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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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2015

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 2015, together with the comparative figures for the corresponding period in 2014. 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 2015

		Six months ended 30 June	
		2015	2014
		(Unaudited)	(Unaudited)
	Notes	HK\$'000	HK\$'000
REVENUE	4	307,732	310,071
Cost of sales		(196,627)	(192,235)
Gross profit		111,105	117,836
Other income and gains	4	5,298	5,421
Selling and distribution expenses		(21,190)	(17,322)
Administrative expenses		(35,016)	(35,646)
Other expenses		(5,546)	(21,425)
Finance costs	5	(914)	(1,325)
Share of profits and losses of associates		-	383
PROFIT BEFORE TAX	6	53,737	47,922
Income tax expense	7	(16,419)	(17,436)
PROFIT FOR THE PERIOD		37,318	30,486
ATTRIBUTABLE TO:			
Owners of the parent		37,862	32,711
Non-controlling interests		(544)	(2,225)
		37,318	30,486
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
Basic and diluted		HK7.5 cents	HK6.5 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2015

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
PROFIT FOR THE PERIOD	37,318	30,486
OTHER COMPREHENSIVE LOSS:		
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(30,734)	(7,043)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD	(30,734)	(7,043)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	6,584	23,443
Attributable to:		
Owners of the parent	7,892	23,291
Non-controlling interests	(1,308)	152
	6,584	23,443

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2015

		30 June 2015 (Unaudited) HK\$'000	31 December 2014 (Audited) HK\$'000
	Notes		
NON-CURRENT ASSETS			
Property, plant and equipment		1,157,652	1,162,533
Investment properties		966,437	982,038
Prepaid land lease payments		4,210	5,552
Investment in a joint venture		-	-
Investments in associates		6	760
Properties for development		34,280	33,847
Deposits		33,251	34,673
Total non-current assets		2,195,836	2,219,403
CURRENT ASSETS			
Inventories		75,534	77,182
Trade receivables	10	55,412	39,733
Prepayments, deposits and other receivables		16,147	21,504
Cash and cash equivalents		332,113	380,028
		479,206	518,447
Investment properties classified as held for sale		-	11,005
Total current assets		479,206	529,452
CURRENT LIABILITIES			
Trade payables	11	25,388	22,455
Other payables and accruals		90,280	111,088
Due to directors		55	55
Due to a related company		4,381	4,383
Interest-bearing bank and other borrowings		78,653	77,419
Tax payable		33,581	34,265
Total current liabilities		232,338	249,665
NET CURRENT ASSETS		246,868	279,787
TOTAL ASSETS LESS CURRENT LIABILITIES		2,442,704	2,499,190

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)*30 June 2015*

	30 June 2015 (Unaudited) HK\$'000	31 December 2014 (Audited) HK\$'000
TOTAL ASSETS LESS CURRENT LIABILITIES	2,442,704	2,499,190
NON-CURRENT LIABILITIES		
Rental deposits	15,990	19,518
Provisions	5,185	5,193
Deferred tax liabilities	209,176	208,075
Total non-current liabilities	230,351	232,786
Net assets	2,212,353	2,266,404
EQUITY		
Equity attributable to owners of the parent		
Issued capital	5,053	5,053
Reserves	2,239,183	2,291,926
	2,244,236	2,296,979
Non-controlling interests	(31,883)	(30,575)
Total equity	2,212,353	2,266,404

Notes:

1. BASIS OF PREPARATION

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 Group are described in note 3 below.

These 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").

These 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 2014.

The accounting policies and basis of preparation adopted in the preparation of these unaudited interim condensed consolidated financial statements are consistent with those adopted in the Group's annual financial statements for the year ended 31 December 2014 which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosures requirements of the Hong Kong Companies Ordinance, except for the adoption of the new and revised HKFRSs as disclosed in note 2 below.

These unaudited interim condensed consolidated financial statements have been prepared under the historical cost convention, except for investment properties, which have been measured at fair value. These 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 Group has adopted the following revised HKFRSs for the first time for the current period's unaudited interim condensed consolidated financial statements.

Amendments to HKAS 19 <i>Annual Improvements</i> <i>2010-2012 Cycle</i>	<i>Defined Benefit Plans: Employee Contributions</i> Amendments to a number of HKFRSs
<i>Annual Improvements</i> <i>2011-2013 Cycle</i>	Amendments to a number of HKFRSs

The adoption of the revised HKFRSs has had no significant financial effect on these unaudited interim condensed consolidated financial statements and there have been no significant changes to the accounting policies applied in these unaudited interim condensed consolidated financial statements.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

3. OPERATING SEGMENT INFORMATION

The Group's operating business are structured and managed separately according to the nature of their operations and the products they provide. Each of the Group's business segments represents a strategic business unit that offers products which are subject to risks and returns that are different from those of the other business segments. The following table presents revenue and results for the Group's operating segments for the six months ended 30 June 2015 and 2014.

	Cement products		Property investment		Property development		Corporate and others		Consolidated	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:										
Sales to external customers	246,951	248,532	55,379	56,832	-	-	5,402	4,707	307,732	310,071
Other income and gains	521	405	10	219	-	-	-	-	531	624
	247,472	248,937	55,389	57,051	-	-	5,402	4,707	308,263	310,695
Segment results	32,555	33,059	37,473	40,314	(916)	(10,910)	(20,142)	(19,721)	48,970	42,742
<i>Reconciliation:</i>										
Interest income									4,767	4,797
Share of profits and losses of associates	-	383	-	-	-	-	-	-	-	383
Profit before tax									53,737	47,922
Income tax expense	(6,225)	(6,813)	(10,194)	(10,623)	-	-	-	-	(16,419)	(17,436)
Profit for the period									37,318	30,486

4. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and gross rental income received and receivable from investment properties during the period.

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

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Revenue		
Sale of cement	246,951	248,532
Gross rental income	55,379	56,832
Sale of electronic products	5,402	4,549
Sale of traditional Chinese medicine products	-	60
Sale of plywood and other wood products	-	98
	307,732	310,071
Other income and gains		
Interest income	4,767	4,797
Gain on disposal of items of property, plant and equipment	104	-
Gain on disposal of scrap materials	78	329
Others	349	295
	5,298	5,421

5. FINANCE COSTS

Six months ended 30 June	
2015	2014
(Unaudited)	(Unaudited)
HK\$'000	HK\$'000

Interest expense on bank loans	914	1,325
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6. PROFIT BEFORE TAX

Profit before tax was determined after charging the following:

Six months ended 30 June	
2015	2014
(Unaudited)	(Unaudited)
HK\$'000	HK\$'000

Cost of inventories sold	187,799	186,354
Depreciation	25,894	26,323
Amortisation of land lease payments	1,245	1,271
Loss on disposal of investment properties	698	2,202
Loss on disposal of items of property, plant and equipment	-	1,848
Loss on deregistration of an associate	115	-

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2014: 16.5%) 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	
2015	2014
(Unaudited)	(Unaudited)
HK\$'000	HK\$'000

Current charge for the period		
Elsewhere	14,152	14,627
Land appreciation tax	-	5,817
Underprovision in prior years		
Elsewhere	204	595
Deferred	2,063	(3,603)
Total tax charge for the period	16,419	17,436

During six months ended 30 June 2014, the share of tax charges attributable to associates amounting to HK\$43,000 are included in "Share of profits and losses of associates" in the consolidated statement of profit or loss.

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

The calculation of 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 505,297,418 (six months ended 30 June 2014: 505,297,418) in issue during the period.

No adjustment has been made to the basic earnings per share amounts presented for six months ended 30 June 2015 and 2014 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those periods.

9. DIVIDEND

	Six months ended 30 June 2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Interim – HK6 cents (six months ended 30 June 2014: HK6 cents) per ordinary share	30,318	30,318

10. 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 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 aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date, and net of impairment, is as follows:

	30 June 2015 (Unaudited) HK\$'000	31 December 2014 (Audited) HK\$'000
0 to 30 days	45,207	32,175
31 to 60 days	2,845	3,491
61 to 90 days	811	1,413
91 to 120 days	635	1,631
Over 120 days	5,914	1,023
	55,412	39,733

11. TRADE PAYABLES

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

	30 June 2015 (Unaudited) HK\$'000	31 December 2014 (Audited) HK\$'000
0 to 30 days	16,423	14,052
31 to 60 days	3,061	1,113
61 to 90 days	98	167
91 to 120 days	61	80
Over 120 days	5,745	7,043
	25,388	22,455

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

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

General speaking, Vietnam's macroeconomic situation was stable in the first half of 2015 and was going through a period of slow pace recovery. The World Bank's half yearly report pointed out that the speed of Vietnam's economic growth was the fastest over the past five years, and it was one of the best economic performing countries in the Asia-Pacific region and in the worldwide.

Vietnam's GDP in the first six months of 2015 grew 6.28% compared with 6.08% for the same period of last year, and was in a continuous trend of improvement for the last several years. The main engines of growth came from manufacturing and construction sectors, each recorded growth rate of 9.9% and 6.6% respectively. The processing industries for export grew particularly strong, whereas the retail sales also recorded a satisfactory uplift of 8.3%.

On the other hand, the consumer price index recorded a substantial drop to 1% for the first six months of the year, comparing to 5% for the same period of last year. Prices were generally stable, which thus also stimulated private consumptions and foreign investments during the period. At the same time, low inflation also led the Central Bank of Vietnam to implement a more aggressive monetary policy, including further lowering deposit and lending rates.

Looking ahead, the World Bank estimates that GDP growth rate of Vietnam for the full year of 2015 will be about 6.2%. But slow structural reforms and downside risks of the global economy may cause resistance to its economic development. In addition, due to a significant reduction in exports, Vietnam recorded US\$3.07 billion of the foreign trade deficit in the first half of 2015, reversing the situation of foreign trade surplus in recent years and thus resulted in an increasing risk of Vietnamese Dong ("VND") depreciation. In the first half of 2015, the Vietnamese government devalued the VND for an aggregate of 2% by two occasions in January and May. And being affected by the devaluation of Renmibi, the Vietnamese government further devalued the VND for another 1% in August 2015. The Deputy Governor Nguyen Thi Hong of the State Bank of Vietnam stressed that until early 2016 there would not be any further adjustment to the dollar against the dong exchange rate. Yet the situation is still uncertain, being affected by the unstable global economic situation and continuing depreciation of the regional currencies.

For the six months ended June 30 2015, the Group's turnover amounted to HK\$307,732,000, representing a drop of about 0.8% as compared to HK\$310,071,000 for the corresponding period of last year. The Group's turnover mainly came from the cement business and the property investment business. The cement business recorded a turnover of HK\$246,951,000, representing a decrease of 0.6% as compared to that of last year. While the property investment business recorded a turnover of HK\$55,379,000, representing a decrease of 2.6% as compared to that of last year.

The Group recorded an unaudited consolidated net profit from ordinary activities attributable to the owners of the parent of HK\$37,862,000 for the first half of 2015, representing an increase of 15.8% as compared to HK\$32,711,000 of same period last year. The basic earnings per share for the first six months of 2015 were HK7.5 cents per share (corresponding period for first six months of 2014: HK6.5 cents).

Cement Business

According to figures of the Vietnam Building Materials Association, Vietnam recorded a growth in both domestic and export cement sales in the first half of 2015. Overall cement sales rose 6% to 34.16 million tons, of which domestic sales accounted for 25.97 million tons while export was 8.19 million tons. The growth rate for domestic and export cement sales were 6% and 8% respectively. The increase in domestic cement consumption was mainly attributable to a recovering real estate market and an active development for the rural infrastructure by the government. In 2015, Vietnam has two new cement plants with an aggregate capacity of 4.2 million tons of cement production come into the market, and has resulted in the total national cement production capacity to reach 81.6 million tons. Yet, there will not be any new cement plant in Vietnam putting into production in 2016.

In the first half of 2015, cement and clinker sales of the Group's cement plant recorded a total of 601,000 tons, a year on year increase of approximately 2.9%, whereas the sales revenue decreased slightly from a year ago. The profit after tax was HK\$26,520,000, representing a decrease of 1.9% comparing to the same period of last year.

Benefit from the economic recovery, construction in both urban and rural areas flourished throughout Vietnam. The cement market in central Vietnam was also seen improving. But on the other hand, a new cement plant in the region commenced operation by the end of last year, leading to an increased market competition. Apart from the selling price competition, the Group's spending on sales and marketing also increased comparing to the same period of last year in response to the new challenges and competition.

In addition, because the government strictly restricted the weight loading of trucks, average transporting capacity per truck was reduced and thus leading to an increase in transportation cost during the period. Also, an increase in 7.5% of the electricity price in March this year resulted in an increase in the cement production cost. Nevertheless, other production costs are relatively stable during the period. The Group committed to reduce borrowings for the cement plant which thus resulted in a significant reduction of its financial expense during the period. During the period, the cement plant launched some measures to streamline the staffing and improve the efficiency of the cement plant and thus resulted in a significant saving on the administrative cost.

Looking ahead, with the Vietnamese economy continuing to recover, it shall stimulate the increase in demand for domestic cement consumption. Yet, on the other hand, an increase in market competition and electricity cost, and the risk of dong depreciation shall exert pressure on the business operation of the cement plant. Regardless of the exchange risk, sales and earnings of the cement plant are expected to remain stable in the second half of 2015.

Vietnam Property Investment and Development

The Group's Saigon Trade Center located in Ho Chi Minh City had a stable rental performance in the first half of 2015. The occupancy rate was about 73%, representing a rise of 2% from 71% as at the end of 2014. The average rental rate per square meter recorded an increase of about 2% as compared to the same period of last year. Since operating costs also increased during the period, the overall revenue compared with last year recorded a slight increase of 1% as a result.

In 2015, foreign investments in Vietnam started to recover, and so demand for office space also increased. It thus offset the new supply of office space on the market. It is estimated that the rental situation of the Saigon Trade Center will remain stable in the second half of 2015.

The Vietnamese government has uplifted certain restrictions for foreigners in investing and owning residential properties in Vietnam from 1 July 2015 onwards. Under the new decree, foreigners holding Vietnam visas can freely buy residential property in Vietnam, including apartments as well as villas. Foreigners are granted a term of 50 years of ownership for the property and is subject for a further renewal of 50 years when application is made on the expiry of the first 50-year leasing period.

Due to the anticipation of the new residential housing decree for foreigners mentioned above, together with other factors such as declining interest rates and economic recovery, the residential property market in the first half of 2015 showed a good momentum. Both the property trading volume and prices increased during the period. It is estimated that when the new housing decree for foreigners has been implemented for a longer period of time, with foreign investors having gained confidence on the protection from the new decree, the residential property market in Vietnam shall be led towards a continuous and stronger recovery.

When full recovery of the real estate market in Ho Chi Minh City shall be notable, the Group will consider restart its residential development project in the Binh Thanh District of Ho Chi Minh City.

Hong Kong Hotel Project and Other Investment Properties

The Group has officially signed a hotel management agreement with PENTA HOTELS (ASIA PACIFIC) LIMITED ("Penta Group") in May this year for the management of the Group's hotel project in Tuen Mun. Penta Group is under the Rosewood Hotel Management Group. Penta Group currently manages a total of 28 hotels in Europe and Asia. Whereas in Hong Kong, the only hotel being managed by Penta Group is the Penta Kowloon Hotel in San Po Kong, Kowloon. The Group's hotel located in Tuen Mun will be named Penta Kowloon (Tuen Mun) Hotel and is in the process of transformation with reference to the style and decor of Penta Group's standards.

Apart from the hotel project, the Group currently holds some industrial properties in Hong Kong and Shenzhen for leasing purpose. Yet, rental income from these investment properties accounts only for a small part of the Group's total revenue.

Dividend

The Board of Directors resolved to pay an interim dividend of HK6 cents to shareholders.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group's cash, bank balances and time deposits as at 30 June 2015 amounted to HK\$332,113,000 (as at 31 December 2014: HK\$380,028,000). The Group's total borrowings amounted to HK\$78,653,000 (as at 31 December 2014: HK\$77,419,000), all of which were repayable within 1 year. The percentage of the Group's borrowings denominated in HK\$ and VND were 45.9% and 54.1% respectively. Of the total borrowings, about HK\$42,588,000 were at fixed interest rates.

The gearing ratio, which is net debt divided by the equity attributable to equity holders of the parent, was 0% as at 30 June 2015 (31 December 2014: 0%).

Employees and Remuneration Policy

As at 30 June 2015, the Group had approximately 1,070 employees. Most of them were working in Vietnam. The total staff cost (including directors' remuneration) was approximately HK\$27,640,000 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 2014.

Details of charges

As at 30 June 2015, the Group has pledged certain plant and machinery at a net carrying value of HK\$103,455,000 and certain construction in progress situated in Hong Kong at a net carrying value of HK\$454,807,000 to secure banking facilities.

Exposure to fluctuations in exchange rates and related hedges

The Group's investments in Vietnam are subject to the foreign exchange fluctuation, and especially that from the risk of devaluation of VND. As VND is a restricted currency, hedging instruments are limited in the market or the hedging is not cost efficient to do so. The relatively high interest deviation between VND and HKD is also a barrier for setting up an effective hedging for the VND devaluation. All borrowings of the Group's cement plant from the parent company and other intra-group companies are denominated in USD, resulting in the Group's cement plant exposure to foreign exchange risk of VND depreciation. In order to reduce the foreign exchange risk, the Group's cement plant borrowed a VND loan from a local bank to repay part of the USD intra-group loans in the beginning of the year. The exchange rate of VND to HKD recorded a depreciation of 2% as at 30 June 2015 when compared to the rate as at 31 December 2014. The Group suffered an exchange loss of HK\$4,733,000 during the period.

Details of contingent liabilities

As at 30 June 2015, the Group had no significant contingent liabilities (31 December 2014: Nil).

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Tuesday, 29 September 2015 to Friday, 2 October 2015, 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 Registrars, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 25 September 2015. Cheques for interim dividends will be dispatched on or before 14 October 2015.

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 2015.

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. Currently, the roles of Chairman and Chief Executive Officer of the Company are performed by Madam Cheng Cheung. Madam Cheng has taken up the roles of Mr. Luk King Tin when Mr. Luk passed away on 29 August 2015. 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. Chan Kam Fuk attended the annual general meeting of the Company held on 30 April 2015 and Mr. Liang Fang and Mr. Liu Li Yuan did not attend the annual general meeting due to their other business commitments.

AUDIT COMMITTEE

The Company has an audit committee which was established in compliance with Rule 3.21 of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises the three independent non-executive directors of the Company. These unaudited interim condensed consolidated financial statements for the six months ended 30 June 2015 now reported have been reviewed by the Company's audit committee.

CODE ON 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 2015 and 30 June 2015.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM 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.
Cheng Cheung
Chairman

Hong Kong, 31 August 2015

As at the date of this announcement, the Board of Directors comprises Ms. Cheng Cheung, Mr. Luk Yan, Mr. Fan Chiu Tat, Martin and Mr. Luk Fung (who are executive directors), and Mr. Liu Li Yuan, Mr. Liang Fang and Mr. Chan Kam Fuk (who are independent non-executive directors).