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LUKS GROUP (VIETNAM HOLDINGS) COMPANY LIMITED

陸氏集團（越南控股）有限公司*

(incorporated in Bermuda with limited liability)

(Stock code: 366)

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

The Board of Directors (the “Board”) of Luks Group (Vietnam Holdings) Company Limited (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2025. The annual results have been reviewed by the audit committee of the Company.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
REVENUE	3	344,186	372,746
Cost of sales		(205,673)	(228,111)
Gross profit		138,513	144,635
Other income and gains	3	26,281	23,083
Fair value gains/(losses) on investment properties, net		(43,703)	6,719
Selling and distribution expenses		(4,983)	(3,001)
Administrative expenses		(63,622)	(63,928)
Other expenses, net		(20,242)	(59,759)
Finance costs	5	(2,079)	(2,039)
PROFIT BEFORE TAX	4	30,165	45,710
Income tax expense	6	(13,516)	(27,106)
PROFIT FOR THE YEAR		16,649	18,604
Profit/(loss) attributable to:			
Owners of the parent		18,074	19,144
Non-controlling interests		(1,425)	(540)
Total		16,649	18,604
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
Basic and diluted		HK3.6 cents	HK3.8 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	2025 HK\$'000	2024 HK\$'000
PROFIT FOR THE YEAR	16,649	18,604
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>(26,794)</u>	<u>(61,539)</u>
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Fair value gain upon transfer from property, plant and equipment to investment property, net of tax	<u>146</u>	<u>-</u>
OTHER COMPREHENSIVE LOSS FOR THE YEAR	(26,648)	(61,539)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(9,999)	(42,935)
Total comprehensive loss attributable to:		
Owners of the parent	<u>(9,900)</u>	<u>(42,897)</u>
Non-controlling interests	<u>(99)</u>	<u>(38)</u>
	(9,999)	(42,935)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION*31 December 2025*

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		643,027	682,048
Investment properties		1,251,766	1,135,157
Properties for development		18,250	181,880
Prepayments, other receivables and other assets		415	21,027
Total non-current assets		1,913,458	2,020,112
CURRENT ASSETS			
Inventories		33,193	38,566
Trade receivables	9	25,895	25,974
Prepayments, other receivables and other assets		10,463	7,059
Financial assets at fair value through profit or loss		5,335	5,175
Cash and bank balances		615,783	549,179
Total current assets		690,669	625,953
CURRENT LIABILITIES			
Trade payables	10	6,713	8,182
Other payables and accruals		94,643	84,121
Tax payable		23,902	24,318
Total current liabilities		125,258	116,621
NET CURRENT ASSETS		565,411	509,332
TOTAL ASSETS LESS CURRENT LIABILITIES		2,478,869	2,529,444

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)*31 December 2025*

	2025 HK\$'000	2024 HK\$'000
TOTAL ASSETS LESS CURRENT LIABILITIES	2,478,869	2,529,444
NON-CURRENT LIABILITIES		
Other payables	41,705	46,374
Provisions	1,985	2,276
Deferred tax liabilities	171,814	186,807
Total non-current liabilities	215,504	235,457
Net assets	2,263,365	2,293,987
EQUITY		
Equity attributable to owners of the parent		
Issued capital	5,025	5,025
Treasury shares	(525)	-
Reserves	2,281,890	2,311,888
	2,286,390	2,316,913
Non-controlling interests	(23,025)	(22,926)
Total equity	2,263,365	2,293,987

Notes:

1. BASIS OF PREPARATION

The financial information has been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. They 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 financial information is presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand (“HK\$’000”) except when otherwise indicated.

1.1 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

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 in 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 Group's financial statements.

2. 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.

Business segments

Year ended 31 December	Cement products		Property investment		Hotel operation		Property development		Corporate and others		Consolidated	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	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												
Sales to external customers (note 3)	128,297	154,190	139,193	145,982	65,689	61,798	-	-	11,007	10,776	344,186	372,746
Other income and gains	603	521	4,386	472	5	1	264	7,341	106	5	5,364	8,340
Total segment revenue	128,900	154,711	143,579	146,454	65,694	61,799	264	7,341	11,113	10,781	349,550	381,086
Segment results	(17,232)	(49,666)	60,275	119,846	(2,618)	(13,097)	(2,128)	(4,358)	(29,049)	(21,758)	9,248	30,967
<i>Reconciliation:</i>												
Interest income											20,917	14,743
Profit before tax											30,165	45,710
Income tax credit/(expense)	4,324	3,370	(17,840)	(30,500)	-	-	-	-	-	24	(13,516)	(27,106)
Profit for the year											16,649	18,604

Geographical information

(a) Revenue from external customers

	2025	2024
	HK\$'000	HK\$'000
Vietnam	243,358	278,395
Hong Kong	86,848	81,634
Chinese Mainland	13,980	12,717
Total revenue	344,186	372,746

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2025	2024
	HK\$'000	HK\$'000
Vietnam	1,010,604	1,076,982
Hong Kong	886,721	904,652
Chinese Mainland	16,133	17,878
Total non-current assets	1,913,458	1,999,512

The non-current asset information above is based on the locations of the assets and excludes financial instruments.

Information about major customers

Revenue from each major customer which accounted for 10% or more of the Group's revenue for the year is set out below:

	2025 HK\$'000	2024 HK\$'000
Customer A	41,811	50,193
Customer B	39,267	40,752

The above revenue was derived from sales by the cement products segment to two customers.

3. REVENUE, OTHER INCOME AND GAINS

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

	2025 HK\$'000	2024 HK\$'000
Revenue from contracts with customers		
Sale of cement	128,297	154,190
Sale of electronic products	11,007	10,776
Rendering of property management and related services	28,807	31,565
Rendering of hotel and related services	65,689	61,798
	233,800	258,329
Revenue from other sources		
Gross rental income from investment properties	110,386	114,417
Total revenue	344,186	372,746
Other income and gains		
Interest income	20,917	14,743
Dividend income from financial assets at fair value through profit or loss	346	346
Fair value gain on financial assets at fair value through profit or loss	160	-
Rental income	3,906	7,180
Gain on disposal of items of property, plant and equipment	682	17
Others	270	797
Total other income and gains	26,281	23,083

4. PROFIT BEFORE TAX

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

	2025 HK\$'000	2024 HK\$'000
Cost of inventories sold (including allowance for obsolete inventories of HK\$494,000 (2024: HK\$722,000))	134,326	155,590
Cost of services rendered	51,534	53,904
Depreciation of owned assets **	34,813	37,963
Depreciation of right-of-use assets **	3,867	4,268
Auditor's remuneration	2,242	2,316
Employee benefit expense (excluding directors' remuneration) **: <ul style="list-style-type: none"> Wages and salaries Pension scheme contributions *** 	55,643 1,329	54,795 1,334
Total	56,972	56,129
Foreign exchange differences, net*	2,396	2,747
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties	19,813	18,617
Fair value loss/(gain) on financial assets at fair value through profit or loss	(160) #	46 *
Gain on disposal of items of property, plant and equipment #	(682)	(17)
Impairment of property, plant and equipment*	2,266	44,840
Impairment of trade receivables, net*	7,180	2,526
Write-down of properties for development*	-	9,600
Remeasurement loss upon transfer of certain properties for development to investment properties *	8,400	-

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

** For the year ended 31 December 2025, depreciation and employee benefit expense of HK\$58,197,000 (2024: HK\$66,008,000) are included in "cost of sales" on the face of the consolidated statement of profit or loss.

*** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

This item is included in "other income and gains" on the face of the consolidated statement of profit or loss.

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 HK\$'000	2024 HK\$'000
Interest on lease liabilities	2,079	2,039

6. INCOME TAX

Hong Kong profit tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2024: HK\$2,000,000) of assessable profits of this subsidiary is taxed at 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024: 16.5%). Taxes on the profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

In accordance with the relevant tax rules and regulations in Vietnam, certain of the Group's subsidiaries in Vietnam enjoy income tax exemptions and reductions. At present, the income tax rates applicable to these subsidiaries are 15% and 20% (2024: 15% and 20%).

	2025 HK\$'000	2024 HK\$'000
Current – Hong Kong		
Overprovision in prior years	-	(24)
Current – Elsewhere		
Charge for the year	23,496	25,287
Underprovision in prior years	167	-
Deferred	(10,147)	1,843
Total tax charge for the year	<u>13,516</u>	<u>27,106</u>

7. DIVIDENDS

	2025 HK\$'000	2024 HK\$'000
Interim – HK2 cents (2024: HK2 cents) per ordinary share	10,049	10,050
Final proposed subsequent to the reporting period		
– HK2 cents (2024: HK2 cents) per ordinary share	<u>10,032</u>	10,049
	<u>20,081</u>	<u>20,099</u>

The final dividend proposed subsequent to the reporting period is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 502,381,648 (2024: 502,525,899) outstanding during the year.

No adjustment has been made to the basic earnings per share amounts presented as the Group had no potentially dilutive ordinary shares outstanding during the years ended 31 December 2025 and 2024.

9. TRADE RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables	37,375	30,502
Impairment	(11,480)	(4,528)
Net carrying amount	<u>25,895</u>	<u>25,974</u>

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. Except for bank guarantee required for cement customers, the Group does not hold any collateral or other credit enhancements over its trade receivable balances. 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:

	2025 HK\$'000	2024 HK\$'000
0 to 30 days	15,605	13,705
31 to 60 days	3,127	2,245
61 to 90 days	1,746	1,910
91 to 120 days	1,245	1,160
Over 120 days	4,172	6,954
Total	<u>25,895</u>	<u>25,974</u>

10. 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:

	2025 HK\$'000	2024 HK\$'000
0 to 30 days	6,507	7,976
Over 120 days	206	206
Total	<u>6,713</u>	<u>8,182</u>

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

BUSINESS REVIEW AND OUTLOOK

Business Review

In 2025, the global economic landscape continued to be shaped by geopolitical tensions, trade uncertainties and uneven recovery across major economies. Against this backdrop, Vietnam stood out with robust GDP growth of 8.02% — the second-highest rate in the 2011–2025 period — according to the General Statistics Office. The strong performance was driven by the industry and construction sector (+8.95%) and the services sector (contributing 51.08% of total growth). Key structural developments, including the official provincial consolidation effective 1 July 2025 and the full operation of Metro Line 1 (Ben Thanh – Suoi Tien) in Ho Chi Minh City, further enhanced urban connectivity, reduced traffic congestion and supported broader economic momentum.

The Group's principal businesses in Vietnam, Hong Kong and China were impacted to varying degrees by these macro conditions, regional market dynamics, new supply pressures and currency fluctuations (particularly the sustained strength of the US dollar against the Vietnamese dong).

Cement Business

The year 2025 marked the beginning of a gradual recovery in Vietnam's cement industry following several years of persistent oversupply and subdued demand. Nationally, total cement supply reached approximately 128 million tons, while overall consumption climbed to around 111 million tons. Domestic consumption showed particularly encouraging growth, rising by an estimated 12.8%–17% year-on-year to approximately 74–75 million tons, driven by accelerated public investment in major northern and southern infrastructure projects such as the Northern Expressways, Long Thanh International Airport, Ho Chi Minh City Ring Road and various government-funded urban developments. Exports also rebounded sharply to an estimated 36.8 million tons (up 23.9%), supported in part by the temporary reduction of the clinker export tax to 5% (effective through 2026).

However, recovery remained uneven across regions. The Central region and Central Highlands — where the Group's cement plants are located — continued to experience limited demand pickup and slower construction activity. Tightening transportation management policies further increased logistics costs and distribution challenges.

Against this environment, the Group's cement segment recorded external sales of HK\$128,297,000, a decrease from HK\$154,190,000 in 2024. The loss before tax narrowed significantly to HK\$17,232,000 (from HK\$49,666,000), reflecting no impairment charge and improved cost management for the year. The Group's impairment charge on property, plant and equipment for the cement segment in 2024 was HK\$36,822,000. Production costs improved modestly year-on-year, benefiting from stable coal prices despite a ~5% rise in electricity tariffs and lower overall utilisation. A key milestone was the successful obtaining of the long-awaited Environmental Permit after completing multi-year compliance procedures.

Property Investment Business

The Group's principal property investment asset is the Saigon Trade Center (STC), a 33-storey Grade B office tower with three basement levels at 37 Ton Duc Thang Street in Ho Chi Minh City's prime District 1 CBD. Completed in 1997, STC offers flexible leasing from ~60 sqm suites to full floors of up to ~1,000 sqm.

Ho Chi Minh City's office leasing market exhibited a gradual but credible recovery in 2025, underpinned by strong GDP growth, resilient FDI inflows (disbursed FDI reaching a five-year high of US\$27.6 billion, up 9% y-o-y) and sustained demand from high-growth sectors including technology/IT, logistics, fintech, manufacturing and professional services. The market absorbed new supply effectively, driven by a clear "flight-to-quality" trend. Two notable completions — Saigon Marina IFC (boosting Grade A stock to ~572,332 sqm) and Halo Building Signature (increasing Grade B cumulative supply to ~1,197,389 sqm) — contributed to total office stock in Ho Chi Minh City to a new high. Despite the additional supply, vacancy rates showed modest improvement in several segments, while asking rents remained broadly stable with selective upward movement (CBD Grade A averaging USD 64.7 per sqm per month, up 1.1% y-o-y; CBD Grade B holding at approximately USD 33.4 per sqm per month).

For Saigon Trade Center, performance was more challenged compared with the broader market upturn, primarily due to its position as an older Grade B asset facing competition from newer, higher-specification and green-certified developments. Occupancy declined by 4.44 percentage points to approximately 69.1% at 31 December 2025 (leased area 26,837 sqm out of total 38,852 sqm). Average rent on a net area basis softened slightly to ~USD 32.84 per sqm per month. Operating income (mainly rental and management fees) decreased by 7.66%, and profit after tax fell by approximately 6%. These declines were principally driven by lower occupancy, reduced bank interest income and the persistent strength of the US dollar against the Vietnamese dong.

Nevertheless, STC continued to offer compelling value to small-to-medium enterprises, startups and cost-sensitive tenants seeking a prestigious District 1 address without Grade A premiums. Its central location and flexible lease terms supported ongoing leasing activity and tenant retention in a selective market.

For the Group's other property investments (which now include the reclassified Shanghai Street property in Yau Ma Tei, Hong Kong), overall rental income from the rental properties in Hong Kong and Chinese Mainland remained generally stable in 2025. During the year, the Shanghai Street property was transferred from properties for development to investment properties, resulting in a remeasurement loss of HK\$8,400,000. In addition, a net fair value loss of HK\$43,703,000 was recorded on the Group's aggregate investment properties (compared with a fair value gain of HK\$6,719,000 in 2024), reflecting valuation adjustments amid increased market supply and competitive pressures.

Hotel Business

In 2025, Pentahotel Hong Kong, Tuen Mun delivered a solid performance. Despite a slight dip in occupancy to 86.98%, Pentahotel Hong Kong, Tuen Mun saw a strong 10.2% increase in ADR for 2025 compared to the previous year.

According to data from industry sources, Hong Kong welcomed a total of 49.9 million visitors in 2025, up 12% year-on-year. While citywide hotel occupancy improved modestly to around 85% in the first half of 2025, the average ADR across the industry declined by approximately 10.8%. The hotel's performance compared favourably to the broader Hong Kong hotel industry in this environment.

As of December 31, 2025, the hotel business in Hong Kong alone contributed an operating income of HKD 64,540,000 to the Group, an increase of HKD 2,742,000 or 4.4% compared to HKD 61,798,000 in 2024. Gross operating profit increased by 19.6%, over 2024. Guest review scores also improved year-over-year. No impairment provision on properties, plant and equipment was required following independent valuation, resulting in improved overall profitability for the hotel business.

Le Carré Hue in Vietnam commenced full operations in Q4 2025. Although initial operations resulted in a slight loss, the hotel has since made a modest but positive contribution to the Group's hotel portfolio and is expected to benefit from any further increase in regional tourism.

Property Development

The Group continues to hold a strategically located piece of land in Binh Thanh District, Ho Chi Minh City, Vietnam. Situated in a rapidly developing district with strong connectivity to the central business district and benefiting from ongoing infrastructure improvements, the land is retained as a long-term land bank for future development. It will remain classified as property held for development and will only be developed at an appropriate time in the future when market conditions, demand for residential or mixed-use projects, and the broader economic environment in Ho Chi Minh City become more favourable.

Group Financial Performance

For the year ended 31 December 2025, the Group's turnover (sales to external customers) was HK\$344,186,000, representing a decrease of approximately 7.7% from HK\$372,746,000 in 2024. The turnover comprised cement HK\$128,297,000 (down ~16.8%), property investment HK\$139,193,000 (down ~4.7%) and hotel operations HK\$65,689,000 (up ~6.3%).

The Group recorded a consolidated profit after tax of HK\$16,649,000, down from HK\$18,604,000 in 2024. The lower impairment charge, improved hotel performance and narrowed cement loss helped offset the impact of the fair value loss on investment properties and currency headwinds. Profit attributable to owners of the parent was HK\$18,074,000 (2024: HK\$19,144,000). Basic earnings per share was approximately HK3.6 cents (2024: HK3.8 cents).

Principal Risks and Uncertainties

The Group maintains a robust risk management and internal control framework based on the three-lines-of-defence model, with the Board providing overall oversight through the Audit Committee. A comprehensive risk assessment process, with particular emphasis on climate-related issues, has identified the following principal risks and uncertainties for the Group in 2025:

- Technological risks — cybersecurity threats that could disrupt operations and compromise sensitive data;
- Financial risks — foreign exchange volatility (particularly the sustained strength of the US dollar against the Vietnamese dong) and potential unexpected tax expenses arising from regulatory changes;
- Operational risks — production management challenges, procurement disruptions and supply chain issues, especially in the cement business;
- Fraud and corruption risks — unethical practices that could damage reputation and lead to legal or financial penalties;
- Human capital risks — talent retention, skills shortages and workplace health & safety;
- Brand and reputation risks — negative publicity or ethical lapses affecting stakeholder confidence;
- External risks — adverse climate change events (such as extreme weather causing infrastructure damage) and macroeconomic factors impacting the property market and foreign investment;
- Environmental and regulatory risks — rising compliance costs, new waste co-processing regulations and GHG emission quota requirements in Vietnam's Central region; and
- Market risks — intensified competition and new supply pressure in the Ho Chi Minh City office leasing market, together with volatility in tourism recovery affecting the hotel business.

These risks are actively managed through rigorous cost optimisation, proactive leasing and tenant-mix strategies, ongoing environmental upgrades, revenue diversification, regular internal audits and the three-lines-of-defence structure, with continuous monitoring and reporting to the Audit Committee and the Board.

Environmental Policies and Performance

The Group remains firmly committed to sustainable operations and full compliance with all applicable environmental laws and regulations in the jurisdictions in which we operate.

In July 2025, the Group's cement plants in Vietnam successfully obtained Environmental License No. 269/GPMT-BNNMT issued by the Ministry of Agriculture and Environment, which is valid for seven years until 15 July 2032. The plants are equipped with a Continuous Emission Monitoring System (CEMS) that transmits real-time emission data to the authorities, ensuring ongoing compliance with Vietnam National Standards (including QCVN 23:2009/BTNMT on cement emissions). All quarterly environmental measurements in 2025 confirmed full compliance with the relevant standards.

Key environmental initiatives implemented or advanced during the year included:

- Progressive replacement of lighting with energy-efficient LED bulbs and optimisation of air-conditioning systems at Saigon Trade Center (99% of bulbs at the hotel now use LED);
- Continued preparation for the Waste Heat Recovery (WHR) power generation system — three consultants and suppliers were engaged in 2025 to conduct site surveys and provide technical proposals (further evaluation is ongoing in view of current production volumes);
- Upgrades to the urea spraying system to reduce NO_x emissions;
- Greening and afforestation works in the mining area to restore the local environment;
- Use of recycled paper across office operations and solar energy generation at the hotel (20,226 kWh produced in 2025).

The Group has also set clear emission reduction targets for the cement plant to be achieved by the end of 2026/2027, including lowering CO₂ to 105 mg/Nm³, NO_x to 504 mg/Nm³, SO₂ to 30 mg/Nm³, and reducing both hazardous and non-hazardous waste intensity per ton of clinker.

Looking ahead, the Group will continue to monitor and comply with evolving regulations, including the new National Technical Regulation QCVN 41:2025/BNNMT on waste co-processing (effective February 2026) and the pilot greenhouse gas emission quota allocation programme. We remain dedicated to integrating environmental considerations into our business decisions and further reducing our carbon footprint.

Outlook for 2026

Vietnam's economy is expected to maintain strong momentum in 2026, supported by the completion of provincial administrative mergers, strengthened local governance following the Party Congress, accelerated infrastructure investment and the new land price framework effective 1 January 2026. These developments should gradually enhance market transparency and unlock further growth opportunities.

The cement business anticipates a modest improvement in the Central region, driven by new housing, seaport and urban projects linked to Hue's elevated status. The Group has set a sales target of 440,000 tons. However, environmental compliance costs will rise further with the implementation of new waste co-processing regulations, GHG emission quota pilots and the completion of delayed waste-heat recovery installations, which may push up operating costs of the cement plants.

For Saigon Trade Center, the prime location and competitive pricing should continue to support mid-tier and SME tenants, although the asset will face ongoing competition from new supply such as The Kross (~32,000 sqm Grade A) and the International Financial Center ramp-up. The Group will focus on occupancy stabilisation through selective incentives, tenant retention programmes and sustainability upgrades (LED lighting, energy optimisation and metro-accessible amenities).

While the Hong Kong hotel industry anticipates modest growth—driven by the Hong Kong Tourism Board’s initiatives to attract high-yield visitors and extend stays—Pentahotel Hong Kong, Tuen Mun will maintain its strategic focus on short-haul markets. To drive ancillary revenue, the hotel will leverage the refurbished Pentalounge as a versatile, multi-purpose venue. Furthermore, selective investments in sustainability and technology will continue, aimed at enhancing operational efficiency and meeting evolving guest expectations. Supported by incremental contributions from Le Carré Hue, hotel operations are projected to deliver steady growth amidst the ongoing tourism recovery.

Overall, the Group will continue to prioritise cost discipline, timely environmental and asset upgrades, operational efficiency and strategic positioning to capture selective recovery opportunities while prudently managing currency, competition and regulatory risks.

Dividend

The board of directors proposes to distribute a final dividend of HK2 cents per share to shareholders. Together with the interim dividend of HK2 cents per share, the total dividend for 2025 will be HK4 cents per share.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 31 December 2025, the Group’s cash, bank balances, and time deposits totaled HK\$615,783,000 (31 December 2024: HK\$549,179,000), representing an increase of approximately 12%. This growth was primarily driven by stable operating cash inflows from the Group’s cement, leasing, and hotel operations, which were partially offset by capital expenditures and exchange losses.

The Group maintained a debt-free position with no bank or other borrowings as at 31 December 2025 (31 December 2024: Nil). This reflects a prudent financial management strategy characterized by a strong reliance on internal resources. Consequently, the gearing ratio (defined as net debt divided by equity attributable to owners of the Company) was not applicable for both the current and prior years.

Significant Investments Held

The Group held no significant investments as at 31 December 2025.

Exposure to Fluctuations in Exchange Rates and Related Hedges

The Group is exposed to foreign exchange risks arising from its operations in Vietnam, particularly regarding the Vietnamese Dong (“VND”). This exposure primarily affects income, current assets, and liabilities related to the cement plant and the Saigon Trade Center. As at 31 December 2025, the VND had depreciated by 2.86% against the HKD compared to 31 December 2024, resulting in a recognized exchange loss of HK\$2,396,000 in the consolidated statement of profit or loss.

Given that the VND is not a freely convertible currency, cost-effective hedging instruments remain limited. Furthermore, the interest rate differential between the VND and HKD presents a challenge to effective hedging. Accordingly, the Group did not employ any currency hedging instruments during the year. The Group continues to manage this exposure through natural hedges and close monitoring of currency trends. The Board will continue to evaluate cost-effective mitigation options as market conditions evolve.

Capital Commitments

As of 31 December 2025, the Group had no capital commitments (31 December 2024: HK\$14,263,000). This decrease was primarily attributable to the completion of the Hue Square project in Vietnam during the year.

Contingent Liabilities

The Group had no significant contingent liabilities as at 31 December 2025 (31 December 2024: Nil).

Employees and Remuneration Policy

As at 31 December 2025, the Group employed approximately 820 staff, with roughly 86% based in Vietnam. Total staff costs (excluding directors' remuneration) amounted to approximately HK\$56,972,000 for the year ended 31 December 2025 (31 December 2024: HK\$56,129,000), representing a slight increase of 1.5%. The Group's remuneration policy remained consistent with the previous financial year.

Environmental, Social and Corporate Responsibility

The Group is committed to upholding high environmental and social standards to ensure the sustainable development of its business. During the year, the Group complied with all relevant laws and regulations in Hong Kong and Vietnam, including those concerning employment practices, workplace safety, and environmental protection.

Key sustainability initiatives include the rigorous monitoring of emissions and waste at the cement plant to ensure compliance with Vietnamese regulatory standards, alongside comprehensive safety training and community engagement programs. The Group actively encourages stakeholders to participate in activities that benefit the wider community. By maintaining strong relationships with employees and vendors and delivering high-quality products to customers, the Group continues to build a foundation for long-term growth. Further details are available in the Group's 2025 Environmental, Social and Governance (ESG) Report.

PROPOSED FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Directors recommended a final dividend of HK2 cents (2024: HK2 cents) per share and the Register of Members of the Company will be closed for the following periods:

- (a) To ascertain shareholder's eligibility to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Monday, 1 June 2026 to Thursday, 4 June 2026, both dates inclusive, during which period no transfers of shares shall be effected. In order to qualify for attending and voting at the Annual General Meeting, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration before 4:30 p.m. on Friday, 29 May 2026.
- (b) To ascertain shareholder's entitlement to the proposed final dividend upon the passing of the resolution no. 2 set out in the notice of the Annual General Meeting, the register of members of the Company will be closed from Thursday, 11 June 2026 to Friday, 12 June 2026, both dates inclusive, during which period no transfers of shares shall be effected. In order to qualify for the proposed final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration before 4:30 p.m. on Wednesday, 10 June 2026.

The proposed final dividend will be paid to shareholders whose names appear on the Register of Members on Friday, 12 June 2026 and the payment date of the dividend is expected to be Friday, 26 June 2026.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2025, the Company repurchased 590,000 shares on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) at a price of HK\$0.8890 per share, for a total consideration of approximately HK\$524,520. Subsequent to the year end, the Company further repurchased 242,000 shares on the Stock Exchange at a price of HK\$0.8973 per share, for a total consideration of approximately HK\$217,140.

All 832,000 repurchased shares were subsequently cancelled after the year end. As at 31 December 2025 and up to the date of this announcement, the total number of shares of the Company in issue was 502,453,418 shares and 501,621,418 shares, respectively.

Save 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 year ended 31 December 2025.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to attaining high standards 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 (formerly Appendix 14) of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

Throughout the financial year ended 31 December 2025, the Company has complied with the code provisions set out in the CG Code, except for 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. During the period under review, Mdm. CHENG Cheung (“Mdm. CHENG”), the Chairman of the Board, was not subject to retirement by rotation for the reason that 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, the Board views that accordingly, a deviation from code provision B.2.2 is considered acceptable. Since she passed away on 13 December 2025, Ms. LUK Sze Wan, Monsie (“Ms. LUK”) was appointed as the Chairman of the Board on 8 January 2026.

Further information of the Company’s corporate governance practices is set out in the corporate governance report in the 2025 Annual Report to be despatched to the shareholders in mid-April 2026.

AUDIT COMMITTEE

The Group’s audit committee (“Audit Committee”) has reviewed with the accounting principles and practices adopted by the Group, and discussed with the management for the internal control and financial reporting matters. The Audit Committee also reviewed the consolidated financial information of the Group for the year ended 31 December 2025.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income, and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Company’s auditor, Ernst & Young, to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by the Company’s auditor in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the Company’s auditor on the preliminary announcement.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” set out in Appendix 10 to the Hong Kong Listing Rules (the “Model Code”) to regulate the directors’ securities transactions. All directors have confirmed, following enquiry by the Company that they have complied with the Model Code during the period between 1 January 2025 and 31 December 2025.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at 1/F, Pentahotel Hong Kong, Tuen Mun, 6 Tsun Wen Road, Tuen Mun, New Territories, Hong Kong at 3:00 pm on Thursday, 4 June 2026.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the website of the Company (www.luks.com.hk) and the designated issuer website of Stock Exchange (www.hkexnews.hk).

By Order of the Board
Luks Group (Vietnam Holdings) Co., Ltd.
Luk Sze Wan, Monsie
Chairman

Hong Kong, 26 March 2026

As at the date of this announcement, the Board of Directors comprises Ms. Luk Sze Wan, Monsie, Mr. Luk Yan, Mr. Luk Fung, and Mr. Fan Chiu Tat, Martin (who are executive directors), and Mr. Lam Chi Kuen, Ms. Pang Siu Yin and Mr. Wong Hoi Wah (who are independent non-executive directors).

* For identification purpose only