ROMA

Roma Group Limited

Incorporated in the Cayman Islands with limited liability

Stock Code: 8072

INTERIM REPORT

2017/2018

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.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

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 six months ended 30 September 2017:

— Revenue was approximately HK$35.4 million, representing a decrease of approximately 41.0% as compared with that for the six months ended 30 September 2016;

— Loss for the six months ended 30 September 2017 amounted to approximately HK$0.7 million whereas there was a profit of approximately HK$19.0 million for the six months ended 30 September 2016;

— Basic and diluted loss per share attributable to the ordinary equity holders of the Company were HK0.014 cent; and

— No dividend was declared.

Interim Results for the Six Months Ended 30 September 2017

The board of Directors (the "Board") announces the unaudited condensed consolidated financial statements of the Company and its subsidiaries (the "Group") for the three months and six months ended 30 September 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 six months ended 30 September 2017

	Notes	For the three months ended 30 September		For the six months ended 30 September	
		2017	2016	**2017**	2016
		HK$'000	HK$'000	**HK$'000**	HK$'000
		(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Revenue	3	**15,508**	35,128	**35,415**	60,054
Other income	5	**977**	698	**1,599**	1,889
Employee benefit expenses	6	**(8,342)**	(9,724)	**(20,524)**	(17,969)
Depreciation and amortisation	7	**(1,247)**	(1,011)	**(2,343)**	(2,014)
Finance costs	8	**(216)**	(430)	**(442)**	(805)
Other expenses		**(6,284)**	(10,468)	**(13,363)**	(17,852)
Profit before income tax expense		**396**	14,193	**342**	23,303
Income tax expense	9	**(296)**	(2,626)	**(1,050)**	(4,322)
Profit/(loss) and total comprehensive income/(loss) for the period attributable to owners of the Company		**100**	11,567	**(708)**	18,981
Earnings/(loss) per share					
— Basic (HK cent)	11	**0.002**	0.231	**(0.014)**	0.380
— Diluted (HK cent)	11	**0.002**	0.231	**(0.014)**	0.380

Unaudited Consolidated Statement of Financial Position

As at 30 September 2017

	Notes	30 September 2017 HK$'000 (unaudited)	31 March 2017 HK$'000 (audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	12	**6,860**	4,937
Intangible assets		**19,442**	20,532
Goodwill	13	**25,329**	25,329
Available-for-sale investments	14	**25,000**	25,000
Loans and interests receivable	15	**5,054**	9,445
		81,685	85,243
Current assets			
Loans and interests receivable	15	**281,421**	303,399
Trade receivables	16	**23,220**	25,351
Prepayments, deposits and other receivables	17	**85,220**	64,014
Pledged bank deposits	18	**54,759**	54,062
Tax recoverable		**5,543**	2,169
Cash and bank balances		**36,830**	17,291
		486,993	466,286
Current liabilities			
Trade payables	19	**294**	307
Accrued liabilities and other payables and receipt in advance	20	**33,754**	15,599
Finance lease liabilities	21	**1,453**	1,547
Bank borrowings	22	**50,059**	51,898
Current tax liabilities		**3,139**	663
		88,699	70,014
Net current assets		**398,294**	396,272
Total assets less current liabilities		**479,979**	481,515
Non-current liabilities			
Finance lease liabilities	21	**1,605**	2,312
Deferred tax liabilities		**2,597**	2,718
		4,202	5,030
Net assets		**475,777**	476,485
EQUITY			
Equity attributable to owners of the Company			
Share capital	23	**79,998**	79,998
Reserves		**395,779**	396,487
Total equity		**475,777**	476,485

Unaudited Consolidated Statement of Changes in Equity

For the six months ended 30 September 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	**–**	**–**	**–**	**–**	**(708)**	**(708)**
At 30 September 2017 (unaudited)	**79,998**	**272,298**	**10**	**422**	**123,049**	**475,777**
At 1 April 2016 (audited)	79,998	272,298	10	1,345	101,585	455,236
Profit and total comprehensive income for the period	–	–	–	–	18,981	18,981
At 30 September 2016 (unaudited)	79,998	272,298	10	1,345	120,566	474,217

* The total of these balances represents "reserves" in the unaudited consolidated statement of financial position.

Unaudited Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2017

	For the six months ended 30 September 2017 HK$'000 (unaudited)	2016 HK$'000 (unaudited)
Net cash generated from/(used in) operating activities	**26,025**	(13,993)
Cash flows from investing activities		
Interests received	**468**	554
Purchase of property, plant and equipment	**(3,175)**	(99)
Increase in pledged bank deposits	**(697)**	(115)
Net cash (used in)/generated from investing activities	**(3,404)**	340
Cash flows from financing activities		
Proceeds from bank borrowings	**–**	9,790
Repayments of bank borrowings	**(1,839)**	(3,357)
Repayments of finance lease liabilities	**(801)**	(773)
Interests paid	**(442)**	(805)
Net cash (used in)/generated from financing activities	**(3,082)**	4,855
Net increase/(decrease) in cash and cash equivalents	**19,539**	(8,798)
Cash and cash equivalents at the beginning of the period	**17,291**	40,312
Cash and cash equivalents at the end of the period	**36,830**	31,514
Analysis of balances of cash and cash equivalents		
Cash and bank balances	**36,830**	31,514

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 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") have been listed on GEM by way of placing on 25 February 2013 (the "Listing Date").

2. BASIS OF PREPARATION

(a) Basis of preparation and accounting policies

This unaudited condensed consolidated financial statements for the three months and six months ended 30 September 2017 (the "Interim Financial Information") has been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure provisions of the GEM Listing Rules.

The Interim Financial Information does not include all of the information and disclosures required in annual financial statements in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which comprises all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the HKICPA, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2017.

Except for the adoption of new and revised HKFRSs issued by the HKICPA, which are effective for the Company's financial year beginning on 1 April 2017, the accounting policies applied in preparing this Interim Financial Information are consistent with those of the annual financial statements for the year ended 31 March 2017, as described in the annual financial statements. The Directors anticipate that the application of these new and revised HKFRSs will not have material impact on the Interim Financial Information of the Group.

The Group has not early applied the new and revised HKFRSs that have been issued by the HKICPA but are not yet effective. The application of these new and revised HKFRSs will not have material impact on the Interim Financial Information of the Group.

The preparation of Interim Financial Information requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the Interim Financial Information, the significant judgments made by the Company's management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended 31 March 2017.

(b) Basis of measurement

The Interim Financial Information has been prepared under the historical cost basis.

(c) Functional and presentation currency

The Interim Financial Information is 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 September		**For the six months ended 30 September**	
	2017	2016	**2017**	2016
	HK$'000	HK$'000	**HK$'000**	HK$'000
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Services fee income from provision of valuation and advisory services	**11,823**	25,841	**24,694**	41,655
Interest income from provision of financing services	**3,685**	9,287	**10,721**	18,399
	15,508	35,128	**35,415**	60,054

4. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the executive Directors. The executive Directors have identified the Group's product and service lines as reportable operating segments as follows:

(i) Valuation and advisory services;

(ii) Financing services; and

(iii) All other segments.

(a) Business segments

For the six months ended 30 September 2017 (unaudited)

	Valuation and advisory services HK$'000	Financing services HK$'000	All other segments HK$'000	Total HK$'000
Segment revenue (note (i))	24,694	10,721	–	35,415
Segment results (note (ii))	(865)	8,024	(389)	6,770
Other segment information				
Depreciation	(74)	–	(39)	(113)
Amortisation	(1,091)	–	–	(1,091)
Impairment loss on loans and interests receivable, net	–	(282)	–	(282)
Impairment loss on trade and other receivables, net	200	–	(303)	(103)
Income tax expense	233	(1,306)	23	(1,050)
Additions to non-current assets (excluding financial instruments)	38	–	–	38
Segment assets (as at 30 September 2017)	95,496	347,889	540	443,925
Segment liabilities (as at 30 September 2017)	(17,099)	(22,006)	(10)	(39,115)

For the six months ended 30 September 2016 (unaudited)

Segment revenue (note (i))	41,655	18,399	–	60,054
Segment results (note (ii))	17,640	10,545	(36)	28,149
Other segment information				
Depreciation	(67)	–	(24)	(91)
Amortisation	(1,120)	–	–	(1,120)
Impairment loss on loans and interests receivable	–	(1,569)	–	(1,569)
Reversal of impairment loss on trade and other receivables	322	–	–	322
Income tax expense	(2,852)	(1,504)	34	(4,322)
Additions to non-current assets (excluding financial instruments)	82	–	–	82
Segment assets (as at 31 March 2017)	98,349	351,336	720	450,405
Segment liabilities (as at 31 March 2017)	(16,858)	(548)	(29)	(17,435)

Notes:

(i) Segment revenue reported above represents revenue generated from external customers. There were no material inter-segment sales for both periods.

(ii) The accounting policies of the operating segments are same as the Group's accounting policies described in note 2 to the Interim Financial Information. Segment results represents the profit earned or the loss incurred by each segment without allocation of corporate income and central administrative costs. This is the measure reported to the chief operating decision-maker for the purpose of resources allocation and performance assessment.

(b) Reconciliation of reportable segment profit, assets and liabilities

	For the six months ended 30 September 2017 HK$'000 (unaudited)	For the six months ended 30 September 2016 HK$'000 (unaudited)
Profit before income tax expense		
Reportable segment profit	**6,770**	28,149
Unallocated interest income	**398**	639
Unallocated employee benefit expenses	**(3,989)**	(2,397)
Unallocated depreciation	**(1,139)**	(803)
Unallocated finance costs	**(442)**	(805)
Unallocated other expenses	**(1,256)**	(1,480)
Consolidated profit before income tax expense	**342**	23,303

	30 September 2017 HK$'000 (unaudited)	31 March 2017 HK$'000 (audited)
Assets		
Reportable segment assets	**443,925**	450,405
Unallocated property, plant and equipment	**6,512**	4,515
Unallocated available-for-sale investments	**25,000**	25,000
Unallocated pledged bank deposits	**54,759**	54,062
Unallocated cash and bank balances	**36,830**	17,291
Unallocated corporate assets	**1,652**	256
Consolidated total assets	**568,678**	551,529
Liabilities		
Reportable segment liabilities	**(39,115)**	(17,435)
Unallocated finance lease liabilities	**(3,058)**	(3,859)
Unallocated bank borrowings	**(50,059)**	(51,898)
Unallocated corporate liabilities	**(669)**	(1,852)
Consolidated total liabilities	**(92,901)**	(75,044)

(c) Geographical segment information

All of the revenue from external customers and non-current assets of the Group are derived from activities or located in Hong Kong. Accordingly, no geographical information is presented.

(d) Information about major customer

For the six months ended 30 September 2017 and 2016, none of the customers contributed 10% or more of the revenue of the Group.

5. OTHER INCOME

	For the three months ended 30 September		For the six months ended 30 September	
	2017	2016	**2017**	2016
	HK$'000	HK$'000	**HK$'000**	HK$'000
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Reimbursement of expenses	**177**	407	**336**	842
Interest income	**215**	313	**398**	639
Others	**585**	(22)	**865**	408
	977	698	**1,599**	1,889

6. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	For the three months ended 30 September		For the six months ended 30 September	
	2017	2016	**2017**	2016
	HK$'000	HK$'000	**HK$'000**	HK$'000
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Wages and salaries	**7,740**	8,979	**19,309**	16,490
Contributions on defined contribution retirement plans	**223**	243	**457**	467
Other benefits	**379**	502	**758**	1,012
	8,342	9,724	**20,524**	17,969

7. EXPENSES BY NATURE

	For the three months ended 30 September		For the six months ended 30 September	
	2017	2016	**2017**	2016
	HK$'000	HK$'000	**HK$'000**	HK$'000
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Auditor's remuneration	**175**	162	**320**	325
Depreciation of property, plant and equipment	**702**	451	**1,252**	894
Amortisation of intangible assets	**545**	560	**1,091**	1,120
Exchange (gain)/loss, net	**(199)**	6	**(190)**	(154)
Consultancy fee	**442**	2,617	**772**	4,631
Impairment loss on loans and interests receivable, net	**292**	1,580	**282**	1,569
Impairment loss/(reversal of impairment loss) on trade and other receivables, net	**283**	(213)	**103**	(322)
Operating lease charges in respect of buildings	**1,233**	1,133	**3,074**	2,268

8. FINANCE COSTS

	For the three months ended 30 September		For the six months ended 30 September	
	2017	2016	**2017**	2016
	HK$'000	HK$'000	**HK$'000**	HK$'000
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Interest on bank borrowings	**189**	391	**386**	723
Interest on finance leases	**27**	39	**56**	82
	216	430	**442**	805

9. 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 30 September		For the six months ended 30 September	
	2017	2016	**2017**	2016
	HK$'000	HK$'000	**HK$'000**	HK$'000
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Current tax — Hong Kong Profits Tax				
Tax for the period	**380**	2,626	**1,306**	4,421
Over-provision in respect of prior year	**(84)**	–	**(256)**	(99)
	296	2,626	**1,050**	4,322

10. DIVIDENDS

The Board does not recommend the payment of dividend for the six months ended 30 September 2017 (2016: nil).

11. EARNINGS/(LOSS) PER SHARE

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

	For the three months ended 30 September		For the six months ended 30 September	
	2017	2016	**2017**	2016
	HK$'000	HK$'000	**HK$'000**	HK$'000
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Earnings/(loss)				
Earnings/(loss) for the purpose of basic and diluted earnings/(loss) per Share	**100**	11,567	**(708)**	18,981
	'000	'000	**'000**	'000
Number of Shares				
Weighted average number of ordinary Shares for the purpose of basic and diluted earnings/(loss) per Share (note)	**4,999,853**	4,999,853	**4,999,853**	4,999,853

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

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2017, the Group acquired items of property, plant and equipment, including but not limited to leasehold improvement for the new office premise, with total costs of approximately HK$3.2 million (six months ended 30 September 2016: approximately HK$0.1 million).

13. GOODWILL

	HK$'000
At 1 April 2016 (audited), 30 September 2016 (unaudited), 1 April 2017 (audited) and 30 September 2017 (unaudited)	25,329

The goodwill was acquired through business combination during the year ended 31 March 2015 and it is solely allocated to the cash generating unit ("CGU"), namely Bonus Boost International Limited and its subsidiary.

The recoverable amount of the goodwill has been determined from value-in-use calculation based on cash flow projections from formally approved budgets covering a five-year period. Cash flow beyond the five-year period are extrapolated using an estimated weighted average growth rate of 3% (2016: 3%).

	31 March 2017 and 30 September 2017
Discount rate	15%
Operating margin*	41%–45%
Growth rate within the five-year period	0%–11%

* defined as profit before income tax expense divided by revenue

The discount rate used is pre-tax and reflects specific risks relating to the relevant CGU. The operating margin and growth rate within the five-year period have been based on management expectation and the result of the market research and prediction.

14. AVAILABLE-FOR-SALE INVESTMENTS

The balance represented the Group's strategic investments of 19.9% equity interest in Greater China Appraisal Limited. The investment was not accounted for in an equity method as the Group does not have the power to participate in its operating and financial policies, evidenced by the lack of any direct or indirect involvement at board level.

The balance was measured at cost less impairment at the end of reporting period because it does not have quoted market price in an active market and the Directors are of the opinion that its fair value cannot be measured reliably. The Directors intended to hold it for long term investment purpose.

15. LOANS AND INTERESTS RECEIVABLE

	30 September 2017 HK$'000 (unaudited)	31 March 2017 HK$'000 (audited)
Loans and interests receivable (net of impairment loss)	**286,475**	312,844
Current portion included in current assets	**(281,421)**	(303,399)
Amounts due after one year included in non-current assets	**5,054**	9,445

As at 30 September 2017, loans and interests receivable with an aggregate carrying amount of approximately HK$202.6 million (31 March 2017: approximately HK$243.5 million) were secured by legal charges.

The customers are obliged to settle the amounts according to the terms set out in relevant contracts. Interest rates are offered based on the assessment of a number of factors including the borrowers' creditworthiness and repayment ability, collaterals as well as the general economic trends. The Group's loan principals charged interests at contract rates ranging approximately 8%–30% per annum (31 March 2017: approximately 6%–36% per annum).

The Directors consider that the fair values of loans and interests receivable are not materially different from their carrying amounts.

A maturity profile of the loans and interests receivable at the end of reporting period, based on the maturity date, is as follows:

	30 September 2017 HK$'000 (unaudited)	31 March 2017 HK$'000 (audited)
Current	**281,421**	303,399
1 to 5 years	**3,845**	7,687
Over 5 years	**1,209**	1,758
	286,475	312,844

The ageing analysis of loans and interests receivable based on the loan drawdown date at the end of reporting period is as follows:

	30 September 2017 HK$'000 (unaudited)	31 March 2017 HK$'000 (audited)
0 to 30 days	**–**	–
31 to 60 days	**15,800**	350
61 to 90 days	**–**	5,000
91 to 180 days	**–**	102,872
181 to 360 days	**107,722**	185,255
Over 360 days	**162,953**	19,367
	286,475	312,844

Loans and interests receivable that were neither past due nor impaired related to a wide range of customers that have good repayment records with the Group.

Loans and interests receivable that were past due but not impaired related to customers that have good repayment records with the Group. Based on past experience, the Directors are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

The table below reconciles the impairment loss on loans and interests receivable for the period/year:

	30 September 2017 HK$'000 (unaudited)	31 March 2017 HK$'000 (audited)
At the beginning of reporting period/year	**24,090**	9,828
Impairment loss recognised	**282**	14,262
At the end of reporting period/year	**24,372**	24,090

The Group recognised impairment loss based on the accounting policy as set out in the annual financial statements for the year ended 31 March 2017.

16. TRADE RECEIVABLES

The Group generally grants credit terms of 0–90 days to the customers. The ageing analysis of trade receivables (net of impairment loss) based on invoice date at the end of reporting period is as follows:

	30 September 2017 HK$'000 (unaudited)	31 March 2017 HK$'000 (audited)
0 to 30 days	**2,420**	10,121
31 to 60 days	**888**	889
61 to 90 days	**1,457**	655
91 to 180 days	**3,200**	690
181 to 360 days	**3,271**	7,442
Over 360 days	**11,984**	5,554
	23,220	25,351

Trade receivables that were past due but not impaired related to a number of independent customers that had a good track record of credit with the Group. At the end of each reporting period, the Group reviews trade receivables for evidence of impairment on both individual and collective basis. Based on past credit history, management believes that no impairment loss is necessary in respect of trade receivables that were past due but not impaired as there has not been a significant change in credit quality and the balances are still considered to be fully recoverable. The Group did not hold any collateral as security or other credit enhancement over the trade receivables.

The table below reconciles the impairment loss on trade receivables for the period/year:

	30 September 2017 HK$'000 (unaudited)	31 March 2017 HK$'000 (audited)
At the beginning of reporting period/year	**3,783**	1,746
Reversal of provision for impairment loss	**(200)**	–
Impairment loss recognised	**–**	2,037
At the end of reporting period/year	**3,583**	3,783

The Group recognised impairment loss based on the accounting policy as set out in the annual financial statements for the year ended 31 March 2017.

17. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 September 2017 HK$'000 (unaudited)	31 March 2017 HK$'000 (audited)
Accrued revenue*	**23,701**	17,196
Prepayments	**2,148**	2,282
Deposits and other receivables	**59,371**	44,536
	85,220	64,014

* Included in the balances were accrued interests of HK$15,098,000 (31 March 2017: HK$8,490,000).

Financial assets included in accrued revenue, deposits and other receivables that were neither past due nor impaired related to a wide range of debtors that have good track records with the Group.

Financial assets included in accrued revenue, deposits and other receivables that were past due but not impaired related to debtors that have good track records with the Group. Based on past experience, the Directors are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

The table below reconciles the impairment loss on prepayments, deposits and other receivables for the period/year:

	30 September 2017 HK$'000 (unaudited)	31 March 2017 HK$'000 (audited)
At the beginning of reporting period/year	**5,172**	3,782
Impairment loss recognised	**303**	1,390
At the end of reporting period/year	**5,475**	5,172

The Group recognised impairment loss based on the accounting policy as set out in the annual financial statements for the year ended 31 March 2017.

18. PLEDGED BANK DEPOSITS

Pledged bank deposits represented cash at bank held by the Company and a subsidiary pledged for a bank borrowing (note 22).

19. TRADE PAYABLES

At the end of the reporting period, the Group was granted by its suppliers credit periods ranging from 0 to 30 (31 March 2017: 0 to 30) days. The ageing analysis of trade payables based on invoice date at the end of reporting period is as follows:

	30 September 2017 HK$'000 (unaudited)	31 March 2017 HK$'000 (audited)
0 to 30 days	**–**	13
Over 360 days	**294**	294
	294	307

20. ACCRUED LIABILITIES AND OTHER PAYABLES AND RECEIPT IN ADVANCE

	30 September 2017 HK$'000 (unaudited)	31 March 2017 HK$'000 (audited)
Accrued liabilities and other payables	**7,378**	2,697
Receipt in advance	**26,376**	12,902
	33,754	15,599

21. FINANCE LEASE LIABILITIES

The Group leased 4 motor vehicles as at 30 September 2017 (31 March 2017: 4). The leases of motor vehicles were classified as finance lease as the rental period amounted to the estimated useful economic life of the assets concerned and the Group has the right to purchase the assets outright at the end of the minimum lease term by paying a nominal amount.

Future lease payments are due as follows:

As at 30 September 2017

	Minimum lease payments HK$'000 (unaudited)	**Interest HK$'000 (unaudited)**	**Present value HK$'000 (unaudited)**
Not later than one year	**1,527**	**(74)**	**1,453**
Later than one year and not later than five years	**1,648**	**(43)**	**1,605**
	3,175	**(117)**	**3,058**

As at 31 March 2017

	Minimum lease payments HK$'000 (audited)	Interest HK$'000 (audited)	Present value HK$'000 (audited)
Not later than one year	1,645	(98)	1,547
Later than one year and not later than five years	2,386	(74)	2,312
	4,031	(172)	3,859

The present value of future lease payments are analysed as:

	30 September 2017 HK$'000 (unaudited)	31 March 2017 HK$'000 (audited)
Current liabilities	**1,453**	1,547
Non-current liabilities	**1,605**	2,312
	3,058	3,859

22. BANK BORROWINGS

	30 September 2017 HK$'000 (unaudited)	31 March 2017 HK$'000 (audited)
Current		
Interest bearing		
— bank borrowings due for repayment within one year (notes (a), (b) & (c))	**50,059**	51,898

Notes:

(a) The bank borrowing of HK$50,000,000 (unaudited) (31 March 2017: HK$50,000,000) was secured by bank deposits of HK$54,759,000 (unaudited) (31 March 2017: HK$54,062,000) placed by the Company and a subsidiary in the bank. Interest is charged at Hong Kong Inter-bank Offered Rate + 1% (31 March 2017: Hong Kong Inter-bank Offered Rate + 2%).

(b) The bank borrowing of HK$59,000 (unaudited) (31 March 2017: HK$231,000) was secured by guarantees from Mr. Luk Kee Yan Kelvin, who resigned as an executive Director on 20 April 2017 and confirmed in writing of his intention to provide guarantee for the bank borrowing until the Group has repaid the bank borrowing, and Mr. Yue Kwai Wa Ken. Interest is charged at 0.55% (31 March 2017: 0.55%) per month.

(c) The bank borrowing of HK$1,667,000 as at 31 March 2017 was secured by guarantees from the Company and Mr. Luk Kee Yan Kelvin, who resigned as an executive Director on 20 April 2017 and confirmed in writing of his intention to provide guarantee for the bank borrowing until the Group has repaid the bank borrowing. Interest was charged at HK$ prime rate quoted by the bank minus 0.5% per annum. During the six months ended 30 September 2017, the bank borrowing was fully settled.

The banking facility of one of the loans is subject to the fulfillment of covenants relating to minimum requirement of pledged bank deposits and compliance of the bank's administrative requirements, as are commonly found in lending arrangements with financial institutions in Hong Kong. If the subsidiary was to breach the covenants, the drawn down facility would become repayable on demand. In addition, one of the subsidiaries' loan agreements contains clauses which give the lender the right at the lender's sole discretion to demand immediate repayment at any time irrespective of whether the subsidiary has complied with the covenants and met the scheduled repayment obligations. The respective loan was repayable on demand or within one year.

As at 30 September 2017, all the bank borrowings were due for repayment within one year.

The Group regularly monitors the compliance with these covenants and the scheduled repayments of the loans and does not consider it probable that the bank will exercise its discretion to demand repayment for so long as the subsidiary continues to meet these requirements. As at 30 September 2017, none of the covenants relating to drawn down facilities had been breached.

23. SHARE CAPITAL

	Number of ordinary Shares	HK$'000
Authorised		
As at 1 April 2016 (audited), 30 September 2016 (unaudited), 1 April 2017 (audited) and 30 September 2017 (unaudited), ordinary Shares of HK$0.016 each	5,000,000,000	80,000
Issued		
As at 1 April 2017 (audited) and 30 September 2017 (unaudited), ordinary Shares of HK$0.016 each	4,999,853,300	79,998

24. OPERATING LEASE COMMITMENTS

As a lessee

The Group leases office premises under operating leases. Each of the leases runs for initial periods of 2 to 3 years and the leases do not include contingent rentals. The total future minimum lease payments payable by the Group under non-cancellable operating leases are as follows:

	30 September 2017 HK$'000 (unaudited)	31 March 2017 HK$'000 (audited)
Within one year	**4,431**	4,971
In the second to fifth year	**6,983**	8,662
	11,414	13,633

25. RELATED PARTY TRANSACTIONS

Save as disclosed in note 22, the Group had the following significant transactions with related parties during the period:

Key management personnel remuneration

Key management of the Group are members of the Board and chief executive of the Company. Key management personnel remuneration includes the following expenses:

	For the three months ended 30 September		For the six months ended 30 September	
	2017	2016	**2017**	2016
	HK$'000	HK$'000	**HK$'000**	HK$'000
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Directors' fees	**218**	90	**327**	180
Salaries, allowances and other benefits	**1,253**	1,149	**3,636**	2,199
Contributions on defined contribution retirement plans	**15**	9	**26**	18
	1,486	1,248	**3,989**	2,397

26. EVENTS AFTER THE REPORTING PERIOD

(a) The consolidation of every then four issued and unissued shares of par value of HK$0.016 each into one consolidated share of par value of HK$0.064 each (the "Consolidated Share(s)") has become effective on 19 October 2017. The increase in authorised share capital of the Company from HK$80,000,000 divided into 1,250,000,000 Consolidated Shares to HK$576,000,000 divided into 9,000,000,000 Consolidated Shares has also become effective of even date.

(b) The Company has proposed to implement a rights issue of 1,874,944,986 rights shares at a subscription price of HK$0.15 (the "Rights Issue") per each rights share on the basis of three rights share for every two Consolidated Shares held by the qualifying shareholders on 26 October 2017, being the record date to determine entitlements to the Rights Issue. Result of the Rights Issue will be announced on 16 November 2017. For further details, please refer to the Company's prospectus in relation to the Rights Issue dated 27 October 2017.

(c) On 1 November 2017, one of the Company's wholly-owned subsidiaries has entered into a strategic cooperation agreement with Dagong Global Credit Rating (Hong Kong) Co., Limited with the aim to promote respective expert services and provide integrated appraisals and credit rating services in the regions of Greater China and countries within the Belt and Road Initiative on a joint effort basis with respective competitive strength. For further details, please refer to the Company's announcement dated 1 November 2017.

(d) On 2 November 2017, the Company has entered into a strategic cooperation agreement with China Railway Beijing Engineering Group Co., Ltd. for construction and other related investment projects, including but not limited to, in the countries along the belt and road routes. As per this agreement, the Company will be mainly responsible for the introduction of talents and sourcing funding arrangement for the said projects. For further details, please refer to the Company's announcement dated 2 November 2017.

Management Discussion and Analysis

BUSINESS REVIEW

During the six months ended 30 September 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 six months ended 30 September 2017, which was mainly due to a drop in the Group's revenue, the Group has continuously tried to seek for different opportunities to broaden the income stream, as well as the market presence of 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. During the six months ended 30 September 2017, the Group strengthened its management team by increasing the number of board members of the Company, as well as distributed discretionary bonus to certain staff and Directors for their continuous contribution to the Group. The Group recorded an increase of approximately 14.2% in its employee benefit expenses for the six months ended 30 September 2017, as compared with that for the six months ended 30 September 2016.

FINANCIAL REVIEW

Revenue

For the six months ended 30 September 2017, the Group recorded a decrease of approximately 41.0% in revenue as compared with that for the six months ended 30 September 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 40.8% to approximately HK$24.7 million for the six months ended 30 September 2017 from approximately HK$41.7 million for the six months ended 30 September 2016. It was mainly attributable to a decrease in number of projects generating revenue to the Group for the six months ended 30 September 2017 as compared with those for the six months ended 30 September 2016.

The interest income generated from provision of financing services decreased by approximately 41.8% to approximately HK$10.7 million for the six months ended 30 September 2017 from approximately HK$18.4 million for the six months ended 30 September 2016. The decrease in interest income was mainly attributable to a decrease in an average interest rate charged against the loan principals during the six months ended 30 September 2017 as compared with that for the six months ended 30 September 2016.

Other income

The Group's other income decreased by approximately 15.3% for the six months ended 30 September 2017 as compared with that for the six months ended 30 September 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 six months ended 30 September 2017 as compared with those during the six months ended 30 September 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 14.2% for the six months ended 30 September 2017 as compared with that for the six months ended 30 September 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 six months ended 30 September 2017. The Group always values the contribution of its professional and management teams and has distributed bonus during the six months ended 30 September 2017 to retain high-caliber individuals for continuous contribution to the Group.

Depreciation and amortisation

The Group recorded an increase of approximately 16.3% in depreciation and amortisation for the six months ended 30 September 2017 as compared with that for the six months ended 30 September 2016, which was mainly attributable to additions of leasehold improvement during the six months ended 30 September 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 six months ended 30 September 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 25.1% for the six months ended 30 September 2017 as compared with that for the six months ended 30 September 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 six months ended 30 September 2017 as compared with those for the six months ended 30 September 2016.

Profit/loss attributable to owners of the Company

Loss attributable to owners of the Company amounted to HK$0.7 million for the six months ended 30 September 2017 whereas there was a profit attributable to owners of the Company of approximately HK$19.0 million for the six months ended 30 September 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 six months ended 30 September 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 September 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 30 September 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 September 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 September 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 September 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.

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 September 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. During the six months ended 30 September 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 (the "SFC") 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, as well as can leverage on the extensive network and customer base of the acquired corporations. Furthermore, the Group has entered into strategic cooperation agreements with Dagong Global Credit Rating (Hong Kong) Co., Limited and China Railway Beijing Engineering Group Co., Ltd. respectively in November 2017 with the aim to, among others, establish market presence in different regions and contribute its professionalism in the Belt and Road Initiative.

The Board is optimistic that after the available of the net proceeds from the rights issue of 1,874,944,986 rights shares, the Group will then have stronger financial support for any further expansion of the Group's businesses and in return create further values to the Group and thus the Shareholders.

LIQUIDITY AND FINANCIAL RESOURCES

During the six months ended 30 September 2017, the Group mainly financed its operations with its own working capital and bank borrowings. As at 30 September 2017 and 31 March 2017, the Group had net current assets of approximately HK$398.3 million and HK$396.3 million respectively, including cash and bank balances of approximately HK$36.8 million and HK$17.3 million respectively. The Group's pledged bank deposits of approximately HK$54.8 million and HK$54.1 million as at 30 September 2017 and 31 March 2017 respectively represented cash at bank held by the Group and pledged for bank borrowings. The Group's current ratio decreased from approximately 6.7 as at 31 March 2017 to approximately 5.5 as at 30 September 2017. Such a decrease was mainly because of the increase in receipt in advance as at 30 September 2017.

As at 30 September 2017 and 31 March 2017, the Group's total bank borrowings amounted to approximately HK$50.1 million and HK$51.9 million respectively. All bank borrowings were denominated in HK$. Details of the bank borrowings of the Group are set out in note 22 to the Interim Financial Information. The Group's total finance lease liabilities amounted to approximately HK$3.1 million and HK$3.9 million as at 30 September 2017 and 31 March 2017 respectively. The Group's gearing ratio was approximately 0.11 and 0.12 as at 30 September 2017 and 31 March 2017 respectively.

COMMITMENTS

The Group's contractual commitments primarily related to the leases of its office premises. The Group's operating lease commitments amounted to approximately HK$11.4 million and HK$13.6 million as at 30 September 2017 and 31 March 2017 respectively. As at 30 September 2017, the Group did not have any capital commitments (31 March 2017: nil).

CAPITAL STRUCTURE

Details of the movements in the Company's share capital are set out in note 23 to the Interim Financial Information.

SIGNIFICANT INVESTMENTS

Save as the acquisition of 19.9% equity interest in Greater China Appraisal Limited as disclosed in note 14 to the Interim Financial Information, the Group did not hold any significant investments as at 30 September 2017.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the section headed "Use of proceeds" in this report, the Group currently does not have other concrete plans for material investments or capital assets.

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the six months ended 30 September 2017, the Group did not have any acquisitions or disposals of subsidiaries and affiliated companies.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 30 September 2017 (31 March 2017: nil).

FOREIGN EXCHANGE EXPOSURE

During the six months ended 30 September 2017, the Group's exposure to currency risk was limited to its bank balances denominated in Renminbi ("RMB") as majority of the Group's transactions, monetary assets and liabilities are denominated in HK$ and United States Dollars ("US$"). In the event that RMB appreciates by 3% against HK$, the Group's profit for the six months ended 30 September 2017 will increase by approximately HK$0.6 million (31 March 2017: approximately HK$1,000). On the contrary, if RMB depreciates by 3% against HK$, the Group's profit for the six months ended 30 September 2017 will decrease by approximately HK$0.6 million (31 March 2017: approximately HK$1,000). As US$ is pegged to HK$, the Group does not expect any significant movements in the US$/HK$ exchange rates. The Group will continue to monitor its foreign currency exposure closely.

TREASURY POLICIES

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluation of the financial conditions of its clients and credit review of the Group's loan portfolio. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

PLEDGE OF ASSETS

As at 30 September 2017, save for the pledged bank deposits and motor vehicles acquired under finance leases, the Group did not pledge any of its assets (31 March 2017: nil) as securities for any facilities granted to the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2017 and 30 September 2016, the Group employed a total of 73 and 64 full-time employees respectively. The Group's total employee benefit expenses were approximately HK$20.5 million and HK$18.0 million for the six months ended 30 September 2017 and 2016 respectively. Remuneration is determined by reference to market conditions and the performance, qualification and experience of individual employee. In addition to a basic salary, discretionary bonuses were offered to those staff with outstanding performance to attract and retain eligible employees to contribute to the Group.

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 of the Company before the consolidation of shares becoming effective on 19 October 2017, 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 six months ended 30 September 2017 and the options outstanding as at 30 September 2017 were as follows:

	Number of shares of the Company comprised in the options granted (Note 1)							
	As at 1 April 2017	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	As at 30 September 2017	Exercise period and vesting period	Subscription price per Share HK$
Employees	7,705,250	–	–	–	(7,705,250)	–	Note 2	0.441
	7,705,250	–	–	–	(7,705,250)	–		

Notes:

1. It represented shares of the Company of par value of HK$0.016 each before the consolidation of shares becoming effective on 19 October 2017.

2. 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:

    (a) The first anniversary of the Date of Grant — 30% of the total number of options granted;

    (b) The second anniversary of the Date of Grant — 30% of the total number of options granted; and

    (c) 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 September 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 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 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 September 2017, so far as the Directors are aware, the interests or short positions owned by the following parties (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 (Note 1)	Beneficial owner	1,023,000,000	20.46% (Note 4)
Mr. Luk Kee Yan Kelvin ("Mr. Luk") (Note 1)	Interest of a controlled corporation	1,023,000,000	20.46% (Note 4)
Emperor Securities Limited (Note 2)	Underwriter	1,874,944,896	60.00% (Note 5)
Mr. Yeung Sau Shing Albert (Note 2)	Founder of a discretionary fund	1,874,944,896	60.00% (Note 5)
Albert Yeung Holdings Limited (Note 2)	Interest of controlled corporations	1,874,944,896	60.00% (Note 5)

Name of shareholder	Capacity/nature of interest	Number of Shares	Approximate percentage of interest
Emperor Capital Group Limited (Note 2)	Interest of controlled corporations	1,874,944,896	60.00% (Note 5)
Ms. Luk Siu Man Semon (Note 2)	Interest of spouse	1,874,944,896	60.00% (Note 5)
STC International Limited (Note 2)	Trustee	1,874,944,896	60.00% (Note 5)
Get Nice Securities Limited (Note 3)	Underwriter	375,000,000	12.00% (Note 5)
Get Nice Financial Group Limited (Note 3)	Interest of controlled corporations	375,000,000	12.00% (Note 5)
Get Nice Holdings Limited (Note 3)	Interest of controlled corporations	375,000,000	12.00% (Note 5)
Get Nice Incorporated (Note 3)	Interest of a controlled corporation	375,000,000	12.00% (Note 5)

Notes:

1. 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.

2. Based on the notices of disclosure of interests of each of Emperor Capital Group Limited, Albert Yeung Holdings Limited, STC International Limited, Ms. Luk Siu Man Semon and Mr. Yeung Sau Shing Albert filed with the Stock Exchange, they were interested in 1,874,944,896 Shares in long position by virtue of Emperor Securities Limited ("Emperor Securities") as the underwriter and is obliged to take up 1,874,944,896 Shares in relation to the Rights Issue. Emperor Securities is wholly owned by Emperor Capital Group Limited while Albert Yeung Holdings Limited has 41.31% interest over Emperor Capital Group Limited, Albert Yeung Holdings Limited, which is in turn wholly owned by STC International Limited, as trustee of The Albert Yeung Discretionary Trust. Mr. Yeung Sau Shing Albert is the founder of the discretionary trust. Ms. Luk Siu Man Semon is the wife of Mr. Yeung.

   Accordingly, each of Albert Yeung Holdings Limited, STC International Limited, Ms. Luk Siu Man Semon and Mr. Yeung Sau Shing Albert was deemed to be interested in the Shares interested by Emperor Capital Group Limited pursuant to Part XV of the SFO.

3. Pursuant to the sub-underwriting agreements entered into between the Emperor Securities and seven sub-underwriters, (a) each of Get Nice Securities Limited and CS Wealth Securities Limited ("CS Wealth") has agreed to sub-underwrite a maximum of 375,000,000 Shares representing approximately 20.00% of the total number of rights Shares and approximately 12.00% of the total number of Consolidated Shares in issue after the Rights Issue; (b) apart from Get Nice Securities Limited and CS Wealth, each of the other five sub-underwriters, which is private company and not principally engaged in the provision of placing and underwriting services, has agreed to sub-underwrite a maximum of 100,000,000 Shares representing approximately 5.33% of the total number of rights Shares and approximately 3.20% of the total number of Consolidated Shares in issue after the Rights Issue; and (c) each of Get Nice Securities Limited, CS Wealth and the other five sub-underwriters and their respective ultimate beneficial owners are all independent third parties not connected with the Company and its connected parties.

   Get Nice Securities Limited is wholly owned by Get Nice Incorporated and Get Nice Incorporated is wholly owned by Get Nice Financial Group Limited, which in turn is a subsidiary of Get Nice Holdings Limited. Accordingly, each of Get Nice Incorporated, Get Nice Financial Group Limited and Get Nice Holdings Limited was deemed to be interested in the Shares interested by Get Nice Securities Limited pursuant to Part XV of the SFO.

4. The total number of 4,999,853,300 shares of the Company in issue as at the 30 September 2017 has been used for the calculation for the approximate percentage of interest.

5. This percentage is calculated with reference to the total number of 3,124,908,311 consolidated Shares in issue upon completion of the Rights Issue.

Save as disclosed above and as at 30 September 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 six months ended 30 September 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 six months ended 30 September 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 six months ended 30 September 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 ("Mr. Yue") 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 ("Mr. Lum") as the chief executive officer of the Group with effect from 2 June 2017 and 5 June 2017 respectively. Upon the resignation of Mr. Lum as the chief executive officer of the Group with effect from 1 October 2017, Mr. Yue was redesignated as the chief executive officer 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 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 six months ended 30 September 2017.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the six months ended 30 September 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.

CHANGES IN DIRECTORS' INFORMATION

Subsequent to the date of the 2017 annual report of the Company, the changes in Directors' information as required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules are set out below:

(a) Pursuant to an announcement of the Company dated 24 August 2017, Mr. Ng Man Kung and Mr. So Wing On have been appointed as the non-executive Directors with effect from 24 August 2017.

(b) Pursuant to an announcement of the Company dated 13 September 2017, Dr. Lam Lee G. ("Dr. Lam") has been appointed as a non-executive Director and the vice chairman of the Board with effect from 13 September 2017.

With effect from 13 September 2017, 29 September 2017 and 20 October 2017, Dr. Lam has been appointed as an independent non-executive director of Huarong Investment Stock Corporation Limited (Stock code: 2277), Highlight China IoT International Limited (Stock code: 1682) and Kidsland International Holdings Limited (Stock code: 2122) respectively, the shares of all of which are listed on the main board of the Stock Exchange.

With effect from 15 September 2017, Dr. Lam has been appointed as an independent non-executive director of Xi'an Haitiantian Holdings Co., Ltd. (formerly known as Xi'an Haitian Antenna Holdings Co., Ltd.) (Stock code: 8227), the shares of which are listed on GEM.

With effect from 2 October 2017, Dr. Lam has been appointed as a non-executive director of Adamas Finance Asia Limited, the shares of which are listed on London Stock Exchange.

(c) Pursuant to announcement of the Company dated 13 September 2017, Ms. Li Tak Yin has been appointed as an independent non-executive Director with effect from 13 September 2017.

(d) Pursuant to an announcement of the Company dated 29 September 2017, Mr. Lam Pak Sum has resigned as the chief executive officer of the Group; and Mr. Yue Kwai Wa Ken has been redesignated as the chief executive officer of the Group with effect from 1 October 2017.

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 six months ended 30 September 2017 and this report.

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

Hong Kong, 10 November 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 Directors are Dr. Lam Lee G., Mr. Ng Man Kung, Mr. So Wing On and Mr. Yim Wai Ning, 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.