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ROMA (META) GROUP LIMITED

羅馬（元宇宙）集團有限公司*

(formerly known as Roma Group Limited)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8072)

**ANNOUNCEMENT OF THE INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

The board of directors (the “**Directors**” and “**Board**”, respectively) of Roma (Meta) Group Limited (the “**Company**”) hereby announces the unaudited condensed consolidated results of the Company and its subsidiaries for the six months ended 30 September 2022. This announcement, containing the full text of the 2022/23 interim 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 interim results.

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

Hong Kong, 10 November 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.

* For identification purpose only

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GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors of Roma (meta) Group Limited (the “Company” and the “Director”, 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 six months ended 30 September 2022:

- Revenue was approximately HK\$30.4 million, representing a decrease of approximately 34.3% as compared with that for the six months ended 30 September 2021;
- Loss amounted to approximately HK\$3.6 million whereas the profit of approximately HK\$0.8 million was recorded for the six months ended 30 September 2021;
- Basic loss per share attributable to owners of the Company were HK0.52 cent; and
- No dividend was declared.



INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

The board of Directors (the “Board”) announces the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively the “Group”) for the three months and six months ended 30 September 2022 together with the relevant comparative unaudited/audited figures as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and six months ended 30 September 2022

	Notes	For the three months ended 30 September		For the six months ended 30 September	
		2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Revenue	3	16,925	27,145	30,419	46,301
Other income, other gains and losses	5	2,514	487	6,038	1,101
(Decrease)/increase in fair value of investment property		(600)	100	(600)	100
Employee benefit expenses	6	(9,983)	(11,779)	(19,947)	(23,136)
Depreciation and amortisation	7	(1,230)	(1,394)	(2,453)	(2,504)
Finance costs	8	(1,701)	(941)	(3,211)	(1,424)
Other expenses		(6,310)	(12,009)	(13,779)	(19,724)
(Loss)/profit before income tax	7	(385)	1,609	(3,533)	714
Income tax (expense)/credit	9	(58)	161	(39)	47
Loss and total comprehensive (loss)/income attributable to owners of the Company		(443)	1,770	(3,572)	761
Basic (loss)/earnings per share attributable to owners of the Company (HK cents)	11	(0.07)	0.26	(0.52)	0.12

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

		30 September 2022	31 March 2022
	Notes	HK\$'000	HK\$'000
		(unaudited)	(audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	12	229	292
Right-of-use assets		2,501	4,591
Investment property	13	10,000	10,600
Intangible assets		1,784	2,062
Goodwill		4,253	4,253
Loans and interests receivable	14	140,320	154,616
Deposit		–	1,286
Deferred tax assets		3	3
		159,090	177,703
<hr style="border-top: 1px dashed black;"/>			
Current assets			
Loans and interests receivable	14	257,612	230,122
Trade receivables	15	4,499	8,580
Prepayments, deposits, other receivables and contract assets		6,207	3,147
Pledged bank deposits	16	52,106	56,564
Cash and bank balances — general accounts		5,285	8,423
Cash and bank balances — segregated accounts		660	673
Tax recoverable		33	33
		326,402	307,542
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Current liabilities			
Trade payables	17	1,485	1,276
Accrued liabilities, other payables, and contract liabilities		29,662	26,775
Lease liabilities	18	2,329	4,579
Interest-bearing borrowings	19	88,064	86,647
		121,540	119,277
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

		30 September 2022	31 March 2022
	Notes	HK\$'000	HK\$'000
		(unaudited)	(audited)
Net current assets		204,862	188,265
Total assets less current liabilities		363,952	365,968
Non-current liabilities			
Lease liabilities	18	–	28
Deferred tax liabilities		251	289
Interest-bearing borrowings	19	1,622	–
		1,873	317
Net assets		362,079	365,651
EQUITY			
Equity attributable to owners of the Company			
Share capital	20	7,021	7,021
Reserves		355,058	358,630
Total equity		362,079	365,651

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2022

	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	Accumulated losses* HK\$'000	Total HK\$'000
At 1 April 2022 (audited)	7,021	(2,574)	637,118	10	1,354	(277,278)	365,651
Total comprehensive income for the period	-	-	-	-	-	(3,572)	(3,572)
Transactions with owners, in their capacity as owners							
Lapse of share options (note 21(a))	-	-	-	-	(1,354)	1,354	-
At 30 September 2022 (unaudited)	7,021	(2,574)	637,118	10	-	(279,496)	362,079

	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	Accumulated losses* HK\$'000	Total HK\$'000
At 1 April 2021 (audited)	1,755	-	579,738	10	1,354	(242,414)	340,443
Total comprehensive income for the period	-	-	-	-	-	761	761
Transactions with owners, in their capacity as owners							
Rights issue, net of expenses (note 20(c))	5,266	-	57,380	-	-	-	62,646
Purchases of shares for the Plan (note 21(b))	-	(2,574)	-	-	-	-	(2,574)
At 30 September 2021 (unaudited)	7,021	(2,574)	637,118	10	1,354	(241,653)	401,276

* The total of these balances represents "reserves" in the unaudited condensed consolidated statement of financial position.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2022

	For the six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Cash flow from operating activities		
Cash used in operations	(7,908)	(77,666)
Income taxes paid	(77)	–
Net cash used in operating activities	(7,985)	(77,666)
Cash flows from investing activities		
Interests received	534	570
Purchase of property, plant and equipment	(21)	(107)
Decrease/(increase) in pledged bank deposits	4,458	(9,127)
Net cash generated from/(used in) investing activities	4,971	(8,664)
Cash flows from financing activities		
Proceeds from bank borrowings, net	9,604	7,000
(Repayment of)/proceeds from other borrowings, net	(6,565)	9,665
Proceeds from rights issue, net of expenses	–	62,646
Repayments of lease liabilities	(2,278)	(2,044)
Interests paid	(885)	(252)
Purchase of shares for the Plan	–	(2,574)
Net cash (used in)/generated from financing activities	(124)	74,441
Net decrease in cash and cash equivalents	(3,138)	(11,889)
Cash and cash equivalents at the beginning of the period	8,423	23,410
Cash and cash equivalents at the end of the period	5,285	11,521
Analysis of balances of cash and cash equivalents		
Cash and bank balances — general accounts	5,285	11,521

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

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 shares of the Company (the “Shares”) have been listed on GEM by way of placing since 25 February 2013.

The unaudited condensed consolidated financial statements for the three months and six months ended 30 September 2022 (the “Interim Financial Statements”) were approved and authorised for issue by the Board on 10 November 2022.

2. BASIS OF PREPARATION

(a) Basis of preparation

The Interim Financial Statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosure provisions of the GEM Listing Rules.

The Interim Financial Statements do not include all of the information and disclosures required in annual financial statements in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), which comprises all applicable individual HKFRS, HKASs and Interpretations issued by the HKICPA, and should be read in conjunction with the Group’s audited consolidated financial statements for the year ended 31 March 2022 (the “2022 AFS”).





NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

(b) Principal accounting policies

The accounting policies and methods of computation used in preparing the Interim 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 2022, 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 2022. The Group has not early adopted any other standards, interpretation or amendment that has been issued but is not yet effective.

Amendments to HKFRSs	Annual improvements to HKFRS Standards 2018–2020
Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before intended use
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combination

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 Interim Financial Statements, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

HKFRS 17	Insurance Contracts and related amendments ¹
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ¹
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ¹
Amendments to HKAS 8	Definition of Accounting Estimates ¹
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²

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

² Effective date not yet determined

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

(c) Basis of measurement

The Interim Financial Statements have been prepared under the historical cost basis as modified by the revaluation of investment property which are carried at fair value.

(d) Fair value measurements of financial instrument

Fair value estimates are made at a specific point in time and are based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The following disclosures of fair value measurements use a fair value hierarchy which has three levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

No fair value measurement of financial instrument disclosure has been presented as the Group has no such financial instruments as at both 30 September 2022 and 31 March 2022.

(e) Functional and presentation currency

The Interim 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.



NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

3. REVENUE

The Group's principal activities are provision of (i) valuation and advisory services, (ii) financing services and (iii) securities broking, placing and investment advisory and assets management services.

An analysis of the Group's revenue is as follows:

	For the three months ended 30 September		For the six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Revenue from contract with customers with the scope of HKFRS 15				
Valuation and advisory services	10,687	18,505	17,993	32,295
Securities broking, placing and underwriting and investment advisory and asset management services	97	778	173	1,694
Revenue from other sources:				
Interest income from provision of financing services	6,141	7,862	12,253	12,312
	16,925	27,145	30,419	46,301

4. SEGMENT INFORMATION

The executive Directors have been identified as the chief operating decision-maker. The executive Directors have identified the Group's product and service lines as reportable operating segments as follows:

- (i) Valuation and advisory services;
- (ii) Financing services;
- (iii) Securities broking, placing and underwriting and investment advisory and asset management services; and
- (iv) All other segments.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

(a) Business segments

For the six months ended 30 September 2022 (unaudited)

	Valuation and advisory services HK\$'000	Financing services HK\$'000	Securities broking, placing and underwriting and investment advisory and asset management services HK\$'000	All other segments HK\$'000	Total HK\$'000
Segment revenue (note (i))	17,993	12,253	173	-	30,419
Segment results (note (ii))	(4,493)	11,873	(3,107)	390	4,663
Other segment information					
Depreciation	(28)	(3)	(14)	-	(45)
Amortisation	(278)	-	-	-	(278)
Net reversal of impairment loss on loans and interests receivable	-	802	-	-	802
Net impairment loss on trade receivables	(174)	-	-	-	(174)
Decrease in fair value of investment property	-	-	-	(600)	(600)
Income tax credit/(expenses)	38	-	(77)	-	(39)
Additions to non-current assets (excluding financial instruments)	21	-	-	-	21
Segment assets (as at 30 September 2022)	15,913	398,255	1,210	10,044	425,422
Segment liabilities (as at 30 September 2022)	(23,708)	(3,114)	(761)	(45)	(27,628)



NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021 (unaudited)

	Valuation and advisory services HK\$'000	Financing services HK\$'000	Securities broking, placing and underwriting and investment advisory and asset management services HK\$'000	All other segments HK\$'000	Total HK\$'000
Segment revenue (note (i))	32,295	12,312	1,694	–	46,301
Segment results (note (ii))	(3,139)	10,911	(75)	(215)	7,482
Other segment information					
Depreciation	(43)	(3)	(14)	–	(60)
Amortisation	(327)	–	–	–	(327)
Net reversal of impairment loss on loans and interests receivable	–	8,557	–	–	8,557
Net impairment loss on trade receivables	(550)	–	–	–	(550)
Increase in fair value of investment property	–	–	–	100	100
Income tax credit	47	–	–	–	47
Additions to non-current assets (excluding financial instruments)	107	–	–	–	107
Segment assets (as at 30 September 2021)	20,913	415,131	3,570	10,188	449,802
Segment liabilities (as at 30 September 2021)	(32,679)	(680)	(3,071)	(82)	(36,512)

Notes:

- (i) Segment revenue reported above represents revenue generated from external customers. There were no material inter-segment sales for both periods.
- (ii) The accounting policies of the operating segments are same as the Group's accounting policies described in note 2 to the Interim Financial Statements. Segment results represents the profit earned or the loss incurred by each segment without allocation of corporate income and central administrative costs. This is the measure reported to the chief operating decision-maker for the purpose of resources allocation and performance assessment.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

(b) Reconciliation of reportable segment profit, assets and liabilities

	For the six months ended 30 September 2022 HK\$'000 (unaudited)	For the six months ended 30 September 2021 HK\$'000 (unaudited)
Profit before income tax expense		
Reportable segment profit	4,663	7,482
Unallocated interest income	534	570
Unallocated employee benefit expenses	(2,366)	(2,506)
Unallocated depreciation	(2,130)	(2,119)
Unallocated finance costs	(3,211)	(1,424)
Unallocated other expenses	(1,023)	(992)
Unallocated change in fair value of financial asset at FVTPL	–	(297)
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Consolidated (loss)/profit before income tax	(3,533)	714
<hr/>		
	30 September 2022 HK\$'000 (unaudited)	31 March 2022 HK\$'000 (audited)
Assets		
Reportable segment assets	425,422	414,109
Unallocated property, plant and equipment	2,501	4,679
Unallocated pledged bank deposits	52,105	56,564
Unallocated deposit	–	1,286
Unallocated cash and bank balances	5,285	8,423
Unallocated corporate assets	179	184
<hr/>		
Consolidated total assets	485,492	485,245
<hr/>		
Liabilities		
Reportable segment liabilities	(27,628)	(26,842)
Unallocated lease liabilities	(2,329)	(4,607)
Unallocated interest-bearing borrowings	(89,686)	(86,647)
Unallocated corporate liabilities	(3,770)	(1,498)
<hr/>		
Consolidated total liabilities	(123,413)	(119,594)
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NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

(c) Geographical segment information

All of the revenue from external customers and non-current assets of the Group are derived from activities or located in Hong Kong. Accordingly, no geographical information is presented.

(d) Information about major customer

For the six months ended 30 September 2022 and 2021, none of the customers contributed 10% or more of the revenue of the Group.

5. OTHER INCOME, OTHER GAINS AND LOSSES

	For the three months ended 30 September		For the six months ended 30 September	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Other income				
Reimbursement of expenses	35	17	273	87
Bank interest income	243	301	534	570
Rental income	54	54	108	108
Management fee income	1,087	–	2,179	–
Government grant (note)	878	30	1,366	60
Others	217	85	318	276
	2,514	487	4,778	1,101
Other gains and losses				
Gain on disposal of a property, plant and equipment	–	–	1,260	–
	2,514	487	6,038	1,101

Note: During the six months ended 30 September 2022, the Group received funding support amounting to HK\$1,366,000 from the Employment Support Scheme under the Anti-epidemic Fund, set up by the Hong Kong Government. The purpose of the funding is to provide financial support to enterprises to retain their employees who would otherwise be made redundant. Under the terms of the grant, the Group is required not to make redundancies during the subsidy period and to spend all the funding on paying wages to the employees.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

6. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	For the three months ended 30 September		For the six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Wages and salaries	9,393	11,182	18,749	21,944
Contributions on defined contribution retirement plans	249	305	498	610
Other benefits	341	292	700	582
	9,983	11,779	19,947	23,136



NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

7. EXPENSES BY NATURE

	For the three months ended 30 September		For the six months ended 30 September	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Auditor's remuneration (note)	123	162	246	325
Amortisation of intangible assets	143	306	278	327
Consultancy fee (note)	1,096	10,586	2,972	12,442
Depreciation:				
— Owned assets	43	20	86	89
— Right-of-use assets	1,044	1,068	2,089	2,088
Exchange loss/(gain), net (note)	3,167	(14)	5,992	(875)
Marketing and business development expenses (note)	767	1,210	1,281	2,239
Reversal of impairment loss on loans and interests receivable, net (note)	(802)	(8,557)	(802)	(8,557)
Impairment loss on trade receivables, net (note)	174	550	174	550
Lease changes for short-term leases (note)	116	119	233	237
Professional fee (note)	419	6,049	824	8,909

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

8. FINANCE COSTS

	For the three months ended 30 September		For the six months ended 30 September	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Interest on bank borrowings	539	140	832	268
Interest on other borrowings	1,146	762	2,341	1,073
Finance charge on lease liabilities	16	39	38	83
	1,701	941	3,211	1,424



NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

9. INCOME TAX EXPENSE/(CREDIT)

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% (2021: 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% (2021: 16.5%).

	For the three months ended 30 September		For the six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Current Hong Kong Profits Tax				
Tax for the period	77	–	77	–
Over-provision in respect of prior period	–	(114)	–	–
	77	(114)	77	–
Deferred tax				
Origination and reversal of temporary differences	(19)	(47)	(38)	(47)
	58	(161)	39	(47)

10. DIVIDENDS

The Board has resolved not to recommend the payment of dividend for the six months ended 30 September 2022 (six months ended 30 September 2021: nil).



NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

11. (LOSS)/EARNINGS PER SHARE

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

	For the three months ended 30 September		For the six months ended 30 September	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
(Loss)/Earnings				
(Loss)/Earnings for the purpose				
of basic (loss)/earnings per share	(443)	1,770	(3,572)	761
	'000	'000	'000	'000
Number of Shares				
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share (notes (a), (b) and (c))				
	684,542	684,542	684,542	657,641

Notes:

- Weighted average of 684,542,000 Shares for both the three months and six month ended 30 September 2022 are derived from 702,081,660 Shares in issue as at 1 July 2022 and 1 April 2022 respectively after taking into account the purchase of the Shares held for the Plan (note 21(b)).
 - Weighted average of 684,542,000 Shares for the three months ended 30 September 2021 are derived from 702,081,660 Shares in issue as at 1 July 2021 after taking into account the purchase of the Shares held for the Plan (note 21(b)).
- Weighted average of 657,641,000 Shares for the six months ended 30 September 2021 are derived from 175,520,415 Shares in issue as at 1 April 2021 after taking into account the (i) the effects of the completion of rights issue on 19 April 2021; and (ii) the purchase of the Shares held for the Plan (note 21(b)).
- No separate diluted earnings per share information has been presented as there was no potential ordinary shares outstanding as at 30 September 2022.



12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2022, the Group acquired items of property, plant and equipment with total costs of approximately HK\$21,000 (six months ended 30 September 2021: approximately HK\$107,000).

13. INVESTMENT PROPERTY

	30 September 2022 HK\$'000 (unaudited)	31 March 2022 HK\$'000 (audited)
At beginning of reporting period/year (Decrease)/increase in fair value of investment property	10,600 (600)	10,000 600
At end of reporting period/year	10,000	10,600

Investment property represents property located in Hong Kong held as lessor under operating leases to earn rentals or for capital appreciation.

Investment property was revalued on 30 September 2022 by an independent professional valuer. The valuation, which conforms to The Valuation Standards of the Hong Kong Institute of Surveyors, was arrived at using direct comparison approach in the course of valuation.

The direct comparison approach is a method of valuation by making reference to comparable market transactions. This approach rests on the wide acceptance of the market transactions as the best indicator and pre-supposes that evidence of relevant transactions in the market place can be extrapolated to similar properties. Appropriate adjustments and analysis are considered to the differences in location and other characters between the comparable properties and the subject properties.

The fair value of the investment property is a level 2 recurring fair value measurement.

There were no changes to the valuation techniques during the six months ended 30 September 2022.

The fair value measurement is based on the above property's highest and best use, which does not differ from its actual use.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

During the six months ended 30 September 2022, there were no transfers between level 1 and level 2, or transfer into or out of level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

As at 30 September 2022, the Group's investment property with carrying amount of HK\$10,000,000 was pledged for securing bank borrowings of HK\$9,604,000 (note 19(a)).

As at 31 March 2022, the Group's investment property with carrying amount of HK\$10,600,000 was pledged for securing an other borrowing of HK\$6,565,000 (note 19(b)).

14. LOANS AND INTERESTS RECEIVABLE

	30 September 2022 HK\$'000 (unaudited)	31 March 2022 HK\$'000 (audited)
Loans and interests receivable	638,519	626,127
Less: Expected credit loss ("ECL") allowance	(240,587)	(241,389)
	397,932	384,738
Less: Non-current portion loan and interest receivables	(140,320)	(154,616)
	257,612	230,122

As at 30 September 2022, loans and interests receivable with an aggregate carrying amount of approximately HK\$74,256,000 (31 March 2022: approximately HK\$74,256,000) were secured by legal charges.

The customers are obliged to settle the amounts according to the terms set out in relevant contracts. Interest rates are offered based on the assessment of a number of factors including the borrowers' creditworthiness and repayment ability, collaterals as well as the general economic trends. The Group's loan principals charged interests at contract rates ranging from approximately 6% to 48% per annum (31 March 2022: approximately 6% to 48% per annum).

The Directors consider that the fair values of loans and interests receivable are not materially different from their carrying amounts.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

A maturity profile of the loans and interests receivable at the end of reporting period, based on the maturity date, is as follows:

	30 September 2022 HK\$'000 (unaudited)	31 March 2022 HK\$'000 (audited)
Current	257,612	230,122
1 to 5 years	140,320	154,616
	397,932	384,738

The table below reconciles the ECL allowance on loans and interests receivable for the reporting period/year:

	30 September 2022 HK\$'000 (unaudited)	31 March 2022 HK\$'000 (audited)
Balance at 1 April	241,389	242,638
ECL allowance recognised	–	53,928
ECL allowance reversed	(802)	(24,241)
Written off	–	(30,936)
At the end of reporting period/year	240,587	241,389

The Group recognised ECL allowance based on the accounting policy as set out in the 2022 AFS.



NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

15. TRADE RECEIVABLES

	30 September 2022 HK\$'000 (unaudited)	31 March 2022 HK\$'000 (audited)
Trade receivables arising from:		
Valuation and advisory business		
— Third parties	8,186	12,951
— Less: ECL allowance	(3,687)	(4,394)
	4,499	8,557
Securities broking business		
— A third party	—	23
	4,499	8,580

Trade receivables mainly arise from valuation and advisory services and securities broking services.

Valuation and advisory business

Invoices issued to customers are in accordance with the payment terms stipulated in the contracts and payable on issuance. The ageing analysis of trade receivables (net of impairment loss) based on invoice date at the end of reporting period is as follows:

	30 September 2022 HK\$'000 (unaudited)	31 March 2022 HK\$'000 (audited)
0 to 30 days	1,363	4,082
31 to 60 days	778	946
61 to 90 days	233	535
91 to 180 days	608	1,343
181 to 360 days	1,517	1,651
	4,499	8,557

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

The table below reconciles the ECL allowance on trade receivables for the reporting period/year:

	30 September 2022 HK\$'000 (unaudited)	31 March 2022 HK\$'000 (audited)
Balance as at 1 April	4,394	9,061
ECL allowance recognised	174	2,545
ECL allowance reversed	–	(157)
Disposal of subsidiaries	–	(303)
Written off	(881)	(6,752)
	<hr/>	<hr/>
At the end of reporting period/year	3,687	4,394

Securities broking business

No ageing analysis is disclosed as the ageing analysis does not give additional value in view of the nature of this business.

The Group recognised ECL allowance based on the accounting policy as set out in the 2022 AFS.

16. PLEDGED BANK DEPOSITS

Pledged bank deposits represented cash at bank held by the subsidiaries pledged for bank borrowings (note 19(a)).



NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

17. TRADE PAYABLES

	Notes	30 September 2022 HK\$'000 (unaudited)	31 March 2022 HK\$'000 (audited)
Trade payables arising from:			
Securities broking business	(a)		
— Brokerage clients		658	666
		658	666
Valuation and advisory business	(b)	827	610
		1,485	1,276

Notes:

- (a) Trade payables arising from securities broking business represent the monies received from and repayable to brokerage clients.

No ageing analysis is disclosed as the ageing analysis does not give additional value in view of the nature of this business.

- (b) The Group was granted by its suppliers credit periods ranging from 0 to 30 (31 March 2022: 0 to 30) days. The ageing analysis of the trade payables arising from valuation and advisory business based on invoice date at the end of reporting period is as follows:

	30 September 2022 HK\$'000 (unaudited)	31 March 2022 HK\$'000 (audited)
0 to 30 days	27	41
31 to 60 days	127	89
61 to 90 days	154	116
91 to 180 days	270	119
181 to 360 days	128	225
Over 360 days	121	20
	827	610

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

18. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities.

	30 September 2022 HK\$'000 (unaudited)	31 March 2022 HK\$'000 (audited)
Total minimum lease payments:		
Due within one year	2,344	4,631
Due within two to five years	–	28
	2,344	4,659
Less: future finance charges	(15)	(52)
Present value of lease liabilities	2,329	4,607
Present value of minimum lease payments:		
Due within one year	2,329	4,579
Due within two to five years	–	28
	2,329	4,607
Less: payment due within one year included under current liabilities	(2,329)	(4,579)
Payment due after one year included under non-current liabilities	–	28

As at 30 September 2022, lease liabilities amounting to HK\$2,329,000 are effectively secured by the related underlying assets as the rights to the leased assets would be reverted to the lessor in the event of default by repayment by the Group.

During the six months ended 30 September 2022, the total cash outflow for the leases (including short-term leases) are HK\$2,315,000.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Details of the lease activities

At 30 September 2022, the Group has entered into leases for the items listed as follows:

Types of right-of-use assets	Number of leases	Range of remaining lease term	Particulars
Motor vehicles	1	9 months	Subject to monthly fixed payment
Office premise	1	7 months	Subject to monthly fixed payment

19. INTEREST-BEARING BORROWINGS

		30 September 2022 HK\$'000 (unaudited)	31 March 2022 HK\$'000 (audited)
Bank borrowings	(a)	58,816	49,212
Other borrowings	(b)	30,870	37,435
		89,686	86,647
Less: Non-current portion bank borrowings	(a)	(1,622)	–
		88,064	86,647

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Notes:

(a) Bank Borrowings

As at 30 September 2022, the bank borrowings of HK\$49,212,000 (31 March 2022: HK\$49,212,000) were secured by bank deposits of HK\$52,106,000 (31 March 2022: HK\$56,564,000) placed in a bank. Interest is charged at Hong Kong Inter-bank Offered Rate (“HIBOR”) and bank cost of fund +0.9% (31 March 2022: HIBOR +1% and bank cost of fund +0.9%) per annum.

As at 30 September 2022, the bank borrowings of HK\$9,604,000 (31 March 2022: nil) is secured by the Group’s investment property (note 13) and assignment of insurance, interest-bearing at HIBOR+1.5% to HIBOR+4% per annum (31 March 2022: nil).

The above banking facilities of the loans are subject to the fulfillment of covenants relating to minimum requirement of pledged bank deposits and compliance of the bank’s administrative requirements, as are commonly found in lending arrangements with financial institutions in Hong Kong. If the subsidiary were to breach the covenants, the drawn down facility would become repayable on demand.

As at 30 September 2022, the bank borrowings were scheduled to repay within one year or on demand except certain bank borrowings which are 3-years term loan.

The Group regularly monitors the compliance with these covenants and the scheduled repayments of the loans and does not consider it probable that the bank will exercise its discretion to demand repayment for so long as the subsidiary continues to meet these requirements. As at 30 September 2022, none of the covenants relating to drawn down facilities had been breached.

(b) Other Borrowings

As at 30 September 2022, the other borrowings of HK\$30,870,000 (31 March 2022: HK\$30,870,000) are unsecured, interest-bearing at the range from 5% to 15% (31 March 2022: range from 5% to 15%) per annum and repayable within one year. As at 31 March 2022, another borrowing with amount of HK\$6,565,000 was secured by the Group’s investment property, interest bearing at 12.0% per annum and was repaid during the six months ended 30 September 2022.



20. SHARE CAPITAL

	Number of ordinary shares at HK\$0.01 each	HK\$'000
Authorised:		
At 1 April 2021, 30 September 2021, 31 March 2022 and 30 September 2022	57,600,000,000	576,000
Issued:		
At 1 April 2021	175,520,415	1,755
Shares issued on rights issue (note (a))	526,561,245	5,266
At 30 September 2021, 31 March 2022 and 30 September 2022	702,081,660	7,021

Notes:

- (a) During the six months ended 30 September 2021, the issued share capital of the Company was increased pursuant to the rights issues of 526,561,245 Shares 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 (the "Rights Issue") was completed on 19 April 2021 and 526,561,245 rights shares were issued accordingly.

21. SHARE-BASED PAYMENT

(a) Share options

A share option scheme (the “Old Share Option Scheme”) was conditionally approved by the shareholders of the Company (the “Shareholders”) on 26 September 2011 and became effective for a period of 10 years commencing on the adoption date.

The Old Share Option Scheme expired and new share option scheme (the “New Share Option Scheme”) was conditionally approved by the Shareholders on 27 September 2021.

Options comprising 14,852,246 underlying Shares were granted under the Old Share Option Scheme on 19 June 2019.

During the six months ended 30 September 2022, 9,842,908 share options (after adjustment for the Rights Issue) under the Old Share Option Scheme lapsed on 18 June 2022.

Details of share option scheme are set out in the section headed “share option scheme” in this report.





NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

(b) The Plan

On 22 June 2018, the Company adopted the Plan in which the Group's employees (whether full time or part time, but exclude directors) will be entitled to participate.

For the six months ended 30 September 2021, a sum of approximately HK\$2,574,000 has been used to acquire 17,540,000 Shares from the market by the trustee of the Plan. No Shares have been granted to eligible employees under the Plan up to the date of this report.

The Plan shall be subject to the administration of the Board and the trustee in accordance with the plan rules and the trust deed of the Plan. Subject to any early termination as may be determined by the Board, the Plan shall be valid and effective for a term of 10 years commencing on its adoption date (i.e. 22 June 2018).

The maximum number of Shares to be subscribed for and/or purchased by the trustee by applying the trust fund of the Plan for each calendar year for the purpose of the Plan shall not exceed 10% of the total number of issued Shares as at the beginning of such calendar year. The Directors shall not instruct the trustee to subscribe and/or purchase any Shares for the purpose of the Plan when such subscription and/or purchase will result in the said limit being exceeded. The maximum number of Shares which may be awarded to a selected employee under the Plan shall not exceed 1% of the total number of issued Shares from time to time.

Details are set out in the section headed "Share Award Plan" in this report and the announcements of the Company dated 22 June 2018 and 10 July 2018.

22. RELATED PARTY TRANSACTIONS

The Group had the following significant transactions with related parties during the reporting period:

Key management personnel remuneration

Key management of the Group are members of the Board and chief executive of the Company. Key management personnel remuneration includes the following expenses:

	For the three months ended 30 September		For the six months ended 30 September	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Directors' fees	45	90	135	180
Salaries, allowances and other benefits	1,071	1,096	2,111	2,104
Contributions on defined contribution retirement plans	9	9	18	18
	1,125	1,195	2,264	2,302

23. EVENT AFTER THE REPORTING PERIOD

There was no significant event relevant to the business or financial performance of the Group that came to the attention of the Directors after the six months ended 30 September 2022.

BUSINESS REVIEW

During the six months ended 30 September 2022, the Group recorded a decrease of approximately 34.3% in revenue as compared with that for the six months ended 30 September 2021.

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 staff during the six months ended 30 September 2022 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 six months ended 30 September 2022, the Group's provision of valuation and advisory services contributed approximately 59.2% of the total revenue to the Group. The services fee income generated from provision of valuation and advisory services decreased by 44.3% to approximately HK\$18.0 million for the six months ended 30 September 2022 from approximately HK\$32.3 million for the six months ended 30 September 2021. Such decrement was mainly due to the disposal of the subsidiaries engaging in provision of environmental, social and governance reporting as well as other risk advisory services completed in March 2022 (the "Disposal of Subsidiaries") and decrease in the number of projects engaged.

The Group's provision of financing services contributed approximately 40.2% of the total revenue of the Group for the six months ended 30 September 2022. The interest income generated from provision of financing services amounted to approximately HK\$12.3 million which remain stable for both the six months ended 30 September 2022 and 30 September 2021.

The segment of securities broking, placing and underwriting and investment advisory services accounted for approximately 0.6% of the Group's total revenue for the six months ended 30 September 2022. The income generated from this segment decreased to approximately HK\$0.2 million for the six months ended 30 September 2022 from approximately HK\$1.7 million for the six months ended 30 September 2021. Such decrement was mainly attributable to the poor investment atmosphere in the Hong Kong stock market.

Other income, other gains and losses

Other income, other gains and losses mainly comprises bank interest income, reimbursement of expense, management fee income, government grant, etc. During the six months ended 30 September 2022, the other income, other gains and losses increased to approximately HK\$6.0 million from approximately HK\$1.1 million for the six months ended 30 September 2021. It was mainly attributable to the combined effects (i) one off gain of disposal of property, plant and equipment amounted to approximately HK\$1.3 million during the six months ended 30 September 2022; (ii) government subsidies in relation to the employee support scheme granted during the six months ended 30 September 2022 whereas no such subsidies granted during the last corresponding period; and (iii) management fee income generated during the six months ended 30 September 2022 whereas no such management fee income generated during the last corresponding period.

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 decreased by approximately 13.8% for the six months ended 30 September 2022 as compared with those for the six months ended 30 September 2021, which was mainly attributable to the Disposal of Subsidiaries. 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 a slightly drop in depreciation and amortization of approximately 2.0% for the six months ended 30 September 2022 as compared with that for the six months ended 30 September 2021.

Finance costs

The Group's finance costs refer to interest expenses incurred for bank borrowings, other borrowings and lease liabilities. During the six months ended 30 September 2022, increase in finance cost was in line with additions of bank borrowings for operational needs as compared to the six months ended 30 September 2021.

Other expenses

The Group's other expenses decreased by approximately 30.1% for the six months ended 30 September 2022 as compared with those for the six months ended 30 September 2021. Such decrease was mainly attributable to the decrease in the professional fee and consultancy fee for the six months ended 30 September 2022 which is in line drop of the revenue generated from provision of valuation and advisory services.

Loss attributable to owners of the Company

Loss attributable to owners of the Company amounted to approximately HK\$3.6 million for the six months ended 30 September 2022, whereas profit attributable to owners of the Company amounted to of approximately HK\$0.8 million for the six months ended 30 September 2021. The situation of changing from profit for the six months ended 30 September 2021 into the loss for the six months ended 30 September 2022 was mainly attributable to the decrease of approximately HK\$15.9 million in the revenue during the six months ended 30 September 2022 as compared with that for last corresponding period was mainly due to decrease in number of projects engaged from the provision of valuation and advisory segment; this decrease outweighed (i) the impact of increase of approximately HK\$4.9 million in the Group's other income which mainly derived from the one off gain of disposal of property, plant and equipment, government subsidies granted and management fee income generated during the six months period ended 30 September 2022; and (ii) the impact of decrease of approximately HK\$5.9 million in the Group's other expense in which substantially derived from the drop of professional fee and consultancy fee during the six months ended 30 September 2022.

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

During the six months ended 30 September 2022, none of the financial assistance provide by the Group constituted "disclosable transaction" under Chapter 19 of the GEM Listing Rules and "advances to entity" which requires disclosure pursuant to Chapter 17 of the GEM Listing Rules.

CAPITAL STRUCTURE

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 September 2022, approximately HK\$135.0 million of the 2017 RI Proceeds was utilised for granting of various loans, approximately HK\$34.1 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 2022 (HK\$ in million)	Actual use of the 2017 RI Proceeds during the six months ended 30 September 2022 (HK\$ in million)	Unutilised 2017 RI Proceeds as at 30 September 2022 (HK\$ in million)
Expansion of the Group's existing financing business	135.0	135.0	–	–
Investment in potential businesses (note)	90.0	27.0	7.1	55.9
General working capital	33.0	33.0	–	–
Total	258.0	195.0	7.1	55.9

Note: The Company currently expects that the unutilised 2017 RI Proceeds will be used by 31 March 2023.

As at 30 September 2022, the 2017 RI Proceeds were not utilised due to unforeseen delays caused by the global 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 the expected rising interest rate environment leading the poor market sentiment that have hindered the development and growth of the Group's provision of securities broking, placing and underwriting and investment advisory and asset management service during the six months ended 30 September 2022. 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. The Group will continue to monitor its financial positions and seek new business opportunities to achieve growth and profitability.

To minimise the risk of COVID-19 spreading and threat to the Group's operation, 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 the financing services will become more consolidated and integrated in the foreseeable future.



LIQUIDITY AND FINANCIAL RESOURCES

During the six months ended 30 September 2022, the Group mainly financed its operations with its own working capital and bank and other borrowings. As at 30 September 2022 and 31 March 2022, the Group had net current assets of approximately HK\$204.9 million and HK\$188.3 million respectively, including cash and bank balances of general accounts of approximately HK\$5.3 million and HK\$8.4 million respectively. The Group's pledged bank deposits of approximately HK\$52.1 million and HK\$56.6 million as at 30 September 2022 and 31 March 2022 respectively represented cash at bank held by the Group and pledged for bank borrowings. The Group's current ratio (current assets divided by current liabilities) were approximately 2.7 and 2.6 as at 30 September 2022 and 31 March 2022 respectively.

As at 30 September 2022, the Group's total bank borrowings amounted to approximately HK\$58.8 million (31 March 2022: HK\$49.2 million). All bank borrowings were denominated in United States Dollars ("US\$") and Hong Kong Dollars. Details of the bank borrowings of the Group are set out in note 19 to the Interim Financial Statements. As at 30 September 2022, the Group's other borrowings amounted to HK\$30.9 million (31 March 2022: HK\$37.4 million). The Group's total lease liabilities amounted to approximately HK\$2.3 million and HK\$4.6 million as at 30 September 2022 and 31 March 2022 respectively. The Group's gearing ratio, calculated on the basis of total lease liabilities and interest-bearing borrowings over total equity, was approximately 0.25 as at both 30 September 2022 and 31 March 2022.

COMMITMENTS

The Group's contractual commitments primarily related to the leases of its office premises. The Group's short-term lease commitments amounted to approximately HK\$84,000 as at both 30 September 2022 and 31 March 2022. As at 30 September 2022, the Group did not have any capital commitments (31 March 2022: nil).

CAPITAL STRUCTURE

Details of the movements in the Company's share capital are set out in note 20 to the Interim Financial Statements.

SIGNIFICANT INVESTMENTS

Save as disclosed elsewhere in this report, the Group did not hold any significant investments as at 30 September 2022.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the section headed “Capital structure” in this report, the Group currently does not have other concrete plans for material investments or capital assets.

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Save as disclosed elsewhere in this report, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures during the six months ended 30 September 2022.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 30 September 2022 (31 March 2022: nil).

FOREIGN EXCHANGE EXPOSURE

During the six months ended 30 September 2022, the Group’s exposure to currency risk was limited to its bank balances and bank deposits denominated in Renminbi (“RMB”) as majority of the Group’s transactions, monetary assets and liabilities are denominated in HK\$ and US\$. In the event that RMB appreciates by 10% against HK\$, the Group’s loss for the six months ended 30 September 2022 will decrease by approximately HK\$1,986,000 (31 March 2022: the Group’s loss decreased by approximately HK\$4,723,000). On the contrary, if RMB depreciates by 10% against HK\$, the Group’s loss for the six months ended 30 September 2022 will increase by approximately HK\$1,986,000 (31 March 2022: the Group’s loss increased by approximately HK\$4,723,000). As US\$ is pegged to HK\$, the Group does not expect any significant movements in the US\$/HK\$ exchange rates. The Group will continue to monitor its foreign currency exposure closely.

TREASURY POLICIES

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluation of the financial conditions of its clients and credit review of the Group’s loan portfolio. 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 commitments can meet its funding requirements.

PLEDGE OF ASSETS

As at 30 September 2022 and 31 March 2022, save for the pledged bank deposits, pledged investment property and motor vehicles acquired under leases, the Group did not pledge any of its assets as securities for any facilities granted to the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2022 and 30 September 2021, the Group employed a total of 69 and 80 full-time employees respectively. The Group's total employee benefit expenses were approximately HK\$19.9 million and HK\$23.1 million for the six months ended 30 September 2022 and 2021 respectively. Remuneration is determined by reference to market conditions and the performance, qualification and experience of individual employee. In addition to a basic salary, discretionary bonuses would be offered to those staff with outstanding performance and share options would be granted under the New Share Option Scheme and share award would be granted under the Plan to attract and retain eligible employees to contribute to the Group. The Group also provides and arranges on-the-job training for the employees.

SHARE OPTION SCHEME

The Old Share Option Scheme was conditionally approved by the Shareholders on 26 September 2011 and became effective for a period of 10 years commencing on the adoption date, i.e. 26 September 2011.

The Old Share Option Scheme expired on 25 September 2021. Upon its expiry, no further options were granted thereunder, and the options granted prior to and remaining outstanding at the expiry shall continue to be valid and exercisable in accordance with the terms of the Old Share Option Scheme. During the six months ended 30 September 2022, the options granted under the Old Share Option Scheme lapsed.

The Company adopted the New Share Option Scheme by an ordinary resolution duly passed by the Shareholders on 27 September 2021 for a period of 10 years commencing on the adoption date. Since the adoption of the New Share Option Scheme and up to the date of this report, no share options have been granted. Therefore, no share options were exercised or cancelled or lapsed during the six months ended 30 September 2022 and there were no outstanding share options under the New Share Option Scheme as at 30 September 2022.

Details of the options granted under the share option scheme, their movements during the six months ended 30 September 2022 and the options outstanding as at 30 September 2022 were as follows:

	Number of the Shares comprised in the options granted					As at 30 September 2022	Exercise period and vesting period	Adjusted subscription price per Share HK\$ (Note 1)	Subscription price per share HK\$
	As at 1 April 2022	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period				
Employees	8,436,778	-	-	-	(8,436,778)	-	Note 2	1.23	1.28
Other eligible participants	1,406,130	-	-	-	(1,406,130)	-	Note 2	1.23	1.28
	<u>9,842,908</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,842,908)</u>	<u>-</u>			

Note 1: The exercise price and the number of the outstanding share options granted under the Old Share Option Scheme have been adjusted for fully-paid Rights Shares are allotted and issued on 19 April 2021. Please refer to Company's announcement dated 16 April 2021 for details.





OTHER INFORMATION

Note 2: The options granted under the Old Share Option Scheme could be exercised at the exercise price of HK\$0.064 at the date of grant, which was not lower than the highest of (a) the closing price of HK\$0.026 per Share as stated in the daily quotation sheet issued by the Stock Exchange on 19 June 2019 (i.e. the date of grant); (b) the average closing price of HK\$0.028 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five trading days immediately preceding the date of grant; and (c) nominal value of HK\$0.064 per Share. The exercise price of the share option was adjusted to HK\$1.28 following the share consolidation on 22 August 2019. Upon the rights issues are allotted and issued on 19 April 2021, the exercise price of the share option was further adjusted to HK\$1.23. The exercise period should commence on the date of grant (i.e. 19 June 2019) and end on 18 June 2022.

Save as disclosed above, no options were granted or exercised or cancelled or lapsed during the six months ended 30 September 2022.

SHARE AWARD PLAN

On 22 June 2018, the Company adopted the Plan in which the Group's employees (whether full time or part time, but exclude directors) will be entitled to participate.

The objectives of the Plan are to (i) recognise and reward the contribution of certain employees to the growth and development of the Group through an award of Shares and to give incentive thereto in order to retain them for the continual operation and development of the Group; and (ii) attract suitable personnel for further development of the Group.

The Plan shall be subject to the administration of the Board and the trustee in accordance with the plan rules and the trust deed of the Plan. Subject to any early termination as may be determined by the Board, the Plan shall be valid and effective for a term of 10 years commencing from its adoption date (i.e. 22 June 2018).

The maximum number of Shares to be subscribed for and/or purchased by the trustee by applying the trust fund of the Plan for each calendar year for the purpose of the Plan shall not exceed 10% of the total number of issued Shares as at the beginning of such calendar year. The Directors shall not instruct the trustee to subscribe and/or purchase any Shares for the purpose of the Plan when such subscription and/or purchase will result in the said limit being exceeded. The maximum number of Shares which may be awarded to a selected employee under the Plan shall not exceed 1% of the total number of issued Shares from time to time.

Details of the Plan were set out in the announcements of the Company dated 22 June 2018 and 10 July 2018.

As at 30 September 2022, the Company had 17,540,000 Shares held under the Plan (31 March 2022: 17,540,000). During the six months ended 30 September 2022, no Shares has been purchased by the trustee of the Plan and no Shares have been granted to eligible employees under the Plan.

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 September 2022, 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 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	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%

Notes:

- The percentage is calculated on the basis of the total number of issued 702,081,660 Shares as at 30 September 2022.
- These 17,540,000 Shares were held by Fast and Fabulous, which was the trustee of the Plan. 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.

Save as disclosed above, as at 30 September 2022, none of the Directors and the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the 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 interests or short positions which he is 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 to be notified to the Company and the Stock Exchange.

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

As at 30 September 2022, so far as the Directors are aware, the interests or short positions owned by the following persons (other than a Director or the chief executive of the Company)/entities 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	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%

Notes:

- The percentage is calculated on the basis of the total number of issued 702,081,660 Shares as at 30 September 2022.
- The entire issued share capital of Aperto was legally and beneficially owned by Mr. Luk. Under the SFO, Mr. Luk was deemed to be interested in all the Shares held by Aperto.

Save as disclosed above and as at 30 September 2022, 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)/entities 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.

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

During the six months ended 30 September 2022, 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 six months ended 30 September 2022.

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 and enhance the business growth of the Group.

During the six months ended 30 September 2022, the Company has complied with all the code provisions as set out in the Corporate Governance Code contained in Appendix 15 to the GEM Listing Rules (the "CG Code") except the following deviation:

Code Provision C.2.1

The above code provision of 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 six months ended 30 September 2022 and up to the date of this report, Mr. Yue 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.

CHANGES IN INFORMATION OF DIRECTORS

In accordance with Rule 17.50A(1) of the GEM Listing Rules, changes of the information of the Directors, subsequent to the date of the annual report of the Company for the year ended 31 March 2022, required to be disclosed, are set out below:

The monthly remuneration of each of the following independent non-executive Directors has been adjusted starting from 1 July 2022 due to the COVID-19 pandemic and the poor market sentiment:

Directors	Adjustment
Mr. Chung Man Lai	From HK\$10,000 to HK\$5,000
Mr. Ko Wai Lun Warren	From HK\$10,000 to HK\$5,000
Ms. Li Tak Yin	From HK\$10,000 to HK\$5,000

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 September 2022 or at any time during the six months ended 30 September 2022.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES


During the six months ended 30 September 2022 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.

AUDIT COMMITTEE

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 Interim Financial Statements and this report.

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

Hong Kong, 10 November 2022



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.