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## **LUMINA GROUP LIMITED**

**瑩嵐集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8470)**

### **2017 INTERIM RESULTS ANNOUNCEMENT**

The board (the “**Board**”) of directors (the “**Directors**”) of Lumina Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) announces the unaudited interim results of the Group for the six months ended 30 September 2017. This announcement, containing the full text of the 2017 interim report of the Company (the “**2017 Interim Report**”), complies with the relevant requirements of the Rules Governing the Listing of Securities on the Growth Enterprise Market (“**GEM**”) of the Stock Exchange (the “**GEM Listing Rules**”) in relation to the information to accompany preliminary announcement of interim results. Printed version of the 2017 Interim Report containing the information required by the GEM Listing Rules will be despatched to the shareholders of the Company in due course.

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

Hong Kong, 13 November 2017

*As at the date of this announcement, the executive Directors are Mr. Fok Hau Fai, Mr. Sung Sing Yan; and the independent non-executive Directors are Mr. Hung Kin Sang, Mr. Lee Yin Sing and Mr. Wan Chun Kwan.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 announcement 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 announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its publication. This announcement will also be published on the Company’s website at [www.lumina.com.hk](http://www.lumina.com.hk).*



# LUMINA GROUP LIMITED

## 瑩嵐集團有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code: 8470

# 2017

## INTERIM REPORT

## **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on 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 GEM.**

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*This report, for which the directors (the “**Directors**”) of Lumina Group Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) 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**”) of the Company is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries for the six months ended 30 September 2017 (the “**Relevant Period**”), together with the unaudited condensed comparative figures for the six months ended 30 September 2016 as follows:

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

For the six months ended 30 September 2017

	Notes	Six months ended 30 September	
		2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Revenue	3	50,671	47,908
Direct costs		(34,661)	(32,246)
Gross profit		16,010	15,662
Bank interest income		1	1
Administrative expenses		(3,044)	(2,696)
Listing expenses		(6,694)	(7,095)
Finance cost		(53)	–
Profit before taxation	4	6,220	5,872
Income tax expense	5	(2,161)	(2,169)
Profit and total comprehensive income for the period		4,059	3,703
Profit and total comprehensive income for the period attributable to			
– Owners of the Company		4,059	3,402
– Non-controlling interest		–	301
		4,059	3,703
Earnings per share			
Basic (HK cents)	7	0.90	0.78

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2017

	<i>Notes</i>	<b>30 September 2017 HK\$'000 (Unaudited)</b>	31 March 2017 HK\$'000 (Audited)
<b>Non-current assets</b>			
Property and equipment	8	569	583
Deposits		179	179
		<b>748</b>	<b>762</b>
<b>Current assets</b>			
Trade receivables	9	14,269	11,607
Deposits and prepayments		2,652	2,491
Amounts due from customers for contract work		17,508	12,585
Pledged bank deposits		958	881
Bank balances		14,174	11,276
		<b>49,561</b>	<b>38,840</b>
<b>Current liabilities</b>			
Trade payables	10	7,787	7,768
Other payables and accrued charges		8,943	1,514
Amounts due to customers for contract work		1,294	1,834
Tax payable		2,633	2,893
		<b>20,657</b>	<b>14,009</b>
<b>Net current assets</b>		<b>28,904</b>	<b>24,831</b>
<b>Net assets</b>		<b>29,652</b>	<b>25,593</b>
<b>Capital and reserves</b>			
Issued share capital	11	–	–
Reserves		29,652	25,593
<b>Equity attributable to owners of the Company</b>		<b>29,652</b>	<b>25,593</b>

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2017

	Issued share capital HK\$'000	Other reserve HK\$'000	Accumulated profits HK\$'000	Total HK\$'000	Non- controlling interest HK\$'000	Total equity HK\$'000
At 1 April 2017 (audited)	-	921	24,672	25,593	-	25,593
Profit and total comprehensive income for the period	-	-	4,059	4,059	-	4,059
At 30 September 2017 (unaudited)	-	921	28,731	29,652	-	29,652
At 1 April 2016 (audited)	-	620	12,403	13,023	-	13,023
Profit and total comprehensive income for the period	-	-	3,402	3,402	301	3,703
Change in shareholding in subsidiaries without losing control ( <i>note i</i> )	-	(920)	-	(920)	920	-
Transfer upon completion of Reorganisation ( <i>note ii</i> )	-	1,221	-	1,221	(1,221)	-
At 30 September 2016 (unaudited)	-	921	15,805	16,726	-	16,726

## Notes:

- (i) On 24 June 2016, Team Vantage Limited (“**Team Vantage**”), an independent third party and a limited company incorporated in the Republic of Seychelles, entered into a sale and purchase agreement with Mr. Fok Hau Fai (“**Mr. Fok**”), pursuant to which Mr. Fok transferred 50 shares of Golden Second Limited (“**Golden Second**”) to Team Vantage at the consideration of HK\$5,000,000. Following the completion of the share transfer, Golden Second was owned as to 95.0% by Mr. Fok and 5.0% by Team Vantage.
- (ii) On 30 September 2016, the Company acquired the entire issued share capital of Golden Second from Mr. Fok and Team Vantage in consideration of the allotment and issue 94 shares to Foxfire Limited (“**Foxfire**”), the immediate holding company of the Company, and 5 shares to Team Vantage. Upon the completion of transfer, Golden Second became a wholly-owned subsidiary of the Company.

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2017

	Six months ended 30 September	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Net cash from operating activities	3,093	1,475
Net cash (used in) from investing activities	(142)	3
Net cash used in financing activities	(53)	–
Net increase in cash and cash equivalents	2,898	1,479
Cash and cash equivalents at beginning of the period	11,276	6,169
Cash and cash equivalents at end of the period, represented by bank balances	14,174	7,647



# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 September 2017*

## 1. GENERAL

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands on 7 July 2016 and its shares are listed on the GEM of the Stock Exchange on 25 October 2017. The registered office of the Company is located at Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands. The principal place of business of the Company is located at 1/F., R&T Centre, No 81-83 Larch Street, Tai Kok Tsui, Kowloon, Hong Kong.

Pursuant to the reorganisation of the Group (the “**Reorganisation**”) in connection with the listing of the shares of the Company (the “**Shares**”) on GEM (the “**Listing**”), the Company became the holding company of the companies comprising the Group on 30 September 2016. Details of the Reorganisation are set out in the prospectus of the Company dated 29 September 2017 (the “**Prospectus**”) under the section headed “History, Development and Reorganisation”.

The principal activity of the Company is investment holding. The Group’s principal activities are the provision of fire safety services in Hong Kong.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is 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 (“**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 Chapter 18 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**GEM Rules**”).

The Group resulting from the Reorganisation is regarded as a continuing entity. The unaudited condensed consolidated financial statements have been prepared using the principles of merger accounting in accordance with Accounting Guideline 5 “Merger accounting under common control combination” issued by the HKICPA. Accordingly, the financial information relating to the comparative figures for the six months ended 30 September 2016, are presented as if the current group structure had been in existence and remained unchanged throughout that period, or since their respective dates of incorporation, where there is a shorter period. 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 2017.

HKICPA has issued a number of new and amendment to Hong Kong Financial Reporting Standards (“**HKFRSs**”) and interpretations that are first effective or available for early adoption for the Relevant Period. There have been no significant changes to the accounting policies applied in these financial statements for the Relevant Period presented as a result of these developments.

## 2. BASIS OF PREPARATION (continued)

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 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 for the period, and is analysed as follows:

	Six months ended 30 September	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Income from fire safety system installation services ("Fire safety system installation")	44,669	45,088
Income from fire safety system repair and maintenance services ("Repair and maintenance")	6,002	2,820
	50,671	47,908

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

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 makers (“**CODMs**”) that are responsible to make strategic decisions. Information reported to the CODMs is based on the business lines operating by the Group. No operating segments identified by the CODMs have been aggregated in arriving at the reportable segments of the Group.

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

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

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

	Six months ended 30 September 2016		
	Fire safety system installation <i>HK\$'000</i>	Repair and maintenance <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<b>Revenue</b>			
Segment revenue	45,088	2,820	47,908
Segment results	14,824	838	15,662
Bank interest income			1
Unallocated operating costs			(2,696)
Listing expenses			(7,095)
Profit before taxation			5,872

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, unallocated operating costs, listing expenses, finance cost and income tax expense.

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

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

#### 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 and the Group's property and equipment amounting to HK\$569,000 (31 March 2017: HK\$583,000) as at 30 September 2017 are all located in Hong Kong by physical location of assets.

#### Information about major customers

Revenue attributed from customers that accounted for 10% or more of the Group's total revenue during the corresponding periods is as follows:

	Six months ended 30 September	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Customer A	11,019	N/A*
Customer B	N/A*	6,598
Customer C	N/A*	5,108

\* Less than 10% of the Group's total revenue

#### 4. PROFIT BEFORE TAXATION

	<b>Six months ended 30 September</b>	
	<b>2017 HK\$'000 (Unaudited)</b>	<b>2016 HK\$'000 (Unaudited)</b>
Profit before taxation has been arrived at after charging:		
Auditor's remuneration	11	11
Directors' remuneration	939	880
Other staff costs:		
Salaries and other benefits	4,946	3,512
Retirement benefits scheme contributions	201	124
Total staff costs	6,086	4,516
Minimum lease payments under operating leases in respect of land and buildings	381	322

#### 5. INCOME TAX EXPENSE

	<b>Six months ended 30 September</b>	
	<b>2017 HK\$'000 (Unaudited)</b>	<b>2016 HK\$'000 (Unaudited)</b>
Hong Kong Profits Tax – current tax	2,161	2,169

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 2017 (six months ended 30 September 2016: HK\$Nil).

## 7. 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	
	2017 HK\$'000 (Unaudited)	2016 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)	4,059	3,402
	2017 '000	2016 '000
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	450,000	443,959

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

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

## 8. PROPERTY AND EQUIPMENT

During the Relevant Period, the Group acquired property and equipment amounting to approximately HK\$66,000 (for the six months ended 30 September 2016: approximately HK\$9,000).



## 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. An ageing analysis of the trade receivables presented based on the invoice date at the end of the reporting period, is as follows:

	<b>30 September 2017 HK\$'000 (Unaudited)</b>	<b>31 March 2017 HK\$'000 (Audited)</b>
0-30 days	7,414	3,948
31-60 days	2,051	4,568
61-90 days	1,951	693
91-180 days	1,358	1,686
181-365 days	1,319	712
Over 365 days	176	–
	<b>14,269</b>	<b>11,607</b>

## 10. TRADE PAYABLES

The credit period on purchases and subcontracting of contract work services is 0-30 days. The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting period:

	<b>30 September 2017 HK\$'000 (Unaudited)</b>	<b>31 March 2017 HK\$'000 (Audited)</b>
0-30 days	6,142	6,106
31-60 days	778	975
Over 60 days	867	687
	<b>7,787</b>	<b>7,768</b>

## 11. ISSUED 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 7 July 2016 (date of incorporation) and 31 March 2017	38,000,000	380
Increase on 22 September 2017	9,962,000,000	99,620
<hr/>		
At 30 September 2017	10,000,000,000	10,000
<hr/>		
<i>Issued and fully paid:</i>		
At 7 July 2016 (date of incorporation)	1	–
Issue of new shares on Reorganisation	99	–
<hr/>		
At 31 March 2017 and 30 September 2017	100	–
<hr/>		

## 12. RELATED PARTY TRANSACTIONS

The Group had the following transactions with a related party:

As at 30 September 2017, the Executive Director provided personal guarantee to a landlord for lease of office premises by the Group and personal guarantee to a bank for banking facilities granted to the Group. Up to the date of this report, the personal guarantees have been released and be replaced by corporate guarantees executed by the Group.

### *Compensation of key management personnel*

The remuneration of Directors and other members of key management during the six months ended 30 September 2017 and 2016 are as follows:

	<b>Six months ended 30 September</b>	
	<b>2017</b>	<b>2016</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Short-term benefits	<b>2,358</b>	1,981
Bonus	<b>300</b>	307
Post-employment benefits	<b>54</b>	54
	<b>2,712</b>	2,342

## 13. EVENTS AFTER THE REPORTING PERIOD (UNAUDITED)

The issued shares of the Company were listed on GEM by way of public offer on 25 October 2017. On the same date, 105,000,000 placing shares and 45,000,000 public offer shares of the Company were issued at a offer price of HK\$0.46 per share.

## **BUSINESS REVIEW AND OUTLOOK**

The Group is an established fire safety services provider in Hong Kong and first commenced our business since 2005, focusing on building fire safety. Our services cover the design, supply and installation of fire safety systems including 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 Fire Services Department's requirements.

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 build 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.

This year, we have achieved a new milestone in our development and the Company's shares were successfully listed on the GEM on 25 October 2017 by way of share offer. 45,000,000 public offer shares and 105,000,000 placing shares were issued at HK\$0.46 per share pursuant to the share offer. The proceeds from the listing enable the Group to expand its business and improve its capability to bid for public and private projects, thereby broadening the Group's customer base and accelerating its development. Furthermore, the status as a listed company on the Stock Exchange enables the Group to gain access to the capital market to conduct corporate financing, and hence facilitate the development of its business in future, further strengthening the Group's competitiveness.

## **FINANCIAL REVIEW**

### **Revenue**

Our revenue increased from approximately HK\$47.9 million for the six months ended 30 September 2016 to approximately HK\$50.7 million for the six months ended 30 September 2017, representing an increase of approximately 5.8%. Such increase was mainly attributable to the revenue generated by a new term contract awarded by a major customer to provide maintenance services of fire services systems for shopping centres, car parks, markets and cooked food stalls.

### **Direct Costs**

Our direct costs increased from approximately HK\$32.2 million for the six months ended 30 September 2016 to approximately HK\$34.7 million for the six months ended 30 September 2017, representing an increase of approximately 7.8%. Such increase was in line with the increase in revenue during the six months ended 30 September 2017.

### **Gross Profit**

Gross profit of the Group increased by approximately 1.9% from approximately HK\$15.7 million for the six months ended 30 September 2016 to approximately HK\$16.0 million for the six months ended 30 September 2017. The overall gross profit margin decreased from approximately 32.7% for the six months ended 30 September 2016 to approximately 31.6% for the six months ended 30 September 2017. Such decrease was mainly attributable to the additional involvement of subcontractors for the repair and maintenance works.

### **Administrative Expenses**

Administrative expenses of the Group increased by approximately 11.1% from approximately HK\$2.7 million for the six months ended 30 September 2016 to approximately HK\$3.0 million for the six months ended 30 September 2017. Such increase was mainly attributable to the increase in staff costs during the six months ended 30 September 2017.

### **Income Tax Expense**

Income tax expense of the Group kept constant at approximately HK\$2.2 million for both the six months ended 30 September 2016 and 2017.

### **Profit and Total Comprehensive Income for the Period**

Profit and total comprehensive income for the period increased by approximately 10.8% from approximately HK\$3.7 million for the six months ended 30 September 2016 to approximately HK\$4.1 million for the six months ended 30 September 2017. Such increase was mainly attributable to the net effect of (i) the increase in revenue and gross profit; (ii) the decrease in listing expenses incurred; and (iii) the increase in administrative expenses incurred.

### **USE OF PROCEEDS FROM SHARE OFFER**

The net proceeds from the Listing which will be used for the intended purposes as set out in the section headed “Future Plans and Use of Proceeds” of the Prospectus. The net proceeds have not yet been applied to the intended purposes as at the date of this report and the Company deposited the unused net proceeds into short-term demand deposits with Hong Kong licensed banks.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The Group’s financial condition, results of operations, businesses and prospects would be affected by a number of risks and uncertainties. All the risks relating to the Group’s business have been set out in the section headed “Risk Factors” of the Prospectus.

### **LIQUIDITY AND FINANCIAL RESOURCES**

The Group maintained a sound financial position during the six months ended 30 September 2017. As at 30 September 2017, the Group had bank balances of approximately HK\$14.2 million (31 March 2017: approximately HK\$11.3 million) and pledged bank deposits of approximately HK\$1.0 million (31 March 2017: approximately HK\$0.9 million). The current ratio as at 30 September 2017 was approximately 2.4 times (31 March 2017: approximately 2.8 times).

As at 30 September 2017, the Group had total assets of approximately HK\$50.3 million (31 March 2017: approximately HK\$39.6 million), which is financed by total liabilities and shareholders’ equity (comprising share capital and reserves) of approximately HK\$20.7 million (31 March 2017: approximately HK\$14.0 million) and approximately HK\$29.7 million (31 March 2017: approximately HK\$25.6 million), respectively.

### **GEARING RATIO**

As at 30 September 2017, the Group had no interest-bearing bank and other borrowings (31 March 2017: 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 2017. 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 2017, the Group pledged its bank deposits to a bank of approximately HK\$1.0 million (31 March 2017: approximately HK\$0.9 million) as collateral to secure bank facilities granted to the Group.

Save as disclosed above, the Group did not have any charges on its assets.

## **FOREIGN EXCHANGE EXPOSURE**

All of the revenue-generating operations and borrowings 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 2017, 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.

## **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\$0.8 million as at 30 September 2017 (31 March 2017: approximately HK\$0.8 million). As at 30 September 2017, the Group did not have any capital commitment (31 March 2017: Nil).

## **SEGMENT INFORMATION**

Segmental information is presented for the Group as disclosed on note 3 to the unaudited condensed consolidated financial statements.

## **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 “Future Plans and Use of Proceeds” for inclusion in the Prospectus, the Group had no definite future plans for material investments and capital assets as at 30 September 2017.

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

Save as disclosed in the Prospectus, there were neither significant investments held as at 30 September 2017 nor acquisitions and disposals of subsidiaries during the six months ended 30 September 2017.

## **CONTINGENT LIABILITIES**

As at 30 September 2017, performance guarantees of approximately HK\$1.0 million (31 March 2017: HK\$0.9 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 banks to pay to them a sum not more than the amount of the relevant performance guarantee. We will become liable to compensate such banks 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 2017, the Group employed a total of 44 employees (31 March 2017: 39 employees). The staff costs, including Directors’ emoluments, of the Group were approximately HK\$6.1 million for the six months ended 30 September 2017 (for the six month ended 30 September 2016: approximately HK\$4.5 million).

The Group promotes 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 contribution.



## DISCLOSURE OF INTERESTS

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

The Shares of the Company were listed on GEM on 25 October 2017. As at 30 September 2017, none of the Directors or chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), which would have to be notified to the Company pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which they are taken or deemed to have under such provisions of the SFO).

As at the date of this report, 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 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 interests 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 as referred to in Rules 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 positions 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 Shares held/ interested in	Percentage of shareholding
Mr. Fok	Foxfire	Beneficial owner	1	100%

Save as disclosed above, as at the date of this report, none of the Directors nor chief executive of the Company has registered an interest or short position 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 and 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 Rules 5.46 to 5.67 of the GEM Listing Rules.

**B. Substantial Shareholders' and Other Persons' Interests and Short Positions in the Shares or Underlying Shares**

As at 30 September 2017, there was no interest in the Shares and underlying Shares which were required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO.

So far as the Directors are aware, up to the date of this report, the following persons (other than the Directors or chief executive of the Company) or companies were 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 Divisions 2 and 3 of Part XV of the SFO and the GEM Listing Rules:

<b>Name of shareholder</b>	<b>Nature of interest</b>	<b>Number of the Shares held/ interested in</b>	<b>Long/short position</b>	<b>Percentage of total issued share capital of the Company</b>
Foxfire (Note)	Beneficial owner	427,500,000	Long	71.3%

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

Save as disclosed above, as at the date of this report, the Directors were not aware of any other persons or companies who had any interest or short position in the Shares or underlying Shares of the Company that was required to be recorded in the register of interests 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.

## **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 2017.

## **INTEREST OF COMPLIANCE ADVISER**

As at 30 September 2017, as notified by the Company's compliance adviser, CLC International Limited (the "**Compliance Adviser**"), except for the compliance adviser agreement entered into between the Company and the Compliance Adviser dated on 28 September 2017, neither the Compliance Adviser nor any of its directors, employees or close associates had any interests in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) or otherwise in relation to the Company which is 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**

Since the Listing Date 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**

Since the Listing Date and up to the date of this report, 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 since the Listing Date up to the date of this report.

## **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 2017.

## **DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

Other than the share option scheme adopted on 22 September 2017, during the Relevant Period, 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 2017, none of the Directors or chief executives of the Company held any share options of the company.

## **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 2017 and the effectiveness of internal control system.

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

Hong Kong, 13 November 2017

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