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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 THE FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 30 JUNE 2020

The board of directors (the “**Directors**” and “**Board**”, respectively) of Roma Group Limited (the “**Company**”) hereby announces the unaudited condensed consolidated results of the Company and its subsidiaries for the three months ended 30 June 2020. This announcement, containing the full text of the 2020/21 first quarterly report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) in relation to information to accompany preliminary announcement of first quarterly results.

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

Hong Kong, 11 August 2020

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. Chung Man Lai, Mr. Ko Wai Lun Warren and Ms. Li Tak Yin.

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.

* For identification purpose only

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GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors of Roma Group Limited (the “Company” and the “Directors”, respectively) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report 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 report misleading.

FINANCIAL HIGHLIGHTS

For the three months ended 30 June 2020:

- Revenue was approximately HK\$23.8 million, representing an increase of approximately 35.3% as compared with that for the three months ended 30 June 2019;
- Profit for the three months ended 30 June 2020 amounted to approximately HK\$8.7 million, whereas a loss of approximately HK\$3.7 million was recorded for the three months ended 30 June 2019;
- Basic and diluted earnings per share attributable to owners of the Company were HK6.47 cents; and
- No dividend was declared.

FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 30 JUNE 2020

The board of Directors (the “Board”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the three months ended 30 June 2020 (the “Period”) together with the comparative unaudited figures for the corresponding period in 2019 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 30 June 2020

		For the three months ended 30 June	
	Notes	2020	2019
		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Revenue	3	23,778	17,568
Other income	4	622	2,339
Employee benefit expenses	5	(10,274)	(13,715)
Depreciation and amortisation	6	(1,067)	(2,342)
Finance costs	7	(497)	(741)
Other expenses		(3,739)	(6,593)
Profit/(Loss) before income tax	6	8,823	(3,484)
Income tax expense	8	(120)	(265)
Profit/(Loss) and total comprehensive income/(loss) for the period attributable to owners of the Company		8,703	(3,749)
			(Restated)
Basic and diluted earnings/(loss) per share (HK cents)	10	6.47	(3.12)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2020

	Share capital HK\$'000	Shares held for the share award plan (the "Plan") HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Share option reserve HK\$'000	Investment at fair value through other comprehensive income ("FVOCI") reserve HK\$'000	(Accumulated losses)/ Retained earnings HK\$'000	Total HK\$'000
At 1 April 2020 (audited)	1,350	(26,241)	569,909	10	4,879	(21,220)	(160,991)	367,696
Transaction with owners, in their capacity as owners								
Placing shares, net of expenses	270	-	5,237	-	-	-	-	5,507
Profit and total comprehensive income for the period	-	-	-	-	-	-	8,703	8,703
At 30 June 2020 (unaudited)	1,620	(26,241)	575,146	10	4,879	(21,220)	(152,288)	381,906
At 1 April 2019 (audited)	172,826	(26,241)	398,433	10	2,763	(11,474)	(2,615)	533,702
Transaction with owners, in their capacity as owners								
Recognition of share-based payment	-	-	-	-	2,116	-	-	2,116
Loss and total comprehensive loss for the period	-	-	-	-	-	-	(3,749)	(3,749)
At 30 June 2019 (unaudited)	172,826	(26,241)	398,433	10	4,879	(11,474)	(6,364)	532,069

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 and the Group is principally engaged in the provision of valuation and advisory services, financing services and securities broking, placing and underwriting and investment advisory and asset management services.

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

2. BASIS OF PREPARATION

(a) Basis of preparation

The unaudited condensed consolidated financial statements of the Group for the Period (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 (hereinafter collectively referred to as the “HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the disclosure requirements of Companies Ordinance (Chapter 622 of laws of Hong Kong). In addition, the Unaudited Condensed Consolidated Financial Statements include applicable disclosures required by the GEM Listing Rules.

(b) Principal accounting policies

The accounting policies and methods of computation used in preparing the Unaudited Condensed Consolidated Financial Statements are the same as those followed in the preparation of the Group’s audited consolidated financial statements for the year ended 31 March 2020, except for the adoption of the following new and amended HKFRSs effective for the Group’s consolidated financial statements for the period beginning on 1 April 2020. The Group has not early adopted any other standards, interpretation or amendment that has been issued but is not yet effective.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Amendments to HKFRS 3
Amendments to HKFRS 9,
HKAS 39 and HKFRS 7
Amendments to HKAS 1
and HKAS 8

Definition of Business
Interest Rate Benchmark Reform

Definition of Material

The adoption of the new and amended HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

Issued but not yet effective HKFRSs

At the date of authorisation of the Unaudited Condensed Consolidated Financial Statements, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

HKFRS 17	Insurance Contracts ²
Amendments to HKFRS 3	Reference to the Conceptual Framework ⁵
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKFRS 16	Covid-19-Related Rent Concessions ¹
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use ³
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ³
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020 ³

¹ Effective for annual periods beginning on or after 1 June 2020

² Effective for annual periods beginning on or after 1 January 2021

³ Effective for annual periods beginning on or after 1 January 2022

⁴ Effective date not yet determined

⁵ Effective for business combinations for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2022

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(c) Basis of measurement

The Unaudited Condensed Consolidated Financial Statements have been prepared under the historical cost basis, except for financial assets at FVOCI, financial assets at fair value through profit or loss and investment property, which are measured at fair value.

(d) 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 i) valuation and advisory services; ii) financing services; and iii) securities broking, placing and underwriting and investment advisory and asset management services. An analysis of the Group's revenue for the Period is as follows:

	For the three months ended 30 June	
	2020	2019
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Revenue from contracts with customers within the scope of HKFRS 15:		
Valuation and advisory services	15,830	11,524
Securities broking, placing and underwriting and investment advisory and asset management services	137	—
Revenue from other sources:		
Interest income from provision of financing services	7,811	6,044
	23,778	17,568

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. OTHER INCOME

	For the three months ended 30 June	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Bank interest income	205	1,110
Reimbursement of expenses	30	121
Rental income	54	30
Other marketing service income	75	1,078
Others	258	–
	622	2,339

5. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	For the three months ended 30 June	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Salaries and allowances	9,736	11,337
Contributions on defined contribution retirement plans	292	272
Share based payment – equity settled	–	1,777
Other benefits	246	329
	10,274	13,715

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. PROFIT/(LOSS) BEFORE INCOME TAX

Profit/loss before income tax is arrived at after charging:

	For the three months ended 30 June	
	2020	2019
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Auditor's remuneration (note)	163	235
Amortisation of intangible assets	21	538
Depreciation:		
– Owned asset	137	337
– Right-of-use assets under HKFRS 16	909	1,467
Consultancy and referral fees (note)	1,951	1,102
Exchange loss, net (note)	79	844
Insurance (note)	182	173
Marketing and business development expenses (note)	1,585	1,156
Reversal of impairment loss on loans and interests receivable (note)	(2,440)	(8)
Reversal of impairment loss on trade and other receivables (note)	(192)	–
Office management fee (note)	163	155
Operating lease charges in respect of buildings (note)	123	127
Professional fee (note)	904	1,441
Share-based payment – equity settled (other eligible participants) (note)	–	339

Note: These expenses are included in “other expenses” in the consolidated statement of comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. FINANCE COSTS

	For the three months ended 30 June	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Interest on bank borrowings	213	702
Interest on other borrowings	238	–
Finance charge on lease liabilities	46	39
	497	741

8. INCOME TAX EXPENSE

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25% (2019: 8.25%), and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5% (2019: 16.5%).

	For the three months ended 30 June	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Current tax – Hong Kong Profits Tax		
Tax for the period	120	326
	120	326
Deferred tax		
Credit for the period	–	(61)
	120	265

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. DIVIDEND

The Board has resolved not to declare any dividend for the Period (2019: nil).

10. EARNINGS/(LOSS) PER SHARE

The calculation of the basic and diluted earnings/(loss) per share attributable to owners of the Company is based on the following data:

	For the three months ended 30 June	
	2020	2019
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Earnings/(Loss)		
Earnings/(Loss) for the purpose of basic and diluted earnings/(loss) per share	8,703	(3,749)
	'000	'000
		(Restated)
Number of Shares		
Weighted average number of shares for the purpose of basic and diluted earnings/(loss) per share (notes (a) and (b))	134,559	120,020

Notes:

- (a) Weighted average of 134,558,877 Shares for the three months ended 30 June 2020 derived from 135,020,415 Shares in issue as at 1 April 2020 after taking into account the effects of the completion of placing new Shares on 12 May 2020 and purchase of the Shares held for the Plan.

Weighted average of 120,020,000 Shares for the three months ended 30 June 2019 derived from 2,700,408,000 Shares in issue as at 1 April 2019 after taking into account the effects of the share consolidation which was effective on 22 August 2019 and purchase of the Shares held for the Plan.

- (b) 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 the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the Period, the Group's provision of valuation and advisory services contributed approximately 66.6% of the total revenue to the Group. The Group recorded an increase in revenue generated from the provision of valuation and advisory service of approximately 37.4% as compared with that for the three months ended 30 June 2019. The environmental, social and governance ("ESG") reporting service remained the key driver for boosting the revenue under valuation and advisory services segment during the Period.

The Group aims to provide all-rounded with high quality service to its customers so as to sustain its growth. In addition, the Group always uses its best endeavours 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.

The Group's provision of financing services contributed approximately 32.8% of the total revenue of the Group for the Period. The Group's interest income generated from provision of financing services for the Period increased by approximately 29.2% due to expansion of loan portfolio as compared with that for the three months ended 30 June 2019.

The Group has been continuously seeking different opportunities to broaden its income stream and the market presence.

The Group distributed discretionary bonus to certain staff and Directors during the Period to retain high-caliber individuals for their continuous contribution to the Group. 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 Period, the Group recorded an increase of approximately 35.3% in revenue as compared with that for the three months ended 30 June 2019. Such increase was mainly attributable to an increase in both service fee income generated from provision of valuation and advisory services and the interest income generated from provision of financing services.

The services fee income generated from provision of valuation and advisory services increased by 37.4% to approximately HK\$15.8 million for the Period from approximately HK\$11.5 million for the three months ended 30 June 2019. Such increase was mainly attributable to increase in number of valuation and ESG reporting service projects.

The interest income generated from provision of financing services increased by approximately 29.2% to HK\$7.8 million for the Period from approximately HK\$6.0 million for the three months ended 30 June 2019. The increase in interest income was mainly attributable to the expansion of loan portfolio during the Period as compared with that for the three months ended 30 June 2019.

Other income

The Group's other income decreased by approximately 73.4% for the Period as compared with that for the three months ended 30 June 2019. It was mainly attributable to the (i) decrease in bank interest income; and (ii) one-off other marketing service income generated during the three months ended 30 June 2019.

Employee benefit expenses

Employee benefit expenses mainly consisted of wages and salaries, discretionary bonus, pension costs and other benefits to staff and Directors. The Group's employee benefit expenses decreased by approximately 25.1% for the Period as compared with those for the three months ended 30 June 2019. The decrease was mainly attributable to share-based payment incurred (namely the grant of share options under the share option scheme of the Company) during the three months ended 30 June 2019 whereas no such expenses incurred during the Period. The Group always values the contribution of its professional and management teams and has distributed bonus during the Period to retain high-caliber individuals for continuous contribution to the Group.

Depreciation and amortisation

The Group recorded a significant decrease in depreciation and amortisation of approximately 54.4% for the Period as compared with that for the three months ended 30 June 2019. It was mainly attributable to drop of amortisation of intangible assets which was fully impaired prior to the beginning of the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

Finance costs

The Group's finance costs referred to interest expense incurred for bank borrowings, other borrowings and lease liabilities. During the Period, less finance cost incurred was mainly due to contraction of bank borrowings as compared to the three months ended 30 June 2019.

Other expenses

The Group's other expenses decreased by approximately 43.3% for the Period as compared with those for the three months ended 30 June 2019. It was mainly attributable to reversal of impairment loss on loans and interest receivable and reversal of impairment loss on trade and other receivables recorded during the Period.

Profit attributable to owners of the Company

Profit attributable to owners of the Company amounted to approximately HK\$8.7 million for the Period whereas there was the loss attributable to owners of the Company of approximately HK\$3.7 million for the three months ended 30 June 2019. The turnaround was mainly attributable to the (i) the increase of approximately 35.3% in the revenue during the Period due to increase in number of valuation and ESG service projects as compared with that for the three months ended 30 June 2019; (ii) one-off non-cash expenses for share-based payment of approximately HK\$2.1 million incurred for three months ended 30 June 2019; and (iii) reversal of impairment loss on loans and interest receivable recorded during the Period.

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

On 31 October 2019, the Group granted a loan facility of HK\$5,000,000 at an interest rate of 36% per annum for a term of three months to a company, for which a guarantor executed a guarantee in favour of the Group. As at 30 June 2020, the loan matured. Follow up works have been taken and in progress. For further details, please refer to the Company's announcements dated 31 October 2019 and 15 November 2019.

USE OF PROCEEDS

The rights issue in 2017

In November 2017, the Company raised fund of net proceeds of approximately HK\$258.0 million from its rights issue of 1,874,944,986 Shares (the "RI Proceeds"). Up to the date of this report, approximately HK\$135.0 million of the RI Proceeds was utilised for granting of various loans, approximately HK\$27.0 million of the RI Proceeds was used for investment in potential business and approximately HK\$33.0 million of the RI Proceeds was used for the Group's general working capital, and the rest was kept as cash at a licensed bank in Hong Kong. The proposed and actual use of the RI Proceeds are set as below.

	Proposed use of the RI Proceeds (HK\$ in million)	Actual use of the RI Proceeds from the date of issuance of rights issue and up to 31.03.2020 (HK\$ in million)	Actual use of the RI Proceeds during the Period (HK\$ in million)	Unutilised RI Proceeds as at date of this report (HK\$ in million)
Expansion of the Group's existing financing business	135.0	135.0	–	–
Investment in potential businesses (note)	90.0	27.0	–	63.0
General working capital	33.0	33.0	–	–
Total	258.0	195.0	–	63.0

Note: The Company currently expects that the unutilised RI Proceeds will be used by 31 March 2022.

As at the date of this report, the RI Proceeds were not utilised due to unforeseen delays caused by the social unrest in Hong Kong and global pandemic of the COVID-19 which has led the disruptions to the economy and therefore the management is more prudent and taking more time to seek the potential businesses.

The placing of new shares in 2020

In May 2020, the Company raised a net proceeds of approximately HK\$5.5 million (the "Placing Proceeds") from its placing of 27,000,000 Shares for the general working capital of the Group. Up to the date of this report, all of the Placing Proceeds was utilised.

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. In order to well manage the Group's credit risk, the Group will further diversify its loan portfolio.

The Group obtained a license from the SFC under the SFO to carry out Type 1 regulated activity (dealing in securities) on 13 December 2018. It has started operation during the last financial year. In addition, the Group has entered into an agreement to conditionally agree to acquire the entire issued share capital of a company which is a corporation licensed by the SFC to conduct Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO. The acquisition of the licensed corporation has been completed during the last financial year. The Group will continue to realise its aims to become an integrated securities house in Hong Kong providing a wide range of securities broking and related financial services with a view to achieving a sustainable growth and increasing revenue streams, and maximising the return to the shareholders of the Company ultimately.

The outbreak of COVID-19 has caused disruptions to the economic and social activities in the market that the Group operates in. Those disruptions pose threat on affecting the entire world and make the outlook highly uncertain.

In response to COVID-19 outbreak, the Group has made every effort to introduce a safe working environment for its workforce and introduced measures to prevent the spread of COVID-19 in the working environment, and will continue to impose appropriate measures to minimize the adverse impact on the business operation of the Group. In addition, the Company will maintain its core competitiveness, at the same time promote the operation of new business segment for securities broking, placing and underwriting and investment advisory and asset management, and improve the Group's ability to resist risks.

EVENT AFTER THE REPORTING PERIOD

On 3 July 2020, 9,901,429 outstanding shares options have been cancelled. The Company has granted 13,500,000 share options at the exercise price of HK\$0.26 per Share pursuant to the share option scheme of the Company. For further details, please refer to the announcement of the Company dated 3 July 2020. Such 13,500,000 share options have been fully exercised and the Company has allotted and issued 13,500,000 Shares on 7 July 2020. For details, please refer to the next day disclosure return of the Company dated 7 July 2020.

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 June 2020, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO) or which would be required, pursuant to section 352 of the SFO, to be entered in the register as referred to therein, or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules required to be notified to the Company and the Stock Exchange, are as follows:

Long positions in the Shares, underlying Shares and debentures of the Company

Name of Directors	The Company/ name of associated company	Capacity/nature of interests	Number of Shares held	Number of underlying Shares held	Approximate percentage of interests (Note 1)
Mr. Yue Kwai Wa Ken ("Mr. Yue")	The Company	Interest of controlled corporation/ Corporate interest	15,000,000 (Note 2)	–	9.26%
		Beneficial owner/ Personal interest	–	1,500,204 (Note 3)	0.93%
	Fast and Fabulous Company Limited ("Fast and Fabulous")	Trustee of the Plan/ Others	15,000,000 (Note 2)	–	9.26%
Mr. Li Sheung Him Michael ("Mr. Li")	The Company	Beneficial owner/ Personal interest	–	1,500,204 (Note 3)	0.93%
Mr. Chung Man Lai	The Company	Interest of spouse/ Family interest	1,250	–	0.00%

Note 1: The percentage is calculated on the basis of the total number of issued Shares as at 30 June 2020.

Note 2: These 15,000,000 Shares were held by Fast and Fabulous, which was the trustee of the Plan adopted with effect from 22 June 2018. As the entire issued share capital of Fast and Fabulous was legally and beneficially owned by Mr. Yue, Mr. Yue was deemed to be interested in all the Shares in which Fast and Fabulous was interested by virtue of the SFO.

Note 3: These represent the Shares to be issued and allotted by the Company upon exercise of the options granted under the share option scheme of the Company.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARES AND UNDERLYING SHARES

As at 30 June 2020, so far as the Directors are aware, the interests or short positions owned by the following corporations or persons (other than a Director or the chief executive of the Company) in the Shares or underlying Shares, which were required: (a) to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO; or (b) to be recorded in the register of the Company required to be kept under section 336 of the SFO are as follows:

Long positions in the Shares and underlying Shares

Name of shareholders	Capacity/nature of interest	Number of issued Shares held	Number of underlying Shares held	Approximate percentage of interest (Note 1)
Fast and Fabulous	Trustee of Plan/Others	15,000,000 (Note 2)	–	9.26%
Aperto Investments Limited ("Aperto") (Note 3)	Beneficial owner/ Personal interest	39,476,000	–	24.36%
Mr. Luk Kee Yan Kelvin ("Mr. Luk") (Note 3)	Interest of a controlled corporation/ Corporate interest	39,476,000	–	24.36%

Note 1: The percentage is calculated on the basis of the total number of issued Shares as at 30 June 2020.

Note 2: These 15,000,000 Shares were held by Fast and Fabulous, which was the trustee of the Plan adopted with effect from 22 June 2018. As the entire issued share capital of Fast and Fabulous was legally and beneficially owned by Mr. Yue, Mr. Yue was deemed to be interested in all the Shares in which Fast and Fabulous was interested by virtue of the SFO.

Note 3: The entire issued share capital of Aperto was legally and beneficially owned by Mr. Luk. Mr. Luk was deemed to be interested in all the Shares held by Aperto by virtue of the SFO.

Save as disclosed above and as at 30 June 2020, the Directors are not aware of any interests or short positions owned by any persons (other than a Director or the chief executive of the Company) in the Shares or underlying Shares, which were required: (a) to be disclosed under Divisions 2 and 3 of Part XV of the SFO; or (b) to be recorded in the register of the Company required to be kept under section 336 of the SFO.

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

During the Period, 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 (the "Required Standard of Dealings").

Having made specific enquiries of all Directors 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 Period.

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 of the Company and enhance the business growth of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

During the Period, the Company has complied with all the code provisions as set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 15 to the GEM Listing Rules except the following deviation:

Code provision A.2.1

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

During the Period and up to the date of this report, Mr. Yue, Kwai Wa Ken has been both the chairman of the Board (the “Chairman”) and the chief executive officer of the Group (the “CEO”).

The Board considers that having the same person to perform the roles of both the Chairman and the CEO provides the Company with strong and consistent leadership, and allows effective and efficient planning and implementation of business decisions and strategies. 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 is ensured by the operations of the Board which comprises experienced and high caliber individuals and having meeting regularly to discuss issues affecting the operations of the Group.

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

None of the Directors or any entity connected with any Director 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 as at 30 June 2020 or at any time during the Period.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the Period and up to the date of this report, 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.

AUDIT COMMITTEE

The audit committee of the Board (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. The terms of reference of the Audit Committee are available at the respective websites of the Company and the Stock Exchange. 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.

MANAGEMENT DISCUSSION AND ANALYSIS

The Audit Committee currently consists of three members, namely Mr. Chung Man Lai (being the chairman of the Audit Committee), Mr. Ko Wai Lun Warren and Ms. Li Tak Yin, 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 and this report.

By order of the Board

Roma Group Limited

Yue Kwai Wa Ken

*Executive Director, Chief Executive Officer,
Chairman and Company Secretary*

Hong Kong, 11 August 2020

As at the date of this report, 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. Chung Man Lai, Mr. Ko Wai Lun Warren and Ms. Li Tak Yin.