



 **LUMINA GROUP LIMITED**
瑩嵐集團有限公司

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

2019
THIRD QUARTERLY 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 listed 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 aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*



CONTENTS

Corporate Information	3
Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	4
Unaudited Condensed Consolidated Statement of Changes in Equity	5
Notes to the Unaudited Condensed Consolidated Financial Statements	6
Management Discussion and Analysis	11

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

COMPLIANCE OFFICER

Mr. Fok Hau Fai

COMPLIANCE ADVISER

CLC International Limited
(resigned on 10 July 2019)
Pulsar Capital Limited
(appointed on 10 July 2019)

AUTHORISED REPRESENTATIVES

Mr. Fok Hau Fai
Mr. Wong Chi Wai

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

Deloitte Touche Tohmatsu

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

Estera Trust (Cayman) Limited
Clifton House
75 Fort Street
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

STOCK CODE

8470

THIRD QUARTERLY 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 nine months ended 31 December 2019 (the “**Relevant Period**”), together with the unaudited comparative figures for the corresponding periods in 2018, as follows:

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

For the three months and nine months ended 31 December 2019

	Notes	Three months ended 31 December		Nine months ended 31 December	
		2019	2018	2019	2018
		HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Revenue	4	31,992	28,386	87,170	80,060
Direct costs		(21,556)	(20,536)	(58,602)	(55,922)
Gross profit		10,436	7,850	28,568	24,138
Bank interest income		246	169	601	492
Impairment loss allowance of trade receivables and contract assets, net of reversal		-	-	(190)	-
Administrative expenses		(3,354)	(2,495)	(8,612)	(7,538)
Other expense		(372)	-	(3,634)	-
Finance cost	5	(15)	-	(24)	-
Profit before taxation		6,941	5,524	16,709	17,092
Income tax expense	6	(1,198)	(721)	(3,131)	(2,571)
Profit and total comprehensive income for the period attributable to owners of the Company		5,743	4,803	13,578	14,521
Earnings per share Basic (HK cents)	7	0.96	0.80	2.26	2.42

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2019

	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Accumulated profits HK\$'000	Total equity HK\$'000
At 1 April 2019 (Audited)	6,000	53,663	921	60,119	120,703
Profit and total comprehensive income for the period	-	-	-	13,578	13,578
At 31 December 2019 (Unaudited)	6,000	53,663	921	73,697	134,281
At 1 April 2018 (Audited)	6,000	53,663	921	36,028	96,612
Profit and total comprehensive income for the period	-	-	-	14,521	14,521
At 31 December 2018 (Unaudited)	6,000	53,663	921	50,549	111,133

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2019

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 the GEM of the Stock Exchange on 25 October 2017 (the “**Listing**”). 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 immediate 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 accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institution of Certified Public Accountants (the “**HKICPA**”) as well as with the applicable disclosure requirements 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 for the Relevant Period are consistent with those applied in the audited consolidated financial statements for the year ended 31 March 2019 except for the new and revised standards, amendments and interpretations (“**new and revised HKFRSs**”) issued by the HKICPA that are adopted for the first time for the current period’s financial statement.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2019

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. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

During the Period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 April 2019. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards ("HKASs"), and Interpretations.

Except as described below for the HKFRS 16, the Directors considered that the application of the other new and revised HKFRSs and HKASs do not have material impact on the Group's current period's financial statements.

The Group transitioned to HKFRS 16 in accordance with the modified retrospective approach and therefore comparative figures were not restated. Upon application of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of HKAS 17 "Leases". These lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 April 2019. The associated right-of-use assets were measured at the amount equal to the respective lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized as at 31 March 2019.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2019

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

The Group also decided not to apply HKFRS 16 to leases whose terms will end within twelve months from the date of initial application. In such cases, the leases are accounted for as short-term leases and the lease payments associated with the leases are recognised as an expense from short-term leases.

The Group has not early applied new and revised HKFRSs that have been issued but are not yet effective for the financial period beginning on 1 April 2019. The Directors anticipate that the new and revised HKFRSs will be adopted in the Group's unaudited condensed consolidated financial statements when they become effective. The Group is in the process of assessing, where applicable, the potential effect of all new and revised HKFRSs that will be effective in future periods but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

4. REVENUE

Revenue represents the fair value of amounts received and receivable from the provision of fire safety system installation and 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. Revenue is recognised for these services based on the stage of completion of the contract using input method.

	Three months ended		Nine months ended	
	31 December		31 December	
	2019	2018	2019	2018
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Type of services:				
- Fire safety system installation	30,635	27,148	83,509	72,113
- Repair and maintenance	1,357	1,238	3,661	7,947
	31,992	28,386	87,170	80,060

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2019

5. FINANCE COST

	Three months ended 31 December		Nine months ended 31 December	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Interest expense on lease liability	15	-	24	-

6. INCOME TAX EXPENSE

	Three months ended 31 December		Nine months ended 31 December	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Hong Kong Profits Tax - current tax	1,198	721	3,131	2,571

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2019

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 31 December		Nine months ended 31 December	
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Earnings:				
Earnings for the purpose of calculating basic earnings per share (profit for the period attributable to owners of the Company)	5,743	4,803	13,578	14,521
Number of shares:				
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	600,000	600,000	600,000	600,000

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

8. DIVIDEND

The Board does not recommend the payment of an interim dividend for the nine months ended 31 December 2019 (for the nine months ended 31 December 2018: Nil).

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. We also provide repair and maintenance services to fire safety systems to satisfy the requirements of the Fire Services Department, The Government of the Hong Kong Special Administrative Region.

The Group has been promoted from Group I to Group II (on probation) under the “Fire Service Installation” category of the List of Approved Suppliers of Materials and Specialist Contractors for Public Works maintained by the Development Bureau of Hong Kong in 2019. Hence, the Group is eligible to tender for larger-scale public fire service installation works in Hong Kong. The status as an approved contractor for public works is an important consideration factor for customers in sourcing fire safety service providers and an advantage for the Group in attracting sizable customers and enhancing client base and market position.

In December 2019, the Group (i) won a tender of automatic fire alarm panels upgrading and replacement from a railway operator in Hong Kong for the first time and (ii) was being awarded four tenders of larger contract sum from an existing customer in the Government sector in replacing the fire service systems for various properties managed by the Government. The total contract sum of the above newly acquired tenders amounting to over HK\$10 million.

Looking forward, the Directors trust that the Group is able to establish cooperation with larger institutions and to continue to receive fire service tenders from Government institutions. This not only demonstrates the market recognition of the professional expertise and experience of the Group, but also lays a solid foundation for the Group in receiving more projects from sizable institutions in both the private and the public sectors in the future. The Group will continue to focus on strengthening its market position in the industry, expanding the new core customers and undertaking larger-scale projects with an aim to create long-term value for shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Revenue increased from approximately HK\$80.1 million for the nine months ended 31 December 2018 to approximately HK\$87.2 million for the nine months ended 31 December 2019, representing an increase of approximately 8.9%. Such increase was mainly attributable to the revenue generated by the new contracts of fire safety system installation.

Direct Costs

Direct costs increased from approximately HK\$55.9 million for the nine months ended 31 December 2018 to approximately HK\$58.6 million for the nine months ended 31 December 2019, representing an increase of approximately 4.8%. Such increase was in line with the increase in revenue during the nine months ended 31 December 2019.

Gross Profit

Gross profit increased from approximately HK\$24.1 million for the nine months ended 31 December 2018 to approximately HK\$28.6 million for the nine months ended 31 December 2019, representing an increase of approximately 18.7%. The overall gross profit margin slightly increased from approximately 30.1% for the nine months ended 31 December 2018 to approximately 32.8% for the nine months ended 31 December 2019. The management will continue to devote more efforts to maintain the overall gross profit margin.

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\$190,000 for the nine months ended 31 December 2019. The Group identified trade receivables and contract assets that were credit impaired or significant to the Group and assessed their expected credit loss (the "ECL") individually. We estimated 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 respective trade receivables and contract assets.

Bank Interest Income

The Company recorded bank interest income of approximately HK\$601,000 for the nine months ended 31 December 2019 (for the nine months ended 31 December 2018: approximately HK\$492,000). Such increase was attributable to the interest income generated from the unused net proceeds of the Listing which were deposited into short-term demand deposits with Hong Kong licensed banks.

MANAGEMENT DISCUSSION AND ANALYSIS

Administrative Expenses

Administrative expenses increased from approximately HK\$7.5 million for the nine months ended 31 December 2018 to approximately HK\$8.6 million for the nine months ended 31 December 2019, representing an increase of approximately 14.7%. Such increase was mainly attributable to the increase in staff costs incurred during the nine months ended 31 December 2019.

Other Expense

Other expense is the professional service fees incurred in respect of the application for the proposed transfer of listing of the shares of the Company from the GEM to the Main Board of the Stock Exchange, details of which are disclosed in our announcement dated 31 July 2019.

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 on 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\$24,000 was recognised for the nine months ended 31 December 2019.

Income Tax Expense

Income tax expense increased from approximately HK\$2.6 million for the nine months ended 31 December 2018 to approximately HK\$3.1 million for the nine months ended 31 December 2019, representing an increase of approximately 19.2%. Such increase was mainly attributable to the increase in taxable profit.

Profit and Total Comprehensive Income for the Period

Profit and total comprehensive income for the period decreased from approximately HK\$14.5 million for the nine months ended 31 December 2018 to approximately HK\$13.6 million for the nine months ended 31 December 2019, representing a decrease of approximately 6.2%. Such decrease was mainly attributable to the net effect of (i) the increase in revenue and gross profit; (ii) the increase in administrative expenses; and (iii) the increase in other expense.

MANAGEMENT DISCUSSION AND ANALYSIS

DISCLOSURE OF INTERESTS

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

As at 31 December 2019, 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 Futures 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 interests or short positions which any such Directors 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 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 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%

MANAGEMENT DISCUSSION AND ANALYSIS

Save as disclosed above, as at 31 December 2019, none of the Directors nor chief executive of the Company has registered any interest and 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 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 Rules 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/or Debentures

So far as the Directors are aware, as at 31 December 2019, 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 Divisions 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	71.25%

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

Save as disclosed above, as at 31 December 2019, the Directors were not aware of any other persons or companies who had any interest or short position in the shares, underlying shares or debentures 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 31 December 2019.

DIRECTORS’ RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than the share option scheme, during the nine months ended 31 December 2019, 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 31 December 2019, 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 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 nine months ended 31 December 2019.

INTEREST OF COMPLIANCE ADVISER

With effect from 10 July 2019, CLC International Limited (“**CLC**”) has resigned as the compliance adviser of the Company and the compliance adviser agreement entered into between the Company and CLC on 28 September 2017 (the “**CLC Agreement**”) has been terminated. The Company has appointed Pulsar Capital Limited (“**Pulsar**”) as the new compliance adviser of the Company and signed a compliance adviser agreement with Pulsar (the “**Pulsar Agreement**”) with effect from 10 July 2019.

As at 31 December 2019 and up to the date of this report, except for the Pulsar Agreement, neither Pulsar nor any of its directors, employees or close associates (as defined in the GEM Listing Rules) has any interests in the securities of the Company or any other companies of the Group (including options or rights to subscribe for such securities) pursuant to Rule 6A.32 of the GEM Listing Rules.

MANAGEMENT DISCUSSION AND ANALYSIS

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

During the nine months ended 31 December 2019 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 the fact that Mr. Fok has been operating and managing Kin Ying Contracting Limited and Kin Ying F.S. Engineering Limited (group companies) 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 nine months ended 31 December 2019 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.

MANAGEMENT DISCUSSION AND ANALYSIS

The Audit Committee has reviewed this report and the unaudited condensed consolidated results of the Group for the nine months ended 31 December 2019 and the effectiveness of internal control system.

By Order of the Board
Lumina Group Limited

Fok Hau Fai

Chairman and Chief Executive Officer

Hong Kong, 7 February 2020

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.