



# LUMINA GROUP LIMITED

## 瑩嵐集團有限公司

(Incorporated in the Cayman Islands with limited liability)  
Stock Code: 8470

# 2018

## INTERIM REPORT



## CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies on the GEM are generally small and mid-sized companies, there is a risk that securities traded on the GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on the GEM.

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*This report, for which the directors (the “**Directors**”) of Lumina Group Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

## INTERIM RESULTS

The board of Directors (the “**Board**”) is pleased to announce the unaudited condensed consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the three months and six months ended 30 September 2018 (the “**Relevant Period**”), together with the unaudited comparative figures for the corresponding periods in 2017, as follows:

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2018

	Notes	Three months ended 30 September		Six months ended 30 September	
		2018	2017	2018	2017
		HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Revenue	3	27,245	27,295	51,674	50,671
Direct costs		(18,376)	(19,039)	(35,386)	(34,661)
Gross profit		8,869	8,256	16,288	16,010
Bank interest income		199	1	323	1
Administrative expenses		(2,072)	(1,521)	(5,043)	(3,044)
Listing expenses		-	(4,874)	-	(6,694)
Finance cost		-	(27)	-	(53)
Profit before taxation	4	6,996	1,835	11,568	6,220
Income tax expense	5	(1,133)	(1,121)	(1,850)	(2,161)
Profit and total comprehensive income for the period attributable to owners of the Company		5,863	714	9,718	4,059
Earnings per share					
Basic (HK cents)	7	0.98	0.16	1.62	0.90

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2018

	Notes	30 September 2018 HK\$'000 (Unaudited)	31 March 2018 HK\$'000 (Audited)
<b>Non-current assets</b>			
Property and equipment	8	1,095	891
Deposits		287	457
		<b>1,382</b>	1,348
<b>Current assets</b>			
Trade receivables	9	16,173	14,642
Deposits and prepayments		812	632
Contract assets		34,952	-
Amounts due from customers for contract work		-	21,537
Tax recoverable		-	33
Pledged bank deposits		2,205	1,078
Bank balances		65,981	67,862
		<b>120,123</b>	105,784
<b>Current liabilities</b>			
Trade payables	10	9,391	4,198
Other payables and accrued charges		1,701	2,293
Contract liabilities		2,266	-
Amounts due to customers for contract work		-	4,029
Tax payable		1,817	-
		<b>15,175</b>	10,520
Net current assets		<b>104,948</b>	95,264
Net assets		<b>106,330</b>	96,612
<b>Capital and reserves</b>			
Share capital	11	6,000	6,000
Reserves		100,330	90,612
Total equity		<b>106,330</b>	96,612

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2018

	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Accumulated profits HK\$'000	Total equity HK\$'000
At 1 April 2018 (audited)	6,000	53,663	921	36,028	96,612
Profit and total comprehensive income for the period	-	-	-	9,718	9,718
At 30 September 2018 (unaudited)	6,000	53,663	921	45,746	106,330
At 1 April 2017 (audited)	-	-	921	24,672	25,593
Profit and total comprehensive income for the period	-	-	-	4,059	4,059
At 30 September 2017 (unaudited)	-	-	921	28,731	29,652

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2018

	Six months ended 30 September	
	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
Net cash (used in) from operating activities	(405)	3,093
Net cash used in investing activities	(1,476)	(142)
Net cash used in financing activities	-	(53)
Net (decrease) increase in cash and cash equivalents	(1,881)	2,898
Cash and cash equivalents at beginning of the period	67,862	11,276
Cash and cash equivalents at end of the period, represented by bank balances	65,981	14,174

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 September 2018*

## 1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 7 July 2016 and its shares have been listed on GEM of the Stock Exchange (the “**Listing**”) on 25 October 2017 (the “**Listing Date**”). The registered office of the Company is located at Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands. The addresses of the Company’s registered office and the principal place of business are located at 1/F., R&T Centre, No 81-83 Larch Street, Tai Kok Tsui, Kowloon, Hong Kong.

The Company’s immediately and ultimate holding company is Foxfire Limited (“**Foxfire**”), a private company incorporated in the British Virgin Islands and wholly owned by Mr. Fok Hau Fai (“**Mr. Fok**”).

The Company is an investment holding and its subsidiaries are principally engaged in provision of fire safety services in Hong Kong.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is the same as the functional currency of the Company.

## 2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICES

The unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong and complied with Hong Kong Financial Reporting Standard (“**HKFRSs**”) issued by the Hong Kong Institution of Certified Public Accountants (the “**HKICPA**”) as well as with the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules and the Hong Kong Companies Ordinance.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements of the Group for the Relevant Period are consistent with those applied in the Group’s audited financial statements for the year ended 31 March 2018.

HKICPA has issued a number of new and amendment to HKFRSs and interpretations that are first effective or available for early adoption for the Relevant Period.

## 2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICES (continued)

Except for the new and amendments to HKFRSs and an interpretation have been applied in accordance with the relevant transition provisions in the respective standards which results in changes in accounting policies and amounts reported as described below, the application of other amendments to HKFRSs and the interpretation in the current interim period has had no material effect on the amounts reported set out in these condensed consolidated financial statements.

### 2.1 Impacts and changes in accounting policies of application on HKFRS 15 Revenue from Contracts with Customers

The Group has applied HKFRS 15 for the first time in the current interim period. HKFRS 15 superseded HKAS 18 Revenue, HKAS 11 Construction Contracts and the related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 April 2018. Any difference at the date of initial application is recognised in the opening retained profits (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to contracts that are not completed at 1 April 2018 and has used the practical expedient for all contract modifications that occurred before the date of initial application, the aggregate effect of all of the modifications was reflected at the date of initial application. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 Revenue and HKAS 11 Construction Contracts and the related interpretations.



## 2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICES (continued)

### 2.1 Impacts and changes in accounting policies of application on HKFRS 15 Revenue from Contracts with Customers (continued)

#### *Key impacts resulting from application of HKFRS 15*

The application of HKFRS 15 did not have a material impact on the timing and amounts of revenue recognised in the respective reporting periods, while the following adjustments were made to the amounts recognised in the condensed consolidated statement of financial position at 1 April 2018. Line items that were not affected by the changes have not been included.

	Carrying amounts previously reported at 31 March 2018 HK\$'000	Reclassification HK\$'000	Carrying amounts under HKFRS 15 at 1 April 2018 HK\$'000
Amounts due from customers			
for contract work	21,537	(21,537)	-
Contract assets	-	21,537	21,537
Amounts due to customers			
for contract work	(4,029)	4,029	-
Contract liabilities	-	(4,029)	(4,029)

### 2.2 Impacts and changes in accounting policies of application on HKFRS 9 Financial Instruments

In the current period, the Group has applied HKFRS 9 Financial Instruments and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for (1) the classification and measurement of financial assets and financial liabilities, (2) expected credit losses (“ECL”) for financial assets, and (3) general hedge accounting.

## 2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICES (continued)

### 2.2 Impacts and changes in accounting policies of application on HKFRS 9 Financial Instruments (continued)

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9. i.e. applied the classification and measurement requirements (including impairment) retrospectively to instruments that have not been derecognised as at 1 April 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018. The difference between carrying amounts as at 31 March 2018 and the carrying amounts as at 1 April 2018 are recognised in the opening retained profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 Financial Instruments: Recognition and Measurement.

There was no significant impact to the ECL on trade receivables and contract assets as at 1 April 2018 upon application of HKFRS 9.

The unaudited condensed consolidated financial statements of the Group for the Relevant Period have been prepared under the historical cost basis.

The unaudited condensed consolidated financial statements for the Relevant Period have not been audited or reviewed by the Company's independent auditor, but have been reviewed by the Company's audit committee.

The preparation of the unaudited condensed consolidated financial statements of the Group for the Relevant Period is in conformity with the HKFRSs requirements in the use of certain critical accounting estimates. The HKFRSs also require the management to exercise their judgements in the process of applying the Group's accounting policies.

### 3. REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable by the Group from external customers, less discount, and is analysed as follows:

	Three months ended 30 September		Six months ended 30 September	
	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
Income from fire safety system installation services ("Fire safety system installation")	23,753	24,306	44,965	44,669
Income from fire safety system repair and maintenance services ("Repair and maintenance")	3,492	2,989	6,709	6,002
	<b>27,245</b>	<b>27,295</b>	<b>51,674</b>	<b>50,671</b>

The Group determines its operating segments based on the reports reviewed by the executive directors of the Company who are also the chief operating decision maker ("CODM") that are used to make strategic decisions. Information reported to the CODM is based on the business lines operating by the Group. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

### 3. REVENUE AND SEGMENT INFORMATION (continued)

The Group's operating and reporting segments are (i) Fire safety system installation; and (ii) Repair and maintenance.

	Six months ended 30 September 2018		
	Fire safety system installation HK\$'000 (Unaudited)	Repair and maintenance HK\$'000 (Unaudited)	Consolidated HK\$'000 (Unaudited)
<b>Revenue</b>			
Segment revenue	44,965	6,709	51,674
Segment results	14,835	1,453	16,288
Bank interest income			323
Administrative expenses			(5,043)
Profit before taxation			11,568

	Six months ended 30 September 2017		
	Fire safety system installation HK\$'000 (Unaudited)	Repair and maintenance HK\$'000 (Unaudited)	Consolidated HK\$'000 (Unaudited)
<b>Revenue</b>			
Segment revenue	44,669	6,002	50,671
Segment results	14,763	1,247	16,010
Bank interest income			1
Administrative expenses			(3,044)
Listing expenses			(6,694)
Finance cost			(53)
Profit before taxation			6,220

### 3. REVENUE AND SEGMENT INFORMATION (continued)

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies described in note 2. Segment profit represents the profit earned by each segment without allocation of bank interest income, administrative expenses, listing expenses, finance cost and income tax expense.

Furthermore, as the assets and liabilities for operating segments are not provided to the Company's CODM for the purposes of resources allocation and performance assessment, no segment assets and liabilities information is presented accordingly.

#### Geographical information

No geographical information is presented as the Group's revenue are all derived from Hong Kong based on the location of services delivered. The Group's property and equipment are all located in Hong Kong by physical location of assets.

### 4. PROFIT BEFORE TAXATION

	Three months ended 30 September		Six months ended 30 September	
	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
Profit before taxation has been arrived at after charging:				
Staff costs				
Directors' remuneration	582	477	1,164	939
Other staff costs				
Salaries and other benefits	2,764	2,657	5,745	4,946
Retirement benefits scheme contributions	121	103	233	201
Total staff costs	3,467	3,237	7,142	6,086
Auditor's remuneration	250	6	500	11
Minimum lease payments under operating leases in respect of land and buildings	304	201	608	381

## 5. INCOME TAX EXPENSE

	Three months ended 30 September		Six months ended 30 September	
	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
Hong Kong Profits Tax - current tax	1,133	1,121	1,850	2,161

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both periods.

## 6. DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2018 (for the six months ended 30 September 2017: Nil).

## 7. EARNINGS PER SHARE

The calculation of basic earnings per share attributable to owners of the Company is based on the following data:

	Three months ended 30 September		Six months ended 30 September	
	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
<b>Earnings:</b>				
Earnings for the purpose of calculating basic earnings per share (profit for the period attributable to owners of the Company)	5,863	714	9,718	4,059
	2018 '000	2017 '000	2018 '000	2017 '000
<b>Number of shares:</b>				
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	600,000	450,000	600,000	450,000

## 7. EARNINGS PER SHARE (continued)

The weighted average number of ordinary shares for the purpose of calculating basic earnings per share has been determined on the assumption that the Capitalisation Issue (as disclosed in note 11), had been effective on 1 April 2016.

No diluted earnings per share is presented as there is no potential dilutive ordinary shares outstanding for both periods.

## 8. PROPERTY AND EQUIPMENT

During the Relevant Period, the Group acquired property and equipment amounting to approximately HK\$349,000 (for the six months ended 30 September 2017: approximately HK\$66,000).

## 9. TRADE RECEIVABLES

The Group grants credit terms of 0-30 days to its customers from the date of invoices on progress payments of contract works. The following is an ageing analysis of trade receivables presented based on the invoice dates at the end of the reporting period:

	<b>30 September 2018 HK\$'000 (Unaudited)</b>	31 March 2018 HK\$'000 (Audited)
0-30 days	<b>11,040</b>	8,312
31-60 days	<b>1,537</b>	2,236
61-90 days	<b>753</b>	1,942
91-180 days	<b>1,548</b>	951
181-365 days	<b>1,147</b>	1,201
Over 365 days	<b>148</b>	-
	<b>16,173</b>	14,642

## 10. TRADE PAYABLES

The average credit period of trade payables granted by subcontractors and suppliers is from 30 to 60 days upon the issue of invoices or application of interim payment generally. The following is an ageing analysis of trade payables presented based on the invoice dates or the dates of the application of interim payment, as appropriate:

	<b>30 September 2018 HK\$'000 (Unaudited)</b>	31 March 2018 HK\$'000 (Audited)
0-30 days	6,977	2,707
31-60 days	1,394	651
Over 60 days	1,020	840
	<b>9,391</b>	4,198

## 11. SHARE CAPITAL

Details of the share capital of the Company are disclosed as follows:

	<b>Number of share</b>	<b>Amount HK\$'000 (Unaudited)</b>
Ordinary shares of HK\$0.01 each		
<i>Authorised:</i>		
At 31 March 2017	38,000,000	380
Increase on 22 September 2017 (Note (i))	9,962,000,000	99,620
At 31 March 2018 and 30 September 2018	10,000,000,000	100,000
<i>Issued and fully paid:</i>		
At 31 March 2017	100	-
Capitalisation issue (Note (ii))	449,999,900	4,500
Issue of new shares upon the Listing (Note (iii))	150,000,000	1,500
At 31 March 2018 and 30 September 2018	600,000,000	6,000



## 11. SHARE CAPITAL (continued)

Notes:

- (i) Pursuant to written resolutions passed by the shareholders on 22 September 2017, the authorised share capital of the Company was increased to HK\$100,000,000 by the creation of 9,962,000,000 new shares of HK\$0.01 each.
- (ii) Pursuant to written resolutions passed by the shareholder on 22 September 2017, conditional upon the share premium account of the Company was credited as a result of the allotment and issue of the Company's shares, the directors of the Company were authorised to capitalise the amount of HK\$4,499,000 from the amount standing to the credit of the share premium account of the Company and to apply such amount to pay up in full at par 449,999,900 shares of the Company for the allotment and issue. The capitalisation issue was completed on 25 October 2017.
- (iii) The shares of the Company were listed on the GEM of the Stock Exchange on 25 October 2017. 150,000,000 ordinary shares were issued at an offer price of HK\$0.46 per share with gross proceeds of HK\$69,000,000.

## 12. RELATED PARTY DISCLOSURES

### Compensation of key management personnel

The remuneration of Directors and other members of key management during the six months ended 30 September 2018 and 2017 are as follows:

	Six months ended 30 September	
	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
Short-term benefits	3,322	2,358
Bonus	–	300
Post-employment benefits	72	54
	<b>3,394</b>	2,712

## BUSINESS REVIEW AND OUTLOOK

The Group is an established fire safety service provider in Hong Kong, focusing on fire safety. Our services cover the design, supply and installation of fire safety systems which include evacuation and electrical fire alarm systems, water and gas suppression systems and portable fire equipment for newly built and existing buildings. We also provide repair and maintenance services on fire safety systems to satisfy the requirements of the Fire Services Department, Hong Kong SAR Government.

Capitalising on our extensive experience in installing, maintaining and repairing fire installations, our Group has earned a solid customer base and long-term relationship with reputable customers. The Group's capability of delivering a wide range of quality fire safety solutions have helped building a solid and diversified customer base comprising property owners and tenants, construction contractors and property managers in the private sector and government and non-governmental organisations in the public sector.

Our listing status enhanced our corporate profile and recognition that in turn reinforced our brand awareness and image in both of our existing and potential customers. To capture the growth in the market, our Board and management are actively exploring new business opportunities by keeping track of new projects through existing and new network.

## FINANCIAL REVIEW

### Revenue

Revenue increased from approximately HK\$50.7 million for the six months ended 30 September 2017 to approximately HK\$51.7 million for the six months ended 30 September 2018, representing an increase of approximately 2.0%. Such slightly increase was mainly attributable to the revenue generated by our repair and maintenance services provided to a variety of customers.

### Direct Costs

Direct costs increased from approximately HK\$34.7 million for the six months ended 30 September 2017 to approximately HK\$35.4 million for the six months ended 30 September 2018, representing an increase of approximately 2.0%. Such increase was in line with the increase in revenue during the six months ended 30 September 2018.

### Gross Profit

Gross profit increased from approximately HK\$16.0 million for the six months ended 30 September 2017 to approximately HK\$16.3 million for the six months ended 30 September 2018, representing an increase of approximately 1.9%. The overall gross profit margin slightly decreased from approximately 31.6% for the six months ended 30 September 2017 to approximately 31.5% for the six months ended 30 September 2018. The management will continue to devote more efforts to maintain the overall gross profit margin.

The Group recorded bank interest income of approximately HK\$323,000 for the six months ended 30 September 2018 (2017: HK\$1,000). Such increase was attributable to the interest income generated from the unused net proceeds of the Listing deposited into short-term demand deposits with Hong Kong licensed banks.

### Administrative Expenses

Administrative expenses increased from approximately HK\$3.0 million for the six months ended 30 September 2017 to approximately HK\$5.0 million for the six months ended 30 September 2018, representing an increase of approximately 66.7%. Such increase was mainly attributable to the increase in staff costs and professional fees incurred during the six months ended 30 September 2018.

### Listing Expenses

The Group recorded non-recurring Listing expenses of approximately HK\$6.7 million for six months ended 30 September 2017 as expenses in connection with the Listing.

### Income Tax Expense

Income tax expense decreased from approximately HK\$2.2 million for the six months ended 30 September 2017 to approximately HK\$1.9 million for the six months ended 30 September 2018, representing a decrease of approximately 13.6%. Such decrease was mainly attributable to the increase in administrative expenses which are tax deductible.

### Profit and Total Comprehensive Income for the Period

Profit and total comprehensive income for the period increased from approximately HK\$4.1 million for the six months ended 30 September 2017 to approximately HK\$9.7 million for the six months ended 30 September 2018, representing an increase of approximately 136.6%. Such increase was mainly attributable to the net effect of (i) the increase in revenue and gross profit; (ii) the decrease in Listing expenses; and (iii) the increase in administrative expenses.

## LIQUIDITY AND FINANCIAL RESOURCES

The Group maintained a sound financial position during the six months ended 30 September 2018. As at 30 September 2018, the Group had bank balances of approximately HK\$66.0 million (31 March 2018: approximately HK\$67.9 million) and pledged bank deposits of approximately HK\$2.2 million (31 March 2018: approximately HK\$1.1 million). The current ratio as at 30 September 2018 was approximately 7.9 times (31 March 2018: approximately 10.1 times).

## GEARING RATIO

As at 30 September 2018, the Group had no interest-bearing bank and other borrowings (31 March 2018: Nil).

## TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the six months ended 30 September 2018. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

## PLEDGE OF ASSETS

As at 30 September 2018, the Group pledged its bank deposits to a bank of approximately HK\$2.2 million (31 March 2018: approximately HK\$1.1 million) as collateral to secure bank facilities granted to the Group. Except for these pledging of deposits, the Group did not create any charges on its assets.

## FOREIGN EXCHANGE EXPOSURE

All of the revenue-generating operations of the Group were transacted in Hong Kong Dollars which is the functional currency of all the group entities. For the six months ended 30 September 2018, there was no significant exposure to foreign exchange rate fluctuations and the Group had not maintained any hedging policy against the foreign currency risk. The management will consider hedging significant currency exposure should the need arise.

## CAPITAL STRUCTURE

The shares of the Company were successfully listed on the GEM of the Stock Exchange on 25 October 2017. There has been no change in the capital structure of the Group since then. The share capital of the Group only comprises of ordinary shares. As at 30 September 2018, the Company's issued share capital was HK\$6,000,000 and the number of its issued ordinary shares was 600,000,000 of HK\$0.01 each.

## COMMITMENTS

The contractual commitments of the Group were primarily related to the leases of its office premises and certain equipment. The Group's operating lease commitments amounted to approximately HK\$1.4 million as at 30 September 2018 (31 March 2018: approximately HK\$2.0 million).

As at 30 September 2018, the Group did not have any capital commitment (31 March 2018: Nil).

## FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not hold any significant investments in equity interest in any other companies. Except for those included in the section headed "Comparison between business objectives with actual business progress" and "Use of proceeds" of this report, the Group had no definite future plans for acquisition of material investments and capital assets as at 30 September 2018.

## MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There were neither significant investments held as at 30 September 2018 nor acquisitions and disposals of subsidiaries during the six months ended 30 September 2018.

## CONTINGENT LIABILITIES

As at 30 September 2018, performance guarantees of approximately HK\$2.2 million (31 March 2018: approximately HK\$1.1 million) were given by a bank in favour of our Group's customers as security for the due performance and observance of our obligations under the contracts entered into between us and our customers. If we fail to provide satisfactory performance to our customers to whom performance guarantee have been given, such customers may demand the bank to pay to them a sum not more than the amount of the relevant performance guarantee. We will become liable to compensate such bank accordingly. The performance guarantee will be released upon completion of the contract works. Our Directors do not consider it is probable that a claim will be made against our Group.

## EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2018, the Group employed a total of 46 employees (31 March 2018: 44 employees). The staff costs, including Directors' emoluments, of the Group were approximately HK\$7.1 million for the six months ended 30 September 2018 (for the six month ended 30 September 2017: approximately HK\$6.1 million).

The Group recognises employees as valuable assets of the Group. We promote individuals based on their performance and development potential in the positions held. In order to attract and retain high quality staff, competitive remuneration package is offered to employees (with reference to market norms and individual employee's performance, qualification and experience). On top of basic salaries, bonuses may be paid with reference to the Group's performance as well as individual's performance. Other staff benefits include provision of retirement benefits, medical benefits and sponsorship of training courses. Share options may also be granted to eligible employees by reference to the Group's performance as well as individual's contribution.

## COMPARISON BETWEEN BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

An analysis comparing the business objectives as set out in the prospectus of the Company dated 29 September 2017 (the “**Prospectus**”) with the Group’s actual business progress for the period from the Listing Date to 30 September 2018 is set out below:

Business objective as stated in the Prospectus	Actual business progress up to 30 September 2018
To capture the market growth in the public sector	<ul style="list-style-type: none"> <li>• The Group is in the process of applying to the Development Bureau for admission as a fire service installation specialist contractor under “Group II” of the List of Approved Specialists for Public Works.</li> <li>• Recruited one manager.</li> <li>• Recruited one project manager.</li> <li>• Recruited one assistant project manager.</li> <li>• Recruited one engineer.</li> </ul>
To expand and increase our fire safety system installation service capacity	<ul style="list-style-type: none"> <li>• The Group is in the process of identifying suitable business opportunities with potential customers. The Group has also committed to tender and undertake new installation projects after Listing and has spent approximately HK\$7.2 million as initial payment for our direct costs to it.</li> <li>• The Group is in the process of applying to the Fire Services Department for registration of a subsidiary – Kin Ying F.S. Engineering Limited as a Class 1 and Class 2 registered fire service installation contractor.</li> </ul>
To provide high quality repair and maintenance services	<ul style="list-style-type: none"> <li>• The Group has leased a new office and sponsored our staff to attend external training.</li> <li>• Recruited one project manager.</li> <li>• Recruited one supervisor.</li> <li>• Recruited one accounting clerk.</li> </ul>
To enhance our information management system	<ul style="list-style-type: none"> <li>• The Group has started to build up a new computer system for computerising project and document process flow.</li> </ul>

## USE OF PROCEEDS

An analysis of the planned usage of net proceeds up to 30 September 2018 as stated in the Prospectus and the actual utilisation of the net proceeds from the Listing and up to 30 September 2018 is set out below:

	Planned use of net proceeds as stated in the Prospectus up to 30 September 2018 HK\$'million	Actual usage of net proceeds up to 30 September 2018 HK\$'million
To capture the market growth in the public sector	2.4	1.0
To expand and increase our fire safety system installation services capacity	10.8	7.2
To provide high quality repair and maintenance services	4.9	1.6
To enhance our information management system	0.9	0.3
General working capital	4.0	4.0
	23.0	14.1

The net proceeds from the offering of the shares of the Company by way of share offer (the “**Share Offer**”), net of underwriting commission and relevant expenses, amounted to approximately HK\$44.0 million.

The business objectives as stated in the Prospectus were based on the best estimation of the future market conditions made by the Group at the time of preparing the Prospectus. The use of proceeds was applied in accordance with the actual development of the market.

As at 30 September 2018, approximately HK\$14.1 million out of the net proceeds from the Listing had been used. The unused net proceeds have been deposited in licensed banks.

The Company intends to apply the net proceeds in the manner as stated in the Prospectus. However, the Directors will constantly evaluate the Group’s business objectives and may change or modify plans against the changing market condition to attain sustainable business growth of the Group.



## PRINCIPAL RISKS AND UNCERTAINTIES

The Group's key risk exposures are summarised as follows:

- (i) Our revenue is mainly derived from projects which are not recurring in nature;
- (ii) Our historical growth rate, revenue and profit margin may not be indicative of our future growth rate, revenue and profit margin;
- (iii) Our cash flows may deteriorate due to potential mismatch in time between receipt of progress payments from our customers, and payments to our sub-contractors and suppliers;
- (iv) We rely on our senior management staff, and their departure would adversely affect our operations and financial results;
- (v) We rely on our sub-contractors, who are independent third parties, to complete our contract works and there is no assurance that our sub-contractors will always follow strictly all of our instructions; and
- (vi) We depend on our suppliers for fire equipment and related accessories, and any shortage or delay of supply, or deterioration in quality, of the same could materially and adversely affect our operations.

For other risks and uncertainties facing the Group, please refer to the section headed "Risks Factors" in the Prospectus.

## DISCLOSURE OF INTERESTS

### A. Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares or Debentures

As at 30 September 2018, the interests and short positions of the Directors and chief executive of the Company in the Shares, the underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"), which were required to be notified the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interest or short positions which any such Director or chief executive was taken or deemed to have under such provision of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to standard of dealings by Directors referred in Rule 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

#### (i) Long position in the shares

Name of Director	Nature of Interest	Number of the Shares held/ interested in	Percentage of Shareholding
Mr. Fok (Note)	Interest in a controlled corporation	427,500,000	71.3%

Note: These shares are registered in the name of Foxfire, a Company which is wholly owned by Mr. Fok. Under the SFO, Mr. Fok is deemed to be interested in all the shares registered in the name of Foxfire.

#### (ii) Long position in the ordinary shares of associated corporations

Name of Director	Name of associated corporation	Nature of Interest	Number of the Shares held/ interested in	Percentage of Shareholding
Mr. Fok	Foxfire	Beneficial owner	1	100%

Save as disclosed above, as at 30 September 2018, none of the Directors nor chief executive of the Company has registered any interests and short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rule 5.46 to 5.67 of the GEM Listing Rules.

#### B. Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares, Underlying Shares and Debentures

So far as the Directors are aware, as at 30 September 2018, the following persons (other than the Directors or chief executive of the Company) or companies interested in 5% or more of the issued share capital of the Company which were recorded in the register of interests required to be kept by the Company under Section 336 of the SFO, or to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO and the GEM Listing Rules:

Name of Shareholder	Nature of Interest	Number of the Shares held/ interested in	Long/short position	Percentage of Shareholding
Foxfire (Note)	Beneficial owner	427,500,000	Long position	71.3%

Note: These Shares are in duplicate the interest held by Mr. Fok as set out above.

Save as disclosed above, as at 30 September 2018, the Directors were not aware of any other persons or companies who had any interest or short position in the Shares, underlying Shares or debenture of the Company that was required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

#### SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme on 22 September 2017 (the "Scheme"). The terms of the Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

No share option has been granted since the adoption of the Scheme and there was no share option outstanding as at 30 September 2018.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than the share option scheme, during the six months ended 30 June 2018, the Company or any of its subsidiaries was not a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

As at 30 September 2018, none of the Directors or chief executives of the Company held any share options of the company.

## COMPETING INTERESTS

The Directors are not aware of any business or interest of the Directors nor the controlling shareholder of the Company nor any of their respective associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group during the six months ended 30 September 2018.

## INTEREST OF COMPLIANCE ADVISER

As at 30 September 2018, except for the compliance adviser agreement entered into between the Company and CLC International Limited (“CLC”), dated on 28 September 2017, neither CLC nor any of its directors, employees or close associates had any interests in relation to the Group which required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

## PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 September 2018 and up to the date of this report, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

## CORPORATE GOVERNANCE CODE

The Company has complied with the applicable code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 15 of the GEM Listing Rules, except for the deviation from CG Code provision A.2.1.

CG Code provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Fok is the chairman and the chief executive officer of our Company. In view of Mr. Fok has been operating and managing Kin Ying Contracting Limited and Kin Ying F.S. Engineering Limited since 2002 and 2008 respectively, the Board believes that it is in the best interest of our Group to have Mr. Fok taking up both roles for effective management and business development. The Board considers that the balance of power and authority is adequately ensured by the operations of the Board which comprises experienced and high-caliber individuals, with three of them being Independent Non-executive Directors.

## CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted a code of provisions of conduct regarding securities transactions by the Directors (the “**Code of Conduct**”) on terms no less exacting than the required standards of dealings concerning securities transactions by the Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has made specific enquiry to all Directors, and all Directors have confirmed that they have fully complied with the required standard of dealings set out in the Code of Conduct during the six months ended 30 September 2018 and up to the date of this report.

## AUDIT COMMITTEE

The Board has established an audit committee (the “**Audit Committee**”) on 22 September 2017 with its written terms of reference in compliance with paragraphs C3.3 and C3.7 of the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control and risk management systems of the Group, nominate and monitor external auditors and to provide advices and comments to the Board on matters related to corporate governance. The Audit Committee consists of three members, namely Mr. Lee Yin Sing, Mr. Hung Kin Sang and Mr. Wan Chun Kwan, all being Independent Non-executive Directors of the Company. Mr. Lee Yin Sing currently serves as the chairman of the Audit Committee.

The Audit Committee has reviewed this report and the unaudited condensed consolidated results of the Group for the six months ended 30 September 2018 and the effectiveness of internal control system.

## EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any significant event requiring disclosure that has been taken place subsequent to 30 September 2018 and up to the date of this report.

By Order of the Board  
**Lumina Group Limited**  
**Fok Hau Fai**  
*Chairman and Executive Director*

Hong Kong, 9 November 2018

*As at the date of this report, the Executive Directors are Mr. Fok Hau Fai, Mr. Sung Sing Yan, Ms. Wu Xiaorong and the Independent Non-executive Directors are Mr. Hung Kin Sang, Mr. Lee Yin Sing and Mr. Wan Chun Kwan.*