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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)

DISCLOSEABLE TRANSACTION DISPOSAL OF INTERESTS IN SUBSIDIARIES

THE DISPOSAL

The Board wishes to announce that on 16 March 2022 (after trading hours), the Vendor entered into the Agreement with the Purchaser, pursuant to which the Vendor agreed to sell and transfer, and the Purchaser conditionally agreed to acquire and accept, the Sale Shares at the Consideration.

It is expected that the net proceeds from the Disposal will amount to approximately HK\$950,000. The Company intends to apply the net proceeds for general working capital of the Group.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

Completion is subject to fulfilment, and/or waiver (as the case may be), of certain conditions precedent stated in the Agreement, and the Disposal may or may not proceed. Shareholders and prospective investors are reminded to exercise caution when dealing in the Shares.

THE DISPOSAL

The Board wishes to announce that on 16 March 2022 (after trading hours), the Vendor entered into the Agreement with the Purchaser, pursuant to which the Vendor agreed to sell and transfer, and the Purchaser conditionally agreed to acquire and accept, the entire issued share capital of the Target Company at the Consideration.

THE AGREEMENT

The principal terms of the Agreement are as follows:

Date: 16 March 2022 (after trading hours)

Parties: (a) the Vendor; and
(b) the Purchaser.

Assets subject to the sale and purchase

The Vendor has conditionally agreed to sell and transfer, and the Purchaser has conditionally agreed to acquire and accept, the Sale Shares.

Consideration

The total Consideration for the sale and purchase of the Sale Shares shall be HK\$1,000,000 to be paid by the Purchaser to the Vendor in cash on Completion.

The Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor, with reference to an agreed premium over the net asset value of RRA.

The Directors consider the Consideration is fair and reasonable and on normal commercial terms and that the entering into of the Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

Conditions Precedent

Completion is conditional upon:

- (1) the clearance of all announcement(s) and circular(s) (if required) to be issued by the Company under the GEM Listing Rules and granting of all approvals, if necessary by the Stock Exchange in respect of all transactions contemplated by the Agreement; and
- (2) the warranties set out in the Agreement remaining true and accurate and not misleading at Completion as if repeated at Completion and at all times between the date of the Agreement and Completion.

Each of the Vendor and the Purchaser shall use its reasonable endeavours to procure the satisfaction of the conditions set out above on or before 31 May 2022 (or such other date as the parties to the Agreement may agree).

Completion Date

Completion shall take place on a date, time and venue in Hong Kong as specified by the Vendor and the Purchaser in writing, subject to the fulfillment of the conditions precedent set out above.

INFORMATION OF THE TARGET COMPANY AND THE TARGET GROUP

The Target Company is an investment holding company incorporated in the British Virgin Islands on 8 February 2022. As at the date of this announcement, the Target Company is authorised to issue a maximum of 50,000 shares of a single class each with a par value of US\$1.00 each, and it has 100 shares in issue, which are fully paid up and owned by the Vendor.

RRA is a limited liability company incorporated in Hong Kong on 2 August 2018. It carries on the business of the provision of environmental, social and governance reporting as well as other risk advisory services.

As at the date of this announcement, RRA is a wholly-owned subsidiary of the Target Company.

Roma(S) is a limited liability company incorporated in Singapore on 3 January 2022 and wholly-owned by RRA. Roma(S) has not carried on any business since its incorporation.

The Target Company does not carry on any business activities save as acting as an investment holding company for RRA. The following is a summary of the financial information of RRA as extracted from its audited financial statements for the two financial years ended 31 March 2020 and 2021:

	For the year ended	
	31 March 2020	31 March 2021
	(audited)	(audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net profit/(loss) before taxation	303	(363)
Net profit/(loss) after taxation and extraordinary items	303	(363)

As at 31 January 2022, the unaudited consolidated net liabilities of the Target Group were approximately HK\$3.5 million.

INFORMATION OF THE GROUP

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.

INFORMATION OF THE VENDOR

The Vendor is an investment holding company incorporated in the British Virgin Island and a wholly-owned subsidiary of the Company. As at the date of this announcement, the Vendor is the holder of 100 shares in the issued share capital of the Target Company, representing its entire issued share capital.

INFORMATION OF THE PURCHASER

To the best of the Director's knowledge, information and belief and having made all reasonable enquiries, as at the date of this announcement, the Purchaser is an Independent Third Party.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

Based on the unaudited management accounts of the Target Group as at 31 January 2022, the Directors estimate that a net gain of approximately HK\$4.5 million (subject to audit and after deduction of associated costs and other expenses) will arise on the Disposal. Having considered the unstable economic outlook of Hong Kong and the prolong impact of the COVID-19 epidemic, the Board is of the view that it will be difficult to achieve growth of the Target Group without commitment of significant working capital. The Company had contemplated a fund raising exercise for growing the Target Group but informal responses from financial institutions were not favourable. Base on the above circumstances and taking into account the current financial position and historical financial performance of the Target Group which has been loss-making, the Board considers that the Disposal represents a good opportunity for the Group to streamline its corporate and business structure and to make the best use of its resources to improve its overall performance. Based on the above reasons, the Directors consider that the Disposal and the terms of the Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

It is expected that the net proceeds from the Disposal (after deducting all relevant tax, fees and expenses) will amount to approximately HK\$950,000. The Company intends to apply the net proceeds for general working capital of the Group.

FINANCIAL IMPACT OF THE DISPOSAL

Upon Completion, the Target Company will cease to be a subsidiary of the Company and the financial information of the Target Group will cease to be consolidated into the accounts of the Group.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

Completion is subject to fulfilment, and/or waiver (as the case may be), of certain conditions precedent stated in the Agreement, and the Disposal may or may not proceed. Shareholders and prospective investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

“Agreement”	the conditional agreement dated 16 March 2022 entered into between the Vendor and the Purchaser in relation to the sale and purchase of 100% of the equity interests of the Target Company
“Board”	the board of Directors
“Company”	Roma Group Limited, a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on GEM of the Stock Exchange (stock code: 8072)
“Completion”	completion of the sale and purchase of the Sale Shares pursuant to the terms and conditions of the Agreement
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration”	HK\$1,000,000
“Director(s)”	the director(s) of the Company
“Disposal”	the sale and purchase of 100% of the equity interests of the Target Company by the Vendor to the Purchaser pursuant to the Agreement
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	person(s) or company(ies) who/which is(are) independent of the Company and its connected persons
“percentage ratios”	has the same meaning ascribed to it under the GEM Listing Rules
“Purchaser”	Cheng King Yip, an Independent Third Party

“Roma(S)”	Roma Advisory Pte Limited, a company incorporated in Singapore with limited liability and is wholly-owned by RRA
“RRA”	Roma Risk Advisory Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Target Company
“Sale Shares”	100 shares (being 100% of the issued shares held by the Vendor) in the Target Company
“Shareholder(s)”	holder(s) of Share(s)
“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Lucky Time Ventures Limited, a company incorporated in the British Virgin Islands with limited liability, with 100 ordinary shares of US\$1 each being issued and fully paid up as at the date of Agreement
“Target Group”	the Target Company and its subsidiaries
“Vendor”	Charleton Holdings Limited, a company incorporated in the British Virgin Island and a wholly-owned subsidiary of the Company
“%”	percentage

By order of the Board
Roma Group Limited
Yue Kwai Wa Ken
*Executive Director, Chief Executive Officer,
Chairman and Company Secretary*

Hong Kong, 16 March 2022

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.