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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 2009

The board of directors (the “Board”) of Luks Group (Vietnam Holdings) Company Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2009, together with the comparative figures for the corresponding period in 2008. These condensed consolidated interim financial statements have not been audited, but have been reviewed by the Company’s audit committee.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2009

	Notes	For the six months ended 30 June	
		2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
REVENUE	3	311,215	320,713
Cost of sales		<u>(146,387)</u>	<u>(154,877)</u>
Gross profit		164,828	165,836
Other income and gains	3	13,400	14,101
Selling and distribution costs		(18,229)	(23,221)
Administrative expenses		(47,598)	(59,864)
Other expenses		(983)	(1,342)
Finance costs		(7,637)	(9,283)
Share of profits and losses of jointly-controlled entities		50	(182)
Share of profits and losses of associates		<u>(1,944)</u>	<u>-</u>
PROFIT BEFORE TAX	4	101,887	86,045
Tax	5	<u>(14,232)</u>	<u>(7,664)</u>
PROFIT FOR THE PERIOD		<u>87,655</u>	<u>78,381</u>
ATTRIBUTABLE TO:			
Equity holders of the parent		88,579	79,516
Minority interests		<u>(924)</u>	<u>(1,135)</u>
		<u>87,655</u>	<u>78,381</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY HOLDERS OF THE PARENT	6		
Basic		<u>17.3 cents</u>	<u>14.0 cents</u>
Diluted		<u>17.3 cents</u>	<u>14.0 cents</u>
DIVIDEND PER SHARE	7	<u>4.5 cents</u>	<u>4.0 cents</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2009

	For the six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
PROFIT FOR THE PERIOD	<u>87,655</u>	<u>78,381</u>
OTHER COMPREHENSIVE LOSS:		
Exchange realignment	<u>(30,901)</u>	<u>(44,499)</u>
OTHER COMPREHENSIVE LOSS FOR THE PERIOD	<u>(30,901)</u>	<u>(44,499)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>56,754</u>	<u>33,882</u>
Attributable to:		
Equity holders of the parent	<u>57,678</u>	<u>35,017</u>
Minority interests	<u>(924)</u>	<u>(1,135)</u>
	<u>56,754</u>	<u>33,882</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2009

		30 June 2009 (Unaudited) HK\$'000	31 December 2008 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		1,018,008	939,474
Investment properties		1,273,257	1,290,968
Prepaid land lease payments		14,148	16,331
Goodwill		15,842	15,842
Interests in jointly-controlled entities		91,966	2,975
Interests in associates		3,001	129,509
Available-for-sale investments		527	416
Deposits		157,006	77,276
Total non-current assets		<u>2,573,755</u>	<u>2,472,791</u>
CURRENT ASSETS			
Inventories		52,983	63,687
Trade receivables	8	62,957	28,826
Prepayments, deposits and other receivables		36,304	43,736
Debt investments at fair value through profit or loss		1,094	1,094
Derivative financial instruments		244	244
Pledged deposits		65,882	65,660
Cash and cash equivalents		304,552	468,100
Total current assets		<u>524,016</u>	<u>671,347</u>
CURRENT LIABILITIES			
Trade payables	9	48,506	70,172
Tax payable		26,506	23,990
Other payables and accruals		49,069	51,899
Due to directors		81	30,802
Due to a related company		2,350	1,852
Interest-bearing bank and other borrowings		215,530	182,548
Total current liabilities		<u>342,042</u>	<u>361,263</u>
NET CURRENT ASSETS		<u>181,974</u>	<u>310,084</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,755,729</u>	<u>2,782,875</u>
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		251,350	295,201
Rental deposits		33,460	36,436
Provisions		4,837	5,056
Deferred tax liabilities		243,729	242,781
Total non-current liabilities		<u>533,376</u>	<u>579,474</u>
Net assets		<u>2,222,353</u>	<u>2,203,401</u>
EQUITY			
Equity attributable to equity holders of the parent			
Issued capital		5,114	5,150
Reserves		2,200,465	2,172,882
Proposed dividend		23,013	30,684
		<u>2,228,592</u>	<u>2,208,716</u>
Minority interests		<u>(6,239)</u>	<u>(5,315)</u>
Total equity		<u>2,222,353</u>	<u>2,203,401</u>

Notes:

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) No. 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of Appendix 16 of the Listing Rules. These unaudited condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements for the year ended 31 December 2008.

The accounting policies and basis of preparation adopted in the preparation of these unaudited condensed consolidated interim financial statements are consistent with those used in the preparation of the Group’s annual financial statements for the year ended 31 December 2008 and in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, HKASs, and Interpretations) issued by HKICPA, except that the Group has in the current period applied, for the first time the following new and revised HKFRSs:

HKFRS 1 and HKAS 27 Amendments	Amendments to HKFRS 1 First-time Adoption of HKFRSs and HKAS 27 Consolidated and Separate Financial Statements - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 Amendments	Amendments to HKFRS 2 Share-based Payment – Vesting Conditions and Cancellations
HKFRS 7 Amendments	Financial Instruments: Disclosures
HKFRS 8	Operating Segments
HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 32 and HKAS 1 Amendments	Amendments to HKAS 32 Financial Instruments: Presentation and HKAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation
HK(IFRIC)-Int 9 and HKAS 39 Amendments	Amendments to HK(IFRIC)-Int 9 Reassessment of Embedded Derivatives and HKAS 39 Financial Instruments: Recognition and Measurement
HK(IFRIC)-Int 13	Customer Loyalty Programmes
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation

Apart from the above, the Group has also adopted Improvements to HKFRSs* which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording.

* Improvements to HKFRSs contain amendments to HKFRS 7, HKAS 1, HKAS 8, HKAS 10, HKAS 16, HKAS 18, HKAS 19, HKAS 20, HKAS 23, HKAS 27, HKAS 28, HKAS 29, HKAS 31, HKAS 34, HKAS 36, HKAS 38, HKAS 39, HKAS 40 and HKAS 41.

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

(a) HKFRS 8 Operating Segments

HKFRS 8 requires disclosure of information about the Group’s operating segments and replaces the requirement to determine primary (business) and secondary (geographical) reporting segments of the Group. The adoption of HKFRS 8 did not have any effect on the financial position or performance of the Group. The Group determined that the operating segments were the same as the business segments as previously identified under HKAS 14 Segment Reporting.

(b) HKAS 1 (Revised) Presentation of Financial Statements

HKAS 1 (Revised) has introduced a number of terminology changes (including revised titles for the financial statements) and has resulted in a number of changes in presentation and disclosure. HKAS 1 (Revised) also separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with

non-owner changes in equity presented as a single line. In addition, the standard introduces the statement of comprehensive income which presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Group has elected to present in two linked statements.

The Group has not applied the following new and revised HKFRSs that have been issued but are not yet effective, in the unaudited condensed consolidated interim financial statements.

HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards ¹
HKFRS 2 Amendments	Amendments to HKFRS2 Share-based Payment – Group Cash-settled Share-based Payment Transactions ³
HKFRS 3 (Revised)	Business Combinations ¹
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ¹
HKAS 39 Amendment	Amendment to HKAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items ¹
HK(IFRIC)-Int 17	Distribution of Non-cash Assets to Owners ¹
HK(IFRIC)-Int 18	Transfer of Assets from Customers ²

¹ Effective for annual periods beginning on or after 1 July 2009.

² Effective for transfer of assets from customers received on or after 1 July 2009.

³ Effective for annual periods beginning on or after 1 January 2010.

In addition, improvements to HKFRSs were issued in May 2009 by HKICPA which contains amendments to HKFRS 2, HKFRS 5, HKFRS 8, HKAS 1, HKAS 7, HKAS 17, Appendices to HKAS 18, HKAS 36, HKAS 38, HKAS 39, HK(IFRIC)-Int 9 and HK(IFRIC)-Int 16. Except for the amendments to HKFRS 2, HKAS 38, HK(IFRIC)-Int 9 and HK(IFRIC)-Int 16 which are effective for annual periods beginning on or after 1 July 2009 and no transitional provisions for amendment to Appendix to HKAS 18 has been specified, other amendments are effective for annual periods beginning on or after 1 January 2010 although there are separate transitional provisions for each standard.

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, it has concluded that while the adoption of HKFRS 3 (Revised) and HKAS 27 (Revised) may result in changes in accounting policies, these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

2. 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 primary segments for the six months ended 30 June 2009 and 2008.

	Cement products		Property investment		Traditional Chinese medicine products		Corporate		Others		Consolidated	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Segment revenue:												
External sales	237,804	253,220	69,636	63,333	667	1,357	-	-	3,108	2,803	311,215	320,713
Other income and gains	3,846	3,598	4,960	5,396	9	-	-	-	633	-	9,448	8,994
	241,650	256,818	74,596	68,729	676	1,357	-	-	3,741	2,803	320,663	329,707
Segment results	74,298	70,953	58,976	42,775	(1,738)	(2,360)	(16,885)	(19,584)	(7,185)	(1,381)	107,466	90,403
Interest income											3,952	5,107
Finance costs											(7,637)	(9,283)
Share of profits and losses of jointly-controlled entities											50	(182)
Share of profits and losses of associates											(1,944)	-
Profit before tax											101,887	86,045
Tax											(14,232)	(7,664)
Profit for the period											87,655	78,381

3. 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:

	For the six months ended 30 June	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Revenue		
Sale of cement	237,804	253,220
Gross rental income	69,636	63,333
Sale of electronic products	1,918	812
Sale of traditional Chinese medicine products	667	1,357
Sale of plywood and other wood products	1,190	1,991
	311,215	320,713
Other income and gains		
Interest income	3,952	5,107
Gain on disposal of scrap materials	1,046	3,598
Others	8,402	5,396
	13,400	14,101

4. PROFIT BEFORE TAX

Profit before tax was determined after charging the following:

	For the six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Cost of inventories sold	145,197	150,961
Depreciation	21,728	16,626
	166,925	167,587

5. TAX

	For the six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current - Overseas	13,283	5,750
Deferred	949	1,914
Total tax charge for the period	14,232	7,664

No provision for Hong Kong profits tax has been made as the relevant Hong Kong subsidiaries did not generate any assessable profits arising in Hong Kong during the period (2008: Nil).

Taxes on the profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

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

The calculations of basic and diluted earnings per share attributable to ordinary equity holders of the parent are based on:

	For the six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	88,579	79,516
	88,579	79,516
	Number of shares	
	For the six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	512,170,136	567,487,703
Effect of dilution – weighted average number of ordinary shares:		
Share options	478,537	2,227,451
	512,648,673	569,715,154

7. INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK 4.5 cents (2008: HK 4 cents) per ordinary share in issue in respect of the six months ended 30 June 2009 payable on or before 15 October 2009 to shareholders whose names are on the Registers of Members on 5 October 2009.

8. TRADE RECEIVABLES

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

An aged analysis of the trade receivables as at the balance sheet date, based on payment due date, net of provision for impairment, is as follows:

	30 June 2009 (Unaudited) HK\$'000	31 December 2008 (Audited) HK\$'000
0 - 30 days	49,442	14,844
31 - 60 days	6,755	4,715
61 - 90 days	2,455	2,061
91 - 120 days	1,007	1,188
Over 120 days	3,298	6,018
	<hr/> 62,957	<hr/> 28,826

9. TRADE PAYABLES

An aged analysis of the trade payables as at the balance sheet date, based on payment due date, is as follows:

	30 June 2009 (Unaudited) HK\$'000	31 December 2008 (Audited) HK\$'000
0 - 30 days	25,075	17,802
31 - 60 days	6,641	15,668
61 - 90 days	2,494	16,368
91 - 120 days	939	7,161
Over 120 days	13,357	13,173
	<hr/> 48,506	<hr/> 70,172

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

As a result of the global financial crisis, Vietnam's economy was unavoidably affected in the first half of 2009. As compared to last year, Vietnam's export shrank more than 30%, whereas the GNP recorded a growth rate of only 3.9% for the first half of 2009 (first half of 2008: 6.5%). However, Vietnam's economy has seen picking up starting from the 2Q of 2009 following the government's economic stimulus measures and together with an improvement of the global economy. The strong recovering was particular notable since the second half of 2009.

The GNP growth rate reached 4.5% for the 2Q of 2009 alone, whereas the construction sector recorded an even robust growth of 16% attributable to the government's stimulus package. The Group's cement factory was thus benefited. Sales of cement for the 2Q improved significantly which has largely made up for the weakness in the 1Q of 2009.

On the other hand, rental situation of the Group's Saigon Trade Centre suffered a relatively harder hit, mainly attributable to a substantial drop of over 70% of the newly increased foreign direct investments during the period.

For the six-month period ended 30 June 2009, the Group recorded a turnover of HK\$311,215,000, representing a decrease of 3% as compared to HK\$320,713,000 for the corresponding period of last year. Main sources of the Group's turnover came from its cement business and property investment business. The cement business recorded a turnover of HK\$241,650,000, representing a decrease of 6% as compared to that of last year. While the property investment business recorded a turnover of HK\$74,596,000, representing an increase of 8.5% as compared to that of last year.

The unaudited consolidated net profit from ordinary activities attributable to shareholders for the first half of 2009 was HK\$88,579,000, representing an increase of 11.4% as compared to HK\$79,516,000 for the same period in 2008. Earnings per share was HK cents 17.3, representing an increase of 23.6% when compared to HK cents 14 for the first half of last year.

Cement Business

For the first half of the year, the Group's cement plant recorded total sales of 730,000 tonnes of cement, representing a slight increase as compared to the same period of last year.

Under the impact of the global financial crisis, Vietnam's domestic demand for construction materials such as cement slumped in the 1Q of 2009. Yet, after the government increased investments in infrastructure projects, including accelerating highways projects between suburban areas and cities, South-to-North Highway construction, and etc., both the construction sector and the demand for construction materials rebound strongly since the 2Q of 2009. The Group's cement plant was benefited, notably from its achieving of 350,000 tonnes sales of cement in aggregate for July and August.

The grinding plant installation in Ninh Thuan was not as smooth as expected, resulted in a delay of commencement of the plant to September, two months behind schedule. It therefore has affected sales and production for this year to a certain extent. The cement sales target has to be tuned down to around 1.7 million tonnes for the full year of 2009. Nonetheless, since cost of coal and electricity and sales price of cement were stable, the Group is optimistic to the cement's production, sales and profits for the second half of 2009.

For the cost saving measures, the Group set up several joint venture companies since late last year, aimed at operating its limestone mine and handling part of its cement transportation. In addition, the Group started to produce cement bags through its own plant. The JVC of limestone mining was doing well in lowering the cost of limestone. Whereas the cement bags plant had yet to fulfill the quantity of cement bags required by the cement plant. For the JVC of transportation, it could so far handle only very limited transportation of cement at its early stage of operation and thus cost saving was not yet significant.

Saigon Trade Centre and Other investment properties

The rental situation of Saigon Trade Centre was far worse than expected, attributable to the financial crisis and the substantial decline of newly increased foreign direct investments in Vietnam during the period. The occupancy rate fell to 78% as at 30th June 2009 (31 December 2008: 90%). Yet, thanks to the continuing remarkable growth of the rental rate for renewal and new leasing contracts, the total rental revenue of Saigon Trade Centre still posted an increase of 10% as compared to the same period of last year.

Seeing the recovering of the economy since second half of 2009, and with an increase of foreign investors in Vietnam, the leasing

rate of the Saigon Trade Centre is expected to rise as at end of 2009.

The rental income for the Group's other investment properties situated in Hong Kong and the PRC was stable during the period.

Property Development

Land and property markets in Vietnam had come to stagnant during the first half of 2009. While situation started to improve since turning to the second half of the year, with both land and property prices were seen to have been picking up.

Property development market in Vietnam was still green and the market was not yet fully opened. It was still rather difficult and slow to obtain land for development or to get all valid licenses to start construction for a project. However, changes were notable for the government's attempts to open up the market. Currently, overseas Vietnamese and foreigners working or investing in Vietnam have already been allowed to buy and own properties in Vietnam. As such, the Group is optimistic to the development of the Vietnam's property market.

The Group's property development project in Binh Thanh District of Hochiminh City was still processing for the construction license. Hopefully, the first stage of development could be commenced by the end of this year. Apart from the project in the Binh Chanh District of Hochiminh City signed in August last year, the Group has been actively seeking for other opportunities of property development projects in Hochiminh city of Vietnam.

The development pace of Group's property project in Ulaanbaatar, Mongolia was slowed down and would be adjusted according to the market conditions.

Traditional Chinese Medicine (TCM) Business

During the period, the TCM business recorded an operating loss before minority interest of HK\$1,738,000, representing a decrease of 26% as compared to the operating loss of HK\$2,360,000 for the same period of last year.

Dividend

As the Group has achieved profits growth and stable cash inflow during the period, the board of directors resolved to declare an interim dividend of HK cents 4.5 per share to the shareholders.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group's cash and bank balances as at 30 June 2009 amounted to HK\$370,434,000 (as at 31 December 2008: HK\$533,760,000). The Group's total borrowings amounted to HK\$466,880,000 (as at 31 December 2008: HK\$477,749,000), of which HK\$215,530,000 was repayable within 1 year and HK\$251,350,000 repayable over 1 year. The percentage of the Group's borrowings denominated in HK\$, US\$ and Vietnamese Dong ("VND") were 13%, 47% and 40% respectively.

The gearing ratio, expressed as the percentage of long-term debt to equity, was 11.3% as at 30 June 2009 (as at 31 December 2008:13.4%).

Employees and Remuneration Policy

As at 30 June 2009, the Group had approximately 1,410 employees. Most of them were working in Vietnam. The total staff cost (including directors' remuneration) was approximately HK\$18,152,000 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 2008.

Details of charges

As at 30 June 2009, the Group has pledged certain fixed assets at a net book value of HK\$382,205,000 to secure banking facilities. In addition, bank deposits of HK\$65,882,000 of the Group have been pledged to bank for the purchase of fixed assets.

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 exchange rate of VND to USD recorded a devaluation of 1.8% as at 30 June 2009 when compared to the rate

as at 31 December 2008. The Group suffered an exchange loss of HK\$4,226,000 during the period, including in which a provision of HK\$2,178,000 for the exchange loss of the Swap contracts described below. The Company had several outstanding interest-rate Swap contracts for an aggregate value of US\$8,000,000 as at 30 June 2009. The purpose of the Swap contracts is to hedge for the interest difference from a higher interest rate of VND in comparing with a lower interest rate of USD. The interests gained from the Swap contracts during the period were HK\$3,302,000. The Group's measures to minimize its exposure to the risk have not been changed from those disclosed on its annual report for the year ended 31 December 2008.

Details of contingent liabilities

As at 30 June 2009, the Group had no significant contingent liabilities (31 December 2008: Nil).

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK 4.5 cents (2008: HK 4 cents) per ordinary share in issue in respect of the six months ended 30 June 2009 payable on or before 15 October 2009 to shareholders whose names are on the Registers of Members on 5 October 2009.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Thursday, 1 October 2009 to Monday, 5 October 2009, 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 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 30 September 2009. Cheques for interim dividends will be dispatched on or before 15 October 2009.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the period ended 30 June 2009, the Company had repurchased from the market a total of 3,760,000 shares at price per share ranging from HK\$2.07 to HK\$2.30 with a total amount of about HK\$8,276,000.

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 period ended 30 June 2009.

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 Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the accounting period covered by the interim report, 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 Mr. Luk King Tin. Mr. Luk being the founder of the Company, has been the Chairman and the Chief Executive Officer of the Company and in charge of the overall management of the Company since the beginning. 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) According to the Company's Bye-laws, the Chairman or Managing Director of the Company is not subject to retirement by rotation. Since the Chairman is responsible for the formulation and implementation of the Company's strategies, which is essential to the stability of the Company's business and thus the Board considers that the deviation is acceptable.

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 condensed consolidated interim financial statements for the six months ended 30 June 2009 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 2009 and 30 June 2009.

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 King Tin
Chairman

Hong Kong, 15 September 2009

As at the date of this announcement, the Board of Directors comprises Mr. Luk King Tin, 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. Tam Kan Wing (who are independent non-executive directors).

* For identification purpose only