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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)

DISCLOSEABLE TRANSACTION

THE ACQUISITION

On 12 January 2018 (after trading hours of the Stock Exchange), the Purchaser, a wholly-owned subsidiary of the Group, as purchaser, entered into the Agreement with the Vendor as vendor, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares at the cash consideration of HK\$116,000,000, which shall be payable in the following manner:

- (i) HK\$20,000,000 shall be payable by the Purchaser to the Vendor upon signing of this Agreement as refundable earnest money; and
- (ii) balance of the Consideration of HK\$96,000,000 shall be payable by the Purchaser to the Vendor upon Completion.

Upon Completion, the Sale Shares are accounted for as the Group's available-for-sale financial assets.

GEM LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined under the GEM Listing Rules) for the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements under the GEM Listing Rules.

* For identification purpose only

The Board is pleased to announce that on 12 January 2018 (after trading hours of the Stock Exchange), the Purchaser, a wholly-owned subsidiary of the Group, as purchaser, entered into the Agreement with the Vendor as vendor, in relation to the Acquisition.

THE AGREEMENT

The principal terms of the Agreement are set out as follows:

Date: 12 January 2018

Parties: Glorious Sky Group Limited, as purchaser; and
Novel Sky Holdings Limited, as vendor

As at the date of the Agreement, the Vendor is the legal and beneficial owner of the Sale Shares. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Vendor and its beneficial owners is an Independent Third Party.

Asset to be acquired

Pursuant to the terms of the Agreement, the Purchaser conditionally agreed to acquire and the Vendor conditionally agreed to sell the Sale Shares, representing 7.5% of the issued ordinary share capital of the Target as at the date of the Agreement.

Consideration

The consideration for the Sale Shares is HK\$116,000,000, which shall be payable by the Purchaser to the Vendor in cash in the following manner:

- (i) HK\$20,000,000 shall be payable by the Purchaser to the Vendor upon signing of this Agreement as refundable earnest money (the “**Refundable Deposit**”); and
- (ii) balance of the Consideration of HK\$96,000,000 shall be payable by the Purchaser to the Vendor upon Completion.

The consideration was arrived at after arm’s length negotiations between the Purchaser and the Vendor taking into account, among others, future business prospects of the Target Group, and the benefits to be derived by the Group from the Acquisition as described under the paragraph headed “REASONS FOR AND BENEFITS OF THE ACQUISITION”. The Directors consider the Acquisition is fair and reasonable and on normal commercial terms and is in the interests of the Company and the Shareholders as a whole.

Conditions precedent

Completion shall be conditional upon and subject to:

- (1) the Purchaser being satisfied in its absolute discretion with the results of the due diligence review of the assets, liabilities, operations and affairs of the Target Group;

- (2) all necessary consents, licenses and approvals from the shareholders, bankers, financial institutions and regulators required to be obtained on the part of the Vendor and the Target in respect of the Agreement and the transaction contemplated thereby having been obtained and remained in full force and effect;
- (3) all necessary consents, licences and approvals from the shareholders, bankers, financial institutions and regulators required to be obtained on the part of the Purchaser in respect of the Agreement and the transaction contemplated thereby having been obtained and remained in full force and effect; and
- (4) the warranties given by the Vendor in the Agreement remaining true and accurate and not misleading in all respects.

Save for the Purchaser may waive condition (1) above, all other conditions are incapable of being waived. If the conditions have not been satisfied or waived (or as the case may be) on or before 12:00 noon on the Long Stop Date, the Agreement shall cease and determine, the Vendor shall return the Refundable Deposit and thereafter neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

Completion

Upon Completion, the Sale Shares are accounted for as the Group's available-for-sale financial assets.

INFORMATION ON THE VENDOR AND THE TARGET GROUP

The Vendor is a company incorporated in British Virgin Islands with limited liability and is principally engaged in investment holding.

The Target was a company incorporated in Samoa with limited liability. As advised by the Vendor, the Target Group is a Hong Kong based audio technology group with technology originated from the United States. The Target Group is specialised in audio system powered by "WIZOR" technology. WIZOR is a revolutionary acoustic technology which aims to present a premium full-bodied audio quality with amazing audio empathic experience. This revolutionary technology restores the signal, sound field, location and sense of space through the transformation of aerospace technology. WIZOR produces 4D surround sound by "tricking" human brain to believe it is hearing a 3-dimensional surround sound with 4-dimensional Musical Sensitivity & Perception Enhancement (MSPE) acoustic effect, which enhances human brain's sensitivity to music. The restructured audio signal is recompiled and developed into a 3D sound field, which provides a 360-degree surround sound effect with the "3D auditory system" to deliver vivid audio details and state-of-the-art psychoacoustic properties.

The Target Group creates a unique X-Spatial 4D sound products which are based on "WIZOR" technology embedded products and services to deliver 360-degree seamless, full spherical surround sound even with 2 channels. X-Spatial series feature the exclusive and revolutionary WIZOR HD audio optimization technology. Capitalised on the principle of sound wave transmission and human sense of hearing, X-Spatial products embedded the "WIZOR" technology which enable all audio playback systems to deliver an authentic high-

fidelity surround sound effect. X-Spatial series cover a wide range of applications, from professional recording and mixing system, cinema audio system to various consumer electronic devices, aiming to provide a powerful audio experience that makes sounds come alive with breathtaking realism.

The Target Group has created products and technical services for enhancing the sound quality of digital contents including movies, TV shows, digital media, video games etc. and physical settings such as cinemas, theaters, concert halls and night clubs by applying the latest “WIZOR” technology.

Set out below is a summary of the financial information of the Target Group for the financial years ended 30 June 2016 and 2017.

	For the year ended	
	30 June 2016	30 June 2017
	(unaudited)	(unaudited)
	<i>US\$'000</i>	<i>US\$'000</i>
Revenue	—	181
Net loss before taxation	670	1,590
Net loss after taxation	670	1,590

The unaudited net liabilities of the Target Group as at 30 September 2017 was approximately US\$2.7 million.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The principal activity of the Company is investment holding. The major activities of the Group are currently provision of valuation and advisory services and financing services in Hong Kong.

Having considered to diversify the businesses and to manage the overall business risk of the Group, the Board would like to explore different investment opportunity to broaden the income source and strengthen the asset base of the Group. The Directors are of the view that WIZOR is a revolutionary acoustic technology and the X-Spatial products will be revolutionary sound products that create huge development potential.

Taking into account the benefits of the Acquisition, the Directors are therefore of the view that the terms of the Acquisition are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined under the GEM Listing Rules) for the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements under the GEM Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Acquisition”	the sale and purchase of the Sale Shares pursuant to the Agreement
“Agreement”	the sale and purchase agreement dated 12 January 2018 and entered into between the Purchaser and the Vendor in relation to the Acquisition
“Board”	the board of Directors
“Company”	Roma Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM (stock code: 8072)
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Agreement
“connected person”	having the meaning ascribed thereto under the GEM Listing Rules, and “connected persons” shall be construed accordingly
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the GEM Listing Rules
“Long Stop Date”	31 March 2018 (or such other date as the parties to this Agreement may agree in writing)
“Purchaser”	Glorious Sky Group Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Sale Shares”	7,500,000 shares, representing 7.5% of the issued ordinary share capital, in the Target as at the date of the Agreement

“Share(s)”	ordinary share(s) of HK\$0.064 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	CDE Holdings Limited, a company incorporated in Samoa
“Target Group”	the Target and its subsidiaries
“Vendor”	Novel Sky Holdings Limited, a company incorporated in British Virgin Islands, the beneficial owner of the Sale Shares as at the date of the Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United dollars, the lawful currency of United States of America
“%”	per cent.

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

Hong Kong, 12 January 2018

As at the date of this announcement, the executive Directors are Ms. Chan Hong Nei Connie and Mr. Yue Kwai Wa Ken, and the independent non-executive Directors are Mr. Choi Wai Tong Winton, Mr. Ko Wai Lun Warren, Ms. Li Tak Yin and Mr. Wong Tat Keung.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rule for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least seven days from the day of its posting. This announcement will also be published on the website of the Company at www.romagroup.com.