



2024

INTERIM REPORT



LUMINA GROUP LIMITED
螢嵐集團有限公司

(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

Ms. Wei Ju (appointed on 2 August 2024)

Independent Non-executive Directors

Mr. Hung Kin Sang

Mr. Lee Yin Sing

Mr. Wan Chun Kwan

COMPANY SECRETARY

Ms. Woo Ka Yee

COMPLIANCE OFFICER

Mr. Fok Hau Fai

AUTHORISED REPRESENTATIVES

Mr. Fok Hau Fai

Ms. Woo Ka Yee

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Mr. Hung Kin Sang (*Chairman*)

Mr. Fok Hau Fai

One member of the senior management

AUDITOR

Moore 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

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

PRINCIPAL BANKERS

DBS Bank (Hong Kong) Limited

Nanyang Commercial Bank, Limited

WEBSITE ADDRESS

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 2024, together with the unaudited comparative figures for the corresponding periods in 2023, as follows:

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

For the six months ended 30 September 2024

	Notes	Six months ended 30 September	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue	4	14,243	27,258
Direct costs		(12,283)	(24,777)
Gross Profit		1,960	2,481
Other income	5	252	715
Impairment losses under expected credit loss model, net of reversal		(214)	(29)
Change in fair value of financial assets at fair value through profit or loss (“FVTPL”)		397	59
Administrative expenses		(10,098)	(11,385)
Finance costs		(87)	(128)
Loss before tax	6	(7,790)	(8,287)
Income tax credit	7	–	–
Loss for the period		(7,790)	(8,287)
Other comprehensive income (expense) <i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		84	(157)
Other comprehensive income (expense) for the period		84	(157)
Total comprehensive expense for the period		(7,706)	(8,444)



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

For the six months ended 30 September 2024

	Note	Six months ended 30 September	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Loss for the period attributable to:			
Owners of the Company		(2,555)	(7,042)
Non-controlling interests		(5,235)	(1,245)
		(7,790)	(8,287)
Total comprehensive expense for the period attributable to:			
Owners of the Company		(2,371)	(7,122)
Non-controlling interests		(5,335)	(1,322)
		(7,706)	(8,444)
Loss per share			
Basic (HK cents)	8	(0.43)	(1.17)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2024

	Notes	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Non-current assets			
Property and equipment	10	438	584
Right-of-use assets	10	3,307	5,454
Video rights		2,970	2,866
Prepayment to a non-controlling shareholder		3,466	3,466
Prepayments for video production		2,939	452
Deposits and prepayments		690	972
Deferred tax assets		388	388
		14,198	14,182
Current assets			
Financial assets at FVTPL	11	2,968	2,571
Trade receivables	12	5,505	8,661
Deposits, other receivables and prepayments		586	353
Contract assets		32,327	38,019
Tax recoverable		3,746	3,746
Pledged bank deposits		6,192	4,904
Cash and cash equivalents		18,208	22,934
		69,532	81,188
Current liabilities			
Trade payables	13	2,385	3,555
Other payables and accrued charges		1,925	2,023
Lease liabilities		2,357	3,450
		6,667	9,028
Net current assets			
		62,865	72,160
Total assets less current liabilities			
		77,063	86,342
Non-current liabilities			
Lease liabilities		988	2,561
Other payables		148	148
		1,136	2,709
Net assets			
		75,927	83,633
Capital and reserves			
Share capital	14	6,000	6,000
Reserves		75,262	77,633
Equity attributable to owners of the Company			
Non-controlling interests		81,262 (5,335)	83,633 -
Total equity			
		75,927	83,633



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2024

	Attributable to owners of the Company						Non- controlling interests	Total
	Share capital	Share premium	Other reserve	Exchange reserve	Retained profits	Subtotal		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2024 (audited)	6,000	53,663*	921*	(144)*	23,193*	83,633	-	83,633
Loss for the period	-	-	-	-	(2,555)	(2,555)	(5,235)	(7,790)
Other comprehensive income (expense) for the period	-	-	-	184	-	184	(100)	84
Total comprehensive income (expense) for the period	-	-	-	184	(2,555)	(2,371)	(5,335)	(7,706)
At 30 September 2024 (unaudited)	6,000	53,663*	921*	40*	20,638*	81,262	(5,335)	75,927
At 1 April 2023 (audited)	6,000	53,663	921	-	52,983	113,567	-	113,567
Loss for the period	-	-	-	-	(7,042)	(7,042)	(1,245)	(8,287)
Other comprehensive expense for the period	-	-	-	(80)	-	(80)	(77)	(157)
Total comprehensive expense for the period	-	-	-	(80)	(7,042)	(7,122)	(1,322)	(8,444)
At 30 September 2023 (unaudited)	6,000	53,663	921	(80)	45,941	106,445	(1,322)	105,123

* These reserve accounts comprise the consolidated reserves of HK\$75,262,000 (31 March 2024: HK\$77,633,000) in the consolidated statement of financial position.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2024

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Net cash from (used in) operating activities	583	(13,374)
Net cash used in investing activities	(3,818)	(1,573)
Net cash used in financing activities	(1,489)	(2,006)
Net decrease in cash and cash equivalents	(4,724)	(16,953)
Cash and cash equivalents at beginning of the period	22,934	48,299
Effect on foreign exchange rate changes, net	(2)	(157)
Cash and cash equivalents at end of the period, represented by bank balances	18,208	31,189



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

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 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 and production of short videos and animation in the People’s Republic of China (“**PRC**” or “**Mainland China**”).

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 2024 are the same as those presented in the Group’s audited consolidated financial statements for the year ended 31 March 2024.

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 2024 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 2024

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 2024 for the preparation of the Group's unaudited condensed consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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 2024

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.

An analysis of revenue is as follows:

Disaggregated revenue information

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Type of Services:		
– Fire safety system installation	10,168	21,356
– Repair and Maintenance	4,075	5,902
	14,243	27,258

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

4. REVENUE AND SEGMENT INFORMATION (continued)

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.

During the six months ended 30 September 2023, the Group has expanded its business to engage in the production of short videos and animation business in the PRC, and hence it represents a new reporting segment of the Group from the view of the CODM.

The Group’s operating and reporting segments are (i) Fire safety system installation services; (ii) Repair and Maintenance services; and (iii) Production of short videos and animation.

Segment results

Six months ended 30 September 2024

	Fire safety system installation services HK\$'000 (Unaudited)	Repair and Maintenance services HK\$'000 (Unaudited)	Production of short videos and animation HK\$'000 (Unaudited)	Consolidated HK\$'000 (Unaudited)
Segment revenue	10,168	4,075	-	14,243
Segment profit (loss) excluding impairment losses on trade receivables and contract assets, net of reversal	938	1,022	(2,921)	(961)
Impairment losses on trade receivables and contract assets, net of reversal	(214)	-	-	(214)
Segment profit (loss)	724	1,022	(2,921)	(1,175)
Other income				252
Change in fair value of financial assets at FVTPL				397
Unallocated administrative expenses				(7,177)
Finance costs				(87)
Loss before taxation				(7,790)



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

4. REVENUE AND SEGMENT INFORMATION (continued)

Segment information (continued)

Segment results (continued)

Six months ended 30 September 2023

	Fire safety system installation services HK\$'000 (Unaudited)	Repair and Maintenance services HK\$'000 (Unaudited)	Production of short videos and animation HK\$'000 (Unaudited)	Consolidated HK\$'000 (Unaudited)
Segment revenue	21,356	5,902	-	27,258
Segment profit (loss) excluding impairment losses on trade receivables and contract assets, net of reversal	355	2,126	(2,475)	6
Impairment losses on trade receivables and contract assets, net of reversal	-	(29)	-	(29)
Segment profit (loss)	355	2,097	(2,475)	(23)
Other income				715
Change in fair value of financial assets at FVTPL				59
Unallocated administrative expenses				(8,910)
Finance costs				(128)
Loss before taxation				(8,287)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

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 (loss) profit generated by each segment net of administrative expenses directly attributable to each segment without allocation of other income, change in fair value of financial assets at FVTPL 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

The Group's operations are located in Hong Kong and the PRC.

Information about the Group's revenue from external customers is presented based on the location of the operations. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets (note)	
	30 September 2024 HK\$'000 (Unaudited)	30 September 2023 HK\$'000 (Unaudited)	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Hong Kong	14,243	27,258	8,221	7,495
The PRC	–	–	5,589	6,299
Total	14,243	27,258	13,810	13,794

Note: Non-current assets excluded deferred tax assets.



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

5. OTHER INCOME

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Bank interest income	198	544
Gain on disposal of property and equipment, net	-	110
Dividend income	54	61
	252	715

6. LOSS BEFORE TAX

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Loss before tax has been arrived at after charging:		
Staff costs		
Directors' remuneration	578	2,304
Other staff costs		
Salaries and other benefits	5,809	5,020
Retirement benefit scheme contributions	302	223
Total staff costs	6,689	7,547
Auditor's remuneration	380	339
Depreciation of property and equipment	155	135
Depreciation of right-of-use assets	1,772	1,394

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

7. INCOME TAX CREDIT

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Deferred taxation	-	-

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, 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, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

No provision for Hong Kong profits tax has been made as there is no assessable profit arising in or derived from Hong Kong during the period ended 30 September 2024 (for the six months ended 30 September 2023: Nil).

No provision for PRC corporate income tax has been made as there is no assessable profit arising in or derived from Mainland China during the period ended 30 September 2024 (for the six months ended 30 September 2023: Nil).



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

8. LOSS PER SHARE

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

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Loss:		
Loss for the purpose of calculating basic loss per share (loss for the period attributable to owners of the Company)	(2,555)	(7,042)
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	600,000	600,000

No diluted loss 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 2024 (for the six months ended 30 September 2023: Nil).

10. PROPERTY AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the six months ended 30 September 2024, the Group acquired property and equipment amounting to HK\$271,000 (for the six months ended 30 September 2023: Nil).

During the six months ended 30 September 2024, the Group incurred approximately HK\$2,282,000 on the addition of right-of-use assets (for the six months ended 30 September 2023: HK\$5,455,000).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

11. FINANCIAL ASSETS AT FVTPL

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Financial assets mandatorily measured at FVTPL:		
Equity securities listed in Hong Kong held for trading (note)	2,968	2,571

Note: The fair value was based on the quoted prices of the respective securities in active markets for identical assets.

During the current interim period, no financial assets at FVTPL have been pledged as security (31 March 2024: Nil).

12. 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:

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
0-30 days	679	1,159
31-60 days	555	913
61-90 days	382	2,386
91-180 days	470	564
181-365 days	1,947	1,092
Over 365 days	1,472	2,547
	5,505	8,661



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

13. 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:

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
0-30 days	1,700	2,441
31-60 days	504	150
Over 60 days	181	964
	2,385	3,555

14. SHARE CAPITAL

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

	Number of shares	Amount HK\$'000 (Unaudited)
Ordinary shares of HK\$0.01 each		
<i>Authorised:</i>		
At 31 March 2024 and 30 September 2024	10,000,000,000	100,000
<i>Issued and fully paid:</i>		
At 31 March 2024 and 30 September 2024	600,000,000	6,000

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2024

15. 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.

16. 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 2024 and 2023 are as follows:

	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Salaries and other benefits	1,460	3,260
Retirement benefit scheme contributions	39	45
	1,499	3,305



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. Apart from providing the fire safety service, our Group has started to explore other business opportunities in the production of short videos and animation business in the PRC.

Low demand in the local general consumption and cool down in the property market in Hong Kong have contributed to the decrease in quotation requests from customers and delay in the commencement and work progress of some projects. The Group experienced a decrease in the revenue for the six months ended 30 September 2024 when compared with that for the corresponding period in 2023. Such decrease is mainly due to some large projects reaching the completion stage and the newly awarded large projects have not yet commenced in current period.

The general economic uncertainties and keen competition in the market lead to the prolonged delay in the tendering process for construction works. Severe competition in the market had led to a drop in the number of open tenders and drove down contract prices, which caused negative impact on our contract revenue. All these factors put the Group under greater pressure in winning new contracts and maintaining the gross profit. Moreover, some projects are behind the planned schedules, and the new construction sites have not been ready for our main construction works, which would affect the amount of revenue generated for the period.

Looking forward, given that the Hong Kong SAR Government has relaxed its cooling measures in the residential property market of Hong Kong since early 2024, the Group is relatively optimistic about the long-term impact in the construction industry and also the fire safety market onwards. Recently, the Group receives an increasing level of tender opportunities in Hong Kong and the tender sum is also higher than those of the prior years. In view of the keen competition in the market and economic uncertainties, the Group will continue to strengthen its market position, delivers more values to the customers and optimises productivity and efficiency.



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Revenue decreased from approximately HK\$27.3 million for the six months ended 30 September 2023 to approximately HK\$14.2 million for the six months ended 30 September 2024, representing a decrease of approximately 47.7%. Such decrease is mainly attributable to some large projects reaching completion stage and the newly awarded large projects have not yet commenced during the six months ended 30 September 2024.

Direct Costs

Direct costs decreased from approximately HK\$24.8 million for the six months ended 30 September 2023 to approximately HK\$12.3 million for the six months ended 30 September 2024, representing a decrease of approximately 50.4%. Such decrease is in line with the decrease in revenue during the six months ended 30 September 2024.

Gross Profit

Gross profit decreased from approximately HK\$2.5 million for the six months ended 30 September 2023 to approximately HK\$2.0 million for the six months ended 30 September 2024, representing a decrease of approximately 21.0%. The overall gross profit margin increased from approximately 9.1% for the six months ended 30 September 2023 to approximately 13.8% for the six months ended 30 September 2024. Such increase is mainly attributable to the increase in the gross profit margin of projects from fire safety system installation services.

Other Income

Other income of the Group decreased from approximately HK\$0.7 million for the six months ended 30 September 2023 to approximately HK\$0.3 million for the six months ended 30 September 2024. The decrease is mainly due to the combined effect of a decrease in bank interest income from time deposits and the absence of gain on disposal of property and equipment 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\$214,000 for the six months ended 30 September 2024 (for the six months ended 30 September 2023: HK\$29,000). 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 that the amount of lifetime ECL of the remaining trade receivables and the 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 decreased from approximately HK\$11.4 million for the six months ended 30 September 2023 to approximately HK\$10.1 million for the six months ended 30 September 2024, representing a decrease of approximately 11.3%. Such decrease is mainly due to the cost saving in office expenses including lease of office in the PRC.

Finance Cost

Upon the 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\$87,000 has been recognised for the six months ended 30 September 2024 (for the six months ended 30 September 2023: HK\$128,000).

Loss Attributable to Owners of the Company

Loss attributable to owners of the Company for the current reporting period was approximately HK\$2.6 million, a decrease of approximately 63.7% from a loss of approximately HK\$7.0 million for the six months ended 30 September 2023. Such decrease is mainly attributable to the allocation of losses to the non-controlling interests, with the losses incurred and attributed to the non-controlling interests arising from the business of production of short videos and animation in the PRC.

LIQUIDITY AND FINANCIAL RESOURCES

The Group maintained a sound financial position during the six months ended 30 September 2024. As at 30 September 2024, the Group had cash and cash equivalents of approximately HK\$18.2 million (31 March 2024: approximately HK\$22.9 million) and pledged bank deposits of approximately HK\$6.2 million (31 March 2024: approximately HK\$4.9 million). The current ratio (calculated by dividing current assets by current liabilities) at 30 September 2024 was approximately 10.4 times (31 March 2024: approximately 9.0 times).

GEARING RATIO

As at 30 September 2024, the Group had no interest-bearing bank and other borrowings (31 March 2024: Nil).



MANAGEMENT DISCUSSION AND ANALYSIS

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 2024. 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 2024, bank deposits of approximately HK\$6.2 million (31 March 2024: approximately HK\$4.9 million) were pledged 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

Majority of the revenue-generating operations of the Group are transacted in Hong Kong Dollars which is the functional currency of all the group entities. During the six months ended 30 September 2024, there was no significant exposure to foreign exchange rate fluctuations and the Group had not maintained any hedging policy against the foreign currency risk. The management will consider hedging significant currency exposure should the need arise.

CAPITAL STRUCTURE

The 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 2024, 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.



MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL COMMITMENTS

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Capital expenditure contracted for but not provided in the consolidated financial statements		
– Video rights under production	1,478	80
The Group's share of the capital commitments made jointly with joint venture partners but not recognised at the end of the reporting date is as follow:		
– Commitments to capital contribution	–	4,296
	1,478	4,376

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group does not hold any significant investments in equity interest in any other companies and had no definite future plans for acquisition of material investments and capital assets as at the date of this Interim Report.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There were neither significant investments held as at 30 September 2024 nor acquisitions and disposals of subsidiaries during the six months ended 30 September 2024.



MANAGEMENT DISCUSSION AND ANALYSIS

CONTINGENT LIABILITIES

As at 30 September 2024, performance guarantees of approximately HK\$6.2 million (31 March 2024: approximately HK\$4.9 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 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 2024, the Group employed a total of 41 employees (31 March 2024: 44 employees). The staff costs, including Directors' emoluments, of the Group were approximately HK\$6.7 million for the six months ended 30 September 2024 (for the six months ended 30 September 2023: approximately HK\$7.5 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 2024. Thus, our Directors consider that the Group has maintained good relationship with its employees.

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 2024, 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 C3 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	398,500,000	66.42%

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 2024, 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 C3 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 2024, 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		Percentage of Shareholding
		Shares held/ interested in	Long/short position	
Foxfire (Note)	Beneficial owner	398,500,000	Long position	66.42%

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

Save as disclosed above, as at 30 September 2024, 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.



CORPORATE GOVERNANCE AND OTHER INFORMATION

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 2024.

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 2024, 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.

Since the date of the adoption of the Share Option Scheme on 22 September 2017, no share option has been granted, exercised, expired, cancelled or lapsed and there is no outstanding share option under the Share Option Scheme. Therefore the weighted average closing price of the shares immediately before the dates on which the options were exercised or vested pursuant to Rule 17.07(1)(d) of the Listing Rules is not available.

Pursuant to Rule 17.07(2) of the Listing Rules, the total number of share options available for grant under the Share Option Scheme as at 1 April 2024 and 30 September 2024 were 60,000,000 and 60,000,000 respectively.

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 2024.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 September 2024 and up to the date of this interim report, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 C1 of the Main Board Listing Rules, except for the deviation from CG Code provision C.2.1.

Pursuant to Code Provision C.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 C.2.1 is appropriate in such circumstance.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company adopted the required standard of dealings set out in the Model Code as set out in Appendix C3 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 2024 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 D.3 of the CG Code and Corporate Governance Report as set out in Appendix C1 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.



CORPORATE GOVERNANCE AND OTHER INFORMATION

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 CPA Limited.

The Audit Committee has reviewed the unaudited consolidated financial statements of the Group for the six months ended 30 September 2024. 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.

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 2024 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, 29 November 2024

As at the date of this report, the Board consists of (i) three Executive Directors, namely Mr. Fok Hau Fai, Mr. Sung Sing Yan and Ms. Wei Ju; and (ii) three Independent Non-executive Directors namely Mr. Hung Kin Sang, Mr. Lee Yin Sing and Mr. Wan Chun Kwan.