



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

Stock Code : 0366

# 陸氏

Interim Report  
2022

# Contents

Pages

## **MANAGEMENT DISCUSSION AND ANALYSIS**

Business Review and Outlook 2

Financial Review 6

## **INTERIM FINANCIAL STATEMENTS**

Consolidated Statement of Profit or Loss 7

Consolidated Statement of Comprehensive Income 8

Consolidated Statement of Financial Position 9

Consolidated Statement of Changes in Equity 11

Condensed Consolidated Statement of Cash Flows 12

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS** 14

**OTHER INFORMATION** 26

# Management Discussion and Analysis

## Business Review and Outlook

In the first half of 2022, the global economy was still sluggish due to the impact of the COVID-19 pandemic. In addition, during the period, coupled with the beginning of the US interest rate hike cycle and the impact of Russia-Ukraine war, the global economic and social conditions became more unstable. The prices of fuel, raw materials, transportation costs and food have soared, seriously affecting the social and economic conditions of various countries. The Group's main business is situated in Vietnam and Hong Kong. Under this turbulent and unstable economic environment, the Group's various businesses were inevitably affected. In particular, the operation of the cement business in Vietnam became difficult as fuel and transportation costs kept surging.

The outbreak of COVID-19 in Vietnam in the second half of 2021, and its rapid spread, had caused the Vietnamese government's past success efforts in controlling the epidemic in last two years in vain. The government had again imposed strict social distancing and crowd-limiting measures, which severely impacted an already weakened economy. In view of the setback to the economy, the Vietnamese government changed its epidemic prevention policy in early 2022, from the strategy of "clearing the virus" to "coexisting with the virus". Also, starting from March 2022, the Vietnamese government gradually eased the entry restrictions on business travellers and tourists. In addition, thanks to the strong manufacturing industry, Vietnam's economy has begun to recover gradually.

In the first half of 2022, Vietnam's economic growth was mainly driven by manufacturing sector and local consumption, whereas recoveries in other economic sectors was still slow. Affected by the epidemic and rising building materials costs, the construction industry remained sluggish. In addition, the sharply soaring coal price worsened the cement manufacturing industry. The Group's cement plants also turned from the profit recorded in the same period last year to the loss in the first half of this year. As for the leasing business of the Group's Saigon Trade Center in Ho Chi Minh City, the prolonged epidemic situation and the decreased foreign investments, led to a decline in office spaces demand in Ho Chi Minh City, which thus resulted in a drop of rental income of the Group's Saigon Trade Center. As for the hotel business in Hong Kong, it performed well during the period, both in terms of occupancy rate and hotel revenue, which showed a satisfactory improvement as comparing with the same period last year.

Looking forward to the second half of 2022, as coal price is still staying at its record high, the operation of the Group's cement plants will still be difficult. However, the pace of Vietnam's economic recovery has obviously accelerated since the second quarter, with the GDP growth reaching 7.72%, which is believed to be conducive to the recovery of the construction industry. In addition, Vietnam's policy of opening up to the outside world is also conducive to the increase of foreign investments, which has a certain stimulating effect on the demand for office spaces in Ho Chi Minh City, and thus shall have a positive effect on the leasing performance of the Group's Saigon Trade Center. In addition, as Hong Kong is gradually easing on epidemic prevention measures and entry restrictions, it is expected that the Group's hotel business in Hong Kong will maintain a steady pace of recovery in the second half of 2022.

For the six months ended 30 June 2022, the Group's turnover was HK\$266,307,000, representing a decrease of approximately 4.1% as compared to the HK\$277,665,000 recorded for the same period last year. The Group's turnover mainly comes from cement business, property investment and hotel business. Of which, the turnover of the cement business was HK\$164,476,000, representing a decrease of approximately 6.3% as compared with the same period last year. The turnover of the property investment business was HK\$72,083,000, representing a decrease of approximately 6.3% as compared with the same period last year. The hotel business recorded a turnover of HK\$22,719,000, an increase of approximately 20.7% as compared with the same period last year.

In the first half of 2022, the Group recorded an unaudited profit attributable to owners of the parent company of HK\$25,848,000, a decrease of approximately 39.2% compared with the unaudited profit attributable to owners of the parent company of HK\$42,488,000 recorded in the same period last year. Basic earnings per share for the first six months of 2022 were approximately HK5.1 cents (first six months of 2021: HK8.5 cents).

## Cement Business

In the first half of 2022, whether it was to the Group's Vietnam cement plants, or to the entire Vietnam cement industry, the challenges were unprecedented. Faced with the sharp rise in production costs and the oversupply of the local cement market, the marginal profit of the cement industry was seriously eroded. The Group's cement plants also suffered losses in the first half of the year.

In terms of production costs, fuel prices, which were already high since second half of 2021, were further pushed up by the Russia-Ukraine war. Compared with the same period last year, coal price has risen sharply to more than double. As coal accounts for more than 35% of cement production cost, the impact on cement production cost was most significant. In addition, there was a shortage of coal in the market, and the Vietnamese government also stipulated that coal must be used for thermal power generation first, and thus resulted in a very tight supply of coal in the market during the period. In addition, shipping difficulties and a sharp rise in freight costs also affected the price and supply of imported coal. On the other hand, gasoline price also surged by more than 50%, resulting in increased logistics costs. Other raw materials, especially gypsum, increased by more than 50% during the period, which also affected the production cost of cement.

As for sales, affected by the re-emergence of Covid-19 epidemic in the second half of 2021, Vietnam's economy had come into stagnation and people's income decreased, which thus affected the desire to build new houses and repair houses, and some under construction were required to withhold the construction. In addition, the pace of government funding for public works infrastructure also slowed down. In the first half of 2022, the disbursement of the government funding in public works accounted for only 28% of the State's budget plan, thus resulting in a decline in local cement demand during the period. On the other hand, due to the drop in demand for exporting cement and clinker to China and the protectionist policies of countries such as the Philippines and Bangladesh, exports fell significantly during the period, which increased the local cement supply and intensified market competition.

For the six months ended 30 June 2022, the cement and clinker sales volume of the Group's cement plant was approximately 420,000 tonnes, representing a decrease of approximately 19.8% as compared with 524,000 tonnes for the same period last year. The cement business of the Group recorded a loss after tax of HK\$6,481,000 for the first six months, compared to a profit after tax of HK\$8,776,000 for the same period last year.

Looking forward to the second half of 2022, as the global situation remains turbulent, coal price remains high and the supply is insufficient, it is estimated that the Group's cement plants will continue to struggle in the second half of the year. However, with the accelerated pace of economic recovery in Vietnam and the gradual commencement of infrastructure projects, it is estimated that local demand for cement will pick up in the second half of the year, which will benefit the cement sales of the Group's cement plants.

# Management Discussion and Analysis

## Property Investment

In the first half of 2022, due to the prolonged impact of the COVID-19 epidemic, foreign investors and employees were restricted to enter Vietnam for more than two years, and the demand for office buildings in Ho Chi Minh City, Vietnam began to come under pressure. Although the Vietnamese government officially announced in March 2022 that it would relax the entry of foreigners, the impact of the relevant policies on foreign investments in Vietnam was not apparent in the first half of the year. On the other hand, the ongoing COVID-19 pandemic has brought some changes in work culture, including some companies implementing work-from-home or switching to some shared workspaces, resulting in a drop in demand for office spaces. In addition, some companies with smaller scale and weaker economic capacity, affected by the epidemic, have also relocated their offices to peripheral areas outside the CBD so as to reduce rental expenses. In general, the prolonged COVID-19 epidemic has put downward pressure on Vietnam's offices demand.

During the period, several Grade B office buildings were launched in the market, and the market supply increased. Under the weak market demand, the occupancy rate of the overall office building market was put under pressure.

As at 30 June 2022, the occupancy rate of the Group's Saigon Trade Centre in the CBD of Ho Chi Minh City was approximately 73%, compared with 74% as at 31 December 2021, a decrease of a percentage point. Average rental rate recorded a slight decline. Compared with the same period last year, the overall operating income of Saigon Trade Centre recorded a decline of about 10%.

Looking forward to the second half of the year, as Vietnam has implemented the policy of "living with the virus" and opening to the outside world, economic and business activities have gradually increased, and foreign investments have also increased apparently. Therefore, it is estimated that the demand for office spaces will gradually pick up in the second half of the year. On the other hand, there are also several office buildings completed in the second half of the year, which thus also bring in new supply to the market. It is estimated that the leasing situation of the Group's Saigon Trade Centre will be stable in the second half of the year.

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

## Hotel Business

At the beginning of 2022, a new round of COVID-19 outbreak broke out in Hong Kong, which had an impact on the hotel business of the Group's "Pentahotel Hong Kong Tuen Mun", which was seen gradually stabilized since the second half of 2021. The impact was reflected by a drop of the hotel occupancy rate and average room rental rate in the first quarter of 2022. However, as a result of certain numbers of local hotel having converted into quarantine hotels for returning passengers, the supply of hotel rooms in the region decreased, which thus benefited the Group's hotel. In addition, driven by an increase in business travellers and long-term stays of local residents, the hotel occupancy rate rebounded and recorded an average occupancy rate of over 80% in the second quarter of 2022.

The average occupancy rate of the Group's hotel in the first six months of 2022 was 77.3%, an increase of more than 10% compared with 69.3% in the same period last year. Average room rate also rose by more than 10% compared to the same period last year.

For the six months ended 30 June 2022, the hotel business contributed HK\$22,719,000 in operating income to the Group, representing an increase of 20.7% as compared to the same period last year. Profit before depreciation was HK\$4,964,000, an increase of 547.2% as compared to the HK\$767,000 recorded in the same period last year. After depreciation, the hotel business recorded a loss of HK\$7,109,000, a decrease of 45.6% as compared to the loss of HK\$13,065,000 recorded in the same period last year.

Looking forward to the second half of the year, the Hong Kong SAR government has begun to gradually ease the epidemic prevention and control of the Covid-19 epidemic, as well as the relaxation of passenger entry restrictions, such as, the cancellation of the flight circuit breaker mechanism in July, and the reduction of the number of mandatory hotel quarantine days for arriving passengers in August to 3 days. Benefiting from the relaxation of relevant policies, it is estimated that the number of tourists arriving in Hong Kong will continue to rebound, which will be beneficial to the operation of the Group's hotel in the second half of the year. In addition, the Group's hotel is strategically located between the Hong Kong International Airport and the Shenzhen Bay border, which is expected to benefit from the increase in the number of overseas Chinese tourists returning to the Mainland via Hong Kong.

## Property Development

The Group's "Hue Plaza" project in Hue Province, Vietnam, affected by the outbreak of the Covid-19 epidemic in Vietnam in the second half of 2021, had its construction progress delayed for more than half a year. Yet, during the first half of 2022, the progress of the project was largely kept smooth. The entire frame structure of the project was completed in the first half of this year, whilst the interior decoration is currently in progress. It is estimated that the electrical and mechanical and elevator installation works will be completed by the third quarter of this year. Whereas, the construction of the entire project is expected to be completed by mid-2023. "Hue Plaza" mainly comprises of a business hotel with about 50 guest rooms and some retail areas. It is expected that the property will bring additional cash flow and income to the Group after its completion in next year.

On the other hand, for the property on Shanghai Street, Yaumatei, Kowloon, Hong Kong purchased by the Group in June last year, the management has planned to redevelop it into a brand new commercial and residential property. Since the URA under the Hong Kong government announced the "The District Study for Yau Ma Tei and Mong Kok" at the end of last year, and put forward the latest development blueprint plan for the area, which will have a significant impact on the future development of the area. The Group will thus temporarily slow down the redevelopment of the property, in order to further study the government's overall planning and development blueprint for the area, so as to fit in with the government's blueprint and to construct the most beneficial and suitable redevelopment plan of the property for the Group.

## Dividend

The Board of Directors has resolved to distribute an interim dividend of HK2 cents per share to all shareholders.

# Management Discussion and Analysis

## Financial Review

### Liquidity and Financial Resources

The Group's cash, bank balances and time deposits as at 30 June 2022 amounted to HK\$450,848,000 (31 December 2021: HK\$439,596,000). The Group's total bank and other borrowings amounted to HK\$84,844,000 (31 December 2021: HK\$123,545,000), of which all (31 December 2021: all) was repayable within 1 year or on demand clause.

All of the Group's borrowings were denominated in HK\$. Of the total borrowings, there was no amount at fixed interest rates.

### Significant investments held

As at 30 June 2022, the Group has an unlisted investment of HK\$5,194,000 in Hong Kong.

### Details of charges

As at 30 June 2022, a hotel property situated in Hong Kong including the related land and building with a net carrying amount of HK\$491,949,000, certain investment properties with a fair value of HK\$141,000,000 and certain rental income generated therefrom were pledged to secure the above bank loans and general banking facilities granted to the Group.

As at 30 June 2022, a property situated in Shanghai Street with carrying amount of HK\$193,205,000 was pledged to bank for mortgage loan.

### 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 and foreign currency loans of the cement plant, as well as the income of Saigon Trade Center. The exchange rate of VND to HKD recorded a slight depreciation of 1.06% as at 30 June 2022 when compared to the rate as at 31 December 2021. The Group recorded an exchange loss of HK\$949,000 during the year. 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 2022, the Group's capital commitments amounted to HK\$33,717,000 (31 December 2021: HK\$38,784,000).

### Details of contingent liabilities

As at 30 June 2022, the Group had no significant contingent liabilities (31 December 2021: Nil).

### Employees and Remuneration Policy

As at 30 June 2022, the Group had approximately 990 employees. The percentage of staff working in Hong Kong and Vietnam is roughly 10% and 90% respectively. The total staff cost (including directors' remuneration) was approximately HK\$26,829,000 for the period. 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 2021.

# Interim Financial Statements

## 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 2022, together with the comparative figures for the corresponding period in 2021. These interim condensed consolidated financial statements have not been audited, but have been reviewed by the Company’s audit committee.

## Consolidated Statement of Profit or Loss

For the six months ended 30 June 2022

|   | Notes | Six months ended 30 June        |                                 |
|---|-------|---------------------------------|---------------------------------|
|   |       | 2022<br>(Unaudited)<br>HK\$'000 | 2021<br>(Unaudited)<br>HK\$'000 |
| <b>REVENUE</b>  | 4     | <b>266,307</b>                  | 277,665                         |
| Cost of sales   |       | <b>(199,702)</b>                | (193,575)                       |
| Gross profit  |       | <b>66,605</b>                   | 84,090                          |
| Other income and gains, net   | 4     | <b>9,013</b>                    | 7,892                           |
| Selling and distribution expenses   |       | <b>(3,745)</b>                  | (3,989)                         |
| Administrative expenses   |       | <b>(30,978)</b>                 | (29,565)                        |
| Other expenses  |       | <b>(2,923)</b>                  | –                               |
| Finance costs   | 5     | <b>(1,643)</b>                  | (866)                           |
| <b>PROFIT BEFORE TAX</b>  | 6     | <b>36,329</b>                   | 57,562                          |
| Income tax expense  | 7     | <b>(12,812)</b>                 | (15,453)                        |
| <b>PROFIT FOR THE PERIOD</b>  |       | <b>23,517</b>                   | 42,109                          |
| <b>ATTRIBUTABLE TO:</b>   |       |                                 |                                 |
| Owners of the parent  |       | <b>25,848</b>                   | 42,488                          |
| Non-controlling interests   |       | <b>(2,331)</b>                  | (379)                           |
|   |       | <b>23,517</b>                   | 42,109                          |
| <b>EARNINGS PER SHARE ATTRIBUTABLE TO<br/>ORDINARY EQUITY HOLDERS OF THE PARENT</b> |       |                                 |                                 |
| Basic and diluted   | 8     | <b>HK5.1 cents</b>              | HK8.5 cents                     |

# Interim Financial Statements

## Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2022

|   | Six months ended 30 June        |                                 |
|---|---------------------------------|---------------------------------|
|   | 2022<br>(Unaudited)<br>HK\$'000 | 2021<br>(Unaudited)<br>HK\$'000 |
| <b>PROFIT FOR THE PERIOD</b>  | <b>23,517</b>                   | 42,109                          |
| <b>OTHER COMPREHENSIVE INCOME/(LOSS):</b>   |                                 |                                 |
| Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods: |                                 |                                 |
| Exchange differences on translation of foreign operations   | <b>(16,343)</b>                 | 7,351                           |
| <b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b>   | <b>(16,343)</b>                 | 7,351                           |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>  | <b>7,174</b>                    | 49,460                          |
| Attributable to:  |                                 |                                 |
| Owners of the parent  | <b>7,050</b>                    | 49,450                          |
| Non-controlling interests   | <b>124</b>                      | 10                              |
|   | <b>7,174</b>                    | 49,460                          |

## Consolidated Statement of Financial Position

30 June 2022

|   | Notes | 30 June<br>2022<br>(Unaudited)<br>HK\$'000 | 31 December<br>2021<br>(Audited)<br>HK\$'000 |
|---|-------|--|--|
| <b>NON-CURRENT ASSETS</b>                             |       |  |  |
| Property, plant and equipment                         | 10    | 970,197                                    | 999,094                                      |
| Investment properties                                 |       | 1,198,855                                  | 1,209,170                                    |
| Properties for development                            |       | 219,068                                    | 219,952                                      |
| Prepayments, other receivables and other assets       |       | 21,072                                     | 23,081                                       |
| Total non-current assets                              |       | 2,409,192                                  | 2,451,297                                    |
| <b>CURRENT ASSETS</b>                                 |       |  |  |
| Inventories   |       | 74,507                                     | 69,119                                       |
| Trade receivables                                     | 11    | 50,703                                     | 35,892                                       |
| Prepayments, other receivables and other assets       |       | 8,997                                      | 28,647                                       |
| Financial assets at fair value through profit or loss |       | 5,251                                      | 14,477                                       |
| Cash and cash equivalents                             |       | 450,848                                    | 439,596                                      |
| Total current assets                                  |       | 590,306                                    | 587,731                                      |
| <b>CURRENT LIABILITIES</b>                            |       |  |  |
| Trade payables  | 12    | 32,120                                     | 18,461                                       |
| Other payables and accruals                           |       | 85,589                                     | 78,852                                       |
| Interest-bearing bank and other borrowings            |       | 84,844                                     | 123,545                                      |
| Tax payable   |       | 28,652                                     | 35,225                                       |
| Total current liabilities                             |       | 231,205                                    | 256,083                                      |
| <b>NET CURRENT ASSETS</b>                             |       | <b>359,101</b>                             | 331,648                                      |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>          |       | <b>2,768,293</b>                           | 2,782,945                                    |

# Interim Financial Statements

## Consolidated Statement of Financial Position (continued)

30 June 2022

|  | Notes | <b>30 June<br/>2022<br/>(Unaudited)<br/>HK\$'000</b> | 31 December<br>2021<br>(Audited)<br>HK\$'000 |
|--|-------|--|--|
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       | <b>2,768,293</b>                                     | 2,782,945                                    |
| <b>NON-CURRENT LIABILITIES</b>               |       |  |  |
| Other payables                               |       | <b>39,427</b>  | 41,775                                       |
| Provisions                                   |       | <b>3,458</b>   | 3,262  |
| Deferred tax liabilities                     |       | <b>200,676</b>                                       | 205,273                                      |
| Total non-current liabilities                |       | <b>243,561</b>                                       | 250,310                                      |
| Net assets                                   |       | <b>2,524,732</b>                                     | 2,532,635                                    |
| <b>EQUITY</b>                                |       |  |  |
| Equity attributable to owners of the parent  |       |  |  |
| Issued capital                               | 13    | <b>5,026</b>   | 5,026  |
| Reserves                                     |       | <b>2,542,038</b>                                     | 2,550,065                                    |
|  |       | <b>2,547,064</b>                                     | 2,555,091                                    |
| Non-controlling interests                    |       | <b>(22,332)</b>                                      | (22,456)                                     |
| Total equity                                 |       | <b>2,524,732</b>                                     | 2,532,635                                    |

## Consolidated Statement of Changes in Equity

For the six months ended 30 June 2022

|  | Attributable to owners of the parent |                         |                            |                         |                              |                              |                         |                         |                           |                         |
|--|--------------------------------------|-------------------------|----------------------------|-------------------------|------------------------------|------------------------------|-------------------------|-------------------------|---------------------------|-------------------------|
|  | Issued capital                       | Contributed surplus     | Capital redemption reserve | Capital reserve         | Property revaluation reserve | Exchange fluctuation reserve | Retained profits        | Total                   | Non-controlling interests | Total equity            |
|  | (Unaudited)<br>HK\$'000              | (Unaudited)<br>HK\$'000 | (Unaudited)<br>HK\$'000    | (Unaudited)<br>HK\$'000 | (Unaudited)<br>HK\$'000      | (Unaudited)<br>HK\$'000      | (Unaudited)<br>HK\$'000 | (Unaudited)<br>HK\$'000 | (Unaudited)<br>HK\$'000   | (Unaudited)<br>HK\$'000 |
| At 1 January 2022                                | 5,026                                | 873,246                 | 730                        | (6,371)                 | 24,173                       | (468,852)                    | 2,127,139               | 2,555,091               | (22,456)                  | 2,532,635               |
| Profit/(loss) for the period                     | -                                    | -                       | -                          | -                       | -                            | -                            | 25,848                  | 25,848                  | (2,331)                   | 23,517                  |
| Other comprehensive income/(loss) for the period | -                                    | -                       | -                          | -                       | -                            | (18,798)                     | -                       | (18,798)                | 2,455                     | (16,343)                |
| Total comprehensive income/(loss) for the period | -                                    | -                       | -                          | -                       | -                            | (18,798)                     | 25,848                  | 7,050                   | 124                       | 7,174                   |
| Final 2021 dividend approved                     | -                                    | (15,077)                | -                          | -                       | -                            | -                            | -                       | (15,077)                | -                         | (15,077)                |
| At 30 June 2022                                  | 5,026                                | 858,169*                | 730*                       | (6,371)*                | 24,173*                      | (487,650)*                   | 2,152,987*              | 2,547,064               | (22,332)                  | 2,524,732               |

|   | Attributable to owners of the parent |                         |                            |                              |                              |                         |                         |                           |                         |  |
|---|--------------------------------------|-------------------------|----------------------------|------------------------------|------------------------------|-------------------------|-------------------------|---------------------------|-------------------------|--|
|   | Issued capital                       | Contributed surplus     | Capital redemption reserve | Property revaluation reserve | Exchange fluctuation reserve | Retained profits        | Total                   | Non-controlling interests | Total equity            |  |
|   | (Unaudited)<br>HK\$'000              | (Unaudited)<br>HK\$'000 | (Unaudited)<br>HK\$'000    | (Unaudited)<br>HK\$'000      | (Unaudited)<br>HK\$'000      | (Unaudited)<br>HK\$'000 | (Unaudited)<br>HK\$'000 | (Unaudited)<br>HK\$'000   | (Unaudited)<br>HK\$'000 |  |
| At 1 January 2021                         | 5,026                                | 903,400                 | 730                        | 24,173                       | (491,051)                    | 2,042,470               | 2,484,748               | (28,605)                  | 2,456,143               |  |
| Profit/(loss) for the period              | -                                    | -                       | -                          | -                            | -                            | 42,488                  | 42,488                  | (379)                     | 42,109                  |  |
| Other comprehensive income for the period | -                                    | -                       | -                          | -                            | 6,962                        | -                       | 6,962                   | 389                       | 7,351                   |  |
| Total comprehensive income for the period | -                                    | -                       | -                          | -                            | 6,962                        | 42,488                  | 49,450                  | 10                        | 49,460                  |  |
| Final 2020 dividend approved              | -                                    | (15,077)                | -                          | -                            | -                            | -                       | (15,077)                | -                         | (15,077)                |  |
| At 30 June 2021                           | 5,026                                | 888,323                 | 730                        | 24,173                       | (484,089)                    | 2,084,958               | 2,519,121               | (28,595)                  | 2,490,526               |  |

\* These reserve accounts comprise the consolidated reserves of HK\$2,542,038,000 (31 December 2021: HK\$2,550,065,000) in the consolidated statement of financial position as at 30 June 2022.

# Interim Financial Statements

## Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2022

|  | Note | Six months ended 30 June        |                                 |
|--|------|---------------------------------|---------------------------------|
|  |      | 2022<br>(Unaudited)<br>HK\$'000 | 2021<br>(Unaudited)<br>HK\$'000 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |      |                                 |                                 |
| Cash generated from operations   |      | 90,683                          | 47,305                          |
| Interest paid  |      | (1,643)                         | (866)                           |
| Taxes paid   |      | (21,164)                        | (19,827)                        |
| Net cash flows from operating activities   |      | 67,876                          | 26,612                          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |      |                                 |                                 |
| Interest received  |      | 5,158                           | 6,339                           |
| Increase in time deposits with original maturity<br>of over three months when acquired |      | (44,426)                        | (40,961)                        |
| Addition in investment properties  |      | –                               | (1,076)                         |
| Purchases of items of property, plant and equipment                                    | 10   | (11,868)                        | (2,266)                         |
| Proceed from disposal of items of property, plant and equipment                        |      | 113                             | 67                              |
| Purchase of financial assets at fair value through profit or loss                      |      | (150)                           | (14,776)                        |
| Proceed from disposal of financial assets at fair value through<br>profit or loss      |      | 7,277                           | –                               |
| Dividend received from financial assets at fair value through<br>profit or loss        |      | 313                             | 109                             |
| Net cash flows used in investing activities  |      | (43,583)                        | (52,564)                        |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |      |                                 |                                 |
| New bank loans   |      | 20,000                          | 30,000                          |
| Repayment of bank loans  |      | (58,701)                        | (3,750)                         |
| Principal portion of lease payments  |      | (301)                           | (155)                           |
| Dividends paid   |      | (15,077)                        | (15,077)                        |
| Net cash flows from/(used in) financing activities                                     |      | (54,079)                        | 11,018                          |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>                                       |      |                                 |                                 |
| Cash and cash equivalents at beginning of period                                       |      | 277,627                         | 279,706                         |
| Effect of foreign exchange rate changes, net   |      | (3,388)                         | (553)                           |
| <b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>                                      |      | <b>244,453</b>                  | <b>264,219</b>                  |

## Condensed Consolidated Statement of Cash Flows (continued)

For the six months ended 30 June 2022

|  | Note | Six months ended 30 June        |                                 |
|--|------|---------------------------------|---------------------------------|
|  |      | 2022<br>(Unaudited)<br>HK\$'000 | 2021<br>(Unaudited)<br>HK\$'000 |
| <b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>                                     |      |                                 |                                 |
| Cash and bank balances   |      | <b>139,936</b>                  | 225,265                         |
| Non-pledged time deposits with original maturity<br>of less than three months when acquired  |      | <b>104,517</b>                  | 38,954                          |
| Non-pledged time deposits with original maturity<br>of over three months when acquired       |      | <b>206,395</b>                  | 216,007                         |
| Cash and cash equivalents as stated in the statement<br>of financial position                |      | <b>450,848</b>                  | 480,226                         |
| Less: Non-pledged time deposits with original maturity<br>of over three months when acquired |      | <b>(206,395)</b>                | (216,007)                       |
| Cash and cash equivalents as stated in the statement of cash flows                           |      | <b>244,453</b>                  | 264,219                         |

# Notes to Condensed Consolidated Financial Statements

## 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 statements.

The unaudited interim condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “*Interim Financial Reporting*” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2021.

The unaudited interim condensed consolidated financial statements have 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 statements are 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 statements are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of the following revised Hong Kong Financial Reporting Standards (“HKFRSs”) for the first time for the current period’s financial information.

Amendments to HKFRS 3

Amendments to HKAS 16

Amendments to HKAS 37

*Annual Improvements to  
HKFRSs 2018-2020*

*Reference to the Conceptual Framework*

*Property, Plant and Equipment: Proceeds before Intended Use*

*Onerous Contracts – Cost of Fulfilling a Contract*

Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying  
HKFRS 16, and HKAS 41

## 2. Changes in Accounting Policies and Disclosures (continued)

The nature and the impact of the changes are described below:

- (a) Amendments to HKFRS 3 replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 or HK(IFRIC)-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As there were no business combination occurred during the period, the amendments did not have any impact on the financial position and performance of the Group.
- (b) Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2021. Since there was no sale of items produced while making property, plant and equipment available for use on or after 1 January 2021, the amendments did not have any impact on the financial position or performance of the Group.
- (c) Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.

# Notes to Condensed Consolidated Financial Statements

## 2. Changes in Accounting Policies and Disclosures (continued)

- (d) *Annual Improvements to HKFRSs 2018-2020* sets out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41. Details of the amendments that are applicable to the Group are as follows:
- HKFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively to financial liabilities that are modified or exchanged on or after 1 January 2022. As there was no modification of the Group's financial liabilities during the period, the amendment did not have any impact on the financial position or performance of the Group.
  - HKFRS 16 *Leases*: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying HKFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying HKFRS 16.

## 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.

### 3. Operating Segment Information (continued)

Information regarding these reportable segments is presented below.

|                             | Cement products         |                         | Property investment     |                         | Hotel operation         |                         | Property development    |                         | Corporate and others    |                         | Consolidated            |                         |
|-----------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                             | 2022                    | 2021                    | 2022                    | 2021                    | 2022                    | 2021                    | 2022                    | 2021                    | 2022                    | 2021                    | 2022                    | 2021                    |
|                             | (Unaudited)<br>HK\$'000 |
| Segment revenue             |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Sales to external customers | 164,476                 | 175,567                 | 72,083                  | 76,970                  | 22,719                  | 18,822                  | -                       | -                       | 7,029                   | 6,306                   | 266,307                 | 277,665                 |
| Other income and gains, net | 10                      | 1,245                   | 324                     | 292                     | -                       | -                       | 3,474                   | 23                      | 47                      | (7)                     | 3,855                   | 1,553                   |
|                             | 164,486                 | 176,812                 | 72,407                  | 77,262                  | 22,719                  | 18,822                  | 3,474                   | 23                      | 7,076                   | 6,299                   | 270,162                 | 279,218                 |
| Segment results             | (8,287)                 | 10,037                  | 55,105                  | 64,434                  | (7,109)                 | (13,065)                | 2,532                   | (709)                   | (11,070)                | (9,474)                 | 31,171                  | 51,223                  |
| Reconciliation:             |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Interest income             |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         | 5,158                   | 6,339                   |
| Profit before tax           |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         | 36,329                  | 57,562                  |
| Income tax credit/(expense) | 1,806                   | (1,261)                 | (14,618)                | (14,192)                | -                       | -                       | -                       | -                       | -                       | -                       | (12,812)                | (15,453)                |
| Profit for the period       |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         | 23,517                  | 42,109                  |

# Notes to Condensed Consolidated Financial Statements

## 4. Revenue, Other Income and Gains

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

|   | Six months ended 30 June        |                                 |
|---|---------------------------------|---------------------------------|
|   | 2022<br>(Unaudited)<br>HK\$'000 | 2021<br>(Unaudited)<br>HK\$'000 |
| <b>Revenue from contracts with customers</b>          |                                 |                                 |
| Sale of cement  | 164,476                         | 175,567                         |
| Sale of electronic products                           | 7,029                           | 6,306                           |
| Rendering of property management and related services | 16,160                          | 17,453                          |
| Hotel operation income                                | 22,719                          | 18,822                          |
| <b>Revenue from other sources</b>                     |                                 |                                 |
| Gross rental income                                   | 55,923                          | 59,517                          |
|   | <b>266,307</b>                  | 277,665                         |

## 4. Revenue, Other Income and Gains (continued)

### Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2022

| Segments                                    | Cement<br>products<br>HK\$'000<br>(Unaudited) | Property<br>investment<br>HK\$'000<br>(Unaudited) | Hotel<br>operation<br>HK\$'000<br>(Unaudited) | Corporate<br>and others<br>HK\$'000<br>(Unaudited) | Total<br>HK\$'000<br>(Unaudited) |
|---|---|---|---|--|----------------------------------|
| <b>Types of goods or services</b>           |   |   |   |  |                                  |
| Sale of cement                              | 164,476                                       | -   | -   | -  | 164,476                          |
| Sale of electronic products                 | -   | -   | -   | 7,029  | 7,029                            |
| Property management and related services    | -   | 16,160  | -   | -  | 16,160                           |
| Hotel and related services                  | -   | -   | 22,719  | -  | 22,719                           |
| Total revenue from contracts with customers | 164,476                                       | 16,160  | 22,719  | 7,029  | 210,384                          |
| <b>Geographical markets</b>                 |   |   |   |  |                                  |
| Vietnam                                     | 164,476                                       | 16,160  | -   | -  | 180,636                          |
| Hong Kong                                   | -   | -   | 22,719  | 7,029  | 29,748                           |
| Total revenue from contracts with customers | 164,476                                       | 16,160  | 22,719  | 7,029  | 210,384                          |
| <b>Timing of revenue recognition</b>        |   |   |   |  |                                  |
| Goods transferred at a point in time        | 164,476                                       | -   | 1,245   | 7,029  | 172,750                          |
| Services transferred over time              | -   | 16,160  | 21,474  | -  | 37,634                           |
| Total revenue from contracts with customers | 164,476                                       | 16,160  | 22,719  | 7,029  | 210,384                          |

# Notes to Condensed Consolidated Financial Statements

## 4. Revenue, Other Income and Gains (continued)

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

For the six months ended 30 June 2021

| Segments   | Cement products<br>HK\$'000<br>(Unaudited) | Property investment<br>HK\$'000<br>(Unaudited) | Hotel operation<br>HK\$'000<br>(Unaudited) | Corporate and others<br>HK\$'000<br>(Unaudited) | Total<br>HK\$'000<br>(Unaudited) |
|--|--|--|--|---|----------------------------------|
| <b>Types of goods or services</b>                  |  |  |  |   |                                  |
| Sale of cement                                     | 175,567                                    | –  | –  | –   | 175,567                          |
| Sale of electronic products                        | –  | –  | –  | 6,306   | 6,306                            |
| Property management and related services           | –  | 17,453   | –  | –   | 17,453                           |
| Hotel and related services                         | –  | –  | 18,822                                     | –   | 18,822                           |
| <b>Total revenue from contracts with customers</b> | <b>175,567</b>                             | <b>17,453</b>                                  | <b>18,822</b>                              | <b>6,306</b>                                    | <b>218,148</b>                   |
| <b>Geographical markets</b>                        |  |  |  |   |                                  |
| Vietnam  | 175,567                                    | 17,453   | –  | –   | 193,020                          |
| Hong Kong  | –  | –  | 18,822                                     | 6,306   | 25,128                           |
| <b>Total revenue from contracts with customers</b> | <b>175,567</b>                             | <b>17,453</b>                                  | <b>18,822</b>                              | <b>6,306</b>                                    | <b>218,148</b>                   |
| <b>Timing of revenue recognition</b>               |  |  |  |   |                                  |
| Goods transferred at a point in time               | 175,567                                    | –  | 1,298                                      | 6,306   | 183,171                          |
| Services transferred over time                     | –  | 17,453   | 17,524                                     | –   | 34,977                           |
| <b>Total revenue from contracts with customers</b> | <b>175,567</b>                             | <b>17,453</b>                                  | <b>18,822</b>                              | <b>6,306</b>                                    | <b>218,148</b>                   |

### Other income and gains

|  | Six months ended 30 June        |                                 |
|--|---------------------------------|---------------------------------|
|  | 2022<br>(Unaudited)<br>HK\$'000 | 2021<br>(Unaudited)<br>HK\$'000 |
| Interest income  | 5,158                           | 6,339                           |
| Foreign exchange gain  | –                               | 791                             |
| Dividend income from financial assets at fair value through profit or loss | 313                             | –                               |
| Rental income  | 3,473                           | –                               |
| Others   | 69                              | 762                             |
| <b>Total</b>   | <b>9,013</b>                    | <b>7,892</b>                    |

## 5. Finance Costs

An analysis of finance costs is as follows:

|                               | Six months ended 30 June        |                                 |
|-------------------------------|---------------------------------|---------------------------------|
|                               | 2022<br>(Unaudited)<br>HK\$'000 | 2021<br>(Unaudited)<br>HK\$'000 |
| Interest on bank loans        | 735                             | 99                              |
| Interest on lease liabilities | 908                             | 767                             |
|                               | <b>1,643</b>                    | 866                             |

## 6. Profit before Tax

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

|                                     | Six months ended 30 June        |                                 |
|-------------------------------------|---------------------------------|---------------------------------|
|                                     | 2022<br>(Unaudited)<br>HK\$'000 | 2021<br>(Unaudited)<br>HK\$'000 |
| Cost of inventories sold            | 168,115                         | 162,252                         |
| Cost of services rendered           | 31,587                          | 31,323                          |
| Depreciation of owned assets        | 33,437                          | 35,376                          |
| Depreciation of right-of-use assets | 2,167                           | 1,976                           |
| Foreign exchange loss/(gain)        | 949                             | (791)                           |

# Notes to Condensed Consolidated Financial Statements

## 7. Income Tax

No provision for Hong Kong profits tax has been made (six months ended 30 June 2021: Nil) on the estimated assessable profits arising in Hong Kong during the period. Taxes on the profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

|                                 | Six months ended 30 June        |                                 |
|---------------------------------|---------------------------------|---------------------------------|
|                                 | 2022<br>(Unaudited)<br>HK\$'000 | 2021<br>(Unaudited)<br>HK\$'000 |
| Current charge for the period   |                                 |                                 |
| Elsewhere                       | 13,210                          | 15,856                          |
| Underprovision in prior years   |                                 |                                 |
| Elsewhere                       | 1,858                           | 1,513                           |
| Deferred                        | (2,256)                         | (1,916)                         |
| Total tax charge for the period | 12,812                          | 15,453                          |

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

The calculation of the basic earnings per share amounts is based on profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 502,557,418 (six months ended 30 June 2021: 502,557,418) in issue during the period.

No adjustment has been made to the basic earnings per share amounts presented for six months ended 30 June 2022 and 2021 as the Group had no potentially dilutive ordinary shares in issue during those periods.

## 9. Dividend

|  | Six months ended 30 June        |                                 |
|--|---------------------------------|---------------------------------|
|  | 2022<br>(Unaudited)<br>HK\$'000 | 2021<br>(Unaudited)<br>HK\$'000 |
| Interim – HK2 cents (six months ended 30 June 2021: HK3 cents)<br>per ordinary share | 10,051                          | 15,077                          |

## 10. Additions to Property, Plant and Equipment

During the six months ended 30 June 2022, the Group incurred approximately HK\$11,868,000 (six months ended 30 June 2021: HK\$2,266,000) on the acquisition of items of property, plant and equipment.

## 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:

|                | <b>30 June<br/>2022<br/>(Unaudited)<br/>HK\$'000</b> | 31 December<br>2021<br>(Audited)<br>HK\$'000 |
|----------------|--|--|
| 0 to 30 days   | <b>38,848</b>  | 19,375                                       |
| 31 to 60 days  | <b>6,394</b>   | 4,289  |
| 61 to 90 days  | <b>2,462</b>   | 3,233  |
| 91 to 120 days | <b>548</b>   | 2,126  |
| Over 120 days  | <b>2,451</b>   | 6,869  |
|                | <b>50,703</b>  | 35,892                                       |

# Notes to Condensed Consolidated Financial Statements

## 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:

|                | <b>30 June<br/>2022<br/>(Unaudited)<br/>HK\$'000</b> | 31 December<br>2021<br>(Audited)<br>HK\$'000 |
|----------------|--|--|
| 0 to 30 days   | <b>31,850</b>  | 18,153                                       |
| 31 to 60 days  | –  | 32   |
| 61 to 90 days  | <b>13</b>  | 14   |
| 91 to 120 days | –  | –  |
| Over 120 days  | <b>257</b>   | 262  |
|                | <b>32,120</b>  | 18,461                                       |

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

## 13. Share Capital

|  | <b>30 June<br/>2022<br/>(Unaudited)<br/>HK\$'000</b> | 31 December<br>2021<br>(Audited)<br>HK\$'000 |
|--|--|--|
| Authorised:<br>760,000,000 ordinary shares of HK\$0.01 each            | <b>7,600</b>   | 7,600  |
| Issued and fully paid:<br>502,557,418 ordinary shares of HK\$0.01 each | <b>5,026</b>   | 5,026  |

## 14. Commitments

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

|  | <b>30 June<br/>2022<br/>(Unaudited)<br/>HK\$'000</b> | 31 December<br>2021<br>(Audited)<br>HK\$'000 |
|--|--|--|
| Contracted, but not provided for:<br>Property, plant and equipment | <b>33,717</b>  | 38,784                                       |

## 15. Related Party Transactions

Compensation of key management personnel of the Group:

|   | <b>Six months ended 30 June</b>          |                                 |
|---|--|---------------------------------|
|   | <b>2022<br/>(Unaudited)<br/>HK\$'000</b> | 2021<br>(Unaudited)<br>HK\$'000 |
| Short-term employee benefits                        | <b>4,325</b>                             | 4,278                           |
| Post-employment benefits                            | <b>36</b>                                | 36                              |
| Total compensation paid to key management personnel | <b>4,361</b>                             | 4,314                           |

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 Statements

These unaudited interim condensed consolidated financial statements were approved and authorised for issue by the board of directors on 31 August 2022.

## Other Information

### Interim Dividend

The Board has resolved to declare an interim dividend of HK2 cents (six months ended 30 June 2021: HK3 cents) per ordinary share in issue in respect of the six months ended 30 June 2022.

### Closure of Register of Members

The Register of Members will be closed from Monday, 3 October 2022 to Wednesday, 5 October 2022, both dates inclusive, during which period no transfer of shares will be effected. 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 Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 30 September 2022. Cheques for interim dividends will be dispatched to the Shareholders whose names appear on the register of members of the Company on Wednesday, 5 October 2022 on or before Thursday, 20 October 2022.

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

At 30 June 2022, 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 |
|----------------------|-------|--|-------------------------|--------------------------------|----------------------------|-------------|--|
|                      |       | Family Directly Beneficially owned                     | 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 | 54.93  |
| Luk Fung             | (b)   | 3,229,600  | –                       | –                              | 272,824,862                | 276,054,462 | 54.93  |
| Luk Sze Wan, Monsie  | (b)   | 1,300,000  | –                       | –                              | 272,824,862                | 274,124,862 | 54.55  |
| 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 Mrs. 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.

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 2022, 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 2022, 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                     | 7.34   |
| Kopernik Global Investors LLC | Directly beneficially owned                                   | 25,274,866                     | 5.03   |
| Luks Family (PTC) Limited     | Directly beneficially owned                                   | 272,824,862                    | 54.29  |
| Luk Ngai (Note)               | Directly beneficially owned<br>and through Trustee of a Trust | 276,214,862                    | 54.96  |

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 2022, 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.

## Purchase, Redemption or Sale of Listed Securities of the Company

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 2022.

# Other Information

## Code on Corporate Governance Practices

In the opinion of the directors, the Company complied with the code provisions (the “Code”) as set out in Appendix 14 of the Listing Rules throughout the accounting period covered by the unaudited interim condensed consolidated financial statements, except for the following: -

- (i) The Company has not separated the roles of the Chairman of the Board and the Chief Executive Officer of the Group as required under code provision A.2.1 of the Code. During the accounting period of the financial statements, the roles of Chairman and Chief Executive Officer of the Company were performed by Madam Cheng Cheung. The Company considers that the combination of the roles of Chairman and Chief Executive Officer can promote the efficient formulation and implementation of the Company’s strategies which will enable the Group to seize business opportunities efficiently and promptly. The Company considers that through the supervision of its Board and its independent non-executive directors, checks and balances exist so that the interests of the shareholders are adequately and fairly represented.
- (ii) In respect of code provision A.6.7, Mr. Lam Chi Kuen, Mr. Liang Fang and Mr. Liu Li Yuan attended the annual general meeting of the Company held on 1 June 2022.

## Model Code for Securities Transactions

The Company has adopted the Model Code as the Company’s code of conduct for dealings in securities of the Company by the directors. Based on specific enquiry of the Company’s directors, the directors have complied with the required standard set out in the Model Code throughout the accounting period covered by the interim report.

## Audit Committee

The Audit Committee comprises three independent non-executive directors of the Company, namely Mr. Liang Fang (Chairman), Mr. Liu Li Yuan and Mr. Lam Chi Kuen. The Audit Committee has reviewed the accounting principles and policies adopted by the Company and discussed with management the internal control and financial reporting matters. The Audit Committee has reviewed and confirmed the unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2022.

By Order of the Board

**Luks Group (Vietnam Holdings) Co., Ltd.**

**Cheng Cheung**

*Chairman*

Hong Kong

31 August 2022