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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 2014**

### **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange 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 purpose only

## **FINANCIAL HIGHLIGHTS**

For the year ended 31 March 2014:

- Revenue increased to approximately HK\$60.6 million, representing an increase of 40.4% as compared with that for the year ended 31 March 2013;
- Profit for the year increased to approximately HK\$20.0 million, representing an increase of 65.3% as compared with that for the year ended 31 March 2013;
- Basic earnings per share attributable to the ordinary equity holders of the Company was HK0.12 cents;
- Diluted earnings per share attributable to the ordinary equity holders of the Company was HK0.12 cents; and
- No final dividend was declared.

## ANNUAL RESULTS

The board of Directors (the “Board”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 March 2014 together with the comparative audited figures for the preceding financial year as follows:

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the year ended 31 March 2014*

	<i>Notes</i>	<b>2014</b> <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Revenue	4	<b>60,561</b>	43,133
Other income	6	<b>2,177</b>	722
Cost of inventories sold		<b>(339)</b>	–
Employee benefit expenses	7	<b>(19,586)</b>	(12,753)
Depreciation and amortisation	8	<b>(867)</b>	(610)
Finance costs		<b>(104)</b>	–
Other expenses		<b>(17,003)</b>	(15,340)
		<hr/>	<hr/>
<b>Profit before income tax expense</b>	8	<b>24,839</b>	15,152
Income tax expense	9	<b>(4,808)</b>	(3,043)
		<hr/>	<hr/>
<b>Profit and total comprehensive income for the year attributable to owners of the Company</b>		<b>20,031</b>	12,109
		<hr/> <hr/>	<hr/> <hr/>
			(restated)
<b>Earnings per share</b>			
— Basic (HK cents)	11	<b>0.12</b>	0.09
		<hr/> <hr/>	<hr/> <hr/>
— Diluted (HK cents)	11	<b>0.12</b>	0.08
		<hr/> <hr/>	<hr/> <hr/>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2014

	<i>Notes</i>	<b>2014</b> <i>HK\$'000</i>	2013 <i>HK\$'000</i>
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>3,149</b>	274
Intangible assets		<b>368</b>	516
Loans receivable	12	<b>4,914</b>	–
		<b>8,431</b>	790
<b>Current assets</b>			
Inventories		<b>592</b>	–
Loans receivable	12	<b>5,512</b>	–
Trade receivables	13	<b>23,120</b>	9,419
Prepayments, deposits and other receivables	14	<b>11,786</b>	7,696
Amount due from a director		–	4,699
Tax recoverable		<b>1,184</b>	–
Pledged bank deposits		<b>39,793</b>	–
Cash and bank balances		<b>23,842</b>	38,013
		<b>105,829</b>	59,827
<b>Current liabilities</b>			
Trade payables	15	<b>335</b>	468
Accrued liabilities and receipt in advance	16	<b>7,661</b>	7,387
Finance lease liabilities	17	<b>349</b>	–
Bank borrowings	18	<b>30,242</b>	–
Current tax liabilities		<b>2,807</b>	3,482
		<b>41,394</b>	11,337
<b>Net current assets</b>		<b>64,435</b>	48,490
<b>Total assets less current liabilities</b>		<b>72,866</b>	49,280
<b>Non-current liabilities</b>			
Finance lease liabilities	17	<b>1,137</b>	–
Bank borrowing	18	<b>826</b>	–
		<b>1,963</b>	–
<b>Net assets</b>		<b>70,903</b>	49,280

	<i>Notes</i>	<b>2014</b> <b>HK\$'000</b>	2013 <i>HK\$'000</i>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	19	<b>8,026</b>	8,000
Reserves		<b>62,877</b>	41,280
		<hr/>	<hr/>
<b>Total equity</b>		<b>70,903</b>	49,280
		<hr/> <hr/>	<hr/> <hr/>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2014

	Share capital HK\$'000	Share premium* HK\$'000	Capital reserve* HK\$'000	Share option reserve* HK\$'000	Retained earnings* HK\$'000	Total HK\$'000
<b>At 1 April 2012</b>	–	–	10	47	10,667	10,724
2012 special dividend (note 10)	–	–	–	–	(7,000)	(7,000)
Capitalisation issue (note 19)	6,800	(6,800)	–	–	–	–
Shares issued on placing, net of expenses (note 19)	1,200	32,120	–	–	–	33,320
Equity-settlement share-based payment	–	–	–	127	–	127
Transactions with owners	8,000	25,320	–	127	(7,000)	26,447
Profit and total comprehensive income for the year	–	–	–	–	12,109	12,109
<b>At 31 March 2013 and 1 April 2013</b>	8,000	25,320	10	174	15,776	49,280
Exercise of share options (note 19)	26	669	–	–	–	695
Equity-settlement share-based payment	–	–	–	897	–	897
Transactions with owners	26	669	–	897	–	1,592
Profit and total comprehensive income for the year	–	–	–	–	20,031	20,031
<b>At 31 March 2014</b>	8,026	25,989	10	1,071	35,807	70,903

\* The total of these balances represents “reserves” in the consolidated statement of financial position.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. GENERAL

The Company is a limited liability company incorporated in the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, the Cayman Islands. Its principal place of business is located at Unit 3806, 38th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong. The principal activity of the Company is investment holding. The major activities of the subsidiaries of the Company are provision of valuation and advisory services and financing services in Hong Kong.

The Company's immediate and ultimate parent is Aperto Investments Limited ("Aperto") (incorporated in the British Virgin Islands).

The shares of the Company were listed on GEM by way of placing on 25 February 2013.

### 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

#### (a) Adoption of new/revised HKFRSs — effective 1 April 2013

HKFRSs (Amendments)	Annual Improvements 2009-2011 Cycle
HKFRSs (Amendments)	Annual Improvements 2010-2012 Cycle
HKFRSs (Amendments)	Annual Improvements 2011-2013 Cycle
Amendments to HKAS 1 (Revised)	Presentation of Items of Other Comprehensive Income
Amendments to HKFRS 7	Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 27 (2011)	Separate Financial Statements
HKAS 28 (2011)	Investments in Associates and Joint Ventures
HKAS 19 (2011)	Employee Benefits
HK(IFRIC) — Interpretation 20	Stripping Costs of the Production Phase of a Surface Mine
Amendments to HKFRS 1	Government loans

The adoption of these new/revised standards and interpretations has no material impact on the Group's financial statements.

#### (b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities <sup>1</sup>
HKFRS 9	Financial Instruments <sup>4</sup>
Amendments to HKAS 19 (2011)	Defined Benefit Plans: Employee Contributions <sup>2</sup>
HKFRSs (Amendments)	Annual Improvements 2010-2012 Cycle <sup>3</sup>
HKFRSs (Amendments)	Annual Improvements 2011-2013 Cycle <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2014

<sup>2</sup> Effective for annual periods beginning on or after 1 July 2014

<sup>3</sup> Effective for annual periods beginning, or transactions occurring, on or after 1 July 2014

<sup>4</sup> No mandatory effective date yet determined but is available for immediate adoption

### 3. BASIS OF PREPARATION

#### (a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations and the disclosure requirements of Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the GEM Listing Rules.

#### (b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis.

#### (c) 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 valuation and advisory services. The Group commenced other businesses, such as provision of financing services, during the year ended 31 March 2014.

An analysis of the Group’s revenue for the year is as follows:

	<b>2014</b> <i>HK\$’000</i>	2013 <i>HK\$’000</i>
Services fee income from provision of valuation and advisory services	<b>58,916</b>	43,133
Interest income from provision of financing services	<b>1,212</b>	–
Others	<b>433</b>	–
	<b>60,561</b>	43,133

### 5. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the executive Directors. During the year, the Group established, among others, new business segments, resulting in a change in composition of reportable operating segments. The executive Directors have identified the Group’s product and service lines as reportable operating segments as follows:

- (i) Valuation and advisory services;
- (ii) Financing services; and
- (iii) All other segments — trading of wines and others.



Corresponding items of segment information for the year ended 31 March 2013, during which the executive Directors considered the Group had one reportable operating segment, have been restated for consistent presentation with current year's segment information.

(a) **Business segments**

**For the year ended 31 March 2014**

	<b>Valuation and advisory services HK\$'000</b>	<b>Financing services HK\$'000</b>	<b>All other segments HK\$'000</b>	<b>Total HK\$'000</b>
Segment revenue ( <i>note (i)</i> )	<u>58,916</u>	<u>1,212</u>	<u>433</u>	<u>60,561</u>
Segment results ( <i>note (ii)</i> )	<u>30,725</u>	<u>440</u>	<u>(458)</u>	<u>30,707</u>
<b>Other segment information</b>				
Depreciation	(94)	–	(6)	(100)
Amortisation	(155)	–	–	(155)
Impairment of trade and other receivables	(1,743)	–	–	(1,743)
Income tax expense	(4,789)	(17)	(2)	(4,808)
Additions to non-current assets (excluding financial instruments)	297	–	244	541
Segment assets	34,881	11,211	923	47,015
Segment liabilities	<u>(9,660)</u>	<u>(309)</u>	<u>(350)</u>	<u>(10,319)</u>
For the year ended 31 March 2013 (restated)				
Segment revenue ( <i>note (i)</i> )	<u>43,133</u>	<u>–</u>	<u>–</u>	<u>43,133</u>
Segment results ( <i>note (ii)</i> )	<u>22,438</u>	<u>–</u>	<u>–</u>	<u>22,438</u>
<b>Other segment information</b>				
Reversal of provision for tax surcharge	110	–	–	110
Depreciation	(63)	–	–	(63)
Amortisation	(141)	–	–	(141)
Income tax expense	(3,043)	–	–	(3,043)
Additions to non-current assets (excluding financial instruments)	197	–	–	197
Segment assets	17,699	–	–	17,699
Segment liabilities	<u>(7,730)</u>	<u>–</u>	<u>–</u>	<u>(7,730)</u>

*Notes:*

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

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

	<b>2014</b> <i>HK\$'000</i>	2013 <i>HK\$'000</i> (restated)
<b>Profit before income tax expense</b>		
Reportable segment profit	<b>30,707</b>	22,438
Unallocated interest income	<b>14</b>	–
Unallocated employee benefit expenses	<b>(3,696)</b>	(3,466)
Unallocated depreciation	<b>(612)</b>	(406)
Unallocated finance costs	<b>(104)</b>	–
Unallocated other expenses	<b>(1,470)</b>	(3,414)
	<hr/>	<hr/>
Consolidated profit before income tax expense	<b>24,839</b>	15,152
	<hr/> <hr/>	<hr/> <hr/>
<b>Assets</b>		
Reportable segment assets	<b>47,015</b>	17,699
Unallocated property, plant and equipment	<b>2,533</b>	92
Unallocated pledged bank deposits	<b>39,793</b>	–
Unallocated cash and bank balances	<b>23,842</b>	38,013
Unallocated corporate assets	<b>1,077</b>	4,813
	<hr/>	<hr/>
Consolidated total assets	<b>114,260</b>	60,617
	<hr/> <hr/>	<hr/> <hr/>
<b>Liabilities</b>		
Reportable segment liabilities	<b>(10,319)</b>	(7,730)
Unallocated finance lease liabilities	<b>(1,486)</b>	–
Unallocated bank borrowings	<b>(31,068)</b>	–
Unallocated corporate liabilities	<b>(484)</b>	(3,607)
	<hr/>	<hr/>
Consolidated total liabilities	<b>(43,357)</b>	(11,337)
	<hr/> <hr/>	<hr/> <hr/>

**(c) Geographical segment information**

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

**(d) Information about major customer**

For the years ended 31 March 2014 and 2013, none of the customers contributed 10% or more of the revenue of the Group.

## 6. OTHER INCOME

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Reimbursement of expenses	1,323	462
Reversal of provision for tax surcharge	–	110
Interest income	14	–
Others	840	150
	<u>2,177</u>	<u>722</u>

## 7. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Wages and salaries	17,449	11,778
Contributions on defined contribution retirement plans	431	249
Share-based payment compensation — equity settled	897	127
Other benefits	809	599
	<u>19,586</u>	<u>12,753</u>

## 8. PROFIT BEFORE INCOME TAX EXPENSE

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Profit before income tax expense is arrived at after charging:		
Auditor's remuneration	558	418
Depreciation of property, plant and equipment	712	469
Amortisation of intangible assets	155	141
Exchange loss, net	219	44
Fair value loss on derivative financial instruments, net	–	80
Consultancy fee	2,115	3,244
Impairment loss on trade and other receivables	1,743	–
Operating lease charges in respect of buildings ( <i>note</i> )	3,895	2,050
	<u>3,895</u>	<u>2,050</u>

*Note:* For the year ended 31 March 2014, operating lease charges in respect of buildings included rental expenses for the Group's office premises of approximately HK\$3.9 million (2013: office premises of approximately HK\$1.6 million and staff quarter of approximately HK\$0.5 million). Rental expenses for office premises and staff quarter are included in "other expenses" and "employee benefit expenses" in the consolidated statement of comprehensive income respectively.

## 9. INCOME TAX EXPENSE

Hong Kong profits tax is calculated at the rate of 16.5% (2013: 16.5%) on the estimated assessable profits for the year.

	<b>2014</b> <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Current tax — Hong Kong Profits Tax		
Tax for the year	<u><b>4,808</b></u>	<u>3,043</u>

The income tax expense for the year can be reconciled to the profit before income tax expense per the consolidated statement of comprehensive income as follows:

	<b>2014</b> <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Profit before income tax expense	<u><b>24,839</b></u>	<u>15,152</u>
Tax on profit before income tax expense, calculated at the rates applicable to profits in the tax jurisdiction concerned	<b>4,098</b>	2,500
Tax effect of non-deductible expenses	<b>234</b>	501
Tax effect of non-taxable revenue	<b>(2)</b>	(18)
Tax effect of temporary differences not recognised	<b>275</b>	60
Tax effect of tax losses not recognised	<b>241</b>	–
Others	<u><b>(38)</b></u>	<u>–</u>
Income tax expense	<u><b>4,808</b></u>	<u>3,043</u>

No deferred tax asset has been recognised in respect of the unused tax losses due to the unpredictability of future profit streams. The unused tax losses of approximately HK\$1.5 million (2013: nil) can be carried forward indefinitely.

## 10. DIVIDENDS

	<b>2014</b> <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Special dividend of HK\$700 per ordinary share ( <i>note (a)</i> )	<u>–</u>	<u>7,000</u>
	<u><b>–</b></u>	<u>7,000</u>

*Notes:*

- (a) On 2 April 2012, the Company declared special dividend for the year ended 31 March 2012 of HK\$700 per share, totalling HK\$7 million, to its then shareholder. The special dividend was settled by cash payments of HK\$3 million on 2 April 2012 and HK\$4 million on 26 July 2012 respectively.
- (b) The Board does not recommend the payment of dividend for the year ended 31 March 2014.

## 11. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	<b>2014</b> <i>HK\$'000</i>	2013 <i>HK\$'000</i>
<b>Earnings</b>		
Earnings for the purpose of basic and dilute earnings per share	<u><b>20,031</b></u>	<u>12,109</u>
	<i>'000</i>	<i>'000</i> (restated)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share ( <i>note (a)</i> )	<b>16,034,849</b>	13,830,137
Effect of dilutive potential ordinary shares: — share options ( <i>note (b)</i> )	<u><b>1,088,187</b></u>	<u>727,791</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u><b>17,123,036</b></u>	<u>14,557,928</u>

*Notes:*

- (a) Weighted average of 16,034,849,000 (2013 (restated): 13,830,137,000) ordinary shares are derived from 8,025,800,000 ordinary shares, being the number of shares in issue during the year (2013 (restated): 6,800,000,000 ordinary shares, being the number of shares in issue immediately after the completion of capitalisation issue, deemed to have been issued throughout the period from 1 April 2012 and up to 25 February 2013, immediately before the completion of share placing) and after taking into account the effect of bonus issue being approved on 7 May 2014 (*note 20*).
- (b) Weighted average of 1,088,187,000 (2013 (restated): 727,791,000) ordinary shares deemed to be issued at no consideration as if the Company's share options, after taking into account the effect of bonus issue being approved on 7 May 2014 (*note 20*), have been exercised.
- (c) For the purpose of calculation of basic and diluted earnings per share for the years ended 31 March 2014 and 2013, the share subdivision being effective on 6 March 2014 (*note 19*) was deemed to be effective throughout the period from 1 April 2012 to 31 March 2014.

## 12. LOANS RECEIVABLE

	<b>2014</b> <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Mortgage loans	<b>2,847</b>	—
Other loans	<u><b>7,579</b></u>	<u>—</u>
Gross loans receivable	<b>10,426</b>	—
Current portion included in current assets	<u><b>(5,512)</b></u>	<u>—</u>
Amounts due after one year included in non-current assets	<u><b>4,914</b></u>	<u>—</u>

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 loans receivable charged interests at contract rates ranging 13.2%–31.2% per annum (2013: nil).

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

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

	<b>2014</b> <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Current	<b>5,512</b>	–
1 to 5 years	<b>3,316</b>	–
Over 5 years	<b>1,598</b>	–
	<u><b>10,426</b></u>	<u>–</u>

The ageing analysis of loans receivable based on the loan draw down date at the end of reporting period is as follows:

	<b>2014</b> <i>HK\$'000</i>	2013 <i>HK\$'000</i>
0 to 30 days	<b>665</b>	–
31 to 60 days	<b>1,026</b>	–
61 to 90 days	<b>2,943</b>	–
91 to 180 days	<b>5,792</b>	–
	<u><b>10,426</b></u>	<u>–</u>

The ageing analysis of loans receivable based on due date at the end of reporting period is as follows:

	<b>2014</b> <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Neither past due nor impaired	<b>10,333</b>	–
1 to 90 days past due	<b>93</b>	–
	<u><b>10,426</b></u>	<u>–</u>

Loans receivable that were neither past due nor impaired related to a wide range of customers that have good track records with the Group.

Loans receivable that were past due but not impaired relate to customers that have good track records with the Group. Based on past experience, the Directors are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

### 13. TRADE RECEIVABLES

The Group generally grants credit terms of 0–90 days to the customers. The ageing analysis of trade receivables based on invoice date at the end of reporting period is as follows:

	<b>2014</b> <i>HK\$'000</i>	2013 <i>HK\$'000</i>
0 to 30 days	<b>12,847</b>	3,313
31 to 60 days	<b>1,530</b>	1,809
61 to 90 days	<b>5,163</b>	750
91 to 180 days	<b>119</b>	1,327
181 to 360 days	<b>1,950</b>	1,985
Over 360 days	<b>1,511</b>	235
	<u><b>23,120</b></u>	<u>9,419</u>

The ageing analysis of trade receivables based on due date at the end of reporting period is as follows:

	<b>2014</b> <i>HK\$'000</i>	2013 <i>HK\$'000</i>
1 to 90 days past due	<b>19,540</b>	5,872
91 to 180 days past due	<b>119</b>	1,327
181 to 360 days past due	<b>1,950</b>	1,985
Over 360 days past due	<b>1,511</b>	235
	<u><b>23,120</b></u>	<u>9,419</u>

Trade receivables that were past due but not impaired related to a number of independent customers that had a good track record of credit with the Group. At the end of each reporting periods, the Group reviews trade receivables for evidence of impairment on both individual and collective basis. Based on past credit history, management believes that no impairment loss is necessary in respect of trade receivables that were past due but not impaired as there has not been a significant change in credit quality and the balances are still considered to be fully recoverable. The Group did not hold any collateral as security or other credit enhancement over the trade receivables.

The table below reconciles the impairment loss of trade receivables for the year:

	<b>2014</b> <i>HK\$'000</i>	2013 <i>HK\$'000</i>
At 1 April	–	–
Impairment loss recognised	<b>250</b>	–
At 31 March	<u><b>250</b></u>	<u>–</u>

The Group recognised impairment loss based on its adopted accounting policy.

#### 14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Accrued revenue	8,697	6,638
Prepayments	996	539
Deposits	2,093	519
	<u>11,786</u>	<u>7,696</u>

The table below reconciles the impairment loss of prepayments, deposits and other receivables for the year:

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
At 1 April	–	–
Impairment loss recognised	1,493	–
	<u>1,493</u>	<u>–</u>
At 31 March	<u>1,493</u>	<u>–</u>

The Group recognised impairment loss based on its adopted accounting policy.

#### 15. TRADE PAYABLES

At the end of the reporting period, the Group was granted by its suppliers credit periods ranging from 0 to 30 (2013: 0 to 30) days. The ageing analysis of the trade payables based on invoice date at the end of reporting period is as follows:

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
0 to 30 days	–	175
91 to 180 days	42	–
Over 360 days	293	293
	<u>335</u>	<u>468</u>

#### 16. ACCRUED LIABILITIES AND RECEIPT IN ADVANCE

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Accrued liabilities	1,218	4,417
Receipt in advance	6,443	2,970
	<u>7,661</u>	<u>7,387</u>

#### 17. FINANCE LEASE LIABILITIES

The Group leased 2 motor vehicles in the year ended 31 March 2014. The leases of motor vehicles were classified as finance lease as the rental period amounted to the estimated useful economic life of the assets concerned and the Group has the right to purchase the assets outright at the end of the minimum lease term by paying a nominal amount.



The Group had no obligations under finance lease as at 31 March 2013.

The present value of future lease payments are analysed as:

	<b>2014</b> <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Current liabilities	<b>349</b>	–
Non-current liabilities	<b>1,137</b>	–
	<u><b>1,486</b></u>	<u>–</u>

## 18. BANK BORROWINGS

	<b>2014</b> <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Current:–		
Interest bearing		
— bank borrowings due for repayment within one year ( <i>notes (a) &amp; (b)</i> )	<b>30,242</b>	–
Non-current:–		
Interest bearing		
— bank borrowing ( <i>note (b)</i> )	<b>826</b>	–
	<u><b>31,068</b></u>	<u>–</u>

*Notes:*

- (a) The bank borrowing of HK\$30 million (2013: nil) was secured by bank deposits of approximately HK\$39.8 million placed by the Company and Roma Appraisals in the bank. Interest is charged at Hong Kong Inter-bank Offered Rate + 2% (2013: nil).
- (b) The bank borrowing of approximately HK\$1.1 million (2013: nil) was secured by guarantee from the executive Directors. Interest is charged at 0.55% per month (2013: nil).

The banking facility of one of the loans is subject to the fulfillment of covenants relating to minimum requirement of pledge 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 was to breach the covenants, the drawn down facility would become repayable on demand. In addition, one of the subsidiary's loan agreements contains clauses which give the lender the right at the lender's sole discretion to demand immediate repayment at any time irrespective of whether the subsidiary has complied with the covenants and met the scheduled repayment obligations.

The Group regularly monitors the compliance with these covenants and the scheduled repayments of the loan and does not consider it probable that the bank will exercise its discretion to demand repayment for so long as the subsidiary continues to meet these requirements. As at 31 March 2014, none of the covenants relating to drawn down facilities had been breached.

## **19. SHARE CAPITAL**

On 28 January 2013, the authorised share capital of the Company increased from 38,000,000 shares of HK\$0.01 each to 8,000,000,000 shares of HK\$0.01 each. As a result, the Company's authorised share capital increased from HK\$380,000 to HK\$80 million. Pursuant to the resolution passed on 28 January 2013, 679,990,000 shares were allotted and issued at par value of HK\$0.01 each to Aperto as fully paid at par by way of capitalisation of the sum of approximately HK\$6.8 million debited of the share premium account. Pursuant to the share placing on 25 February 2013, 120,000,000 shares of HK\$0.01 each were issued at a price of HK\$0.3 per share. Accordingly, the Company's share capital increased by HK\$1.2 million and the balance of the proceeds of approximately HK\$32.1 million, after deducting the listing expenses of approximately HK\$2.7 million, was credited to the share premium account. Pursuant to the share subdivision on 6 March 2014, the authorised share capital of the Company of HK\$80 million was divided into 80,000,000,000 subdivided shares, of which 8,000,000,000 subdivided shares was issued and fully paid. After the share subdivision, each of the existing issued and unissued shares of par value of HK\$0.01 each in the share capital of the Company was subdivided into ten subdivided shares of par value of HK\$0.001 each. During the year ended 31 March 2014, the issued share capital of the Company was increased due to the exercise of share option by certain Directors. The shares issued during the year in relation to share options exercised have the same rights as other ordinary shares of the Company in issue.

## **20. EVENT AFTER THE REPORTING PERIOD**

Pursuant to a resolution passed on 7 May 2014, the proposed bonus issue to shareholders whose names appeared on the register of members of the Company on 15 May 2014 on the basis of one bonus share for every existing share of the Company was approved. The bonus issue was then completed on 23 May 2014. The bonus shares were credited as fully paid at par by way of capitalisation in the share premium account of the Company.

## **MANAGEMENT DISCUSSIONS AND ANALYSIS**

### **BUSINESS REVIEW**

Subsequent to the successful listing of the shares of the Company on GEM on 25 February 2013 (the "Listing Date"), the brand of "Roma" further penetrated into the market of provision of valuation and technical advisory services in Hong Kong. By being one of the major players in the market, the Group's revenue generated from the provision of valuation and advisory services (including but not limited to the technical advisory services) increased by approximately 36.6% for the year ended 31 March 2014 as compared with that for the year ended 31 March 2013.

Alongside the Group's principal business of provision of valuation and advisory services, the Group has commenced the provision of financing services during the year ended 31 March 2014. A subsidiary of the Company is licensed to conduct money lending business in Hong Kong through the provision of unsecured and secured loans to customers under the provisions of the Money Lenders Ordinance (Chapter 163 of the laws of Hong Kong). In addition, the Company has also set up a subsidiary to commence the Group's wine trading business during the year ended 31 March 2014. As both the provision of financing services and wine business are still at an early stage in a business cycle, revenue generated from these two businesses only contributed less than 3% to the Group's total revenue during the year ended 31 March 2014.

With the increase in the Group's revenue, particularly from the provision of valuation and advisory services, the profit attributable to the owners of the Company increased by approximately 65.3% for the year ended 31 March 2014 as compared with that for the year ended 31 March 2013.

## **FINANCIAL REVIEW**

### **Revenue**

The Group's revenue increased from approximately HK\$43.1 million for the year ended 31 March 2013 to approximately HK\$60.6 million for the year ended 31 March 2014, representing an increase of approximately 40.6%. Such an increase was mainly attributable to approximately 590 new projects in relation to valuation and technical advisory services undertaken by the Group during the year ended 31 March 2014, which contributed approximately 87.3% to the Group's revenue generated from the provision of valuation and advisory services. Besides, interest income generated from the Group's provision of financing services also increased the total revenue by approximately HK\$1.2 million for the year ended 31 March 2014.

### **Other income**

The Group's other income mainly consisted of reimbursement of out-of-pocket expenses incurred by the Group in the course of its services provision. Other income increased from approximately HK\$0.7 million for the year ended 31 March 2013 to approximately HK\$2.2 million for the year ended 31 March 2014, representing an increase of approximately 214.3%, which was mainly attributable to an increase in reimbursement of the out-of-pocket expenses.

### **Employee benefit expenses**

Employee benefit expenses mainly consisted of wages and salaries, pension costs and other benefits to the staff and the Directors. Employee benefit expenses increased from approximately HK\$12.8 million for the year ended 31 March 2013 to approximately HK\$19.6 million for the year ended 31 March 2014, representing an increase of approximately 53.1%, which was mainly attributable to an increase in the Group's headcount to support its expanded operations, including the provision of financing services and advisory services. Besides, the Group's share-based payment in relation to the share options granted to its staff on 25 April 2013 also increased the total employee benefit expenses for the year ended 31 March 2014.

### **Depreciation and amortisation**

The Group recorded depreciation and amortisation of approximately HK\$0.6 million and HK\$0.9 million for the years ended 31 March 2013 and 2014 respectively, for its property, plant and equipment and intangible assets.

## **Other expenses**

Other expenses increased from approximately HK\$15.3 million for the year ended 31 March 2013 to approximately HK\$17.0 million for the year ended 31 March 2014, representing an increase of approximately 11.1%. Such an increase was mainly attributable to an increase in the Group's total rental expenses for the year ended 31 March 2014.

## **Profit attributable to owners of the Company**

Profit attributable to owners of the Company increased from approximately HK\$12.1 million for the year ended 31 March 2013 to approximately HK\$20.0 million for the year ended 31 March 2014, representing an increase of approximately 65.3%. The Group's profit margin also increased from approximately 28.1% for the year ended 31 March 2013 to approximately 33.1% for the year ended 31 March 2014, primarily as a result of the increase in the Group's revenue of approximately 40.6% for the year ended 31 March 2014 as compared with that for the year ended 31 March 2013.

## **LIQUIDITY AND FINANCIAL RESOURCES**

During the year ended 31 March 2014, the Group mainly financed its operations with its own working capital and bank borrowings. As at 31 March 2013 and 31 March 2014, the Group had net current assets of approximately HK\$48.5 million and HK\$64.4 million respectively, including cash and bank balances of approximately HK\$38.0 million and HK\$23.8 million respectively. The Group's pledged bank deposits of approximately HK\$39.8 million as at 31 March 2014 represented cash at bank held by the Group and pledged for a bank borrowing. The Group's current ratio decreased from approximately 5.3 as at 31 March 2013 to approximately 2.6 as at 31 March 2014. Such decrease was mainly due to the Group's bank borrowings as at 31 March 2014.

As at 31 March 2013, the Group had no borrowings or payables incurred not in the ordinary course of business. As at 31 March 2014, the Group's total bank borrowings amounted to approximately HK\$31.1 million and finance lease liabilities amounted to approximately HK\$1.5 million. The Group's gearing ratio was approximately 45.9% as at 31 March 2014.

## **COMMITMENTS**

The Group's contractual commitments primarily related to the leases of its office premises. The Group's operating lease commitments amounted to approximately HK\$0.2 million and HK\$12.5 million as at 31 March 2013 and 2014 respectively. As at 31 March 2014, the Group did not have any capital commitments (31 March 2013: nil).

## **CAPITAL STRUCTURE**

Details of the movements in the Company's share capital are set out in note 19 to the consolidated financial statements in this announcement.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

Save as disclosed above and in the prospectus of the Company dated 31 January 2013, the Group did not have other plans for material investments and capital assets.

## **CONTINGENT LIABILITIES**

The Group had no material contingent liabilities as at 31 March 2014 (31 March 2013: nil).

## **FOREIGN EXCHANGE EXPOSURE**

During the year ended 31 March 2014, the Group's exposure to currency risk was limited to its bank balances denominated in Renminbi ("RMB") as majority of the Group's transactions, monetary assets and liabilities are denominated in HK\$ and United States Dollars ("US\$"). In the event that RMB appreciates by 3% against HK\$, the Group's profit for the year ended 31 March 2014 will increase by approximately HK\$0.9 million (2013: nil). On the contrary, if RMB depreciates by 3% against HK\$, the Group's profit for the year ended 31 March 2014 will decrease by approximately HK\$0.9 million (2013: nil). As US\$ is pegged to HK\$, the Group does not expect any significant movements in the US\$/HK\$ exchange rates. The Group will continue to monitor its foreign currency exposure closely.

## **TREASURY POLICIES**

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluation of the financial conditions of its clients and credit review of the Group's loan portfolio. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

## **PLEDGE OF ASSETS**

As at 31 March 2014, save for the pledged bank deposits, the Group did not pledge any of its assets (31 March 2013: nil) as securities for any facilities granted to the Group.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 March 2013 and 31 March 2014, the Group employed a total of 27 and 52 full-time employees respectively. The Group's total employee benefit expenses were approximately HK\$12.8 million and HK\$19.6 million for the years ended 31 March 2013 and 2014 respectively. Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. In addition to a basic salary, year-end bonuses were offered to those staff with outstanding performance and share options were granted to attract and retain eligible employees to contribute to the Group.

## **FUTURE PROSPECTS**

Looking forward, while strengthening the Group's principal activities of provision of valuation and advisory services and enhancing the penetration of the brand of "Roma", the Group also has a plan to advance its provision of financing services during the year ending 31 March 2015.

The Group is committed to creating values for the shareholders of the Company. With an aim of strengthening its revenue base and diversifying its income source, the Group will continue to explore and cautiously evaluate business opportunities to create synergies with the Group's existing businesses and long-term benefits to the shareholders of the Company. If necessary, the Company may consider issuing new shares and/or debt securities to optimise its financial structure for embracing sound business opportunities and preparing future expansion of the Group.

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

During the year ended 31 March 2014, 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 ON CORPORATE GOVERNANCE PRACTICES**

The Company has complied with all the code provisions as set out in the Corporate Governance Code contained in Appendix 15 to the GEM Listing Rules during the year ended 31 March 2014 except the following deviation(s):

### **Code Provision A.2.1**

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

However, the Board is of the view that although Mr. Luk Kee Yan Kelvin is the chairman and chief executive officer of the Company, this structure will 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 meets regularly to discuss issues affecting the operations of the Company. The Board believes that this structure is conducive to strong and consistent leadership, enabling the Group to make and implement decisions promptly and efficiently. The Board has full confidence in Mr. Luk and believes that his appointment to the posts of chairman and chief executive officer is beneficial to the business prospects of the Group.

## **MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules.

Having been made specific enquiry by the Company, all the Directors confirmed that they have complied with the required standard of dealings concerning securities transactions by the Directors during the year ended 31 March 2014.

## **DIVIDENDS**

The Board does not recommend the payment of any final dividend for the year ended 31 March 2014 (2013: nil).

## **DIRECTORS' INTERESTS IN CONTRACTS**

No Director had a material interest in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year ended 31 March 2014.

## **AUDIT COMMITTEE**

The Audit Committee was established 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 Code on Corporate Governance on 26 September 2011. The primary duties of the Audit Committee are mainly to review the financial systems of the Group; to review the accounting policy, financial position and financial reporting procedures of the Group; to communicate with external auditors; to assess the performance of internal financial and audit personnel; and to assess the internal controls of the Group. The Audit Committee consists of three members, namely Mr. Chan Ka Kit, Mr. Ko Wai Lun Warren and Mr. Ng Simon, all being independent non-executive Directors. The Audit Committee has reviewed the audited consolidated results of the Group for the year ended 31 March 2014.

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

Hong Kong, 13 June 2014

*As at the date of this announcement, the executive Directors are Mr. Luk, Kee Yan Kelvin and Mr. Yue, Kwai Wa Ken, and the independent non-executive Directors are Mr. Chan, Ka Kit, Mr. Ko, Wai Lun Warren and Mr. Ng, Simon.*

*This announcement will remain on the "Latest Listed Company Information" page of the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) for at least seven days from the day of its posting. This announcement will also be published on the Company's website at [www.romagroup.com](http://www.romagroup.com).*