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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
ACQUISITION OF A LICENSED CORPORATION**

THE ACQUISITION

The Board hereby announces that on 21 December 2018 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the entire issued share capital of the Target Company at the consideration of HK\$12 million. The Target Company is a company incorporated in Hong Kong with limited liability and a corporation licensed by the SFC to conduct Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO as at the date of this announcement.

Upon the Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company. Thereafter, the results and assets and liabilities of the Target Company will be incorporated in the consolidated financial statements of the Company.

IMPLICATION UNDER THE GEM LISTING RULES

As one of the applicable percentage ratios in respect of the Acquisition is more than 5% but 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

INTRODUCTION

The Board hereby announces that on 21 December 2018 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares.

The principal terms and conditions of the Agreement are set out below:

AGREEMENT

Date: 21 December 2018 (after trading hours)

Parties: (1) The Purchaser, an indirect wholly-owned subsidiary of the Company, as purchaser; and
(2) The Vendor, 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 Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor is a holder of passport issued by the Republic of Singapore and third party independent of the Company and the connected persons (as defined in the GEM Listing Rules) of the Company.

Assets to be acquired

Pursuant to the Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares, representing the entire issued share capital of the Target Company.

The Target Company is a company incorporated in Hong Kong with limited liability and a corporation licensed by the SFC to conduct Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO as at the date of this announcement. Based on the management accounts of the Target Company for the period since 3 January 2018 (date of incorporation) to 30 November 2018 provided by the Vendor, the net profit (before tax) of the Target Company for the period since 3 January 2018 (date of incorporation) to 30 November 2018 was approximately HK\$42,000.

Consideration

The Consideration for the Acquisition is HK\$12 million which shall be paid by the Purchaser to the Vendor in cash in the following manner:

- (1) HK\$800,000 shall be paid upon the signing of the Agreement (the "**First Instalment**"); and
- (2) HK\$11,200,000 shall be paid upon the Completion.

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor after taking into account (i) the transaction price of similar acquisition of licensed corporations under the SFO; (ii) the experience of the existing responsible officers (within the meaning of the SFO) of the Target Company; and (iii) the potential revenue and synergy to be brought to the Group by the Target Company upon the Completion.

The Acquisition will be financed by both the internal resources of the Group and net proceeds from the rights issue of shares of the Company completed in November 2017.

Conditions precedent to the Completion

Pursuant to the Acquisition Agreement, Completion is conditional upon fulfillment of the following conditions (or waiver of such condition precedents (in respect of conditions precedent (1) and (6) below only)):

- (1) the Purchaser being satisfied in its absolute discretion with the results of the due diligence review to be conducted;
- (2) all necessary consents, licenses and approvals required to be obtained on the part of the Vendor and the Target Company in respect of the Agreement and the transactions contemplated thereunder having been obtained and remain in full force and effect;
- (3) all necessary consents, licences and approvals required to be obtained on the part of the Purchaser in respect of the Agreement and the transactions contemplated hereby having been obtained and remain in full force and effect;
- (4) the approval from the SFC in relation to the change of substantial shareholder (as defined in the SFO) of the Target Company having been obtained and not revoked, cancelled or lapsed;
- (5) each of the warranties given by the Vendor remaining true and accurate and not misleading in all respects;
- (6) the Purchaser being satisfied that, as at Completion, there has not been any material adverse change in respect of the Target Company since the date of the Agreement;
- (7) each of the existing responsible officers (within the meaning of the SFO) of the Target Company as at the date of the Agreement has entered into service agreement (in such form and such terms to be determined by the Purchaser) with the Target Company;
- (8) the Target Company shall comply with all the applicable requirements under the Securities and Futures (Financial Resources) Rules (Chapter 571N of the Laws of Hong Kong) (including but not limited to the minimum paid-up capital and liquid capital requirements) as at the date of Completion; and
- (9) the audited accounts of the Target Company for the most recent financial year of the Target Company having been issued by the auditors.

Completion

Completion shall take place on the date falling on the third Business Day after the fulfillment of the above conditions, or such later date as the parties to the Agreement may agree.

Pursuant to the Agreement, in the event that the Completion shall not take place within one year after the date of the Agreement, the Agreement shall cease and determine in accordance with the terms and conditions therein and the First Instalment of the Consideration shall be refunded to the Purchase in full without interest within seven Business Days.

Upon the Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company. Thereafter, the results and assets and liabilities of the Target Company will be incorporated in the consolidated financial statements of the Company.

INFORMATION ON THE GROUP

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.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group has been looking for suitable opportunities to expand its business and maximise Shareholders' return. On 13 December 2018, the Group has been licensed by the SFC to conduct Type 1 (dealing in securities) regulated activities under the SFO. By entering into the Agreement, subject to the Completion, the Group can participate in advising on securities and asset management which can provide further synergy for its engagement in Type 1 (dealing in securities) regulated activities under the SFO. This can in turn further diversify the existing businesses of the Group and broaden its source of income. The Board considers that the Agreement is on normal commercial terms that are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

IMPLICATION UNDER THE GEM LISTING RULES

As one of the applicable percentage ratios in respect of the Acquisition is more than 5% but 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, unless the context otherwise requires, the following terms shall have the following meanings:

“Acquisition”	the sale and purchase of the Sale Shares pursuant to the Agreement
“Agreement”	the sale and purchase agreement dated 21 December 2018 and entered into between the Purchaser and the Vendor in relation to the Acquisition

“Board”	the board of Directors
“Business Day”	a day (other than Saturdays, Sundays, or public holidays and such other days where a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above is in force in Hong Kong), on which licensed banks in Hong Kong are open for business throughout their normal business hours
“Company”	Roma Group Limited, a company incorporated under the law of the Cayman Islands with limited liability and the shares of which are listed on GEM of the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Agreement
“Consideration”	HK\$12 million, being the consideration payable for the Sale Shares
“Directors”	the directors of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“PRC”	the People’s Republic of China
“Purchaser”	Fantastic Adventure Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, an indirect wholly-owned subsidiary of the Company
“Sale Shares”	150,000 shares of the Target Company, representing the entire issued share capital of the Target Company
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Leo Asset Management Limited (麗奧資產管理有限公司), a company incorporated in Hong Kong with limited liability, a corporation licensed by the SFC to conduct Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO

“Vendor” an individual, being the sole shareholder of the Target Company and the vendor of the Acquisition

“%” 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, 21 December 2018

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

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

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