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 2026

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Management Discussion and Analysis

Business Review and Outlook

In the first half of 2026, the global economy continued to navigate geopolitical tensions, elevated energy and input costs, and uneven recovery across major economies. However, against this backdrop, Vietnam delivered robust GDP growth of 8.18% year-on-year — the highest first-half rate in 15 years — driven by strong manufacturing and industrial activity, accelerated public investment disbursement, resilient FDI inflows (registered FDI approximately US$34.7 billion, up 61%) and continued tourism recovery. Inflation remained contained within the Government's target range.

Within this positive national environment, performance across regions and asset classes remained uneven. The Group's cement operations, concentrated in Central Vietnam, continued to face intense price competition from northern producers and more limited recovery in local construction demand. The Group's principal office asset in Ho Chi Minh City, Saigon Trade Center, an older Grade B building, experienced occupancy pressure amid a clear flight-to-quality preference toward newer, higher-specification and green-certified properties.

Against these regional and asset-specific headwinds, the Group maintained overall turnover stability, exercised disciplined cost control, and recorded solid contributions from its hotel portfolio. The decline in cement sales was largely offset by higher revenue from hotel operations in Hong Kong and Hue. Management remained focused on competitive positioning, operational efficiency and selective capture of recovery opportunities.

For the six months ended 30 June 2026, the Group's turnover was HK$173,173,000, a decrease of approximately 1.6% from HK$175,958,000 in the corresponding period of 2025. The turnover mainly comprised cement products of HK$64,582,000 (down approximately 10.5%), property investment of HK$69,283,000 (slight increase) and hotel operations in Hong Kong and Hue HK$34,512,000 (combined revenue up approximately 12%). The Group recorded an unaudited profit attributable to owners of the parent of approximately HK$30,660,000, compared with HK$37,416,000 in the first half of 2025, representing a decline of approximately 18.1%. Basic earnings per share was approximately HK6.1 cents (2025 first half: HK7.4 cents).

Cement Business

Vietnam's cement industry showed clear improvement at the national level in the first half of 2026. Production reached approximately 58.14 million tons and total consumption (cement and clinker) approximately 60.98 million tons, with domestic consumption rising solidly, supported by public infrastructure and construction activity.

However, recovery remained uneven. The Central region — where the Group's plants are located — continued to experience aggressive pricing from northern competitors and slower pickup in key local projects and residential demand, compounded by higher fuel and raw-material costs.

In this environment, the Group's cement segment recorded external sales of HK$64,582,000 (2025: HK$72,144,000). Sales volume was approximately 168,296 tons (2025: 193,990 tons). Production of clinker and cement remained broadly stable. Production costs rose, particularly for the PCB30 and PCB40 grades. Segment results reflected the lower volume and higher input costs, with an after-tax loss of approximately HK$6,184,000 (2025: HK$2,207,000).

Management responded by strengthening sales policies to remain competitive, prioritising cost discipline, and completing the required environmental indicator measurements by the end of June 2026. Looking to the second half, the Group will continue its efforts to improve sales volume, with the aim of stabilising full-year performance, amid ongoing market challenges. Accelerated public investment disbursement and infrastructure projects linked to the Central region, including developments associated with Hue, are expected to provide gradual support, while environmental compliance costs and input-price pressures will continue to require close management.

Property Investment

In the first half of 2026, Ho Chi Minh City's office market showed resilience, with stable rental rates and continued demand from technology, finance, professional services and FDI sectors. The market, however, continued to favour newer buildings with higher specifications and sustainability features.

Saigon Trade Center recorded relatively stable rental income in the first half of 2026, with only a slight change in average rent. However, occupancy declined notably, particularly from the second quarter onwards, falling to approximately 63.5% as at 30 June 2026 (leased area of 24,687 sqm out of a total 38,852 sqm), compared with 70.1% a year earlier. Rental income is expected to remain under pressure in the second half of 2026 amid the lower occupancy level.

Overall segment turnover for the Group's property investment business was HK$69,283,000, a slight increase from HK$68,174,000 in the same period last year. Profit after tax showed no material change compared with the same period last year.

Recognising the competitive pressure facing older Grade B assets and the market's clear preference for modern, efficient and sustainable office space, management has decided to accelerate asset enhancement efforts at Saigon Trade Center. A comprehensive upgrading and renovation programme will commence in the second half of 2026 and is expected to be completed by the end of 2027.

The works will focus on modernising common areas, improving energy efficiency, upgrading building systems and amenities, enhancing security, and introducing more flexible workspace options. The programme forms part of management's ongoing efforts to improve the building's operational standards and overall tenant appeal, with the aim of uplifting the declining occupancy rate and strengthening its ability to retain and attract quality occupiers in a market that increasingly prioritises modern and sustainable office space. Management will also maintain proactive leasing strategies, selective incentives and tenant-retention programmes throughout the renovation period.

Rental income from the Group's other properties in Hong Kong and Mainland China remained generally stable during the period. The Shanghai Street property in Yau Ma Tei, which was transferred from properties under development to investment properties in September 2025, underwent substantial renovation by the tenant, with the Group sharing the cost through a rent-free period. Following completion of the works, the property began generating additional rental income from the second quarter of 2026.

Management Discussion and Analysis

Hotel Business

Pentahotel Hong Kong, Tuen Mun delivered robust results in the first half of 2026. Occupancy reached 90.6%. Through strategic yield management, the Average Daily Rate rose 4.7% year-on-year. Total revenue reached HK$32,063,000, representing an increase of 4.4% from the same period last year. Gross operating profit also outperformed budget by 7.1%.

The strong performance was underpinned by disciplined cost control, dynamic pricing and successful revenue diversification. The conversion of the Pentalounge into a versatile multi-functional space generated additional income. Corridor refurbishment works commenced in May 2026 to enhance the guest arrival experience and maintain the property's premium positioning. Overall, the hotel compared favourably with the broader Hong Kong hotel market.

In Hue, the city's tourism sector recorded impressive growth, welcoming over 4.3 million visitors in the first half of 2026 (up approximately 30% year-on-year), comprising around 1.5 million international and 2.8 million domestic guests. Le Carré Hue achieved average occupancy of 67.5% for the six-month period, well above the 50% target, with occupancy rising steadily and peaking at 92.2% in June. Average room rates exceeded budget. Domestic guests accounted for a high proportion of total occupancy, often exceeding 85% during the summer season. Flexible dynamic pricing yielded positive results.

While Le Carré Hue is still operating at a loss during its initial ramp-up phase, it has already achieved cash-flow break-even by the end of June 2026. In addition, the combined hotel operations delivered higher revenue and improved results compared with the prior period.

Looking ahead, the second half of 2026 will be subject to normal seasonal patterns in Hue, with lower visitor numbers expected from August onwards as the summer season ends and the rainy and storm period begins, as well as ongoing macro headwinds for inbound tourism to Hong Kong, including elevated fuel costs and currency pressures in some feeder markets. Management will continue to apply dynamic pricing, ramp up marketing activities and implement selective facility enhancements at both properties to sustain momentum and meet the full-year business targets.

Property Development

The Group continues to hold its strategically located land bank in Binh Thanh District, Ho Chi Minh City, retained as a long-term land bank for future development when market conditions and demand become more favourable. It remains classified as property held for development. The hotel component of the Hue Square project is now operational, with ongoing efforts to lease the remaining retail areas.

Outlook

Vietnam's strong economic fundamentals, continued FDI inflows, accelerated public investment and tourism recovery provide a supportive backdrop. Near-term results for the Group will nevertheless continue to reflect regional competitive dynamics in the cement market and the ongoing flight-to-quality in the office sector.

Management will prioritise cost discipline, competitive sales and leasing strategies, environmental compliance, and the planned upgrading of Saigon Trade Center to enhance its competitiveness and long-term value. Over the medium term, infrastructure projects in the Central region, sustained FDI-driven demand and the progressive improvement of STC's facilities are expected to provide selective recovery opportunities. The Group remains focused on operational resilience and prudent positioning to capture these opportunities while carefully managing input-cost, currency and competitive risks.

Dividend

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

Management Discussion and Analysis

Financial Review

Liquidity and Financial Resources

The Group's cash, bank balances, time deposits and certificate of deposits as at 30 June 2026 amounted to HK$620,204,000 (31 December 2025: HK$615,783,000). The Group has no bank and other borrowings as at 30 June 2026 (31 December 2025: Nil).

Significant Investments Held

As at 30 June 2026, the Group has no significant investment held.

Exposure to Fluctuations in Exchange Rates and Related Hedges

The Group is exposed to the risk of exchange rate fluctuations in Vietnamese Dong ("VND") for its investments in Vietnam, especially the income, current assets and liabilities of the cement plant and the Saigon Trade Center. The exchange rate of VND to HKD recorded an appreciation of 0.47% as at 30 June 2026 when compared to the rate as at 31 December 2025. The Group recorded an exchange loss of HK$824,000 during the period. Since VND is not a freely convertible currency, hedging instruments in the market are very limited and is not cost efficient to do so. The interest deviation between VND and HKD is also a barrier for setting up an effective hedge for the VND devaluation. As such, the Group has not employed any currency hedging instrument during the financial year.

Details of Capital Commitments

As at 30 June 2026, the Group has no capital commitments (31 December 2025: Nil).

Details of Contingent Liability

As at 30 June 2026, the Group had no significant contingent liability (31 December 2025: Nil).

Employees and Remuneration Policy

As at 30 June 2026, the Group had approximately 805 employees, of which about 86% of them was located in Vietnam. The total staff cost (including directors' remuneration) was approximately HK$25,657,000 for the six-month period ended 30 June 2026. There was no significant change in the Group's remuneration policy as compared to that disclosed in the Group's annual report for the year ended 31 December 2025.

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 2026, together with the comparative figures for the corresponding period in 2025. These interim condensed consolidated financial information has not been audited, but has been reviewed by the Company's audit committee.

Consolidated Statement of Profit or Loss

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
	Notes	**HK$'000**	HK$'000
REVENUE	4	**173,173**	175,958
Cost of sales		**(106,549)**	(105,212)
Gross profit		**66,624**	70,746
Other income and gains	4	**11,592**	14,761
Selling and distribution expenses		**(2,802)**	(1,655)
Administrative expenses		**(33,056)**	(31,405)
Other expenses		**(981)**	(5,499)
Finance costs	5	**(1,069)**	(1,068)
PROFIT BEFORE TAX	6	**40,308**	45,880
Income tax expense	7	**(9,927)**	(9,261)
PROFIT FOR THE PERIOD		**30,381**	36,619
ATTRIBUTABLE TO:			
Owners of the parent		**30,660**	37,416
Non-controlling interests		**(279)**	(797)
		30,381	36,619
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted	8	**HK6.1 cents**	HK7.4 cents

Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
PROFIT FOR THE PERIOD	**30,381**	36,619
OTHER COMPREHENSIVE INCOME/(LOSS):		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**8,732**	(12,351)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	**8,732**	(12,351)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**39,113**	24,268
Attributable to:		
Owners of the parent	**37,930**	24,052
Non-controlling interests	**1,183**	216
	39,113	24,268

Consolidated Statement of Financial Position

30 June 2026

	Notes	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	**625,690**	643,027
Investment properties		**1,254,746**	1,251,766
Properties for development		**17,968**	18,250
Prepayments, other receivables and other assets		**417**	415
Total non-current assets		**1,898,821**	1,913,458
CURRENT ASSETS			
Inventories		**50,458**	33,193
Trade receivables	11	**35,858**	25,895
Prepayments, other receivables and other assets		**15,980**	10,463
Financial assets at fair value through profit or loss		**13,539**	5,335
Cash and bank balances		**620,204**	615,783
Total current assets		**736,039**	690,669
CURRENT LIABILITIES			
Trade payables	12	**21,926**	6,713
Other payables and accruals		**89,538**	94,643
Tax payable		**22,787**	23,902
Total current liabilities		**134,251**	125,258
NET CURRENT ASSETS		**601,788**	565,411
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,500,609**	2,478,869

Consolidated Statement of Financial Position (continued)

30 June 2026

	Note	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,500,609**	2,478,869
NON-CURRENT LIABILITIES			
Other payables		**36,069**	41,705
Provisions		**2,126**	1,985
Deferred tax liabilities		**171,366**	171,814
Total non-current liabilities		**209,561**	215,504
Net assets		**2,291,048**	2,263,365
EQUITY			
Equity attributable to owners of the parent			
Issued capital	13	**5,016**	5,025
Treasury shares		**(1,180)**	(525)
Reserves		**2,309,054**	2,281,890
		2,312,890	2,286,390
Non-controlling interests		**(21,842)**	(23,025)
Total equity		**2,291,048**	2,263,365

Consolidated Statement of Changes In Equity

For the six months ended 30 June 2026

	Attributable to owners of the parent											
	Issued capital (Unaudited) HK$'000	Contributed surplus (Unaudited) HK$'000	Statutory surplus reserve (Unaudited) HK$'000	Capital redemption reserve (Unaudited) HK$'000	Capital reserve (Unaudited) HK$'000	Property revaluation reserve (Unaudited) HK$'000	Exchange fluctuation reserve (Unaudited) HK$'000	Retained profits (Unaudited) HK$'000	Treasury shares (Unaudited) HK$'000	Total (Unaudited) HK$'000	Non-controlling interests (Unaudited) HK$'000	Total equity (Unaudited) HK$'000
At 1 January 2026	**5,025**	**797,862***	**4,007***	**731***	**(6,371)***	**24,319***	**(644,127)***	**2,105,469***	**(525)**	**2,286,390**	**(23,025)**	**2,263,365**
Profit/(loss) for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**30,660**	**–**	**30,660**	**(279)**	**30,381**
Other comprehensive income/(loss) for the period:												
Exchange differences on translation of foreign operations	**–**	**–**	**–**	**–**	**–**	**–**	**7,270**	**–**	**–**	**7,270**	**1,462**	**8,732**
Total comprehensive income/(loss) for the period	**–**	**–**	**–**	**–**	**–**	**–**	**7,270**	**30,660**	**–**	**37,930**	**1,183**	**39,113**
Final 2025 dividend approved	**–**	**(10,032)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(10,032)**	**–**	**(10,032)**
Transfer to statutory surplus reserve	**–**	**–**	**122**	**–**	**–**	**–**	**–**	**(122)**	**–**	**–**	**–**	**–**
Share cancelled	**(9)**	**(734)**	**–**	**–**	**–**	**–**	**–**	**–**	**743**	**–**	**–**	**–**
Shares repurchased	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,398)**	**(1,398)**	**–**	**(1,398)**
At 30 June 2026	**5,016**	**787,096***	**4,129***	**731***	**(6,371)***	**24,319***	**(636,857)***	**2,136,007***	**(1,180)**	**2,312,890**	**(21,842)**	**2,291,048**

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

* These reserve accounts comprise the consolidated reserves of HK$2,309,054,000 (unaudited) (31 December 2025: HK$2,281,890,000 (audited)) in the consolidated statement of financial position as at 30 June 2026.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	**31,528**	41,781
Interest paid	**(1,069)**	(1,068)
Taxes paid	**(12,150)**	(7,943)
Net cash flows from operating activities	**18,309**	32,770
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	**4,773**	7,180
Proceeds from disposal of items of property, plant and equipment	**–**	216
Placement of time deposits and certificate of deposits with original maturity of over three months when acquired	**(112,363)**	(93,652)
Purchases of items of property, plant and equipment	**(2,014)**	(4,518)
Purchases of financial assets at fair value through profit or loss	**(8,104)**	–
Dividend received from financial assets at fair value through profit or loss	**173**	169
Net cash flows used in investing activities	**(117,535)**	(90,605)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal portion of lease payments	**(483)**	(496)
Dividends paid	**(10,032)**	(10,049)
Repurchase of shares	**(1,398)**	(2)
Net cash flows used in financing activities	**(11,913)**	(10,547)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(111,139)**	(68,382)
Cash and cash equivalents at beginning of period	**312,882**	260,163
Effect of foreign exchange rate changes, net	**3,197**	(528)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**204,940**	191,253

Condensed Consolidated Statement of Cash Flows (continued)

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**59,645**	74,639
Non-pledged time deposits with original maturity of less than three months when acquired	**145,295**	116,614
Non-pledged time deposits and certificate of deposits with original maturity of over three months when acquired	**415,264**	382,668
Cash and bank balances as stated in the consolidated statement of financial position	**620,204**	573,921
Less: Non-pledged time deposits and certificate of deposits with original maturity of over three months when acquired	**(415,264)**	(382,668)
Cash and cash equivalents as stated in the condensed consolidated statement of cash flows	**204,940**	191,253

Notes to Condensed Consolidated Financial Information

1. Basis of Preparation

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

The unaudited interim condensed consolidated financial information of the Group for the six months ended 30 June 2026 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of Appendix D2 of the Rules Governing the Listing of Securities on the Stock Exchange.

The unaudited interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

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

2. Changes in Accounting Policies and Disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period's financial information.

Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7

2. Changes in Accounting Policies and Disclosures (continued)

The nature and the impact of the amended HKFRS Accounting Standards are described below:

(a) Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information. The Group will provide additional disclosures for its equity investments designated at fair value through other comprehensive income in the Group's consolidated financial statements for the year ending 31 December 2026.

(b) Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

(c) *Annual Improvements to HKFRS Accounting Standards* – Volume 11 set out narrow scope amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS* 7), HKFRS 9, HKFRS 10 and HKAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding HKFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

3. Operating Segment Information

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

(a) the cement products segment represents the Group's manufacture and sale of cement products for use in the construction industry;

(b) the property investment segment represents the Group's investments in industrial, commercial and residential premises for their rental income potential and provision of property management and related services;

(c) the hotel operation segment represents the Group's hotel business;

(d) the property development segment represents the Group's development and sale of properties; and

(e) the corporate and others segment represents corporate income and expense items and the Group's sale of electronic products.

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

3. Operating Segment Information (continued)

Information regarding these reportable segments is presented below.

Six months ended 30 June	Cement products		Property investment		Hotel operation		Property development		Corporate and others		Consolidated	
	2026 (Unaudited) HK$'000	2025 (Unaudited) HK$'000	**2026 (Unaudited) HK$'000**	2025 (Unaudited) HK$'000	**2026 (Unaudited) HK$'000**	2025 (Unaudited) HK$'000	**2026 (Unaudited) HK$'000**	2025 (Unaudited) HK$'000	**2026 (Unaudited) HK$'000**	2025 (Unaudited) HK$'000	**2026 (Unaudited) HK$'000**	2025 (Unaudited) HK$'000
Segment revenue and income												
Sales to external customers	**64,582**	72,144	**69,283**	68,174	**34,512**	30,758	**–**	–	**4,796**	4,882	**173,173**	175,958
Other income and gains	**–**	247	**422**	301	**–**	–	**–**	3,209	**–**	2	**422**	3,759
Total	**64,582**	72,391	**69,705**	68,475	**34,512**	30,758	**–**	3,209	**4,796**	4,884	**173,595**	179,717
Segment results	**(8,960)**	(4,442)	**50,525**	52,362	**(1,881)**	(1,199)	**(423)**	2,242	**(10,123)**	(14,085)	**29,138**	34,878
Reconciliation:												
Interest income											**11,170**	11,002
Profit before tax											**40,308**	45,880
Income tax credit/(expense)	**1,398**	1,364	**(11,325)**	(10,625)	**–**	–	**–**	–	**–**	–	**(9,927)**	(9,261)
Profit for the period											**30,381**	36,619

4. Revenue, Other Income and Gains

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

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Revenue from contracts with customers		
Sale of cement	**64,582**	72,144
Sale of electronic products	**4,796**	4,882
Rendering of property management and related services	**13,747**	14,417
Hotel operation income	**34,512**	30,758
Subtotal	**117,637**	122,201
Revenue from other sources		
Gross rental income	**55,536**	53,757
Total	**173,173**	175,958

4. Revenue, Other Income and Gains (continued)

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2026

Segments	Cement products (Unaudited) HK$'000	Property investment (Unaudited) HK$'000	Hotel operation (Unaudited) HK$'000	Corporate and others (Unaudited) HK$'000	Total (Unaudited) HK$'000
Types of goods or services					
Sale of cement	64,582	–	–	–	64,582
Sale of electronic products	–	–	–	4,796	4,796
Property management and related services	–	13,747	–	–	13,747
Hotel and related services	–	–	34,512	–	34,512
Total	64,582	13,747	34,512	4,796	117,637
Geographical markets					
Vietnam	64,582	13,747	2,447	–	80,776
Hong Kong	–	–	32,065	4,796	36,861
Total	64,582	13,747	34,512	4,796	117,637
Timing of revenue recognition					
Goods transferred at a point in time	64,582	–	–	4,796	69,378
Services transferred over time	–	13,747	34,512	–	48,259
Total	64,582	13,747	34,512	4,796	117,637

4. Revenue, Other Income and Gains (continued)

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

For the six months ended 30 June 2025

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

Other income and gains

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

	Six months ended 30 June	
	2026 (Unaudited) HK$'000	2025 (Unaudited) HK$'000
Interest income	**11,170**	11,002
Dividend income from financial assets at fair value through profit or loss	**173**	169
Rental income	**–**	3,208
Fair value gains on financial assets at fair value through profit or loss, net	**100**	124
Gain on disposal of items of property, plant and equipment	**–**	216
Others	**149**	42
Total	**11,592**	14,761

5. Finance Costs

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Interest on lease liabilities	**1,069**	1,068

6. Profit Before Tax

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

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Cost of inventories sold	**75,007**	73,636
Cost of services rendered	**31,542**	31,576
Depreciation of owned assets	**19,308**	16,297
Depreciation of right-of-use assets	**1,604**	2,011
Foreign exchange differences, net**	**824**	1,358
Fair value gains on financial assets at fair value through profit or loss, net#	**(100)**	(124)
Gain on disposal of items of property, plant and equipment#	**–**	(216)
Impairment of trade receivables, net**	**157**	1,875
Impairment of property, plant and equipment**	**–**	2,266

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

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

7. Income Tax

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

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Current – Elsewhere		
Charge for the period	**11,455**	10,753
Over provision in prior years	**(130)**	(128)
	11,325	10,625
Deferred	**(1,398)**	(1,364)
Total tax charge for the period	**9,927**	9,261

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

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 501,582,147 (six months ended 30 June 2025: 502,453,352) outstanding during the period.

No adjustment has been made to the basic earnings per share amounts presented for the six months ended 30 June 2026 and 2025 as the Group had no potentially dilutive ordinary shares outstanding during those periods.

9. Dividend

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
2025 Final declared and paid – HK2 cent (2024: HK2 cent) per ordinary share	**10,032**	10,049

9. Dividend (continued)

On 20 August 2026, the board of directors declared an interim dividend of HK2 cents (six months ended 30 June 2025: HK2 cents) per ordinary share, amounting to a total of approximately HK$10,003,000 (six months ended 30 June 2025: HK$10,049,000).

10. Property, Plant and Equipment

During the six months ended 30 June 2026, the Group acquired items of property and equipment at a cost of HK$2,014,000 (six months ended 30 June 2025: HK$6,784,000), including owned assets of HK$2,014,000 (six months ended 30 June 2025: owned assets of HK$4,518,000 and right-of-use assets of HK$2,266,000).

During the six months ended 30 June 2026, no impairment losses (six months ended 30 June 2025: HK$2,266,000) were recognised for items of right-of-use assets.

11. Trade Receivables

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

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

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

	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
0 to 30 days	**26,154**	15,605
31 to 60 days	**2,567**	3,127
61 to 90 days	**1,656**	1,746
91 to 120 days	**2,432**	1,245
Over 120 days	**3,049**	4,172
Total	**35,858**	25,895

Notes to Condensed Consolidated Financial Information

12. Trade Payables

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

	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
0 to 30 days	**21,719**	6,507
31 to 60 days	**–**	–
Over 120 days	**207**	206
Total	**21,926**	6,713

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

13. Share Capital

	30 June 2026 (Unaudited) HK$'000	31 December 2025 (Audited) HK$'000
Authorised:		
760,000,000 ordinary shares of HK$0.01 each	**7,600**	7,600
Issued and fully paid:		
501,621,418 (2025: 502,453,418) ordinary shares of HK$0.01 each	**5,016**	5,025

Note: During the period ended 30 June 2026, the Company repurchased 1,692,000 shares on the Stock Exchange of Hong Kong Limited ("Stock Exchange") at a total consideration of HK$1,398,000. 832,000 shares were cancelled during the period ended June 2026.

14. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Group:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Short-term employee benefits	**3,601**	4,387
Post-employment benefits	**36**	36
Total compensation paid to key management personnel	**3,637**	4,423

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

15. Contingent Liabilities

As at 30 June 2026, the Group had no significant contingent liabilities.

16. Approval of the Unaudited Interim Condensed Consolidated Financial Information

These unaudited interim condensed consolidated financial information was approved and authorised for issue by the board of directors on 20 August 2026.

Other Information

Interim Dividend

The Board has resolved to declare an interim dividend of HK2 cents (six months ended 30 June 2025: HK2 cents) per ordinary share in issue in respect of the six months ended 30 June 2026.

Closure of Register of Members

The Register of Members will be closed from Wednesday, 23 September 2026 to Friday, 25 September 2026, both dates inclusive, during which period no transfer of shares will be affected. In order to qualify for the interim dividend, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Tuesday, 22 September 2026. Cheques for interim dividends will be dispatched to the Shareholders whose names appear on the register of members of the Company on Friday, 25 September 2026 on or before Friday, 9 October 2026.

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

At 30 June 2026, 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:

		Number of shares held, capacity and nature of interest					
Name of director	Notes	Directly beneficially owned	Family interest held by spouse	Through controlled corporation	Through Trustee of a Trust	Total	Percentage of the Company's issued share capital
Cheng Cheung	(a)	21,288,800	–	36,912,027	–	58,200,827	11.60
Luk Yan	(b)	3,070,800	174,000	–	272,824,862	276,069,662	55.04
Luk Fung	(b)	3,229,600	–	–	272,824,862	276,054,462	55.03
Luk Sze Wan, Monsie	(b)	2,364,000	–	–	272,824,862	275,188,862	54.86
Fan Chiu Tat, Martin		2,288,000	–	–	–	2,288,000	0.46

Notes:

(a) Madam Cheng Cheung (deceased) had a beneficial interest in CC (Holdings) Limited, which held 36,912,027 shares of the Company at the end of the reporting period. Madam Cheng Cheung's interests are now undergoing probate.

(b) The interests disclosed by Mr. Luk Yan, Mr. Luk Fung and Ms. Luk Sze Wan, Monsie under the heading "Through Trustee of a Trust" in the above table refer to the same shares held by Luks Family (PTC) Limited, as trustee of The Luks Family Trust. Each of Mr. Luk Yan, Mr. Luk Ngai, Mr. Luk Fung and Ms. Luk Sze Wan, Monsie was the beneficiary of The Luks Family Trust. The shareholdings of Mr. Luk Ngai and Luks Family (PTC) Limited were disclosed in the below section referring to Substantial Shareholders' interests in shares.

In addition to the above, certain directors have non-beneficial personal equity interests in certain subsidiaries held for the benefit of the Company solely for the purpose of complying with the minimum company membership requirements.

Save as disclosed above, as at 30 June 2026, 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 2026, 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	7.36
Kopernik Global Investors LLC	Directly beneficially owned	25,274,866	5.04
Luks Family (PTC) Limited	Directly beneficially owned	272,824,862	54.39
Luk Ngai (Note)	Directly beneficially owned and through Trustee of a Trust	276,214,862	55.06

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 2026, no person, other than the directors of the Company, whose interests are set out in the section headed "Directors' and chief executive's interests and short positions in shares and underlying shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

Share Option Scheme

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

No share options have been granted under the Scheme since its adoption and up to 30 June 2026. Accordingly, there were no share options outstanding as at 1 January 2026 and 30 June 2026, and no share options were exercised, cancelled, or lapsed under the Scheme during the period.

As of 1 January 2026 and 30 June 2026, the number of options available for grant under the Scheme was 50,529,741 on both dates, without any service provider sublimit.

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

Purchase, Sale or Redemption of Listed Securities of the Company

During the six months ended 30 June 2026, the Company purchased certain of its shares on the Hong Kong Stock Exchange. The summary details of those transactions are as follows:

		Price per Share		
Trading Day (day/month/year)	**No. of Shares Repurchased**	**Highest Price paid** (HK$)	**Lowest Price paid** (HK$)	**Total Consideration Paid** (HK$)
20/1/2026	66,000	0.89	0.89	58,740.00
21/1/2026	176,000	0.90	0.90	158,400.00
11/6/2026	118,000	0.88	0.86	103,160.00
12/6/2026	220,000	0.87	0.84	188,640.00
18/6/2026	100,000	0.82	0.82	82,000.00
24/6/2026	200,000	0.80	0.80	160,000.00
25/6/2026	200,000	0.80	0.79	159,000.00
26/6/2026	206,000	0.79	0.79	162,740.00
29/6/2026	6,000	0.79	0.79	4,740.00
30/6/2026	400,000	0.80	0.80	320,000.00

The 242,000 shares purchased between 20 January 2026 and 21 January 2026 were cancelled on 6 March 2026.

During the period, a further 1,450,000 shares were repurchased between 11 June 2026 and 30 June 2026. Subsequent to the period end, the Company further repurchased 2,600,000 shares on the Stock Exchange at a price of HK$0.80 per share, for a total consideration of approximately HK$2,080,000.00.

All the purchased shares will be cancelled shortly, whereupon the issued share capital of the Company will be reduced by the par value thereof.

As at 30 June 2026, the total number of issued shares of the Company was 501,621,418.

The purchase of the Company's shares during the six months ended 30 June 2026 was effected by the directors, pursuant to the mandate from shareholders received at the last annual general meeting, with a view to benefiting shareholders as a whole by enhancing the net asset value per share and earnings per share of the Group.

Except as disclosed above, neither the Company nor any of its subsidiaries has purchased or sold or redeemed any of the Company's listed securities during the six months ended 30 June 2026.

Code on Corporate Governance Practices

The Company is committed to attaining high standard of corporate governance practices with an emphasis on a quality Board, better transparency and effective accountability system. The Company has adopted the code provisions in the Corporate Governance Code (the "CG Code") contained in Part 2 of Appendix C1 (formerly Appendix 14) of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

During the six months ended 30 June 2026, the Company has complied with the code provisions set out in the CG Code with the exception of code provision B.2.2.

According to code provision B.2.2, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. 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. Following the passing of Mdm. CHENG on 13 December 2025, Ms. LUK Sze Wan, Monsie ("Ms. LUK") was appointed as the Chairman of the Board on 8 January 2026.

Model Code for Director's Securities Transactions

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" set out in Appendix C3 (formerly Appendix 10) of the Listing Rules (the "Model Code") as its own code. All Directors have confirmed, following specific enquiry that they have complied with the Model Code throughout the period ended 30 June 2026. Formal notifications were sent by the Company to all Directors reminding them not to deal with the securities of the Company during the "black out period" as specified in the Model Code.

Other Information

Audit Committee

The Audit Committee comprises three independent non-executive directors of the Company, namely Mr. Lam Chi Kuen (Chairman), Ms. Pang Siu Yin and Mr. Wong Hoi Wah. The Audit Committee has reviewed the accounting principles and policies adopted by the Group and discussed with management the internal control and financial reporting matters. The Audit Committee has reviewed and confirmed the unaudited interim condensed consolidated financial information of the Group for the six months ended 30 June 2026.

By Order of the Board
Luks Group (Vietnam Holdings) Co., Ltd.

Luk Sze Wan, Monsie
Chairman

Hong Kong
20 August 2026