



ROMA

Roma Group Limited

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



Third Quarterly Report 2020-2021

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

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This report, for which the directors of Roma Group Limited (the “Company” and the “Directors”, respectively) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

FINANCIAL HIGHLIGHTS

For the nine months ended 31 December 2020:

- Revenue was approximately HK\$70.0 million, representing an increase of approximately 27.7% as compared with that for the nine months ended 31 December 2019;
- Loss amounted to approximately HK\$1.9 million as compared to the loss of approximately HK\$4.1 million for the nine months ended 31 December 2019;
- Basic and diluted loss per share attributable to owners of the Company were HK1.27 cents; and
- No dividend has been declared.

THIRD QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2020

The board (the "Board") of Directors announces the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively, the "Group") for the three months and nine months ended 31 December 2020 together with the relevant comparative unaudited/audited figures as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and nine months ended 31 December 2020

	Notes	For the three months ended 31 December		For the nine months ended 31 December	
		2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Revenue	3	23,590	15,107	70,033	54,864
Other income	4	3,441	1,048	6,450	6,216
(Decrease)/increase in fair value of investment property		-	-	(1,000)	(300)
Employee benefit expenses	5	(10,007)	(9,668)	(32,822)	(33,497)
Depreciation and amortisation	6	(1,272)	(2,218)	(3,631)	(6,864)
Finance costs	7	(425)	(743)	(1,408)	(2,342)
Other expenses		(18,048)	(7,963)	(39,502)	(21,903)
Loss before income tax expense		(2,721)	(4,437)	(1,880)	(3,826)
Income tax credit/(expense)	8	54	(3)	(3)	(264)
Loss for the period attributable to owners of the Company		(2,667)	(4,440)	(1,883)	(4,090)
Other comprehensive income <i>Items that will not be reclassified to profit or loss</i>					
Change in the fair value of financial asset at fair value through other comprehensive income		-	-	(1,445)	(6,178)
Total comprehensive loss attributable to owners of the Company		(2,667)	(4,440)	(3,328)	(10,268)
Basic and diluted loss per share attributable to owners of the Company (HK cents)	10	(1.65)	(3.70)	(1.27)	(3.41)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2020

	Share capital HK\$'000	Shares held for the share award plan (the "Plan") HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Share option reserve HK\$'000	Investment at fair value through other comprehensive income ("FVOCI") HK\$'000	(Accumulated loss)/ Retained earnings HK\$'000	Total HK\$'000
At 1 April 2020 (audited)	1,350	(26,241)	569,909	10	4,879	(21,220)	(160,991)	367,696
Loss for the period	-	-	-	-	-	-	(1,883)	(1,883)
Other comprehensive income								
Change in the fair value of the financial asset at FVOCI	-	-	-	-	-	(1,445)	-	(1,445)
Total comprehensive loss for the period	-	-	-	-	-	(1,445)	(1,883)	(3,328)
Transaction with owners, in their capacity as owners								
Placing shares, net of expenses	270	-	5,237	-	-	-	-	5,507
Share option cancelled	-	-	-	-	(2,834)	-	2,834	-
Recognition of share-based payment	-	-	-	-	1,217	-	-	1,217
Exercise of share options	135	-	4,592	-	(1,217)	-	-	3,510
Lapse of share options	-	-	-	-	(691)	-	691	-
Net disposal of shares under the Plan	-	26,241	-	-	-	-	(7,667)	18,574
At 31 December 2020 (unaudited)	1,755	-	579,738	10	1,354	(22,665)	(167,016)	393,176
At 1 April 2019 (audited)	172,826	(26,241)	398,433	10	2,763	(11,474)	(2,615)	533,702
Loss for the period	-	-	-	-	-	-	(4,090)	(4,090)
Other comprehensive income								
Change in the fair value of the financial asset at FVOCI	-	-	-	-	-	(6,178)	-	(6,178)
Total comprehensive loss for the period	-	-	-	-	-	(6,178)	(4,090)	(10,268)
Transaction with owners, in their capacity as owners								
Recognition of share-based payment	-	-	-	-	2,116	-	-	2,116
At 31 December 2019 (unaudited)	172,826	(26,241)	398,433	10	4,879	(17,652)	(6,705)	525,550

1. GENERAL

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

The 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 of the Group for the three months and nine months ended 31 December 2020 (the "Unaudited Condensed Consolidated Financial Statements") were approved and authorised for issue by the Board on 8 February 2021.

2. BASIS OF PREPARATION

(a) Basis of preparation

The Unaudited Condensed Consolidated Financial Statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (hereinafter collectively referred to as the "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of Companies Ordinance (Chapter 622 of laws of Hong Kong). In addition, the Unaudited Condensed Consolidated Financial Statements include applicable disclosures required by the GEM Listing Rules.

(b) Principal accounting policies

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

Amendments to HKFRS 3	Definition of Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform
Amendments to HKAS 1 and HKAS 8	Definition of Material

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

Issued but not yet effective HKFRSs

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

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

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

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

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

⁴ Effective date not yet determined

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

(c) Basis of measurement

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

(d) Functional and presentation currency

The Unaudited Condensed Consolidated Financial Statements are presented in Hong Kong Dollars (“HK\$”), which is also the functional currency of the Company and its principal subsidiaries, and all values are rounded to the nearest thousand except when otherwise indicated.

3. REVENUE

The Group’s principal activities are provision of valuation and advisory services, provision of financing services and provision of securities broking, placing and underwriting and investment advisory and asset management services.

An analysis of the Group’s revenue is as follows:

	For the three months ended 31 December		For the nine months ended 31 December	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Revenue from contracts with customers within the scope of HKFRS 15:				
Valuation and advisory services	18,415	6,689	48,956	30,412
Securities broking, placing and underwriting and investment advisory and asset management services	232	1,406	651	4,794
Revenue from other sources:				
Interest income from provision of financing services	4,943	7,012	20,426	19,658
	23,590	15,107	70,033	54,864

4. OTHER INCOME

	For the three months ended 31 December		For the nine months ended 31 December	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Reimbursement of expenses	20	79	205	412
Interest income	130	837	644	3,225
Rental income	54	54	162	138
Other marketing service income	1,257	75	1,407	2,438
Subsidies	1,540	–	3,536	–
Others	440	3	496	3
	3,441	1,048	6,450	6,216

5. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	For the three months ended 31 December		For the nine months ended 31 December	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Wages and salaries	9,410	8,888	29,905	29,699
Contributions on defined contribution retirement plans	291	265	884	812
Share-based payment — equity settled	–	–	1,217	1,777
Other benefits	306	515	816	1,209
	10,007	9,668	32,822	33,497

6. EXPENSES BY NATURE

	For the three months ended 31 December		For the nine months ended 31 December	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Auditor's remuneration*	163	247	488	677
Amortisation of intangible assets	21	535	63	1,611
Consultancy fee*	2,699	3,938	8,367	5,952
Depreciation				
– Owned asset	231	565	848	1,920
– Right-of-use asset under HKFRS 16	1,020	1,118	2,720	3,333
Exchange (gain)/loss, net*	(723)	6	(529)	874
Marketing and business development expenses*	1,375	1,396	3,995	3,609
Impairment loss/(Reversal of impairment loss) on loans and interests receivable, net*	12,830	(4)	17,469	(12)
(Reversal of impairment loss)/ impairment loss on trade and other receivables, net*	–	(60)	1,585	1,047
Operating lease charges in respect of buildings*	123	138	368	379
Professional fee*	(109)	810	2,885	4,239
Share-based payment — equity settled (other eligible participant)*	–	–	–	339
Travelling expenses*	62	183	201	643

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

7. FINANCE COSTS

	For the three months ended 31 December		For the nine months ended 31 December	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Interest on bank borrowings	123	722	544	2,226
Interest on other borrowings	247	–	702	26
Finance charge on lease liabilities	55	21	162	90
	425	743	1,408	2,342

8. INCOME TAX (CREDIT)/EXPENSE

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

	For the three months ended 31 December		For the nine months ended 31 December	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Current Hong Kong Profits Tax				
Tax for the period	(54)	64	3	446
	(54)	64	3	446
Deferred tax				
Credit for the period	–	(61)	–	(182)
	(54)	3	3	264

9. DIVIDEND

The Board does not declare the payment of any dividend for the nine months ended 31 December 2020 (2019: nil).

10. LOSS PER SHARE

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

	For the three months ended 31 December		For the nine months ended 31 December	
	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Loss				
Loss for the purpose of basic and diluted loss per share	2,667	4,440	1,883	4,090
	'000	'000	'000	'000
Number of Shares				
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share (notes (a), (b) and (c))	161,926	120,020	148,280	120,020

Notes:

- (a) Weighted average of 161,926,000 Shares for the three months ended 31 December 2020 are derived from 175,520,415 Shares in issue as at 1 October 2020 after taking into account disposal of 27,800,000 Shares held under the Plan in October and November 2020.
- Weighted average of 148,280,000 Shares for the nine months ended 31 December 2020 are derived from 135,020,415 Shares in issue as at 1 April 2020 after taking into account the (i) placing 27,000,000 Shares completed on 12 May 2020; (ii) exercise of 13,500,000 share options which were converted into 13,500,000 Shares on 7 July 2020; (iii) the purchase of 12,800,000 Shares held for the Plan in July 2020; and (iv) the disposal of 27,800,000 Shares held under the Plan in October and November 2020.
- (b) Weighted average of 120,020,000 Shares and 120,020,000 Shares for the three months ended and nine months ended 31 December 2019 are derived from 2,700,408,000 Shares in issue as at 1 April 2019 and 1 October 2019 after taking into account the effects of the share consolidation which was effective on 22 August 2019 and purchase of Shares held for the Plan.
- (c) The computation of diluted loss per share does not assume the exercise of the Company's outstanding share options as the exercise prices of those options were higher than the average market price for Shares for both periods.

BUSINESS REVIEW

During the nine months ended 31 December 2020, the Group's provision of valuation and advisory services contributed approximately 69.9% of the total revenue to the Group. The Group recorded an increase in revenue generated from the provision of valuation and advisory services of approximately 61.0% as compared with that for the nine months ended 31 December 2019. The environmental, social and governance ("ESG") reporting service remained the key driver for boosting the revenue under valuation and advisory services segment during the nine months ended 31 December 2020.

The Group aims to provide all-rounded with high quality service to its customers so as to sustain its growth. In addition, the Group always uses its best endeavours to explore various merger and acquisition opportunities and/or business collaboration to enhance its market presence in the valuation and advisory industry in Hong Kong.

The Group's provision of financing services contributed approximately 29.2% of the total revenue of the Group for the nine months ended 31 December 2020. The Group's interest income generated from provision of financing service for the nine months ended 31 December 2020 increased slightly by approximately 3.9% as compared with that for the nine months ended 31 December 2019.

The Group has been continuously seeking 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 (the "Share Option Scheme") to certain staff during the nine months ended 31 December 2020 to retain high-calibre 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-calibre individuals.

FINANCIAL REVIEW

Revenue

For the nine months ended 31 December 2020, the Group recorded an increase of approximately 27.7% in revenue as compared with that for the nine months ended 31 December 2019. Such increase was mainly attributable to the increases in both the services fee income generated from provision of valuation and advisory services and interest income generated from provision of financing services outweighed a decrease in the service fee income generated from the segment of securities broking, placing and underwriting and investment advisory and asset management services.

The services fee income generated from provision of valuation and advisory services increased by approximately 61.0% to approximately HK\$49.0 million for the nine months ended 31 December 2020 from approximately HK\$30.4 million for the nine months ended 31 December 2019. Such increase was mainly attributable to the increased sales contributed from ESG reporting services for the nine months ended 31 December 2020.

The interest income generated from provision of financing services increased slightly by approximately 3.9% to approximately HK\$20.4 million for the nine months ended 31 December 2020 from approximately HK\$19.7 million for the nine months ended 31 December 2019. The increase in interest income was mainly attributable to the expansion of loan portfolio during the nine months ended 31 December 2020 as compared with that for the nine months ended 31 December 2019.

Other income

The Group's other income increased by approximately 3.8% for the nine months ended 31 December 2020 as compared with that for the nine months ended 31 December 2019. It was mainly attributable to the combined effect of (i) the government subsidies in relation to the employee support scheme granted during the nine months ended 31 December 2020 outweighed; (ii) drop of other marketing service income; and (iii) decrease in bank interest income.

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 slightly decreased by approximately 2.0% for the nine months ended 31 December 2020 as compared with those for the nine months ended 31 December 2019. The Group always values the contribution of its professional and management teams and has distributed bonus and granted share options under the Share Option Scheme to certain staff during the nine months ended 31 December 2020 to retain high-caliber individuals for continuous contribution to the Group.

Depreciation and amortisation

The Group recorded a significant decrease in depreciation and amortisation of approximately 47.1% for the nine months ended 31 December 2020 as compared with that for the nine months ended 31 December 2019. It was mainly attributable to fully impaired intangible assets prior to the beginning of the nine months ended 31 December 2020.

Finance costs

The Group's finance costs referred to interest expense incurred for bank borrowings, other borrowings and lease liabilities. During the nine months ended 31 December 2020, less finance cost incurred was mainly due to contraction of bank borrowings as compared to the nine months ended 31 December 2019.

Other expenses

The Group's other expenses increased by approximately 80.3% for the nine months ended 31 December 2020 as compared with those for the nine months ended 31 December 2019. Such an increase was mainly attributable to the increases in (i) impairment loss on loans and interest receivable; and (ii) impairment loss on trade receivables during the nine months ended 31 December 2020.

Loss attributable to owners of the Company

Loss attributable to owners of the Company amounted to approximately HK\$1.9 million for the nine months ended 31 December 2020 which decreased by approximately HK\$2.2 million as compared to the loss attributable to owners of the Company of approximately HK\$4.1 million for the nine months ended 31 December 2019. The decrease was mainly attributable combined effect of (i) the increase of approximately 27.7% in the revenue during the nine months ended 31 December 2020 due to increased sales contributed from ESG service projects; outweighed (ii) increase in impairment loss on loans and interest receivable; and (iii) increase in impairment loss on trade receivables during nine months ended 31 December 2020.

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

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

USE OF PROCEEDS

The rights issue in 2017

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

	Proposed use of the RI Proceeds (HK\$ in million)	Actual use of the RI Proceeds from the date of issuance of rights issue and up to 31 March 2020 (HK\$ in million)	Actual use of the RI Proceeds during the nine months ended 31 December 2020 (HK\$ in million)	Unutilised RI Proceeds as at 31 December 2020 (HK\$ in million)
Expansion of the Group's existing financing business	135.0	135.0	-	-
Investment in potential businesses (note)	90.0	27.0	-	63.0
General working capital	33.0	33.0	-	-
Total	258.0	195.0	-	63.0

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

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

The placing of new shares in 2020

In May 2020, the Company raised net proceeds of approximately HK\$5.5 million (the “Placing Proceeds”) from its placing of 27,000,000 Shares. For details, please refer to the Company’s announcements dated 27 April and 12 May 2020. Up to the date of this report, all of the Placing Proceeds was utilised for the general working capital of the Group.

FUTURE PROSPECTS

The Group always aims to be the leading valuation and advisory services provider in Hong Kong. In order to maintain and further enhance the Group’s market presence in the valuation and advisory industry in Hong Kong, the Group will proactively explore further merger and acquisition opportunities and/or business collaboration. In order to well manage the Group’s credit risk, the Group will further diversify its loan portfolio.

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

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

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

EVENT AFTER THE REPORTING PERIOD

On 20 January 2021, the Board proposed to implement the rights issue on the basis of three (3) rights shares for every one (1) existing Share held on the record date at the subscription price of HK\$0.125 per rights share, to raise gross proceeds of approximately HK\$65.8 million before expenses (assuming no further issue or repurchase of Shares on or before the record date) and up to a maximum of approximately HK\$69.4 million before expenses (assuming full exercise of the outstanding share options on or before the latest lodging date and no other issue or repurchase of Shares on or before the record date) by way of the rights issue of not less than 526,561,245 rights shares and not more than 554,915,532 rights shares (assuming as aforesaid) to the qualifying shareholders. For further details, please refer to the Company announcement dated 20 January 2021.

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 31 December 2020, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including 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	Approximate percentage of interests (Note 1)
Mr. Chung Man Lai	The Company	Interest of spouse/ Family interest	1,250	0.00%

Notes:

- The percentage is calculated on the basis of the total number of issued 175,520,415 Shares as at 31 December 2020.

Save as disclosed above, as at 31 December 2020, 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 31 December 2020, 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) or entities 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)
Aperto Investments Limited ("Aperto") (Note 2)	Beneficial owner/ Personal interest	39,956,000	–	22.76%
Mr. Luk Kee Yan Kelvin ("Mr. Luk") (Note 2)	Interest of a controlled corporation/ Corporate interest	39,956,000	–	22.76%

Note 1: The percentage is calculated on the basis of the total number of issued 175,520,415 consolidated Shares as at 31 December 2020.

Note 2: The entire issued share capital of Aperto was legally and beneficially owned by Mr. Luk. Mr. Luk was deemed to be interested in all the Shares held by Aperto by virtue of the SFO.

Save as disclosed above and as at 31 December 2020, the Directors are not aware of any interests or short positions owned by any persons (other than a Director or the chief executive of the Company) or entities in the Shares or underlying Shares, which were required: (a) to be notified 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 nine months ended 31 December 2020, 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 made specific enquiries of all Directors by the Company, all Directors confirmed that they had complied with the required standard of dealings and its code of conduct concerning securities transactions by the Directors during the nine months ended 31 December 2020.

CORPORATE GOVERNANCE PRACTICES

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

During the nine months ended 31 December 2020, the Company has complied with all the code provisions as set out in the Corporate Governance Code (the "CG Code") and Corporate Governance Report contained in Appendix 15 to the GEM Listing Rules except the following deviation:

Code Provision A.2.1

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

During the nine months ended 31 December 2020 and up to the date of this report, Mr. Yue has been both the chairman of the Board (the "Chairman") and the chief executive officer of the Group (the "CEO").

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

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

None of the Directors or any entity connected with any Director had a material interest, whether directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group, to which the Company or its holding company or any of its subsidiaries or fellow subsidiaries was a party during the nine months ended 31 December 2020 or any time during the nine months ended 31 December 2020.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the nine months ended 31 December 2020 and up to the date of this report, none of the Directors or any of their respective close associates (as defined in the GEM Listing Rules), engaged in any business that competed or might compete with the businesses of the Group, or had any other conflict of interest with the Group.

AUDIT COMMITTEE

The audit committee of the Board (the "Audit Committee") was established on 26 September 2011 with its terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and code provision C.3.3 of the CG Code. The terms of reference of the Audit Committee are available at the respective websites of the Company and the Stock Exchange. The major roles and functions of the Audit Committee are to review the financial systems of the Group; to review the accounting policies, financial positions and results, and financial reporting procedures of the Group; to communicate with external auditor; to assess the performance of internal financial and audit personnel; to review the risk management system and to assess the internal controls of the Group; and to provide recommendations and advice 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. Chung Man Lai, (being the chairman of the Audit Committee), Mr. Ko Wai Lun Warren and Ms. Li Tak Yin all being independent non-executive Directors. No member of the Audit Committee is a member of the former or existing independent auditor of the Company. The Audit Committee has reviewed the Unaudited Condensed Consolidated Financial Statements and this report.

By order of the Board

Roma Group Limited

Yue Kwai Wa Ken

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

Hong Kong, 8 February 2021

As at the date of this report, the executive Directors are Mr. Yue Kwai Wa Ken (Chairman and Chief Executive Officer) and Mr. Li Sheung Him Michael; and the independent non-executive Directors are Mr. Chung Man Lai, Mr. Ko Wai Lun Warren and Ms. Li Tak Yin.