ROMA

Roma Group Limited

Incorporated in the Cayman Islands with limited liability
Stock Code: 8072

FIRST QUARTERLY REPORT 2018/2019

BUSINESS VALUATION · RESOURCE ESTIMATION · WORK OF ART VALUATION

NATURAL RESOURCES VALUATION & TECHNICAL ADVISORY SERVICES · RISK MANAGEMENT

MACHINERIES & EQUIPMENT VALUATION · FINANCIAL INSTRUMENTS VALUATION

BIOLOGICAL ASSET VALUATION · DUE DILIGENCE STUDIES · BUSINESS & INTANGIBLE ASSETS VALUATION

COMPLIANCE STUDIES FOR IPO · EXPLORATION PLANNING · PROPERTY VALUATION

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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 (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 2018:

— Revenue was approximately HK$17.6 million, representing a decrease of approximately 11.7% as compared with that for the three months ended 30 June 2017;

— Loss for the three months ended 30 June 2018 amounted to approximately HK$1.2 million, as compared to the loss of approximately HK$0.8 million for the three months ended 30 June 2017;

— Basic and diluted loss per share attributable to owners of the Company were HK0.06 cent; and

— No dividend was declared.

First Quarterly Results for the Three Months Ended 30 June 2018

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 2018 (the "Period") together with the comparative unaudited figures for the corresponding period in 2017 as follows:

Unaudited Condensed Consolidated Statement of Comprehensive Income

For the three months ended 30 June 2018

	Notes	For the three months ended 30 June **2018** **HK$'000** **(unaudited)**	2017 HK$'000 (unaudited)
Revenue	3	**17,574**	19,907
Other income	4	**1,389**	622
Employee benefit expenses	5	**(12,003)**	(12,182)
Depreciation and amortisation	6	**(1,225)**	(1,096)
Finance costs	7	**(517)**	(226)
Other expenses		**(5,654)**	(7,079)
Loss before income tax expense		**(436)**	(54)
Income tax expense	8	**(805)**	(754)
Loss and total comprehensive loss for the period attributable to owners of the Company		**(1,241)**	(808)
			(restated)
Loss per share			
— Basic (HK cent)	10	**(0.06)**	(0.06)
— Diluted (HK cent)	10	**(0.06)**	(0.06)

Unaudited Condensed Consolidated Statement of Changes in Equity

For the three months ended 30 June 2018

	Share capital 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$'000	Retained earnings HK$'000	Total HK$'000
At 1 April 2018 (audited)	199,994	410,059	10	–	–	98,631	708,694
— HKFRS 9 adjustment	–	–	–	–	556	(3,776)	(3,220)
— HKFRS 15 adjustment	–	–	–	–	–	(28,580)	(28,580)
At 1 April 2018 (adjusted)	199,994	410,059	10	–	556	66,275	676,894
Loss and total comprehensive loss for the period	–	–	–	–	–	(1,241)	(1,241)
At 30 June 2018 (unaudited)	199,994	410,059	10	–	556	65,034	675,653
At 1 April 2017 (audited)	79,998	272,298	10	422	–	123,757	476,485
Loss and total comprehensive loss for the period	–	–	–	–	–	(808)	(808)
At 30 June 2017 (unaudited)	79,998	272,298	10	422	–	122,949	475,677

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. The major activities of the subsidiaries of the Company are provision of valuation and advisory services and financing services in Hong Kong.

The ordinary shares of the Company (the "Shares") have been listed on GEM by way of placing on 25 February 2013.

2. BASIS OF PREPARATION

(a) Statement of compliance

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.

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 2018, except the new revised HKFRSs as described below.

(i) HKFRS 9 "Financial instruments"

HKFRS 9 replaces HKAS 39 "Financial Instruments: Recognition and Measurement". It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an "expected credit loss" ("ECL") model for the impairment of financial assets.

(1) Classification and measurement of financial assets and financial liabilities:

HKFRS 9 categorises financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income ("FVOCI") and at fair value through profit or loss ("FVPL"). These supersede HKAS 39's categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets ("AFS") and financial assets measured at FVPL. The classification of financial assets under HKFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics. The measurement categories for all financial assets and financial liabilities of the Groups remain the same under HKFRS 9 except the AFS which was measured at cost less impairment previously. The Groups classifies its AFS at FVOCI at 1 April 2018.

(2) Credit losses

HKFRS 9 replaces the "incurred loss" model in HKAS 39 with the ECL model. The ECL model requires an ongoing assessment of credit risk associated with a financial asset and therefore recognise ECLs earlier than under the incurred loss accounting model in HKAS 39.

The Group applies HKFRS 9 simplified approach to measuring ECL which uses a lifetime expected loss allowance for all trade receivables and accrued revenue.

For loans receivable, the Group applies the general approach, which requires an amount equal to 12-month expected credit losses to be recognised as the loss allowance for the financial instrument if the credit risk on a financial instrument has not increased significantly since initial recognition and expected lifetime losses to be recognised if the credit risk on that financial instrument has increased significantly since initial recognition.

In current period, the Group has elected to use the cumulative effect transition method for the adoption of HKFRS 9 with cumulative effect of initial application recognised in the opening balance of equity at 1 April 2018.

(ii) *HKFRS 15 "Revenue from Contracts with Customers"*

HKFRS 15 and the related clarification to HKFRS 15 (hereinafter referred to as "HKFRS 15") presents new requirements for the recognition of revenue, replacing HKAS 18 "Revenue", HKAS 11 "Construction Contracts", and several revenue-related Interpretations. HKFRS 15 establishes a single comprehensive model that applies to contracts with customers and two approaches to recognising revenue; at a point in time or overtime. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

Previously, the Group's revenue arising from services fee income from provision of valuation and advisory services are recognised over time. Under the transfer-of-control approach in HKFRS 15, revenue arising from services fee income will need to be recognised at a point of time when the provision of valuation and advisory services are fully performed. This results in revenue for those contracts being recognised later as the Group previously recognised the revenue from provision of valuation and advisory services by using "percentage of completion method".

The Group has elected to use the cumulative effect transition method for the adoption of HKFRS 15 with cumulative effect of initial application recognised in the opening balance of equity at 1 April 2018.

(b) Basis of measurement

The Unaudited Condensed Consolidated Financial Statements have been prepared under the historical cost basis.

(c) 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 valuation and advisory services and provision of financing services.

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

	For the three months ended 30 June	
	2018	2017
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Services fee income from provision of valuation and advisory services	**11,508**	12,871
Interest income from provision of financing services	**6,066**	7,036
	17,574	19,907

4. OTHER INCOME

	For the three months ended 30 June	
	2018	2017
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Reimbursement of expenses	**228**	159
Interest income	**673**	183
Others	**488**	280
	1,389	622

5. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	For the three months ended 30 June	
	2018	2017
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Wages and salaries	**11,620**	11,569
Contributions on defined contribution retirement plans	**242**	234
Other benefits	**141**	379
	12,003	12,182

6. EXPENSES BY NATURE

	For the three months ended 30 June	
	2018	2017
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Auditor's remuneration	**200**	145
Depreciation of property, plant and equipment	**687**	550
Amortisation of intangible assets	**538**	546
Exchange (gain)/loss, net	**(5)**	9
Consultancy fee	**604**	330
Reversal of impairment loss on loans and interests receivable	**(17)**	(10)
Reversal of impairment loss on trade and other receivables	**(6)**	(180)
Operating lease charges in respect of buildings	**872**	1,841

7. FINANCE COSTS

	For the three months ended 30 June	
	2018	2017
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Interest on bank borrowings	**500**	197
Interest on finance leases	**17**	29
	517	226

8. INCOME TAX EXPENSE

Hong Kong profits tax is calculated at the rate of 16.5% (2017: 16.5%) on the estimated assessable profits for the Period.

	For the three months ended 30 June	
	2018	2017
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Current tax — Hong Kong Profits Tax		
Tax for the period	**866**	926
Over-provision in respect of prior year	**–**	(172)
	866	754
Deferred tax		
Credit for the period	**(61)**	–
	805	754

9. DIVIDEND

The Board does not recommend the payment of any dividend for the Period (2017: nil).

10. LOSS PER SHARE

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

	For the three months ended 30 June	
	2018	2017
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Loss		
Loss for the purpose of basic and diluted loss per share	**(1,241)**	(808)
	'000	'000
		(restated)
Number of Shares		
Weighted average number of Shares for the purpose of basic and diluted loss per share (notes (a), (b) & (c))	**1,989,120**	1,322,461

Notes:

(a) Weighted average of 1,989,120,000 Shares for the Period are derived from 4,999,853,300 Shares issued at 1 April 2017 after taking into account the effects of the share consolidation being completed on 19 October 2017 and the rights issue of 1,874,944,986 rights Shares being completed on 17 November 2017.

(b) Weighted average of 1,322,461,000 Shares for the three months ended 30 June 2017 (restated) are derived from 4,999,853,300 Shares issued after taking into account the effects of the share consolidation being completed on 19 October 2017 and the right issue of 1,874,944,986 rights Shares being completed on 17 November 2017.

(c) The computation of diluted loss 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 both periods.

BUSINESS REVIEW

During the Period, the Group's provision of valuation and advisory services contributed approximately 65.5% of the total revenue of the Group. The Group recorded a decrease in revenue generated from the provision of valuation and advisory services of approximately 10.6% as compared with that for the three months ended 30 June 2017. 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's provision of financing services contributed approximately 34.5% of the total revenue of the Group for the Period. The Group's interest income generated from provision of financing services for the Period decreased by approximately 13.8% as compared with that for the three months ended 30 June 2017.

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

The Group distributed discretionary bonus to certain staff and directors of the Company 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

For the Period, the Group recorded a decrease in revenue of approximately 11.7% as compared with that for the three months ended 30 June 2017. Such decrease was attributable to both decreases in the services fee income generated from provision of valuation and advisory services and interest income generated from provision of financing services.

The services fee income generated from provision of valuation and advisory services decreased by approximately 10.6% to approximately HK$11.5 million for the Period from approximately HK$12.9 million for the three months ended 30 June 2017. Such decrease was mainly attributable to the drop of average contract sums amount outweighing the impact of the increase in number of projects generating revenue to the Group for the Period as compared with that for the three months ended 30 June 2017.

The interest income generated from provision of financing services decreased by approximately 13.8% to approximately HK$6.0 million for the Period from approximately HK$7.0 million for the three months ended 30 June 2017. The decrease in interest income was mainly attributable to the diversification of loan portfolio and inclusion of greater amount of loans at lower interest rates during the Period as compared with that for the three months ended 30 June 2017.

Other income

The Group's other income increased by approximately 123.3% for the Period as compared with that for the three months ended 30 June 2017. Such increase was mainly attributable to (i) more out-of-pocket expenses reimbursed from clients; (ii) the increase in the time deposits interest rates offered by the licensed banks to the Group; and (iii) more pledged deposits placed in the licensed banks during the Period as compared with those during the three months ended 30 June 2017.

Employee benefit expenses

Employee benefit expenses mainly consisted of wages and salaries, discretionary bonus, pension costs and other benefits to the staff and the Directors. The Group's employee benefit expenses slightly decreased by approximately 1.5% for the Period as compared with that for the three months ended 30 June 2017. The decrease was mainly attributable to drop of other benefits to the staff during the Period. The Group always values the contribution of its professional and management teams and considered payment of bonus during the Period to retain high-caliber individuals for continuous contribution to the Group.

Depreciation and amortisation

The Group recorded an increase in depreciation and amortisation of approximately 11.8% for the Period as compared with that for the three months ended 30 June 2017, which was mainly attributable to additions of leasehold improvement for the new office premise during the month of June 2017 which only had one month impact during three months ended 30 June 2017 whereas having three months impact during the Period.

Finance costs

The Group's finance costs referred to interest expenses incurred for bank borrowings and finance lease liabilities. During the Period, more finance costs incurred due to additions of the bank borrowings.

Other expenses

The Group's other expenses decreased by approximately 20.1% for the Period as compared with that for the three months ended 30 June 2017. It was mainly attributable to a decrease in operating lease charges during the Period as compared with those for the three months ended 30 June 2017.

Loss attributable to owners of the Company

Loss attributable to owners of the Company amounted to approximately HK$1.2 million for the Period which increased by approximately HK$0.4 million as compared to the loss attributable to owners of the Company of approximately HK$0.8 million for the three months ended 30 June 2017. It was mainly attributable to a decrease in the Group's total revenue for the Period.

CAPITAL STRUCTURE

There was no change in the capital structure of the Group during the Period.

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

On 8 July 2015, the Group granted a loan facility of HK$58 million at an interest rate of 12% per annum for a term of one year (the "Loan A") to Brilliant One Holdings Limited which executed, among others, a share charge in favour of the Group to charge 310,850,000 shares of a company listed on GEM to the Group as security in connection with the Loan A. On 30 August 2016, the facility of Loan A further increased to HK$62 million and renewed for another year at the same interest rate with the same number of pledged shares. As at 30 June 2018, such facility had been drawn up to approximately HK$61.8 million and matured. Follow up works have been taken. For further details, please refer to the Company's announcements dated 8 July 2015 and 30 August 2016.

On 22 July 2015, the Group granted a loan of HK$10 million at an interest rate of 36% per annum for a term of one year (the "Loan B") to a company which executed, among others, a share charge in favour of the Group to charge certain of its shares to the Group as security in connection with the Loan B. As at 30 June 2018, the Loan B matured. Legal proceedings against the customer to recover all the outstanding balances is in progress. For further details, please refer to the Company's announcement dated 22 July 2015.

On 13 April 2016, the Group granted a loan facility of HK$39.5 million at an interest rate of 10% per annum for a term of one year (the "Loan C") to a recurring client who executed a share charge in favour of the Group to charge certain shares of a company listed on the Stock Exchange to the Group as security in connection with the Loan C. As at 30 June 2018, the Loan C matured. Follow up works have been taken. For further details, please refer to the Company's announcement dated 13 April 2016.

On 11 May 2016, the Group granted a loan facility of HK$31.6 million at an interest rate of 12% per annum for a term of one year (the "Loan D") to a recurring client who executed a share charge in favour of the Group to charge certain shares of a company listed on the Stock Exchange to the Group as security in connection with the Loan D. As at 30 June 2018, the Loan D matured. Follow up works have been taken. For further details, please refer to the Company's announcement dated 11 May 2016.

On 14 July 2016, the Group granted a loan facility of HK$39 million at an interest rate of 12% per annum for a term of one year (the "Loan E") to a recurring client who executed a share charge in favour of the Group to charge certain shares of a company listed on the Stock Exchange to the Group as security in connection with the Loan E. As at 30 June 2018, the Loan E matured. Follow up works have been taken. For further details, please refer to the Company's announcement dated 14 July 2016.

On 24 November 2017 the Group granted a loan of HK$40 million at an interest rate of 16% per annum for a term of six months (the "Loan F") to a company, for which a guarantor executed a guarantee in favour of the Group. For further details, please refer to the Company's announcement dated 24 November 2017. As at 30 June 2018, the Loan F was fully repaid.

On 21 May 2018, the Group granted a loan facility of approximately HK$60.7 million at an interest rate of 14.5% per annum for a term of 7.5 months (the "Loan G") to a company (the "Borrower") which executed, a share charge in favour of the Group to charge 99,000,000 shares of HK$0.01 each in the share capital of a company, incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM to the Group as security for the Loan G, pursuant to a loan agreement entered into between the Group and the Borrower on 21 May 2018. Pursuant to the loan agreement, the Borrower shall repay the loan in full in one lump sum together with outstanding interest accrued thereon on 4 January 2019. As the aggregate amount of such loan exceeds 8% under the assets ratio defined under Rule 19.07(1) of the GEM Listing Rules, the grant of such loan is subject to the general disclosure obligations under Rule 17.15 of the GEM Listing Rules. For further details, please refer to the Company's announcement dated 21 May 2018. As at the date of this report, Loan G was fully repaid.

USE OF PROCEEDS

The rights issue in 2014

In December 2014, the Company raised fund of net proceeds of approximately HK$280 million from its rights issue of 3,183,112,500 Shares (the "2014 RI Proceeds"). Up to the date of this report, (i) HK$36.7 million of the 2014 RI Proceeds was paid for the acquisition of equity interest in Bonus Boost International Limited, which has a wholly-owned subsidiary principally involved in acting as a surveyor, valuer and property consultant; (ii) HK$25 million of the 2014 RI Proceeds was paid for the acquisition of 19.9% equity interest in Greater China Appraisal Limited, which is principally engaging in the provision of assets appraisal services; and (iii) approximately HK$126.3 million of the 2014 RI Proceeds, being the entire portion intended to be used for the Group's provision of financing services was utilised for granting of mortgage loans to independent third parties. The Group continues to look for suitable business opportunities to utilise the remaining portion of the 2014 RI Proceeds which was intended to apply for the funding and further development of the existing and future businesses of the Group. As at 30 June 2018, such unutilised net proceeds were kept as cash at and placed as bank deposits with licensed banks in Hong Kong.

The rights issue in 2017

In November 2017, the Company raised fund of net proceeds of approximately HK$258 million from its rights issue of 1,874,944,986 Shares (the "2017 RI Proceeds"). Up to the date of this report, approximately HK$85.0 million of the 2017 RI Proceeds was utilised for granting of various loans and approximately HK$0.1 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. Proposed 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 up to date of this report** *(HK$ in million)*
Expansion of the Group's existing financing business	135.0	85.0
Investment in potential businesses	90.0	–
General working capital	33.0	0.1
Total	258.0	85.1

Discloseable Transaction

Reference is made to the announcements of the Company dated 12 January 2018 and 29 March 2018 in relation to (i) the sale and purchase agreement (the "Agreement") dated 12 January 2018 and entered into between Glorious Sky Group Limited, an indirect wholly-owned subsidiary of the Company, as purchaser (the "Purchaser") and Novel Sky Holdings Limited as vendor (the "Vendor") pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell 7,500,000 shares of CDE Holdings Limited; and (ii) the extension of the long stop date from 31 March 2018 to 31 May 2018 as additional time would be required by the Purchaser to conduct due diligence review of the target group.

As at 31 May 2018, being the extended long stop date, the due diligence review of the target group, being one of the conditions precedent to the completion, had not been completed. Since such condition precedent had not been satisfied nor waived by the Purchaser on or before 12:00 noon on the extended long stop date and the Vendor did not agree to extend the long stop date further, in accordance with the terms and conditions of the Agreement, the Agreement has ceased and determined on 31 May 2018. Please refer to an announcement published by the Company on 31 May 2018 for further details.

FUTURE PROSPECTS

The Group always aims to be the leading valuation and advisory services provider in Hong Kong. In order to maintain and further enhance the Group's market presence in the valuation and advisory industry in Hong Kong, the Group will proactively explore further merger and acquisition opportunities and/or business collaboration. In order to well manage the Group's credit risk, the Group will further diversify its loan portfolio. Also, the Group may also expand its loan portfolio with the 2017 RI Proceeds to maximise the return to the Group. In addition, in order to diversify the Group's revenue streams other than provision of valuation and advisory services and provision of financing services, the Group is in the process of applying for a licence under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO") to carry on Type 1 regulated activity (i.e. dealing in securities).

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 2018, none of the Directors and the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), 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 were 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 referred to therein, or which would be required 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 June 2018, 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) 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
Aperto Investments Limited ("Aperto") (note)	Beneficial owner	255,750,000	8.18%
Mr. Luk Kee Yan Kelvin ("Mr. Luk") (note)	Interest of a controlled corporation	255,750,000	8.18%

Note: 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 June 2018, 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.

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.

Having been 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 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 office 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 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 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.

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. Choi Wai Tong Winton, Mr. Ko Wai Lun Warren and Mr. Wong Tat Keung (being the chairman of the Audit Committee), 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.

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

Hong Kong, 14 August 2018

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. Choi Wai Tong Winton, Mr. Ko Wai Lun Warren, Ms. Li Tak Yin and Mr. Wong Tat Keung.