ROMA

Roma Group Limited

Incorporated in the Cayman Islands with limited liability

Stock Code: 8072

2018/2019 INTERIM REPORT

BUSINESS VALUATION · RESOURCE ESTIMATION · WORK OF ART VALUATION

NATURAL RESOURCES VALUATION & TECHNICAL ADVISORY SERVICES · RISK MANAGEMENT

MACHINERIES & EQUIPMENT VALUATION · FINANCIAL INSTRUMENTS VALUATION

BIOLOGICAL ASSET VALUATION · DUE DILIGENCE STUDIES · BUSINESS & INTANGIBLE ASSETS VALUATION

COMPLIANCE STUDIES FOR IPO · EXPLORATION PLANNING · PROPERTY VALUATION

PURCHASE PRICE ALLOCATION · PROJECT FEASIBILITY STUDIES

COMPETENT PERSON'S REPORT · ESG REPORTING SERVICES

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board 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.

For the six months ended 30 September 2018:

— Revenue was approximately HK$30.0 million, representing a decrease of approximately 15.4% as compared with that for the six months ended 30 September 2017;

— Loss for the six months ended 30 September 2018 amounted to approximately HK$7.6 million, as compared to the loss of approximately HK$0.7 million for the six months ended 30 September 2017;

— Basic and diluted loss per share attributable to owners of the Company were HK0.25 cent; and

— No dividend was declared.

The board of Directors (the "Board") announces the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively the "Group") for the three months and six months ended 30 September 2018 together with the relevant comparative unaudited/audited figures as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and six months ended 30 September 2018

	Notes	For the three months ended 30 September		For the six months ended 30 September	
		2018	2017	**2018**	2017
		HK$'000	HK$'000	**HK$'000**	HK$'000
		(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Revenue	3	**12,401**	15,508	**29,975**	35,415
Other income	5	**1,517**	977	**2,906**	1,599
Employee benefit expenses	6	**(10,434)**	(8,342)	**(22,437)**	(20,524)
Depreciation and amortisation	7	**(1,271)**	(1,247)	**(2,496)**	(2,343)
Finance costs	8	**(688)**	(216)	**(1,205)**	(442)
Other expenses		**(7,593)**	(6,284)	**(13,247)**	(13,363)
(Loss)/profit before income tax expense	7	**(6,068)**	396	**(6,504)**	342
Income tax expense	9	**(267)**	(296)	**(1,072)**	(1,050)
(Loss)/profit for the period attributable to owners of the Company		**(6,335)**	100	**(7,576)**	(708)
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Change in the fair value of financial asset at fair value through other comprehensive income		**87**	–	**87**	–
Total comprehensive (loss)/income attributable to owners of the Company		**(6,248)**	100	**(7,489)**	(708)
			(Restated)		(Restated)
Basic and diluted (loss)/earnings per share attributable to owners of the Company (HK cent)	11	**(0.22)**	0.01	**(0.25)**	(0.05)

Unaudited Condensed Consolidated Statement of Financial Position

As at 30 September 2018

	Notes	**30 September 2018 HK$'000 (unaudited)**	31 March 2018 HK$'000 (audited)
ASSETS AND LIABILITIES			
Non-current assets			
Investment property	12	**12,500**	–
Property, plant and equipment	12	**4,548**	5,614
Intangible assets		**17,288**	18,365
Goodwill	13	**25,329**	25,329
Available-for-sale investments		**–**	25,000
Financial asset at fair value through other comprehensive income	14	**25,643**	–
Loans and interests receivable	15	**23,937**	1,728
Deferred tax assets		**1,330**	1,329
		110,575	77,365
Current assets			
Loans and interests receivable	15	**207,936**	200,355
Trade receivables	16	**12,979**	14,659
Prepayments, deposits and other receivables	17	**196,498**	231,839
Pledged bank deposits	18	**107,796**	106,524
Tax recoverable		**2,541**	2,541
Cash and bank balances		**152,707**	204,493
		680,457	760,411
Current liabilities			
Trade payables	19	**315**	372
Accrued liabilities and other payables and receipt in advance	20	**50,939**	23,484
Finance lease liabilities	21	**1,091**	1,296
Bank borrowings	22	**100,000**	100,000
Current tax liabilities		**1,676**	449
		154,021	125,601
Net current assets		**526,436**	634,810
Total assets less current liabilities		**637,011**	712,175

	Notes	30 September 2018 HK$'000 (unaudited)	31 March 2018 HK$'000 (audited)
Non-current liabilities			
Finance lease liabilities	21	**726**	1,016
Deferred tax liabilities		**2,344**	2,465
		3,070	3,481
Net assets		**633,941**	708,694
EQUITY			
Equity attributable to owners of the Company			
Share capital	23	**192,026**	199,994
Reserves		**441,915**	508,700
Total equity		**633,941**	708,694

For the six months ended 30 September 2018

	Share capital HK$'000	Shares held for the share award plan (the "Plan")* HK$'000	Share premium* HK$'000	Capital reserve* HK$'000	Share option reserve* HK$'000	Revaluation reserve* HK$'000	Retained earnings* HK$'000	Total HK$'000
At 1 April 2018 (audited)	**199,994**	**–**	**410,059**	**10**	**–**	**–**	**98,631**	**708,694**
— HKFRS 15 adjustment (Note 2 (b)(i))	**–**	**–**	**–**	**–**	**–**	**–**	**(28,580)**	**(28,580)**
— HKFRS 9 adjustment (Note 2 (b)(ii))	**–**	**–**	**–**	**–**	**–**	**556**	**(3,776)**	**(3,220)**
At 1 April 2018 (adjusted)	**199,994**	**–**	**410,059**	**10**	**–**	**556**	**66,275**	**676,894**
Loss for the period	**–**	**–**	**–**	**–**	**–**	**–**	**(7,576)**	**(7,576)**
Other comprehensive income								
Change in the fair value of financial asset at fair value through other comprehensive income	**–**	**–**	**–**	**–**	**–**	**87**	**–**	**87**
Total comprehensive (loss)/income for the period	**–**	**–**	**–**	**–**	**–**	**87**	**(7,576)**	**(7,489)**
Transactions with owners, in their capacity as owners								
Shares repurchase (note 23(c))	**(7,968)**	**–**	**(4,018)**	**–**	**–**	**–**	**–**	**(11,986)**
Recognition of share-based payment (note 24(a))	**–**	**–**	**–**	**–**	**2,763**	**–**	**–**	**2,763**
Purchase of shares for the Plan (note 24(b))	**–**	**(26,241)**	**–**	**–**	**–**	**–**	**–**	**(26,241)**
At 30 September 2018 (unaudited)	**192,026**	**(26,241)**	**406,041**	**10**	**2,763**	**643**	**58,699**	**633,941**
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

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

For the six months ended 30 September 2018

	For the six months ended 30 September 2018 HK$'000 (unaudited)	2017 HK$'000 (unaudited)
Net cash (used in)/generated from operating activities	**(102)**	26,025
Cash flows from investing activities		
Interests received	**1,531**	468
Purchase of property, plant and equipment	**(16)**	(3,175)
Increase in pledged bank deposits	**(1,272)**	(697)
Acquisition of assets through an acquisition of a subsidiary	**(12,000)**	–
Net cash used in investing activities	**(11,757)**	(3,404)
Cash flows from financing activities		
Repayments of bank borrowings	**–**	(1,839)
Repayments of finance lease liabilities	**(495)**	(801)
Interests paid	**(1,205)**	(442)
Purchase of shares for the Plan	**(26,241)**	–
Shares repurchases	**(11,986)**	–
Net cash used in financing activities	**(39,927)**	(3,082)
Net (decrease)/increase in cash and cash equivalents	**(51,786)**	19,539
Cash and cash equivalents at the beginning of the period	**204,493**	17,291
Cash and cash equivalents at the end of the period	**152,707**	36,830
Analysis of balances of cash and cash equivalents		
Cash and bank balances	**152,707**	36,830

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

The unaudited condensed consolidated financial statements were approved and authorised for issue by the Board on 9 November 2018.

2. BASIS OF PREPARATION

(a) Basis of preparation

The unaudited condensed consolidated financial statements for the three months and six months ended 30 September 2018 (the "Interim Financial Statements") have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure provisions of the GEM Listing Rules.

The Interim Financial Statements 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 audited consolidated financial statements for the year ended 31 March 2018 (the "2018 AFS").

(b) Principal accounting policies

The accounting policies and methods of computation used in preparing the Interim Financial Statements are the same as those followed in the preparation of the Group's 2018 AFS, except the HKFRSs that the Group has applied for the first time in the current interim period as described below.

- HKFRS 15, Revenue from contracts with customers
- HKFRS 9, Financial instruments

(b) Principal accounting policies *(continued)*

(i) Impact and changes in accounting policies of application of HKFRS 15 "Revenue from Contracts with Customers"

HKFRS 15 and the related clarification to HKFRS 15 (hereinafter referred to as "HKFRS 15") presents new requirements for the recognition of revenue, replacing HKAS 18 "Revenue", HKAS 11 "Construction Contracts", and several revenue-related Interpretations. HKFRS 15 establishes a single comprehensive model that applies to contracts with customers and two approaches to recognising revenue; at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 April 2018. Such cumulative effect is adjusted to the opening retained earnings at 1 April 2018 and comparative information has not been restated. Furthermore, under the transition provision in HKFRS 15, the Group has applied the standard retrospectively only to contracts that are not completed at 1 April 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 "Revenue" and the related interpretations.

Previously, the Group's revenue arising from services fee income from provision of valuation and advisory services are recognised over time using "percentage of completion method". Under the transfer-of-control approach in HKFRS 15, revenue arising from services fee income will be recognised at a point of time when the valuation and advisory services are fully performed.

When the Group has a right to an amount of consideration that is unconditional (i.e. a receivable) before the valuation and advisory services are fully performed, it results in crediting to receipt in advance to the Group (the terminology "contract liability" under HKFRS 15 is presented as receipt in advance on the financial statements).

The details of adjustments to the condensed consolidated financial statements are set out in note 2(b)(iii) and (iv).

(b) Principal accounting policies *(continued)*

(ii) Impact and changes in accounting policies of application on HKFRS 9 "Financial instruments"

HKFRS 9 replaces HKAS 39 "Financial Instruments: Recognition and Measurement". It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an "expected credit loss" ("ECL") model for the impairment of financial assets.

(1) Classification and measurement of financial assets and financial liabilities:

HKFRS 9 categorises financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income ("FVOCI") and at fair value through profit or loss ("FVPL"). These supersede HKAS 39's categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets ("AFS") and financial assets measured at FVPL. The classification of financial assets under HKFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

(2) Credit losses

HKFRS 9 replaces the "incurred loss" model in HKAS 39 with the ECL model. The ECL model requires an ongoing assessment of credit risk associated with a financial asset and therefore recognise ECLs earlier than under the incurred loss accounting model in HKAS 39.

The Group applies HKFRS 9 simplified approach to measuring ECL which uses a lifetime expected loss allowance for all trade receivables and accrued revenue.

(b) Principal accounting policies *(continued)*

(ii) Impact and changes in accounting policies of application on HKFRS 9 "Financial instruments" (continued)

In current period, the Group has elected to use the cumulative effect transition method for the adoption of HKFRS 9 with cumulative effect of initial application recognised in the opening balance of equity at 1 April 2018.

The table below illustrates the classification and measurement (including impairment) of financial assets under HKFRS 9 at the date of initial application (1 April 2018).

	Notes	AFS HK$'000	Financial asset at FVOCI HK$'000	Trade receivables HK$'000	Prepayment, deposit and other receivables HK$'000	Loans and interests receivable HK$'000	Revaluation reserve HK$'000	Retained earnings HK$'000
Closing balance at 31 March 2018 — HKAS 39		25,000	–	14,659	231,839	202,083	–	(98,631)
Effect arising from initial application of HKFRS 9								
Reclassification:								
From AFS	a	(25,000)	25,556	–	–	–	(556)	–
Remeasurement:								
Impairment under ECL model	b	–	–	(1,681)	(518)	(1,577)	–	3,776
Opening balance at 1 April 2018		–	25,556	12,978	231,321	200,506	(556)	(94,855)

note (a): From AFS to financial asset at FVOCI

The Group elected to present in other comprehensive income for the fair value changes of the equity investments previously classified as AFS, of which HK$25 million unquoted equity investments previously measured at cost less impairment under HKAS 39. This investment is not held for trading and not expected to be sold in the foreseeable future. At the date of initial application of HKFRS 9, HK$25 million were reclassified from AFS financial assets to financial asset at FVOCI. The fair value gains of approximately HK$0.6 million relating to this unquoted equity investments previously carried at cost less impairment were adjusted to revaluation reserve as at 1 April 2018.

(b) Principal accounting policies *(continued)*

(ii) Impact and changes in accounting policies of application on HKFRS 9 "Financial instruments" (continued)

note (b): Impairment under ECL model

To measure the ECL, accrued revenue and trade receivables have been grouped based on shared credit risk characteristic. The accrued revenue relate to service income recognised but unbilled and have substantially the same risk characteristic as the trade receivables for the same types of services. The Group has therefore concluded that the expected loss rates for the trade receivables are a reasonable approximation of the expected loss rates for the accrued revenue.

For loans and interest receivable, the Group applies the general approach, which requires an amount equal to 12-month expected credit losses to be recognised as the loss allowance for the financial instrument if the credit risk on a financial instrument has not increased significantly since initial recognition and expected lifetime losses to be recognised if the credit risk on that financial instrument has increased significantly since initial recognition.

As a result of this change in accounting policy, the additional credit loss allowance of approximately HK$3.8 million has been recognised in retained earnings at 1 April 2018.

All loss allowances of financial assets including accrued revenue, trade receivables and loans and interest receivable as at 31 March 2018 reconcile to the opening loss allowances as at 1 April 2018 is as follows:

	Trade receivables HK$'000	Prepayment, deposit and other receivables HK$'000	Loans and interests receivable HK$'000
Loss allowance at 31 March 2018 under HKAS 39	14,671	15,777	28,056
Additional credit loss recognised at 1 April 2018	1,681	518	1,577
Loss allowance at 1 April 2018 under HKFRS 9	16,352	16,295	29,633

(b) Principal accounting policies *(continued)*

(iii) Impacts on opening condensed consolidated statement of financial position on 1 April 2018 arising from the application of HKFRS 15 and HKFRS 9

The following table show the impact on the opening condensed consolidated statement of financial position on 1 April 2018 arising from the adoption of HKFRS 15 and HKFRS 9. Line items that were not affected by the changes are not included.

	At 31 March 2018 HK$'000 (audited)	Impact from adoption of HKFRS 15 Note 2(b)(i) HK$'000	HKFRS 9 Note 2(b)(ii) HK$'000	At 1 April 2018 HK$'000 (restated)
Non-current Assets				
AFS	25,000	–	(25,000)	–
Financial asset at FVOCI	–	–	25,556	25,556
Current assets				
Trade receivables	14,659	–	(1,681)	12,978
Prepayment, deposit and other receivables	231,839	(567)	(518)	230,754
Loans and interests receivable	200,355	–	(1,577)	198,778
Current liabilities				
Accrued liabilities and other payables and receipt in advance (Note)	(23,484)	(28,013)	–	(51,497)
Net assets	708,694	(28,580)	(3,220)	676,894
Equity				
Reserves	(508,700)	28,580	3,220	(476,900)
Total equity	(708,694)	28,580	3,220	(676,894)

Note: The terminology "contract liability" under HKFRS 15 is presented as receipt in advance on the condensed consolidated statement of financial position.

(b) Principal accounting policies *(continued)*

(iv) Impact on the condensed consolidated financial statements arising from the application on HKFRS 15 and HKFRS 9

The following tables show the impact on the condensed consolidated statement of comprehensive income for the six months ended 30 September 2018 and the condensed consolidated statement of financial position as at 30 September 2018 following the adoption of the HKFRS 15 and HKFRS 9. Line items that were not affected by the changes are not included.

	Six months ended 30 September 2018			
	Before adoption of HKFRS 15 and HKFRS 9	Impact from adoption of		
Condensed consolidated statement of comprehensive income (extract)		HKFRS 15 (Note 2(b)(i))	HKFRS 9 (Note 2(b)(ii))	As reported
	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	32,960	(2,985)	–	29,975
Loss before income tax expenses	(3,519)	(2,985)	–	(6,504)
Loss for the period attributable to owners of the Company	(4,591)	(2,985)	–	(7,576)
Other comprehensive income				
Change in the fair value of financial asset at FVOCI	–	–	87	87
Total comprehensive (loss)/income attributable to owners of the Company	(4,591)	(2,985)	87	(7,489)

The adoption of HKFRS 15 and HKFRS 9 has impact on the loss per share which increases the basic and diluted loss per share attributable to owners of the Company from HK0.15 cent before adoption of HKFRS 15 and HKFRS 9 to HK0.25 cent as reported.

(b) Principal accounting policies *(continued)*

(iv) Impact on the condensed consolidated financial statements arising from the application on HKFRS 15 and HKFRS 9 (continued)

	At 30 September 2018			
Condensed consolidated statement of financial position (extract)	**Before adoption of HKFRS 9 and HKFRS 15**	**Impact from adoption of HKFRS 15 (Note 2(b)(i))**	**HKFRS 9 (Note 2(b)(ii))**	**As reported**
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**
Non current assets				
AFS	25,000	–	(25,000)	–
Financial asset at FVOCL	–	–	25,643	25,643
Current assets				
Trade receivables	14,660	–	(1,681)	12,979
Prepayment, deposit and other receivables	198,815	(1,799)	(518)	196,498
Loans and interests receivables	209,513	–	(1,577)	207,936
Current liabilities				
Accrued liabilities and other payables and receipt in advance	(21,173)	(29,766)	–	(50,939)
Net assets	668,639	(31,565)	(3,133)	633,941
Equity				
Reserves	(476,613)	31,565	3,133	(441,915)
Total equity	(668,639)	31,565	3,133	(633,941)

(b) Principal accounting policies *(continued)*

(v) Impact of standards issued but not yet applied by the Group

HKFRS 16, 'Leases'

HKFRS 16, which upon the effective date will supersede HKAS 17 "Leases" and related interpretations, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The standard will affect primarily the accounting for the Group's operating leases. As at 30 September 2018, the Group has non-cancellable operating lease commitment of approximately HK$6,983,000 as set out in note 25 to the Interim Financial Statements. The interest expense on the lease liability and the depreciation expense on the right-of-use asset under HKFRS 16 will replace the rental charge under HKAS 17. The operating lease commitments as shown in off-balance sheet item will be replaced by "right-of-use asset" and "lease liability" in the condensed consolidated statement of financial position of the Group. Other than the above, the Group does not anticipate that the application of this standard will have material impact on the Interim Financial Statements of the Group.

The standard will become mandatory for financial years commencing on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date.

(c) Basis of measurement

The Interim Financial Statements have been prepared under the historical cost basis as modified by the revaluation of investment property and financial asset at FVOCI which are carried at fair value.

(d) Fair value measurements of financial instrument

Fair value estimates are made at a specific point in time and are based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The Group's financial assets at FVOCI are carried at fair value as at 30 September 2018. The following disclosures of fair value measurements use a fair value hierarchy which has three levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: unobservable inputs for the asset or liability

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

Disclosures of level in fair value hierarchy at 30 September 2018:

	Fair value measurement using:			Total
				30 September
Description	Level 1	Level 2	Level 3	2018
	HK$'000	HK$'000	HK$'000	HK$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Financial asset at FVOCI	–	25,643	–	25,643

(d) Fair value measurements of financial instrument *(continued)*

Disclosures of valuation process used by the Group and valuation techniques and inputs used in fair value measurements:

During the six months ended 30 September 2018, there were no transfer between Level 1 and Level 2, or transfers into or out of Level 3 (31 March 2018: nil). The Group's policy is to recognise transfer into and out of fair value hierarchy as at the end of the reporting period in which they occur.

The Group's financial controller is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 2 and level 3 fair value measurements. The financial controller reports directly to the Board for these fair value measurements. Discussions of valuation processes and results are held between the financial controller and the Board at least twice a year.

For level 2 and level 3 fair value measurements, the Group will normally engage external valuation experts with recognised professional qualifications and recent experience to perform the valuations.

Level 2 fair value measurements at 30 September 2018

Description	Valuation technique	Inputs	**Fair value at 30 September 2018 HK$'000 (unaudited)**
Financial asset at FVOCI — unlisted equities in Hong Kong	Market based approach	Share price	**25,643**

(e) Functional and presentation currency

The Interim Financial Statements 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	
	2018	2017	**2018**	2017
	HK$'000	HK$'000	**HK$'000**	HK$'000
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Services fee income from provision of valuation and advisory services	**6,733**	11,823	**18,241**	24,694
Interest income from provision of financing services	**5,668**	3,685	**11,734**	10,721
	12,401	15,508	**29,975**	35,415

4. SEGMENT INFORMATION

The executive Directors have been identified as the chief operating decision-maker. 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 2018 (unaudited)

	Valuation and advisory services HK$'000	Financing services HK$'000	All other segments HK$'000	Total HK$'000
Segment revenue (note (i))	18,241	11,734	–	29,975
Segment results (note (ii))	(6,413)	8,215	(149)	1,653
Other segment information				
Depreciation	(61)	–	(21)	(82)
Amortisation	(1,076)	–	–	(1,076)
Reversal of impairment loss on loans and interests receivable, net	–	21	–	21
Reversal of impairment loss on trade and other receivables, net	212	–	–	212
Income tax expense	121	(1,173)	(20)	(1,072)
Additions to non-current assets (excluding financial instruments)	16	–	–	16
Segment assets (as at 30 September 2018)	68,040	419,068	904	488,012
Segment liabilities (as at 30 September 2018)	(46,591)	(7,981)	(93)	(54,665)

For the six months ended 30 September 2017 (unaudited)

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)

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 Statements. 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 2018 HK$'000 (unaudited)	For the six months ended 30 September 2017 HK$'000 (unaudited)
(Loss)/profit before income tax expense		
Reportable segment profit	**1,653**	6,770
Unallocated interest income	**1,531**	398
Unallocated employee benefit expenses	**(5,141)**	(3,989)
Unallocated depreciation	**(1,338)**	(1,139)
Unallocated finance costs	**(1,205)**	(442)
Unallocated other expenses	**(2,004)**	(1,256)
Consolidated (loss)/profit before income tax expense	**(6,504)**	342

	30 September 2018 HK$'000 (unaudited)	31 March 2018 HK$'000 (audited)
Assets		
Reportable segment assets	**488,012**	476,192
Unallocated investment property	**12,500**	–
Unallocated property, plant and equipment	**4,312**	5,336
Unallocated available-for-sale investments	**–**	25,000
Unallocated financial asset at FVOCI	**25,643**	–
Unallocated pledged bank deposits	**107,796**	106,524
Unallocated cash and bank balances	**152,707**	204,493
Unallocated deposit	**–**	20,000
Unallocated corporate assets	**62**	231
Consolidated total assets	**791,032**	837,776
Liabilities		
Reportable segment liabilities	**(54,665)**	(25,475)
Unallocated finance lease liabilities	**(1,817)**	(2,312)
Unallocated bank borrowings	**(100,000)**	(100,000)
Unallocated corporate liabilities	**(609)**	(1,295)
Consolidated total liabilities	**(157,091)**	(129,082)

(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 2018 and 2017, 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	
	2018	2017	**2018**	2017
	HK$'000	HK$'000	**HK$'000**	HK$'000
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Reimbursement of expenses	**98**	177	**326**	336
Interest income	**858**	215	**1,531**	398
Rental income	**15**	–	**15**	–
Fair value gain of investment property	**462**	–	**462**	–
Others	**84**	585	**572**	865
	1,517	977	**2,906**	1,599

6. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	For the three months ended 30 September		For the six months ended 30 September	
	2018	2017	**2018**	2017
	HK$'000	HK$'000	**HK$'000**	HK$'000
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Wages and salaries	**7,994**	7,740	**19,614**	19,309
Contributions on defined contribution retirement plans	**234**	223	**476**	457
Share-based payment — equity settled	**2,072**	–	**2,072**	–
Other benefits	**134**	379	**275**	758
	10,434	8,342	**22,437**	20,524

7. EXPENSES BY NATURE

	For the three months ended 30 September		For the six months ended 30 September	
	2018	2017	**2018**	2017
	HK$'000	HK$'000	**HK$'000**	HK$'000
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Auditor's remuneration	**200**	175	**400**	320
Amortisation of intangible assets	**538**	545	**1,076**	1,091
Consultancy fee	**530**	442	**1,134**	772
Depreciation of property, plant and equipment	**733**	702	**1,420**	1,252
Exchange gain, net	**(23)**	(199)	**(28)**	(190)
License application fee	**561**	–	**561**	–
Marketing and business development expenses	**1,000**	1,399	**2,399**	2,787
(Reversal of impairment loss)/impairment loss on loans and interests receivable, net	**(4)**	292	**(21)**	282
(Reversal of impairment loss)/impairment loss on trade and other receivables, net	**(206)**	283	**(212)**	103
Operating lease charges in respect of buildings	**1,239**	1,233	**2,111**	3,074
Share-based payment — equity settled (other eligible participant)	**691**	–	**691**	–
Travelling expenses	**202**	253	**365**	383

8. FINANCE COSTS

	For the three months ended 30 September		For the six months ended 30 September	
	2018	2017	**2018**	2017
	HK$'000	HK$'000	**HK$'000**	HK$'000
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Interest on bank borrowings	**672**	189	**1,172**	386
Interest on finance leases	**16**	27	**33**	56
	688	216	**1,205**	442

9. INCOME TAX EXPENSE

Hong Kong profits tax is calculated at the rate of 16.5% (2017: 16.5%) on the estimated assessable profits for the periods.

	For the three months ended 30 September		For the six months ended 30 September	
	2018	2017	**2018**	2017
	HK$'000	HK$'000	**HK$'000**	HK$'000
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Current tax — Hong Kong Profits Tax				
Tax for the period	**327**	380	**1,193**	1,306
Over-provision in respect of prior year	**–**	(84)	**–**	(256)
	327	296	**1,193**	1,050
Deferred tax				
Credit for the period	**(60)**	–	**(121)**	–
	267	296	**1,072**	1,050

10. DIVIDENDS

The Board has resolved not to recommend the payment of dividend for the six months ended 30 September 2018 (2017: nil).

11. (LOSS)/EARNINGS PER SHARE

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

	For the three months ended 30 September		For the six months ended 30 September	
	2018	2017	**2018**	2017
	HK$'000	HK$'000	**HK$'000**	HK$'000
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
(Loss)/earnings				
(Loss)/earnings for the purpose of basic and diluted (loss)/earnings per share	**(6,335)**	100	**(7,576)**	(708)
	'000	'000 (restated)	**'000**	'000 (restated)
Number of Shares				
Weighted average number of ordinary shares for the purpose of basic and diluted (loss)/earnings per share (notes (a), (b) and (c))	**2,899,051**	1,332,461	**3,011,980**	1,332,461

Notes:

(a) Weighted average of 2,899,051,000 and 3,011,980,000 Shares for three months ended and six months ended 30 September 2018 respectively are derived from 3,124,908,311 Shares issued as at 1 April 2018 and 1 July 2018 after taking into account the effects of shares repurchase of 124,500,000 Shares which were cancelled on 18 July 2018 (note 23(c)) and purchase of 300,000,000 Shares held for the Plan during six months ended 30 September 2018.

(b) Weighted average of 1,322,461,000 Shares for the three months ended and six months ended 30 September 2017 (restated) were derived from 4,999,853,300 Shares issued after taking into account the effects of the share consolidation being completed on 19 October 2017 and the right issue of 1,874,944,986 right Shares being completed on 17 November 2017.

(c) The computation of diluted (loss)/earnings per share does not assume the exercise of the Company's outstanding share options as the exercise prices of those options are higher than the average market price for Shares for both periods.

12. INVESTMENT PROPERTY, PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2018, the Group acquired items of property, plant and equipment with total costs of approximately HK$354,000 (six months ended 30 September 2017: approximately HK$3,175,000).

On 1 August 2018, the Group entered into an agreement with an independent third party to acquire the entire equity interest of a company incorporated in Hong Kong which is principally engaged in the investment holding, at a consideration of HK$12,000,000 by cash. The only identifiable asset of the aforementioned company is the investment property located in Hong Kong. The transaction did not constitute business combination as defined in HKFRS "Business Combinations" nor a notifiable transaction under the GEM Listing Rules. The acquisition was completed on 24 August 2018 and accounted for as acquisition of assets.

	HK$'000
Net assets acquired in this transaction are as follows:	
Investment property (Note)	12,038
Other receivables	6
Other payables	(44)
Net assets acquired	12,000
Consideration satisfied by:	
Cash	12,000

Note:

The Group's property interest held under operating leases to earn rental incomes or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment property. The fair value of the Group's investment property at 30 September 2018 has been arrived at on the basis of a valuation carried out by a firm of independent valuer who holds a recognised relevant professional qualification. The fair value was determined based on the direct comparison method which amounted to HK$12,500,000 at 30 September 2018. The Group's investment property was classified in the Level 2 of fair value hierarchy at 30 September 2018.

13. GOODWILL

	HK$'000
At 1 April 2017 (audited), 30 September 2017 (unaudited), 1 April 2018 (audited) and 30 September 2018 (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 ("Bonus Boost") 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% (2017: 3%).

	31 March 2018 and 30 September 2018
Discount rate	16%
Operating margin*	34%–45%
Growth rate within the five-year period	3%–20%

* 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. FINANCIAL ASSET AT FVOCI

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

As a result of initial application of HKFRS 9, the balance of AFS Investment has been reclassified to financial asset at FVOCI at 1 April 2018. Details are set out in note 2(b)(ii).

15. LOANS AND INTERESTS RECEIVABLE

	30 September 2018 HK$'000 (unaudited)	31 March 2018 HK$'000 (audited)
Loans and interests receivable (net of impairment loss)	**231,873**	202,083
Current portion included in current assets	**(207,936)**	(200,355)
Amounts due after one year included in non-current assets	**23,937**	1,728

As at 30 September 2018, loans and interests receivable with an aggregate carrying amount of approximately HK$114.0 million (31 March 2018: approximately HK$78.8 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 from approximately 8% to approximately 36% per annum (31 March 2018: approximately 8%–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 2018 HK$'000 (unaudited)	31 March 2018 HK$'000 (audited)
Current	**207,936**	200,355
1 to 5 years	**22,418**	1,036
Over 5 years	**1,519**	692
	231,873	202,083

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 2018 HK$'000 (unaudited)	31 March 2018 HK$'000 (audited)
0 to 30 days	**20,250**	74,329
31 to 60 days	**28,498**	20,000
61 to 90 days	**7,200**	–
91 to 180 days	**24,990**	72,450
181 to 360 days	**117,279**	15,800
Over 360 days	**33,656**	19,504
	231,873	202,083

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 2018 HK$'000 (unaudited)	31 March 2018 HK$'000 (audited)
At the beginning of reporting period/year	**28,056**	24,090
Additional credit loss recognised at the beginning of Period under HKFRS 9 (Note 2 (b)(ii))	**1,577**	–
Impairment loss recognised	**–**	5,597
Recovery of impairment loss previously recognised	**(21)**	(1,631)
At the end of reporting period/year	**29,612**	28,056

The Group recognised impairment loss based on the accounting policy as set out in the annual financial statements for the year ended 31 March 2018.

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 2018 HK$'000 (unaudited)	31 March 2018 HK$'000 (audited)
0 to 30 days	**3,244**	4,747
31 to 60 days	**1,244**	1,906
61 to 90 days	**817**	401
91 to 180 days	**1,552**	1,984
181 to 360 days	**3,464**	2,020
Over 360 days	**2,658**	3,601
	12,979	14,659

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 2018 HK$'000 (unaudited)	31 March 2018 HK$'000 (audited)
At the beginning of reporting period/year	**14,671**	3,783
Additional credit loss recognised at the beginning of Period under HKFRS 9 (Note 2 (b)(ii))	**1,681**	–
Impairment loss recognised	**–**	11,098
Reversal of provision for impairment loss	**(212)**	(210)
Written off	**(1,096)**	–
At the end of reporting period/year	**15,044**	14,671

The Group recognised impairment loss based on the accounting policy as set out in the annual financial statements for the year ended 31 March 2018.

17. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 September 2018 HK$'000 (unaudited)	31 March 2018 HK$'000 (audited)
Accrued revenue*	**9,968**	7,507
Prepayments	**1,479**	1,105
Deposits	**1,765**	21,597
Other receivables	**183,286**	201,630
	196,498	231,839

* Included in the balances were accrued interests of HK$9,968,000 (31 March 2018: HK$2,552,000).

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 2018 HK$'000 (unaudited)	31 March 2018 HK$'000 (audited)
At the beginning of reporting period/year	**15,777**	5,172
Additional credit loss recognised at the beginning of Period under HKFRS 9 (Note 2 (b)(ii))	**518**	–
Impairment loss recognised	**–**	10,659
Recovery of impairment loss previously recognised	**–**	(54)
At the end of reporting period/year	**16,295**	15,777

The Group recognised impairment loss based on the accounting policy as set out in the annual financial statements for the year ended 31 March 2018.

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 2018: 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 2018 HK$'000 (unaudited)	31 March 2018 HK$'000 (audited)
0 to 30 days	**–**	78
61 to 90 days	**21**	–
Over 360 days	**294**	294
	315	372

20. ACCRUED LIABILITIES AND OTHER PAYABLES AND RECEIPT IN ADVANCE

	30 September 2018 HK$'000 (unaudited)	31 March 2018 HK$'000 (audited)
Accrued liabilities and other payables	**8,589**	9,221
Receipt in advance (note)	**42,350**	14,263
	50,939	23,484

Note: The terminology "contract liability" under HKFRS 15 is presented as receipt in advance on the condensed consolidated statement of financial position.

21. FINANCE LEASE LIABILITIES

The Group leased 3 motor vehicles as at 30 September 2018 (31 March 2018: 3). 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 2018

	Minimum lease payments HK$'000 (unaudited)	**Interest HK$'000 (unaudited)**	**Present value HK$'000 (unaudited)**
Not later than one year	**1,129**	**(38)**	**1,091**
Later than one year and not later than five years	**736**	**(10)**	**726**
	1,865	**(48)**	**1,817**

As at 31 March 2018

	Minimum lease payments HK$'000 (audited)	Interest HK$'000 (audited)	Present value HK$'000 (audited)
Not later than one year	1,347	(51)	1,296
Later than one year and not later than five years	1,039	(23)	1,016
	2,386	(74)	2,312

The present value of future lease payments are analysed as:

	30 September 2018 HK$'000 (unaudited)	31 March 2018 HK$'000 (audited)
Current liabilities	**1,091**	1,296
Non-current liabilities	**726**	1,016
	1,817	2,312

22. BANK BORROWINGS

	30 September 2018 HK$'000 (unaudited)	31 March 2018 HK$'000 (audited)
Current		
Interest bearing		
— bank borrowings due for repayment within one year (note)	**100,000**	100,000

Note:

The bank borrowing of HK$100,000,000 (unaudited) (31 March 2018: HK$100,000,000) was secured by bank deposits of HK$107,796,000 (unaudited) (31 March 2018: HK$106,524,000) placed by the Company and a subsidiary in the bank. Interest is charged at Hong Kong Inter-bank Offered Rate + 1% (31 March 2018: Hong Kong Inter-bank Offered Rate + 1%).

The above banking facilities are 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.

As at 30 September 2018, 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 2018, none of the covenants relating to drawn down facilities had been breached.

23. SHARE CAPITAL

	Number of ordinary shares at HK$0.016 each	Number of ordinary shares at HK$0.064 each	HK$'000
Authorised			
At 1 April 2017 and 30 September 2017	5,000,000,000	–	80,000
Effect of share consolidation (note (a))	(5,000,000,000)	1,250,000,000	–
Increase in authorised share capital (note (a))	–	7,750,000,000	496,000
At 31 March 2018 and 30 September 2018	–	9,000,000,000	576,000
Issued			
At 1 April 2017 and 30 September 2017	4,999,853,300	–	79,998
Effect of share consolidation (note (a))	(4,999,853,300)	1,249,963,325	–
Effect of rights issue (note (b))	–	1,874,944,986	119,996
At 31 March 2018 and 1 April 2018	–	3,124,908,311	199,994
Effect of shares repurchase (note (c))	–	(124,500,000)	(7,968)
At 30 September 2018	–	3,000,408,311	192,026

Notes:

(a) Pursuant to the share consolidation being completed on 19 October 2017, every four of the then existing issued and unissued shares of par value of HK$0.016 each in the share capital of the Company was consolidated into one consolidated share of par value of HK$0.064 each. Upon the share consolidation becoming effective, the authorised share capital of the Company increased 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 by the creation of an additional 7,750,000,000 consolidated shares.

(b) Pursuant to the rights issue being completed on 17 November 2017, a total of 1,874,944,986 rights shares were issued on the basis of three rights shares for every two consolidated shares as at 26 October 2017 at HK$0.15 per rights share.

(c) During the six months ended 30 September 2018, the Company repurchased a total of 124,500,000 Shares on the Stock Exchange with an aggregate consideration of approximately HK$12 million. The above Shares were cancelled. None of the Company's subsidiaries purchased, sold, repurchased or redeemed any of the Company's listed securities up to 30 September 2018.

24. SHARE-BASED PAYMENT

(a) Share options

A share option scheme (the "Share Option Scheme") was conditionally approved by the shareholders of the Company (the "Shareholders") (before the consolidation of Shares, which was effective on 19 October 2017) on 26 September 2011 and became effective on the Listing Date. Options comprising 120,016,332 Shares were granted under the Share Option Scheme on 15 August 2018 (the "Date of Grant").

As at 30 September 2018, 120,016,332 share options (31 March 2018: nil) were outstanding and all of them are exercisable.

During six months ended 30 September 2018, no share options were forfeited.

The total fair value of the 120,016,332 share options granted on 15 August 2018 calculated by using Binomial Option Pricing Model was HK$2,763,000.

As all of share options were fully vested on the Date of Grant, the one-off share-based payment expense of HK$2,763,000 was recognised during the six months ended 30 September 2018 (for the six months ended 30 September 2017: Nil).

Details of Share Option Scheme are set out in the section headed "Share Option Scheme" in this report.

(b) Share award

On 22 June 2018, the Company adopted the Plan in which the Group's employees (whether full time or part time, but exclude directors) will be entitled to participate. For the six months ended 30 September 2018, a sum of approximately HK$26,241,000 has been used to acquire 300,000,000 Shares from the market by the trustee of the Share Award Plan. No Shares have been granted to eligible employees under the Share Award Plan up to the date of this report.

The Share Award Plan shall be subject to the administration of the Board and the trustee in accordance with the plan rules and the trust deed of the Share Award Plan. Subject to any early termination as may be determined by the Board, the Share Award Plan shall be valid and effective for a term of 10 years commencing on its adoption date (i.e. 22 June 2018).

The maximum number of Shares to be subscribed for and/or purchased by the trustee by applying the trust fund of the Share Award Plan for each calendar year for the purpose of the Share Award Plan shall not exceed 10% of the total number of issued Shares as at the beginning of such calendar year. The Directors shall not instruct the trustee to subscribe and/or purchase any Shares for the purpose of the Share Award Plan when such subscription and/or purchase will result in the said limit being exceeded. The maximum number of Shares which may be awarded to a selected employee under the Share Award Plan shall not exceed 1% of the total number of issued Shares from time to time.

Details are set out in the section headed "Share Award Plan" in this report and the announcements of the Company dated 22 June 2018 and 10 July 2018.

25. 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 2018 HK$'000 (unaudited)	31 March 2018 HK$'000 (audited)
Within one year	**4,723**	4,493
In the second to fifth year	**2,260**	4,616
	6,983	9,109

26. RELATED PARTY TRANSACTIONS

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	
	2018	2017	**2018**	2017
	HK$'000	HK$'000	**HK$'000**	HK$'000
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Directors' fees	**120**	218	**240**	327
Salaries, allowances and other benefits	**2,349**	1,253	**4,417**	3,636
Contributions on defined contribution retirement plans	**9**	15	**18**	26
	2,478	1,486	**4,675**	3,989

27. EVENT AFTER THE REPORTING PERIOD

Subsequent to the reporting period, the Company has repurchased 300,000,000 Shares with a total consideration of approximately HK$26.6 million. All those Shares have been cancelled.

BUSINESS REVIEW

During the six months ended 30 September 2018, the Group's provision of valuation and advisory services contributed approximately 60.9% of the total revenue of the Group. The Group recorded a decrease in revenue generated from the provision of valuation and advisory services of approximately 26.3% as compared with that for the six months ended 30 September 2017. The Group always uses its best endeavours to explore various merger and acquisition opportunities and/or business collaboration to enhance its market presence in the valuation and advisory industry in Hong Kong.

The Group's provision of financing services contributed approximately 39.1% of the total revenue of the Group for the six months ended 30 September 2018. The Group's interest income generated from provision of financing services for the six months ended 30 September 2018 increased by approximately 9.3% as compared with that for the six months ended 30 September 2017.

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

The Group distributed discretionary bonus and granted share options under the share option scheme of the Company during the six months ended 30 September 2018 to retain and motivate 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 six months ended 30 September 2018, the Group recorded a decrease of approximately 15.4% in revenue as compared with that for the six months ended 30 September 2017. Such decrease was mainly attributable to the decrease in the services fee income generated from provision of valuation and advisory services which outweighed the increase in interest income generated from provision of financing services.

The services fee income generated from provision of valuation and advisory services decreased by approximately 26.3% to approximately HK$18.2 million for the six months ended 30 September 2018 from approximately HK$24.7 million for the six months ended 30 September 2017. Such decrease was mainly attributable to the drop of average project contract sums amount outweighing the impact of the increase in number of projects generating revenue to the Group for the six months ended 30 September 2018 as compared with that for the six months ended 30 September 2017.

The interest income generated from provision of financing services increased by approximately 9.3% to approximately HK$11.7 million for the six months ended 30 September 2018 from approximately HK$10.7 million for the six months ended 30 September 2017. The increase in interest income was mainly attributable to the increase in number of loan principals during the six months ended 30 September 2018 as compared with that for the six months ended 30 September 2017.

Other income

The Group's other income increased by approximately 81.7% for the six months ended 30 September 2018 as compared with that for the six months ended 30 September 2017. Such an increase was mainly attributable to (i) the increase in the time deposits interest rates offered by the licensed banks to the Group; (ii) more pledged deposits placed in the licensed banks and (iii) fair value gain of investment property during six months ended 30 September 2018 as compared with those during six months ended 30 September 2017.

Employee benefit expenses

Employee benefit expenses mainly consisted of wages and salaries, discretionary bonus, pension costs and other benefits to the staff and the Directors. The Group's employee benefit expenses increased by approximately 9.3% for the six months ended 30 September 2018 as compared with that for the six months ended 30 September 2017. The increase was mainly attributable to share-based payment during the six months ended 30 September 2018. The Group always values the contribution of its professional and management teams and has distributed bonus during the six months ended 30 September 2018 to retain high-caliber individuals for continuous contribution to the Group.

Depreciation and amortisation

The Group recorded an increase in depreciation and amortisation of approximately 6.5% for the six months ended 30 September 2018 as compared with that for the six months ended 30 September 2017, which was mainly attributable to additions of leasehold improvement for the new office premises during the month of June 2017 which only had four months impact during six months ended 30 September 2017 whereas having six months impact during six months ended 30 September 2018.

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 2018, more finance costs were incurred due to additions of the bank borrowings compared with those during six months ended 30 September 2017.

Other expenses

The Group's other expenses decreased by approximately 0.9% for the six months ended 30 September 2018 as compared with that for the corresponding period in 2017. It was mainly attributable to the combined effect of the decrease in operating lease charge and the increase in share-based payment expenses for other eligible participants during the six months ended 30 September 2018.

Loss attributable to owners of the Company

Loss attributable to owners of the Company amounted to approximately HK$7.6 million for the six months ended 30 September 2018 which increased by approximately HK$6.9 million as compared to the loss attributable to owners of the Company of approximately HK$0.7 million for the six months ended 30 September 2017. It was mainly attributable to a decrease in the Group's total revenue and increase in share-based payment expense for the six months ended 30 September 2018.

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

On 8 July 2015, the Group 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 a company which executed, among others, a 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 A. On 30 August 2016, the facility of Loan A further increased to HK$62 million and was renewed for another year at the same interest rate with the same number of pledged shares. As at 30 September 2018, such facility had been drawn up to approximately HK$61.8 million and matured. Follow up works have been taken. For further details, please refer to the Company's announcements dated 8 July 2015 and 30 August 2016.

On 22 July 2015, the Group 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, a 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 2018, the Loan B matured. Legal proceedings against the customer to recover all the 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 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 a share charge in favour of the Group to charge certain shares of a company listed on the Stock Exchange to the Group as security in connection with the Loan C. As at 30 September 2018, the Loan C matured. Follow up works have been taken. For further details, please refer to the Company's announcement dated 13 April 2016.

On 11 May 2016, the Group 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 a share charge in favour of the Group to charge certain shares of a company listed on the Stock Exchange to the Group as security in connection with the Loan D. As at 30 September 2018, the Loan D matured. Follow up works have been taken. For further details, please refer to the Company's announcement dated 11 May 2016.

On 14 July 2016, the Group 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 a share charge in favour of the Group to charge certain shares of a company listed on the Stock Exchange to the Group as security in connection with the Loan E. As at 30 September 2018, the Loan E matured. Follow up works have been taken. 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 "2014 RI Proceeds"). Up to the date of this report, (i) HK$36.7 million of the 2014 RI Proceeds was paid for the acquisition of equity interest in Bonus Boost, which has a wholly-owned subsidiary principally involved in acting as a surveyor, valuer and property consultant; (ii) HK$25 million of the 2014 RI Proceeds was paid for the acquisition of 19.9% equity interest in Greater China Appraisal, which is principally engaging in the provision of assets appraisal services; and (iii) approximately HK$126.3 million of the 2014 RI Proceeds, being the entire portion intended to be used for the Group's provision of financing services was utilised for granting of mortgage loans to independent third parties. The Group continues to look for suitable business opportunities to utilise the remaining portion of the 2014 RI Proceeds which was intended to apply for the funding and further development of the existing and future businesses of the Group. As at 30 September 2018, such unutilised net proceeds were kept as cash at and placed as bank deposits with licensed banks in Hong Kong.

The rights issue in 2017

In November 2017, the Company raised fund of net proceeds of approximately HK$258 million from its rights issue of 1,874,944,986 Shares (the "2017 RI Proceeds"). Up to the date of this report, approximately HK$135.0 million of the 2017 RI Proceeds was utilised for granting of various loans and approximately HK$33.0 million of the 2017 RI Proceeds was used for the Group's general working capital, and the rest was kept as cash at a licensed bank in Hong Kong. Proposed use of the 2017 RI Proceeds are set as below.

	Proposed use of the 2017 RI proceeds (HK$ in million)	Actual use of the 2017 RI Proceeds up to date of this report (HK$ in million)
Expansion of the Group's existing financing business	135.0	135.0
Investment in potential businesses	90.0	–
General working capital	33.0	33.0
Total	258.0	168.0

FUTURE PROSPECTS

The Group always aims to be the leading valuation and advisory services provider in Hong Kong. In order to maintain and further enhance the Group's market presence in the valuation and advisory industry in Hong Kong, the Group will proactively explore further merger and acquisition opportunities and/or business collaboration. In order to well manage the Group's credit risk, the Group will further diversify its loan portfolio. Also, the Group may also expand its loan portfolio with the 2017 RI Proceeds to maximise the return to the Group. In addition, in order to diversify the Group's revenue streams other than provision of valuation and advisory services and provision of financing services, the Group is in the process of applying for a licence under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO") to carry on Type 1 regulated activity (i.e. dealing in securities).

LIQUIDITY AND FINANCIAL RESOURCES

During the six months ended 30 September 2018, the Group mainly financed its operations with its own working capital and bank borrowings. As at 30 September 2018 and 31 March 2018, the Group had net current assets of approximately HK$526.4 million and HK$634.8 million respectively, including cash and bank balances of approximately HK$152.7 million and HK$204.5 million respectively. The Group's pledged bank deposits of approximately HK$107.8 million and HK$106.5 million as at 30 September 2018 and 31 March 2018 respectively represented cash at bank held by the Group and pledged for bank borrowings. The Group's current ratio decreased from approximately 6.1 as at 31 March 2018 to approximately 4.4 as at 30 September 2018. Such a decrease was mainly because of the increase in receipt in advance as at 30 September 2018.

As at 30 September 2018 and 31 March 2018, the Group's total bank borrowings amounted to approximately HK$100.0 million. All bank borrowings were denominated in HK$. Details of the bank borrowings of the Group are set out in note 22 to the Interim Financial Statements. The Group's total finance lease liabilities amounted to approximately HK$1.8 million and HK$2.3 million as at 30 September 2018 and 31 March 2018 respectively. The Group's gearing ratio, calculated on the basis of total finance lease liabilities and bank borrowings over total equity, was approximately 0.16 and 0.14 as at 30 September 2018 and 31 March 2018 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$7.0 million and HK$9.1 million as at 30 September 2018 and 31 March 2018 respectively. As at 30 September 2018, the Group did not have any capital commitments (31 March 2018: nil).

CAPITAL STRUCTURE

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

SIGNIFICANT INVESTMENTS

Save for the investment of 19.9% equity interest in Greater China Appraisal as disclosed in note 14 to the Interim Financial Statements, the Group did not hold any significant investments as at 30 September 2018.

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

Save as disclosed in the section headed "Significant Investments" and elsewhere in this report, the Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies as at 30 September 2018.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 30 September 2018 (31 March 2018: nil).

FOREIGN EXCHANGE EXPOSURE

During the six months ended 30 September 2018, 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 loss for the six months ended 30 September 2018 will decrease by approximately HK$0.6 million (31 March 2018: approximately HK$0.6 million). On the contrary, if RMB depreciates by 3% against HK$, the Group's loss for the six months ended 30 September 2018 will increase by approximately HK$0.6 million (31 March 2018: approximately HK$0.6 million). As US$ 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 2018, save for the pledged bank deposits and motor vehicles acquired under finance leases, the Group did not pledge any of its assets (31 March 2018: nil) as securities for any facilities granted to the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2018 and 30 September 2017, the Group employed a total of 65 and 73 full-time employees respectively. The Group's total employee benefit expenses were approximately HK$22.4 million and HK$20.5 million for the six months ended 30 September 2018 and 2017 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 would be offered to those staff with outstanding performance and share options would be granted under the share option scheme of the Company and share award would be granted under the share award plan of the Company 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 by the Shareholders (before the consolidation of Shares, which was effective on 19 October 2017) on 26 September 2011 and became effective on the Listing Date. Options comprising 120,016,332 underlying Shares, were granted under the Share Option Scheme on 15 August 2018. The closing price of the Shares immediately before the date on which the options were granted was HK$0.088 per share.

Details of the options granted under the Share Option Scheme, their movements during the six months ended 30 September 2018 and the options outstanding as at 30 September 2018 were as follows:

	Number of the Shares comprised in the options granted							
	As at 1 April 2018	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	As at 30 September 2018	Exercise period and vesting period	Subscription price per Share HK$
Name of Directors								
Mr. Yue Kwai Wa Ken	–	30,004,083	–	–	–	30,004,083	Note	0.0904
Mr. Li Sheung Him Michael	–	30,004,083	–	–	–	30,004,083	Note	0.0904
Employees and other eligible participants	–	60,008,166	–	–	–	60,008,166	Note	0.0904
	–	120,016,332	–	–	–	120,016,332		

Note:

The options granted under the Share Option Scheme could be exercised at the exercise price of HK$0.0904, which was not lower than the highest of (a) the closing price of HK$0.086 per Share as stated in the daily quotations sheet issued by the Stock Exchange on 15 August 2018; (b) the average closing price of HK$0.0904 per Share as stated in the daily quotations sheets issued by the Stock Exchange for the five trading days immediately preceding the Date of Grant; and (c) the nominal value of HK$0.064 per share. The exercise period should commence on the Date of Grant (i.e. 15 August 2018) and end on 14 August 2020.

Save as disclosed above, no options were granted or exercised or cancelled or lapsed during the six months ended 30 September 2018.

SHARE AWARD PLAN

On 22 June 2018, the Company adopted the Plan in which the Group's employees (whether full time or part time, but exclude directors) will be entitled to participate. For the six months ended 30 September 2018, a sum of approximately HK$26,241,000 has been used to acquire 300,000,000 Shares from the market by the trustee of the Plan. No Shares have been granted to eligible employees under the Plan up to the date of this report.

The objectives of the Plan are to (i) recognise and reward the contribution of certain employees to the growth and development of the Group through an award of Shares and to give incentive thereto in order to retain them for the continual operation and development of the Group; and (ii) attract suitable personnel for further development of the Group.

The Plan shall be subject to the administration of the Board and the trustee in accordance with the plan rules and the trust deed of the Plan. Subject to any early termination as may be determined by the Board, the Plan shall be valid and effective for a term of 10 years commencing from its adoption date (i.e. 22 June 2018).

The maximum number of Shares to be subscribed for and/or purchased by the trustee by applying the trust fund of the Plan for each calendar year for the purpose of the Plan shall not exceed 10% of the total number of issued Shares as at the beginning of such calendar year. The Directors shall not instruct the trustee to subscribe and/or purchase any Shares for the purpose of the Plan when such subscription and/or purchase will result in the said limit being exceeded. The maximum number of Shares which may be awarded to a selected employee under the Plan shall not exceed 1% of the total number of issued Shares from time to time.

Details of the Plan were set out in the announcements of the Company dated 22 June 2018 and 10 July 2018.

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 2018, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO which would have to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or which would be required, pursuant to section 352 of the SFO, to be entered in the register as referred to therein, or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules required to be notified to the Company and the Stock Exchange, are as follows:

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

Name of Directors	The Company/ name of associated company	Capacity/nature of interests	Number of Shares held	Number of underlying Shares held	Approximate percentage of interests (Note 1)
Mr. Yue Kwai Wa Ken ("Mr. Yue")	The Company	Interest of controlled corporation	300,000,000 (Note 2)	–	10.00%
		Beneficial interest	–	30,004,083 (Note 3)	1.00%
	Fast and Fabulous Company Limited ("Fast and Fabulous")	Trustee of Plan	300,000,000 (Note 2)	–	10.00%
Mr. Li Sheung Him Michael	The Company	Beneficial interest	–	30,004,083 (Note 3)	1.00%

Notes:

1. The percentage is calculated on the basis of the total number of issued Shares as at 30 September 2018.

2. These 300,000,000 Shares were held by Fast and Fabulous, which was the trustee of the Plan of the Company adopted with effect from 22 June 2018. As the entire issued share capital of Fast and Fabulous was legally and beneficially owned by Mr. Yue, Mr. Yue was deemed to be interested in all the Shares in which Fast and Fabulous was interested by virtue of the SFO.

3. These represent the Shares to be issued and allotted by the Company upon exercise of the options granted under the Share Option Scheme (as defined in the section headed "Share Option Scheme" of this report).

Save as disclosed above, as at 30 September 2018, 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 he is 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 2018, so far as the Directors are aware, the interests or short positions owned by the following persons (other than a Director or the chief executive of the Company) in the Shares or underlying Shares, which were required: (a) to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO; or (b) to be recorded in the register of the Company required to be kept under section 336 of the SFO are as follows:

Long positions in the Shares and underlying Shares

Name of shareholders	Capacity/nature of interest	Number of issued Shares held	Number of underlying Shares held	Approximate percentage of interest (Note 1)
Fast and Fabulous	Trustee of Plan	300,000,000 (Note 2)	–	10.00%
Aperto Investments Limited ("Aperto") (Note 3)	Beneficial owner	255,750,000	–	8.52%
Mr. Luk Kee Yan Kelvin ("Mr. Luk") (Note 3)	Interest of a controlled corporation	255,750,000	–	8.52%

Note 1: The percentage is calculated on the basis of the total number of issued Shares as at 30 September 2018.

Note 2: These 300,000,000 Shares were held by Fast and Fabulous, which was the trustee of the Plan of the Company adopted with effect from 22 June 2018. As the entire issued share capital of Fast and Fabulous was legally and beneficially owned by Mr. Yue, Mr. Yue was deemed to be interested in all the Shares in which Fast and Fabulous was interested by virtue of the SFO.

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

Save as disclosed above and as at 30 September 2018, the Directors are not aware of any interests or short positions owned by any persons (other than a Director or the chief executive of the Company) in the Shares or underlying Shares, which were required: (a) to be disclosed under Divisions 2 and 3 of Part XV of the SFO; or (b) to be recorded in the register of the Company required to be kept under section 336 of the SFO.

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

During the six months ended 30 September 2018, the Company repurchased a total of 124,500,000 Shares on the Stock Exchange at an aggregate consideration of approximately HK$12.0 million.

Details of the shares repurchase are as follows:

Date	Total number of shares repurchased	Price per share Highest	Price per share Lowest	Approximate aggregate consideration
		HK$	HK$	HK$'000
July 2018	124,500,000	0.097	0.095	11,986

All of the repurchased shares were cancelled.

Save as above, the Company did not redeem any of its Shares listed on GEM nor did the Company or any of its subsidiaries repurchase or sell any of the Company's listed securities for the six months ended 30 September 2018.

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 made specific enquiries of all Directors by the Company, all Directors confirmed that they had complied with the required standard of dealings and the Company's code of conduct concerning securities transactions by the Directors during the six months ended 30 September 2018.

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 2018, the Company has complied with all the code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 15 to the GEM Listing Rules except the following deviation:

Code Provision A.2.1

The above code provision 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 six months ended 30 September 2018 and up to the date of this report, Mr. Yue has been both the chairman of the Board (the "Chairman") and the chief executive office of the Group (the "CEO").

The Board considers that having the same person to perform the roles of both the Chairman and the CEO provides the Company with strong and consistent leadership, and allows effective and efficient planning and implementation of business decisions and strategies. Such structure would not impair the balance of power and authority between the Board and the management of the Group. The balance of power and authority is ensured by the operations of the Board which comprises experienced and high caliber individuals and having meeting regularly to discuss issues affecting the operations of the Group.

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

None of the Directors had a material interest, whether directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group, to which the Company or its holding company or any of its subsidiaries or fellow subsidiaries was a party during the six months ended 30 September 2018.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the six months ended 30 September 2018 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 2018 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 for the six months ended 30 September 2018 and up to the date of this report are set out below:

(a) Mr. Choi Wai Tong Winton has retired as an independent non-executive Director and ceased to be a member of each of the audit committee and the remuneration committee of the Board (the "Remuneration Committee" and the "Audit Committee", respectively), and the chairman of the nomination committee of the Board (the "Nomination Committee") with effect from the conclusion of the 2018 annual general meeting of the Company held on 27 September 2018 (the "2018 AGM").

(b) Ms. Li Tak Yin has been appointed as a member of each of the Remuneration Committee, the Audit Committee and the chairman of the Nomination Committee with effect from the conclusion of the 2018 AGM.

AUDIT COMMITTEE

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

The Audit Committee currently consists of three members, namely Mr. Ko Wai Lun Warren, Ms. Li Tak Yin 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 Interim Financial Statements and this report.

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

Hong Kong, 9 November 2018

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