



**2021**  
INTERIM REPORT



**LUMINA GROUP LIMITED**  
**瑩嵐集團有限公司**

(incorporated in the Cayman Islands with limited liability)  
Stock Code: 1162

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Fok Hau Fai  
(*Chairman and Chief Executive Officer*)  
Mr. Sung Sing Yan

#### Independent Non-executive Directors

Mr. Hung Kin Sang  
Mr. Lee Yin Sing  
Mr. Wan Chun Kwan

### COMPANY SECRETARY

Mr. Wong Chi Wai  
(*resigned on 30 September 2021*)  
Ms. Woo Ka Yee  
(*appointed on 30 September 2021*)

### COMPLIANCE OFFICER

Mr. Fok Hau Fai

### AUTHORISED REPRESENTATIVES

Mr. Fok Hau Fai  
Mr. Wong Chi Wai  
(*resigned on 30 September 2021*)  
Ms. Woo Ka Yee  
(*appointed on 30 September 2021*)

### AUDIT COMMITTEE

Mr. Lee Yin Sing (*Chairman*)  
Mr. Hung Kin Sang  
Mr. Wan Chun Kwan

### REMUNERATION COMMITTEE

Mr. Hung Kin Sang (*Chairman*)  
Mr. Sung Sing Yan  
Mr. Wan Chun Kwan

### NOMINATION COMMITTEE

Mr. Fok Hau Fai (*Chairman*)  
Mr. Hung Kin Sang  
Mr. Lee Yin Sing

### RISK AND TECHNICAL COMMITTEE

Mr. Wan Chun Kwan (*Chairman*)  
Mr. Sung Sing Yan  
One member of the senior management

### AUDITOR

Moore Stephens CPA Limited  
Registered Public Interest Entity Auditors

### LEGAL ADVISOR

TC & Co., Solicitors

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

1/F, R&T Centre  
No. 81-83 Larch Street  
Tai Kok Tsui  
Kowloon  
Hong Kong

### CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited  
Windward 3,  
Regatta Office Park  
P.O. Box 1350  
Grand Cayman, KY1-1108  
Cayman Islands

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited  
Level 54, Hopewell Centre  
183 Queen's Road East  
Hong Kong

### PRINCIPAL BANKERS

DBS Bank (Hong Kong) Limited  
Nanyang Commercial Bank, Limited

### WEBSITE ADDRESS

[www.lumina.com.hk](http://www.lumina.com.hk)

### STOCK CODE

1162

## INTERIM RESULTS

The board of Directors (the “**Board**”) is pleased to announce the unaudited condensed consolidated financial results of Lumina Group Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 September 2021, together with the unaudited comparative figures for the corresponding periods in 2020, as follows:

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

For the six months ended 30 September 2021

	Notes	Six months ended 30 September	
		2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Revenue	4	37,362	26,102
Direct costs		(24,311)	(18,631)
Gross profit		13,051	7,471
Other income	5	148	2,230
Impairment losses under expected credit loss model, net of reversal		(7)	(11)
Change in fair value of financial assets at fair value through profit or loss (“FVTPL”)		(1,703)	–
Administrative expenses		(10,798)	(8,699)
Other expenses		–	(663)
Finance costs		(9)	(43)
Profit before tax	6	682	285
Income tax expense	7	(181)	(75)
Profit and total comprehensive income for the period attributable to owners of the Company		501	210
Earnings per share			
Basic (HK cents)	8	0.08	0.04

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2021

	Notes	30 September 2021 HK\$'000 (Unaudited)	31 March 2021 HK\$'000 (Audited)
<b>Non-current assets</b>			
Property and equipment	10	926	1,125
Right-of-use assets		465	1,014
Deferred tax assets		274	351
Deposits		280	280
		<b>1,945</b>	2,770
<b>Current assets</b>			
Financial assets at fair value through profit or loss		2,908	7,774
Trade receivables	11	10,896	12,231
Deposits, other receivables and prepayments		21,972	19,200
Contract assets		53,075	44,626
Tax recoverable		3,861	3,965
Pledged bank deposits		4,073	1,541
Bank balances		47,297	53,650
		<b>144,082</b>	142,987
<b>Current liabilities</b>			
Trade payables	12	6,598	5,127
Other payables and accrued charges		1,075	961
Lease liabilities		231	774
Contract liabilities		-	1,243
		<b>7,904</b>	8,105
Net current assets		<b>136,178</b>	134,882
Total assets less current liabilities		<b>138,123</b>	137,652
<b>Non-current liabilities</b>			
Lease liabilities		240	270
Net assets		<b>137,883</b>	137,382
<b>Capital and reserves</b>			
Share capital	13	6,000	6,000
Reserves		131,883	131,382
Total equity		<b>137,883</b>	137,382

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2021

	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Accumulated profits HK\$'000	Total equity HK\$'000
At 1 April 2021 (audited)	6,000	53,663	921	76,798	137,382
Profit and total comprehensive income for the period	-	-	-	501	501
At 30 September 2021 (unaudited)	6,000	53,663	921	77,299	137,883
At 1 April 2020 (audited)	6,000	53,663	921	77,281	137,865
Profit and total comprehensive income for the period	-	-	-	210	210
At 30 September 2020 (unaudited)	6,000	53,663	921	77,491	138,075

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2021

	Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Net cash used in operating activities	(3,810)	(5,960)
Net cash (used in) from investing activities	(2,023)	1,603
Net cash used in financing activities	(520)	(641)
Net decrease in cash and cash equivalents	(6,353)	(4,998)
Cash and cash equivalents at beginning of the period	53,650	81,834
Cash and cash equivalents at end of the period, represented by bank balances	47,297	76,836

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

## 1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 7 July 2016. Its shares were listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 25 October 2017 and were transferred from GEM to the Main Board of the Stock Exchange on 20 April 2020. The addresses of the Company’s registered office and the principal place of business are disclosed in the Corporate Information section of the interim report.

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 company 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

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“**HKAS 34**”) “Interim Financial Reporting” issued by the Hong Kong Institution of Certified Public Accountants (the “**HKICPA**”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Hong Kong Companies Ordinance.

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”) and application of certain accounting policies which became relevant to the Group, the accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30 September 2021 are the same as those presented in the Group’s audited consolidated financial statements for the year ended 31 March 2021.

The unaudited condensed consolidated financial statements of the Group have been prepared under the historical cost basis except for certain financial instruments, which are measured at revalued amounts or fair values, as appropriate.

The unaudited condensed consolidated financial statements for the six months ended 30 September 2021 have not been audited by the Company’s independent auditor, but have been reviewed by the Company’s Audit Committee.





## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

### 3. APPLICATION OF AMENDMENTS TO HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 April 2021 for the preparation of the Group's unaudited condensed consolidated financial statements:

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2
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The application of the amendments to HKFRSs in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in the unaudited condensed consolidated financial statements.

### 4. REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable from the provision of fire safety system installation and fire safety system repair and maintenance (“**Repair and Maintenance**”) services by the Group to external customers in Hong Kong. Such services are recognised as a performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced, or the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. Revenue is recognised for these services based on the proportion of actual costs incurred relative to the estimated total costs in fulfilling the relevant performance obligations using input method.

The Group's fire safety system installation services and Repair and Maintenance services include payment schedules which require payments over the contract period once certain specified milestones are reached and upon completion of services. The Group requires certain customers to provide upfront deposits, when the Group receives a deposit before contract commences, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the specific contract exceeds the amount of the deposit.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

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

A contract asset, net of contract liability related to the same contract, if any, is recognised over the period in which the fire safety system installation services and Repair and Maintenance services are performed representing the Group's right to consideration for the services performed because the rights are conditioned on the Group's future performance in achieving specified milestones for fire safety system installation or completion of services for Repair and Maintenance services. The contract assets are transferred to trade receivables when the rights become unconditional. The Group typically transfers the contract assets to trade receivables based on billing. The Group grants credit terms of 0-30 days to its customers from the date of invoices on progress billings of contract.

Retention monies withheld by customers of contract works are unsecured, interest-free and recoverable after the completion of defect liability period of the relevant contracts or in accordance with the terms specified in the relevant contracts, ranging from one to two years from the date of completion of the fire safety system installation services performed comply with agreed-upon specifications.

	Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Type of Services:		
– Fire safety system installation	33,283	16,595
– Repair and Maintenance	4,079	9,507
	37,362	26,102

#### Segment information

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.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

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

#### Segment information (continued)

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

	Six months ended 30 September 2021		
	Fire safety system installation services HK\$'000 (Unaudited)	Repair and Maintenance services HK\$'000 (Unaudited)	Consolidated HK\$'000 (Unaudited)
Segment revenue	33,283	4,079	37,362
Segment results	11,938	1,106	13,044
Other income			148
Change in fair value of financial assets at FVTPL			(1,703)
Administrative expenses			(10,798)
Finance costs			(9)
Profit before taxation			682

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

## 4. REVENUE AND SEGMENT INFORMATION (continued)

### Segment information (continued)

	Six months ended 30 September 2020		
	Fire safety system installation services HK\$'000 (Unaudited)	Repair and Maintenance services HK\$'000 (Unaudited)	Consolidated HK\$'000 (Unaudited)
Segment revenue	16,595	9,507	26,102
Segment results	5,815	1,645	7,460
Other income			2,230
Administrative expenses			(8,699)
Other expenses			(663)
Finance costs			(43)
Profit before taxation			285

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

## 4. REVENUE AND SEGMENT INFORMATION (continued)

### Segment information (continued)

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies. Segment results represents the profit earned by each segment without allocation of other income, change in fair value of financial assets at FVTPL, administrative expenses, other expenses and finance costs.

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 segment information is presented as the Group's revenue are all derived from Hong Kong based on the location of services delivered. The Group's rental deposit, property and equipment and right-of-use assets are all located in Hong Kong by physical location of assets.

## 5. OTHER INCOME

	Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Bank interest income	85	424
Government grants (note)	35	1,806
COVID-19-related rent concessions	28	-
	<b>148</b>	<b>2,230</b>

Note: During the six months ended 30 September 2020, the Group recognised government grants of HK\$1,806,000 in respect of COVID-19-related subsidies, of which HK\$1,744,000 relates to Employment Support Scheme provided by the Hong Kong government. The Group did not recognise any COVID-19-related government subsidies during the current interim period.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

## 6. PROFIT BEFORE TAX

	Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Profit before tax has been arrived at after charging:		
Staff costs		
Directors' remuneration	6,304	4,704
Other staff costs		
Salaries and other benefits	4,892	5,235
Retirement benefit scheme contributions	191	209
Total staff costs	11,387	10,148
Auditor's remuneration	250	500
Depreciation of property and equipment	236	231
Depreciation of right-of-use assets	580	607
Professional expenses on the application for the transfer from GEM to the Main Board of the Stock Exchange (presented as other expenses)	–	663

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

## 7. INCOME TAX EXPENSE

	Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Hong Kong Profits Tax – current tax	181	75

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, starting from the year ended 31 March 2019, the Hong Kong Profits Tax is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits of a subsidiary and at 16.5% on the estimated assessable profits above HK\$2 million of that subsidiary.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

### 8. EARNINGS PER SHARE

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

	Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 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)	501	210
	2021 '000	2020 '000
<b>Number of shares:</b>		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	600,000	600,000

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

### 9. DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2021 (for the six months ended 30 September 2020: Nil).

### 10. PROPERTY AND EQUIPMENT

During the current interim period, the Group acquired property and equipment amounting to approximately HK\$37,000 (for the six months ended 30 September 2020: Nil).



## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

### 11. 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. An ageing analysis of the trade receivables net of credit loss allowance presented based on the invoice date at the end of the reporting period:

	<b>30 September 2021 HK\$'000 (Unaudited)</b>	31 March 2021 HK\$'000 (Audited)
0-30 days	3,486	4,450
31-60 days	952	1,662
61-90 days	613	469
91-180 days	853	1,020
181-365 days	606	1,135
Over 365 days	4,386	3,495
	<b>10,896</b>	12,231

### 12. 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 based on the invoice dates or the dates of application of interim payment, as appropriate:

	<b>30 September 2021 HK\$'000 (Unaudited)</b>	31 March 2021 HK\$'000 (Audited)
0-30 days	6,017	4,855
31-60 days	462	248
Over 60 days	119	24
	<b>6,598</b>	5,127

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

### 13. SHARE CAPITAL

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

	<b>Number of shares</b>	<b>Amount HK\$'000 (Unaudited)</b>
<hr/>		
Ordinary shares of HK\$0.01 each		
<i>Authorised:</i>		
At 31 March 2021 and 30 September 2021	10,000,000,000	100,000
<hr/>		
<i>Issued and fully paid:</i>		
At 31 March 2021 and 30 September 2021	600,000,000	6,000
<hr/>		

### 14. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The Group's financial assets at FVTPL are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

As at the period end, the fair value was based on the quoted prices of the respective securities in active markets for identical assets.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

### 15. RELATED PARTY DISCLOSURES

#### Compensation of key management personnel

The remuneration of directors of the Company and other members of key management during the six months ended 30 September 2021 and 2020 are as follows:

	Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Salaries and other benefits	7,422	5,954
Retirement benefit scheme contributions	45	45
	<b>7,467</b>	<b>5,999</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW AND OUTLOOK

The Group is an established fire safety service provider in Hong Kong, focusing on building 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 in Hong Kong. We also provide repair and maintenance services on fire safety systems to satisfy the Fire Services Department's requirements. To supplement our repairs or maintenance services, we also supply fire safety equipment.

The Group experienced an increase in revenue and gross profit margin for the six months ended 30 September 2021 compared with that for the corresponding period in 2020. Such increase is mainly due to commencement of some newly awarded large projects which have made significant progress during the current financial period.

Although the COVID-19 pandemic has significantly clouded the global economy, there are some remedies carried out by the Hong Kong Government, such as the implementation of vaccination programs for the COVID-19, subsidy provided to corporations under the Employment Support Scheme and also the consumption voucher scheme. All these measures help easing the current difficult situation and speed up the economic recovery.

Looking forward, the hardship as a result of the outbreak of the COVID-19 will be relieved and the economy of Hong Kong will be back to a healthy state gradually. In view of the keen competition in the market and economic uncertainty, the Group will continue to strengthen its market position, delivers more values to the customers and optimises productivity and efficiency.

To look positively, as the Group had successfully transferred its listing from the GEM to the Main Board of the Stock Exchange since prior year, the Directors trust that the transfer of listing to the Main Board not only demonstrates the recognition of the professional expertise and experience of the Group, it also lays a solid foundation for the Group in receiving more projects from sizeable institutions in both the private and the public sectors. The Group remains in a healthy and sound liquidity position as at 30 September 2021. Our Management will keep a close eye on the development of the COVID-19 pandemic and will actively manage its impact on the financial position and operating results of the Group.



## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

#### Revenue

Revenue increased from approximately HK\$26.1 million for the six months ended 30 September 2020 to approximately HK\$37.4 million for the six months ended 30 September 2021, representing an increase of approximately 43.3%. Such increase is mainly attributable to the increase in revenue due to the increase in the number of new contracts for fire safety system installation during the six months ended 30 September 2021.

#### Direct Costs

Direct costs increased from approximately HK\$18.6 million for the six months ended 30 September 2020 to approximately HK\$24.3 million for the six months ended 30 September 2021, representing an increase of approximately 30.6%. Such increase is in line with the increase in revenue during the six months ended 30 September 2021.

#### Gross Profit

Gross profit increased from approximately HK\$7.5 million for the six months ended 30 September 2020 to approximately HK\$13.1 million for the six months ended 30 September 2021, representing an increase of approximately 74.7%. The overall gross profit margin increased from approximately 28.6% for the six months ended 30 September 2020 to approximately 34.9% for the six months ended 30 September 2021. Such increase is mainly attributable to the increase in the gross profit margin of new projects as a result of economic recovery.

#### Other Income

Other income of the Group decreased from approximately HK\$2.2 million for the six months ended 30 September 2020 to approximately HK\$0.1 million for the six months ended 30 September 2021. The decrease is mainly due to the absence of the subsidy from the Hong Kong Government under the Employment Support Scheme during the current Reporting Period.

#### Impairment Loss Allowance of Trade Receivables and Contract Assets, Net of Reversal

The Group's impairment loss allowance of trade receivables and contract assets, net of reversal, was approximately HK\$7,000 for the six months ended 30 September 2021 (For the six months ended 30 September 2020: HK\$11,000). The Group identifies trade receivables and contract assets that are credit impaired or significant to the Group and assesses their expected credit loss (the "ECL") individually. We estimate the amount of lifetime ECL of the remaining trade receivables and contract assets based on provision matrix through grouping of various debtors that had similar loss pattern, after considering internal credit ratings of trade debtors and/or past due status of the respective trade receivables and contract assets.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Administrative Expenses

Administrative expenses increased from approximately HK\$8.7 million for the six months ended 30 September 2020 to approximately HK\$10.8 million for the six months ended 30 September 2021, representing an increase of approximately 24.1%. Such increase is mainly attributable to the increase in administrative staff costs, including Directors' emoluments incurred during the six months ended 30 September 2021.

### Other Expenses

Other expense includes the professional service fees incurred in respect of the application for the transfer of listing of the shares of the Company from the GEM to the Main Board of the Stock Exchange. As the Group had successfully transferred its listing since prior year, no such expense is noted in the current Reporting Period.

### Finance Cost

Upon adoption of HKFRS 16 on 1 April 2019, the lease liability is initially measured at the present value of the lease payment that is not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payment, as well as the impact of lease modifications, amongst others. As a result, an interest expense on lease liability of approximately HK\$9,000 has been recognised for the six months ended 30 September 2021 (for the six months ended 30 September 2020: HK\$43,000).

### Income Tax Expense

Income tax expense increased from approximately HK\$75,000 for the six months ended 30 September 2020 to approximately HK\$181,000 for the six months ended 30 September 2021, representing an increase of approximately 141.3%. Such increase is mainly attributable to the increase in taxable profit.

### Profit and Total Comprehensive Income for the Period

Profit and total comprehensive income for the period increased from approximately HK\$0.2 million for the six months ended 30 September 2020 to approximately HK\$0.5 million for the six months ended 30 September 2021, representing an increase of approximately 150%. Such increase is mainly attributable to the net effect of (i) the increase in revenue and gross profit; (ii) the increase in administrative expenses; (iii) the increase in change in fair value of financial assets at fair value through profit or loss; and (iv) the decrease in other expense.



## MANAGEMENT DISCUSSION AND ANALYSIS

### LIQUIDITY AND FINANCIAL RESOURCES

The Group maintained a sound financial position during the six months ended 30 September 2021. As at 30 September 2021, the Group had bank balances of approximately HK\$47.3 million (31 March 2021: approximately HK\$53.7 million) and pledged bank deposits of approximately HK\$4.1 million (31 March 2021: approximately HK\$1.5 million). The current ratio as at 30 September 2021 was approximately 18.2 times (31 March 2021: approximately 17.6 times).

### GEARING RATIO

As at 30 September 2021, the Group had no interest-bearing bank and other borrowings (31 March 2021: 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 2021. 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 2021, the Group pledged to a bank its bank deposits of approximately HK\$4.1 million (31 March 2021: approximately HK\$1.5 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 the revenue-generating operations of the Group are transacted in Hong Kong Dollars which is the functional currency of all the group entities. For the six months ended 30 September 2021, there is 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.



## MANAGEMENT DISCUSSION AND ANALYSIS

### CAPITAL STRUCTURE

The listing of the shares of the Company was successfully transferred from the GEM to the Main Board of the Stock Exchange on 20 April 2020. 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 2021, 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.

### CAPITAL COMMITMENT

As at 30 September 2021, the Group did not have any capital commitment (31 March 2021: Nil).

### FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group does not hold any significant investments in equity interest in any other companies. Save as disclosed in the sections 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 2021.

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

There were neither significant investments held as at 30 September 2021 nor acquisitions and disposals of subsidiaries during the six months ended 30 September 2021.





## MANAGEMENT DISCUSSION AND ANALYSIS

### CONTINGENT LIABILITIES

As at 30 September 2021, performance guarantees of approximately HK\$4.1 million (31 March 2021: approximately HK\$1.5 million) have been given by two banks in favour of our customers as security for the due performance and observance of our obligations under contracts entered into between us and our customers. If we fail to provide our customers satisfactory services and meet our obligation under these contracts, the customers may demand the bank to pay to them a sum not more than the amount of the relevant performance guarantee. We will then become liable to compensate the bank accordingly. The performance guarantee will be released upon completion of the relevant contract works. Our Directors opined that it is unlikely that a claim will be made against our Group.

### EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2021, the Group employed a total of 43 employees (31 March 2021: 40 employees). The staff costs, including Directors' emoluments, of the Group were approximately HK\$11.4 million for the six months ended 30 September 2021 (for the six month ended 30 September 2020: approximately HK\$10.1 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.

The Group has complied with the applicable labour laws and regulations. The Directors confirmed that the Group has neither experienced any significant problems with our employees or disruption to its operations due to labour disputes nor has experienced any difficulties in retaining experienced staff or skilled personnel for the period ended 30 September 2021. Thus, our Directors consider that the Group has maintained good relationship with its employees.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 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 2021 is set out below:

<b>Business objective as stated in the Prospectus</b>	<b>Actual business progress up to 30 September 2021</b>
To capture the market growth in the public sector	<ul style="list-style-type: none"><li>• The Group has been promoted from Group I to Group II (on probation) under the “Fire Service Installation” category of the List of Approved Specialists for Public Works maintained by the Development Bureau, Hong Kong SAR Government.</li><li>• Recruited one manager.</li><li>• Recruited one project manager.</li><li>• Recruited one assistant project manager.</li><li>• Recruited six engineers and assistant engineers.</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 undertake new installation projects after the listing of its shares on the GEM of the Stock Exchange on 25 October 2017 (the “<b>Listing</b>”) and has spent approximately HK\$27.5 million as initial payments and HK\$2.8 million as performance bond.</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><li>• Recruited two project coordinators.</li></ul>
To enhance our information management system	<ul style="list-style-type: none"><li>• The Group has built up a new computer system for computerising project and document process flow.</li></ul>

## MANAGEMENT DISCUSSION AND ANALYSIS

### USE OF PROCEEDS

An analysis of the planned use of net proceeds as stated in the Prospectus, the revised use of net proceeds and the actual usage and unutilised amount of the net proceeds from the date of Listing and up to 30 September 2021 is set out below:

	Original planned use of net proceeds HK\$'million	Revised use of net proceeds HK\$'million	Actual usage of net proceeds up to 30 September 2021 HK\$'million	Unutilised amount of net proceeds up to 30 September 2021 HK\$'million
To capture the market growth in the public sector	4.8	2.8	2.8	-
To expand and increase our fire safety system installation services capacity	25.3	30.3	30.3	-
To provide high quality repair and maintenance services	8.4	5.4	5.4	-
To enhance our information management system	1.5	1.5	1.3	0.2
To use for working capital	4.0	4.0	4.0	-
	44.0	44.0	43.8	0.2

The net proceeds from the offering of the shares of the Company by way of 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 net proceeds has been applied in accordance with the actual development of the market.

As at 30 September 2021, approximately HK\$43.8 million out of the net proceeds from the Listing had been used. The unutilised net proceeds of approximately HK\$0.2 million has been deposited in licensed banks as at 30 September 2021.

## MANAGEMENT DISCUSSION AND ANALYSIS

### PRINCIPAL RISKS AND UNCERTAINTIES

The Group is susceptible to material risks associated with the Group's business, including but not limited to the following:

- i. the Group's revenue is mainly derived from projects which are not recurring in nature and a significant decrease in the number of its projects would affect its operations and financial results;
- ii. the Group's historical growth rate, revenue and profit margin may not be indicative of its future growth rate, revenue and profit margin;
- iii. the Group's cash flows may deteriorate due to potential difference in time between receipt of progress payments from its customers, and payments to its subcontractors and suppliers;
- iv. the Group may be exposed to delays and/or defaults of progress payments and/or retention monies by its customers;
- v. the Group may not be able to maintain or increase its success rate in obtaining projects tendered and quoted;
- vi. failure to retain suitably qualified staff may affect the Group's registration as a fire service installation contractor, and disrupt the Group's business;
- vii. the Group may be unable to attract and/or retain employees with the requisite skills, expertise and experience which may adversely affect its operations, business growth and financial results;
- viii. the Group relies on its subcontractors, who are Independent Third Parties, to complete its contract works and there is no assurance that the subcontractors will always follow strictly all of the Group's instructions. Any delay or defects in their works may adversely affect the Group's operations and financial results;
- ix. the Group depends on its suppliers for fire equipment and related accessories, and any shortage or delay in supply, or deterioration in quality, of the same could materially and adversely affect its operations, and the Group may not be able to identify an alternative source of stable supply with acceptable quality and price in a timely manner; and
- x. the Group's customers may cancel certain contract works by variation orders resulting in the total contract sum of that project reduced.

For further details, please refer to the section headed "Risk Factors" of the Prospectus.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### DISCLOSURE OF INTERESTS

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

As at 30 September 2021, the interests and short positions of the Directors and chief executives 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 to 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 the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set up in Appendix 10 of the Listing Rule 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	71.25%

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%

## CORPORATE GOVERNANCE AND OTHER INFORMATION

Save as disclosed above, as at 30 September 2021, none of the Directors nor chief executives 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 the Model Code as set out in Appendix 10 of the 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 2021, the following persons (other than the Directors or chief executives 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 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	71.25%

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

Save as disclosed above, as at 30 September 2021, 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 (the “Share Option Scheme”) on 22 September 2017. The principal terms of the Share Option Scheme are set out in Appendix IV to the Prospectus. The purpose of the Share Option Scheme is to enable the Group to grant options to the Eligible Persons (as defined in the Prospectus of the Company) as rewards or incentives for their contribution to the Group.

No share option has been granted, exercised, expired, cancelled or lapsed pursuant to the Share Option Scheme since its adoption by the Company and up to 30 September 2021.



## CORPORATE GOVERNANCE AND OTHER INFORMATION

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than the Share Option Scheme adopted on 22 September 2017, during the six months ended 30 September 2021, neither the Company nor any of its subsidiaries is 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 2021, 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, and the controlling shareholder of the Company and any of their respective close associates (as defined in the Listing Rules) that compete or may compete with the business of the Group and any conflicts of interests which any such person has or may have with the Group during the six months ended 30 September 2021.

### PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 September 2021 and up to the date of this report, neither the Company nor any of its subsidiaries had 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 14 of the Main Board Listing Rules, except for the deviation from CG Code provision A.2.1.

Pursuant to Code Provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Fok is currently both the Chairman of the Board and the Chief Executive Officer of the Company, responsible for formulating the overall business strategies and overseeing the business and operation of the Group. Considering the fact that Mr. Fok has been responsible for the overall management and operation of the Group since its inception in 2002, the Board believes that it is in the best interest of the Group to have Mr. Fok taking up both roles for effective management and business development. Therefore, the Board consider that the deviation from the CG Code Provision A.2.1 is appropriate in such circumstance.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### DIRECTORS' SECURITIES TRANSACTIONS

The Company adopted the required standard of dealings set out in the Model Code as set out in Appendix 10 to the Listing Rules (applicable to the Company immediately after the Transfer of Listing), as its code of conduct regarding Directors' transactions in the securities of the Company. Specific enquiry has been made of all the Directors and all Directors confirmed that they had fully complied with the required standard of dealings and the code of conduct adopted by the Company and there was no event of non-compliance throughout the six months ended 30 September 2021 and up to the date of this report.

### AUDIT COMMITTEE

The Company established the Audit Committee on 22 September 2017 with written terms of reference in compliance with Rules 3.21 to 3.23 of the Listing Rules and paragraph C.3 of the CG Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules.

The primary duties of the Audit Committee are mainly to make recommendations to the Board on the appointment and removal of the External Auditors; review the financial statements and provide advice in respect of financial reporting; and oversee the internal control and risk management procedures of the Group.

The Audit Committee comprises three Independent Non-executive Directors, namely, Mr. Lee Yin Sing, Mr. Hung Kin Sang and Mr. Wan Chun Kwan. Mr. Lee Yin Sing is the chairman of the Audit Committee, who has appropriate professional qualifications and experience in accounting matters. None of the members of the Audit Committee is a former partner of the existing external auditor of the Company, Moore Stephens CPA Limited.

The Audit Committee has reviewed the unaudited consolidated financial statements of the Group for the six months ended 30 September 2021. The Audit Committee is satisfied that the said financial statements have been prepared in accordance with the applicable accounting standards and requirements as well as the Listing Rules and adequate disclosure has been made.





## CORPORATE GOVERNANCE AND OTHER INFORMATION

### 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 2021 and up to the date of this report.

By Order of the Board

**Lumina Group Limited**

**Fok Hau Fai**

*Chairman and Chief Executive Officer*

Hong Kong, 26 November 2021

*As at the date of this report, the Board consists of two Executive Directors, namely Mr. Fok Hau Fai and Mr. Sung Sing Yan and three Independent Non-executive Directors namely Mr. Hung Kin Sang, Mr. Lee Yin Sing and Mr. Wan Chun Kwan.*