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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 2016**

**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 (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 2016:

- Revenue increased to approximately HK\$118.1 million, representing an increase of approximately 38.1% as compared with that for the year ended 31 March 2015;
- Profit for the year increased to approximately HK\$36.6 million, representing an increase of approximately 25.3% as compared with that for the year ended 31 March 2015;
- Basic and diluted earnings per share attributable to the ordinary equity holders of the Company were HK0.84 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 2016 together with the comparative audited figures for the preceding financial year as follows:

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the year ended 31 March 2016*

	<i>Notes</i>	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Revenue	4	<b>118,102</b>	85,517
Other income	6	<b>4,717</b>	3,009
Cost of inventories sold		–	(1,139)
Employee benefit expenses	7	<b>(31,532)</b>	(25,576)
Depreciation and amortisation	8	<b>(3,463)</b>	(2,118)
Finance costs		<b>(1,226)</b>	(925)
Other expenses		<b>(41,399)</b>	(22,340)
		<hr/>	<hr/>
<b>Profit before income tax expense</b>	8	<b>45,199</b>	36,428
Income tax expense	9	<b>(8,612)</b>	(7,237)
		<hr/>	<hr/>
<b>Profit and total comprehensive income for the year attributable to owners of the Company</b>		<b>36,587</b>	29,191
		<hr/> <hr/>	<hr/> <hr/>
<b>Earnings per share</b>			
— Basic	11	<b>0.84 cents</b>	1.09 cents
		<hr/> <hr/>	<hr/> <hr/>
— Diluted	11	<b>0.84 cents</b>	1.09 cents
		<hr/> <hr/>	<hr/> <hr/>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2016

	<i>Notes</i>	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>6,600</b>	4,250
Intangible assets	12	<b>22,705</b>	19,610
Goodwill	13	<b>25,329</b>	25,329
Available-for-sale investments	14	<b>25,000</b>	–
Loans and interests receivable	15	<b>11,076</b>	20,876
		<u>90,710</u>	<u>70,065</u>
<b>Current assets</b>			
Loans and interests receivable	15	<b>273,406</b>	95,268
Trade receivables	16	<b>23,647</b>	17,666
Prepayments, deposits and other receivables	17	<b>43,442</b>	13,995
Tax recoverable		–	278
Pledged bank deposits		<b>61,758</b>	35,808
Cash and bank balances		<b>40,312</b>	216,080
		<u>442,565</u>	<u>379,095</u>
<b>Current liabilities</b>			
Trade payables	18	<b>323</b>	370
Accrued liabilities and other payables and receipt in advance	19	<b>15,093</b>	11,046
Finance lease liabilities	20	<b>1,560</b>	880
Bank borrowings	21	<b>50,316</b>	30,488
Current tax liabilities		<b>3,706</b>	5,956
		<u>70,998</u>	<u>48,740</u>
<b>Net current assets</b>		<u>371,567</u>	<u>330,355</u>
<b>Total assets less current liabilities</b>		<u>462,277</u>	<u>400,420</u>
<b>Non-current liabilities</b>			
Finance lease liabilities	20	<b>3,859</b>	2,392
Bank borrowing	21	<b>231</b>	547
Deferred tax liabilities		<b>2,951</b>	3,194
		<u>7,041</u>	<u>6,133</u>
<b>Net assets</b>		<u>455,236</u>	<u>394,287</u>

	<i>Notes</i>	<b>2016</b> <b><i>HK\$'000</i></b>	2015 <i>HK\$'000</i>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	22	<b>79,998</b>	67,906
Reserves		<b>375,238</b>	326,381
<b>Total equity</b>		<b>455,236</b>	394,287

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2016

	Share capital (note 22) 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 2014</b>	8,026	25,989	10	1,071	35,807	70,903
Bonus issue	8,026	(8,026)	–	–	–	–
Shares issued on placing, net of expenses	925	13,099	–	–	–	14,024
Rights issue, net of expenses	50,929	229,100	–	–	–	280,029
Equity-settlement share-based payment	–	–	–	140	–	140
Transactions with owners	59,880	234,173	–	140	–	294,193
Profit and total comprehensive income for the year	–	–	–	–	29,191	29,191
<b>At 31 March 2015 and 1 April 2015</b>	67,906	260,162	10	1,211	64,998	394,287
Shares issued on placing, net of expenses	11,584	8,871	–	–	–	20,455
Exercise of share options	508	3,265	–	–	–	3,773
Equity-settlement share-based payment	–	–	–	134	–	134
Transactions with owners	12,092	12,136	–	134	–	24,362
Profit and total comprehensive income for the year	–	–	–	–	36,587	36,587
<b>At 31 March 2016</b>	79,998	272,298	10	1,345	101,585	455,236

\* 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, P.O. 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 (incorporated in the British Virgin Islands).

The shares of the Company (the "Shares") were listed on GEM by way of placing on 25 February 2013 (the "Listing Date").

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

#### (a) Adoption of new/revised HKFRSs — effective 1 April 2015

HKFRSs (Amendments)	Annual Improvements 2010–2012 Cycle
HKFRSs (Amendments)	Annual Improvements 2011–2013 Cycle
Amendments to HKAS 19 (2011)	Defined Benefit Plans: Employee Contributions

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.

HKFRSs (Amendments)	Annual Improvements 2012–2014 Cycle <sup>1</sup>
Amendments to HKAS 1	Disclosure Initiative <sup>1</sup>
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation <sup>1</sup>
HKFRS 9 (2014)	Financial Instruments <sup>2</sup>
HKFRS 15	Revenue from Contracts with Customers <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2016

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2018

### 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 (hereinafter collectively referred to as the "HKFRSs") and the disclosure requirements of the Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the GEM Listing Rules.

**(b) Impacts of the new Hong Kong Companies Ordinance, Cap. 622**

The provisions of the new Hong Kong Companies Ordinance, Cap. 622, regarding preparation of accounts and directors' reports and audits became effective for the Company for the financial year ended 31 March 2016. Further, the disclosure requirements set out in the GEM Listing Rules regarding annual accounts have been amended with reference to the new Hong Kong Companies Ordinance, Cap. 622. Accordingly the presentation and disclosure of information in the consolidated financial statements for the financial year ended 31 March 2016 have been changed to comply with these new requirements. Comparative information in respect of the financial year ended 31 March 2015 are presented or disclosed in the consolidated financial statements based on the new requirements.

**(c) Basis of measurement**

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

**(d) 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 and provision of financing services.

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

	<b>2016</b>	2015
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Services fee income from provision of valuation and advisory services	<b>75,755</b>	73,097
Interest income from provision of financing services	<b>42,347</b>	11,106
Others	–	1,314
	<b><u>118,102</u></b>	<u>85,517</u>

**5. SEGMENT INFORMATION**

The chief operating decision-maker has been identified as the Company's executive directors. 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.



(a) **Business segments**

**For the year ended 31 March 2016**

	<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>75,755</u>	<u>42,347</u>	<u>–</u>	<u>118,102</u>
Segment results ( <i>note (ii)</i> )	<u>29,370</u>	<u>23,742</u>	<u>339</u>	<u>53,451</u>
<b>Other segment information</b>				
Depreciation	(133)	–	(49)	(182)
Amortisation	(2,205)	–	–	(2,205)
Impairment loss on loans and interests receivable	–	(9,755)	–	(9,755)
Impairment loss on trade and other receivables	(2,835)	–	–	(2,835)
Income tax expense	(5,005)	(3,548)	(59)	(8,612)
Additions to non-current assets (excluding financial instruments)	5,471	–	–	5,471
Segment assets	<u>94,242</u>	<u>304,624</u>	<u>975</u>	<u>399,841</u>
Segment liabilities	<u>(15,106)</u>	<u>(5,899)</u>	<u>(123)</u>	<u>(21,128)</u>

**For the year ended 31 March 2015**

Segment revenue ( <i>note (i)</i> )	<u>73,097</u>	<u>11,106</u>	<u>1,314</u>	<u>85,517</u>
Segment results ( <i>note (ii)</i> )	<u>36,549</u>	<u>8,160</u>	<u>(777)</u>	<u>43,932</u>
<b>Other segment information</b>				
Depreciation	(128)	–	(49)	(177)
Amortisation	(405)	–	–	(405)
Impairment loss on loans and interests receivable	–	(73)	–	(73)
Impairment loss on trade and other receivables	(950)	–	–	(950)
Income tax expense	(6,026)	(1,153)	(58)	(7,237)
Additions to non-current assets (excluding financial instruments)	45,116	–	–	45,116
Segment assets	<u>73,939</u>	<u>118,396</u>	<u>791</u>	<u>193,126</u>
Segment liabilities	<u>(15,171)</u>	<u>(4,450)</u>	<u>(100)</u>	<u>(19,721)</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 chief operating decision-maker for the purpose of resources allocation and performance assessment.

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

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
<b>Profit before income tax expense</b>		
Reportable segment profit	53,451	43,932
Unallocated interest income	1,913	1,285
Unallocated employee benefit expenses	(4,568)	(3,734)
Unallocated depreciation	(1,076)	(1,536)
Unallocated finance costs	(1,226)	(925)
Unallocated other expenses	(3,395)	(2,594)
Unallocated other income	100	–
	<u>45,199</u>	<u>36,428</u>
Consolidated profit before income tax expense	<u>45,199</u>	<u>36,428</u>
<b>Assets</b>		
Reportable segment assets	399,841	193,126
Unallocated property, plant and equipment	6,108	3,745
Unallocated available-for-sale investments	25,000	–
Unallocated pledged bank deposits	61,758	35,808
Unallocated cash and bank balances	40,312	216,080
Unallocated corporate assets	256	401
	<u>533,275</u>	<u>449,160</u>
Consolidated total assets	<u>533,275</u>	<u>449,160</u>
<b>Liabilities</b>		
Reportable segment liabilities	(21,128)	(19,721)
Unallocated finance lease liabilities	(5,419)	(3,272)
Unallocated bank borrowings	(50,547)	(31,035)
Unallocated corporate liabilities	(945)	(845)
	<u>(78,039)</u>	<u>(54,873)</u>
Consolidated total liabilities	<u>(78,039)</u>	<u>(54,873)</u>

(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 2016 and 2015, none of the customers contributed 10% or more of the revenue of the Group.

6. **OTHER INCOME**

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Reimbursement of expenses	1,875	683
Interest income	1,913	1,285
Gain on disposals of property, plant and equipment	1	–
Others	928	1,041
	<u>4,717</u>	<u>3,009</u>

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

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Wages and salaries	29,204	23,659
Contributions on defined contribution retirement plans	877	664
Share-based payment compensation — equity settled	134	140
Other benefits	1,317	1,113
	<u>31,532</u>	<u>25,576</u>

## 8. PROFIT BEFORE INCOME TAX EXPENSE

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Profit before income tax expense is arrived at after charging:		
Auditor's remuneration	600	713
Depreciation of property, plant and equipment	1,258	1,713
Amortisation of intangible assets	2,205	405
Exchange loss, net	2,150	42
Consultancy fee	2,612	4,207
Impairment loss on loans and interests receivable	9,755	73
Impairment loss on trade and other receivables	2,835	950
Operating lease charges in respect of buildings ( <i>note</i> )	4,721	5,417
	<u>47,213</u>	<u>21,530</u>

*Note:* For the years ended 31 March 2016 and 2015, operating lease charges in respect of buildings included rental expenses for the Group's office premises. Rental expenses are included in "other expenses" in the consolidated statement of comprehensive income.

## 9. INCOME TAX EXPENSE

Hong Kong profits tax is calculated at the rate of 16.5% (2015: 16.5%) on the estimated assessable profits for the year.

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Current tax — Hong Kong Profits Tax		
Tax for the year	8,483	7,297
Under/(over) provision in respect of prior year	372	(20)
	<u>8,855</u>	<u>7,277</u>
Deferred tax		
Credit for the year	(243)	(40)
	<u>8,612</u>	<u>7,237</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>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Profit before income tax expense	<u>45,199</u>	<u>36,428</u>
Tax on profit before income tax expense, calculated at the rates applicable to profits in the tax jurisdiction concerned	7,458	6,011
Tax effect of non-deductible expenses	466	417
Tax effect of non-taxable revenue	(284)	(9)
Tax effect of temporary differences not recognised	(442)	114
Tax effect of tax losses not recognised	845	806
Under/(over) provision in respect of prior year	372	(20)
Others	<u>197</u>	<u>(82)</u>
Income tax expense	<u><u>8,612</u></u>	<u><u>7,237</u></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 HK\$11,948,000 (2015: HK\$6,345,000) can be carried forward indefinitely.

## 10. DIVIDENDS

The Board does not recommend the payment of dividend for the year ended 31 March 2016 (2015: nil).

## 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>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
<b>Earnings</b>		
Earnings for the purpose of basic and diluted earnings per share	<u>36,587</u>	<u>29,191</u>
	<i>'000</i>	<i>'000</i>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share ( <i>notes (a)&amp;(b)</i> )	<u>4,380,999</u>	<u>2,682,044</u>

*Notes:*

- (a) Weighted average of 4,380,999,000 ordinary shares for the year ended 31 March 2016 are derived from 4,244,150,000 ordinary shares issued as at 1 April 2015 after taking into account the effects of the placing of 724,000,000 shares completed on 5 February 2016, and the exercise of share options by an executive director and certain employees of the Group during the year.

- (b) Weighted average of 2,682,044,000 ordinary shares for the year ended 31 March 2015 are derived from 8,025,800,000 ordinary shares, being the number of shares in issue as at 1 April 2014 after taking into account the effects of the bonus issue completed on 23 May 2014, the placing of 925,000,000 shares being completed on 1 September 2014, the share consolidation completed on 25 November 2014 and the rights issue of 3,183,112,500 rights shares completed on 30 December 2014.
- (c) The computation of diluted earnings per share does not assume the exercise of the Company's outstanding share options as the exercise prices of those options are higher than the average market price for shares for both years.

## 12. INTANGIBLE ASSETS

	<b>Customer relationship</b> <i>HK\$'000</i>	<b>Database</b> <i>HK\$'000</i>	<b>Accounting software</b> <i>HK\$'000</i>	<b>Valuation software</b> <i>HK\$'000</i>	<b>Total</b> <i>HK\$'000</i>
<b>Cost</b>					
At 1 April 2014	–	–	21	759	780
Additions	–	–	47	–	47
Additions through business combination ( <i>note 23</i> )	4,200	15,400	–	–	19,600
At 31 March 2015 and 1 April 2015	4,200	15,400	68	759	20,427
Additions	–	–	–	5,300	5,300
At 31 March 2016	4,200	15,400	68	6,059	25,727
<b>Amortisation</b>					
At 1 April 2014	–	–	8	404	412
Amortisation	116	128	9	152	405
At 31 March 2015 and 1 April 2015	116	128	17	556	817
Amortisation	700	770	14	721	2,205
At 31 March 2016	816	898	31	1,277	3,022
<b>Net book value</b>					
At 31 March 2016	3,384	14,502	37	4,782	22,705
At 31 March 2015	4,084	15,272	51	203	19,610

### 13. GOODWILL

	<i>HK\$'000</i>
At 1 April 2014	–
Addition through business combination ( <i>note 23</i> )	25,329
	<hr/>
At 31 March 2015, 1 April 2015 and 31 March 2016	25,329
	<hr/> <hr/>

The goodwill was acquired through business combination during the year ended 31 March 2015 (*note 23*) and it is solely allocated to the cash generating unit (“CGU”), namely the Bonus Boost Group (as defined in *note 23*).

The recoverable amount of the goodwill 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 weighted average growth rate of 3% (2015: 3%).

	2016	2015
Discount rate	15%	12%
Operating margin*	39%–43%	40%–47%
Growth rate within the five-year period	2%–16%	3%–11%

\* defined as profit before income tax expense divided by revenue

The discount rate used is pre-tax and reflect specific risks relating to the relevant CGU. 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.

### 14. AVAILABLE-FOR-SALE INVESTMENTS

The balance represented the Group’s strategic investments of 19.9% equity interest in Greater China Appraisal Limited. The investment was not accounted for in 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 balance was measured at cost less impairment at the end of reporting period because it does not have quoted market price in an active market and the directors are of the opinion that its fair value cannot be measured reliably. The directors intended to hold it for long term investment purpose.

### 15. LOANS AND INTERESTS RECEIVABLE

	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loans and interests receivable (net of impairment loss)	284,482	116,144
Current portion included in current assets	(273,406)	(95,268)
	<hr/>	<hr/>
Amounts due after one year included in non-current assets	11,076	20,876
	<hr/> <hr/>	<hr/> <hr/>

As at 31 March 2016, loans and interests receivable with an aggregate carrying amount of approximately HK\$212.2 million (2015: approximately HK\$49.3 million) were secured by legal charges.

The customers are obliged to settle the amounts according to the terms set out in relevant contracts. Interest rates are offered based on the assessment of a number of factors including the borrowers' creditworthiness and repayment ability, collaterals as well as the general economic trends. The Group's loan principals charged interests at contract rates ranging approximately 6%–36% per annum (2015: approximately 16%–32% per annum).

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

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

	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Current	<b>273,406</b>	95,268
1 to 5 years	<b>7,021</b>	5,493
Over 5 years	<b>4,055</b>	15,383
	<u><b>284,482</b></u>	<u>116,144</u>

The ageing analysis of loans and interests receivable based on the loan drawdown date at the end of reporting period is as follows:

	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
0 to 30 days	<b>25,890</b>	24,802
31 to 60 days	<b>9,300</b>	35,840
61 to 90 days	<b>24,225</b>	27,505
91 to 180 days	<b>116,850</b>	9,181
181 to 360 days	<b>82,771</b>	15,165
Over 360 days	<b>25,446</b>	3,651
	<u><b>284,482</b></u>	<u>116,144</u>

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

	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Neither past due nor impaired	<b>263,019</b>	112,509
1 to 90 days past due	<b>8,233</b>	1,602
91 to 180 days past due	<b>48</b>	1,022
181 to 360 days past due	<b>11,051</b>	1,011
Over 360 days past due	<b>2,131</b>	–
	<u><b>284,482</b></u>	<u>116,144</u>

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

Loans and interests receivable that were past due but not impaired related to customers that have good repayment records with the Group. Based on past experience, the directors of the Company 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.

The table below reconciles the impairment loss on loans and interests receivable for the year:

	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
At 1 April	73	–
Impairment loss recognised	<u>9,755</u>	<u>73</u>
At 31 March	<u><u>9,828</u></u>	<u><u>73</u></u>

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

## 16. TRADE RECEIVABLES

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

	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
0 to 30 days	11,502	8,600
31 to 60 days	2,994	1,757
61 to 90 days	1,589	2,443
91 to 180 days	818	1,133
181 to 360 days	3,856	2,751
Over 360 days	<u>2,888</u>	<u>982</u>
	<u><u>23,647</u></u>	<u><u>17,666</u></u>

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

	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
1 to 90 days past due	16,085	12,800
91 to 180 days past due	818	1,133
181 to 360 days past due	3,856	2,751
Over 360 days past due	<u>2,888</u>	<u>982</u>
	<u><u>23,647</u></u>	<u><u>17,666</u></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 on trade receivables for the year:

	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
At 1 April	<b>491</b>	250
Impairment loss recognised	<b>1,255</b>	241
	<hr/>	<hr/>
At 31 March	<b>1,746</b>	491
	<hr/> <hr/>	<hr/> <hr/>

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

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

	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Accrued revenue*	<b>13,636</b>	10,732
Prepayments	<b>1,133</b>	1,065
Deposits and other receivables	<b>28,673</b>	2,198
	<hr/>	<hr/>
	<b>43,442</b>	13,995
	<hr/> <hr/>	<hr/> <hr/>

\* Included in the balances were accrued interests of HK\$7,488,000 (2015: HK\$1,008,000).

The ageing analysis of financial assets included in accrued revenue, deposits and other receivables based on due date at the end of reporting period is as follows:

	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Neither past due nor impaired	<b>26,132</b>	12,155
1 to 90 days past due	<b>297</b>	171
91 to 180 days past due	<b>141</b>	23
181 to 360 days past due	<b>15,284</b>	581
Over 360 days past due	<b>455</b>	–
	<hr/>	<hr/>
	<b>42,309</b>	12,930
	<hr/> <hr/>	<hr/> <hr/>

Financial assets included in accrued revenue, deposits and other receivables that were neither past due nor impaired related to a wide range of debtors that have good track records with the Group.

Financial assets included in accrued revenue, deposits and other receivables that were past due but not impaired related to debtors that have good track records with the Group. Based on past experience, the directors of the Company 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.

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

	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
At 1 April	<b>2,202</b>	1,493
Impairment loss recognised	<b>1,580</b>	709
	<hr/>	<hr/>
At 31 March	<b>3,782</b>	2,202
	<hr/> <hr/>	<hr/> <hr/>

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

## 18. TRADE PAYABLES

At the end of the reporting period, the Group was granted by its suppliers credit periods ranging from 0 to 30 (2015: 0 to 30) days. The ageing analysis of the trade payables based on invoice date at the end of reporting period is as follows:

	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
0 to 30 days	<b>29</b>	76
Over 360 days	<b>294</b>	294
	<hr/>	<hr/>
	<b>323</b>	370
	<hr/> <hr/>	<hr/> <hr/>

## 19. ACCRUED LIABILITIES AND OTHER PAYABLES AND RECEIPT IN ADVANCE

	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Accrued liabilities and other payables	<b>5,102</b>	1,603
Receipt in advance	<b>9,991</b>	9,443
	<hr/>	<hr/>
	<b>15,093</b>	11,046
	<hr/> <hr/>	<hr/> <hr/>

## 20. FINANCE LEASE LIABILITIES

The Group leased 4 (2015: 3) motor vehicles as at 31 March 2016. 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.

Future lease payments as at 31 March 2016 and 2015 are due as follows:

	<b>2016</b>		
	<b>Minimum lease payments <i>HK\$'000</i></b>	<b>Interest <i>HK\$'000</i></b>	<b>Present value <i>HK\$'000</i></b>
Not later than one year	1,712	(152)	1,560
Later than one year and not later than five years	4,031	(172)	3,859
	<u>5,743</u>	<u>(324)</u>	<u>5,419</u>
	<b>2015</b>		
	<b>Minimum lease payments <i>HK\$'000</i></b>	<b>Interest <i>HK\$'000</i></b>	<b>Present value <i>HK\$'000</i></b>
Not later than one year	978	(98)	880
Later than one year and not later than five years	2,503	(111)	2,392
	<u>3,481</u>	<u>(209)</u>	<u>3,272</u>

The present value of future lease payments are analysed as:

	<b>2016 <i>HK\$'000</i></b>	<b>2015 <i>HK\$'000</i></b>
Current liabilities	1,560	880
Non-current liabilities	3,859	2,392
	<u>5,419</u>	<u>3,272</u>

## 21. BANK BORROWINGS

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Current		
Interest bearing		
— bank borrowings due for repayment within one year (notes (a), (b), (c) & (d))	50,316	30,488
Non-current		
Interest bearing		
— bank borrowing (note (b))	231	547
	<u>50,547</u>	<u>31,035</u>

### Notes:

- (a) The bank borrowing of HK\$50,000,000 (2015: HK\$30,000,000) was secured by bank deposits of HK\$61,758,000 (2015: HK\$35,808,000) placed by the Company and a subsidiary in the bank. Interest is charged at Hong Kong Inter-bank Offered Rate (“HIBOR”) + 2% (2015: HIBOR+2%).
- (b) The bank borrowing of HK\$547,000 (2015: HK\$826,000) was secured by guarantee from the executive directors of the Company. Interest is charged at 0.55% per month (2015: 0.55%).
- (c) As at 31 March 2015, the bank borrowing of HK\$177,000 was secured by a director of a subsidiary. Interest is charged at prime rate +1%.
- (d) As at 31 March 2015, the bank borrowing of HK\$32,000 was unsecured. Interest is charged at fixed rate of 6% per annum.

The banking facility of one of the loans is 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 was to breach the covenants, the drawn down facility would become repayable on demand. In addition, one of the subsidiaries’ 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 respective loan was repayable on demand or within one year.

At 31 March 2016 and 2015, total current and non-current bank borrowings were scheduled to repay as follows:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
On demand or within one year	50,316	30,488
More than one year, but not exceeding two years	231	316
More than two years, but not exceeding five years	—	231
	<u>50,547</u>	<u>31,035</u>

The Group regularly monitors the compliance with these covenants and the scheduled repayments of the loans and does not consider it probable that the bank will exercise its discretion to demand repayment for so long as the subsidiary continues to meet these requirements. As at 31 March 2016, none of the covenants relating to drawn down facilities had been breached.

## **22. SHARE CAPITAL**

Pursuant to the bonus issue of shares being completed on 23 May 2014, a total of 8,025,800,000 bonus shares were issued on the basis of one bonus share for every existing share as at 15 May 2014. Pursuant to the placing of shares being completed on 1 September 2014, a total of 925,000,000 placing shares were issued at HK\$0.0155 per placing share. Pursuant to the share consolidation completed on 25 November 2014, the authorised share capital of the Company of HK\$80,000,000 was divided into 5,000,000,000 consolidated shares, of which 1,061,037,500 consolidated shares was then issued and fully paid. After the share consolidation, every sixteen of the then existing issued and unissued shares of par value of HK\$0.001 each in the share capital of the Company was consolidated into one consolidated share of par value of HK\$0.016 each. Pursuant to the rights issue of shares being completed on 30 December 2014, a total of 3,183,112,500 rights shares were issued on the basis of three rights shares for every existing consolidated share as at 3 December 2014 at HK\$0.09 per rights share. Pursuant to the placing of shares being completed on 5 February 2016, a total of 724,000,000 placing shares were issued at HK\$0.029 per placing share. During the year ended 31 March 2016, the issued share capital of the Company was increased due to the exercise of share options by an executive director and certain employees. The shares issued during the year ended 31 March 2016 in relation to the exercise of share options having the same rights as other ordinary shares of the Company in issue.

## **23. ACQUISITION OF SUBSIDIARIES**

On 5 February 2015, the Group acquired 100% of the equity interest of Bonus Boost International Limited and its subsidiary (the “Bonus Boost Group”), which are principally engaged in the provision of valuation and consultancy services in Hong Kong. The Bonus Boost Group is an expertise in business valuation and appraisals, in particular the mortgage valuation business, and thus possesses an enormous database of information in relation to property, which will strengthen and make the Group more competitive in property valuation.

Pursuant to the sales and purchases agreement, the vendor undertakes that the net profit of the Bonus Boost Group in the audited financial statements for each of the financial period ended 31 March 2016 and the financial year ending 31 March 2017 (the “Guaranteed Periods”) shall not be less than HK\$2,800,000 (“Guaranteed Profit”). If there is a shortfall on the Guaranteed Profit in each of the Guaranteed Period, there will be cash compensation of 15 times of the shortfall from the vendor to the Group. In the opinion of the directors of the Company, the possibility of the Bonus Boost Group that does not meet the Guaranteed Profit is remote so that there is no contingent consideration receivables recognised for the cash compensation.

The fair value of identifiable assets and liabilities of the acquiree as at the date of acquisition were:

	<i>HK\$'000</i>	<i>HK\$'000</i>
Intangible assets	19,600	
Trade receivables	432	
Deposits and other receivables	179	
Tax recoverable	13	
Cash and bank balances	17	
Trade payables	(29)	
Accrued liabilities and receipt in advance	(38)	
Bank borrowings	(269)	
Deferred tax liabilities recognised upon fair value adjustments	(3,234)	16,671
	<hr/>	
Satisfied by:		
Cash consideration		42,000
		<hr/>
Goodwill ( <i>note 13</i> )		25,329
		<hr/> <hr/>
Net cash outflow arising from acquisition:		
Cash consideration paid	(42,000)	
Cash and cash equivalents acquired	17	
	<hr/>	
	(41,983)	
	<hr/> <hr/>	

Since the acquisition date, the Bonus Boost Group has contributed HK\$1,742,000 and HK\$649,000 to Group's revenue and profit respectively. If the acquisition had occurred on 1 April 2014, the Group's revenue and profit would have been HK\$91,148,000 and HK\$29,518,000 respectively. This pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 April 2014, nor is it intended to be a projection of future performance.

The fair value of trade receivables, deposits and other receivables amounted to HK\$611,000. None of these receivables have been impaired and it is expected that the full contractual amounts can be collected.

The acquisition related costs of HK\$117,000 have been expensed and are included in other expenses.

The goodwill of HK\$25,329,000, which is not deductible for tax purposes, comprises the acquired workforce and the value of expected synergies arising from the combination of the acquired business with the existing operations of the Group.

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

On 12 May 2016, a Writ of Summons has been issued against, among others, the Company and one of its subsidiaries in the Court of First Instance of the High Court of Hong Kong. The Group is taking legal advice in respect of such legal matter. As at the date of this announcement, to the best of the Directors' knowledge and belief, no foreseeable significant financial impact on the Group is expected.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

During the year ended 31 March 2016, the Group's provision of valuation and advisory services contributed approximately 64.1% of the total revenue to the Group. Despite the deteriorating economy in Hong Kong since late 2015, the Group maintained the growth trend and recorded an increase in revenue generated from the provision of valuation and advisory services of approximately 3.6% as compared with that for the year ended 31 March 2015. The Group always tries its best endeavor to explore various merger and acquisition opportunities and/or business collaboration to enhance its market presence in the valuation and advisory industry in Hong Kong. In January 2016, the Company acquired 19.9% issued share capital of Greater China Appraisal Limited, which is principally engaged in the provision of assets appraisal services. With such an investment, the Group's position in the valuation market in Hong Kong should be further established.

The Group's provision of financing services contributed approximately 35.9% of the total revenue to the Group for the year ended 31 March 2016. With the net proceeds from the rights issue of Shares in December 2014 and the placing of Shares in February 2016, the Group has further developed the provision of financing services and expanded its loan portfolio size. In view of the fluctuating property market in Hong Kong since late 2015, the Group tried to expand its loan portfolio, in terms of both types and size, in order to diversify the risk. The Group considered and accepted, among others, shares of some corporations to secure the loans granted, besides properties. Having expanded the loan portfolio of the Group, the significant growth in interest income for the year ended 31 March 2016 increased the Group's net profit as compared with that for the year ended 31 March 2015, notwithstanding the recognition of impairment loss on certain loans and interests receivable during the year ended 31 March 2016.

With the newly acquired subsidiary in February 2015 and also the continuous expansion of the Group, the Group's employee benefit expenses increased by approximately 23.3% for the year ended 31 March 2016 as compared with that for the year ended 31 March 2015. The Group always considers its professional teams as the most valuable asset of the Group and offers competitive remuneration package to attract and retain high-caliber individuals.

### **FINANCIAL REVIEW**

#### **Revenue**

For the year ended 31 March 2016, the Group recorded an increase of approximately 38.1% in revenue as compared with that for the year ended 31 March 2015. Such an increase was mainly attributable to (i) the increase in revenue generated from provision of valuation and advisory services and (ii) the increase in interest income generated from provision of financing services.

The services fee income generated from provision of valuation and advisory services increased to approximately HK\$75.8 million for the year ended 31 March 2016 from approximately HK\$73.1 million for the year ended 31 March 2015 and contributed approximately 64.1% of the total revenue to the Group. During the year ended 31 March 2016, the indirect wholly-owned subsidiary which is principally involved in acting as a surveyor, valuer and property consultant and was acquired by the Company in February 2015 contributed additional revenue to the Group.

The interest income generated from provision of financing services also increased to approximately HK\$42.3 million for the year ended 31 March 2016 from approximately HK\$11.1 million for the year ended 31 March 2015 and contributed approximately 35.9% of the total revenue to the Group. The significant increase in interest income for the year ended 31 March 2016 was mainly attributable to the net proceeds of fund raising activities of the Company and thus with sufficient fund for larger loan portfolio.

### **Other income**

The Group's other income increased by approximately 56.8% for the year ended 31 March 2016 as compared with that for the year ended 31 March 2015. Such an increase was mainly attributable to (i) the increase in reimbursable income from the Group's customers and (ii) the Group's unutilised proceeds from the rights issue being placed in commercial banks as time deposits for interests during the year ended 31 March 2016.

### **Employee benefit expenses**

Employee benefit expenses mainly consisted of wages and salaries, pension costs and other benefits to the staff and the Directors. The Group's employee benefit expenses increased by approximately 23.3% for the year ended 31 March 2016 as compared with that for the year ended 31 March 2015. The increase was mainly attributable to the increase in the average number of full-time staff and average salary level of the staff for the year ended 31 March 2016 as compared with that for the year ended 31 March 2015.

### **Depreciation and amortisation**

The Group recorded an increase of approximately 63.5% in depreciation and amortisation for the year ended 31 March 2016 as compared with that for the year ended 31 March 2015, which was mainly because of (i) the amortisation of intangible assets recorded for the year ended 31 March 2016, which resulted from the acquisition of Bonus Boost International Limited and B.I. Appraisals Limited in February 2015, and (ii) the addition of software during the year ended 31 March 2016.

### **Finance costs**

The Group recorded an increase of approximately 32.5% in finance costs for the year ended 31 March 2016 as compared with that for the year ended 31 March 2015, which was mainly due to interest expenses for a new bank loan during the year ended 31 March 2016.



## **Other expenses**

The Group's other expenses increased by approximately 85.3% for the year ended 31 March 2016 as compared with that for the year ended 31 March 2015. The increase was attributable to (i) more referral fees incurred during the year ended 31 March 2016 as compared with those for the year ended 31 March 2015. Referral is one of the sources of customers for the Group's provision of financing services. Along the growth of the financing services, more referral fees incurred during the year ended 31 March 2016; (ii) more entertainment expenses incurred during the year ended 31 March 2016 as compared with those for the year ended 31 March 2015, which is along with the growth of the Group's revenue; (iii) the exchange difference recognised during the year ended 31 March 2016 resulted from the depreciation in exchange rate of Renminbi ("RMB"); and (iv) more provision for impairment in respect of the Group's certain loans receivable and trade receivables recorded during the year ended 31 March 2016 as compared with those for the year ended 31 March 2015.

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

Profit attributable to owners of the Company increased to approximately HK\$36.6 million for the year ended 31 March 2016 from approximately HK\$29.2 million for the year ended 31 March 2015, representing an increase of approximately 25.3%. The significant increases in the Group's referral fees, entertainment expenses, employee benefit expenses and provision for impairment in respect of the Group's certain loans receivable and trade receivables partially offset the significant increase in the Group's revenue for the year ended 31 March 2016.

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

On 8 July 2015, the Group has granted a loan facility of HK\$58 million at an interest rate of 12% per annum for a term of one year (the "Loan A") to Brilliant One Holdings Limited, which executed, among others, share charge in favour of the Group to charge 310,850,000 shares of a company listed on GEM to the Group as security in connection with the Loan A. As at 31 March 2016, such facility has been drawn up to approximately HK\$57.2 million, and with approximately HK\$1.6 million interest accrued thereto. For further details, please refer to the Company's announcement dated 8 July 2015.

On 22 July 2015, the Group has granted a loan of HK\$10 million at an interest rate of 36% per annum for a term of one year (the "Loan B") to a company, which executed, among others, share charge in favour of the Group to charge certain of its shares to the Group as security in connection with the Loan B. As at 31 March 2016, the Loan B has yet to mature. For further details, please refer to the Company's announcement dated 22 July 2015.

On 1 September 2015, two mortgage loans of HK\$9.3 million and HK\$10.7 million respectively, both at an interest rate of 16% per annum for a term of one year, were granted to two companies and their shareholder, which executed, among others, second legal charges in respect of two residential properties as security for these two loans. For further details, please refer to the Company's announcement dated 1 September 2015. As at 31 March 2016, the loans were fully repaid.

On 15 September 2015, a mortgage loan of HK\$16 million at an interest rate of 1.42% per month for a term of three months (the “Loan C”) was granted to two individuals, who executed a first legal charge in respect of a residential property for the Loan C. On 16 December 2015, the Loan C has further renewed for another six months at same interest rate with same pledged property. As at 31 March 2016, the Loan C has yet to mature. For further details, please refer to the Company’s announcements dated 15 September 2015 and 16 December 2015.

On 6 April 2016, the Group has granted a loan facility of HK\$20 million at an interest rate of 14% per annum for a term of one year (the “Loan D”) to an individual, who executed share charge in favour of the Group to charge certain shares of a company listed on GEM to the Group as security in connection with the Loan D. As at the date of this announcement, the Loan D has yet to mature. For further details, please refer to the Company’s announcement dated 6 April 2016.

On 13 April 2016, the Group has granted a loan facility of HK\$39.5 million at an interest rate of 10% per annum for a term of one year (the “Loan E”) to an individual, who executed share charge in favour of the Group to charge certain shares of a company listed on GEM to the Group as security in connection with the Loan E. As at the date of this announcement, the Loan E has yet to mature. For further details, please refer to the Company’s announcement dated 13 April 2016.

On 11 May 2016, the Group has granted a loan facility of HK\$31.6 million at an interest rate of 12% per annum for a term of one year (the “Loan F”) to an individual, who executed share charge in favour of the Group to charge certain shares of a company listed on GEM to the Group as security in connection with the Loan F. As at the date of this announcement, the Loan F has yet to mature. For further details, please refer to the Company’s announcement dated 11 May 2016.

In relation to the mortgage loan of HK\$10.5 million granted by the Group on 2 May 2014, legal proceeding against the outstanding balances due from the borrower is still in progress. For further details, please refer to the Company’s announcements dated 5 and 16 May 2014.

## **LIQUIDITY AND FINANCIAL RESOURCES**

During the year ended 31 March 2016, the Group mainly financed its operations with its own working capital, bank borrowings and the net proceeds from fund raising activities. As at 31 March 2016 and 31 March 2015, the Group had net current assets of approximately HK\$371.6 million and HK\$330.4 million respectively, including cash and bank balances of approximately HK\$40.3 million and HK\$216.1 million respectively. The Group’s pledged bank deposits of approximately HK\$61.8 million as at 31 March 2016 represented cash at bank held by the Group and pledged for bank borrowings. The Group’s current ratio decreased from approximately 7.8 as at 31 March 2015 to approximately 6.2 as at 31 March 2016.

As at 31 March 2016 and 31 March 2015, the Group's total bank borrowings amounted to approximately HK\$50.5 million and HK\$31.0 million respectively and finance lease liabilities amounted to approximately HK\$5.4 million and HK\$3.3 million respectively. The Group's gearing ratio increased from approximately 0.09 as at 31 March 2015 to approximately 0.12 as at 31 March 2016, which was mainly because of the increase in bank borrowings as at 31 March 2016.

## **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 operating lease commitments amounted to approximately HK\$4.5 million and HK\$8.8 million as at 31 March 2016 and 31 March 2015 respectively. As at 31 March 2016, the Group did not have any capital commitments (31 March 2015: nil).

## **CAPITAL STRUCTURE**

Details of the movements in the Company's share capital are set out in note 22 to the consolidated financial statements in this announcement.

## **CONTINGENT LIABILITIES**

The Group had no material contingent liabilities as at 31 March 2016 (31 March 2015: nil).

## **FOREIGN EXCHANGE EXPOSURE**

During the year ended 31 March 2016, the Group's exposure to currency risk was limited to its bank balances denominated in RMB as majority of the Group's transactions, monetary assets and liabilities are denominated in Hong Kong Dollars ("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 2016 will increase by approximately HK\$1.5 million (2015: HK\$0.9 million). On the contrary, if RMB depreciates by 3% against HK\$, the Group's profit for the year ended 31 March 2016 will decrease by approximately HK\$1.5 million (2015: HK\$0.9 million). 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 2016, save for the pledged bank deposits, the Group did not pledge any of its assets (31 March 2015: nil) as securities for any facilities granted to the Group.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 March 2016 and 31 March 2015, the Group employed a total of 72 and 63 full-time employees respectively. The Group's total employee benefit expenses were approximately HK\$31.5 million and HK\$25.6 million for the years ended 31 March 2016 and 2015 respectively. Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. In addition to a basic salary, discretionary 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.

## **COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS**

### **1. The placing in 2013**

Subsequent to the Listing Date and up to 31 March 2016, the Group fully utilised all the net proceeds from the placing of the Shares on GEM in 2013 in accordance with the business strategies as set out in the prospectus of the Company dated 31 January 2013.

### **2. The rights issue in 2014**

In December 2014, the Company raised fund of net proceeds of approximately HK\$280 million from its rights issue of 3,183,112,500 Shares (the "RI Proceeds"). Up to the date of this announcement, (i) HK\$36.7 million of the RI Proceeds was paid for the acquisition of equity interest in Bonus Boost International Limited, which has a wholly-owned subsidiary principally involved in acting as a surveyor, valuer and property consultant; (ii) HK\$25 million of the RI Proceeds was paid for the acquisition of 19.9% equity interest in Greater China Appraisal Limited, which is principally engaging in the provision of assets appraisal services; and (iii) approximately HK\$126.3 million of the RI Proceeds, being the entire portion intended to be used for the Group's provision of financing services was utilised for granting of mortgage loans to independent third parties. The Group continues to look for suitable business opportunities to utilise the remaining portion of approximately HK\$70.0 million of the RI Proceeds which was intended to apply for the funding and further development of the existing and future businesses of the Group. As at 31 March 2016, such unutilised net proceeds were kept as cash at and placed as bank deposits with authorised banks in Hong Kong.

### **3. The placing in 2016**

In February 2016, the Company completed a placing of 724,000,000 Shares to not less than six places at the placing price of HK\$0.029 per placing Share (the "Placing"). The net proceeds from the Placing amounted to approximately HK\$20.5 million, which was fully utilised for granting of mortgage loans in an aggregate amount of approximately HK\$20.5 million to independent third parties.

## **MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES**

Save as disclosed in this announcement, during the year ended 31 March 2016, the Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies.

## **DIVIDENDS**

The Board does not recommend the payment of any final dividend for the year ended 31 March 2016 (2015: nil).

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

Save as disclosed in the section headed “Comparison of business objectives with actual business progress” and in the prospectus of the Company dated 4 December 2014, the Group does not currently have other plans for material investments and capital assets.

## **FUTURE PROSPECTS**

The Group always aims to be the leading valuation and advisory services provider in Hong Kong. In order to maintain and further enhance the Group’s market presence in the valuation and advisory industry in Hong Kong, the Group will proactively explore further merger and acquisition opportunities and/or business collaboration. A sluggish property market in Hong Kong is expected in the coming year and the Group will further diversify its loan portfolio in respect of risk management and also to maximise the return to the Group.

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.

In June 2015, the Company submitted a formal application to the Stock Exchange for the proposed transfer of the listing of the Shares from GEM to the main board of the Stock Exchange (the “Application”). The Application lapsed after six months since the submission of the Application. The Company intends to proceed with the Application.

## **OTHER INFORMATION**

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

During the year ended 31 March 2016, 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.

### **CORPORATE GOVERNANCE PRACTICES**

The Company has complied with all the code provisions as set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 15 to the GEM Listing Rules during the year ended 31 March 2016 except the following deviation:

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

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

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 Directors confirmed that they have complied with the required standard of dealings and its code of conduct concerning securities transactions by the Directors during the year ended 31 March 2016.

### **DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS**

No Director had a material interest in any transactions, arrangements or contracts 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 2016.

## **DIRECTORS' INTERESTS IN COMPETING BUSINESSES**

During the year ended 31 March 2016 and up to the date of this announcement, none of the Directors or any of their respective close associates, engaged in any business that competes or might compete with the business of the Group, or had any other conflict of interest with the Group.

## **AUDIT COMMITTEE**

The audit committee of the Company (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 terms of reference of the Audit Committee have been revised on 17 March 2016 to reflect the additional responsibilities of the Audit Committee arising from the Stock Exchange's proposal on risk management and internal control under the Code on Corporate Governance applicable to listed companies with an accounting period beginning on or after 1 January 2016. The major roles 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 Audit Committee currently consists of three members, namely Mr. Ko, Wai Lun Warren, Mr. Lou, Ming and Mr. Wong, Tat Keung (chairman of the Audit Committee), all being independent non-executive Directors. No member of the Audit Committee is a member of the former or existing independent auditor of the Company. The Audit Committee has reviewed the audited consolidated results of the Group for the year ended 31 March 2016.

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

Hong Kong, 16 May 2016

*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. Ko, Wai Lun Warren, Mr. Lou, Ming and Mr. Wong, Tat Keung.*

*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 website of the Company at [www.romagroup.com](http://www.romagroup.com).*