbikes, representing a decrease of 1.4% compared to the corresponding period of 2023. There has been still keen competition in the overall business environment. Facing such operating pressure, the management of the Group will strive to promote business growth, continue to devote its best efforts to proactively identify potential business opportunities, pursue sustainable development and strive to enhance its profitability in order to ensure stability in production and keep its operation in order with a view to mitigate the adverse impacts.



BUSINESS REVIEW

The Group saw both growth and decline in its main sales regions. For the six months ended 30 June 2024, the Group sold about 21,400 units of motorbikes (including about 6,800 units of scooters and 14,600 units of cubs) in Vietnam, representing an increase of 37.2% as compared with the same period last year. The Group sold an aggregate of approximately 11,100 units of scooters and cubs by exporting to Association of Southeast Asian Nations (“ASEAN”) countries, representing a decrease of 66.6% from the same period last year.

The increase in the Group’s total sales volume in Vietnam was mainly attributable to the Group continually improving its technology in motorcycle manufacturing and tirelessly engaging in research and development to design innovative high-quality motorcycle products. In the first half of 2024, the Group launched a variety of new and trendy scooters and cub motorbikes to satisfy the needs of different consumers, especially the first brand-new scooter model with electronic fuel injection (E.F.I) “PRITI”, which has generated significant discussion and attention on social media platforms. Within just fifteen days of its launch, it received over 3,000 units sales orders, which was well recognised by both distributors and consumers, increasing the Group’s sales volume for scooters. In terms of brand building, the Group has been working with its distributors to gradually upgrade more modern physical stores and provide consumers with a more comfortable, brighter product display environment and reliable and efficient repair service, so as to continue to explore and focus on its channel operations in Vietnam to enhance SYM brand awareness. As of 30 June 2024, the Group’s extensive distribution network comprised over 165 SYM authorised stores owned by dealers, covering every province in Vietnam.

The decrease in the Group’s total export sales to ASEAN countries was mainly attributable to consumers in the Group’s major export markets such as Malaysia, the Philippines and Thailand continued to preserve their purchasing power in the first half of 2024, and the overall motorbike sales market declined compared to the corresponding period of the previous year. In Thailand market, it was due to the fact that the management of the Group became more conservative in the policy of customer credit control in order to strengthen its risk management, and as a result, the shipment volume was impacted. In Malaysian and the Philippines markets, it was due to the depreciation of their currencies against the US dollar and the unfavourable impact of foreign exchange transactions have slowed down the willingness of distributors in these markets to import. Despite various unfavourable factors, the Group has introduced a brand-new scooter model “HUSKY” in the Malaysian market, which was well received by local consumers and drove the sales performance, partially offsetting the sales difficulties in other ASEAN countries.

The Group’s impressive sales performance in Vietnam clearly demonstrated the brand management and marketing strength of the Group. The Group will leverage on these solid foundations to continue to explore markets other than ASEAN countries, including Europe and Middle East markets, exploiting diversified distribution channels to enhance the market competitiveness of the SYM brand.

FINANCIAL REVIEW

The Group's revenue decreased by 45.9% from US\$60.6 million for the six months ended 30 June 2023 to US\$32.8 million for the six months ended 30 June 2024. The Group recorded a net loss of US\$2.4 million for the six months ended 30 June 2024, representing a decrease by US\$5.4 million as compared to the net profit of US\$3.0 million for the six months ended 30 June 2023. Further analysis on the operating results of the Group is set out below.

REVENUE

The Group's revenue for the six months ended 30 June 2024 was US\$32.8 million, representing a decrease of US\$27.8 million or 45.9% as compared with US\$60.6 million for the six months ended 30 June 2023. For overseas sales, high inflation, high interest rates and fierce competition from industry peers in ASEAN countries led to a significant drop in sales in those market, which impacted the Group's revenue. For domestic sales in Vietnam, the launch of a brand-new motorbike model drove sales performance and partially offset the decrease in revenue. The Group will continue to explore new models and new customers vigorously to seek business growth opportunities, increase revenue and create higher value.

COST OF SALES

The Group's cost of sales for the six months ended 30 June 2024 was US\$30.0 million, representing a decrease of 42.5% as compared with US\$52.2 million for the six months ended 30 June 2023. The majority of the Group's cost of sales comprised of raw material cost and direct labour costs. The decrease was mainly due to the decline in overall sales volume. Moreover, the Group centralised bulk procurement of raw materials enabled the Group to strengthen its bargaining power and be in a better position to negotiate with suppliers, improve its bargaining power with certain suppliers through bulk purchasing, and in turn reduce its production costs, which partially offset the increase in raw material costs.

As a percentage of total revenue, the Group's cost of sales increased from 86.0% for the six months ended 30 June 2023 to 91.4% for the six months ended 30 June 2024. The increase in cost rate was attributable to the decline in sales volume, which increased the percentage of costs to total revenue. Furthermore, the utilisation rate of the Group's overall capacity was restricted due to the decline in sales volume, resulting in increased fixed operating cost allocation per unit of product.



GROSS PROFIT AND GROSS PROFIT MARGIN

During the six months ended 30 June 2024, the Group recorded a gross profit and gross profit margin of approximately US\$2.8 million and 8.6% respectively (six months ended 30 June 2023: gross profit and gross profit margin of approximately US\$8.5 million and 14.0% respectively). The gross profit margin decreased, due to the decline in sales from the major sources of profit as discussed above and the Group's overall production capacity was not effectively utilized.

DISTRIBUTION EXPENSES

The Group's distribution expenses decreased by 36.7%, from US\$3.0 million for the six months ended 30 June 2023 to US\$1.9 million for the six months ended 30 June 2024. The decrease in distribution expenses was mainly attributable to the decrease in transportation-related expenses and package expenses resulting from the decreasing export sales volume of the Group to ASEAN countries.

ADMINISTRATIVE AND OTHER OPERATING EXPENSES

The Group's administrative and other operating expenses decreased by 8.8%, from US\$3.4 million for the six months ended 30 June 2023 to US\$3.1 million for the six months ended 30 June 2024. The administrative and other operating expenses accounted for 9.5% of the Group's total revenue for the six months ended 30 June 2024. The decrease was principally due to a slight decrease in staff costs and office expenses.

RESULTS FROM OPERATIONS

As a result of the factors discussed above, for the six months ended 30 June 2024, the Group recorded a loss from operations of US\$2.1 million (for the six months ended 30 June 2023: profit from operations of US\$1.8 million).

NET FINANCE INCOME

The Group's net finance income decreased by 97.9%, from US\$1.45 million for the six months ended 30 June 2023 to US\$0.03 million for the six months ended 30 June 2024. Such decrease was mainly attributable to (1) a decrease in bank interest income by US\$0.22 million, (2) an increase in foreign exchange loss of US\$1.36 million arising from fluctuation of the Vietnamese Dong against the US dollar and (3) a decrease in bank interest and lease liabilities interest expense by US\$0.16 million.



IMPAIRMENT LOSS ON OTHER PROPERTY, PLANT AND EQUIPMENT

Due to the poor results of the Group's manufacturing and sales of motorbikes segment and manufacturing and sales of spare parts and engines segment in the prior years, the Group considered it was an indication that the other property, plant and equipment for the manufacturing and sales of motorbikes segment and manufacturing and sales of spare parts and engines segment (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 were required during the six months ended 30 June 2024.

LOSS/PROFIT FOR THE PERIOD AND NET LOSS MARGIN/NET PROFIT MARGIN

As a result of the factors discussed above, the Group recorded a net loss of US\$2.4 million for the six months ended 30 June 2024, which was decreased by US\$5.4 million, as compared to the net profit of US\$3.0 million for the six months ended 30 June 2023. The Group recorded the net profit margin of 5.0% for the six months ended 30 June 2023, which was decreased to the net loss margin for the six months ended 30 June 2024 of 7.4%.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2024, the Group's net current assets amounted to US\$40.6 million (31 December 2023: US\$44.8 million) which consisted of current assets of US\$91.9 million (31 December 2023: US\$97.6 million) and current liabilities of US\$51.3 million (31 December 2023: US\$52.8 million).

As at 30 June 2024, the Group's interest-bearing loans repayable within one year was US\$33.9 million (31 December 2023: US\$42.8 million). As at 30 June 2024, the Group had no interest-bearing loans repayable beyond one year (31 December 2023: Nil). As at 30 June 2024, the gearing ratio was 73.1% (31 December 2023: 83.7%) calculated by dividing total bank loans by total shareholders' equity.

As at 30 June 2024, the Group's cash and bank balances (including time deposits), amounted to US\$53.0 million, which included US\$48.4 million denominated in Vietnamese Dong, US\$3.6 million denominated in US dollar and US\$1.0 million denominated in New Taiwan Dollar (31 December 2023: US\$54.0 million, which included US\$48.9 million denominated in Vietnamese Dong, US\$4.6 million denominated in US dollar and US\$0.5 million denominated in New Taiwan Dollar).

The Group actively and regularly reviews and manages its capital structure to enhance its financial strength for the Group's long-term development. There was no change in the Group's approach to capital management during the six months ended 30 June 2024.



PLEDGE ON ASSETS

As at 30 June 2024, the Group pledged its bank time deposits of US\$15,491,229 as securities for banking facilities granted to the Group.

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 of 30 June 2024, 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 30 June 2024, the Group had 1,003 employees (30 June 2023: 1,152). The total amount of salaries and related costs for the six months ended 30 June 2024 amounted to approximately US\$4.9 million (six months ended 30 June 2023: approximately US\$5.8 million).

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The Group had no material capital commitments and contingent liabilities as at 30 June 2024.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the six months ended 30 June 2024, the Group had no material acquisition or disposal of subsidiaries and associated companies.

SIGNIFICANT INVESTMENT HELD

During the six months ended 30 June 2024, the Group did not hold any significant investment.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not have any specific plan for material investments or acquisitions of capital assets as at 30 June 2024.

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

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

As at 30 June 2024, the Company did not hold any treasury shares.

CHANGES SINCE 31 DECEMBER 2023

Save as disclosed in this report, since 31 December 2023, there were no other significant changes in the Group's financial position and there were no other significant changes in relation to the information disclosed under the section headed "Management Discussion and Analysis" in the annual report of the Company for the year ended 31 December 2023.

PROSPECTS

Looking ahead to the second half of 2024, the Group is still encountering challenges including inflation, labour market changes and global economic uncertainty. However, these challenges will be accompanied with opportunities, such as technological innovation and market expansion. The Group will seek to strike a balance between challenges and opportunities to support the sustainable development of the business. For domestic sales, the Group will strengthen brand awareness and expand market coverage by launching effective marketing campaigns tailored to different consumers in order to attract more potential consumers. For export sales, the Group will step up further to engage in marketing, enhance the brand loyalty, launch new products with enhanced product strength and aggressively explore other overseas markets, so as to highlight the benefits of our diversified product portfolio and achieve further sales success. The Group will also continue to extend the geographical coverage of its sales and services centres in order to provide its customers with better product repair and maintenance services.

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. The Group has established a steady development pipeline, which will provide medium-term contributions to the total export sales volume, in order to drive profitability and maximise returns to 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 30 June 2024:

	Net proceeds from the initial public offering as stated in the Prospectus and the Announcement	Balance unutilised as at 1 January 2024	Amount utilised during the six months ended 30 June 2024	Balance unutilised as at 30 June 2024
	<i>Approximately in US\$' million</i>	<i>Approximately in US\$' million</i>	<i>Approximately in US\$' million</i>	<i>Approximately in 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	2.5	0.3	2.2
Land development	19.3	15.1	-	15.1
Total	76.7	17.6	0.3	17.3

The unutilised balance was placed as deposits (including bank deposits) with several reputable financial institutions. For further details, please see the paragraph 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.

OTHER INFORMATION

CHANGES OF DIRECTORS' AND CHIEF EXECUTIVE'S INFORMATION

Ms. Wu Jui Chiao has been re-designated from acting chief executive officer to chief executive officer of the Company, she has also been re-designated from acting general manager of the Company's subsidiaries, Vietnam Manufacturing and Export Processing Co., Ltd. ("VMEP") and Chin Zong Trading Co., Ltd. ("CZ") to general manager with effect from 12 August 2024.

Save as disclosed above, up to the date of this report, no other information relating to the directors and chief executive of the Company is required to be disclosed in accordance with Rules 13.51(2) and 13.51(B)(1) of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since the publication of the Company's 2023 annual report.

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE OF THE COMPANY IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATION

As at 30 June 2024, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including those taken or deemed as their interests and short position in accordance with such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register kept by the Company referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix C3 to the Listing Rules to be notified to the Company and the Stock Exchange were as follows:

Interests and short positions in the shares of Sanyang Motor Co., Ltd.

Name of directors	Types of shares	Capacity	Number of shares held (shares)	Approximate percentage of total share capital (%) ¹
Mr. Liu Wu Hsiung	Ordinary shares	Beneficial owner	111,380 (L)	0.014%
Ms. Wu Li Chu	Ordinary shares	Beneficial owner	17,046,560 (L)	2.138%
Mr. Liu Ju Cheng	Ordinary shares	Beneficial owner	4,000 (L)	0.001%
Mr. Liu Ju Cheng	Ordinary shares	Interest of spouse	295,000 (L)	0.037%

(L) – Long position

Note:

- The calculation is based on the total number of 797,489,604 shares of Sanyang Motor Co., Ltd. in issue as at 30 June 2024.

Save as disclosed above, as at 30 June 2024, so far as is known to the directors of the Company, none of the directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including those taken or deemed as their interest and short position in accordance with such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register kept by the Company referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

As at 30 June 2024, so far as known to the Company after reasonable enquiry, the following persons (other than the directors or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and has been entered in the register kept by the Company according to Section 336 of the SFO:

Name of substantial shareholders	Types of shares	Capacity	Number of shares/ underlying shares held (shares)	Approximate percentage of total share capital (%)
Sanyang Motor Co., Ltd.	Ordinary shares	Interest in controlled corporation	608,818,000 (L)	67.07%
SY International Ltd. ¹	Ordinary shares	Beneficial owner	608,818,000 (L)	67.07%

(L) – Long position

Note:

1. SY International Ltd. is a direct wholly-owned subsidiary of Sanyang Motor Co., Ltd. and therefore Sanyang Motor Co., Ltd. is deemed to be interested in the shares of the Company held by SY International Ltd. under Part XV of the SFO.

Save as disclosed above, as at 30 June 2024, the directors of the Company are not aware of any other person (other than Directors or chief executive of the Company) having an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to Division 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by the Company under section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the six months ended 30 June 2024 were rights to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, granted to any director of the Company or their respective spouses or minor children aged under 18, or were such rights exercised by them, or was the Company, or any of the subsidiaries of the Company, or any of the Company's holding companies, or any of the subsidiaries of such holding companies a party to any arrangement to enable the directors of the Company to acquire such benefits through such means.

CORPORATE GOVERNANCE PRACTICES

During the six months ended 30 June 2024, 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 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 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 six months ended 30 June 2024.

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 six months ended 30 June 2024 and up to the latest practicable date prior to the publication of this report.

SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

Subsequent to the six months ended 30 June 2024 and up to the date of this report, there were no significant events that might affect the Group.



REVIEW OF INTERIM RESULTS

The unaudited interim results for the six months ended 30 June 2024 and the interim report 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.

The interim results is unaudited, but has been reviewed by the Company's auditor, KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

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.

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

Hong Kong, 12 August 2024





**Review report to the Board of Directors of
Vietnam Manufacturing and Export Processing (Holdings) Limited**
(Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial report set out on pages 16 to 34 which comprises the consolidated statement of financial position of Vietnam Manufacturing and Export Processing (Holdings) Limited (the "Company") as of 30 June 2024 and the related consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, *Interim financial reporting*, issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2024 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim financial reporting*.

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

12 August 2024



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2024 – unaudited

(Expressed in United States dollars)

	Note	Six months ended 30 June	
		2024 US\$	2023 US\$
Revenue	4	32,849,975	60,607,091
Cost of sales		(30,017,149)	(52,150,569)
Gross profit		2,832,826	8,456,522
Other income		125,682	301,940
Distribution costs		(1,889,763)	(3,025,594)
Technology transfer fees		(71,710)	(550,726)
Administrative and other operating expenses		(3,107,416)	(3,379,916)
Results from operations		(2,110,381)	1,802,226
Finance income		968,374	2,549,405
Finance costs		(937,078)	(1,095,253)
Net finance income	5(a)	31,296	1,454,152
Impairment loss on other property, plant and equipment	5(c)	(282,675)	(255,900)
Share of (loss)/profit of an associate		(56,306)	7,553
		(338,981)	(248,347)
(Loss)/profit before taxation	5	(2,418,066)	3,008,031
Income tax expense	6	(287)	(6,891)
(Loss)/profit for the period		(2,418,353)	3,001,140

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

for the six months ended 30 June 2024 – unaudited

(Expressed in United States dollars)

	Note	Six months ended 30 June	
		2024 US\$	2023 US\$
Other comprehensive income for the period (after tax)			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of overseas subsidiaries and an associate		(2,320,448)	(69,046)
Total comprehensive income for the period		(4,738,801)	2,932,094
(Loss)/profit for the period attributable to:			
Equity shareholders of the Company		(2,418,353)	3,001,138
Non-controlling interests		–	2
		(2,418,353)	3,001,140
Total comprehensive income attributable to:			
Equity shareholders of the Company		(4,738,801)	2,932,092
Non-controlling interests		–	2
		(4,738,801)	2,932,094
(Loss)/earnings per share			
– Basic and diluted	7	(0.0027)	0.0033

The notes on pages 22 to 34 form part of this interim financial report.



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2024 – unaudited

(Expressed in United States dollars)

	Note	At 30 June 2024 US\$	At 31 December 2023 US\$
Non-current assets			
Investment properties		3,738,742	3,934,824
Other property, plant and equipment	9	3,652,501	3,943,684
Interest in an associate		529,820	613,287
		7,921,063	8,491,795
Current assets			
Inventories	10	21,615,562	22,853,016
Trade receivables, other receivables and prepayments	11	17,226,548	20,779,858
Current tax recoverable		8,031	–
Cash and bank balances	12	53,043,782	53,980,524
		91,893,923	97,613,398
Current liabilities			
Trade and other payables	13	17,363,157	9,746,471
Bank loans	14	33,909,769	42,779,390
Lease liabilities		53,327	104,727
Current tax payable		–	167,012
		51,326,253	52,797,600
Net current assets		40,567,670	44,815,798
Total assets less current liabilities		48,488,733	53,307,593
Non-current liabilities			
Deferred tax liabilities		1,359	1,435
Lease liabilities		2,088,654	2,168,637
		2,090,013	2,170,072
NET ASSETS		46,398,720	51,137,521

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)*at 30 June 2024 – unaudited**(Expressed in United States dollars)*

	At 30 June 2024 US\$	At 31 December 2023 US\$
Capital and reserves		
Share capital	1,162,872	1,162,872
Reserves	45,231,536	49,970,337
Total equity attributable to equity shareholders of the Company	46,394,408	51,133,209
Non-controlling interests	4,312	4,312
TOTAL EQUITY	46,398,720	51,137,521

Approved and authorised for issue by the Board of Directors on 12 August 2024.

*Director***Ms. Wu Jui Chiao***Director***Mr. Lin Chun Yu**

The notes on pages 22 to 34 form part of this interim financial report.



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY*for the six months ended 30 June 2024 – unaudited**(Expressed in United States dollars)*

	Attributable to equity shareholders of the Company						Total US\$	Non- controlling interests US\$	Total equity US\$
	Share capital US\$	Share premium US\$	Capital reserve US\$	Exchange reserve US\$	Statutory reserves US\$	Accumulated losses US\$			
Balance at 1 January 2023	1,162,872	112,198,709	1,962,666	(36,049,839)	-	(28,395,972)	50,878,436	4,310	50,882,746
Changes in equity for 2023:									
Profit for the year	-	-	-	-	-	1,686,198	1,686,198	2	1,686,200
Other comprehensive income	-	-	-	(1,431,425)	-	-	(1,431,425)	-	(1,431,425)
Total comprehensive income	-	-	-	(1,431,425)	-	1,686,198	254,773	2	254,775
Transfer retained profits to statutory reserves	-	-	-	-	47,049	(47,049)	-	-	-
Balance at 31 December 2023	1,162,872	112,198,709	1,962,666	(37,481,264)	47,049	(26,756,823)	51,133,209	4,312	51,137,521
Balance at 1 January 2024	1,162,872	112,198,709	1,962,666	(37,481,264)	47,049	(26,756,823)	51,133,209	4,312	51,137,521
Changes in equity for 2024:									
Loss for the period	-	-	-	-	-	(2,418,353)	(2,418,353)	-	(2,418,353)
Other comprehensive income	-	-	-	(2,320,448)	-	-	(2,320,448)	-	(2,320,448)
Total comprehensive income	-	-	-	(2,320,448)	-	(2,418,353)	(4,738,801)	-	(4,738,801)
Transfer retained profits to statutory reserves	-	-	-	-	53,966	(53,966)	-	-	-
Balance at 30 June 2024	1,162,872	112,198,709	1,962,666	(39,801,712)	101,015	(29,229,142)	46,394,408	4,312	46,398,720

The notes on pages 22 to 34 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT*for the six months ended 30 June 2024 – unaudited**(Expressed in United States dollars)*

	Six months ended 30 June	
	2024 US\$	2023 <i>US\$</i>
Cash generated from/(used in) operations	6,835,749	(3,185,001)
Tax paid	(152,713)	(32,500)
Net cash generated from/(used in) operating activities	6,683,036	(3,217,501)
Investing activities		
Decrease in time deposits maturing after three months	6,077,035	1,283,338
Others	2,308,587	1,565,125
Net cash generated from investing activities	8,385,622	2,848,463
Financing activities		
Proceeds from borrowings	42,098,345	63,182,782
Repayment of borrowings	(50,156,831)	(63,200,136)
Others	(1,063,844)	(1,275,726)
Net cash used in financing activities	(9,122,330)	(1,293,080)
Net increase/(decrease) in cash and cash equivalents	5,946,328	(1,662,118)
Cash and cash equivalents at 1 January	16,831,966	10,518,849
Effect of foreign exchange rate changes	(806,035)	318
Cash and cash equivalents at 30 June	21,972,259	8,857,049

The notes on pages 22 to 34 form part of this interim financial report.



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in United States dollars unless otherwise indicated)

1 REPORTING CORPORATE INFORMATION

Vietnam Manufacturing and Export Processing (Holdings) Limited (the “Company”) was incorporated in the Cayman Islands on 20 June 2005 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

The Company and its subsidiaries (collectively, the “Group”) are principally engaged in manufacture and sales of motorbikes and related spare parts and engines.

The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 20 December 2007.

2 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (“IAS”) 34, *Interim financial reporting*, issued by the International Accounting Standards Board (“IASB”). It was authorised for issue on 12 August 2024.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements. Details of any changes in accounting policies are set out in note 3.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2023 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”).



2 BASIS OF PREPARATION (continued)

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. KPMG's independent review report to the Board of Directors is included on page 15.

The financial information relating to the financial year ended 31 December 2023 that is included in the interim financial report as comparative information does not constitute the Company's annual consolidated financial statements for that financial year but is derived from those financial statements. The Company's auditor has reported on those financial statements. The auditor's report was unqualified and did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report.

3 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amended IFRSs issued by the IASB to the interim financial report for the current accounting period:

- Amendments to IAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current*
- Amendments to IAS 1, *Presentation of financial statements: Non-current liabilities with covenants*
- Amendments to IFRS 16, *Leases: Lease liability in a sale and leaseback*
- Amendments to IAS 7, *Statement of cash flows* and IFRS 7, *Financial Instruments: Disclosures: Supplier finance arrangements*

None of these developments has had a material effect on how the Group's results and financial position for the current or prior periods have been prepared and presented in this interim financial report.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.



4 REVENUE AND SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by business lines (products or 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 identified two reportable segments. No operating segments have been aggregated to form the following reportable segments.

(a) Disaggregation of revenue

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

	Six months ended 30 June	
	2024	2023
	US\$	US\$
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major products or service lines		
– Manufacture and sale of motorbikes	28,704,173	55,983,595
– Manufacture and sale of spare parts and engines	4,145,802	4,623,496
	32,849,975	60,607,091
Disaggregated by geographical location of customers		
– Vietnam (place of domicile)	17,467,360	14,145,519
– Malaysia	7,120,613	4,380,628
– The Philippines	2,639,203	3,606,433
– United Arab Emirates	1,783,994	829,027
– Greece	1,778,689	1,859,542
– Thailand	1,484,395	35,460,716
– Taiwan	55,752	75,109
– Other countries	519,969	250,117
	32,849,975	60,607,091



4 REVENUE AND SEGMENT REPORTING (continued)

(b) Information about reportable segment revenue and profit or loss

Information regarding the Group's reportable segments as provided to the Group's senior executive management for the purpose of resource allocation and assessment of segment performance for the period is set out below:

	Six months ended 30 June 2024		
	Manufacture and sale of motorbikes US\$	Manufacture and sale of spare parts and engines US\$	Total US\$
Revenue from external customers recognised at a point in time	28,704,173	4,145,802	32,849,975
Inter-segment revenue	–	7,596,180	7,596,180
Reportable segment revenue	28,704,173	11,741,982	40,446,155
Segment loss before depreciation	(670,973)	(423,062)	(1,094,035)
Depreciation	(110,605)	–	(110,605)
Reportable segment loss ("adjusted EBIT")	(781,578)	(423,062)	(1,204,640)
Share of loss of an associate			(56,306)
Net finance income			31,296
Impairment loss on other property, plant and equipment			(282,675)
Unallocated corporate expenses			(905,741)
Loss before taxation			(2,418,066)



4 REVENUE AND SEGMENT REPORTING (continued)

(b) Information about reportable segment revenue and profit or loss (continued)

	Six months ended 30 June 2023		
	Manufacture and sale of motorbikes <i>US\$</i>	Manufacture and sale of spare parts and engines <i>US\$</i>	Total <i>US\$</i>
Revenue from external customers recognised at a point in time	55,983,595	4,623,496	60,607,091
Inter-segment revenue	–	16,605,692	16,605,692
Reportable segment revenue	55,983,595	21,229,188	77,212,783
Segment profit before depreciation	1,536,288	1,017,806	2,554,094
Depreciation	(116,916)	–	(116,916)
Reportable segment profit ("adjusted EBIT")	1,419,372	1,017,806	2,437,178
Share of profit of an associate			7,553
Net finance income			1,454,152
Impairment loss on other property, plant and equipment			(255,900)
Unallocated corporate expenses			(634,952)
Profit before taxation			3,008,031

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 result of an associate, impairment losses on other property, plant and equipment ("Motorbike non-current assets") and other head office or corporate administration expenses.

5 (LOSS)/PROFIT BEFORE TAXATION

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

(a) Net finance income

	Six months ended 30 June	
	2024	2023
	US\$	US\$
Interest income from banks	(1,242,306)	(1,462,153)
Net foreign exchange loss/(gain)	273,932	(1,087,252)
<hr/>		
Finance income	(968,374)	(2,549,405)

Interest paid and payable to banks	886,878	1,013,686
Interest on lease liabilities	50,200	81,567
<hr/>		
Finance costs	937,078	1,095,253

	(31,296)	(1,454,152)
<hr/>		

(b) Staff costs

	Six months ended 30 June	
	2024	2023
	US\$	US\$
Salaries, wages and other benefits	4,327,554	5,177,633
Contributions to defined contribution retirement plans	557,285	621,935
<hr/>		
	4,884,839	5,799,568
<hr/>		



5 (LOSS)/PROFIT BEFORE TAXATION (continued)

(c) Other items

	Six months ended 30 June	
	2024 US\$	2023 US\$
Depreciation of investment properties and other property, plant and equipment	124,237	131,325
Gain on disposal of other property, plant and equipment	(63,433)	(68,932)
Write-down of inventories (note 10)	652,246	206,256
Research and development expenses	728,748	710,454
Impairment loss on other property, plant and equipment [#]	282,675	255,900

- [#] The manufacturing and sale of motorbikes segment and manufacturing and sale of spare parts and engines segment in Vietnam are considered one cash generating unit ("CGU") of the Group.

The Group suffered significant operating losses (before impairment losses on Motorbike non-current assets) over the past few years due to the fierce competition in the motorbike industry and increase of manufacturing cost on newly launched products. Based on an impairment assessment conducted by management, impairment losses totaling US\$282,675 (six months ended 30 June 2023: US\$255,900) was recognised in profit or loss during the period to write down the carrying amount 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. Management identified certain land and buildings included in the CGU, which carrying values are likely to be recovered through a sales transaction. The recoverable amounts of these land and 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 land and 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 of 0% – 2% (six months ended 30 June 2023: 0% – 13%). For assets which management considers are likely to recover through continuing use, the Group assessed the recoverable amount based on a 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% (six months ended 30 June 2023: 13%).

6 INCOME TAX EXPENSE

	Six months ended 30 June	
	2024 US\$	2023 US\$
Current tax		
Provision for the period	287	6,891

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 six months ended 30 June 2024 and 2023.

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 in Vietnam, the applicable CIT rate for Vietnam Casting Forge Precision Ltd. is 15% from 2013 onwards.

In accordance with the Corporate Income Tax Law of Taiwan, as amended in 2019, the applicable tax rate for Chin Zong Trading Co., Ltd. ("Chin Zong") is 20% if the taxable profit for the year is above New Taiwan Dollar ("NT\$") 120,000. Income tax is exempted if the taxable profit is below NT\$120,000.

7 (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the loss attributable to equity shareholders of the Company of US\$2,418,353 (six months ended 30 June 2023: profit of US\$3,001,138) and the weighted average of 907,680,000 ordinary shares (2023: 907,680,000 ordinary shares) in issue during the interim period. The amount of basic loss per share is US\$0.0027 (six months ended 30 June 2023: earnings per share of US\$0.0033) for the six months ended 30 June 2024.

(b) Diluted (loss)/earnings per share

The amount of diluted (loss)/earnings per share is the same as the basic (loss)/earnings per share for the six months ended 30 June 2024 and 2023 as there were no potential dilutive ordinary shares in existence during the six months ended 30 June 2024 and 2023.

8 DIVIDEND

No dividend has been paid or declared by the Company for the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

9 OTHER PROPERTY, PLANT AND EQUIPMENT

(a) During the six months ended 30 June 2024, the Group recognised items of other property, plant and equipment with a cost of US\$282,675 (six months ended 30 June 2023: US\$264,367).

(b) Impairment losses

During the six months ended 30 June 2024, an impairment loss of US\$282,675 (six months ended 30 June 2023: US\$255,900) was recognised in profit or loss for other property, plant and equipment (see note 5(c)).

10 INVENTORIES

During the six months ended 30 June 2024, US\$652,246 (six months ended 30 June 2023: US\$206,256) has been recognised as an expense in profit or loss, being the amount of a write-down of motorbikes manufacturing inventories to estimated net realisable value. This write-down arose due to a decrease in the estimated net realisable value of certain inventories as a result of slow moving status.

11 TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

	At 30 June 2024 US\$	At 31 December 2023 US\$
Trade receivables	7,801,963	10,282,879
Non-trade receivables	8,390,643	10,059,160
Prepayments	541,105	338,090
Amounts due from related parties		
Trade	492,666	93,751
Non-trade	171	5,978
	17,226,548	20,779,858

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

	At 30 June 2024 US\$	At 31 December 2023 US\$
Within 3 months	6,579,199	4,233,872
More than 3 months but within 1 year	1,715,430	6,142,758
	8,294,629	10,376,630

The Group's exposure to credit risk is low as the Group generally offers no credit terms to domestic customers, except for a customer, who is granted a credit term of 90 days. Overseas customers are generally granted credit terms ranging from 60 days to 90 days. At the end of the reporting period, 46% (31 December 2023: 49%) of the total trade receivables was due from the Group's largest debtor.

Non-trade receivables mainly represented VAT recoverable of US\$3,888,930 (31 December 2023: US\$3,499,329) and import tax refundable of US\$2,898,622 (31 December 2023: US\$4,015,942).

12 CASH AND BANK BALANCES

	At 30 June 2024 US\$	At 31 December 2023 US\$
Cash at banks and on hand	8,424,505	8,177,714
Time deposits maturing within three months	13,547,754	8,654,252
<hr/>		
Cash and cash equivalents in condensed consolidated cash flow statement	21,972,259	16,831,966
Time deposits maturing after three months	31,071,523	37,148,558
<hr/>		
	53,043,782	53,980,524

13 TRADE AND OTHER PAYABLES

	At 30 June 2024 US\$	At 31 December 2023 US\$
Trade payables	3,919,493	2,101,628
Other payables and accrued operating expenses	3,225,055	3,665,255
Contract liabilities – billings in advance of performance	1,718,779	370,313
Provisions	2,251,491	2,299,689
Amounts due to related parties		
Trade	6,044,254	1,095,229
Non-trade	204,085	214,357
<hr/>		
	17,363,157	9,746,471

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

	At 30 June 2024 US\$	At 31 December 2023 US\$
Within 3 months	9,930,498	3,182,607
More than 3 months but within 1 year	27,006	10,534
More than 1 year but within 5 years	6,243	3,716
<hr/>		
	9,963,747	3,196,857



14 BANK LOANS

As of the end of the reporting period, the bank loans of the Group were secured by time deposits of US\$15,491,229 (31 December 2023: US\$24,264,950) of the Group.

15 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

All of the Group's financial instruments were carried at cost or amortised cost as at 31 December 2023 and 30 June 2024 and their carrying amounts are not materially different from their fair values.

16 MATERIAL RELATED PARTY TRANSACTIONS

During the six months ended 30 June 2024, transactions with the following parties are considered as material related party transactions:

Name of party	Relationship
Sanyang Motor Co., Ltd. ("Sanyang")	The ultimate holding company
Sanyang Global Co., Ltd.	A subsidiary of Sanyang
Xiamen Xiashing Motorcycle Co., Ltd.	A subsidiary of Sanyang
Sanyang Motor Colombia S.A.S.	A subsidiary of Sanyang
Vietnam Three Brothers Machinery Industry Co., Limited	The associate of the Company and a non-wholly owned subsidiary of Sanyang



16 MATERIAL RELATED PARTY TRANSACTIONS (continued)**(a) Recurring transactions**

	Six months ended 30 June	
	2024	2023
	US\$	US\$
Sales of finished goods and spare parts:		
The ultimate holding company	332,203	75,109
Fellow subsidiaries	122,872	–
	455,075	75,109
Purchases of raw materials and finished goods:		
The ultimate holding company	1,217,114	2,742,747
Fellow subsidiaries	8,609,869	15,311,045
The associate	1,170,819	2,635,312
	10,997,802	20,689,104
Purchases of other property, plant and equipment:		
The ultimate holding company	10,019	7,895
Other purchases:		
The ultimate holding company	1,977	–
The associate	973	–
	2,950	–
Technology transfer fees:		
The ultimate holding company	71,710	550,726



16 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)**(b) Amounts due from related parties**

	At 30 June 2024 US\$	At 31 December 2023 US\$
Trade		
The ultimate holding company	281,742	8,927
Fellow subsidiaries	210,924	84,824
	492,666	93,751
Non-trade		
The ultimate holding company	171	4
Fellow subsidiaries	–	5,974
Total	492,837	99,729

(c) Amounts due to related parties

	At 30 June 2024 US\$	At 31 December 2023 US\$
Trade		
The ultimate holding company	371,603	461,134
Fellow subsidiaries	5,399,836	466,074
The associate	272,815	168,021
	6,044,254	1,095,229
Non-trade		
The ultimate holding company	2,356	214,357
Fellow subsidiaries	201,729	–
Total	6,248,339	1,309,586