



ROMA

Roma Group Limited

Incorporated in the Cayman Islands with limited liability
Stock Code: 8072

FIRST QUARTERLY REPORT

2017/2018



CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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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.

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This report, 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 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 2017:

- Revenue was approximately HK\$19.9 million, representing a decrease of approximately 20.1% as compared with that for the three months ended 30 June 2016;
- Loss for the three months ended 30 June 2017 amounted to approximately HK\$0.8 million whereas there was a profit of approximately HK\$7.4 million for the three months ended 30 June 2016;
- Basic and diluted loss per share attributable to the ordinary equity holders of the Company were HK0.02 cent; and
- No dividend was declared.

FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 30 JUNE 2017

The board of Directors (the "Board") announces the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the three months ended 30 June 2017 together with the comparative unaudited figures for the corresponding period in 2016 as follows:

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 30 June 2017

	Notes	For the three months ended 30 June	
		2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
Revenue	3	19,907	24,926
Other income	4	622	1,191
Employee benefit expenses	5	(12,182)	(8,245)
Depreciation and amortisation	6	(1,096)	(1,003)
Finance costs	7	(226)	(375)
Other expenses		(7,079)	(7,384)
(Loss)/profit before income tax expense		(54)	9,110
Income tax expense	8	(754)	(1,696)
(Loss)/profit and total comprehensive (loss)/ income for the period attributable to owners of the Company		(808)	7,414
(Loss)/earnings per share			
— Basic (HK cent)	10	(0.02)	0.15
— Diluted (HK cent)	10	(0.02)	0.15

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2017

	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Share option reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1 April 2017 (audited)	79,998	272,298	10	422	123,757	476,485
Loss and total comprehensive loss for the period	-	-	-	-	(808)	(808)
At 30 June 2017 (unaudited)	79,998	272,298	10	422	122,949	475,677
At 1 April 2016 (audited)	79,998	272,298	10	1,345	101,585	455,236
Profit and total comprehensive income for the period	-	-	-	-	7,414	7,414
At 30 June 2016 (unaudited)	79,998	272,298	10	1,345	108,999	462,650

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

The Company is a limited liability company incorporated in the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, the Cayman Islands. Its principal place of business is located at 22/F., China Overseas Building, 139 Hennessy Road, Wanchai, Hong Kong. The principal activity of the Company is investment holding. The major activities of the subsidiaries of the Company are provision of valuation and advisory services and financing services in Hong Kong.

The Company's immediate and ultimate parent is Aperto Investments Limited ("Aperto") (incorporated in the British Virgin Islands).

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

2. 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 for the three months ended 30 June 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 30 June	
	2017	2016
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Services fee income from provision of valuation and advisory services	12,871	15,814
Interest income from provision of financing services	7,036	9,112
	19,907	24,926

4. OTHER INCOME

	For the three months ended 30 June	
	2017	2016
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Reimbursement of expenses	159	435
Interest income	183	326
Others	280	430
	622	1,191

5. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	For the three months ended 30 June	
	2017	2016
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Wages and salaries	11,569	7,511
Contributions on defined contribution retirement plans	234	224
Other benefits	379	510
	12,182	8,245

6. EXPENSES BY NATURE

	For the three months ended 30 June	
	2017	2016
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Auditor's remuneration	145	163
Depreciation of property, plant and equipment	550	443
Amortisation of intangible assets	546	560
Exchange loss/(gain), net	9	(160)
Consultancy fee	330	2,014
Reversal of impairment loss on loans and interests receivable	(10)	(11)
Reversal of impairment loss on trade and other receivables	(180)	(109)
Operating lease charges in respect of buildings	1,841	1,135

7. FINANCE COSTS

	For the three months ended 30 June	
	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
Interest on bank borrowings	197	332
Interest on finance leases	29	43
	226	375

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 period.

	For the three months ended 30 June	
	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
Current tax — Hong Kong Profits Tax		
Tax for the period	926	1,795
Over-provision in respect of prior year	(172)	(99)
	754	1,696

9. DIVIDENDS

The Board does not recommend the payment of dividend for the three months ended 30 June 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 30 June	
	2017	2016
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
(Loss)/earnings		
(Loss)/earnings for the purpose of basic and diluted (loss)/earnings per Share	(808)	7,414
	'000	'000
Number of Shares		
Weighted average number of ordinary Shares for the purpose of basic and diluted (loss)/earnings per Share (note)	4,999,853	4,999,853

Note:

The number of ordinary Shares was 4,999,853,300 as of 1 April and 30 June 2016 and 1 April and 30 June 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the three months ended 30 June 2017, the Group is pleased to invite experienced new members joining its management team for enriching the background and extending the network of the Board for more various opportunities to the Group. Although there was a loss for the three months ended 30 June 2017, which was mainly due to more expenses incurred for employee benefits and a drop in the Group's revenue, the Group has already tried to seek for different opportunities to broaden the income stream, as well as the market presence of the Group.

The Group distributed discretionary bonus to certain staff and Directors during the three months ended 30 June 2017 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 three months ended 30 June 2017, the Group recorded a decrease of approximately 20.1% in revenue as compared with that for the three months ended 30 June 2016. Such a decrease was attributable to both decreases in the 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 18.4% to approximately HK\$12.9 million for the three months ended 30 June 2017 from approximately HK\$15.8 million for the three months ended 30 June 2016. It was mainly attributable to a decrease in number of projects generating revenue to the Group for the three months ended 30 June 2017 as compared with those for the three months ended 30 June 2016.

The interest income generated from provision of financing services decreased by approximately 23.1% to approximately HK\$7.0 million for the three months ended 30 June 2017 from approximately HK\$9.1 million for the three months ended 30 June 2016. The decrease in interest income was mainly attributable to a decrease in an average interest rate charged against the loan principals during the three months ended 30 June 2017 as compared with that for the three months ended 30 June 2016.

Other income

The Group's other income decreased by approximately 47.8% for the three months ended 30 June 2017 as compared with that for the three months ended 30 June 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 three months ended 30 June 2017 as compared with those during the three months ended 30 June 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 47.8% for the three months ended 30 June 2017 as compared with that for the three months ended 30 June 2016. The increase was mainly attributable to discretionary bonus given to certain staff and Directors during the three months ended 30 June 2017. The Group always values the contribution of its professional and management teams and considered payment of bonus during the three months ended 30 June 2017 to retain high-caliber individuals for continuous contribution to the Group.

Depreciation and amortisation

The Group recorded an increase of approximately 9.3% in depreciation and amortisation for the three months ended 30 June 2017 as compared with that for the three months ended 30 June 2016, which was mainly attributable to additions of leasehold improvement during the three months ended 30 June 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. During the three months ended 30 June 2017, interest rates offered by a bank for two of the bank loans dropped and thus less finance costs incurred.

Other expenses

The Group's other expenses decreased by approximately 4.1% for the three months ended 30 June 2017 as compared with that for the three months ended 30 June 2016. Along with the decrease of the Group's services fee income generated from provision of valuation and advisory services, less consultancy fee incurred during the three months ended 30 June 2017 as compared with those for the three months ended 30 June 2016.

Loss/profit attributable to owners of the Company

Loss attributable to owners of the Company amounted to approximately HK\$0.8 million for the three months ended 30 June 2017 whereas there was a profit attributable to owners of the Company of approximately HK\$7.4 million for the three months ended 30 June 2016. It was mainly attributable to a significant increase in the Group's employee benefit expenses and a decrease in the Group's total revenue for the three months ended 30 June 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 30 June 2017, such facility has been drawn up to approximately HK\$61.8 million and yet to mature. 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 30 June 2017, the Loan B matured. Legal proceeding against the customer to recover the entire outstanding balances is 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 30 June 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 30 June 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 30 June 2017, the Loan E has yet to mature. For further details, please refer to the Company's announcement dated 14 July 2016.

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 Shares (the "RI Proceeds"). Up to the date of this report, (i) HK\$36.7 million of the RI Proceeds was paid for the acquisition of equity interest in Bonus Boost International Limited, which has a wholly-owned subsidiary principally involved in acting as a surveyor, valuer and property consultant; (ii) HK\$25 million of the RI Proceeds was paid for the acquisition of 19.9% equity interest in Greater China Appraisal Limited, which is principally engaging in the provision of assets appraisal services; and (iii) approximately HK\$126.3 million of the RI Proceeds, being the entire portion intended to be used for the Group's provision of financing services was utilised for granting of mortgage loans to independent third parties. The Group continues to look for suitable business opportunities to utilise the remaining portion of approximately HK\$70.0 million of the RI Proceeds which was intended to apply for the funding and further development of the existing and future businesses of the Group. As at 30 June 2017, such unutilised net proceeds were kept as cash at and placed as bank deposits with banks in Hong Kong.

FUTURE PROSPECTS

The Board is enthusiastic to announce that the Group is getting ready for a new era. In July 2017, the Group has entered into sale and purchase agreements in relation to acquisitions of certain percentage of issued shares of two companies, one of which is licensed by the Securities and Futures Commission of Hong Kong to conduct type 1 (dealing in securities), type 2 (dealing in futures contracts), type 3 (leveraged foreign exchange trading) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO") and the other is principally engaged in money lending business. Upon completion of the said acquisitions, the Group will then have an opportunity to participate in the securities trading industry and to diversify from its existing businesses, and will thereby be able to broaden its sources of income. Besides, the Group can leverage on the extensive network and customer base of the acquired corporations.

The Group proactively explores further merger and acquisition opportunities and/or business collaboration with the aim of maintaining and enhancing the Group's market presence in the industries of its existing businesses. If necessary, the Company may consider issuing new Shares and/or debt securities to optimise its financial structure for embracing sound business opportunities and preparing future expansion of the Group.

On 27 July 2017, the Board proposed to change the English name of the Company from "Roma Group Limited" to "China National Financial Roma Group Holdings Limited", and replace "羅馬集團有限公司" by "中國國家金控有限公司" as the Company's Chinese name (the "Proposed Change of Company Name"). The Proposed Change of Company Name is subject to (i) the passing of a special resolution by shareholders of the Company (the "Shareholders") approving the Proposed Change of Company Name at a general meeting of the Company; and (ii) the Registrar of Companies in the Cayman Islands approving the Proposed Change of Company Name. For further details, please refer to the Company's announcement dated 27 July 2017.

SHARE OPTION SCHEME

A share option scheme (the “Share Option Scheme”) was conditionally approved on 26 September 2011 and became effective on the Listing Date. Options comprising 10,000,000 underlying Shares were granted under the Share Option Scheme to nine individuals on 25 April 2013 (the “Date of Grant”).

Details of the options granted under the Share Option Scheme, their movements during the three months ended 30 June 2017 and the options outstanding as at 30 June 2017 were as follows:

	Number of Shares comprised in the options granted					As at 30 June 2017	Exercise period and vesting period	Subscription price per Share HK\$
	As at 1 April 2017	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period			
Employees	7,705,250	-	-	-	(7,705,250)	-	Note	0.441
	7,705,250	-	-	-	(7,705,250)	-		

Note:

Subject to the following vesting periods, the options granted under the Share Option Scheme could be exercised at any time after the price of the Shares as stated in the Stock Exchange’s daily quotations sheet reaches 2.5 times or above of the subscription price and the closing prices of the Shares as stated in the Stock Exchange’s daily quotations sheet have increased for 7 consecutive days during the period commencing on the Date of Grant and ending on the day falling on the fourth anniversary of the Date of Grant. The exercise period should commence on the Date of Grant and end on the day falling on the fourth anniversary of the Date of Grant. Particulars of the vesting dates of the options and the percentage of options vested are as follows:

- (1) The first anniversary of the Date of Grant — 30% of the total number of options granted;
- (2) The second anniversary of the Date of Grant — 30% of the total number of options granted; and
- (3) The third anniversary of the Date of Grant — 40% of the total number of options granted.

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 2017, none of the Directors and the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of 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 interests or short positions which they were 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 referred to therein, or which would be required pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

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

As at 30 June 2017, so far as the Directors are aware, the interests or short positions owned by the following party (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 shareholder	Capacity/nature of interest	Number of Shares	Approximate percentage of interest
Aperto	Beneficial owner	1,023,000,000 (Note)	20.46%
Mr. Luk Kee Yan Kelvin ("Mr. Luk")	Interest of a controlled corporation	1,023,000,000 (Note)	20.46%

Note: The entire issued share capital of Aperto is legally and beneficially owned by Mr. Luk who resigned as an executive Director, the chairman of the Board and the chief executive officer of the Company, on 20 April 2017. Under the SFO, Mr. Luk is deemed to be interested in all the Shares held by Aperto.

Save as disclosed above and as at 30 June 2017, the Directors are not aware of any interests or short positions owned by any parties (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 three months ended 30 June 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 three months ended 30 June 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 three months ended 30 June 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 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 was the chairman of the Board and the chief executive officer of the Group. 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, the chief executive officer of the Group, a member of the remuneration committee, a member of the nomination committee and an authorised representative of the Company on 20 April 2017, Mr. Yue Kwai Wa Ken was redesignated as the chairman of the Board and the chief executive officer of the Group 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.* as the chairman of the Board and Mr. Lum Pak Sum as the chief executive officer of the Group with effect from 2 June 2017 and 5 June 2017 respectively.

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 any of its subsidiaries was a party during the three months ended 30 June 2017.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the three months ended 30 June 2017 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 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 consolidated results of the Group for the three months ended 30 June 2017.

By order of the Board
Roma Group Limited
Yue Kwai Wa Ken

Executive Director and Company Secretary

Hong Kong, 11 August 2017

As at the date of this report, the executive Directors are Dr. Cheung, Wai Bun Charles, *J.P.*, Ms. Chan, Hong Nei Connie and Mr. Yue, Kwai Wa Ken, the non-executive Director is Mr. Yim, Wai Ning and the independent non-executive Directors are Mr. Choi, Wai Tong Winton, Mr. Ko, Wai Lun Warren and Mr. Wong, Tat Keung.