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ROMA GROUP LIMITED

羅馬集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8072)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2021

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.

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

* For identification purposes only

FINANCIAL HIGHLIGHTS

For the year ended 31 March 2021:

- Revenue increased to approximately HK\$94.1 million, representing an increase of approximately 23.6% as compared with that for the year ended 31 March 2020;
- Loss for the year amounted to approximately HK\$54.1 million whereas there was a loss of approximately HK\$158.4 million for the year ended 31 March 2020;
- Basic and diluted loss per share attributable to owners of the Company were HK\$0.33; and
- No final dividend has been declared.

ANNUAL RESULTS

The board of Directors (the “Board”) announces the consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 March 2021 together with the comparative figures for the preceding financial year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2021

	<i>Notes</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Revenue	4	94,134	76,172
Other income and loss	6	8,975	6,016
Change in fair value of investment property	14	(1,000)	(1,500)
Employee benefit expenses	7	(42,757)	(43,615)
Depreciation and amortisation	8	(4,949)	(9,125)
Allowance for expected credit losses	8	(70,999)	(125,182)
Finance costs	9	(1,865)	(3,251)
Other expenses		(36,449)	(59,661)
		<hr/>	<hr/>
Loss before income tax	8	(54,910)	(160,146)
Income tax credit	10	828	1,770
		<hr/>	<hr/>
Loss for the year attributable to owners of the Company		(54,082)	(158,376)
Other comprehensive loss			
Item that will not be reclassified subsequently to profit or loss:			
– Change in fair value of financial asset at fair value through other comprehensive income		(1,980)	(9,746)
		<hr/>	<hr/>
Total comprehensive loss for the year		(56,062)	(168,122)
		<hr/> <hr/>	<hr/> <hr/>
		<i>HK\$</i>	<i>HK\$</i> (Restated)
Loss per share			
– Basic	12	(0.33)	(1.27)
		<hr/> <hr/>	<hr/> <hr/>
– Diluted	12	(0.33)	(1.27)
		<hr/> <hr/>	<hr/> <hr/>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2021

	<i>Notes</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	<i>13</i>	9,195	1,476
Investment property	<i>14</i>	10,000	11,000
Intangible assets	<i>15</i>	3,018	5,294
Goodwill	<i>16</i>	7,373	3,168
Financial asset at fair value through other comprehensive income	<i>17</i>	–	3,780
Loan and interest receivables	<i>18</i>	114,895	115,295
Deposit	<i>20</i>	1,286	–
Deferred tax assets		3	3
		<hr/> 145,770	<hr/> 140,016
Current assets			
Loan and interest receivables	<i>18</i>	220,670	243,894
Trade receivables	<i>19</i>	29,596	12,370
Prepayments, deposits, other receivables and contract assets	<i>20</i>	4,797	9,921
Financial assets at fair value through profit or loss	<i>17</i>	312	742
Pledged bank deposits		49,512	48,157
Cash and bank balances – general accounts		23,410	19,216
Cash and bank balances – segregated accounts		1,675	798
		<hr/> 329,972	<hr/> 335,098
Current liabilities			
Trade payables	<i>21</i>	17,620	1,687
Accrued liabilities, other payables and contract liabilities	<i>22</i>	42,323	48,617
Lease liabilities	<i>23</i>	4,299	401
Interest-bearing borrowings	<i>24</i>	65,982	55,645
Current tax liabilities		14	14
		<hr/> 130,238	<hr/> 106,364

	<i>Notes</i>	2021 HK\$'000	2020 <i>HK\$'000</i>
Net current assets		199,734	228,734
Total assets less current liabilities		345,504	368,750
Non-current liabilities			
Lease liabilities	23	4,607	238
Deferred tax liabilities		454	816
		5,061	1,054
Net assets		340,443	367,696
EQUITY			
Equity attributable to owners of the Company			
Share capital	25	1,755	1,350
Reserves		338,688	366,346
Total equity		340,443	367,696

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2021

	Share capital <i>HK\$'000</i> <i>(note 25)</i>	Shares held for share award plan (the "Plan")* <i>HK\$'000</i>	Share premium* <i>HK\$'000</i>	Capital reserve* <i>HK\$'000</i>	Share option reserve* <i>HK\$'000</i>	Revaluation reserve* <i>HK\$'000</i>	Accumulated losses* <i>HK\$'000</i>	Total <i>HK\$'000</i>
Balance as at 1 April 2019	172,826	(26,241)	398,433	10	2,763	(11,474)	(2,615)	533,702
Effect of capital reduction <i>(note 25(b))</i>	(171,476)	-	171,476	-	-	-	-	-
Recognition of share-based payment	-	-	-	-	2,116	-	-	2,116
Transactions with owners	(171,476)	-	171,476	-	2,116	-	-	2,116
Loss for the year	-	-	-	-	-	-	(158,376)	(158,376)
Other comprehensive loss								
Change in fair value of financial asset at fair value through other comprehensive income	-	-	-	-	-	(9,746)	-	(9,746)
Total comprehensive loss	-	-	-	-	-	(9,746)	(158,376)	(168,122)
Balance at 31 March 2020 and 1 April 2020	1,350	(26,241)	569,909	10	4,879	(21,220)	(160,991)	367,696
Recognition of share-based payment	-	-	-	-	1,217	-	-	1,217
Placing of shares <i>(note 25(d))</i>	270	-	5,400	-	-	-	-	5,670
Share issuance expenses <i>(note 25(d))</i>	-	-	(163)	-	-	-	-	(163)
Exercise of share options <i>(note 25(e))</i>	135	-	4,592	-	(1,217)	-	-	3,510
Lapse of share options	-	-	-	-	(691)	-	691	-
Share options cancelled	-	-	-	-	(2,834)	-	2,834	-
Purchase of shares for the Plan	-	(3,559)	-	-	-	-	-	(3,559)
Sales of shares held under the Plan	-	29,800	-	-	-	-	(7,666)	22,134
Disposal of financial asset at fair value through other comprehensive income	-	-	-	-	-	23,200	(23,200)	-
Transactions with owners	405	26,241	9,829	-	(3,525)	23,200	(27,341)	28,809
Loss for the year	-	-	-	-	-	-	(54,082)	(54,082)
Other comprehensive loss								
Change in fair value of financial asset at fair value through other comprehensive income	-	-	-	-	-	(1,980)	-	(1,980)
Total comprehensive loss	-	-	-	-	-	(1,980)	(54,082)	(56,062)
Balance at 31 March 2021	1,755	-	579,738	10	1,354	-	(242,414)	340,443

* The total of these balances represents "Reserves" in the consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Roma Group Limited (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 an investment holding company and its subsidiaries (collectively the “Group”) are 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 have been listed on the GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) by way of placing on 25 February 2013 (the “Listing Date”).

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

Amended HKFRSs that are effective for annual periods beginning or after 1 April 2020

In the current year, the Group has applied for the first time the following amended HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), which are relevant to the Group’s operations and effective for the Group’s consolidated financial statements for the annual period beginning on 1 April 2020:

Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform
Amendments to HKAS 1 and HKAS 8	Definition of Material

The adoption of the 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 these consolidated financial statements, the following new and amended HKFRSs have been issued but are not yet effective, and have not been early adopted by the Group.

Amendment to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2 ¹
Amendments to HKFRSs Amendments to HKFRS 3 HKFRS 17	Annual Improvements to HKFRS Standards 2018–2020 ² Reference to the Conceptual Framework ⁶ Insurance Contracts and related amendments ³
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use ²
Amendments to HKAS 37 Amendments to HKAS 1	Onerous Contracts – Cost of Fulfilling a Contract ² Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ³
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ³
Amendments to HKAS 8 Amendments to HKFRS 10 and HKAS 28	Definition of Accounting Estimates ³ Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKFRS 16 Amendments to HKFRS 16	Covid-19–Related Rent Concessions ⁵ Covid-19–Related Rent Concessions beyond 30 June 2021 ⁷
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combination ⁶

- ¹ Effective for annual periods beginning on or after 1 January 2021
- ² Effective for annual periods beginning on or after 1 January 2022
- ³ Effective for annual periods beginning on or after 1 January 2023
- ⁴ Effective date not yet determined
- ⁵ Effective for annual periods beginning on or after 1 June 2020
- ⁶ Effective for business combination/common control combination for which the acquisition/combination date is on or after the beginning of the first annual period beginning on or after 1 January 2022
- ⁷ Effective for annual periods beginning on or after 1 April 2021

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the pronouncement. Information on new and amended HKFRSs that are expected to have impact on the Group's accounting policy is provided below. Other new and amended HKFRSs are not expected to have a material impact on the Group's consolidated financial statements.

Amendment to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 “Interest Rate Benchmark Reform — Phase 2”

These amendments address the accounting issues that arise when existing interbank offered rates (“IBOR”) included in financial instruments are replaced with alternative benchmark risk-free rates.

The amendments mainly affect the following areas:

- Financial instruments (measured at amortised costs) where the basis for determining the contractual cash flows changes as a result of the IBOR reform (“Reform”) — providing a practical expedient that an entity will not have to derecognise the carrying amount of financial instruments and recognise an immediate gain or loss for changes solely arising from the Reform, but will instead revise the effective interest rate of the financial instruments;
- Modifications of lease liabilities as a result of the Reform — providing a similar practical expedient that lessee will remeasure the lease liability by discounting the revised lease payments using a discount rate that reflects the change in the interest rate, instead of applying the original lease modification guidance in HKFRS 16;
- Hedge accounting requirements — permitting changes required by the Reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of HKFRS 9 to measure and recognise hedge ineffectiveness. In addition, it also provides a temporary relief to entities from having to meet the separately identifiable requirement when an alternative benchmark risk-free rate is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the alternative benchmark risk-free rate risk component to become separately identifiable within the next 24 months; and
- Additional disclosures — an entity will be required to disclose information about new risks arising from the Reform and how it manages those risks as well as additional disclosure requirements for transitioning from IBORs to alternative benchmark risk-free rates.

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 are effective for the annual period beginning on or after 1 January 2021 and apply retrospectively. Earlier application is permitted.

The Group has interest-bearing bank borrowings which are subject to the London Interbank Offered Rate as at 31 March 2021. The Group expects no significant gains or losses should the interest rate benchmark for these borrowings change resulting from the Reform on application of the amendments.

Amendments to HKAS 1 and HKFRS Practice Statement 2 — Disclosure of Accounting Policies

The amendments to HKAS 1 require entities to disclose material accounting policy information instead of significant accounting policies in its financial statements. The amendments also provide some guidance on how material policy information are being identified and provide some examples of when accounting policy information is likely to be material.

In March 2021, HKICPA issued HKFRS Practice Statement 2 “Making Materiality Judgements” to provide entities with non-mandatory guidance on how to make materiality judgements when preparing their general purpose financial statements in accordance with HKFRS. HKFRS Practice Statement 2 was subsequently revised to provide guidance and examples on how to apply the concept of materiality to accounting policy disclosures.

The amendments to HKAS 1 are effective for annual reporting period beginning on or after 1 January 2023 and are applied prospectively. Earlier application is permitted. Except for the disclosures of Group’s accounting policies may need to be revised to cope with the above changes, the directors expect that the amendments have no other material impact on the consolidated financial statements.

3. BASIS OF PREPARATION AND PRESENTATION

3.1 Statement of compliance

The consolidated financial statements for the year ended 31 March 2021 (the “Consolidated Financial Statements”) have been prepared in accordance with HKFRSs, which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the HKICPA and the accounting principles generally accepted in Hong Kong.

The Consolidated Financial Statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and include applicable disclosures required by the GEM Listing Rules.

3.2 Basis of measurement

The Consolidated Financial Statements have been prepared under the historical cost basis, except for financial assets at fair value through other comprehensive income (“FVTOCI”), financial assets at fair value through profit or loss (“FVTPL”) and investment property, which are measured at fair value.

3.3 Functional and presentation currency

The 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.

4. REVENUE

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15:		
Valuation and advisory services	71,624	44,702
Securities broking, placing and underwriting and investment advisory and asset management services	1,302	4,909
Revenue from other sources:		
Interest income from provision of financing services	21,208	26,561
	94,134	76,172

5. SEGMENT INFORMATION

The chief operating decision-maker (the "CODM") has been identified as the Company's executive directors. For the years ended 31 March 2021 and 2020, the executive directors have identified the Group's service lines as reportable and operating segments as follows:

(i) Valuation and advisory services

Provision of asset appraisal and asset advisory services, including real estate and fixed asset appraisal, mineral property appraisal, business and intangible asset valuation, financial instrument valuation and advisory services and environmental, social and governance ("ESG") reporting service.

(ii) Financing services

Provision of financial services including personal loans, commercial loans and mortgage loans to individuals and corporations.

(iii) Securities broking, placing and underwriting and investment advisory and asset management services

Provision of securities broking and trading of securities services to investors, equity and debt securities placing and underwriting services to listed companies, and investment advisory and asset management services to professional investors.

(iv) Other segments

Mainly represents other operations of head office.

(a) Business segments

	Valuation and advisory services HK\$'000	Financing services HK\$'000	Securities broking, placing and underwriting and investment advisory and asset management services HK\$'000	Other segments HK\$'000	Total HK\$'000
For the year ended 31 March 2021					
Segment revenue (<i>note (i)</i>)	<u>71,624</u>	<u>21,208</u>	<u>1,302</u>	<u>-</u>	<u>94,134</u>
Segment results (<i>note (ii)</i>)	<u>20,041</u>	<u>(51,452)</u>	<u>(8,810)</u>	<u>(1,449)</u>	<u>(41,670)</u>
Other segment information					
Depreciation	(99)	(6)	(28)	-	(133)
Amortisation	(179)	-	-	-	(179)
Net impairment loss on loan and interest receivables	-	(67,198)	-	-	(67,198)
Net impairment loss on trade receivables	(3,765)	-	-	-	(3,765)
Net impairment loss on deposits, other receivables and contract assets	-	-	-	(36)	(36)
Impairment loss on goodwill	-	-	(3,168)	-	(3,168)
Impairment loss on intangible assets	-	-	(4,944)	-	(4,944)
Decrease in fair value of investment property	-	-	-	(1,000)	(1,000)
Income tax credit/(expense)	15	-	816	(3)	828
Additions to non-current assets (excluding financial instruments) (<i>note (iii)</i>)	10,465	7	-	-	10,472
Segment assets	<u>26,236</u>	<u>335,862</u>	<u>19,300</u>	<u>10,105</u>	<u>391,503</u>
Segment liabilities	<u>(39,348)</u>	<u>(406)</u>	<u>(19,957)</u>	<u>(79)</u>	<u>(59,790)</u>

	Valuation and advisory services HK\$'000	Financing services HK\$'000	Securities broking, placing and underwriting and investment advisory and asset management services HK\$'000	Other segments HK\$'000	Total HK\$'000
For the year ended 31 March 2020					
Segment revenue (<i>note (i)</i>)	<u>44,702</u>	<u>26,561</u>	<u>4,909</u>	<u>-</u>	<u>76,172</u>
Segment results (<i>note (ii)</i>)	<u>(37,819)</u>	<u>(103,612)</u>	<u>(2,853)</u>	<u>(1)</u>	<u>(144,285)</u>
Other segment information					
Depreciation	(100)	(5)	(28)	-	(133)
Amortisation	(2,183)	-	-	-	(2,183)
Net impairment loss on loan and interest receivables	-	(122,423)	-	-	(122,423)
Net impairment loss on trade receivables	(1,561)	-	-	-	(1,561)
Net impairment loss on deposits, other receivables and contract assets	-	(680)	(26)	(492)	(1,198)
Impairment loss on goodwill	(15,242)	-	(4,360)	-	(19,602)
Impairment loss on intangible assets	(14,049)	-	-	-	(14,049)
Decrease in fair value of investment property	-	-	-	(1,500)	(1,500)
Income tax credit	1,188	506	-	76	1,770
Additions to non-current assets (excluding financial instruments) (<i>note (iii)</i>)	415	-	12,504	-	12,919
Segment assets	15,148	366,373	8,459	11,150	401,130
Segment liabilities	<u>(48,275)</u>	<u>(815)</u>	<u>(1,666)</u>	<u>(80)</u>	<u>(50,836)</u>

Notes:

- (i) Segment revenue reported above represents revenue generated from external customers. There were no material inter-segment sales for both years.
- (ii) The accounting policies of the operating segments are same as the Group's accounting policies. 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 CODM for the purpose of resources allocation and performance assessment.
- (iii) Additions include those arising from acquisitions of subsidiaries (note 26).

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Loss before income tax		
Reportable segment loss	(41,670)	(144,285)
Unallocated interest income	862	3,663
Unallocated employee benefit expenses	(4,497)	(4,022)
Unallocated depreciation	(4,637)	(6,809)
Unallocated finance costs	(1,865)	(3,251)
Unallocated other expenses	(2,719)	(4,648)
Unallocated change in fair value of financial assets at FVTPL	(384)	(794)
	<u>(54,910)</u>	<u>(160,146)</u>
Consolidated loss before income tax	<u>(54,910)</u>	<u>(160,146)</u>
Assets		
Reportable segment assets	391,503	401,130
Unallocated property, plant and equipment	8,877	1,151
Unallocated financial asset at FVTOCI	–	3,780
Unallocated financial assets at FVTPL	312	742
Unallocated pledged bank deposits	49,512	48,157
Unallocated deposit	1,286	–
Unallocated cash and bank balances	23,410	20,014
Unallocated corporate assets	842	140
	<u>475,742</u>	<u>475,114</u>
Consolidated total assets	<u>475,742</u>	<u>475,114</u>
Liabilities		
Reportable segment liabilities	(59,790)	(50,836)
Unallocated lease liabilities	(8,906)	(639)
Unallocated interest-bearing borrowings	(65,982)	(55,645)
Unallocated corporate liabilities	(621)	(298)
	<u>(135,299)</u>	<u>(107,418)</u>
Consolidated total liabilities	<u>(135,299)</u>	<u>(107,418)</u>

(c) Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by timing over revenue recognition (under HKFRS 15). The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments.

	Valuation and advisory services <i>HK\$'000</i>	Financing services <i>HK\$'000</i>	Securities broking, placing and underwriting and investment advisory and asset management services <i>HK\$'000</i>	Other segments <i>HK\$'000</i>	Total <i>HK\$'000</i>
For the year ended 31 March 2021					
- At a point in time	71,624	-	645	-	72,269
- Over time	-	-	657	-	657
	<u>71,624</u>	<u>-</u>	<u>1,302</u>	<u>-</u>	<u>72,926</u>
For the year ended 31 March 2020					
- At a point in time	44,702	-	4,799	-	49,501
- Over time	-	-	110	-	110
	<u>44,702</u>	<u>-</u>	<u>4,909</u>	<u>-</u>	<u>49,611</u>

(d) 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.

(e) Information about major customer

For the years ended 31 March 2021 and 2020, none of the customers contributed 10% or more of the revenue of the Group.

6. OTHER INCOME AND LOSS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Other income		
Bank interest income	862	3,663
Exchange gain, net	270	–
Reimbursement of expenses	299	440
Rental income	216	192
Other marketing service income	3,482	2,513
Government grant (<i>note</i>)	3,621	–
Sundry income	609	2
	<u>9,359</u>	<u>6,810</u>
Other loss		
Net fair value loss on financial assets at FVTPL	<u>(384)</u>	<u>(794)</u>
	<u>8,975</u>	<u>6,016</u>

Note: During the year ended 31 March 2021, the Group received funding support amounting to HK\$3,400,000 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.

7. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Salaries and allowances	39,006	38,695
Contributions on defined contribution retirement plans	1,170	1,096
Share-based payment	1,217	1,777
Other benefits	1,364	2,047
	<u>42,757</u>	<u>43,615</u>

8. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Auditor's remuneration (<i>note</i>)	650	656
Depreciation:		
– Owned assets	251	1,343
– Right-of-use assets	4,519	5,599
Amortisation of intangible assets	179	2,183
Allowance for expected credit loss:		
– Loan and interest receivables	67,198	122,423
– Trade receivables	3,765	1,561
– Deposits, other receivables and contract assets	36	1,198
Exchange loss, net (<i>note</i>)	–	1,425
Consultancy fee (<i>note</i>)	7,841	3,677
Impairment loss (<i>note</i>):		
– Goodwill (<i>note 16</i>)	3,168	19,602
– Intangible assets (<i>note 15</i>)	4,944	14,049
Professional fee (<i>note</i>)	3,108	4,724
Marketing and business development expenses (<i>note</i>)	4,650	4,804
Lease charges for short-term leases (<i>note</i>)	750	513
	<u>67,198</u>	<u>122,423</u>

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

9. FINANCE COSTS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Interest on bank borrowings	662	2,967
Interest on other borrowings	991	182
Finance charges on lease liabilities	212	102
	<u>1,865</u>	<u>3,251</u>

10. INCOME TAX 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% (2020: 8.25%), and profits above HK\$2 million will be taxed at 16.5% (2020: 16.5%). The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5% (2020: 16.5%).

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Current tax – Hong Kong profits tax		
Current year	3	–
Over-provision in respect of prior year	–	(751)
	<u>3</u>	<u>(751)</u>
Deferred tax		
Origination and reversal of temporary differences	(831)	(1,019)
	<u>(828)</u>	<u>(1,770)</u>

11. DIVIDEND

The Board has resolved not to recommend the payment of any dividend for the year ended 31 March 2021 (2020: nil).

12. LOSS PER SHARE

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Loss		
Loss for the purpose of basic and diluted loss per share	<u>(54,082)</u>	<u>(158,376)</u>
		(Restated)
Number of shares (thousands)		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>161,494</u>	<u>124,992</u>

Notes:

- (a) The weighted average number of ordinary shares for the years ended 31 March 2021 and 2020 has been adjusted to reflect the shares held for the Plan during the year and the rights issue completed on 14 April 2021.
- (b) The diluted loss per share for the years ended 31 March 2021 and 2020 was the same as the basic loss per share as all the potential ordinary shares were anti-dilutive.

13. PROPERTY, PLANT AND EQUIPMENT

	Office premise <i>HK\$'000</i>	Leasehold improvements <i>HK\$'000</i>	Furniture, fixtures and office equipment <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Total <i>HK\$'000</i>
Cost					
At 1 April 2019	4,458	3,407	1,396	7,964	17,225
Additions	–	–	77	–	77
At 31 March 2020	4,458	3,407	1,473	7,964	17,302
Additions	–	126	126	–	252
Lease modification	12,237	–	–	–	12,237
Written-off	(4,458)	–	–	–	(4,458)
At 31 March 2021	12,237	3,533	1,599	7,964	25,333
Accumulated depreciation					
At 1 April 2019	–	2,097	1,015	5,772	8,884
Depreciation	4,458	1,210	133	1,141	6,942
At 31 March 2020 and 1 April 2020	4,458	3,307	1,148	6,913	15,826
Depreciation	3,739	118	133	780	4,770
Written-off	(4,458)	–	–	–	(4,458)
At 31 March 2021	3,739	3,425	1,281	7,693	16,138
Net book value					
At 31 March 2021	8,498	108	318	271	9,195
At 31 March 2020	–	100	325	1,051	1,476

As at 31 March 2021, included in the net carrying amount of property, plant and equipment are right-of-use assets as follows:

	Carrying amount		Depreciation	
	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Office premise	8,498	–	3,739	4,458
Motor vehicles	271	1,051	780	1,141
Total	8,769	1,051	4,519	5,599

During the year ended 31 March 2021, there are no additions to right-of-use assets included in property, plant and equipment, except for a lease modification (2020: nil). The details in relation to these leases are set out in note 23.

14. INVESTMENT PROPERTY

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
As at 1 April	11,000	12,500
Decrease in fair value	(1,000)	(1,500)
As at 31 March	<u>10,000</u>	<u>11,000</u>

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 31 March 2021 and 2020 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 years ended 31 March 2021 and 2020. The fair value measurement is based on the above property's highest and best use, which does not differ from its actual use.

Valuation techniques of investment property	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Direct comparison method	Market price ranging from HK\$5,883/sq.m. to HK\$6,091/sq.m. (2020: from HK\$5,906/sq.m. to HK\$6,613/sq.m.) and adjusted taking into account of locations and other individual factors such as size of land and construction in progress and conditions of prices	The higher the market price, the higher the fair value

During the years ended 31 March 2021 and 2020, there were no transfers between level 1 and level 2, or transfer into or out of level 3.

As at 31 March 2021, the Group's investment property with carrying amount of HK\$10,000,000 (2020: nil) was pledged for securing an other borrowing of HK\$6,500,000 (2020: nil) (note 24(b)).

15. INTANGIBLE ASSETS

	Licenses <i>HK\$'000</i>	Customer relationship <i>HK\$'000</i>	Database <i>HK\$'000</i>	Accounting and management software <i>HK\$'000</i>	Valuation software <i>HK\$'000</i>	Total <i>HK\$'000</i>
Cost						
At 1 April 2019	–	4,200	15,400	118	6,059	25,777
Addition	–	–	–	370	–	370
Acquisition of a subsidiary (note 26)	4,944	–	–	–	–	4,944
At 31 March 2020 and 1 April 2020	4,944	4,200	15,400	488	6,059	31,091
Acquisitions of subsidiaries (note 26)	–	2,847	–	–	–	2,847
At 31 March 2021	4,944	7,047	15,400	488	6,059	33,938
Accumulated amortisation						
At 1 April 2019	–	2,916	3,208	87	3,354	9,565
Amortisation	–	700	770	51	662	2,183
At 31 March 2020 and 1 April 2020	–	3,616	3,978	138	4,016	11,748
Amortisation	–	95	–	84	–	179
At 31 March 2021	–	3,711	3,978	222	4,016	11,927
Accumulated impairment						
At 1 April 2019	–	–	–	–	–	–
Impairment loss	–	584	11,422	–	2,043	14,049
At 31 March 2020 and 1 April 2020	–	584	11,422	–	2,043	14,049
Impairment loss	4,944	–	–	–	–	4,944
At 31 March 2021	4,944	584	11,422	–	2,043	18,993
Net book value						
At 31 March 2021	–	2,752	–	266	–	3,018
At 31 March 2020	4,944	–	–	350	–	5,294

For the purpose of impairment testing, intangible assets have been included in the CGUs of (i) investment advisory and asset management service business, (ii) the Bonus Boost Group (comprising Bonus Boost International Limited and its subsidiary) which principally engaged in the provision of valuation and consultancy services, (iii) the natural resources valuation business and (iv) 13 Consultant Limited (“13 Consultant”) (note 26(a)) and AVA Appraisals Limited (“AVA Appraisals”) (note 26(b)) which were acquired during the year ended 31 March 2021.

(i) Investment advisory and asset management service business

In respect of the licenses which were allocated to the CGU of investment advisory and asset management service business acquired during the year ended 31 March 2020 (note 26(c)), the licenses have no foreseeable limit to the period over which the Group can use to generate net cash flows. The directors consider the licenses as having indefinite useful lives because they are expected to contribute to net cash inflows indefinitely. The licenses will not be amortised until their useful life are determined to be finite.

During the year ended 31 March 2020, the Group reviewed the recoverable amounts of the licenses. No impairment loss has been recognised during the year. The recoverable amounts of the licenses were determined based on fair value less costs of disposal which is based on market approach. Key assumptions used in the fair value less costs of disposal included a marketability discount of 14.8%. The higher the marketability discount, the lower the fair value less costs of disposal of the licenses.

During the year ended 31 March 2021, in light of volatility with the market transacting the licenses, the Group reviewed the recoverable amounts of the licenses based on value in use calculations with reference from the cash flow projections from formally approved budgets covering a five-year period and recognised an impairment loss of HK\$4,944,000 in profit or loss for the year ended 31 March 2021. Further details on impairment assessment of the CGU of the investment advisory and asset management service business are set out in note 16(b).

(ii) Bonus Boost Group

In respect of the customer relationship and database which were allocated in the CGU of the Bonus Boost Group acquired in 2015, the directors conducted a review of the recoverable amounts of the CGU containing the customer relationship and database during the year ended 31 March 2020, and determined that an impairment loss of HK\$584,000 and HK\$11,422,000 are recognised in profit or loss for the year ended 31 March 2020, respectively. Further details on impairment assessment of the CGU of the Bonus Boost Group are set out in note 16(a). As at 31 March 2020 and 2021, these customer relationship and database were fully impaired.

(iii) Natural resources valuation business

In respect of the valuation software which were allocated in the CGU of the natural resources valuation business, the directors conducted a review of the recoverable amounts of the CGU containing the valuation software during the year ended 31 March 2020. The recoverable amount for the CGU were determined based on value in use calculations using cash flows projections covering the useful life of the valuation software, with a pre-tax discount factor of 14% for the year ended 31 March 2020. Due to the decrease in market demand on the natural resources valuation services, the revenue of the natural resources valuation business was adversely affected. The recoverable amount the CGU was reduced to nil and accordingly an impairment loss of HK\$2,043,000 is recognised in profit or loss for the year ended 31 March 2020. As at 31 March 2020 and 2021, the valuation software of the natural resources valuation business was fully impaired.

(iv) **13 Consultant and AVA Appraisals**

The customer relationship of approximately HK\$2,281,000 and HK\$566,000 attributable to the acquisitions of 13 Consultant and AVA Appraisals are amortised on a straight line basis over the expected useful life of 5 years and 5 years, respectively. The useful life of the customer relationship is determined with reference to the estimated future revenue from the customer relationship which is based on financial budgets approved by management. Management is of the view that the future economic benefits that can be derived from the customer relationship beyond the expected useful life are insignificant.

The fair values of the customer relationship of 13 Consultant and AVA Appraisals amounted to approximately HK\$2,281,000 and HK\$566,000, respectively, at the date of business combination, were measured using the excess earning method under the income approach. The valuations were performed by independent qualified professional valuers and with appropriate qualification and experience in the valuation of similar assets in the relevant industry. The calculations are based on the present value of the cash flow projections attributable to the customer relationship of 13 Consultant and AVA Appraisals covering a 5-year period and a 5-year period at pre-tax discount rate of 19.22% and 20.18%, respectively. The annual cash flow is calculated by reference to the latest applicable financial budget approved by the management. The key assumptions for the value-in-use calculation include budgeted operating profit margin and revenue, which are determined based on management's expectations regarding the market development.

As at 31 March 2021, the Group conducted a review on the recoverable amounts of 13 Consultant and AVA Appraisals based on value-in-use calculations with reference from the cash flow projections and no impairment loss has been recognised during the year. Further details on impairment assessment of the CGUs of 13 Consultant and AVA Appraisals are set out in note 16(c).

16. GOODWILL

The net carrying amount of goodwill can be analysed as follows:

	2021	2020
	HK\$'000	HK\$'000
Net carrying amount:		
As at 1 April	3,168	15,242
Acquisitions of subsidiaries (note 26)	7,373	7,528
Impairment loss	(3,168)	(19,602)
	<u>7,373</u>	<u>3,168</u>
As at 31 March	<u>7,373</u>	<u>3,168</u>

The carrying amount of goodwill, net of any impairment loss, is allocated to the following CGUs:

	2021	2020
	HK\$'000	HK\$'000
Net carrying amount:		
Bonus Boost Group (note (a))	–	–
Leo Asset Management Limited (“Leo Asset”) (note (b))	–	3,168
13 Consultant (note (c))	5,820	–
AVA Appraisals (note (c))	1,553	–
	<u>7,373</u>	<u>3,168</u>

Notes:

- (a) The recoverable amount of the goodwill relating to the Bonus Boost Group has been determined from value-in-use calculation based on cash flow projections from formally approved budgets covering a five-year period. Cash flow beyond the five-year period are extrapolated using an estimated growth rate of 2.5%.

	2020
Discount rate	10.3%
Operating margin*	(17%)–(32%)
Growth rate within the five-year period	3%

The discount rate used is pre-tax and reflect specific risks relating to the Bonus Boost Group. The operating margin and growth rate within the five-year period have been based on management expectation and the result of the market research and prediction. During the year ended 31 March 2020, due to the expected decrease in customers' demand as a result of the outbreak of Coronavirus Disease 2019 (the "COVID-19 outbreak") and fierce competition in the valuation and consultation industry, the recoverable amount of the CGU was reduced to nil and accordingly, a full impairment loss of goodwill with amount of approximately HK\$15,242,000 was made for the year ended 31 March 2020.

- (b) The recoverable amount of the goodwill relating to Leo Asset has been determined from value-in-use calculation based on cash flow projections from formally approved budgets covering a five-year period. Cash flow beyond the five-year period are extrapolated using an estimated growth rate of 2.4% (2020: 3.0%).

	2021	2020
Discount rate	12.7%	10.8%
Operating margin*	(11%)–(127%)	4%–30%
Growth rate within the five-year period	10%	3%–20%

The discount rate used is pre-tax and reflect specific risks relating to Leo Asset. The operating margin and growth rate within the five-year period have been based on management expectation and the result of the market research and prediction. During the year ended 31 March 2021, due to the expected decrease in customers' demand as a result of the COVID-19 outbreak, the recoverable amount of the CGU was reduced to nil (2020: HK\$8,112,000) and accordingly, an impairment loss of goodwill with amount approximately of HK\$3,168,000 (2020: HK\$4,360,000) was made for the year ended 31 March 2021.

- (c) The recoverable amounts of the goodwill relating to 13 Consultant and AVA Appraisals have been determined by value-in-use calculation based on the respective cash flow projections from formally approved budgets covering a five-year period. Cash flow beyond the five-year period are extrapolated using an estimated growth rate of 2.5%.

	2021	
	13	AVA
	Consultant	Appraisals
Discount rate	18.4%	18.5%
Operating margin*	47%–52%	50%–60%
Growth rate within the five-year period	3%–18%	3%–9%

The discount rate used is pre-tax and reflect specific risks relating to 13 Consultant and AVA Appraisals. The operating margin and growth rate within the five-year period have been based on management expectation regarding the market development. No impairment loss is made for the year ended 31 March 2021 based on the impairment assessment.

* defined as (loss)/profit before income tax expense divided by revenue

17. OTHER FINANCIAL ASSETS

	<i>Notes</i>	2021 HK\$'000	2020 <i>HK\$'000</i>
Financial asset at FVTOCI	<i>(a)</i>	–	3,780
Financial assets at FVTPL	<i>(b)</i>	312	742
		312	4,522

Notes:

(a) Financial asset at FVTOCI

The balance represented the Group's strategic investment of a 19.9% equity interest in Greater China Appraisal Limited ("Greater China"). The investment was not accounted for using an equity method as the Group does not have the power to participate in its operating and financial policies, evidenced by the lack of any direct or indirect involvement at board level. The Group designated this unlisted investment as financial asset at FVTOCI, as this investment is held as long-term strategic investments that is not expected to be sold in the short to medium term.

During the year ended 31 March 2021, the Group disposed all of the 19.9% equity interest in Greater China for cash consideration of HK\$1,800,000.

(b) Financial assets at FVTPL

	2021 HK\$'000	2020 <i>HK\$'000</i>
Equity investments – Listed in Hong Kong	234	543
Other derivatives	78	199
	312	742

18. LOAN AND INTEREST RECEIVABLES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Loan and interest receivables	578,203	535,779
Less: ECL allowance	(242,638)	(176,590)
	335,565	359,189
Less: Non-current portion loan and interest receivables	(114,895)	(115,295)
	220,670	243,894

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 interest at contract rates ranging approximately 8%–48% per annum (2020: approximately 8%–48% per annum).

A maturity profile of the loan and interest receivables based on the maturity date at the end of reporting period is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Within 1 year	220,670	243,894
1 to 5 years	114,895	115,295
	335,565	359,189

The table below reconciles the ECL allowance on loan and interest receivables for the year:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Balance at 1 April	176,590	54,267
ECL allowance recognised	72,504	126,077
ECL allowance reversed	(5,306)	(3,654)
Written-off	(1,150)	(100)
Balance at 31 March	242,638	176,590

19. TRADE RECEIVABLES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade receivables arising from:		
Valuation and advisory business		
– Third parties	23,643	35,354
– Less: ECL allowance	(9,061)	(22,984)
	14,582	12,370
Securities broking business		
– A third party	15,014	–
	29,596	12,370

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 ECL allowance) based on invoice date at the end of reporting period is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
0 to 30 days	8,658	6,229
31 to 60 days	1,850	810
61 to 90 days	892	521
91 to 180 days	1,587	1,688
181 to 360 days	1,595	3,122
	14,582	12,370

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Balance as at 1 April	22,984	21,423
ECL allowance recognised	3,981	2,309
ECL allowance reversed	(216)	(748)
Written-off	(17,688)	–
Balance at 31 March	9,061	22,984

Securities broking business

As at 31 March 2021, trade receivables arising from securities broking business represented the receivables from subscription of initial public offering (“IPO”) shares for a brokerage client. The Group charges interest based on its cost of funding plus a mark-up. No ageing analysis is disclosed as the ageing analysis does not give additional value in view of the nature of this business.

20. PREPAYMENTS, DEPOSITS, OTHER RECEIVABLES AND CONTRACT ASSETS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Contract assets	5	94
Prepayments	1,650	1,017
Deposits	1,848	1,812
Other receivables	3,780	48,487
	<hr/>	<hr/>
Total prepayments, deposits, other receivables and contract assets	7,283	51,410
Less: ECL allowance of deposits, other receivables and contract assets	(1,200)	(41,489)
	<hr/>	<hr/>
	6,083	9,921
Less: Non-current portion deposit	(1,286)	–
	<hr/>	<hr/>
	4,797	9,921
	<hr/> <hr/>	<hr/> <hr/>

The table below reconciles the ECL allowance on deposits and other receivables for the year:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Balance as at 1 April	41,489	49,340
ECL allowance recognised	36	1,198
Written-off	(40,325)	(9,049)
	<hr/>	<hr/>
Balance at 31 March	1,200	41,489
	<hr/> <hr/>	<hr/> <hr/>

21. TRADE PAYABLES

	<i>Notes</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade payables arising from:			
Securities broking business	<i>(a)</i>		
– Brokerage clients		1,673	798
– A broker		15,014	–
		<hr/>	<hr/>
		16,687	798
Valuation and advisory business	<i>(b)</i>	933	889
		<hr/>	<hr/>
		17,620	1,687
		<hr/> <hr/>	<hr/> <hr/>

Notes:

- (a) Trade payables arising from securities broking business represent i) the monies received from and repayable to brokerage clients and ii) payables to a broker for IPO shares subscription.

Trade payables to brokerage clients are interest-bearing at the prevailing interest rate and repayable on demand. As at 31 March 2021, trade payable to a broker is interest-bearing at 3.38% and repayable upon the successful subscription.

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 (2020: 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:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
0 to 30 days	736	596
31 to 60 days	82	–
61 to 90 days	33	–
91 to 180 days	82	–
Over 360 days	–	293
	<hr/>	<hr/>
	933	889
	<hr/> <hr/>	<hr/> <hr/>

22. ACCRUED LIABILITIES, OTHER PAYABLES AND CONTRACT LIABILITIES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Accrued liabilities and other payables	5,573	4,579
Contract liabilities (<i>note</i>)	<u>36,750</u>	<u>44,038</u>
	<u><u>42,323</u></u>	<u><u>48,617</u></u>

Note:

Contract liabilities of the Group mainly arise from the advance payments made by customers while the underlying valuation and advisory services are yet to be provided. The Group generally requires the customers to make up to certain percentage of the total contract value upon signing of service contract.

The Group recognises the contract liabilities as revenue when the underlying services are completed. Contract liabilities outstanding at the beginning of the year amounting to HK\$30,350,000 (2020: HK\$9,181,000) have been recognised as revenue during the year.

The Group has elected the practical expedient for not to disclose the transaction price allocated to the remaining unsatisfied performance obligation because part of these contracts has original expected duration of one year or less.

23. LEASE LIABILITIES

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Total minimum lease payments:		
Due within one year	4,443	417
Due within two to five years	<u>4,659</u>	<u>251</u>
	9,102	668
Less: future finance charges	<u>(196)</u>	<u>(29)</u>
Present value of lease liabilities	<u><u>8,906</u></u>	<u><u>639</u></u>
Present value of minimum lease payments:		
Due within one year	4,299	401
Due within two to five years	<u>4,607</u>	<u>238</u>
	8,906	639
Less: payment due within one year included under current liabilities	<u>(4,299)</u>	<u>(401)</u>
Payment due after one year included under non-current liabilities	<u><u>4,607</u></u>	<u><u>238</u></u>

As at 31 March 2021, lease liabilities amounting to HK\$8,906,000 (2020: HK\$639,000) are effectively secured by the related underlying assets (note 13) 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 year ended 31 March 2021, the total cash outflow for the leases (including short-term leases) are HK\$4,932,000 (2020: HK\$6,018,000).

Details of the lease activities

At the reporting date, 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
	2021	2020	2021	2020	
Motor vehicles	1	2	2.3 years	0.4 to 3.3 years	Subject to monthly fixed payment
Office premise	1	1	2.1 years	0.1 year	Subject to monthly fixed payment

24. INTEREST-BEARING BORROWINGS

	Notes	2021 HK\$'000	2020 HK\$'000
Current			
Bank borrowings repayable within one year	(a)	43,212	43,345
Other borrowings	(b)	22,770	12,300
		<u>65,982</u>	<u>55,645</u>

Notes:

(a) Bank borrowings

As at 31 March 2021, the bank borrowings of HK\$43,212,000 (2020: HK\$43,345,000) were secured by bank deposits of HK\$49,512,000 (2020: HK\$48,157,000) placed in a bank. Interest is charged at London Inter-bank Offered Rate +1% (2020: London Inter-bank Offered Rate +1%) per annum.

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 31 March 2021 and 2020, the bank borrowings were scheduled to repay within one year or on demand.

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.

(b) Other borrowings

As at 31 March 2021, the other borrowings of HK\$16,270,000 (2020: HK\$12,300,000) are unsecured, interest-bearing at the range from 1.5% to 5% (2020: 6%) per annum and repayable within one year. An other borrowings with amount of HK\$6,500,000 (2020: nil) is secured by the Group's investment property (note 14), interest-bearing at 13.8% per annum and repayable within one year.

25. SHARE CAPITAL

	Number of ordinary shares			HK\$'000
	at HK\$0.064 each	at HK\$1.28 each	at HK\$0.01 each	
Authorised:				
At 1 April 2019	9,000,000,000	–	–	576,000
Effect of share consolidation (<i>note (a)</i>)	(9,000,000,000)	450,000,000	–	–
Effect of share sub-division (<i>note (c)</i>)	–	(450,000,000)	57,600,000,000	–
At 31 March 2020, 1 April 2020 and 31 March 2021	–	–	57,600,000,000	576,000
Issued:				
At 1 April 2019	2,700,408,311	–	–	172,826
Effect of share consolidation (<i>note (a)</i>)	(2,700,408,311)	135,020,415	–	–
Effect of capital reduction (<i>note (b)</i>)	–	(135,020,415)	135,020,415	(171,476)
At 31 March 2020 and 1 April 2020	–	–	135,020,415	1,350
Placing of shares (<i>note (d)</i>)	–	–	27,000,000	270
Exercise of share options (<i>note (e)</i>)	–	–	13,500,000	135
At 31 March 2021	–	–	175,520,415	1,755

Notes:

- Pursuant to the share consolidation being completed on 22 August 2019, every twenty (20) of the then shares of par value of HK\$0.064 each in the share capital of the Company was consolidated into one (1) consolidated share of par value of HK\$1.28 each. Upon the share consolidation became effective, the authorised number of share capital of the Company decreased from 9,000,000,000 shares of par value of HK\$0.064 each to 450,000,000 consolidated shares of par value of HK\$1.28 each.
- Pursuant to the capital reduction being completed on 7 November 2019 (the “Capital Reduction”), the par value of issued consolidated shares was reduced from HK\$1.28 each to HK\$0.01 by cancelling the paid up capital to the extent of HK\$1.27 on each issued consolidated share. Accordingly, the issued share capital decreased by HK\$171,476,000 to HK\$1,350,000, standing to the credit of the share premium account of HK\$171,476,000.
- Immediately following the Capital Reduction, each of the authorised but unissued consolidated shares with par value of HK\$1.28 each are sub-divided into one hundred and twenty-eight (128) shares of par value at HK\$0.01 each. Accordingly, the total authorised share capital were increased to 57,600,000,000 shares at par value of HK\$0.01 each.
- On 12 May 2020, the Company completed a placing of 27,000,000 new shares to independent investors at a price of HK\$0.21 per placing share (the “Placing”) and raised gross proceeds of HK\$5,670,000, of which HK\$270,000 was credited to share capital account and the balance of HK\$5,400,000 was credited to share premium account of the Company.

Share issuance expenses (mainly include the placing commission and other related expenses) that are directly attributable to the Placing amounting to HK\$163,000 was treated as a deduction against the share premium account arising of the Placing.

- (e) During the year ended 31 March 2021, options were exercised to subscribe for 13,500,000 ordinary shares (2020: nil) of the Company at a consideration of HK\$3,510,000, of which HK\$135,000 was credited to share capital and the balance of HK\$3,375,000 was credited to the share premium account. As a result of the exercise of options, amount of HK\$1,217,000 has been transferred from the share option reserve to the share premium account.

26. ACQUISITIONS OF SUBSIDIARIES

(a) Acquisition of 13 Consultant

On 10 November 2020, an indirect wholly-owned subsidiary of the Company, entered into a sales and purchase agreement with an independent third party, pursuant to which the Group agreed to acquire the entire issued share capital of 13 Consultant at the consideration of HK\$7,600,000. The consideration of HK\$7,600,000 was satisfied by issuance of a promissory note of the Company, of which is classified under other borrowings (note 24(b)). The acquisition was completed on 5 February 2021. 13 Consultant is principally engaged in provision of advisory and consultancy services. The acquisition was made as part of the Group's strategy to diversify and provide further synergy effect to the existing businesses of the Group.

The following summarises the consideration paid for the acquisition and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	Fair value of net identifiable assets and liabilities acquired HK\$'000
Intangible assets	2,281
Deposit and other receivables	182
Trade receivables	799
Cash and bank balances	8
Accrued liabilities, other payables and contract liabilities	(1,114)
Deferred tax liabilities	(376)
	<hr/>
Net identifiable assets acquired	1,780
Goodwill (<i>note 16</i>)	5,820
	<hr/>
	7,600
	<hr/> <hr/>
Satisfied by:	
Other borrowing	7,600
	<hr/> <hr/>

Goodwill arose in the above business combination as the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth and future market development. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

The Group incurred transaction costs of approximately HK\$35,000 for the acquisition.

An analysis of the cash flows in respect of the acquisition is as follows:

	<i>HK\$'000</i>
Consideration	7,600
Less: Other borrowings	(7,600)
Less: Cash and bank balances acquired	<u>(8)</u>
Net inflow of cash and cash equivalents included in the cash flows from investing activities	<u><u>(8)</u></u>

The revenue and profit included in the consolidated statement of comprehensive income since 5 February 2021 to 31 March 2021 contributed by 13 Consultant were HK\$429,000 and HK\$91,000, respectively.

Had the combination taken place on 1 April 2020, the revenue and loss of the Group for the year ended 31 March 2021 would have been increased by HK\$2,117,000 and HK\$91,000, respectively. These pro forma information are for illustrative purposes only and are not necessarily an indication of revenue and result of operation of the Group that actually would have been achieved had the acquisition been completed on 1 April 2020, nor are they intended to be a projection of future results.

(b) Acquisition of AVA Appraisals

On 9 February 2021, an indirect wholly-owned subsidiary of the Company, entered into a sales and purchase agreement with an independent third party, pursuant to which the Group agreed to acquire the entire issued share capital of AVA Appraisals at the consideration of HK\$2,000,000. The consideration of HK\$2,000,000 was satisfied by issuance of a promissory note of the Company's subsidiary, of which is classified under other borrowings (note 24(b)). The acquisition was completed on 9 February 2021. AVA Appraisals is principally engaged in provision of valuation and consultancy services. The acquisition was made as part of the Group's strategy to diversify and provide further synergy effect to the existing businesses of the Group.

The following summarises the consideration paid for the acquisition and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	Fair value of net identifiable assets and liabilities acquired <i>HK\$'000</i>
Intangible assets	566
Trade receivables	40
Accrued liabilities, other payables and contract liabilities	(66)
Deferred tax liabilities	<u>(93)</u>
Net identifiable assets acquired	447
Goodwill (<i>note 16</i>)	<u>1,553</u>
	<u><u>2,000</u></u>
Satisfied by:	
Other borrowing	<u><u>2,000</u></u>

Goodwill arose in the above business combination as the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth and future market development. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

The Group incurred transaction costs of approximately HK\$24,000 for the acquisition.

An analysis of the cash flows in respect of the acquisition is as follows:

	<i>HK\$'000</i>
Consideration	2,000
Less: Other borrowings	<u>(2,000)</u>
Net outflow of cash and cash equivalents included in the cash flows from investing activities	<u><u>–</u></u>

No revenue and profit included were contributed by AVA Appraisals in the consolidated statement of comprehensive income since 9 February 2021 to 31 March 2021.

Had the combination taken place on 1 April 2020, the revenue and loss of the Group for the year ended 31 March 2021 would have been increased by HK\$350,000 and decreased by HK\$50,000, respectively. These pro forma information are for illustrative purposes only and are not necessarily an indication of revenue and result of operation of the Group that actually would have been achieved had the acquisition been completed on 1 April 2020, nor are they intended to be a projection of future results.

(c) Acquisition of Leo Asset

On 21 December 2018, an indirect wholly-owned subsidiary of the Company, entered into a sales and purchase agreement with an independent third party, pursuant to which the Group agreed to acquire the entire issued share capital of the Leo Asset at the consideration of HK\$12,000,000. The acquisition was completed on 27 November 2019. Leo Asset is a corporation licensed by the Securities and Futures Commission of Hong Kong (the “SFC”) to conduct Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (the “SFO”). The acquisition was made as part of the Group’s strategy to diversify and provide further synergy effect to the existing businesses of the Group.

The following summarises the consideration paid for the acquisition and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	Fair value of net identifiable assets and liabilities acquired HK\$'000
Intangible assets	4,944
Deposit and other receivables	64
Cash and bank balances	280
Deferred tax liabilities	<u>(816)</u>
Net identifiable assets acquired	4,472
Goodwill (<i>note 16</i>)	<u>7,528</u>
	<u>12,000</u>
Satisfied by:	
Cash	<u>12,000</u>

Goodwill arose in the above business combination as the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth and future market development. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

The Group incurred transaction costs of approximately HK\$24,000 for the acquisition.

An analysis of the cash flows in respect of the acquisition is as follows:

	<i>HK\$'000</i>
Cash consideration	12,000
Less: Deposits paid	(800)
Less: Cash and bank balances acquired	<u>(280)</u>
Net outflow of cash and cash equivalents included in the cash flows from investing activities	<u>10,920</u>

The revenue and profit included in the consolidated statement of comprehensive income since 27 November 2019 to 31 March 2020 contributed by the Leo Asset were HK\$110,000 and HK\$19,000, respectively.

Had the combination taken place on 1 April 2019, the revenue and loss of the Group for the year ended 31 March 2020 would have been increased by HK\$159,000 and decreased by HK\$123,000, respectively. These pro forma information are for illustrative purposes only and are not necessarily an indication of revenue and result of operation of the Group that actually would have been achieved had the acquisition been completed on 1 April 2019, nor are they intended to be a projection of future results.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the year ended 31 March 2021, the Group recorded a total revenue of HK\$94.1 million, representing an approximately 23.6% increase as compared with the year ended 31 March 2020, in spite of the impact on the business environment and global economy caused by the COVID-19 pandemic. It was mainly due to the considerable growth in the provision of valuation and advisory services of the Group, which accounted for approximately 76.1% of the total revenue of the Group and was a key driver of the Group's revenue, especially attributable to the ESG reporting services.

The Group achieved favorable results in the segment of valuation and advisory services by putting a strong focus on providing all-rounded services in high quality to its customers, with the expansion of service scope to ESG reporting in recent years to assist clients to create value from enterprises' engagement in ESG and generate new stream of revenue to the Group.

During the year ended 31 March 2021, the Group has acquired two entities which are principally engaged in provision of advisory and consultancy services as a mean to expand its client base and capture more opportunities in the market.

The Group's provision of financing services contributed approximately 22.5% of the total revenue of the Group for the year ended 31 March 2021. The Group's interest income generated from provision of financing services decreased by approximately 20.2% to approximately HK\$21.2 million for the year ended 31 March 2021 from approximately HK\$26.6 million for the year ended 31 March 2020.

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 during the year ended 31 March 2021 to retain high-calibre 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-calibre individuals.

FINANCIAL REVIEW

Revenue

For the year ended 31 March 2021, the Group recorded an increase of approximately 23.6% in revenue as compared with that for the year ended 31 March 2020. Such increase was mainly attributable to the increases in the services fee income generated from provision of valuation and advisory services, which outweighed the decrease in interest income and services income generated from provision of financing services and the segment of securities broking, placing and underwriting and investment advisory and asset management services, respectively.

The services fee income generated from provision of valuation and advisory services increased by approximately 60.2% to approximately HK\$71.6 million for the year ended 31 March 2021 from approximately HK\$44.7 million for the year ended 31 March 2020. Such increase was mainly attributable to the significant increased sales contributed from ESG reporting services and business and intangible asset valuation services for the year ended 31 March 2021.

The interest income generated from provision of financing services decreased by approximately 20.2% to approximately HK\$21.2 million for the year ended 31 March 2021 from approximately HK\$26.6 million for the year ended 31 March 2020. The decrease in interest income was mainly attributable to the lowered loan interest rate during the year ended 31 March 2021, yet the loan portfolios remained to be similar as during the year ended 31 March 2020.

The segment of securities broking, placing and underwriting and investment advisory and asset management services commenced operation in recent financial years. This relatively new segment accounted for approximately 1.4% and 6.4% of the Group's total revenue for the years ended 31 March 2021 and 2020 respectively. Due to the COVID-19 pandemic and uncertainties about the economic outlook, the stock market in Hong Kong was considerably volatile over the year, the Group has adopted a more prudent approach for securities broking, placing and underwriting and investment advisory and asset management services during the year ended 31 March 2021.

Other income and loss

The Group's other income and loss increased by approximately 49.2% for the year ended 31 March 2021 as compared with that for the year ended 31 March 2020. It was mainly attributable to the subsidies related to the employment support scheme the Group had received from the Hong Kong Government, which offset the decrease in bank interest income.

Employee benefit expenses

Employee benefit expenses mainly consisted of wages and salaries, discretionary bonus, pension costs and other benefits to the Directors and the staff. The Group's employee benefit expenses slightly decreased by approximately 2.0% for the year ended 31 March 2021 as compared with those for the year ended 31 March 2020. The Group always values the contribution of its professional and management teams and has distributed bonus and granted share options under the Share Option Scheme to certain Directors and staff during the year ended 31 March 2021 to retain high-caliber individuals for continuous contribution to the Group.

Depreciation and amortisation

The Group recorded a significant decrease in depreciation and amortisation of approximately 45.8% for the year ended 31 March 2021 as compared with that for the year ended 31 March 2020. It was mainly attributable to fully impaired intangible assets prior to the beginning of the year ended 31 March 2021 as well as the drop of depreciation from motor vehicles and leasehold improvement.

Finance costs

The Group's finance cost referred to interest expenses incurred by bank borrowings, other borrowings and lease liabilities. During the year ended 31 March 2021, less finance cost incurred was mainly due to lower bank borrowings interest rate and contraction of bank borrowings as compared with that for the year ended 31 March 2020.

Other expenses

The Group's other expenses decreased by approximately 38.9% for the year ended 31 March 2021 as compared with those for the year ended 31 March 2020. Such decrease was mainly attributable to the decrease in impairment loss of intangible asset and impairment loss of goodwill during the year ended 31 March 2021 as compared with those for the year ended 31 March 2020.

With regard to the continuous impact of the pandemic of COVID-19 that inevitably eroded the economy and the profitability of the Group, the remaining carrying amount of intangible asset of approximately HK\$4.9 million and goodwill of approximately HK\$3.2 million derived from previous acquisition of a licensed corporation have been fully impaired for the year ended 31 March 2021, while significant portion of such impairment loss of intangible asset of approximately HK\$14.0 million and goodwill of approximately HK\$19.6 million have been made for the year ended 31 March 2020.

Loss attributable to owners of the Company

Loss attributable to owners of the Company amounted to approximately HK\$54.1 million for the year ended 31 March 2021, which decreased by approximately HK\$104.3 million as compared to the loss attributable to owners of the Company of approximately HK\$158.4 million for the year ended 31 March 2020. The decrease was mainly attributable to the (i) decrease in impairment loss on loan and interest receivables; (ii) decrease in impairment loss of intangible assets and goodwill; and (iii) increase in the Group's total revenue for the year ended 31 March 2021.

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

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

LIQUIDITY AND FINANCIAL RESOURCES

During the year ended 31 March 2021, the Group mainly financed its operations with its own working capital as well as bank and other borrowings. As at 31 March 2021 and 31 March 2020, the Group had net current assets of approximately HK\$199.7 million and HK\$228.7 million, respectively, including cash and bank balances of general accounts amounted to approximately HK\$23.4 million and HK\$19.2 million, respectively. The Group's pledged bank deposits of approximately HK\$49.5 million as at 31 March 2021 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 2.5 and 3.2 as at 31 March 2021 and 31 March 2020, respectively.

As at 31 March 2021 and 31 March 2020, the Group's total bank borrowings amounted to approximately HK\$43.2 million and HK\$43.3 million, respectively. All bank borrowings were denominated in United States Dollars ("US\$") and Hong Kong Dollars as at 31 March 2021. Details of the bank borrowings of the Group are set out in note 24 to the consolidated financial statements of the Group. As at 31 March 2021, the Group's other borrowings amounted to approximately HK\$22.8 million (31 March 2020: HK\$12.3 million), of which HK\$6.5 million (31 March 2020: nil) was secured by the Group's investment property. As at 31 March 2021 and 31 March 2020, the Group's total lease liabilities amounted to approximately HK\$8.9 million and HK\$0.6 million, respectively. The Group's gearing ratio (lease liabilities and interest-bearing borrowings divided by total equity) increased to approximately 0.22 as at 31 March 2021 from approximately 0.15 as at 31 March 2020.

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.

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 and HK\$402,000 as at 31 March 2021 and 31 March 2020, respectively. As at 31 March 2021, the Group did not have any capital commitments (31 March 2020: nil).

CAPITAL STRUCTURE

Details of the movements in the Company's share capital are set out in the consolidated financial statements in this announcement in note 25.

SIGNIFICANT INVESTMENTS

Save as disclosed in this announcement, the Group did not hold any significant investments as at 31 March 2021.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 March 2021 (31 March 2020: nil).

FOREIGN EXCHANGE EXPOSURE

During the year ended 31 March 2021, the Group's exposure to currency risk was limited to its bank balances and bank deposits denominated in Renminbi ("RMB") as a majority of the Group's transactions, monetary assets and liabilities are denominated in HK\$ and US\$. In the event that RMB appreciated by 10% (2020: 10%) against HK\$, the Group's loss for the year ended 31 March 2021 would decrease by approximately HK\$3,459,000 (2020: the Group's loss decreased by approximately HK\$1,000). On the contrary, if RMB depreciated by 10% (2020: 10%) against HK\$, the Group's loss for the year ended 31 March 2021 would increase by approximately HK\$3,459,000 (2020: the Group's loss increased by approximately HK\$1,000). 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.

PLEDGE OF ASSETS

As at 31 March 2021 and 2020, 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 31 March 2021 and 2020, the Group employed a total of 80 and 76 full-time employees, respectively. The Group's total employee benefit expenses were approximately HK\$42.8 million and HK\$43.6 million for the years ended 31 March 2021 and 2020, 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 are offered as incentive to retain staff with outstanding performance, who are contributive to the growth of the Group. The Company adopted a share option scheme on 26 September 2011 and the Plan on 22 June 2018 as incentives to the Directors (in relation to the share option scheme only) and the eligible participants. The Group also provides and arranges on-the-job training for the employees.

USE OF PROCEEDS

The rights issue in 2017

In November 2017, the Company raised net funds of approximately HK\$258.0 million from its rights issue of 1,874,944,986 shares (the “RI Proceeds”). Up to the date of this announcement, approximately HK\$135.0 million of the RI Proceeds was utilised for the granting of various loans, approximately HK\$27.0 million of the RI Proceeds was used for investment in potential business and approximately HK\$33.0 million of the RI Proceeds was used for the Group’s general working capital, and the rest was kept in cash at a licensed bank in Hong Kong. The proposed and actual use of the RI Proceeds up to the date of this announcement are set as below.

	Proposed use of the RI Proceeds (HK\$ in million)	Actual use of the RI Proceeds from the date of issuance of rights issue and up to 31 March 2020 (HK\$ in million)	Actual use of the RI Proceeds during the year (HK\$ in million)	Unutilised RI Proceeds as at 31 March 2021 (HK\$ in million)
Expansion of Group’s existing financing business	135.0	135.0	–	–
Investment in potential businesses (<i>note</i>)	90.0	27.0	–	63.0
General working capital	33.0	33.0	–	–
Total	<u>258.0</u>	<u>195.0</u>	<u>–</u>	<u>63.0</u>

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

As at the date of this announcement, the RI proceeds were not fully utilised due to unforeseen delays caused by the COVID-19 pandemic which has led disruptions to the economy and therefore the management is more prudent and taking more time to seek the potential businesses.

The placing of new shares in 2020

In May 2020, the Company raised net proceeds of approximately HK\$5.5 million (the “Placing Proceeds”) from its placing of 27,000,000 Shares. For details, please refer to the Company’s announcements dated 27 April and 12 May 2020. Up to the date of this announcement, all of the Placing Proceeds was utilised for the general working capital of the Group.

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

In March 2021, a wholly-owned subsidiary of the Company disposed of a 19.9% equity interest in Greater China, which is principally engaged in provision of assets appraisal services, to an independent third party at a consideration of HK\$1.8 million. For further details, please refer to the Company's announcement dated 30 March 2021.

Save as disclosed above and in this announcement, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures during the year ended 31 March 2021.

DIVIDEND

The Board has resolved not to recommend the payment of any final dividend for the year ended 31 March 2021 (2020: nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as those disclosed in the section headed "Use of proceeds" and "Event after the reporting date" above, the Group currently does not have other concrete plans for material investments and capital assets.

FUTURE PROSPECTS

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

The pandemic and poor market sentiment have hindered the development and growth of the Group's provision of securities broking, placing and underwriting and investment advisory and asset management services during the year ended 31 March 2021. However, it is expected that the related policies in relation to the development of the Belt and Road Initiative and advancement of Greater Bay Area will create new opportunities for Hong Kong as an international financial hub. Therefore, the Group will continue to adhere to its strategy to strive for being an integrated securities house in Hong Kong by cultivate capital raised from share allotment to expand and grow the business portfolio, in order to achieve a sustainable growth and increasing revenue streams.

The Group anticipates the roll-out of vaccination may alleviate the deterioration of COVID-19, but not to a great extent as only a few percentages of the population in Hong Kong have been vaccinated. The threat of another wave is undoubtedly here, hence the Group will continue to make every last effort and adopt any suitable and necessary measures to introduce a safe working environment for its workforce, in order to maintain the Group's productivity and competitiveness in the market. Last but not least, the Group holds a strong faith that the valuation and advisory services will remain to act as a key revenue driver of the Group for the upcoming years and the financing services will become more consolidated and integrated in the foreseeable future.

OTHER INFORMATION

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

During the year ended 31 March 2021, 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 complied with the 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 made specific enquiry of all Directors by the Company, all Directors confirmed that they have complied with the required standard of dealings and the Company's code of conduct concerning securities transactions by the Directors during the year ended 31 March 2021.

CORPORATE GOVERNANCE PRACTICES

The Board and the management of the Group 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 year ended 31 March 2021, 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 the chief executive officer should be separate and should not be performed by the same individual.

During the year ended 31 March 2021 and up to the date of this announcement, 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 Company. 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.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group mainly carries out its businesses in Hong Kong. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Group has complied with all relevant laws and regulations in Hong Kong during the year ended 31 March 2021.

ENVIRONMENTAL POLICY

The Group aims to protect the environment by minimising environmental adverse impacts in daily operations, such as energy saving and recycling of office resources. The Group will continue to seek for better environmental practices and promote the right environmental attitudes within the organisation. The Group has complied with all relevant laws and regulations in respect of environmental protection, health and safety, workplace conditions and employment.

RELATIONSHIPS WITH STAKEHOLDERS

The Group recognises employees as its valuable assets and it strictly complies with the labour laws and regulations in Hong Kong and reviews regularly the existing staff benefits for improvement. Apart from the reasonable remuneration packages, the Group also offers other employee benefits, such as the medical reimbursement, annual dinner, sports activities, etc.

The Group provides good quality services to the customers and maintains a good relationship with them. The Group keeps a database for direct communications with recurring customers for developing long-term business relationships.

The Group maintains effective communications and develops long-term trust relationships with the suppliers. During the year ended 31 March 2021, there was no material dispute or arguments between the Group and the suppliers.

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

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 31 March 2021 or during the year ended 31 March 2021.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the year ended 31 March 2021 and up to the date of this announcement, 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 business of the Group, or had any other conflict of interest with the Group.

EVENT AFTER THE REPORTING DATE

In April 2021, the Company has completed the rights issue on the basis of three (3) rights shares for every one (1) existing Share at the subscription price of HK\$0.125 per rights share, by way of the rights issue of 526,561,245 rights shares to the qualifying shareholders (the "Rights Issue"). The gross proceeds arose from the Rights Issue were approximately HK\$65.8 million.

For further details of the Rights Issue, please refer to the announcements of the Company dated 20 January 2021, 10 March 2021 and 16 April 2021 and its circular dated 22 February 2021 and its prospectus dated 23 March 2021.

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 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.

As at the date of this announcement, the Audit Committee currently consists of three members, namely Mr. Ko, Wai Lun Warren, Ms. Li, Tak Yin and Mr. Chung, Man Lai (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 this announcement, including the consolidated results of the Group for the year ended 31 March 2021.

SCOPE OF WORK OF GRANT THORNTON HONG KONG LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2021 as set out in this announcement have been agreed by the Company's independent auditor, Grant Thornton Hong Kong Limited, to the amounts set out in the Group's consolidated financial statements for the year ended 31 March 2021. The work performed by Grant Thornton Hong Kong Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagement issued by the HKICPA and consequently no assurance has been expressed by Grant Thornton Hong Kong Limited in this announcement.

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

Hong Kong, 15 June 2021

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

This announcement 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.