



ROMA
Roma Group Limited

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

INTERIM REPORT 2021/2022





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 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 “Director”, 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 six months ended 30 September 2021:

- Revenue was approximately HK\$46.3 million, which remained stable as compared with that for the six months ended 30 September 2020;
- Profit amounted to approximately HK\$0.8 million as compared to the profit of approximately HK\$0.8 million for the six months ended 30 September 2020;
- Basic and diluted earnings per share attributable to owners of the Company were HK0.12 cent; and
- No dividend was declared.





INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

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 2021 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 2021

	Notes	For the three months ended 30 September		For the six months ended 30 September	
		2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Revenue	3	27,145	22,665	46,301	46,443
Other income	5	487	2,387	1,101	3,009
Increase/(decrease) in fair value of investment property		100	(1,000)	100	(1,000)
Employee benefit expenses	6	(11,779)	(12,541)	(23,136)	(22,815)
Depreciation and amortisation	7	(1,394)	(1,292)	(2,504)	(2,359)
Finance costs	8	(941)	(486)	(1,424)	(983)
Other expenses		(12,009)	(17,715)	(19,724)	(21,454)
Profit/(loss) before income tax	7	1,609	(7,982)	714	841
Income tax credit/(expense)	9	161	63	47	(57)
Profit/(loss) for the period attributable to owners of the Company		1,770	(7,919)	761	784
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)	-	(1,445)
Total comprehensive income/(loss) attributable to owners of the Company		1,770	(9,364)	761	(661)
			(Restated)		(Restated)
Basic and diluted earnings/(loss) per share attributable to owners of the Company (HK cents)	11	0.26	(4.65)	0.12	0.53





UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

		30 September 2021	31 March 2021
	Notes	HK\$'000	HK\$'000
		(unaudited)	(audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	12	666	697
Right-of-use assets		6,459	8,498
Investment property	13	10,100	10,000
Intangible assets		2,692	3,018
Goodwill		7,373	7,373
Loans and interests receivable	14	190,977	114,895
Deposit		1,286	1,286
Deferred tax assets		3	3
		219,556	145,770
<hr style="border-top: 1px dashed black;"/>			
Current assets			
Loans and interests receivable	14	217,159	220,670
Trade receivables	15	9,341	29,596
Prepayments, deposits, other receivables and contract assets		9,141	4,797
Financial asset at fair value through profit or loss		15	312
Pledged bank deposits	16	58,639	49,512
Cash and bank balances — general accounts		11,521	23,410
Cash and bank balances — segregated accounts		2,870	1,675
		308,686	329,972
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2021



		30 September 2021	31 March 2021
	Notes	HK\$'000	HK\$'000
		(unaudited)	(audited)
Current liabilities			
Trade payables	17	4,322	17,620
Accrued liabilities, other payables, and contract liabilities		32,718	42,323
Lease liabilities	18	4,533	4,299
Interest-bearing borrowings	19	82,647	65,982
Current tax liabilities		10	14
		124,230	130,238
Net current assets		184,456	199,734
Total assets less current liabilities		404,012	345,504
Non-current liabilities			
Lease liabilities	18	2,329	4,607
Deferred tax liabilities		407	454
		2,736	5,061
Net assets		401,276	340,443
EQUITY			
Equity attributable to owners of the Company			
Share capital	20	7,021	1,755
Reserves		394,255	338,688
Total equity		401,276	340,443





UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2021

	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	Accumulated losses* HK\$'000	Total HK\$'000
At 1 April 2021 (audited)	1,755	-	579,738	10	1,354	(242,414)	340,443
Total comprehensive income for the period	-	-	-	-	-	761	761
Transactions with owners, in their capacity as owners							
Rights issue, net of expenses (note 20(c))	5,266	-	57,380	-	-	-	62,646
Purchases of shares for the Plan (note 21(b))	-	(2,574)	-	-	-	-	(2,574)
At 30 September 2021 (unaudited)	7,021	(2,574)	637,118	10	1,354	(241,653)	401,276



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2021



	Share capital HK\$'000	Shares held for 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 ("FV/OCI")* HK\$'000	(Accumulated losses)/ Retained earnings* HK\$'000	Total HK\$'000
At 1 April 2020 (audited)	1,350	(26,241)	569,909	10	4,879	(21,220)	(160,991)	367,696
Profit for the period	-	-	-	-	-	-	784	784
Other comprehensive income								
Change in the fair value of financial asset at FV/OCI	-	-	-	-	-	(1,445)	-	(1,445)
Total comprehensive (loss)/ income for the period	-	-	-	-	-	(1,445)	784	(661)
Transactions with owners, in their capacity as owners								
Placing shares, net of expenses (note 20(a))	270	-	5,237	-	-	-	-	5,507
Shares options cancelled (note 21(a))	-	-	-	-	(2,834)	-	2,834	-
Recognition of share-based payment (note 21(a))	-	-	-	-	1,217	-	-	1,217
Exercise of share options (note 20(b))	135	-	4,592	-	(1,217)	-	-	3,510
Lapse for share options (note 21(a))	-	-	-	-	(691)	-	691	-
Purchases of shares for the Plan (note 21(b))	-	(3,559)	-	-	-	-	-	(3,559)
At 30 September 2020 (unaudited)	1,755	(29,800)	579,738	10	1,354	(22,665)	(156,682)	373,710

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





UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2021

	For the six months ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Net cash (used in)/generated from operating activities	(77,666)	8,208
Cash flows from investing activities		
Interests received	570	513
Purchase of property, plant and equipment	(107)	(85)
(Increase)/decrease in pledged bank deposits	(9,127)	7,128
Net cash (used in)/generated from investing activities	(8,664)	7,556
Cash flows from financing activities		
Proceeds from/(repayment of) bank borrowings, net	7,000	(7,003)
Proceeds from/(repayment of) other borrowings, net	9,665	(6,500)
Proceeds for exercise of share options	–	3,510
Proceeds from placing, net of expenses	–	5,507
Proceeds from rights issue, net of expenses	62,646	–
Repayments of lease liabilities	(2,044)	(1,762)
Interests paid	(252)	(983)
Purchase of shares for the Plan	(2,574)	(3,559)
Net cash generated from/(used in) financing activities	74,441	(10,790)
Net (decrease)/increase in cash and cash equivalents	(11,889)	4,974
Cash and cash equivalents at the beginning of the period	23,410	19,216
Cash and cash equivalents at the end of the period	11,521	24,190
Analysis of balances of cash and cash equivalents		
Cash and bank balances — general accounts	11,521	24,190



NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS



1. GENERAL

The Company is a limited liability company incorporated in the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, the Cayman Islands. Its principal place of business 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 since 25 February 2013 (the “Listing Date”).

The unaudited condensed consolidated financial statements for the three months and six months ended 30 September 2021 (the “Interim Financial Statements”) were approved and authorised for issue by the Board on 10 November 2021.

2. BASIS OF PREPARATION

(a) Basis of preparation

The Interim Financial Statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosure provisions of the GEM Listing Rules.

The Interim Financial Statements do 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 HKFRS, HKASs 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 2021 (the “2021 AFS”).





NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

(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 2021, 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 2021. The Group has not early adopted any other standards, interpretation or amendment that has been issued but is not yet effective.

Amendment to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2
Amendments to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021

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.



NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS



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.

Amendments to HKFRSs	Annual Improvements to HKFRS Standards 2018–2020 ¹
Amendments to HKFRS 3 HKFRS 17	Reference to the Conceptual Framework ⁴ Insurance Contracts and related amendments ²
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use ¹
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract ¹
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ²
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ²
Amendments to HKAS 8	Definition of Accounting Estimates ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combination ⁴

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

² Effective for annual periods beginning on or after 1 January 2023

³ Effective date not yet determined

⁴ Effective for business combination/common control combination for which the acquisition/combination date is on or after the beginning of the first annual period beginning on or after 1 January 2022





NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

(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 fair value through profit or loss ("FVTPL") 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 instruments are carried at fair value as at 30 September 2021. 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 2021:

Description	Fair value measurement using:			Total
	Level 1	Level 2	Level 3	30 September
	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Financial asset at FVTPL				
— Derivatives	-	-	15	15



NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS



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 2021, there were no transfer between Level 1 and Level 2, or transfers into or out of Level 3 (31 March 2021: 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.

Below is a summary of significant unobservable inputs to the valuation of financial instruments as at 30 September 2021:

	Valuation technique	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Share options	Binomial Option Pricing Model	Expected volatility 105.22%	The higher the expected volatility, the higher the fair value

(e) Functional and presentation currency

The Interim 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.





NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

3. REVENUE

The Group's principal activities are provision of (i) valuation and advisory services, (ii) financing services and (iii) securities broking, placing and investment advisory and assets management 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	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Revenue from contract with customers with the scope of HKFRS 15				
Valuation and advisory services	18,505	14,711	32,295	30,541
Securities broking, placing and underwriting and investment advisory and asset management services	778	282	1,694	419
Revenue from other sources:				
Interest income from provision of financing services	7,862	7,672	12,312	15,483
	27,145	22,665	46,301	46,443

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;
- (iii) Securities broking, placing and underwriting and investment advisory and asset management services; and
- (iv) All other segments.



NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS



(a) Business segments

For the six months ended 30 September 2021 (unaudited)

	Valuation and advisory services HK\$'000	Financing services HK\$'000	Securities broking, placing and underwriting and investment advisory and asset management services HK\$'000	All other segments HK\$'000	Total HK\$'000
Segment revenue (note (i))	32,295	12,312	1,694	-	46,301
Segment results (note (ii))	(3,139)	10,911	(75)	(215)	7,482
Other segment information					
Depreciation	(43)	(3)	(14)	-	(60)
Amortisation	(327)	-	-	-	(327)
Net reversal of impairment loss on loans and interests receivable	-	8,557	-	-	8,557
Net impairment loss on trade receivables	(550)	-	-	-	(550)
Increase in fair value of investment property	-	-	-	100	100
Income tax credit	47	-	-	-	47
Additions to non-current assets (excluding financial instruments)	107	-	-	-	107
Segment assets (as at 30 September 2021)	20,913	415,131	3,570	10,188	449,802
Segment liabilities (as at 30 September 2021)	(32,679)	(680)	(3,071)	(82)	(36,512)





NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2020 (unaudited)

	Valuation and advisory services HK\$'000	Financing services HK\$'000	Securities broking, placing and underwriting and investment advisory and asset management services HK\$'000	All other segments HK\$'000	Total HK\$'000
Segment revenue (note (i))	30,541	15,483	419	–	46,443
Segment results (note (ii))	3,388	6,810	(981)	(1,121)	8,096
Other segment information					
Depreciation	(51)	(3)	(14)	–	(68)
Amortisation	(42)	–	–	–	(42)
Net impairment loss on loans and interests receivable	–	(4,639)	–	–	(4,639)
Net impairment loss on trade receivables	(1,585)	–	–	–	(1,585)
Decrease in fair value of investment property	–	–	–	(1,000)	(1,000)
Income tax expense	(57)	–	–	–	(57)
Additions to non-current assets (excluding financial instruments)	78	7	–	–	85
Segment assets (as at 30 September 2020)	22,884	374,350	8,603	10,871	416,708
Segment liabilities (as at 30 September 2020)	(47,655)	(7,255)	(5,819)	(67)	(60,796)

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.



NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS



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

	For the six months ended 30 September 2021 HK\$'000 (unaudited)	For the six months ended 30 September 2020 HK\$'000 (unaudited)
Profit before income tax expense		
Reportable segment profit	7,482	8,096
Unallocated interest income	570	514
Unallocated employee benefit expenses	(2,506)	(2,186)
Unallocated depreciation	(2,119)	(2,248)
Unallocated finance costs	(1,424)	(983)
Unallocated other expenses	(992)	(2,352)
Unallocated change in fair value of financial asset at FVTPL	(297)	–
<hr/>		
Consolidated profit before income tax	714	841
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	30 September 2021 HK\$'000 (unaudited)	31 March 2021 HK\$'000 (audited)
Assets		
Reportable segment assets	449,802	391,503
Unallocated property, plant and equipment	6,809	8,877
Unallocated financial asset at FVTPL	15	312
Unallocated pledged bank deposits	58,639	49,512
Unallocated deposit	1,286	1,286
Unallocated cash and bank balances	11,521	23,410
Unallocated corporate assets	170	842
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Consolidated total assets	528,242	475,742
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Liabilities		
Reportable segment liabilities	(36,512)	(59,790)
Unallocated lease liabilities	(6,862)	(8,906)
Unallocated interest-bearing borrowings	(82,647)	(65,982)
Unallocated corporate liabilities	(945)	(621)
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Consolidated total liabilities	126,966	(135,299)
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NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

(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 2021 and 2020, 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	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Reimbursement of expenses	17	155	87	185
Interest income	301	309	570	514
Rental income	54	54	108	108
Other marketing service income	–	75	–	150
Subsidies	30	1,752	60	1,996
Others	85	42	276	56
	487	2,387	1,101	3,009

6. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	For the three months ended 30 September		For the six months ended 30 September	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Wages and salaries	11,182	10,759	21,944	20,495
Contributions on defined contribution retirement plans	305	301	610	593
Share-based payment — equity settled	–	1,217	–	1,217
Other benefits	292	264	582	510
	11,779	12,541	23,136	22,815



NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS



7. EXPENSES BY NATURE

	For the three months ended 30 September		For the six months ended 30 September	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Auditor's remuneration (note)	162	162	325	325
Amortisation of intangible assets	306	21	327	42
Consultancy fee (note)	10,586	3,717	12,442	5,668
Depreciation:				
— Owned assets	20	480	89	170
— Right-of-use assets	1,068	791	2,088	2,147
Exchange (gain)/loss, net (note)	(14)	115	(875)	194
Decrease in fair value of financial asset at FVTPL (note)	63	229	297	257
Marketing and business development expenses (note)	1,210	1,035	2,239	2,620
(Reversal of impairment loss)/ impairment loss on loans and interests receivable, net (note)	(8,557)	7,079	(8,557)	4,639
Impairment loss on trade receivables, net (note)	550	1,777	550	1,585
Lease changes for short-term leases (note)	119	122	237	245
Professional fee (note)	6,049	2,090	8,909	2,994

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

8. FINANCE COSTS

	For the three months ended 30 September		For the six months ended 30 September	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Interest on bank borrowings	140	208	268	421
Interest on other borrowings	762	217	1,073	455
Finance charge on lease liabilities	39	61	83	107
	941	486	1,424	983





NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

9. 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% (2020: 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% (2020: 16.5%).

	For the three months ended 30 September		For the six months ended 30 September	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Current Hong Kong Profits Tax				
Tax for the period	(114)	(63)	-	57
	(114)	(63)	-	57
Deferred tax				
Credit for the period	(47)	-	(47)	-
	(161)	(63)	(47)	57

10. DIVIDENDS

The Board has resolved not to recommend the payment of dividend for the six months ended 30 September 2021 (six months ended 30 September 2020: nil).



NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS



11. EARNINGS/(LOSS) PER SHARE

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

	For the three months ended 30 September		For the six months ended 30 September	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Earnings/(Loss)				
Earnings/(Loss) for the purpose of basic and diluted earnings/(loss) per share	1,770	(7,919)	761	784
	'000	'000 (Restated)	'000	'000 (Restated)
Number of Shares				
Weighted average number of ordinary shares for the purpose of basic and diluted earnings/(loss) per share (notes (a), (b) and (c))	684,542	170,338	657,641	147,319





NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Notes:

- (a) Weighted average of 684,542,000 Shares for the three months ended 30 September 2021 are derived from 702,081,660 Shares in issue as at 1 July 2021 after taking into account the purchase of the Shares held for the Plan (note 21(b)).

Weighted average of 657,641,000 Shares for the six months ended 30 September 2021 are derived from 175,520,415 Shares in issue as at 1 April 2021 after taking into account the (i) the effects of the completion of rights issue on 19 April 2021; and (ii) the purchase of the Shares held for the Plan (note 21(b)).

- (b) Weighted average of 170,338,000 Shares for the three months ended 30 September 2020 are derived from 162,020,415 Shares in issue as at 1 July 2020 after taking into account (i) exercise of 13,500,000 share options on 7 July 2020; (ii) the purchases of Shares held for the Plan and (iii) completion of rights issue on 19 April 2021.

Weighted average of 147,319,000 Shares for the six months ended 30 September 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 on 7 July 2020; (iii) the purchase of Shares held for the Plan and (iv) completion of rights issue on 19 April 2021.

- (c) The computation of diluted earnings/(loss) 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. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2021, the Group acquired items of property, plant and equipment with total costs of approximately HK\$107,000 (six months ended 30 September 2020: approximately HK\$85,000).



NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS



13. INVESTMENT PROPERTY

	30 September 2021 HK\$'000 (unaudited)	31 March 2021 HK\$'000 (audited)
At beginning of reporting period/year	10,000	11,000
Increase/(decrease) in fair value of investment property	100	(1,000)
At end of reporting period/year	10,100	10,000

Investment property represents property located in Hong Kong held as lessor under operating leases to earn rentals or for capital appreciation.

Investment property was revalued on 30 September 2021 by an independent professional valuer. The valuation, which conforms to The Valuation Standards of the Hong Kong Institute of Surveyors, was arrived at using direct comparison approach in the course of valuation.

The direct comparison approach is a method of valuation by making reference to comparable market transactions. This approach rests on the wide acceptance of the market transactions as the best indicator and pre-supposes that evidence of relevant transactions in the market place can be extrapolated to similar properties. Appropriate adjustments and analysis are considered to the differences in location and other characters between the comparable properties and the subject properties.

The fair value of the investment property is a level 2 recurring fair value measurement.

There were no changes to the valuation techniques during the six months ended 30 September 2021.

The fair value measurement is based on the above property's highest and best use, which does not differ from its actual use.

During the six months ended 30 September 2021, there were no transfers between level 1 and level 2, or transfer into or out of level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

As at 30 September 2021, the Group's investment property with carrying amount of HK\$10,100,000 (31 March 2021: HK\$10,000,000) was pledged for securing an other borrowing of HK\$6,565,000 (31 March 2021: HK\$6,500,000) (note 19(b)).





NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

14. LOANS AND INTERESTS RECEIVABLE

	30 September 2021 HK\$'000 (unaudited)	31 March 2021 HK\$'000 (audited)
Loans and interests receivable	642,217	578,203
Less: Expected credit loss ("ECL") allowance	(234,081)	(242,638)
	408,136	335,565
Less: Non-current portion loan and interest receivables	(190,977)	(114,895)
	217,159	220,670

As at 30 September 2021, loans and interests receivable with an aggregate carrying amount of approximately HK\$69,359,000 (31 March 2021: approximately HK\$74,456,000) 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 6% to 48% per annum (31 March 2021: approximately 8% to 48% per annum).

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



NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS



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 2021 HK\$'000 (unaudited)	31 March 2021 HK\$'000 (audited)
Current	217,159	220,670
1 to 5 years	190,977	114,895
	408,136	335,565

The table below reconciles the ECL allowance on loans and interests receivable for the reporting period/year:

	30 September 2021 HK\$'000 (unaudited)	31 March 2021 HK\$'000 (audited)
Balance at 1 April	242,638	176,590
ECL allowance recognised	9,224	72,504
ECL allowance reversed	(17,781)	(5,306)
Written off	–	(1,150)
At the end of reporting period/year	234,081	242,638

The Group recognised ECL allowance based on the accounting policy as set out in the 2021 AFS.





NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

15. TRADE RECEIVABLES

	30 September 2021 HK\$'000 (unaudited)	31 March 2021 HK\$'000 (audited)
Trade receivables arising from:		
Valuation and advisory business		
— Third parties	18,752	23,643
— Less: ECL allowance	(9,411)	(9,061)
	9,341	14,582
Securities broking business		
— A third party	—	15,014
	9,341	29,596

Trade receivables mainly arise from valuation and advisory services and securities broking services.

Valuation and advisory business

Invoices issued to customers are in accordance with the payment terms stipulated in the contracts and payable on issuance. 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 2021 HK\$'000 (unaudited)	31 March 2021 HK\$'000 (audited)
0 to 30 days	2,966	8,658
31 to 60 days	1,729	1,850
61 to 90 days	376	892
91 to 180 days	1,491	1,587
181 to 360 days	2,779	1,595
	9,341	14,582



NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS



The table below reconciles the ECL allowance on trade receivables for the reporting period/year:

	30 September 2021 HK\$'000 (unaudited)	31 March 2021 HK\$'000 (audited)
Balance as at 1 April	9,061	22,984
ECL allowance recognised	600	3,981
ECL allowance reversed	(50)	(216)
Written off	(200)	(17,688)
<hr/>		
At the end of reporting period/year	9,411	9,061

Securities broking business

As at 31 March 2021, trade receivables arising from securities broking business represented the receivables from subscription of initial public offering (“IPO”) shares for a brokerage client. The Group charges interest based on its cost of funding plus a mark-up. No ageing analysis is disclosed as the ageing analysis does not give additional value in view of the nature of this business.

The Group recognised ECL allowance based on the accounting policy as set out in the 2021 AFS.

16. PLEDGED BANK DEPOSITS

Pledged bank deposits represented cash at bank held by the subsidiaries pledged for bank borrowings (note 19(a)).





NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

17. TRADE PAYABLES

		30 September 2021	31 March 2021
	Notes	HK\$'000 (unaudited)	HK\$'000 (audited)
Trade payables arising from:			
Securities broking business	(a)		
— Brokerage clients		2,859	1,673
— A broker		–	15,014
		2,859	16,687
Valuation and advisory business	(b)	1,463	933
		4,322	17,620

Notes:

- (a) Trade payables arising from securities broking business represent i) the monies received from and repayable to brokerage clients and ii) payable to a broker for IPO shares subscription.

Trade payables to brokerage clients are interest-bearing at the prevailing interest rate and repayable on demand. As at 31 March 2021, trade payable to a broker is interest-bearing at 3.38% and repayable upon the successful subscription.

No ageing analysis is disclosed as the ageing analysis does not give additional value in view of the nature of this business.

- (b) The Group was granted by its suppliers credit periods ranging from 0 to 30 (31 March 2021: 0 to 30) days. The ageing analysis of the trade payables arising from valuation and advisory business based on invoice date at the end of reporting period is as follows:

	30 September 2021	31 March 2021
	HK\$'000 (unaudited)	HK\$'000 (audited)
0 to 30 days	436	736
31 to 60 days	302	82
61 to 90 days	318	33
91 to 180 days	348	82
181 to 360 days	59	–
	1,463	933



NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS



18. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities.

	30 September 2021 HK\$'000 (unaudited)	31 March 2021 HK\$'000 (audited)
Total minimum lease payments:		
Due within one year	4,631	4,443
Due within two to five years	2,343	4,659
	6,974	9,102
Less: future finance charges	(112)	(196)
Present value of lease liabilities	6,862	8,906
Present value of minimum lease payments:		
Due within one year	4,533	4,299
Due within two to five years	2,329	4,607
	6,862	8,906
Less: payment due within one year included under current liabilities	(4,533)	(4,299)
Payment due after one year included under non-current liabilities	2,329	4,607

As at 30 September 2021, lease liabilities amounting to HK\$6,862,000 are effectively secured by the related underlying assets as the rights to the leased assets would be reverted to the lessor in the event of default by repayment by the Group.

During the six months ended 30 September 2021, the total cash outflow for the leases (including short-term leases) are HK\$2,127,000.





NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Details of the lease activities

At 30 September 2021, the Group has entered into leases for the items listed as follows:

Types of right-of-use assets	Number of leases	Range of remaining lease term	Particulars
Motor vehicles	1	21 months	Subject to monthly fixed payment
Office premise	1	19 months	Subject to monthly fixed payment

19. INTEREST-BEARING BORROWINGS

		30 September 2021 Notes HK\$'000 (unaudited)	31 March 2021 HK\$'000 (audited)
Bank borrowings repayable within one year	(a)	50,212	43,212
Other borrowings	(b)	32,435	22,770
		82,647	65,982



NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS



Notes:

(a) Bank Borrowings

As at 30 September 2021, the bank borrowings of HK\$50,212,000 (31 March 2021: HK\$43,212,000) were secured by bank deposits of HK\$58,639,000 (31 March 2021: HK\$49,512,000) placed in a bank. Interest is charged at London Inter-bank Offered Rate +1% (31 March 2021: Hong Kong Inter-bank Offered Rate +1%) per annum.

The above banking facilities of the loans 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 were to breach the covenants, the drawn down facility would become repayable on demand.

As at 30 September 2021, the bank borrowings were scheduled to repay within one year or on demand.

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 2021, none of the covenants relating to drawn down facilities had been breached.

(b) Other Borrowings

As at 30 September 2021, the other borrowings of HK\$25,870,000 (31 March 2021: HK\$16,270,000) are unsecured, interest-bearing at the range from 5% to 15% (31 March 2021: range from 1.5% to 5%) per annum and repayable within one year. Another borrowing with amount of HK\$6,565,000 (31 March 2021: HK\$6,500,000) is secured by the Group's investment property (note 13), interest-bearing at 12% (31 March 2021: 13.8%) per annum and repayable within one year.





NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

20. SHARE CAPITAL

	Number of ordinary shares at HK\$0.01 each	HK\$'000
Authorised:		
At 1 April 2020, 30 September 2020, 31 March 2021 and 30 September 2021	57,600,000,000	576,000
Issued:		
At 1 April 2020	135,020,415	1,350
Shares issued on placing (note (a))	27,000,000	270
Shares issued on exercise of share options (note (b))	13,500,000	135
At 30 September 2020, 31 March 2021 and 1 April 2021	175,520,415	1,755
Shares issued on rights issue (note (c))	526,561,245	5,266
At 30 September 2021	702,081,660	7,021

Notes:

- (a) Pursuant to the placing being completed on 12 May 2020, a total of 27,000,000 placing Shares were issued at HK\$0.21 per placing Share.
- (b) During the six months ended 30 September 2020, options were exercised to subscribe for 13,500,000 ordinary shares of the Company at a consideration of HK\$3,510,000, of which HK\$135,000 was credited to share capital and the balance of HK\$3,375,000 was credited to the share premium account. As a result of the exercise of options, amount of HK\$1,217,000 has been transferred from the share option reserve to the share premium account.
- (c) During the six months ended 30 September 2021, the issued share capital of the Company was increased pursuant to the rights issues of 526,561,245 Shares 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 (the "Rights Issue") was completed on 19 April 2021 and 526,561,245 rights shares were issued accordingly.





21. 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") on 26 September 2011 and became effective for a period of 10 years commencing on the Listing Date.

The Share Option Scheme expired and new share option scheme (the "New Share Option Scheme") was conditionally approved by the Shareholders on 27 September 2021.

Options comprising 6,000,817 underlying Shares (the "Batch 1 Share Options") and Options comprising 14,852,246 underlying Shares (the "Batch 2 Share Options") were granted under the Share Option Scheme on 15 August 2018 and 19 June 2019 respectively. Options comprising 13,500,000 underlying Shares (the "Batch 3 Share Options") were granted under the Share Option Scheme on 3 July 2020.

During the six months ended 30 September 2020, 4,500,613 share options under the Batch 1 Share Options and 5,400,817 share options under the Batch 2 Share Options were cancelled with effect from 3 July 2020.

During the six months ended 30 September 2020, 1,500,204 share options under the Batch 1 Share Options lapsed on 14 August 2020.

During the six months ended 30 September 2020, 13,500,000 share options under the Batch 3 Share Options were fully exercised.

As at 30 September 2021, 9,842,908 share options (after adjustment for the Rights Issue) under the Batch 2 Share Options were outstanding and all of them are exercisable.

The total fair value of the Batch 2 Share Options granted on 19 June 2019 and Batch 3 Share Options granted on 3 July 2020 calculated by using Binomial Option Pricing Model was HK\$2,116,000 and HK\$1,217,000 respectively.





NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

As all of share options were fully vested on 3 July 2020 (the date of grant), the one-off share-based payment expense for Batch 3 Share Options of HK\$1,217,000 was recognised during the six months ended 30 September 2020.

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

(b) The 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 2021, a sum of approximately HK\$2,574,000 (six months ended 30 September 2020: HK\$3,559,000) has been used to acquire 17,540,000 Shares (six months ended 30 September 2020: 12,800,000) 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 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 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 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 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.



NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS



22. RELATED PARTY TRANSACTIONS

The Group had the following significant transactions with related parties during the reporting 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	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Directors' fees	90	90	180	160
Salaries, allowances and other benefits	1,096	1,036	2,104	1,990
Contributions on defined contribution retirement plans	9	9	18	18
	1,195	1,135	2,302	2,168

23. EVENT AFTER THE REPORTING PERIOD

There was no significant event relevant to the business or financial performance of the Group that came to the attention of the Directors after the six months ended 30 September 2021.





MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the six months ended 30 September 2021, the Group's revenue was approximately HK\$46.3 million, which remained stable as compared with that for the six months ended 30 September 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 has been continuously seeking different opportunities to broaden its income stream and the market presence.

The Group distributed discretionary bonus to staff during the six months ended 30 September 2021 to retain high-caliber individuals for their continuous contribution to the Group. The Group always considers its professional teams as the most valuable asset of the Group and offers competitive remuneration package to attract and retain high-caliber individuals.





FINANCIAL REVIEW

Revenue

During the six months ended 30 September 2021, the Group's provision of valuation and advisory services contributed approximately 69.8% of the total revenue to the Group. The services fee income generated from provision of valuation and advisory services slightly increased by 5.7% to approximately HK\$32.3 million for the six months ended 30 September 2021 from approximately HK\$30.5 million for the six months ended 30 September 2020. Such increment was mainly attributable to impact of impact of the increase of average project contract sums amount outweighing the impact of decrease in the number of projects.

The Group's provision of financing services contributed approximately 26.6% of the total revenue of the Group for the six months ended 30 September 2021. The interest income generated from provision of financing services decreased by approximately 20.5% to HK\$12.3 million for the six months ended 30 September 2021 from approximately HK\$15.5 million for the six months ended 30 September 2020. The decrease in interest income was mainly attributable to the reduction of loan portfolios size during the six months ended 30 September 2021 as compared with that for the six months ended 30 September 2020.

The segment of securities broking, placing and underwriting and investment advisory services commenced operation in recent years. This relatively new segment accounted for approximately 3.7% of the Group's total revenue for the six months ended 30 September 2021. The income generated from this segment significantly increased to HK\$1.7 million for the six months ended 30 September 2021 from approximately HK\$0.4 million for the six months ended 30 September 2020. The rise was mainly attributable to more brokerage income recorded and commission income generated from a completed underwriting engagement during the six months ended 30 September 2021.

Other income

The Group's other income decreased by approximately 63.4% for the six months ended 30 September 2021 as compared with that for the six months ended 30 September 2020. It was mainly attributable to the government subsidies in relation to the employee support scheme granted during the six months ended 30 September 2020 whereas no such subsidies granted during six months ended 30 September 2021.





MANAGEMENT DISCUSSION AND ANALYSIS

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 increased by approximately 1.4% for the six months ended 30 September 2021 as compared with those for the six months ended 30 September 2020. The increase was mainly attributable to rise of the headcounts. The Group always values the contribution of its professional and management teams and has distributed bonus during the six months ended 30 September 2021 to retain high-caliber individuals for continuous contribution to the Group.

Depreciation and amortisation

The Group recorded a slightly increase in depreciation and amortisation of approximately 6.2% for the six months ended 30 September 2021 as compared with that for the six months ended 30 September 2020.

Finance costs

The Group's finance costs referred to interest expense incurred for bank borrowings, other borrowings and lease liabilities. During the six months ended 30 September 2021, increase in finance cost was in line with additions of other borrowings for operational needs as compared to the six months ended 30 September 2020.





Other expenses

The Group's other expenses decreased by approximately 8.1% for the six months ended 30 September 2021 as compared with those for the six months ended 30 September 2020. Such decrease was mainly attributable to the (i) net reversal of impairment loss on loans and interest receivable recognised during the six months ended 30 September 2021 whereas net impairment loss on loans and interest receivable recognised for the last corresponding period outweighed (ii) the increase in the professional fee and consultancy fee for the six months ended 30 September 2021 as the Group has engaged contracting services to better support the operation and growth of business.

Profit attributable to owners of the Company

Profit attributable to owners of the Company amounted to approximately HK\$0.8 million for the six months ended 30 September 2021 which remain the same as amounted to HK\$0.8 million for the six months ended 30 September 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 30 September 2021, the loan was settled. For further details, please refer to the Company's announcements dated 31 October 2019 and 15 November 2019.





MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL STRUCTURE

The rights issue in 2021

In April 2021, the Company raised fund of net proceeds of approximately HK\$62.6 million from its rights issue of 526,561,245 Shares (the "2021 RI Proceeds") 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. Up to 30 September 2021, (i) approximately HK\$45.2 million of the 2021 RI Proceeds was used for enrichment of working capital for operation and expansion of existing business, (ii) approximately HK\$15.5 million of the 2021 RI Proceeds was used for repayment of outstanding debts and the rest was kept as cash at a licensed bank in Hong Kong. The proposed and actual use of the 2021 RI Proceeds up to 30 September 2021 are set as below.

	Proposed use of the 2021 RI Proceeds (HK\$ in million)	Actual use of the 2021 RI Proceeds during the six months ended 30 September 2021 (HK\$ in million)	Unutilised 2021 RI Proceeds as at 30 September 2021 (HK\$ in million)
Enrichment of working capital for operation and expansion of existing business	Not less than 42.0	45.2	–
Repayment of outstanding debts	Not less than 15.5	15.5	–
Acquisition of and/or investment in business (Note)	Not more than 5.1	–	1.9
Total	62.6	60.7	1.9

Note: The Company currently expects that the unutilised 2021 RI Proceeds will be used by 31 March 2022.





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 "2017 RI Proceeds"). Up to 30 September 2021, approximately HK\$135.0 million of the 2017 RI Proceeds was utilised for granting of various loans, approximately HK\$27.0 million of the 2017 RI Proceeds was used for investment in potential business 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. The proposed and actual 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 from the date of issuance of rights issue and up to 31 March 2021 (HK\$ in million)	Actual use of the 2017 RI Proceeds during the six months ended 30 September 2021 (HK\$ in million)	Unutilised 2017 RI Proceeds as at 30 September 2021 (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 2017 RI Proceeds will be used by 31 March 2022.

As at the date of this report, the 2017 RI Proceeds were not utilised due to unforeseen delays caused by the 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.





MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE PROSPECTS

With an aim to be the leading valuation and advisory services provider in Hong Kong, the Group reinforced its core strategy by providing all-rounded services in high quality to clients. Going forward, the Group will continue to explore expansion of the service scope of its advisory services with a view to match its services with the changing environment and sustain its growth. The Group will also continue to explore various merger and acquisition opportunities and/or business collaboration to maintain and enhance its market presence in the valuation and advisory industry in Hong Kong.

With the continuing improvement of the pandemic situation, the performance of the Group's provision of securities broking, placing and underwriting and investment advisory and asset management service has improved during the six months ended 30 September 2021. Moreover, it is expected that the related policies in relation to the development of the Belt and Road Initiative and advancement of Greater Bay Area will create new opportunities for Hong Kong as an international financial hub. Therefore, the Group will continue to adhere to its strategy to strive for being an integrated securities house in Hong Kong by cultivate capital raised from share allotment to expand and grow the business portfolio, in order to achieve a sustainable growth and increasing revenue streams.

To minimise the risk of COVID-19 spreading and threat to the Group's operation, the Group will continue to make every last effort and adopt any suitable and necessary measures to introduce a safe working environment for its workforce, in order to maintain the Group's productivity and competitiveness in the market. Last but not least, the Group holds a strong faith that the valuation and advisory services will remain to act as a key revenue driver of the Group for the upcoming years and the financing services will become more consolidated and integrated in the foreseeable future.





LIQUIDITY AND FINANCIAL RESOURCES

During the six months ended 30 September 2021, the Group mainly financed its operations with its own working capital and bank and other borrowings. As at 30 September 2021 and 31 March 2021, the Group had net current assets of approximately HK\$184.5 million and HK\$199.7 million respectively, including cash and bank balances of general accounts of approximately HK\$11.5 million and HK\$23.4 million respectively. The Group's pledged bank deposits of approximately HK\$58.6 million and HK\$49.5 million as at 30 September 2021 and 31 March 2021 respectively represented cash at bank held by the Group and pledged for bank borrowings. The Group's current ratio (current assets divided by current liabilities) remained the same as approximately 2.5 as at 31 March 2021 and 30 September 2021.

As at 30 September 2021 and 31 March 2021, the Group's total bank borrowings amounted to approximately HK\$50.2 million and HK\$43.2 million respectively. All bank borrowings were denominated in United States Dollars ("US\$"). Details of the bank borrowings of the Group are set out in note 19 to the Interim Financial Statements. As at 30 September 2021, the Group's other borrowings amounted to HK\$32.4 million (31 March 2021: HK\$22.8 million). The Group's total lease liabilities amounted to approximately HK\$6.9 million and HK\$8.9 million as at 30 September 2021 and 31 March 2021 respectively. The Group's gearing ratio, calculated on the basis of total lease liabilities and interest-bearing borrowings over total equity, was approximately 0.22 as at both 30 September 2021 and 31 March 2021.

COMMITMENTS

The Group's contractual commitments primarily related to the leases of its office premises. The Group's short-term lease commitments amounted to approximately HK\$84,000 as at both 30 September 2021 and 31 March 2021. As at 30 September 2021, the Group did not have any capital commitments (31 March 2021: nil).

CAPITAL STRUCTURE

Details of the movements in the Company's share capital are set out in note 20 to the Interim Financial Statements.

SIGNIFICANT INVESTMENTS

Save as disclosed elsewhere in this report, the Group did not hold any significant investments as at 30 September 2021.





MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the section headed “Capital structure” in this report, the Group currently does not have other concrete plans for material investments or capital assets.

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Save as disclosed elsewhere in this report, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures during the six months ended 30 September 2021.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 30 September 2021 (31 March 2021: nil).

FOREIGN EXCHANGE EXPOSURE

During the six months ended 30 September 2021, 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 US\$. In the event that RMB appreciates by 10% against HK\$, the Group’s profit for the six months ended 30 September 2021 will increase by approximately HK\$4,815,000 (31 March 2021: the Group’s loss decreased by approximately HK\$3,459,000). On the contrary, if RMB depreciates by 10% against HK\$, the Group’s profit for the six months ended 30 September 2021 will decrease by approximately HK\$4,815,000 (31 March 2021: the Group’s loss increased by approximately HK\$3,459,000). As US\$ is pegged to HK\$, the Group does not expect any significant movements in the US\$/HK\$ exchange rates. The Group will continue to monitor its foreign currency exposure closely.

TREASURY POLICIES

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





PLEDGE OF ASSETS

As at 30 September 2021 and 31 March 2021, save for the pledged bank deposits, pledged investment property and motor vehicles acquired under leases, the Group did not pledge any of its assets as securities for any facilities granted to the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2021 and 30 September 2020, the Group employed a total of 80 and 79 full-time employees respectively. The Group's total employee benefit expenses were approximately HK\$23.1 million and HK\$22.8 million for the six months ended 30 September 2021 and 2020 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 New Share Option Scheme and share award would be granted under the Plan to attract and retain eligible employees to contribute to the Group. The Group also provides and arranges on-the-job training for the employees.





OTHER INFORMATION

SHARE OPTION SCHEME

The Share Option Scheme was conditionally approved by the Shareholders on 26 September 2011 and became effective for a period of 10 years commencing on the adoption date as defined in the old Share Option Scheme, i.e. 26 September 2011.

The old Share Option Scheme expired on 25 September 2021. Upon its expiry, no further options were granted thereunder, and the options granted prior to and remaining outstanding at the expiry shall continue to be valid and exercisable in accordance with the terms of the old Share Option Scheme.

The Company adopted the New Share Option Scheme by an ordinary resolution duly passed by the shareholders of the Company on 27 September 2021 for a period of 10 years commencing on the adoption date. Since the adoption of the New Share Option Scheme and up to the date of this report, no share options have been granted. Therefore, no share options were exercised or cancelled or lapsed during the Period and there were no outstanding share options under the New Share Option Scheme as at 30 September 2021.

Details of the options granted under the Share Option Scheme, their movements during the six months ended 30 September 2021 and the options outstanding as at 30 September 2021 were as follows:

	Number of the Shares comprised in the options granted					Adjusted during the period 30 September 2021 (Note 1)	As at 30 September 2021	Exercise period and vesting period	Adjusted	Subscription
	As at 1 April 2021	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period				subscription price per Share HK\$ (Note 1)	Subscription price per share HK\$
Employees	8,101,225	-	-	-	-	335,553	8,436,778	Note 2	1.23	1.28
Other eligible participants	1,350,204	-	-	-	-	55,926	1,406,130	Note 2	1.23	1.28
	9,451,429	-	-	-	-	391,479	9,842,908			

Note 1: The exercise price and the number of the outstanding share options granted under the Share Option Scheme have been adjusted for fully-paid Rights Shares are allotted and issued on 19 April 2021. Please refer to Company's announcement dated 16 April 2021 for details.





Note 2: The options granted under the Share Option Scheme could be exercised at the exercise price of HK\$0.064 at the date of grant, which was not lower than the highest of (a) the closing price of HK\$0.026 per Share as stated in the daily quotation sheet issued by the Stock Exchange on 19 June 2019 (i.e. the date of grant); (b) the average closing price of HK\$0.028 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five trading days immediately preceding the date of grant; and (c) nominal value of HK\$0.064 per Share. The exercise price of the share option was adjusted to HK\$1.28 following the share consolidation on 22 August 2019. Upon the rights issues are allotted and issued on 19 April 2021, the exercise price of the share option was further adjusted to HK\$1.23. The exercise period should commence on the date of grant (i.e. 19 June 2019) and end on 18 June 2022.

Save as disclosed above, no options were granted or exercised or cancelled or lapsed during the six months ended 30 September 2021.

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.

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.

For the six months ended 30 September 2021, a sum of approximately HK\$2,574,000 has been used to acquire 17,540,000 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.





OTHER INFORMATION

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 2021, 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. Yue Kwai Wa Ken ("Mr. Yue")	The Company	Interest of controlled corporation/Corporate interest	17,540,000 (Note 2)	2.50%
	Fast and Fabulous Company Limited ("Fast and Fabulous")	Trustee of the Plan/Others	17,540,000 (Note 2)	2.50%
Mr. Chung Man Lai	The Company	Interest of spouse/Family interest	1,250	0.00%

Notes:

1. The percentage is calculated on the basis of the total number of issued 702,081,660 Shares as at 30 September 2021.
2. These 17,540,000 Shares were held by Fast and Fabulous, which was the trustee of the Plan. 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.





Save as disclosed above, as at 30 September 2021, none of the Directors and the chief executive of the Company had any interests or short positions in the shares, underlying shares and 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 as referred to therein, or 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 2021, 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)/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	Approximate percentage of interest (Note 1)
Aperto Investments Limited ("Aperto") (Note 2)	Beneficial owner/ Personal interest	210,000,000	29.91%
Mr. Luk Kee Yan Kelvin ("Mr. Luk") (Note 2)	Interest of a controlled corporation/Corporate interest	210,000,000	29.91%

Notes:

- The percentage is calculated on the basis of the total number of issued 702,081,660 Shares as at 30 September 2021.
- 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.





OTHER INFORMATION

Save as disclosed above and as at 30 September 2021, 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)/entities 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 2021, the Company did not redeem any of its Shares listed on GEM nor did the Company or any of its subsidiaries purchase or sell any such Shares.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "Required Standard of Dealings").

Having made specific enquiries of all Directors by the Company, all Directors confirmed that they had complied with the Required Standard of Dealings and its code of conduct concerning securities transactions by the Directors during the six months ended 30 September 2021.

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 2021, the Company has complied with all the code provisions as set out in the Corporate Governance Code contained in Appendix 15 to the GEM Listing Rules (the “CG Code”) except the following deviation:

Code Provision A.2.1

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

During the six months ended 30 September 2021 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 as at 30 September 2021 or at any time during the six months ended 30 September 2021.

DIRECTORS’ INTERESTS IN COMPETING BUSINESSES

During the six months ended 30 September 2021 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.





OTHER INFORMATION

AUDIT COMMITTEE

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

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 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, 10 November 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.

