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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 THIRD QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2017

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 nine months ended 31 December 2017:

- Revenue was approximately HK\$47.8 million, representing a decrease of approximately 40.1% as compared with that for the nine months ended 31 December 2016;
- Loss for the nine months ended 31 December 2017 amounted to approximately HK\$1.4 million whereas there was a profit of approximately HK\$21.0 million for the nine months ended 31 December 2016;
- Basic and diluted loss per share attributable to the ordinary equity holders of the Company were HK0.09 cent; and
- No dividend has been declared.

THIRD QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2017

The board of Directors (the “Board”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the three months and nine months ended 31 December 2017 together with the comparative unaudited figures for the corresponding periods in 2016 as follows:

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and nine months ended 31 December 2017

		For the three months ended 31 December		For the nine months ended 31 December	
		2017	2016	2017	2016
	Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue	3	12,390	19,735	47,805	79,789
Other income	4	378	390	1,977	2,279
Employee benefit expenses	5	(7,664)	(7,842)	(28,188)	(25,811)
Depreciation and amortisation	6	(1,242)	(1,003)	(3,585)	(3,017)
Finance costs	7	(236)	(401)	(678)	(1,206)
Other expenses		(3,675)	(8,388)	(17,038)	(26,240)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
(Loss)/profit before income tax expense		(49)	2,491	293	25,794
Income tax expense	8	(595)	(475)	(1,645)	(4,797)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
(Loss)/profit and total comprehensive (loss)/ income for the period attributable to owners of the Company		(644)	2,016	(1,352)	20,997
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
			(restated)		(restated)
(Loss)/earnings per share					
— Basic (HK cents)	10	(0.03)	0.15	(0.08)	1.59
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
— Diluted (HK cents)	10	(0.03)	0.15	(0.08)	1.59
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2017

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Capital reserve <i>HK\$'000</i>	Share option reserve <i>HK\$'000</i>	Retained earnings <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2017 (audited)	79,998	272,298	10	422	123,757	476,485
Rights issue, net of expenses	119,996	137,761	-	-	-	257,757
Loss and total comprehensive loss for the period	-	-	-	-	(1,352)	(1,352)
At 31 December 2017 (unaudited)	<u>199,994</u>	<u>410,059</u>	<u>10</u>	<u>422</u>	<u>122,405</u>	<u>732,890</u>
At 1 April 2016 (audited)	79,998	272,298	10	1,345	101,585	455,236
Profit and total comprehensive income for the period	-	-	-	-	20,997	20,997
At 31 December 2016 (unaudited)	<u>79,998</u>	<u>272,298</u>	<u>10</u>	<u>1,345</u>	<u>122,582</u>	<u>476,233</u>

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 in Hong Kong is located at 22/F, China Overseas Building, 139 Hennessy Road, Wanchai, Hong Kong. The principal activity of the Company is investment holding. The major activities of its subsidiaries are provision of valuation and advisory services and financing services in Hong Kong.

The issued ordinary shares of the Company (the “Shares”) were initially listed on GEM by way of placing on 25 February 2013.

2. BASIS OF PREPARATION

(a) Statement of compliance

The unaudited condensed consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of Hong Kong Companies Ordinance. In addition, the unaudited condensed consolidated financial statements include applicable disclosures required by the GEM Listing Rules. The accounting policies adopted in the unaudited condensed consolidated financial statements of the Group for the nine months ended 31 December 2017 are consistent with those adopted in the Group’s audited consolidated financial statements for the year ended 31 March 2017.

(b) Basis of measurement

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

(c) Functional and presentation currency

The unaudited condensed 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.

3. 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 is as follows:

	For the three months ended 31 December		For the nine months ended 31 December	
	2017 <i>HK\$'000</i> (unaudited)	2016 <i>HK\$'000</i> (unaudited)	2017 <i>HK\$'000</i> (unaudited)	2016 <i>HK\$'000</i> (unaudited)
Services fee income from provision of valuation and advisory services	8,993	10,995	33,687	52,650
Interest income from provision of financing services	3,397	8,740	14,118	27,139
	<u>12,390</u>	<u>19,735</u>	<u>47,805</u>	<u>79,789</u>

4. OTHER INCOME

	For the three months ended 31 December		For the nine months ended 31 December	
	2017 <i>HK\$'000</i> (unaudited)	2016 <i>HK\$'000</i> (unaudited)	2017 <i>HK\$'000</i> (unaudited)	2016 <i>HK\$'000</i> (unaudited)
Reimbursement of expenses	197	117	533	959
Interest income	306	332	704	971
Others	(125)	(59)	740	349
	<u>378</u>	<u>390</u>	<u>1,977</u>	<u>2,279</u>

5. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	For the three months ended 31 December		For the nine months ended 31 December	
	2017 <i>HK\$'000</i> (unaudited)	2016 <i>HK\$'000</i> (unaudited)	2017 <i>HK\$'000</i> (unaudited)	2016 <i>HK\$'000</i> (unaudited)
Wages and salaries	6,977	7,011	26,286	23,501
Contributions on defined contribution retirement plans	223	210	680	677
Other benefits	464	621	1,222	1,633
	<u>7,664</u>	<u>7,842</u>	<u>28,188</u>	<u>25,811</u>

6. EXPENSES BY NATURE

	For the three months ended 31 December		For the nine months ended 31 December	
	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
Auditor's remuneration	175	9	495	334
Depreciation of property, plant and equipment	704	448	1,956	1,342
Amortisation of intangible assets	538	555	1,629	1,675
Exchange (gain)/loss, net	(200)	3,595	(390)	3,441
Consultancy fee	463	287	1,235	4,918
(Reversal of impairment loss)/ impairment loss on loans and interests receivable, net	(1,905)	(168)	(1,623)	1,401
(Reversal of impairment loss)/ impairment loss on trade and other receivables, net	–	(71)	103	(393)
Operating lease charges in respect of buildings	1,248	1,145	4,322	3,413

7. FINANCE COSTS

	For the three months ended 31 December		For the nine months ended 31 December	
	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
Interest on bank borrowings	213	365	599	1,088
Interest on finance leases	23	36	79	118
	236	401	678	1,206

8. INCOME TAX EXPENSE

Hong Kong profits tax is calculated at the rate of 16.5% (2016: 16.5%) on the estimated assessable profits for the periods.

	For the three months ended 31 December		For the nine months ended 31 December	
	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
Current tax — Hong Kong Profits Tax Tax for the period	595	475	1,901	4,896
Over-provision in respect of prior year	–	–	(256)	(99)
	595	475	1,645	4,797

9. DIVIDENDS

The Board does not recommend the payment of dividend for the nine months ended 31 December 2017 (2016: nil).

10. (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted (loss)/earnings per Share attributable to the ordinary equity holders of the Company is based on the following data:

	For the three months ended 31 December		For the nine months ended 31 December	
	2017 <i>HK\$'000</i> (unaudited)	2016 <i>HK\$'000</i> (unaudited)	2017 <i>HK\$'000</i> (unaudited)	2016 <i>HK\$'000</i> (unaudited)
(Loss)/earnings				
(Loss)/earnings for the purpose of basic and diluted (loss)/earnings per Share	<u>(644)</u>	<u>2,016</u>	<u>(1,352)</u>	<u>20,997</u>
	'000	'000 (restated)	'000	'000 (restated)
Number of Shares				
Weighted average number of ordinary Shares for the purpose of basic and diluted (loss)/earnings per Share (note)	<u>2,239,554</u>	<u>1,322,461</u>	<u>1,629,270</u>	<u>1,322,461</u>

Note: Weighted average of 2,239,554,000 and 1,629,270,000 Shares for the three months and nine months ended 31 December 2017 respectively are derived from 4,999,853,300 Shares issued as at 1 April and 1 October 2017 after taking into account the effects of the share consolidation being completed on 19 October 2017 and the rights issue of 1,874,944,986 rights Shares being completed on 17 November 2017 (2016 (restated): 1,322,461,000 Shares for both the three months and nine months ended 31 December 2016 are derived from 4,999,853,300 Shares, being the number of Shares in issue throughout the respective periods of the three months and nine months ended 31 December 2016 after taking into account the effects of the share consolidation being completed on 19 October 2017 and the rights issue of 1,874,944,986 rights Shares being completed on 17 November 2017).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the nine months ended 31 December 2017, the Group experienced a loss, which was mainly due to the drop in the Group's total revenue. Although the Group tried to seek for business opportunities in regions outside Hong Kong, for which the Group signed strategic cooperation agreements in November 2017, no new source of income has yet to be recognised for the nine months ended 31 December 2017. Nevertheless, with more available funds from the rights issue of Shares completed in November 2017, the Group enlarged its loan portfolio size.

In July 2017, the Group entered into two sale and purchase agreements in relation to proposed acquisitions of two companies in Hong Kong, one of which is licensed by the Securities and Futures Commission of Hong Kong and the other one is principally engaged in money lending business. In December 2017, the abovementioned agreements were terminated. Further details could be found in the Company's announcements dated 27 July 2017 and 13 December 2017. The Group, however, continuously looked for different opportunities to increase the value of the Group. In January 2018, the Group entered into a sale and purchase agreement in relation to a proposed addition of a financial asset of available-for-sale, details of which can be referred to the Company's announcement dated 12 January 2018.

FINANCIAL REVIEW

Revenue

For the nine months ended 31 December 2017, the Group recorded a decrease of approximately 40.1% in revenue as compared with that for the nine months ended 31 December 2016. Such a decrease was mainly attributable to the decreases in both services fee income generated from provision of valuation and advisory services and interest income generated from provision of financing services.

The services fee income generated from provision of valuation and advisory services decreased by approximately 36.0% to approximately HK\$33.7 million for the nine months ended 31 December 2017 from approximately HK\$52.7 million for the nine months ended 31 December 2016. It was mainly attributable to a decrease in number of projects generating revenue to the Group for the nine months ended 31 December 2017 as compared with those for the nine months ended 31 December 2016.

The interest income generated from provision of financing services decreased by approximately 48.0% to approximately HK\$14.1 million for the nine months ended 31 December 2017 from approximately HK\$27.1 million for the nine months ended 31 December 2016. The decrease in interest income was mainly attributable to a decrease in an average interest rate charged against the loan principals during the nine months ended 31 December 2017 as compared with that for the nine months ended 31 December 2016.

Other income

The Group's other income decreased by approximately 13.3% for the nine months ended 31 December 2017 as compared with that for the nine months ended 31 December 2016. Such a decrease was mainly attributable to (i) less out-of-pocket expenses could be reimbursed from clients and (ii) the decrease in the interest rates offered by the banks to the Group in relation to the Group's unutilised proceeds from the rights issue of Shares being placed in banks as time deposits for interests during the nine months ended 31 December 2017 as compared with those during the nine months ended 31 December 2016.

Employee benefit expenses

Employee benefit expenses mainly consisted of wages and salaries, discretionary bonus, pension costs and other benefits to the staff and the Directors. The Group's employee benefit expenses increased by approximately 9.2% for the nine months ended 31 December 2017 as compared with that for the nine months ended 31 December 2016. The increase was mainly attributable to (i) increase in number of staff and (ii) discretionary bonus given to certain staff and Directors during the nine months ended 31 December 2017. The Group always values the contribution of its professional and management teams and has distributed bonus during the nine months ended 31 December 2017 to retain high-caliber individuals for continuous contribution to the Group.

Depreciation and amortisation

The Group recorded an increase of approximately 18.8% in depreciation and amortisation for the nine months ended 31 December 2017 as compared with that for the nine months ended 31 December 2016, which was mainly attributable to additions of leasehold improvement during the nine months ended 31 December 2017 for the new office premise.

Finance costs

The Group's finance costs referred to interest expenses incurred for bank borrowings and finance lease liabilities. They decreased by approximately 43.8% for the nine months ended 31 December 2017 as compared with those for the nine months ended 31 December 2016. Such a decrease was mainly attributable to (i) interest rates offered by a bank for two of the bank loans dropped and (ii) full settlement of another two of the bank loans during the nine months ended 31 December 2017.

Other expenses

The Group's other expenses decreased by approximately 35.1% for the nine months ended 31 December 2017 as compared with that for the nine months ended 31 December 2016. Such a decrease was mainly attributable to (i) less consultancy fee incurred, which was along with the decrease of the Group's services fee income generated from provision of valuation and advisory services and (ii) reversal of impairment loss on loans and interests receivable during the nine months ended 31 December 2017 as compared with those for the nine months ended 31 December 2016.

Profit/loss attributable to owners of the Company

Loss attributable to owners of the Company amounted to approximately HK\$1.4 million for the nine months ended 31 December 2017 whereas there was a profit attributable to owners of the Company of approximately HK\$21.0 million for the nine months ended 31 December 2016. The significant decrease in the Group's total revenue and increase in the Group's employee benefit expenses outweighed the decrease in the Group's other expenses for the nine months ended 31 December 2017.

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. On 30 August 2016, the facility of Loan A has further increased to HK\$62 million and renewed for another year at same interest rate with same number of pledged shares. As at 31 December 2017, such facility has been drawn up to approximately HK\$61.8 million and matured. Follow-up works in relation to repayment are in the progress by the Group. For further details, please refer to the Company's announcements dated 8 July 2015 and 30 August 2016.

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 December 2017, the Loan B matured. Legal proceeding against the customer to recover the entire outstanding balances is still in progress. For further details, please refer to the Company's announcement dated 22 July 2015.

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 C") to a recurring client, 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 C. As at 31 December 2017, the Loan C matured. Follow-up works in relation to repayment are in the progress by the Group. 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 D") to a recurring client, 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 31 December 2017, the Loan D matured. Follow-up works in relation to repayment are in the progress by the Group. For further details, please refer to the Company's announcement dated 11 May 2016.

On 14 July 2016, the Group has granted a loan facility of HK\$39 million at an interest rate of 12% per annum for a term of one year (the "Loan E") to a recurring client, 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 31 December 2017, the Loan E matured. Follow-up works in relation to repayment are in the progress by the Group. For further details, please refer to the Company's announcement dated 14 July 2016.

On 24 November 2017, the Group has granted a loan of HK\$40 million at an interest rate of 16% per annum for a term of six months (the “Loan F”) to a company, for which a guarantor executed a guarantee in favour of the Group. As at 31 December 2017, the Loan F has yet to mature. For further details, please refer to the Company’s announcement dated 24 November 2017.

USE OF PROCEEDS

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 then Shares (the “2014 RI Proceeds”). Up to the date of this announcement, (i) HK\$36.7 million of the 2014 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 2014 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 2014 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 2014 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 December 2017, such unutilised net proceeds were kept as cash at and placed as bank deposits with authorised banks in Hong Kong.

The rights issue in 2017

In November 2017, the Company raised fund of net proceeds of approximately HK\$258 million from its rights issue of 1,874,944,986 Shares (the “2017 RI Proceeds”). Up to the date of this announcement, approximately HK\$80 million of the 2017 RI Proceeds was utilised for granting of various loans and approximately HK\$0.1 million of the 2017 RI Proceeds was used for the Group’s general working capital, and the rest was kept as cash at authorised bank in Hong Kong. Proposed use of the 2017 RI Proceeds are set as below.

	Proposed use of the 2017 RI Proceeds (HK\$ in million)	Actual use of the 2017 RI Proceeds up to date of this announcement (HK\$ in million)
Expansion of the Group’s existing financing business	135	80.0
Investment in potential businesses	90	–
General working capital	33	0.1
	<hr/>	<hr/>
Total	<u>258</u>	<u>80.1</u>

FUTURE PROSPECTS

The Group plans to keep its focus in Hong Kong in the financial year of 2018, thus will focus in searching businesses opportunities in Hong Kong while expanding the loan portfolio with the 2017 RI Proceeds to increase the Group's revenue. In order to better control the Group's costs and keep its focus in businesses in Hong Kong, the Group will review its professional team unit from time to time to best serve the Group. However, the Group is always willing to offer competitive remuneration package to attract high-caliber individuals to serve the Group if and when necessary.

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

During the nine months ended 31 December 2017, the Company did not redeem any of its Shares listed on GEM nor did the Company or any of its subsidiaries purchase or sell any such Shares.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has 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 enquiries by the Company, all Directors confirmed that they had complied with the required standard of dealings and its code of conduct concerning securities transactions by the Directors during the nine months ended 31 December 2017.

CORPORATE GOVERNANCE PRACTICES

The Board and the management of the Company are committed to maintaining and achieving a high standard of corporate governance practices with an emphasis on a quality Board, an effective accountability system and a healthy corporate culture in order to safeguard the interests of the Shareholders and enhance the business growth of the Group.

During the nine months ended 31 December 2017, the Company has complied with all the code provisions as set out in the Corporate Governance Code (the "CG Code") and Corporate Governance Report contained in Appendix 15 to the GEM Listing Rules except the following deviation:

Code Provision A.2.1

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

During the period from 1 April to 20 April 2017, Mr. Luk Kee Yan Kelvin (“Mr. Luk”) was the chairman of the Board (the “Chairman”) and the chief executive officer of the Group (the “CEO”). The Board then considered that such structure would not impair the balance of power and authority between the Board and the management of the Group. The balance of power and authority was ensured by the operations of the Board which comprised experienced and high-caliber individuals and met regularly to discuss issues affecting the operations of the Group. Following the resignation of Mr. Luk as an executive Director, the chairman of the Board and the chief executive officer of the Group and his cessation as a member of the remuneration committee, a member of the nomination committee and an authorised representative of the Company under the GEM Listing Rules on 20 April 2017, Mr. Yue Kwai Wa Ken (“Mr. Yue”) was redesignated as the Chairman and the CEO on the same date for a transitional period. The Group, however, always tries its best endeavours to maintain and achieve a high standard of corporate governance practices and thus the Company has appointed Dr. Cheung Wai Bun Charles, *J.P.* (“Dr. Cheung”) as the Chairman and Mr. Lum Pak Sum (“Mr. Lum”) as the CEO with effect from 2 June 2017 and 5 June 2017, respectively. Upon the resignation of Mr. Lum as the CEO and Dr. Cheung as the Chairman with effect from 1 October 2017 and 18 December 2017, respectively, Mr. Yue was redesignated as the CEO and the Chairman for another transitional period. The Board believes that in this transitional period, vesting the roles of both Chairman and CEO in the same person provides the Company with strong and consistent leadership, and allows for effective and efficient planning and implementation of business decisions and strategies.

DIRECTORS’ MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE GROUP’S BUSINESSES

None of the Directors had a material interest, whether directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group, to which the Company or its holding company or any of its subsidiaries or fellow subsidiaries was a party during the nine months ended 31 December 2017.

DIRECTORS’ INTERESTS IN COMPETING BUSINESSES

During the nine months ended 31 December 2017 and up to the date of this announcement, none of the Directors or any of their respective close associates (as defined in the GEM Listing Rules), engaged in any business that competed or might compete with the businesses of the Group, or had any other conflict of interest with the Group.

CHANGE IN DIRECTORS’ INFORMATION

Subsequent to the date of the 2017/2018 interim report of the Company, the changes in Directors’ information are set out below:

With effect from 11 December 2017, Dr. Lam Lee G. resigned as a non-executive Director and the vice chairman of the Board.

With effect from 18 December 2017, (i) Dr. Cheung resigned as an executive Director and the Chairman, and (ii) Mr. Yim Wai Ning, Mr. Ng Man Kung and Mr. So Wing On have resigned as the non-executive Directors. Following the resignation of Dr. Cheung, Mr. Yue, an executive Director, has been redesignated as the Chairman.

AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) was established on 26 September 2011 with its terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and code provision C.3.3 of the CG Code, which was revised on 17 March 2016. The major roles and functions of the Audit Committee are to review the financial systems of the Group; to review the accounting policies, financial positions and results, and financial reporting procedures of the Group; to communicate with external auditor; to assess the performance of internal financial and audit personnel; to review the risk management system and to assess the internal controls of the Group; and to provide recommendations and advices to the Board on the appointment, re-appointment and removal of external auditor as well as their terms of appointment. The Company has adopted a whistleblowing policy in order to allow the employees or other stakeholders (such as suppliers and customers) of the Group to raise concerns, in confidence, with the Audit Committee about possible improprieties in any matter related to the Group.

The Audit Committee currently consists of three members, namely Mr. Choi Wai Tong Winton, Mr. Ko Wai Lun Warren and Mr. Wong Tat Keung (being the chairman of the Audit Committee), all being independent non-executive Directors. No member of the Audit Committee is a member of the former or existing independent auditor of the Company. The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the nine months ended 31 December 2017 and this announcement.

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

Hong Kong, 8 February 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 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.