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ROMA GROUP LIMITED

羅馬集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8072)

**ANNOUNCEMENT OF THE FIRST QUARTERLY RESULTS
FOR THE THREE MONTHS ENDED 30 JUNE 2021**

The board of directors (the “**Directors**” and “**Board**”, respectively) of Roma Group Limited (the “**Company**”) hereby announces the unaudited condensed consolidated results of the Company and its subsidiaries for the three months ended 30 June 2021. This announcement, containing the full text of the 2021/22 first quarterly report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) in relation to information to accompany preliminary announcement of first quarterly results.

By Order of the Board
Roma Group Limited
Yue Kwai Wa Ken

*Executive Director, Chief Executive Officer,
Chairman and Company Secretary*

Hong Kong, 11 August 2021

As at the date of this announcement, the executive Directors are Mr. Yue Kwai Wa Ken (Chairman and Chief Executive Officer) and Mr. Li Sheung Him Michael; and the independent non-executive Directors are Mr. Chung Man Lai, Mr. Ko Wai Lun Warren and Ms. Li Tak Yin.

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 Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least seven days from the day of its posting. This announcement will also be published on the website of the Company at www.romagroup.com.

* For identification purpose only



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This report, for which the directors of Roma Group Limited (the “Company” and the “Directors”, respectively) 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.





FINANCIAL HIGHLIGHTS

For the three months ended 30 June 2021:

- Revenue was approximately HK\$19.2 million, representing a decrease of approximately 19.4% as compared with that for the three months ended 30 June 2020;
- Loss for the three months ended 30 June 2021 amounted to approximately HK\$1.0 million, whereas a profit of approximately HK\$8.7 million was recorded for the three months ended 30 June 2020;
- Basic and diluted loss per share attributable to owners of the Company were HK0.16 cents; and
- No dividend was declared.





FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 30 JUNE 2021

The board of Directors (the “Board”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the three months ended 30 June 2021 (the “Period”) together with the comparative unaudited figures for the corresponding period in 2020 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 30 June 2021

	Notes	For the three months ended 30 June	
		2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Revenue	3	19,156	23,778
Other income	4	614	622
Employee benefit expenses	5	(11,357)	(10,274)
Depreciation and amortisation	6	(1,110)	(1,067)
Finance costs	7	(483)	(497)
Other expenses		(7,715)	(3,739)
(Loss)/Profit before income tax	6	(895)	8,823
Income tax expense	8	(114)	(120)
(Loss)/Profit and total comprehensive (loss)/income for the period attributable to owners of the Company		(1,009)	8,703
(Restated)			
Basic and diluted (loss)/earnings per share (HK cents)	10	(0.16)	5.16





UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2021

	Share capital HK\$'000	Shares held for the share award plan (the "Plan") HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Share option reserve HK\$'000	Investment at fair value through other comprehensive income reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2021 (audited)	1,755	-	579,738	10	1,354	-	(242,414)	340,443
Transaction with owners, in their capacity as owners								
Rights issue, net of expenses	5,266	-	57,381	-	-	-	-	62,647
Purchase of shares for the Plan	-	(2,574)	-	-	-	-	-	(2,574)
Loss and total comprehensive loss for the period	-	-	-	-	-	-	(1,009)	(1,009)
At 30 June 2021 (unaudited)	7,021	(2,574)	637,119	10	1,354	-	(243,423)	(399,507)
At 1 April 2020 (audited)	1,350	(26,241)	569,909	10	4,879	(21,220)	(160,991)	367,696
Transaction with owners, in their capacity as owners								
Placing shares, net of expenses	270	-	5,237	-	-	-	-	5,507
Profit and total comprehensive income for the period	-	-	-	-	-	-	8,703	8,703
At 30 June 2020 (unaudited)	1,620	(26,241)	575,146	10	4,879	(21,220)	(152,288)	381,906





1. GENERAL

The Company is a limited liability company incorporated in the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, the Cayman Islands. Its principal place of business in Hong Kong is located at 22/F., China Overseas Building, 139 Hennessy Road, Wanchai, Hong Kong. The principal activity of the Company is investment holding and the Group is principally engaged in the provision of valuation and advisory services, financing services and securities broking, placing and underwriting and investment advisory and asset management services.

The ordinary shares of the Company (the “Shares”) were listed on GEM by way of placing on 25 February 2013.

2. BASIS OF PREPARATION

(a) Basis of preparation

The unaudited condensed consolidated financial statements of the Group for the Period (the “Unaudited Condensed Consolidated Financial Statements”) have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (hereinafter collectively referred to as the “HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the disclosure requirements of Companies Ordinance (Chapter 622 of laws of Hong Kong). In addition, the Unaudited Condensed Consolidated Financial Statements include applicable disclosures required by the GEM Listing Rules.

(b) Principal accounting policies

The accounting policies and methods of computation used in preparing the Unaudited Condensed Consolidated Financial Statements are the same as those followed in the preparation of the Group’s audited consolidated financial statements for the year ended 31 March 2021, except for the adoption of the following new and amended HKFRSs effective for the Group’s consolidated financial statements for the period beginning on 1 April 2021. The Group has not early adopted any other standards, interpretation or amendment that has been issued but is not yet effective.





NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Amendment to HKFRS 9,
HKAS 39, HKFRS 7,
HKFRS 4 and HKFRS 16
Amendments to HKFRS 16
Amendments to HKFRS 16

Interest Rate Benchmark Reform — Phase 2

Covid-19-Related Rent Concessions
Covid-19-Related Rent Concessions
beyond 30 June 2021

The adoption of the new and amended HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

Issued but not yet effective HKFRSs

At the date of authorisation of the Unaudited Condensed Consolidated Financial Statements, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

Amendments to HKFRSs	Annual Improvements to HKFRS Standards 2018–2020 ¹
Amendments to HKFRS 3 HKFRS 17	Reference to the Conceptual Framework ⁴ Insurance Contracts and related amendments ²
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use ¹
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ¹
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ²
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ²
Amendments to HKAS 8	Definition of Accounting Estimates ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combination ⁴

¹ Effective for annual periods beginning on or after 1 January 2022

² Effective for annual periods beginning on or after 1 January 2023

³ Effective date not yet determined

⁴ Effective for business combination/common control combination for which the acquisition/combination date is on or after the beginning of the first annual period beginning on or after 1 January 2022





(c) Basis of measurement

The Unaudited Condensed Consolidated Financial Statements have been prepared under the historical cost basis, except for financial assets at fair value through profit or loss and investment property, which are measured at fair value.

(d) Functional and presentation currency

The Unaudited Condensed Consolidated Financial Statements are presented in Hong Kong Dollars ("HK\$"), which is also the functional currency of the Company and its principal subsidiaries, and all values are rounded to the nearest thousand except when otherwise indicated.

3. REVENUE

The Group's principal activities are provision of i) valuation and advisory services; ii) financing services; and iii) securities broking, placing and underwriting and investment advisory and asset management services. An analysis of the Group's revenue for the Period is as follows:

	For the three months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Revenue from contracts with customers within the scope of HKFRS 15:		
Valuation and advisory services	13,790	15,830
Securities broking, placing and underwriting and investment advisory and asset management services	916	137
Revenue from other sources:		
Interest income from provision of financing services	4,450	7,811
	19,156	23,778





NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. OTHER INCOME

	For the three months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Bank interest income	269	205
Reimbursement of expenses	70	30
Rental income	54	54
Other marketing service income	70	75
Others	151	258
	614	622

5. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	For the three months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Salaries and allowances	10,762	9,736
Contributions on defined contribution retirement plans	305	292
Other benefits	290	246
	11,357	10,274





6. (LOSS)/PROFIT BEFORE INCOME TAX

Loss/profit before income tax is arrived at after charging:

	For the three months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Auditor's remuneration (note)	163	163
Amortisation of intangible assets	21	21
Depreciation:		
— Owned asset	69	137
— Right-of-use assets	1,020	909
Consultancy and referral fees (note)	1,856	1,951
Exchange (gain)/loss, net (note)	(861)	79
Insurance (note)	206	182
Marketing and business development expenses (note)	1,029	1,585
Reversal of impairment loss on loans and interests receivable (note)	—	(2,440)
Reversal of impairment loss on trade and other receivables (note)	—	(192)
Office management fee (note)	159	163
Lease charges for short-term leases (note)	118	123
Professional fee (note)	2,860	904

Note: These expenses are included in "other expenses" in the consolidated statement of comprehensive income.





NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. FINANCE COSTS

	For the three months ended 30 June	
	2021	2020
	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Interest on bank borrowings	128	213
Interest on other borrowings	311	238
Finance charge on lease liabilities	44	46
	483	497

8. INCOME TAX EXPENSE

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25% (2020: 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% (2020: 16.5%).

	For the three months ended 30 June	
	2021	2020
	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Current tax — Hong Kong Profits Tax		
Tax for the period	114	120
	114	120





9. DIVIDEND

The Board has resolved not to declare any dividend for the Period (2020: nil).

10. (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted (loss)/earnings per share attributable to owners of the Company is based on the following data:

	For the three months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
(Loss)/Earnings		
(Loss)/Earnings for the purpose of basic and diluted (loss)/earnings per share	(1,009)	8,703
	'000	'000
		(Restated)
Number of Shares		
Weighted average number of shares for the purpose of basic and diluted (loss)/earnings per share (notes (a) and (b))	617,876	168,731

Notes:

- (a) Weighted average of 617,876,380 Shares for the three months ended 30 June 2021 derived from 175,520,415 Shares in issue as at 1 April 2021 after taking into account the effects of the completion of rights issues on 19 April 2021 and purchase of the Shares held for the Plan.

Weighted average of 168,731,320 Shares for the three months ended 30 June 2020 derived from 135,020,415 is issue as at 1 April 2020 after taking into account the effects of the completion of placing new Shares on 12 May 2020 and completion of right issues on 19 April 2021.

- (b) The computation of diluted (loss)/earnings per share does not assume the exercise of the Company's outstanding share options as the exercise prices of those options are higher than the average market price for shares for the Period.





MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the Period, the Group recorded a decrease of approximately 19.4% in revenue as compared with that for the three months ended 30 June 2020. Such decrease was mainly attributable to a drop in both service fee income generated from provision of valuation and advisory services and the interest income generated from provision of financing services.

The Group aims to provide all-rounded with high quality service to its customers so as to sustain its growth. In addition, the Group always uses its best endeavours to explore various merger and acquisition opportunities and/or business collaboration to enhance its market presence in the valuation and advisory industry in Hong Kong.

The Group has been continuously seeking different opportunities to broaden its income stream and the market presence.

The Group distributed discretionary bonus to certain staff and Directors during the Period to retain high-caliber individuals for their continuous contribution to the Group. The Group always considers its professional teams as the most valuable asset of the Group and offers competitive remuneration package to attract and retain high-caliber individuals.

FINANCIAL REVIEW

Revenue

During the Period, the Group's provision of valuation and advisory services contributed approximately 72.0% of the total revenue to the Group. The services fee income generated from provision of valuation and advisory services slightly decreased by 12.9% to approximately HK\$13.8 million for the Period from approximately HK\$15.8 million for the three months ended 30 June 2020. Such decrement was mainly attributable to impact of decrease in the number of projects outweighing the impact of the increase of average project contract sums amount.

The Group's provision of financing services contributed approximately 23.2% of the total revenue of the Group for the Period. The interest income generated from provision of financing services decreased by approximately 43.0% to HK\$4.5 million for the Period from approximately HK\$7.8 million for the three months ended 30 June 2020. The decrease in interest income was mainly attributable to the reduction of loan portfolios size during the Period as compared with that for the three months ended 30 June 2020.





The segment of securities broking, placing and underwriting and investment advisory services commenced operation in recent years. This relatively new segment accounted for approximately 4.8% of the Group's total revenue for the Period. The income generated from this segment significantly increased to HK\$0.9 million for the Period from approximately HK\$0.1 million for the three months ended 30 June 2020. The rise was mainly attributable to the heated investment atmosphere in the Hong Kong stock market that generated more brokerage income during the Period.

Other income

Other income mainly comprise bank interest income, reimbursement of expenses, rental income and other marketing service income etc. During the Period, the Group's other income is more or less the same as the three months period 30 June 2020.

Employee benefit expenses

Employee benefit expenses mainly consisted of wages and salaries, discretionary bonus, pension costs and other benefits to staff and Directors. The Group's employee benefit expenses increased by approximately 10.5% for the Period as compared with those for the three months ended 30 June 2020. The increase was mainly attributable to rise of the headcounts. The Group always values the contribution of its professional and management teams and has distributed bonus during the Period to retain high-caliber individuals for continuous contribution to the Group.

Depreciation and amortisation

The Group recorded slightly increase in depreciation and amortization of approximately 4.0% for the Period as compared with that for the three months ended 30 June 2020.





MANAGEMENT DISCUSSION AND ANALYSIS

Finance costs

The Group's finance cost refers to interest expenses incurred for bank borrowings, other borrowings and lease liabilities. During the Period, finance cost slightly dropped by 2.8% for the Period compared with that for the three months ended 30 June 2020.

Other expenses

The Group's other expenses increased by approximately 106.3% for the Period as compared with those for the three months ended 30 June 2020. It was mainly attributable to (i) increase in professional fee during the Period and (ii) relatively large amount of reversal of impairment loss on loans and interest receivables recorded for the three months ended 30 June 2020 whereas no such reversal recorded during the Period.

Loss attributable to owners of the Company

Loss attributable to owners of the Company amounted to approximately HK\$1.0 million for the Period whereas there was the profit attributable to owners of the Company of approximately HK\$8.7 million for the three months ended 30 June 2020. It was mainly attributable to the (i) the decrease of approximately HK\$4.6 million in the revenue generated from the provision of valuation and advising services and financing services during the Period as compared with that for the three months ended 30 June 2020 and (ii) reversal of impairment loss on loans and interest receivables recorded for the three months ended 30 June 2020 whereas no such reversal recorded during the Period.

REVIEW ON ADVANCE TO ENTITY AND/OR PROVISION OF FINANCIAL ASSISTANCE

On 31 October 2019, the Group granted a loan facility of HK\$5,000,000 at an interest rate of 36% per annum for a term of three months to a company, for which a guarantor executed a guarantee in favour of the Group. As at 30 June 2021, the loan matured. Follow up works have been taken and in progress. For further details, please refer to the Company's announcements dated 31 October 2019 and 15 November 2019.





CAPITAL STRUCTURE

The rights issue in 2021

In April 2021, the Company raised fund of net proceeds of approximately HK\$62.6 million from its rights issue of 526,561,245 Shares (the "2021 RI Proceeds") on the basis of three (3) rights shares for every one (1) existing Share held on the record date at the subscription price of HK\$0.125 per rights share. Up to 30 June 2021, (i) approximately HK\$39.5 million of the 2021 RI Proceeds was used for enrichment of working capital for operation and expansion of existing business, (ii) approximately HK\$5.8 million of the 2021 RI Proceeds was used for repayment of outstanding debts and the rest was kept as cash at a licensed bank in Hong Kong. The proposed and actual use of the 2021 RI Proceeds up to 30 June 2021 are set as below.

	Proposed use of the 2021 RI Proceeds (HK\$ in million)	Actual use of the 2021 RI Proceeds during the Period (HK\$ in million)	Unutilised 2021 RI Proceeds as at 30 June 2021 (HK\$ in million)
Enrichment of working capital for operation and expansion of existing business	42.0	39.5	2.5
Repayment of outstanding debts	15.5	5.8	9.7
Acquisition of and/or investment in business	5.1	–	5.1
Total	62.6	45.3	17.3

Note: The Company currently expects that the unutilised 2021 RI Proceeds will be used by 31 March 2022.





MANAGEMENT DISCUSSION AND ANALYSIS

The rights issue in 2017

In November 2017, the Company raised fund of net proceeds of approximately HK\$258.0 million from its rights issue of 1,874,944,986 Shares (the "2017 RI Proceeds"). Up to 30 June 2021, approximately HK\$135.0 million of the 2017 RI Proceeds was utilised for granting of various loans, approximately HK\$27.0 million of the 2017 RI Proceeds was used for investment in potential business and approximately HK\$33.0 million of the 2017 RI Proceeds was used for the Group's general working capital, and the rest was kept as cash at a licensed bank in Hong Kong. The proposed and actual use of the 2017 RI Proceeds are set as below.

	Proposed use of the 2017 RI Proceeds (HK\$ in million)	Actual use of the 2017 RI Proceeds from the date of issuance of rights issue and up to 31 March 2021 (HK\$ in million)	Actual use of the 2017 RI Proceeds during the Period (HK\$ in million)	Unutilised 2017 RI Proceeds as at 30 June 2021 (HK\$ in million)
Expansion of the Group's existing financing business	135.0	135.0	–	–
Investment in potential businesses (note)	90.0	27.0	–	63.0
General working capital	33.0	33.0	–	–
Total	258.0	195.0	–	63.0

Note: The Company currently expects that the unutilised 2017 RI Proceeds will be used by 31 March 2022.

As at the date of this report, the 2017 RI Proceeds were not utilised due to unforeseen delays caused by the social unrest in Hong Kong and pandemic of the COVID-19 which has led the disruptions to the economy and therefore the management is more prudent and taking more time to seek the potential businesses.





FUTURE PROSPECTS

With an aim to be the leading valuation and advisory services provider in Hong Kong, the Group reinforced its core strategy by providing all-rounded services in high quality to clients. Going forward, the Group will continue to explore expansion of the service scope of its advisory services with a view to match its services with the changing environment and sustain its growth. The Group will also continue to explore various merger and acquisition opportunities and/or business collaboration to maintain and enhance its market presence in the valuation and advisory industry in Hong Kong.

The pandemic and poor market sentiment have hindered the development and growth of the Group's provision of securities broking, placing and underwriting and investment advisory and asset management services during the Period. However, it is expected that the related policies in relation to the development of the Belt and Road Initiative and advancement of Greater Bay Area will create new opportunities for Hong Kong as an international financial hub. Therefore, the Group will continue to adhere to its strategy to strive for being an integrated securities house in Hong Kong by cultivate capital raised from share allotment to expand and grow the business portfolio, in order to achieve a sustainable growth and increasing revenue streams.

As the Group expected, the roll-out of vaccination have alleviated the deterioration of COVID-19 as less outbreaks and continued cases were recorded in Hong Kong. However, as at the date of this report, only one third of the population in Hong Kong has been fully vaccinated, the possibility of another outbreak is not yet eliminated, hence the Group will continue to make every last effort and adopt any suitable and necessary measures to introduce a safe working environment for its workforce, in order to maintain the Group's productivity and competitiveness in the market. Last but not least, the Group holds a strong faith that the valuation and advisory services will remain to act as a key revenue driver of the Group for the upcoming years and the financing services will become more consolidated and integrated in the foreseeable future.





MANAGEMENT DISCUSSION AND ANALYSIS

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 June 2021, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO) or which would be required, pursuant to section 352 of the SFO, to be entered in the register as referred to therein, or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules required to be notified to the Company and the Stock Exchange, are as follows:

Long positions in the Shares, underlying Shares and debentures of the Company

Name of Directors	The Company/name of associated company	Capacity/nature of interests	Number of Shares held	Number of underlying Shares held	Approximate percentage of interests (Note 1)
Mr. Yue Kwai Wa Ken ("Mr. Yue")	The Company	Interest of controlled corporation/ Corporate interest	17,540,000 (Note 2)	–	2.50%
	Fast and Fabulous Company Limited ("Fast and Fabulous")	Trustee of the Plan/Others	17,540,000 (Note 2)	–	2.50%
Mr. Chung Man Lai	The Company	Interest of spouse/ Family interest	1,250	–	0.00%

Note 1: The percentage is calculated on the basis of the total number of issued Shares as at 30 June 2021.

Note 2: These 17,540,000 Shares were held by Fast and Fabulous, which was the trustee of the Plan adopted with effect from 22 June 2018. As the entire issued share capital of Fast and Fabulous was legally and beneficially owned by Mr. Yue, Mr. Yue was deemed to be interested in all the Shares in which Fast and Fabulous was interested by virtue of the SFO.





INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARES AND UNDERLYING SHARES

As at 30 June 2021, so far as the Directors are aware, the interests or short positions owned by the following corporations or persons (other than a Director or the chief executive of the Company) in the Shares or underlying Shares, which were required: (a) to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO; or (b) to be recorded in the register of the Company required to be kept under section 336 of the SFO are as follows:

Long positions in the Shares and underlying Shares

Name of shareholders	Capacity/nature of interest	Number of issued Shares held	Number of underlying Shares held	Approximate percentage of interest (Note 1)
Aperto Investments Limited ("Aperto") (Note 2)	Beneficial owner/Personal interest	210,000,000	–	29.91%
Mr. Luk Kee Yan Kelvin ("Mr. Luk") (Note 2)	Interest of a controlled corporation/Corporate interest	210,000,000	–	29.91%

Note 1: The percentage is calculated on the basis of the total number of issued Shares as at 30 June 2021.

Note 2: The entire issued share capital of Aperto was legally and beneficially owned by Mr. Luk. Mr. Luk was deemed to be interested in all the Shares held by Aperto by virtue of the SFO.

Save as disclosed above and as at 30 June 2021, the Directors are not aware of any interests or short positions owned by any persons (other than a Director or the chief executive of the Company) in the Shares or underlying Shares, which were required: (a) to be disclosed under Divisions 2 and 3 of Part XV of the SFO; or (b) to be recorded in the register of the Company required to be kept under section 336 of the SFO.





MANAGEMENT DISCUSSION AND ANALYSIS

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

During the Period, the Company did not redeem any of its Shares listed on GEM nor did the Company or any of its subsidiaries purchase or sell any such Shares.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "Required Standard of Dealings").

Having made specific enquiries of all Directors by the Company, all Directors confirmed that they had complied with the Required Standard of Dealings and its code of conduct concerning securities transactions by the Directors during the Period.

CORPORATE GOVERNANCE PRACTICES

The Board and the management of the Company are committed to maintaining and achieving a high standard of corporate governance practices with an emphasis on a quality Board, an effective accountability system and a healthy corporate culture in order to safeguard the interests of the shareholders of the Company and enhance the business growth of the Group.

During the Period, the Company has complied with all the code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 15 to the GEM Listing Rules except the following deviation:





Code provision A.2.1

The above code provision of the CG Code stipulates that the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual.

During the Period and up to the date of this report, Mr. Yue, Kwai Wa Ken has been both the chairman of the Board (the “Chairman”) and the chief executive officer of the Group (the “CEO”).

The Board considers that having the same person to perform the roles of both the Chairman and the CEO provides the Company with strong and consistent leadership, and allows effective and efficient planning and implementation of business decisions and strategies. Such structure would not impair the balance of power and authority between the Board and the management of the Group. The balance of power and authority is ensured by the operations of the Board which comprises experienced and high caliber individuals and having meeting regularly to discuss issues affecting the operations of the Group.

DIRECTORS’ MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE GROUP’S BUSINESSES

None of the Directors or any entity connected with any Director had a material interest, whether directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group, to which the Company or its holding company or any of its subsidiaries or fellow subsidiaries was a party as at 30 June 2021 or at any time during the Period.

DIRECTORS’ INTERESTS IN COMPETING BUSINESSES

During the Period and up to the date of this report, none of the Directors or any of their respective close associates (as defined in the GEM Listing Rules), engaged in any business that competed or might compete with the businesses of the Group, or had any other conflict of interest with the Group.





MANAGEMENT DISCUSSION AND ANALYSIS

AUDIT COMMITTEE

The audit committee of the Board (the “Audit Committee”) was established on 26 September 2011 with its terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and code provision C.3.3 of the CG Code. The terms of reference of the Audit Committee are available at the respective websites of the Company and the Stock Exchange. The major roles and functions of the Audit Committee are to review the financial systems of the Group; to review the accounting policies, financial positions and results, and financial reporting procedures of the Group; to communicate with external auditor; to assess the performance of internal financial and audit personnel; to review the risk management system and to assess the internal controls of the Group; and to provide recommendations and advices to the Board on the appointment, re-appointment and removal of external auditor as well as their terms of appointment. The Company has adopted a whistleblowing policy in order to allow the employees or other stakeholders (such as suppliers and customers) of the Group to raise concerns, in confidence, with the Audit Committee about possible improprieties in any matter related to the Group.

The Audit Committee currently consists of three members, namely Mr. Chung Man Lai (being the chairman of the Audit Committee), Mr. Ko Wai Lun Warren and Ms. Li Tak Yin, all being independent non-executive Directors. No member of the Audit Committee is a member of the former or existing independent auditor of the Company. The Audit Committee has reviewed the Unaudited Condensed Consolidated Financial Statements and this report.

By order of the Board

Roma Group Limited

Yue Kwai Wa Ken

*Executive Director, Chief Executive Officer,
Chairman and Company Secretary*

Hong Kong, 11 August 2021

As at the date of this report, the executive Directors are Mr. Yue Kwai Wa Ken (Chairman and Chief Executive Officer) and Mr. Li Sheung Him Michael; and the independent non-executive Directors are Mr. Chung Man Lai, Mr. Ko Wai Lun Warren and Ms. Li Tak Yin.

