



陸氏集團(越南控股)有限公司
LUKS GROUP (VIETNAM HOLDINGS) CO. LTD.

Stock Code : 0366

50th
Anniversary
Celebrating 50
Years of Excellence

陸氏

Interim Report
2025

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Management Discussion and Analysis

Business Review and Outlook

In the first half of 2025, the global economy showed resilience but faced significant hurdles. Interconnected challenges included political polarization, economic fragility, ongoing wars, and climate disasters. In Vietnam, key developments included US claiming of adoption of extra high tariff to Vietnam's export products, and the consolidation of 63 provinces into 34 provinces and municipalities, which would bring significant impacts to the economic and social development of Vietnam. The U.S. dollar sustained its strength against the VND during first half of 2025, contributing to currency depreciation impacts. The Group's main businesses are located in Vietnam, Hong Kong, and China. In this environment, the Group's various businesses were affected to varying extents during the period. In particular, the Group's cement business in Vietnam continued to face difficulties amid competitive pressures, while the property investment business saw declines in occupancy and profits. Meanwhile, the hotel business showed robust growth for the first half of 2025.

For the first six months of 2025, Vietnam's GDP growth recorded 7.5%, the highest first-half growth in the period 2011-2025. Main growth drivers included manufacturing for export and services sectors. The real estate market in Vietnam, particularly in Ho Chi Minh City, appeared to be recovering slowly during the period. Local consumption showed mixed signals, with inflationary pressures under control but present. In the first half of 2025, the Vietnamese Dong depreciated against the Hong Kong dollar by approximately 1.4% compared to December 31, 2024, and compared with June 30, 2024, it depreciated by approximately 2.0%. Affected by the depreciation, the Group's revenue and profits from Vietnam recorded a corresponding decrease when translated into Hong Kong dollars in the accounts. As the Vietnamese Dong is not a freely circulating currency and hedging costs are high, the Group has not adopted any measures to hedge against the depreciation of the Vietnamese Dong. The Group has continued to reduce deposits in Vietnamese Dong during the period, in order to mitigate the impact of depreciation on the Group's assets.

In the first half of 2025, the Group's cement business remained operating in a competitive environment and continued to incur losses, though reduced compared to the prior year. The Group's sales shrank due to pricing pressures and operational challenges, but focused cost control and prior impairment provisions reduced future depreciation, leading to a narrower loss. On the other hand, the performance of the Group's Saigon Trade Center declined, with occupancy and revenue both falling compared to the same period last year, due to increased market supply and lacklustre demand. For the Group's hotel business, the Group's "Pentahotel Hong Kong, Tuen Mun" delivered exceptional results, as visitor numbers to Hong Kong rose, as well as through internal revenue optimization strategy. Meanwhile, the "LE CARRÉ HUE" in Hue, Vietnam was preparing for its grand opening during the period.

Looking forward to the second half of 2025, Vietnam's real estate market is expected to improve gradually, which may benefit the Group's cement plants. On the other hand, increased office supply in Ho Chi Minh City is anticipated to pressure leasing at Saigon Trade Center. However, since Vietnam and US have agreed upon a tariff framework on July 2, 2025, which helped eliminate market uncertainties. And as Vietnam's projected GDP growth is expected to be above 6% for 2025, together with rising Foreign Direct Investments (FDI), and government initiatives like public investment in infrastructure, which is expected to support to both the Group's cement and office leasing businesses in Vietnam. For the hotel businesses, the Group's "Pentahotel Hong Kong, Tuen Mun" may continue its growing trend during the year, with government promotions and major events held in Hong Kong. Meanwhile, the "LE CARRÉ HUE" in Hue is expected to come into operation and contribute revenue to the Group in the second half of 2025.

For the six months ended June 30, 2025, the Group's turnover was HK\$175,958,000, a decrease of approximately 10.4% compared to the HK\$196,396,000 recorded in the same period last year. The Group's turnover mainly comes from cement business, property investment, and hotel business. Among them, the cement business turnover was HK\$72,144,000, a decrease of approximately 14.5% from HK\$84,359,000 in the same period last year. The turnover of property investment business was HK\$68,174,000, a decrease of approximately 9.2% from HK\$75,117,000 in the same period last year. The hotel business recorded a turnover of HK\$30,758,000, an increase of approximately 6.3% from HK\$28,938,000 in the same period last year.

In the first half of 2025, the Group recorded an unaudited profit attributable to owners of the parent company of HK\$37,416,000, an increase of approximately 8.4% compared to the unaudited profit attributable to owners of the parent company of HK\$34,509,000 in the same period last year. Basic earnings per share for the first six months of 2025 was approximately HK7.4 cents (the first six months of 2024: HK6.9 cents).

Cement Business

In the first half of 2025, the Group's cement business in Vietnam operated in a slightly improving but competitive environment. According to data from the Vietnam National Cement Association (VNCA), cement consumption was approximately 37.2 million tons, an increase of 18% from the first half of 2024. The slowly recovering real estate and construction sectors, supported by easing interest rates and government infrastructure spending, drove higher demand.

In the export market, demand stabilized with shifts to markets like the United States and South Africa, though values remained under pressure due to lower margins. Reduced export profits led to some domestic competition, but overall market conditions improved. Production costs continued to face inflationary pressures, particularly in labour and packaging, and stricter environmental standards added to operational burdens.

In this environment, the Group's cement plants prioritized cost control and operational efficiency, managing to minimize costs amid competitive pricing. Prior impairment provisions reduced depreciation, contributing to a narrower loss. However, due to Group-specific challenges such as market positioning and pricing pressures, sales volumes declined. For the six months ended June 30, 2025, the cement and clinker sales volume of the Group's cement plants was approximately 194,000 tons, a decrease of approximately 8.9% from 213,000 tons in the same period last year. The Group's cement business recorded an after-tax loss of HK\$2,207,000 in the first six months, a decrease of approximately 52.7% compared with the after-tax loss of HK\$4,663,000 recorded in the same period last year.

Looking forward to the second half of 2025, Vietnam's real estate and construction industries are expected to strengthen but slowly, with continued demand growth from infrastructure projects. Operations of the Group's Vietnam cement plants may improve, though competition remains. Anticipated further interest rate declines and credit easing could accelerate recovery. The Vietnamese government's allocation of 657 trillion VND (approximately US\$26.8 billion) for public investment in 2025, focused on transportation infrastructure, may support Vietnam domestic cement demand for the second half of 2025 if projects launch promptly.

Management Discussion and Analysis

Property Investment

In the first half of 2025, Vietnam's GDP growth of 7.5% was driven by exports and manufacturing, but failed to boost office demand significantly. High interest rates and economic uncertainty made foreign investors cautious, weakening absorption for Grade A offices in Ho Chi Minh City's CBD. Office supply increased by approximately 12% in the first half, with new projects like Cat Tuong, Beacon and Betrimex Tower, which raised the vacancy rate of the office leasing market in Ho Chi Minh City. Besides, infrastructure improvements made peripheral areas more attractive with lower rents, and competition lowered overall market rental rates.

As a result of intensified competition and slowing demand, the Group's Saigon Trade Center in Ho Chi Minh City's CBD saw declines. As at June 30, 2025, the occupancy rate was 70.1%, a decrease from 80.3% as at June 30, 2024. The average rental rate was stable. Operating income decreased by more than 10%.

Looking forward to the second half of the year, office supply will continue increasing, pressuring occupancy and rents at Saigon Trade Center. Uncertainties in Vietnam and global economies may curb demand growth. However, Vietnam's GDP growth for 2025 is expected to be above 6%, rising FDI (realized FDI up 8.1% to US\$11.72 billion for the first half of 2025), and inflows from IT, pharmaceuticals, banking, and high-tech sectors could support long-term office demand. The Group plans to upgrade and renovate Saigon Trade Center in the coming years to enhance competitiveness, incorporating flexible workspaces and green features.

The overall rental income of the Group's rental properties in Hong Kong and China was generally stable during the period.

Hotel Business

According to figures from the Hong Kong Tourism Board, the number of tourists visiting Hong Kong increased by 12% in the first half of 2025, reaching approximately 24 million, with Mainland China accounting for 75% (17.8 million, up 10%) and non-Mainland markets up 17% to 5.84 million. In the first half of 2025, fuelled by high-profile Kai Tak Sports Park events including the Hong Kong Sevens Rugby tournament and concerts by Coldplay, Nicholas Tse, and Jay Chou, driving significant growth in tourist visitation, the overall performance of the Hong Kong hotel industry was positive, with average occupancy rates around 85% and the industry yield (RevPAR) grew by an average of 3.15%.

Riding on the positive operating environment, the Group's "Pentahotel Hong Kong, Tuen Mun" showed an outstanding performance in the first half of 2025, with the average occupancy rate achieving 89.7%, slightly higher than 88.2% recorded in the same period last year. The average daily room rate increased by 8.3% compared with the same period last year. Besides, through strategic revenue optimization and operational efficiency, the Group's hotel has outperformed the industry by achieving most financial targets and a yield growth of 10.2%, exceeding the sector average of 3.15%.

For the six months ended June 30, 2025, the hotel business in Hong Kong contributed operating income of HK\$30,722,000 to the Group, an increase of 6.2% compared with the same period last year. Profit before depreciation was HK\$9,818,000, an increase of 57.3% from HK\$6,243,000 in the same period last year. After deducting depreciation, the hotel business in Hong Kong recorded a loss of HK\$452,000, significantly reduced of 89.6% from the loss of HK\$4,346,000 in the same period last year.

Looking forward to the second half of this year, with the Hong Kong government continuing to strive for promoting the Hong Kong Tourism Industry by launching events like international friendly soccer matches, the National Games of China (hosting eight Hong Kong events in November), PPA Tour Asia Hong Kong Open, and various grand concerts, together with the Group's hotel strategies on revenue management through dynamic pricing, diversified guest sourcing, and operational discipline, the growth momentum of the Group's "Pentahotel Hong Kong, Tuen Mun" is expected to persist in the second half of 2025.

Property Development

The basic construction of the Group's "Hue Square" project in Hue Province, Vietnam was completed by the end of 2024. However, due to extreme rain and severe weather in Hue, additional work on facade waterproofing was carried out in the first half of 2025, which thus delayed the property handover. On the other hand, the hotel was preparing for its formal operation by recruiting qualified hotel staff for various departments as well as procuring appropriate amenities during the period.

The "Hue Square" project mainly consists of a boutique hotel "LE CARRÉ HUE" with 50 rooms and some retail areas. Some of the retail areas have been leased out, whereas the hotel is set for operation in the second half of 2025.

Vietnam's tourism promotion efforts, including visa relaxations and simplifying online visa procedures, drove international arrivals to approximately 10.7 million in the first half of 2025 (up 20.7% year-on-year), exceeding pre-COVID levels by about 4.1%. This growth is expected to benefit the Group's "LE CARRÉ HUE" hotel business when it comes into operation.

Looking forward to the second half of 2025, "LE CARRÉ HUE" will continue its preparation work for grand opening, such as launching on various online platforms, signing official contracts with travel agents, conducting market testing with a new pricing framework to evaluate and assess adaptability to the environment. The Group is also actively seeking to lease the remaining retail areas of "Hue Square".

For the property located on Shanghai Street in Yau Ma Tei, Kowloon, Hong Kong, acquired by the Group for redevelopment purpose several years ago, due to uncertain government planning on the district, as well as the downturn of the real estate market in Hong Kong, the redevelopment will not be carried out within this year.

Dividend

The Board of directors resolved to distribute an interim dividend of HK2 cents per share to shareholders.

Management Discussion and Analysis

Financial Review

Liquidity and Financial Resources

The Group's cash, bank balances, time deposits and certificate of deposits as at 30 June 2025 amounted to HK\$573,921,000 (31 December 2024: HK\$549,179,000). The Group has no bank and other borrowings as at 30 June 2025 (31 December 2024: Nil).

Significant Investments Held

As at 30 June 2025, the Group has no significant investment held.

Exposure to Fluctuations in Exchange Rates and Related Hedges

The Group is exposed to the risk of exchange rate fluctuations in Vietnamese Dong ("VND") for its investments in Vietnam, especially the income, current assets and liabilities of the cement plant and the Saigon Trade Center. The exchange rate of VND to HKD recorded a depreciation of 1.38% as at 30 June 2025 when compared to the rate as at 31 December 2024. The Group recorded an exchange loss of HK\$1,358,000 during the period. Since VND is not a freely convertible currency, hedging instruments in the market are very limited and is not cost efficient to do so. The interest deviation between VND and HKD is also a barrier for setting up an effective hedge for the VND devaluation. As such, the Group has not employed any currency hedging instrument during the financial year.

Details of Capital Commitments

As at 30 June 2025, the Group's capital commitments amounted to HK\$13,544,000 (31 December 2024: HK\$14,263,000) in respect of the acquisition of property, plant and equipment, and the payment of construction contract.

Details of Contingent Liability

As at 30 June 2025, the Group had no significant contingent liability (31 December 2024: Nil).

Employees and Remuneration Policy

As at 30 June 2025, the Group had approximately 840 employees, of which about 87% of them was located in Vietnam. The total staff cost (including directors' remuneration) was approximately HK\$26,115,000 for the six-month period ended 30 June 2025. There was no significant change on the Group's remuneration policy as compared to that disclosed on the Group's annual report for the year ended 31 December 2024.

Interim Condensed Consolidated Financial Information

Interim Results

The board of directors (the “Board”) of Luks Group (Vietnam Holdings) Company Limited (the “Company”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2025, together with the comparative figures for the corresponding period in 2024. These interim condensed consolidated financial information has not been audited, but has been reviewed by the Company’s audit committee.

Consolidated Statement of Profit or Loss

For the six months ended 30 June 2025

	Notes	Six months ended 30 June	
		2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
REVENUE	4	175,958	196,396
Cost of sales		(105,212)	(122,606)
Gross profit		70,746	73,790
Other income and gains	4	14,761	10,613
Selling and distribution expenses		(1,655)	(1,930)
Administrative expenses		(31,405)	(30,359)
Other expenses		(5,499)	(4,711)
Finance costs	5	(1,068)	(1,102)
PROFIT BEFORE TAX	6	45,880	46,301
Income tax expense	7	(9,261)	(11,736)
PROFIT FOR THE PERIOD		36,619	34,565
ATTRIBUTABLE TO:			
Owners of the parent		37,416	34,509
Non-controlling interests		(797)	56
		36,619	34,565
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted	8	HK7.4 cents	HK6.9 cents

Interim Condensed Consolidated Financial Information

Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
PROFIT FOR THE PERIOD	36,619	34,565
OTHER COMPREHENSIVE LOSS:		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(12,351)	(54,221)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD	(12,351)	(54,221)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	24,268	(19,656)
Attributable to:		
Owners of the parent	24,052	(19,727)
Non-controlling interests	216	71
	24,268	(19,656)

Consolidated Statement of Financial Position

30 June 2025

	Notes	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	665,030	682,048
Investment properties		1,124,017	1,135,157
Properties for development		180,933	181,880
Prepayments, other receivables and other assets		21,096	21,027
Total non-current assets		1,991,076	2,020,112
CURRENT ASSETS			
Inventories		41,837	38,566
Trade receivables	11	40,774	25,974
Prepayments, other receivables and other assets		11,096	7,059
Financial assets at fair value through profit or loss		5,299	5,175
Cash and bank balances		573,921	549,179
Total current assets		672,927	625,953
CURRENT LIABILITIES			
Trade payables	12	14,968	8,182
Other payables and accruals		84,984	84,121
Tax payable		27,113	24,318
Total current liabilities		127,065	116,621
NET CURRENT ASSETS		545,862	509,332
TOTAL ASSETS LESS CURRENT LIABILITIES		2,536,938	2,529,444

Interim Condensed Consolidated Financial Information

Consolidated Statement of Financial Position (continued)

30 June 2025

	Note	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
TOTAL ASSETS LESS CURRENT LIABILITIES		2,536,938	2,529,444
NON-CURRENT LIABILITIES			
Other payables		43,451	46,374
Provisions		2,201	2,276
Deferred tax liabilities		183,082	186,807
Total non-current liabilities		228,734	235,457
Net assets		2,308,204	2,293,987
EQUITY			
Equity attributable to owners of the parent			
Issued capital	13	5,025	5,025
Treasury shares		(2)	–
Reserves		2,325,891	2,311,888
		2,330,914	2,316,913
Non-controlling interests		(22,710)	(22,926)
Total equity		2,308,204	2,293,987

Consolidated Statement of Changes In Equity

For the six months ended 30 June 2025

	Attributable to owners of the parent										Non-controlling interests (Unaudited) HK\$'000	Total equity (Unaudited) HK\$'000
	Issued capital (Unaudited) HK\$'000	Contributed surplus (Unaudited) HK\$'000	Statutory surplus reserve (Unaudited) HK\$'000	Capital redemption reserve (Unaudited) HK\$'000	Capital reserve (Unaudited) HK\$'000	Property revaluation reserve (Unaudited) HK\$'000	Exchange fluctuation reserve (Unaudited) HK\$'000	Retained profits (Unaudited) HK\$'000	Treasury shares (Unaudited) HK\$'000	Total (Unaudited) HK\$'000		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2025	5,025	807,911*	3,235*	731*	(6,371)*	24,173*	(616,007)*	2,098,216*	-	2,316,913	(22,926)	2,293,987
Profit/(loss) for the period	-	-	-	-	-	-	-	37,416	-	37,416	(797)	36,619
Other comprehensive income/(loss) for the period:												
Exchange differences on translation of foreign operations	-	-	-	-	-	-	(13,364)	-	-	(13,364)	1,013	(12,351)
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	(13,364)	37,416	-	24,052	216	24,268
Final 2024 dividend approved	-	(10,049)	-	-	-	-	-	-	-	(10,049)	-	(10,049)
Transfer to statutory surplus reserve	-	-	22	-	-	-	-	(22)	-	-	-	-
Shares repurchased	-	-	-	-	-	-	-	-	(2)	(2)	-	(2)
At 30 June 2025	5,025	797,862*	3,257*	731*	(6,371)*	24,173*	(629,371)*	2,135,610*	(2)	2,330,914	(22,710)	2,308,204

	Attributable to owners of the parent									Non-controlling interests (Unaudited) HK\$'000	Total equity (Unaudited) HK\$'000
	Issued capital	Contributed surplus	Statutory surplus reserve	Capital redemption reserve	Capital reserve	Property revaluation reserve	Exchange fluctuation reserve	Retained profits	Total		
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
At 1 January 2024	5,026	828,013	2,491	730	(6,371)	24,173	(553,966)	2,079,901	2,379,997	(22,888)	2,357,109
Profit for the period	-	-	-	-	-	-	-	34,509	34,509	56	34,565
Other comprehensive income/(loss) for the period:											
Exchange differences on translation of foreign operations	-	-	-	-	-	-	(54,236)	-	(54,236)	15	(54,221)
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	(54,236)	34,509	(19,727)	71	(19,656)
Final 2023 dividend approved	-	(10,052)	-	-	-	-	-	-	(10,052)	-	(10,052)
Transfer from statutory surplus reserve	-	-	(15)	-	-	-	-	15	-	-	-
At 30 June 2024	5,026	817,961	2,476	730	(6,371)	24,173	(608,202)	2,114,425	2,350,218	(22,817)	2,327,401

* These reserve accounts comprise the consolidated reserves of HK\$2,325,891,000 (unaudited) (31 December 2024: HK\$2,311,888,000 (audited)) in the consolidated statement of financial position as at 30 June 2025.

Interim Condensed Consolidated Financial Information

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	41,781	73,983
Interest paid	(1,068)	(1,102)
Taxes paid	(7,943)	(14,156)
Net cash flows from operating activities	32,770	58,725
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	7,180	6,088
Proceeds from disposal of items of property, plant and equipment	216	–
Placement of time deposits and certificate of deposits with original maturity of over three months when acquired	(93,652)	(38,076)
Purchases of items of property, plant and equipment	(4,518)	(15,096)
Dividend received from financial assets at fair value through profit or loss	169	173
Net cash flows used in investing activities	(90,605)	(46,911)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal portion of lease payments	(496)	(281)
Dividends paid	(10,049)	(10,052)
Repurchase of shares	(2)	–
Net cash flows used in financing activities	(10,547)	(10,333)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(68,382)	1,481
Cash and cash equivalents at beginning of period	260,163	272,922
Effect of foreign exchange rate changes, net	(528)	(6,942)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	191,253	267,461

Condensed Consolidated Statement of Cash Flows (continued)

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	74,639	69,160
Non-pledged time deposits with original maturity of less than three months when acquired	116,614	198,301
Non-pledged time deposits and certificate of deposits with original maturity of over three months when acquired	382,668	230,523
Cash and bank balances as stated in the consolidated statement of financial position	573,921	497,984
Less: Non-pledged time deposits and certificate of deposits with original maturity of over three months when acquired	(382,668)	(230,523)
Cash and cash equivalents as stated in the condensed consolidated statement of cash flows	191,253	267,461

Notes to Condensed Consolidated Financial Information

1. Basis of Preparation

Luks Group (Vietnam Holdings) Company Limited (the “Company”) is a limited liability company incorporated in Bermuda and whose shares are publicly traded on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The principal activities of the Company and its subsidiaries (collectively referred to as the “Group”) are described in note 3 to the unaudited interim condensed consolidated financial information.

The unaudited interim condensed consolidated financial information of the Group for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of Appendix D2 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

The unaudited interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024.

The unaudited interim condensed consolidated financial information has been prepared under the historical cost convention, except for investment properties and financial assets at fair value through profit or loss, which have been measured at fair value. The unaudited interim condensed consolidated financial information is presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

2. Changes in Accounting Policies and Disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period’s financial information.

Amendments to HKAS 21	<i>Lack of Exchangeability</i>
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The nature and the impact of the amended HKFRS Accounting Standard are described below:

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group’s presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

3. Operating Segment Information

For management purposes, the Group is organised into business units based on their products and services and has five reportable operating segments as follows:

- (a) the cement products segment represents the Group's manufacture and sale of cement products for use in the construction industry;
- (b) the property investment segment represents the Group's investments in industrial, commercial and residential premises for their rental income potential and provision of property management and related services;
- (c) the hotel operation segment represents the Group's hotel business;
- (d) the property development segment represents the Group's development and sale of properties; and
- (e) the corporate and others segment represents corporate income and expense items and the Group's sale of electronic products.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that interest income is excluded from such measurement.

Notes to Condensed Consolidated Financial Information

3. Operating Segment Information (continued)

Information regarding these reportable segments is presented below.

Six months ended 30 June	Cement products		Property investment		Hotel operation		Property development		Corporate and others		Consolidated	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue and income												
Sales to external customers	72,144	84,359	68,174	75,117	30,758	28,938	-	-	4,882	7,982	175,958	196,396
Other income and gains	247	603	301	236	-	-	3,209	3,683	2	3	3,759	4,525
Total	72,391	84,962	68,475	75,353	30,758	28,938	3,209	3,683	4,884	7,985	179,717	200,921
Segment results	(4,442)	(6,849)	52,362	60,301	(1,199)	(4,818)	2,242	2,692	(14,085)	(11,113)	34,878	40,213
Reconciliation:												
Interest income											11,002	6,088
Profit before tax											45,880	46,301
Income tax credit/(expense)	1,364	1,679	(10,625)	(13,415)	-	-	-	-	-	-	(9,261)	(11,736)
Profit for the period											36,619	34,565

4. Revenue, Other Income and Gains

An analysis of the Group's revenue is as follows:

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Revenue from contracts with customers		
Sale of cement	72,144	84,359
Sale of electronic products	4,882	7,982
Rendering of property management and related services	14,417	16,268
Hotel operation income	30,758	28,938
Subtotal	122,201	137,547
Revenue from other sources		
Gross rental income	53,757	58,849
Total	175,958	196,396

Notes to Condensed Consolidated Financial Information

4. Revenue, Other Income and Gains (continued)

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2025

Segments	Cement products (Unaudited) HK\$'000	Property investment (Unaudited) HK\$'000	Hotel operation (Unaudited) HK\$'000	Corporate and others (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Types of goods or services					
Sale of cement	72,144	–	–	–	72,144
Sale of electronic products	–	–	–	4,882	4,882
Property management and related services	–	14,417	–	–	14,417
Hotel and related services	–	–	30,758	–	30,758
Total	72,144	14,417	30,758	4,882	122,201
Geographical markets					
Vietnam	72,144	14,417	36	–	86,597
Hong Kong	–	–	30,722	4,882	35,604
Total	72,144	14,417	30,758	4,882	122,201
Timing of revenue recognition					
Goods transferred at a point in time	72,144	–	–	4,882	77,026
Services transferred over time	–	14,417	30,758	–	45,175
Total	72,144	14,417	30,758	4,882	122,201

4. Revenue, Other Income and Gains (continued)

Disaggregated revenue information for revenue from contracts with customers (continued)

For the six months ended 30 June 2024

Segments	Cement products (Unaudited) HK\$'000	Property investment (Unaudited) HK\$'000	Hotel operation (Unaudited) HK\$'000	Corporate and others (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Types of goods or services					
Sale of cement	84,359	–	–	–	84,359
Sale of electronic products	–	–	–	7,982	7,982
Property management and related services	–	16,268	–	–	16,268
Hotel and related services	–	–	28,938	–	28,938
Total	84,359	16,268	28,938	7,982	137,547
Geographical markets					
Vietnam	84,359	16,268	–	–	100,627
Hong Kong	–	–	28,938	7,982	36,920
Total	84,359	16,268	28,938	7,982	137,547
Timing of revenue recognition					
Goods transferred at a point in time	84,359	–	1,013	7,982	93,354
Services transferred over time	–	16,268	27,925	–	44,193
Total	84,359	16,268	28,938	7,982	137,547

Other income and gains

An analysis of the Group's other income and gains is as follows:

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Interest income	11,002	6,088
Dividend income from financial assets at fair value through profit or loss	169	173
Rental income	3,208	3,680
Gain on disposal of items of property, plant and equipment	216	–
Others	166	672
Total	14,761	10,613

Notes to Condensed Consolidated Financial Information

5. Finance Costs

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Interest on lease liabilities	1,068	1,102

6. Profit Before Tax

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Cost of inventories sold	73,636	87,913
Cost of services rendered	31,576	34,693
Depreciation of owned assets	16,297	18,996
Depreciation of right-of-use assets	2,011	2,069
Foreign exchange differences, net**	1,358	3,589
Fair value loss/(gain) on financial assets at fair value through profit or loss	(124)*	27**
Loss/(gain) on disposal of items of property, plant and equipment	(216)*	395**
Impairment of trade receivables, net**	1,875	700
Impairment of property, plant and equipment**	2,266	–

** These items are included in "Other expenses" on the face of the consolidated statement of profit or loss.

These items are included in "Other income and gains" on the face of the consolidated statement of profit or loss.

7. Income Tax

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the current and prior periods. Taxes on the profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Current – Elsewhere		
Charge for the period	10,753	11,650
Under/(over) provision in prior years	(128)	1,894
Deferred	(1,364)	(1,808)
Total tax charge for the period	9,261	11,736

8. Earnings Per Share Attributable to Ordinary Equity Holders of the Parent

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 502,453,352 (six months ended 30 June 2024: 502,557,418) outstanding during the period.

No adjustment has been made to the basic earnings per share amounts presented for the six months ended 30 June 2025 and 2024 as the Group had no potentially dilutive ordinary shares outstanding during those periods.

9. Dividend

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Final declared and paid – HK2 cent (2024: HK2 cent) per ordinary share	10,049	10,052

Notes to Condensed Consolidated Financial Information

9. Dividend (continued)

On 21 August 2025, the board of directors declared an interim dividend of HK2 cents (six months ended 30 June 2024: HK2 cents) per ordinary share, amounting to a total of approximately HK\$10,049,000 (six months ended 30 June 2024: HK\$10,051,000).

10. Property, Plant and Equipment

During the six months ended 30 June 2025, the Group acquired items of property and equipment at a cost of HK\$6,784,000 (six months ended 30 June 2024: HK\$15,096,000), including owned assets of HK\$4,518,000 (six months ended 30 June 2024: HK\$15,096,000) and right-of-use assets of HK\$2,266,000 (six months ended 30 June 2024: Nil).

During the six months ended 30 June 2025, impairment losses of HK\$2,266,000 (six months ended 30 June 2024: Nil) were recognised for items of right-of-use assets.

11. Trade Receivables

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The Group allows an average credit period of 30 to 60 days for its trade debtors. The Group seeks to maintain strict control over its outstanding receivables.

Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date, and net of loss allowance, is as follows:

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
0 to 30 days	27,496	13,705
31 to 60 days	3,776	2,245
61 to 90 days	1,243	1,910
91 to 120 days	335	1,160
Over 120 days	7,924	6,954
Total	40,774	25,974

12. Trade Payables

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
0 to 30 days	14,764	7,976
31 to 60 days	2	–
Over 120 days	202	206
Total	14,968	8,182

The trade payables are non-interest-bearing and are normally settled on terms of 7 to 60 days.

13. Share Capital

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Authorised:		
760,000,000 ordinary shares of HK\$0.01 each	7,600	7,600
Issued and fully paid:		
502,453,418 ordinary shares of HK\$0.01 each	5,025	5,025

Note: The Group repurchased 2,000 (six months ended 30 June 2024: Nil) of the Company's ordinary shares on the Stock Exchange during the period. The total consideration paid on the repurchased shares of HK\$2,000 (six months ended 30 June 2024: Nil) were deducted from equity of the Company.

Notes to Condensed Consolidated Financial Information

14. Commitments

The Group had the following capital contractual commitments at the end of the reporting period:

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Property, plant and equipment	13,544	14,263

15. Related Party Transactions

Compensation of key management personnel of the Group:

	Six months ended 30 June 2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Short-term employee benefits	4,387	4,279
Post-employment benefits	36	36
Total compensation paid to key management personnel	4,423	4,315

In the opinion of the directors, the directors of the Company represent the key management personnel of the Group.

16. Contingent Liabilities

At the end of the reporting period, the Group had no significant contingent liabilities.

17. Approval of the Unaudited Interim Condensed Consolidated Financial Information

These unaudited interim condensed consolidated financial information was approved and authorised for issue by the board of directors on 21 August 2025.

Other Information

Interim Dividend

The Board has resolved to declare an interim dividend of HK2 cents (six months ended 30 June 2024: HK2 cents) per ordinary share in issue in respect of the six months ended 30 June 2025.

Closure of Register of Members

The Register of Members will be closed from Wednesday, 24 September 2025 to Friday, 26 September 2025, both dates inclusive, during which period no transfer of shares will be affected. In order to qualify for the interim dividend, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Tuesday, 23 September 2025. Cheques for interim dividends will be dispatched to the Shareholders whose names appear on the register of members of the Company on Friday, 26 September 2025 on or before Friday, 10 October 2025.

Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares

At 30 June 2025, the interests and short positions of the directors and chief executive in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

Long positions in ordinary shares of the Company:

Name of director	Notes	Number of shares held, capacity and nature of interest				Total	Percentage of the Company's issued share capital
		Directly beneficially owned	Family interest held by spouse	Through controlled corporation	Through Trustee of a Trust		
Cheng Cheung	(a)	21,288,800	–	36,912,027	–	58,200,827	11.58
Luk Yan	(b)	3,070,800	174,000	–	272,824,862	276,069,662	54.94
Luk Fung	(b)	3,229,600	–	–	272,824,862	276,054,462	54.94
Luk Sze Wan, Monsie	(b)	1,400,000	–	–	272,824,862	274,224,862	54.58
Fan Chiu Tat, Martin		1,500,000	–	–	–	1,500,000	0.30

Notes:

- (a) Madam Cheng Cheung had a beneficial interest in CC (Holdings) Limited, which held 36,912,027 shares of the Company at the end of the reporting period.
- (b) The interests disclosed by Mr. Luk Yan, Mr. Luk Fung and Ms. Luk Sze Wan, Monsie under the heading "Through Trustee of a Trust" in the above table refer to the same shares held by Luks Family (PTC) Limited, as trustee of The Luks Family Trust. Each of Mr. Luk Yan, Mr. Luk Ngai, Mr. Luk Fung and Ms. Luk Sze Wan, Monsie was the beneficiary of The Luks Family Trust. The shareholdings of Mr. Luk Ngai and Luks Family (PTC) Limited were disclosed in the below section referring to Substantial Shareholders' interests in shares.

Other Information

In addition to the above, certain directors have non-beneficial personal equity interests in certain subsidiaries held for the benefit of the Company.

Save as disclosed above, as at 30 June 2025, none of the directors or chief executive had registered an interest or short position in the shares or underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Directors' Rights to Acquire Shares

At no time during the period were rights to acquire benefits by means of the acquisition of shares of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares

At 30 June 2025, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions:

Name	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital
CC (Holdings) Limited	Directly beneficially owned	36,912,027	7.35
Kopernik Global Investors LLC	Directly beneficially owned	25,274,866	5.03
Luks Family (PTC) Limited	Directly beneficially owned	272,824,862	54.30
Luk Ngai (Note)	Directly beneficially owned and through Trustee of a Trust	276,214,862	54.97

Note: Mr. Luk Ngai's interests included a personal interest of 3,390,000 shares of the Company and as one of the beneficiaries together with Mr. Luk Yan, Mr. Luk Fung and Ms. Luk Sze Wan, Monsie of the 272,824,862 shares of the Company held by Luks Family (PTC) Limited (being trustee of The Luks Family Trust).

Save as disclosed above, as at 30 June 2025, no person, other than the directors of the Company, whose interests are set out in the section headed "Directors' and chief executive's interests and short positions in shares and underlying shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

Share Option Scheme

At the AGM of the Company held on 29 May 2018, the shareholders approved the adoption of a share option scheme (the “Scheme”). Unless otherwise terminated or amended, the Scheme will remain in force for ten years from the date of adoption. Details of the Scheme were disclosed in the Company’s circular dated 16 April 2018.

No share options have been granted under the Scheme since its adoption and up to 30 June 2025. Accordingly, there were no share options outstanding as at 1 January 2025 and 30 June 2025, and no share options were exercised, cancelled, or lapsed under the Scheme during the period.

As of 1 January 2025 and 30 June 2025, the number of options available for grant under the Scheme was 50,529,741 on both dates, without any service provider sublimit.

Since no share options were granted under the Scheme, the number of shares that may be issued during the period divided by the weighted average number of shares in issue (excluding treasury shares), is zero.

Purchase, Sale or Redemption of Listed Securities of the Company

During the six months ended 30 June 2025, the Group purchased certain of the Company’s shares on the Hong Kong Stock Exchange. The summary details of those transactions are as follows:

Trading Day (day/month/year)	No. of Shares Repurchased	Price per Share		Total Consideration Paid (HK\$)
		Highest Price paid (HK\$)	Lowest Price paid (HK\$)	
25/6/2025	2,000	0.78	0.78	1,560.00

The purchased shares will be cancelled soon and the issued share capital of the Company will be reduced by the par value thereof. As at 30 June 2025, the total number of shares of the Company in issue was 502,453,418 shares.

The purchase of the Company’s shares during the six months ended 30 June 2025 was effected by the directors, pursuant to the mandate from shareholders received at the last annual general meeting, with a view to benefiting shareholders as a whole by enhancing the net asset value per share and earnings per share of the Group.

Except as disclosed above, neither the Company nor any of its subsidiaries has purchased or sold or redeemed any of the Company’s listed securities during the six months ended 30 June 2025.

Other Information

Code on Corporate Governance Practices

The Company is committed to attaining high standard of corporate governance practices with an emphasis on a quality Board, better transparency and effective accountability system. The Company has adopted the code provisions in the Corporate Governance Code (the “CG Code”) contained in Part 2 of Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

During the six months ended 30 June 2025, the Company has complied with the code provisions set out in the CG Code with the exception of code provision B.2.2.

According to code provision B.2.2, every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. Mdm. CHENG Cheung, the Chairman of the Board is not subject to retirement by rotation. Since the Chairman is responsible for the formulation and implementation of the Company’s strategies, which is essential to the stability of the Company’s business and thus the Board considers that deviation from the code provision B.2.2 is acceptable.

Model Code for Director’s Securities Transactions

The Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” set out in Appendix 10 of the Listing Rules (the “Model Code”) as its own code. All Directors have confirmed, following specific enquiry that they have complied with the Model Code throughout the period ended 30 June 2025. Formal notifications were sent by the Company to all Directors reminding them not to deal with the securities of the Company during the “black out period” as specified in the Model Code.

Audit Committee

The Audit Committee comprises three independent non-executive directors of the Company, namely Mr. Lam Chi Kuen (Chairman), Ms. Pang Siu Yin and Mr. Wong Hoi Wah. The Audit Committee has reviewed the accounting principles and policies adopted by the Group and discussed with management the internal control and financial reporting matters. The Audit Committee has reviewed and confirmed the unaudited interim condensed consolidated financial information of the Group for the six months ended 30 June 2025.

By Order of the Board

Luks Group (Vietnam Holdings) Co., Ltd.

Cheng Cheung

Chairman

Hong Kong

21 August 2025