ROMA GROUP LIMITED

羅馬集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8072)

ANNOUNCEMENT OF THE FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 30 JUNE 2019

The board of directors (the "**Directors**" and "**Board**", respectively) of Roma Group Limited (the "**Company**") hereby announces the unaudited condensed consolidated results of the Company and its subsidiaries for the three months ended 30 June 2019. This announcement, containing the full text of the 2019/20 first quarterly report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") in relation to information to accompany preliminary announcement of first quarterly results.

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

Hong Kong, 13 August 2019

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. Ko Wai Lun Warren, Ms. Li Tak Yin, Mr. Man Wai Lun and Mr. Wong Tat Keung.

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*

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

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.

Financial Highlights

Our Services

Valuation

Corporate And Risk Advisory

Natural Resources Advisory

ESG Reporting

For the three months ended 30 June 2019:

— Revenue was approximately HK$17.6 million, representing a similar level as compared with that for the three months ended 30 June 2018;

— Loss for the three months ended 30 June 2019 amounted to approximately HK$3.7 million, as compared to the loss of approximately HK$1.2 million for the three months ended 30 June 2018;

— Basic and diluted loss per share attributable to owners of the Company were HK0.16 cent; and

— No dividend was declared.

First Quarterly Results for the Three Months Ended 30 June 2019

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 2019 (the "Period") together with the comparative unaudited figures for the corresponding period in 2018 as follows:

Unaudited Condensed Consolidated Statement of Comprehensive Income

For the three months ended 30 June 2019

	Notes	For the three months ended 30 June **2019** **HK$'000** **(unaudited)**	 2018 HK$'000 (unaudited)
Revenue	3	**17,568**	17,574
Other income	4	**2,339**	1,389
Employee benefit expenses	5	**(13,715)**	(12,003)
Depreciation and amortisation	6	**(2,342)**	(1,225)
Finance costs	7	**(741)**	(517)
Other expenses		**(6,593)**	(5,654)
Loss before income tax expense		**(3,484)**	(436)
Income tax expense	8	**(265)**	(805)
Loss and total comprehensive loss for the period attributable to owners of the Company		**(3,749)**	(1,241)
Loss per share			
— Basic (HK cent)	10	**(0.16)**	(0.04)
— Diluted (HK cent)	10	**(0.16)**	(0.04)

Unaudited Condensed Consolidated Statement of Changes in Equity

For the three months ended 30 June 2019

	Share capital HK$'000	Shares held for the share award plan (the "Plan") HK$'000	Share premium HK$'000	Capital reserve HK$'000	Share option reserve HK$'000	Investment at fair value through other comprehensive income ("FVOCI") reserve HK$'000	(Accumulated losses)/ Retained earnings HK$'000	Total HK$'000
At 1 April 2019 (audited)	172,826	(26,241)	398,433	10	2,763	(11,474)	(2,615)	533,702
Transaction with owners, in their capacity as owners								
Recognition of share-based payment	–	–	–	–	2,116	–	–	2,116
Loss and total comprehensive loss for the period	–	–	–	–	–	–	(3,749)	(3,749)
At 30 June 2019 (unaudited)	172,826	(26,241)	398,433	10	4,879	(11,474)	(6,364)	532,069
At 1 April 2018 (audited)	199,994	–	410,059	10	–	–	98,631	708,694
— HKFRS 9 adjustment	–	–	–	–	–	556	(6,520)	(5,964)
— HKFRS 15 adjustment	–	–	–	–	–	–	(23,311)	(23,311)
At 1 April 2018 (adjusted)	199,994	–	410,059	10	–	556	68,800	679,419
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

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") were listed on GEM by way of placing on 25 February 2013.

2. BASIS OF PREPARATION

(a) Basis of preparation

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

(b) Principal accounting policies

The accounting policies and methods of computation used in preparing the Unaudited Condensed Consolidated Financial Statements are the same as those followed in the preparation of the Group's audited consolidated financial statements for the year ended 31 March 2019, except the HKFRSs that the Group has applied for the first time in the current period as described below.

HKFRS 16 — Leases

HKFRS 16 "Leases" ("HKFRS 16") which will supersede HKAS 17 Leases and related interpretations, have been applied from 1 April 2019.

The Group has adopted HKFRS 16 using the cumulative effect approach and recognised the right-of-use asset at the amount equal to the lease liability retrospectively from 1 April 2019, but has not restated comparatives for the 2018/19 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening statement of financial position on 1 April 2019.

(i) Adjustment recognised on adoption of HKFRS 16

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of HKAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 April 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 2.51%.

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- applied the exemption of not to recognise right-of-use assets and lease liabilities for leases with term that will end within 12 months of the date of initial application and accounted for those leases as short-term leases
- reliance on previous assessments on whether leases are onerous;
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying HKAS 17 and IFRIC 4 *Determining whether an Arrangement contains a Lease*.

As a lessee, the Group's leases are mainly rentals of offices. The right-of-use assets were measured at the amount equal to the lease liabilities and there were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application. The following table shows the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included.

	31 March 2019 As originally presented HK$'000	Adoption of HKFRS 16 HK$'000	1 April 2019 Restated (Unaudited) HK$'000
Non-current assets			
Right-of-use assets	–	4,458	4,458
Current liabilities			
Lease liabilities	944	4,458	5,402
Non-current liabilities			
Lease liabilities	640	–	640

The lease liabilities as at 1 April 2019 reconciled to the operating leases commitments as at 31 March 2019 is shown as follows:

	HK$'000 (unaudited)
Weighted average incremental borrowing rate as at 1 April 2019	2.51%
Operating lease commitments as at1 April 2019	4,631
Less: Commitments relating to short-term leases and those leases with a remaining lease term ending on or before 31 March 2020 and low-value assets	(173)
Add: Finance lease liabilities as of 31 March 2019	1,584
Lease liabilities as at 1 April 2019	6,042

(ii) The Group's leasing activities and how these are accounted for

The Group's leases are mainly rentals of offices. Rental contracts are typically made for fixed periods of 1 to 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Until the 2018/19 financial year, leases of office were classified as operating leases and the payments made under operating leases were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments: fixed payments (including in-substance fixed payments) and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,

- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

(c) Basis of measurement

The Unaudited Condensed Consolidated Financial Statements have been prepared under the historical cost basis as modified by the revaluation of investment property and financial asset at FVOCI which are carried at fair value.

(d) Functional and presentation currency

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

3. REVENUE

The Group's principal activities are provision of 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	
	2019	2018
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Services fee income from provision of valuation and advisory services	**11,524**	11,508
Interest income from provision of financing services	**6,044**	6,066
	17,568	17,574

4. OTHER INCOME

	For the three months ended 30 June	
	2019	2018
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Reimbursement of expenses	**121**	228
Interest income	**1,110**	673
Rental income	**30**	–
Other marketing service income	**1,078**	75
Others	**–**	413
	2,339	1,389

5. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	For the three months ended 30 June	
	2019	2018
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Wages and salaries	**11,337**	11,620
Contributions on defined contribution retirement plans	**272**	242
Share based payment — equity settled	**1,777**	–
Other benefits	**329**	141
	13,715	12,003

6. EXPENSES BY NATURE

	For the three months ended 30 June	
	2019	2018
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Auditor's remuneration (note)	**235**	200
Amortisation of intangible assets	**538**	538
Depreciation of property, plant and equipment	**700**	687
Depreciation of right-of-use assets	**1,104**	–
Consultancy and referral fees (note)	**1,102**	785
Exchange loss/(gain), net (note)	**844**	(5)
Insurance (note)	**173**	146
Marketing and business development expenses (note)	**1,156**	1,398
Reversal of impairment loss on loans and interests receivable (note)	**(8)**	(17)
Reversal of impairment loss on trade and other receivables (note)	**–**	(6)
Office management fee (note)	**155**	148
Operating lease charges in respect of buildings (note)	**127**	872
Professional fee (note)	**1,441**	1,197
Share-based payment — settled (other eligible participants) (note)	**339**	–

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

7. FINANCE COSTS

	For the three months ended 30 June	
	2019	2018
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Interest on bank borrowings	**702**	500
Interest on finance leases	**13**	17
Interest on lease liabilities	**26**	–
	741	517

8. INCOME TAX EXPENSE

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. 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%, 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%. The provision for Hong Kong profits tax was calculated at 16.5% of the estimated assessable profits for the Period (2018:16.5%).

	For the three months ended 30 June	
	2019	2018
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Current tax — Hong Kong Profits Tax		
Tax for the period	**326**	866
	326	866
Deferred tax		
Credit for the period	**(61)**	(61)
	265	805

9. DIVIDEND

The Board has resolved not to declare any dividend for the Period (2018: 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	
	2019	2018
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Loss		
Loss for the purpose of basic and diluted loss per share	**(3,749)**	(1,241)
	'000	'000
Number of Shares		
Weighted average number of shares for the purpose of basic and diluted loss per share (notes (a) and (b))	**2,400,408**	3,124,908

Notes:

(a) The Shares for the Period have been adjusted to reflect the Shares held for the Plan.

(b) 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 the Period.

BUSINESS REVIEW

During the Period, the Group's provision of valuation and advisory services contributed approximately 65.6% of the total revenue to the Group. The Group recorded the similar level in revenue generated from the provision of valuation and advisory services of approximately HK$11.5 million as compared with that for the three months ended 30 June 2018. Despite the fierce competition in the valuation and advisory industry the Group is facing, the performance of valuation and advisory services during the Period remained comparable with that for the three months ended 30 June 2018 and the environmental, social and governance ("ESG") reporting service has become a new key driver under the valuation and advisory services segment during the Period. 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's provision of financing services contributed approximately 34.4% of the total revenue of the Group for the Period. The Group's interest income generated from provision of financing services for the Period remained similar as compared with that for the three months ended 30 June 2018.

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

The Group distributed discretionary bonus and granted share options under the share option scheme of the Company (the "Share Option Scheme") to certain staff and Directors during the Period to retain high-caliber individuals for their continuous contribution to the Group. The Group always considers its professional teams as the most valuable asset of the Group and offers competitive remuneration package to attract and retain high-caliber individuals.

FINANCIAL REVIEW

Revenue

For the Period, the Group recorded a similar level in revenue as compared with that for the three months ended 30 June 2018.

The services fee income generated from provision of valuation and advisory services remained at a similar level at approximately HK$11.5 million for the Period and for the three months ended 30 June 2018 and contributed approximately 65.6% of the total revenue to the Group for the Period. The service fee income for the Period remained at a similar level as that of the three months ended 30 June 2018, which was mainly due to increased sale contributed from ESG reporting services amid the fierce competition in the valuation and advisory industry during the Period.

The interest income generated from provision of financing services slightly decreased by approximately 0.4% for the Period as compared with that for the three months ended 30 June 2018.

Other income

The Group's other income increased by approximately 68.4% for the Period as compared with that for the three months ended 30 June 2018. It was mainly attributable to the increases in other marketing service income and interest income.

Employee benefit expenses

Employee benefit expenses mainly consisted of wages and salaries, discretionary bonus, pension costs and other benefits to staff and Directors. The Group's employee benefit expenses increased by approximately 14.3% for the Period as compared with those for the three months ended 30 June 2018. The increase was mainly attributable to share-based payment (namely the grant of share options under the share option scheme of the Company) during the Period. The Group always values the contribution of its professional and management teams and has distributed bonus and granted share options during the Period to retain high-caliber individuals for continuous contribution to the Group.

Depreciation and amortisation

The Group recorded a significant increase in depreciation and amortisation of approximately 91.2% for the Period as compared with that for the three months ended 30 June 2018. It was mainly attributable to the additional depreciation of right-of-use assets during the Period in accordance with the adoption of newly effective HKFRS 16.

Finance costs

The Group's finance costs referred to interest expenses incurred for bank borrowings, finance lease liabilities and lease liabilities. During the Period, more finance costs incurred due to the higher loan interest rate whereas the bank borrowings amount remained the same as compared with those for the three months ended 30 June 2018 and the interest on lease liabilities due to the adoption of HKFRS 16 during the Period.

Other expenses

The Group's other expenses increased by approximately 16.6% for the Period as compared with those for the three months ended 30 June 2018. It was mainly attributable to a (i) increase in exchange loss; and (ii) recognition of share-based payment expenses for other eligible participants during the Period as compared with those for the three months ended 30 June 2018.

Loss attributable to owners of the Company

Loss attributable to owners of the Company amounted to approximately HK$3.7 million for the Period which increased by approximately HK$2.5 million as compared to the loss attributable to owners of the Company of approximately HK$1.2 million for the three months ended 30 June 2018. It was mainly attributable to the increases in the Group's (i) share-based payment expenses; and (ii) depreciation and amortisation outweighing the impact of increase in other income for the Period.

CAPITAL STRUCTURE

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

USE OF PROCEEDS

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 the date of this report, approximately HK$135.0 million of the 2017 RI Proceeds was utilised for granting of various loans, approximately HK$15.8 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 up to date of this report** (HK$ in million)
Expansion of the Group's existing financing business	135.0	135.0
Investment in potential businesses (note)	90.0	15.8
General working capital	33.0	33.0
Total	258.0	183.8

Note: The Company currently expects that the unutilised 2017 RI Proceeds will be used by 31 March 2020.

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.

In addition, the Group has obtained a license from the Securities and Futures Commission of Hong Kong (the "SFC") under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO") to carry out Type 1 regulated activity (dealing in securities) on 13 December 2018 and has entered into an agreement to conditionally agree to acquire the entire issued share capital of a company which is a corporation licensed by the SFC to conduct Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO. Upon obtaining these licenses, the Group aims to be an integrated securities house in Hong Kong providing a wide range of securities broking and related financial services in order to diversify the Group's existing revenue streams.

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 2019, 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	Number of underlying Shares held	Approximate percentage of interests (Note 1)
Mr. Yue Kwai Wa Ken ("Mr. Yue")	The Company	Interest of controlled corporation/ Corporate interest	300,000,000 (Note 2)	–	11.11%
		Beneficial owner/ Personal interest	–	30,004,083 (Note 3)	1.11%
	Fast and Fabulous Company Limited ("Fast and Fabulous")	Trustee of the Plan/ Others	300,000,000 (Note 2)	–	11.11%
Mr. Li Sheung Him Michael ("Mr. Li")	The Company	Beneficial owner/ Personal interest	–	30,004,083 (Note 3)	1.11%

Note 1: The percentage is calculated on the basis of the total number of issued Shares as at 30 June 2019.

Note 2: These 300,000,000 Shares were held by Fast and Fabulous, which was the trustee of the Plan adopted with effect from 22 June 2018. As the entire issued share capital of Fast and Fabulous was legally and beneficially owned by Mr. Yue, Mr. Yue was deemed to be interested in all the Shares in which Fast and Fabulous was interested by virtue of the SFO.

Note 3: These represent the Shares to be issued and allotted by the Company upon exercise of the options granted under the Share Option Scheme.

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

As at 30 June 2019, 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	Number of underlying Shares held	Approximate percentage of interest (Note 1)
Fast and Fabulous	Trustee of Plan/Others	300,000,000 (Note 2)	–	11.11%
Aperto Investments Limited ("Aperto") (Note 3)	Beneficial owner/ Personal interest	264,250,000	–	9.79%
Mr. Luk Kee Yan Kelvin ("Mr. Luk") (Note 3)	Interest of a controlled corporation/ Corporate interest	264,250,000	–	9.79%

Note 1: The percentage is calculated on the basis of the total number of issued Shares as at 30 June 2019.

Note 2: These 300,000,000 Shares were held by Fast and Fabulous, which was the trustee of the Plan adopted with effect from 22 June 2018. As the entire issued share capital of Fast and Fabulous was legally and beneficially owned by Mr. Yue, Mr. Yue was deemed to be interested in all the Shares in which Fast and Fabulous was interested by virtue of the SFO.

Note 3: The entire issued share capital of Aperto was legally and beneficially owned by Mr. Luk. Mr. Luk was deemed to be interested in all the Shares held by Aperto by virtue of the SFO.

Save as disclosed above and as at 30 June 2019, 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 (the "Required Standard of Dealings").

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

CORPORATE GOVERNANCE PRACTICES

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

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

Code provision A.2.1

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

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

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

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

None of the Directors or any entity connected with any Director had a material interest, whether directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group, to which the Company or its holding company or any of its subsidiaries or fellow subsidiaries was a party as at 30 June 2019 or at any time during the Period.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

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

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. Ko Wai Lun Warren, Ms. Li Tak Yin 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 and this report.

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

Hong Kong, 13 August 2019

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. Ko Wai Lun Warren, Ms. Li Tak Yin, Mr. Man Wai Lun and Mr. Wong Tat Keung.