

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in Roma (meta) Group Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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This circular appears for information only and does not constitute an invitation or offer to Shareholders or any other persons to acquire, purchase, or subscribe for securities of the Company.



ROMA (META) GROUP LIMITED

羅馬(元宇宙)集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8072)

**(I) PROPOSED SHARE CONSOLIDATION;
(II) PROPOSED RIGHTS ISSUE ON THE BASIS OF
THREE (3) RIGHTS SHARES FOR EVERY ONE (1) CONSOLIDATED SHARE HELD ON
RECORD DATE ON A NON-FULLY
UNDERWRITTEN BASIS;
(III) CONNECTED TRANSACTION IN RELATION TO THE
UNDERWRITING AGREEMENT;
(IV) APPLICATION OF WHITEWASH WAIVER;
AND
(V) NOTICE OF EGM**

Financial Adviser to the Company in relation to the Rights Issue only



英皇企業融資有限公司
Emperor Corporate Finance Limited

Placing Agent to the Rights Issue



英皇證券有限公司
Emperor Securities Limited

Underwriter to the Rights Issue
Aperto Investments Limited

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**



Gram Capital Limited
嘉林資本有限公司

A letter from the Board is set out on pages 14 to 39 of this circular and a letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 40 to 41 of this circular. A letter from the Independent Financial Adviser containing its recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages IFA-1 to IFA-23 of this circular.

It should be noted that the Shares will be dealt in on an ex-rights basis from Friday, 30 August 2024. Dealings in the Rights Shares in the nil-paid form will take place from Thursday, 12 September 2024 to Friday, 20 September 2024 (both days inclusive). If the conditions of the Rights Issue are not fulfilled or the Placing Agreement is terminated by the Placing Agent or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed. Any person contemplating dealing in the nil-paid Rights Shares during the period from Thursday, 12 September 2024 to Friday, 20 September 2024 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its/their own professional advisers.

A notice convening the EGM to be held at Rooms 1101-4, 11/F, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong at 11:00 a.m. on Tuesday, 27 August 2024 is set out on pages EGM-1 to EGM-5 of this circular. Whether you are able to attend the EGM or not, you are requested to complete the enclosed proxy form in accordance with the instructions printed on it and return the completed proxy form to the Hong Kong branch share registrar and transfer office of the Company, Boardroom Share Registrars (HK) Limited, at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong as soon as possible and in any event so that it is received at least 48 hours before the time appointed (i.e. by 11:00 a.m. on Sunday, 25 August 2024) for the EGM or adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM, or any adjournment thereof (as the case may be), should you so wish.

The Rights Issue will proceed on a non-fully underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares and is subject to the fulfilment of conditions. Please refer to the section headed "Letter from the Board — Conditions of the Rights Issue" in this circular. In the event that the Rights Issue is not fully subscribed, the size of the Rights Issue will be reduced. Save for the Rights Shares undertaken to be subscribed by the Underwriter pursuant to the Irrevocable Undertaking and the Underwriting Agreement, there is no minimum subscription level or minimum amount to be raised under the Rights Issue.

It should be noted that the Underwriting Agreement contains provisions granting the Underwriter the right in its absolute discretion to terminate the obligations of the Underwriter thereunder on the occurrence of certain events. Such events are set out in the section headed "Termination of the Underwriting Agreement" of this circular. If the Underwriting Agreement is terminated by the Underwriter or does not become unconditional, the Rights Issue will not proceed.

* For identification purpose only

CHARACTERISTICS OF GEM

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

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

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DEFINITIONS

In this Circular, unless the context otherwise requires, the following terms shall have the following meaning:

“2017 Rights Issue”	the rights issue of the Company on the basis of three rights shares for every two shares held on 26 October 2017, details of which were set out in the prospectus of the Company dated 27 October 2017
“acting in concert”	has the same meaning ascribed thereto under the Takeovers Code
“Announcement”	the announcement of the Company dated 22 July 2024 in relation to, among other things, the Share Consolidation, the Rights Issue and the Whitewash Waiver
“Aperto Investments” or “Underwriter”	Aperto Investments Limited, a company incorporated in British Virgin Islands with limited liability which is wholly-owned by Mr. Luk
“associate(s)”	has the same meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day on which licensed banks in Hong Kong are generally open for business, other than a Saturday or a Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is issued in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Roma (meta) Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM (stock code: 8072.hk)
“connected person(s)”	has the meaning ascribed to it in the GEM Listing Rules
“Consolidated Share(s)”	ordinary share(s) of HK\$0.2 each in the share capital of the Company immediately upon the Share Consolidation becoming effective
“controlling shareholder”	has the same meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	the director(s) of the Company

DEFINITIONS

“EGM”	an extraordinary general meeting of the Company will be convened and held at Rooms 1101–04, 11/F, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong at 11:00 a.m. on Tuesday, 27 August 2024 which resolutions will be proposed to consider, and, if thought fit, to approve, among other things, the Share Consolidation, the Rights Issue and the Whitewash Waiver
“Executive”	The Executive Director of the Corporate Finance Division of the SFC or any of delegation
“Existing Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company, prior to the Share Consolidation becoming effective
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent committee of the Board comprising all the independent non-executive Directors established for the purpose of giving recommendations to the Independent Shareholders in respect of the Rights Issue
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company and approved by the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder and the Whitewash Waiver

DEFINITIONS

“Independent Shareholders”	Shareholders other than (i) Aperto Investments, Mr. Luk and parties acting in concert with any of them; (ii) all other Shareholders who are interested in or involved in the Rights Issue, the Placing Agreement, the Underwriting Agreement, the Whitewash Waiver and transactions contemplated thereunder; and (iii) Shareholders who are required by the GEM Listing Rules or the Stock Exchange or the Takeovers Code to abstain from voting at the EGM in respect of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the Whitewash Waiver
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and the connected persons of the Company in accordance with the GEM Listing Rules
“Irrevocable Undertaking”	the irrevocable undertaking by Aperto Investments to the Company as set out in the paragraph headed “Proposed Rights Issue — Irrevocable Undertaking from Aperto Investments” in this circular
“Last Trading Day”	15 July 2024, being the last trading day of the Shares
“Latest Practicable Date”	9 August 2024, being latest practicable date prior to the publication of this circular for ascertaining certain information herein
“Latest Time for Acceptance”	4:00 p.m. on Wednesday, 25 September 2024 or other time or date as may be agreed in writing between the Company and the Underwriter, being the latest time for acceptance of, and payment for, the Rights Shares
“Latest Time for Placing Termination”	4:00 p.m. on Monday, 7 October 2024, being the seventh Business Day after the Latest Time for Acceptance, or such other time or date as may be agreed between the Company and the Placing Agent in writing
“Latest Time for Underwriting Termination”	4:00 p.m. on Thursday, 10 October 2024, being the tenth Business Day after the Latest Time for Acceptance, or such other time or date as may be agreed between the Company and the Underwriter in writing
“Mr. Chung”	Mr. Chung Man Lai, an independent non-executive Director of the Company
“Mr. Luk”	Mr. Luk Kee Yan Kelvin

DEFINITIONS

“Mr. Yue”	Mr. Yue Kwai Wa Ken, chairman, chief executive officer and an executive Director of the Company
“Net Gain”	the aggregate of any premiums (being the aggregate amount paid by the placees after deducting the aggregate amount of the Subscription Price for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares placed by the Placing Agent under the Placing Agreement) under the Compensatory Arrangements after deduction of all reasonable expenses incurred by the Company and the Placing Agent
“No Action Shareholder(s)”	Qualifying Shareholders who do not subscribe for the Rights Shares (whether partially or fully) under the PAL(s) or their renounees, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, based on legal opinions provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account either of restrictions under the laws of the relevant place or the requirements of a relevant regulatory body or stock exchange in that place
“NQS Unsold Rights Shares”	the Rights Share(s) which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form that have not been sold by the Company
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at 4:00 p.m. on the Record Date and whose registered address(es) as shown on such register at that time is (are) in (a) place(s) outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placing” or “Compensatory Arrangements”	the offer by way of private placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares on a best efforts basis by the Placing Agent and/or its sub-placing agent(s), who and whose ultimate beneficial owners shall be Independent Third Party(ies), to the independent placee(s) during the Placing Period on the terms and subject to the conditions set out in the Placing Agreement

DEFINITIONS

“Placing Agent” or “Emperor Securities”	Emperor Securities Limited, a licensed corporation carrying out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO
“Placing Agreement”	the placing agreement dated 15 July 2024 and entered into between the Company and the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares
“Placing Commission”	has the meaning ascribed to it under the section headed “Placing Agreement” in this announcement
“Placing Period”	the period commencing from the second (2nd) Business Day after the Latest Time for Acceptance and ending on 4:00 p.m. on the sixth (6th) Business Day after the Latest Time for Acceptance
“Prospectus”	the prospectus to be despatched to the Shareholders containing details of the Rights Issue
“Prospectus Documents”	the Prospectus and the PAL
“Prospectus Posting Date”	10 September 2024 or such other date as the Company may determine, being the date of despatch of the Prospectus Documents to the Qualifying Shareholders and the Prospectus for information only to the Non-Qualifying Shareholders
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholders, whose name(s) appear(s) on the register of members of the Company on the Record Date
“Record Date”	Monday, 9 September 2024 or such other date as the Company may determine, for the determination of the entitlements under the Rights Issue
“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, being Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong
“Relevant Period”	the period commencing from 22 January 2024 (i.e. six months prior to the date of the Announcement (i.e. 22 July 2024)) and ending on and including the Latest Practicable Date

DEFINITIONS

“Rights Issue”	the proposed issue of the rights issue on the basis of three (3) Rights Shares for every one (1) Consolidated Share held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Prospectus Documents
“Rights Share(s)”	the Shares to be allotted and issued pursuant to the Rights Issue of up to 126,372,249 Consolidated Shares (assuming no change in the number of Shares in issue on or before the Record Date)
“SFO”	the Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong)
“Share Consolidation”	the proposed consolidation of every twenty (20) issued and unissued Existing Shares of par value of HK\$0.01 each into one (1) Consolidated Share of par value of HK\$0.2 each
“Share(s)”	the Existing Share(s) and/or the Consolidated Share(s), as the case may be
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.2 per Rights Share
“substantial Shareholder”	has the meaning ascribed to it under the GEM Listing Rule
“Undertaken Shares”	34,554,000 Rights Shares, being the aggregate number of Rights Shares for which Aperto Investments has undertaken to subscribe pursuant to the Irrevocable Undertaking
“Underwriting Agreement”	the underwriting agreement dated 15 July 2024 entered into between the Company and the Underwriter in respect of the Rights Issue
“Underwritten Shares”	the Rights Shares underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement
“Unsubscribed Rights Shares”	the Rights Shares that are not subscribed by the Qualifying Shareholders
“Untaken Rights Shares”	those Rights Shares that are not taken up under the Placing
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

DEFINITIONS

“Whitewash Waiver”

the whitewash waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code of the obligations on the part of the Underwriter to make a mandatory general offer under Rule 26 of the Takeovers Code for all the securities of the Company not already owned or agreed to be acquired by Aperto Investments, Mr. Luk and any parties acting in concert with any of them as a result of taking up of the Rights Shares by Aperto Investments pursuant to the Irrevocable Undertaking and the Underwriting Agreement

“%”

per cent.

EXPECTED TIMETABLE

All times stated in this circular refer to Hong Kong times and dates. Any changes to the anticipated timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

Events	Date (2024)
Latest time for lodging transfer of the Shares to qualify for attendance and voting at the EGM	4:30 p.m. on Tuesday, 20 August
Closure of register of members of the Company for determining the identity of the Shareholders entitled to attend and vote at the EGM (both dates inclusive)	Wednesday, 21 August to Tuesday, 27 August
Latest time for lodging proxy forms for the EGM	11:00 a.m. on Sunday, 25 August
Record date for attendance and voting at the EGM	Tuesday, 27 August
Expected date and time of the EGM to approve the proposed Share Consolidation, the Rights Issue and the Whitewash Waiver	11:00 a.m. on Tuesday, 27 August
Announcement of the poll results of the EGM	Tuesday, 27 August
Register of members of the Company re-opens	Wednesday, 28 August
The following events are conditional on the fulfilment of the conditions relating to the implementation of the Share Consolidation and the Rights Issue and therefore the dates are tentative only:	
Effective date of the Share Consolidation	Thursday, 29 August
Commencement of dealings in the Consolidated Shares	9:00 a.m. on Thursday, 29 August
Original counter for trading in Existing Shares in board lots of 20,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Thursday, 29 August
Temporary counter for trading in the Consolidated Shares in board lots of 1,000 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Thursday, 29 August

EXPECTED TIMETABLE

Events	Date (2024)
First day of free exchange of existing share certificates for new share certificates for Consolidated Shares.....	Thursday, 29 August
Last day of dealings in the Consolidated Shares on a cum-right basis relating to the Rights Issue	Thursday, 29 August
First day of dealings in the Consolidated Shares on an ex-right basis relating to the Rights Issue	Friday, 30 August
Latest time for the Shareholders to lodge transfer documents of Consolidated Shares in order to be qualified for the Rights Issue	4:30 p.m. on Monday, 2 September
Closure of register of members to determine the entitlements to the Rights Issue (both dates inclusive).....	Tuesday, 3 September to Monday, 9 September
Record date for the Rights Issue	Monday, 9 September
Register of members of the Company re-opens.....	Tuesday, 10 September
Expected despatch date of the Prospectus Documents (including the PAL and the Prospectus), and in case of the Non-Qualifying Shareholders, the Prospectus for information purpose only	Tuesday, 10 September
Original counter for trading in the Consolidated Shares in board lots of 20,000 Consolidated Shares (in the form of new share certificates) re-opens	9:00 a.m. on Thursday, 12 September
Parallel trading in the Consolidated Shares (in the form of both existing share certificates and new share certificates) commences	9:00 a.m. on Thursday, 12 September
Designated broker starts to stand in the market to provide matching services for odd lot of the Consolidated Shares.....	9:00 a.m. on Thursday, 12 September
First day of dealings in nil-paid Rights Shares	Thursday, 12 September

EXPECTED TIMETABLE

Events	Date (2024)
Latest time for splitting the PALs	4:30 p.m. on Monday, 16 September
Last day of dealings in nil-paid Rights Shares	Friday, 20 September
Latest time for acceptance of and payment for the Rights Shares	4:00 p.m. on Wednesday, 25 September
Announcement of the number of Unsubscribed Rights Shares and NQS Unsold Rights Shares subject to Compensatory Arrangements.....	Thursday, 26 September
Commencement of placing of Unsubscribed Rights Shares and NQS Unsold Rights Shares by the Placing Agent	Friday, 27 September
Latest time of placing of Unsubscribed Rights Shares and NQS Unsold Rights Shares by the Placing Agent	4:00 p.m. on Friday, 4 October
Designated broker ceases to provide matching services for odd lot of the Consolidated Shares	4:00 p.m. on Friday, 4 October
Temporary counter for trading in the Consolidated Shares (in the form of existing share certificates) closes.....	4:10 p.m. on Friday, 4 October
Parallel trading in the Consolidated Shares (represented by both existing share certificates and new share certificates) ends.....	4:10 p.m. on Friday, 4 October
Latest time for termination of the Placing Agreement for the Rights Issue to become unconditional	4:00 p.m. on Monday, 7 October
Last day for free exchange of existing share certificates for new share certificates for the Consolidated Shares	Tuesday, 8 October

EXPECTED TIMETABLE

Events	Date (2024)
Latest time for the termination of the Underwriting Agreement	4:00 p.m. on Thursday, 10 October
Announcement of results of the Rights Issue	Monday, 14 October
Despatch of share certificates for fully-paid Rights Shares and refund cheques (if any)	Tuesday, 15 October
Commencement of dealings in fully-paid Rights Shares	Wednesday, 16 October
Payment of Net Gain to relevant No Action Shareholders and Non-Qualifying Shareholders (if any)	Wednesday, 30 October

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above or “extreme conditions” caused by super typhoons is announced by the Government of Hong Kong, or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Wednesday, 25 September 2024. Instead, the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Wednesday, 25 September 2024. Instead, the latest time for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance of and payment for the Rights Shares does not take place on the currently scheduled date, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

TERMINATION OF THE UNDERWRITING AGREEMENT

If prior to the Latest Time for Underwriting Termination, one or more of the following events or matters shall develop, occur, arise, exist or come into effect:

- (i) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever after the signing of Underwriting Agreement;
- (ii) any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing, before and/or after the signing of the Underwriting Agreement and/or continuing after the signing of the Underwriting Agreement) of a social, political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets;
- (iii) any material adverse change after the signing of the Underwriting Agreement in the business or in the financial or trading position of any member of the Group;
- (iv) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, act of terrorism, strike or lock-out;
- (v) the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange whether due to exceptional financial circumstances or otherwise;
- (vi) any change or any development involving a prospective change or any event or circumstance likely to result in a change or development involving a prospective change, in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, on Hong Kong, the People's Republic of China or other jurisdiction relevant to any member of the Group and a change in currency conditions for the purpose of this paragraph includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs;
- (vii) the circular and/or the Prospectus when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the GEM Listing Rules or the Takeovers Code or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company in compliance with the GEM Listing Rules;
- (viii) any order or petition for the winding up of any member of the Group or any composition or arrangement made by any member of the Group with its creditors or a scheme of arrangement entered into by any member of the Group or any resolution for the winding-up of any member of the Group or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any member of the Group or anything analogous thereto occurring in respect of any member of the Group;

TERMINATION OF THE UNDERWRITING AGREEMENT

- (ix) any litigation, dispute, legal action, arbitration, proceeding or claim of any third party being threatened or instigated against any member of the Group;
- (x) a creditor takes possession of all or a material part of the business or asset of any member of the Group or any execution or other legal process is enforced against all or a material part of the business or assets of any member of the Group and is not discharged within (7) days or such longer period as the Underwriter may approve; or
- (xi) any breach of any of the warranties or undertakings or any omission to observe any of the obligations or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter,

which, individually or in aggregate, in the absolute opinion of the Underwriter:

- (a) has had or is/are likely to have a material adverse effect on the business or financial or trading position or prospects of the Group as a whole;
- (b) is/are likely to have a material adverse effect on the success of the Rights Issue or the level of the Rights Shares “taken up”; or
- (c) make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Underwriting Termination, to terminate the Underwriting Agreement.

Any such notice shall be served by the Underwriter prior to the Latest Time for Underwriting Termination.

If the Underwriter terminates the Underwriting Agreement, the Rights Issue will not proceed. Further announcement would be made by the Company if the Underwriting Agreement is terminated by the Underwriter.

LETTER FROM THE BOARD



ROMA (META) GROUP LIMITED

羅馬(元宇宙)集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8072)

Executive Directors:

Mr. Yue Kwai Wa Ken

(Chairman and Chief Executive Officer)

Mr. Li Sheung Him Michael

Independent Non-executive Directors:

Mr. Chung Man Lai

Ms. Li Tak Yin

Ms. Suen Tin Yan

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Rooms 1101-4, 11/F, Harcourt House

39 Gloucester Road

Wanchai

Hong Kong

12 August 2024

To the Shareholders

Dear Sir or Madam,

**(I) PROPOSED SHARE CONSOLIDATION;
(II) PROPOSED RIGHTS ISSUE ON THE BASIS OF
THREE (3) RIGHTS SHARES FOR EVERY ONE (1) CONSOLIDATED
SHARE HELD ON RECORD DATE ON A NON-FULLY
UNDERWRITTEN BASIS;
(III) CONNECTED TRANSACTION IN RELATION TO THE
UNDERWRITING AGREEMENT;
(IV) APPLICATION OFR WHITEWASH WAIVER;
AND
(V) NOTICE OF EGM**

INTRODUCTION

Reference is made to the announcement of the Company dated 22 July 2024 in relation to, among other matters, the Share Consolidation, the Rights Issue and the Whitewash Waiver.

* *For identification purposes only*

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, (i) further details of the Share Consolidation, the Rights Issue and the Whitewash Waiver; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue and the Whitewash Waiver; (iii) a letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders on the Rights Issue and the Whitewash Waiver; and (iv) a notice convening the EGM.

PROPOSED SHARE CONSOLIDATION

The Board proposes that every twenty (20) issued and unissued Existing Shares in the share capital of the Company be consolidated into one (1) Consolidated Share.

Effect of the Share Consolidation

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$576,000,000 divided into 57,600,000,000 Existing Shares of par value of HK\$0.01 each, of which 842,481,660 Existing Shares have been allotted and issued as fully paid or credited as fully paid. Assuming no further Existing Shares will be issued or repurchased between the Latest Practicable Date and the date of the EGM, immediately after the Share Consolidation becoming effective, the authorised share capital of the Company will become HK\$576,000,000 divided into 2,880,000,000 Consolidated Shares of HK\$0.20 each, of which 42,124,083 Consolidated Shares (which are fully paid or credited as fully paid) will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following conditions:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the EGM;
- (ii) the Stock Exchange granting listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective; and
- (iii) the compliance with the relevant procedures and requirements under the GEM Listing Rules to effect the Share Consolidation.

LETTER FROM THE BOARD

Listing application

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are and no part of the equity or debt securities of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Adjustments in relation to other securities of the Company

As at the Latest Practicable Date, the Company has no outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares or Consolidated Shares, as the case may be.

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Odd lots arrangements and matching services

In order to alleviate the difficulties arising from the existence of odd lots of the Consolidated Shares arising from the Share Consolidation, the Company has appointed Emperor Securities Limited as agent to provide matching service, on a best efforts basis, to those Shareholders who wish to top up or sell their holding of odd lots of the Consolidated Shares. Shareholders who wish to take advantage of this facility should contact Mr. Leung Shiu Keung of Emperor Securities Limited at 23rd to 24th Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong or at telephone number (852) 2919 2919 from 9:00 a.m. on Thursday, 12 September 2024 to 4:00 p.m. on Friday, 4 October 2024.

LETTER FROM THE BOARD

Holders of odd lots of the Consolidated Shares should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares are not warranted. Any Shareholder who is in any doubt about the odd lots arrangements is recommended to consult his/her/its own professional advisers.

Exchange of share certificates

Subject to the Share Consolidation becoming effective, which is currently expected to be on Thursday, 29 August 2024, being the second Business Day immediately after the date of the EGM, the Shareholders may during the period from Thursday, 29 August 2024 to Tuesday, 8 October 2024 (both days inclusive) submit existing share certificates for the Existing Shares (in the colour of blue) to the Company's branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited, at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, to exchange for new share certificates for the Consolidated Shares (in the colour of gold) at the expense of the Company.

Thereafter, share certificates for the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever the number of certificates cancelled/issued is higher.

After 4:10 p.m. on Tuesday, 8 October 2024, share certificates for the Existing Shares will remain effective as documents of title and may be exchanged for share certificates for the Consolidated Shares at any time but will not be accepted for delivery, trading and settlement purposes.

Reasons for the Share Consolidation

Pursuant to Rule 17.76 of the GEM Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting of its securities. The "Guide on Trading Arrangements for Selected Types of Corporate Actions" issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and last updated in June 2024 has further stated that (i) market price of the shares at a level less than HK\$0.1 each will be considered as trading at extremity as referred to under Rule 17.76 of the GEM Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$2,000.

For the last year, the closing price of the Company has been continuously below HK\$0.1 and the existing board lot value has been less than HK\$2,000. The Share Consolidation will increase the nominal value of the Existing Shares and would bring about a corresponding upward adjustment in the expected value per board lot. The Share Consolidation would enable the Company to comply with the trading requirements under the GEM Listing Rules. Further, the Share Consolidation would reduce the overall transaction and handling costs of dealings in the shares of the Company as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction costs for each securities trade.

LETTER FROM THE BOARD

Thus, the Board considers that the Share Consolidation would maintain the trading amount for each board lot at a reasonable level in order to attract more investors and to broaden the shareholder base of the Company. The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group nor result in change in the relative rights of the Shareholders.

As at the Latest Practicable Date, the Company has no intention to carry out other corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Share Consolidation. Save for the Rights Issue, the Company does not have any concrete plan to conduct any fundraising activities in the next 12 months. However, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fund raising exercises when suitable fund raising opportunities arise in order to support future development of the Group. The Company will make further announcement in this regard in accordance with the GEM Listing Rules as and when appropriate.

PROPOSED RIGHTS ISSUE

The Company proposes, subject to the Share Consolidation becoming effective, to implement the Rights Issue on the basis of three (3) Rights Shares for every one (1) Consolidated Share held on the Record Date at the Subscription Price of HK\$0.2 per Rights Share, to raise up to approximately HK\$25.3 million before expenses (assuming no change in the issued share capital of the Company on or before the Record Date, and all the Qualifying Shareholders taking up their respective allotment of Rights Shares in full) by way of the rights issuing up to 126,372,249 Rights Shares (assuming as aforesaid) to the Qualifying Shareholders.

Issue statistic

Basis of the Rights Issue	:	Three (3) Rights Shares for every one (1) Consolidated Share held on the Record Date
Subscription Price	:	HK\$0.2 per Rights Share (after the Share Consolidation has become effective)
Number of Existing Shares in issue at the Latest Practicable Date	:	842,481,660 Existing Shares
Number of Consolidated Shares in issue upon the Share Consolidation becoming effective	:	42,124,083 Consolidated Shares (assuming no change in the number of Shares in issue on or before the date on which the Share Consolidation became effective)

LETTER FROM THE BOARD

Number of Rights Shares	:	Up to 126,372,249 Rights Shares (assuming no change in the number of Shares in issue on or before the date on which the Share Consolidation became effective), representing 300% of the Company's issued number of Consolidated Shares as at the Latest Practicable Date and 75.0% of the enlarged issued share capital of the Company upon completion of the Rights Issue.
Gross proceeds and net proceeds	:	Assuming no change in the issued share capital of the Company on or before the Record Date, and all the Qualifying Shareholders taking up their respective allotment of Rights Shares in full: Gross proceeds: up to approximately HK\$25.3 million Net proceeds (after deducting the estimated expenses): up to approximately HK\$24.2 million
Aggregate nominal value of the Rights Shares	:	Up to HK\$25,274,449.8

As at the Latest Practicable Date, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

Subscription Price

The Subscription Price is HK\$0.2 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents (assuming the Share Consolidation has become effective as at the Latest Practicable Date):

- (i) a discount of approximately 23.08% to the theoretical closing price of HK\$0.26 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the closing price of HK\$0.013 per Existing Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) no discount to or premium over the theoretical closing price of HK\$0.2 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the closing price of HK\$0.010 per Existing Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (iii) a discount of approximately 24.24% to the theoretical benchmarked price of HK\$0.264 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the benchmarked price of HK\$0.0132 per Existing Share;

LETTER FROM THE BOARD

- (iv) a discount of approximately 7.41% to the theoretical ex-rights price of approximately HK\$0.216 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the benchmark price of HK\$0.0132 per Existing Share (as defined under Rule 10.44A of the GEM Listing Rules, taking into account the closing price on the Last Trading Day of HK\$0.013 per Existing Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the date of the Placing Agreement and the Underwriting Agreement of approximately HK\$0.0132 per Existing Share);
- (v) a discount of approximately 97.23% over the net asset value of the Company of approximately HK\$7.21 per Consolidated Share based on the audited net asset value of the Company of approximately HK\$303,691,000 as at 31 March 2024 as disclosed in the annual report of the Company for the year ended 31 March 2024 and 42,124,083 Consolidated Shares assuming the Share Consolidation has become effective; and
- (vi) a theoretical dilution effect (as defined under the GEM Listing Rules) represented by a discount of approximately 18.18% of the theoretical ex-rights price of HK\$0.216 per Consolidated Share (after taking into account the effect of the Share Consolidation) to the theoretical benchmarked price of HK\$0.264 per Consolidated Share.

The Subscription Price was determined by the Board with reference to, among others, (i) the market price of the Shares under the prevailing market conditions, (ii) the latest business performance and financial position of the Group; and (iii) the reasons for and benefits of proposed Rights Issue as discussed in the section headed “Reasons for and benefits of the Rights Issue and intended use of proceeds” in this circular. Each Qualifying Shareholder will be entitled to subscribe for the Rights Shares at the same Subscription Price in proportion to his/her/its shareholding held on the Record Date.

After taking into consideration the reasons for the Rights Issue as stated in the section headed “Reasons for and benefits of the Rights Issue and intended use of proceeds” in this circular, the Directors (excluding the members of the Independent Board Committee whose recommendation are included in the “Letter from the Gram Capital” of this circular) consider that, the terms of the proposed Rights Issue, including the Subscription Price, are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

Qualifying Shareholders

To qualify for the Rights Issue, a Shareholder must be registered as a Shareholder at the close of business on the Record Date and not be a Non-Qualifying Shareholder.

In order to be registered as Shareholder at the close of business on the Record Date, all transfers of the Consolidated Shares (together with the relevant share certificate(s) and/or instrument(s) of transfer) must be lodged with the Registrar at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, by 4:30 p.m. on Monday, 2 September 2024.

LETTER FROM THE BOARD

It is expected that the last day of dealings in the Consolidated Shares on a cum-rights basis is Thursday, 29 August 2024, and the Consolidated Shares will be dealt with on an ex-rights basis from Friday, 30 August 2024.

Subject to the Share Consolidation becoming effective and the registration of the Prospectus Documents in accordance with the applicable laws and regulations, the Company will despatch the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date and will despatch the Prospectus only (without the PAL) to the Non-Qualifying Shareholder for their information only.

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted.

Rights of Overseas Shareholders (if any)

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

In compliance with Rule 17.41(1) of the GEM Listing Rules, the Company will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders (if any). If, based on legal opinions, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place(s) or the requirements of the relevant regulatory body or stock exchange in that (those) place(s), the Rights Issue will not be extended to such Overseas Shareholders.

The Company will despatch the Prospectus (without the PAL) to the Non-Qualifying Shareholders for their information only on the Prospectus Posting Date.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, will be paid pro rata (but rounded down to the nearest cent) to the Non-Qualifying Shareholders in Hong Kong dollars, except that the Company will retain individual amounts of less than HK\$100 for its own benefit.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 17.41(1) of the GEM Listing Rules. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.

LETTER FROM THE BOARD

Closure of register of members

The register of members of the Company will be closed from Tuesday, 3 September 2024 to Monday, 9 September 2024 (both days inclusive) for determining the Shareholders' entitlements to the Rights Issue. No transfer of the Consolidated Shares will be registered during the above book closure periods.

Basis of provisional allotment

The basis of the provisional allotment shall be three (3) Rights Shares for every one (1) Consolidated Share in issue and held by the Qualifying Shareholders at the close of business on the Record Date at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Prospectus Documents.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by lodging a duly completed PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

Fractional entitlements to the Rights Shares

On the basis of three (3) Rights Shares for every one (1) Consolidated Share held on the Record Date, no fractional entitlement will arise under the Rights Issue.

Status of the Rights Shares

The Rights Shares, when allotted and issued, shall rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.

Procedures in respect of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the Compensatory Arrangements

The Company will make arrangements described in Rule 10.31(1)(b) of the GEM Listing Rules to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent places for the benefit of Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue.

LETTER FROM THE BOARD

Accordingly, on 15 July 2024 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares during the Placing Period to placee(s) who and whose ultimate beneficial owner(s) are Independent Third Party(ies) on a best efforts basis. Any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders and Non-Qualifying Shareholders on a pro-rata basis. The Placing Agent will, on a best efforts basis, procure, by not later than 4:00 p.m. on Friday, 4 October 2024, placees for all (or as many as possible) of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares. Any Unsubscribed Rights Shares and NQS Unsold Rights Shares which are not placed under the Compensatory Arrangements will be taken up by the Underwriter to an extent pursuant to the Underwriting Agreement and the remaining Rights Shares (if any) will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Net Gain (if any) will be paid (without interest) to the relevant No Action Shareholders and Non-Qualifying Shareholders as set out below on pro-rata basis (but rounded down to the nearest cent):

- (i) the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for; and
- (ii) the relevant Non-Qualifying Shareholders with reference to their shareholdings in the Company on the Record Date.

If and to the extent in respect of any Net Gain, any No Action Shareholders or Non-Qualifying Shareholders become entitled on the basis described above to an amount of (i) more than HK\$100, the entire amount will be paid to the relevant No Action Shareholders or Non-Qualifying Shareholders in Hong Kong Dollars only; or (ii) HK\$100 or less, such amount will be retained by the Company for its own benefit.

Placing Agreement

Details of the Placing Agreement are summarised as follows:

Date	:	15 July 2024
Issuer	:	The Company
Placing Agent	:	Emperor Securities Limited was appointed as the Placing Agent to procure, on a best efforts basis, placees to subscribe for the Unsubscribed Rights Shares and NQS Unsold Rights Shares during the Placing Period.

LETTER FROM THE BOARD

The Placing Agent is a licensed corporation to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

- Placing Period : The period commencing from the second Business Day after the Latest Time for Acceptance and ending at 4:00 p.m. on the sixth Business Day after the Latest Time for Acceptance.
- Commission and expenses : Subject to completion of the Placing, the Company shall pay to the Placing Agent a placing commission in Hong Kong dollars, of 1.25% of the amount which is equal to the placing price multiplied by the number of Unsubscribed Rights Shares and NQS Unsold Rights Shares that have been successfully placed by the Placing Agent, with minimum charge of HK\$100,000, pursuant to the terms of the Placing Agreement.
- Placing price of the Unsubscribed Rights Shares and NQS Unsold Rights Shares : The placing price of the Unsubscribed Rights Shares and NQS Unsold Rights Shares shall be not less than the Subscription Price and the final price determination will be depended on the demand for and the market conditions of the Unsubscribed Rights Shares and NQS Unsold Rights Shares during the process of placement.
- Placees : The Unsubscribed Rights Shares and NQS Unsold Rights Shares are expected to be placed to placee(s), who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies).

For avoidance of doubt, no placee shall be interested in 20% or more of the Company's issued share capital upon the completion of the Rights Issue and the Placing Agent shall ensure that the Placing will not have any implications under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing.

LETTER FROM THE BOARD

Ranking of the placed Unsubscribed Rights Shares and NQS Unsold Rights Shares : The placed Unsubscribed Rights Shares and NQS Unsold Rights Shares (when allotted, issued and fully paid, if any) shall rank *pari passu* in all respects among themselves and with the existing Shares in issue as at the date of completion of the Rights Issue.

Conditions of the Placing Agreement : The obligations of the Placing Agent under the Placing Agreement are conditional upon, among others, the following conditions being fulfilled:

- (i) the Share Consolidation becoming effective;
- (ii) the Company's warranties contained in the Placing Agreement remain true and accurate and not misleading in all material respects at all time prior to the date of completion of the Rights Issue; and
- (iii) the Stock Exchange granting the listing of, and permission to deal in, the Unsubscribed Rights Shares and the NQS Unsold Rights Shares with or without conditions.

In the event that the above condition precedents have not been fulfilled on or before the completion of the Rights Issue, all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and none of the parties shall have any claim against the other in respect of the Placing (save for any antecedent breaches thereof prior to such termination).

LETTER FROM THE BOARD

Termination : Notwithstanding anything contained in the Placing Agreement, the Placing Agent may terminate the Placing Agreement without any liability to the Company, by notice in writing given to the Company at any time prior to the Latest Time for Placing Termination upon the occurrence of the following events which, in the absolute opinion of the Placing Agent, has or may have a material adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares or otherwise make it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement if there develops, occurs or comes into force:

- (a) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date hereof) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's absolute opinion would affect the success of the Placing;
- (b) the imposition of any moratorium, suspension (for more than 7 trading days) or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's absolute opinion, would affect the success of the Placing;

LETTER FROM THE BOARD

- (c) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's absolute opinion any such new law or change may affect the business or financial prospects of the Group and/or the success of the Placing;
- (d) any litigation or claim being instigated against any member of the Group or its senior management, which has or may affect the business or financial position of the Group and which in the Placing Agent's absolute opinion would affect the success of the Placing;
- (e) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date hereof and prior to the completion of the Rights Issue which if it had occurred or arisen before the date hereof would have rendered any of such representations and warranties untrue or incorrect in a material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (f) there is any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

The engagement between the Company and the Placing Agent of the Unsubscribed Rights Shares and NQS Unsold Rights Shares (including the commission payable) was determined after arm's length negotiation between the Placing Agent and the Company and is on normal commercial terms with reference to the market comparables, the existing financial position of the Group, the size of the Rights Issue, and the current and expected market conditions. In particular, 13 sample rights issues (the "**Comparables**") were identified based on the following criteria: (i) rights issues conducted by companies listed on the Stock Exchange; and (ii) rights issues that have announced during the period of three months prior to the Last Trading Day and not lapsed or terminated up to the Latest Practicable Date. It is noted that the Placing Commission of 1.25% is within range of the commission rates payable to placing agents of the Comparables (if applicable) of 0.5% to 3.5% and a minimum charge of HK\$100,000 is within the range of minimum commission payable to placing agents of the

LETTER FROM THE BOARD

Comparables (if applicable) of HK\$100,000 to HK\$800,000. The Directors consider that the terms of Placing Agreement in respect of the Unsubscribed Rights Shares and NQS Unsold Rights Shares (including the commission payable) are on normal commercial terms.

As explained above, the Rights Shares that are not accepted by the Qualifying Shareholders, together with the Rights Shares that the Non-Qualifying Shareholders are entitled to under the Rights Issue, will be placed by the Placing Agent to Independent Third Parties on a best efforts basis for the benefits of the No Action Shareholders and Non-Qualifying Shareholders. If all or any of the Unsubscribed Rights Shares and NQS Unsold Rights Shares are successfully placed, any Net Gain will be distributed to the relevant No Action Shareholders and Non-Qualifying Shareholders. Any NQS Unsold Rights Shares and/or Unsubscribed Rights Shares that are not placed by the Placing Agent and not taken up by the Underwriter will not be issued by the Company. As at the Latest Practicable Date, the Placing Agent has not identified any Placee(s).

The Directors considered that the Compensatory Arrangements are fair and reasonable and provide adequate safeguard to protect the interests of the Company's minority Shareholders since the Compensatory Arrangements would provide (i) a distribution channel of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to the Company; (ii) an additional channel of participation in the Rights Issue for independent Qualifying Shareholders and the Non-Qualifying Shareholders; and (iii) a compensatory mechanism for the No Action Shareholders and Non-Qualifying Shareholders.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Tuesday, 15 October 2024.

Refund cheques in respect of wholly or partially unsuccessful applications for Rights Shares, or if the Rights Issue does not proceed, are expected to be despatched on or before Tuesday, 15 October 2024 to the applicants without interest to their registered addresses by ordinary post at their own risks.

Application for listing of the Rights Shares

The Company will apply to the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares in the board lot of size of 20,000 Rights Shares, in both their nil-paid and fully-paid forms.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of the dealings in the Rights Shares in both their nil-paid and fully-paid forms or such other dates as may be determined by HKSCC.

LETTER FROM THE BOARD

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Dealing in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the register of members of the Company in Hong Kong will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, the Rights Shares will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Taxation

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

Irrevocable Undertaking from Aperto Investments

As at the Latest Practicable Date, Aperto Investments holds 230,360,000 Existing Shares (or 11,518,000 Consolidated Shares upon the Share Consolidation becoming effective), representing approximately 27.34% of the existing issued share capital of the Company. Pursuant to the Irrevocable Undertaking, Aperto Investments has unconditionally and irrevocably undertaken to the Company, among other things, that (i) it will not sell or transfer such Shares before the Latest Time for Acceptance or the termination of the Rights Issue; and (ii) it will accept and pay for the total of 34,554,000 Rights Shares, being its full entitlements to the provisional allotment under the Rights Issue.

THE UNDERWRITING AGREEMENT

The Rights Shares will be non-fully underwritten by the Underwriter in accordance with the terms of the Underwriting Agreement as described below.

LETTER FROM THE BOARD

Underwriting Agreement

Date : 15 July 2024
Issuer : The Company
Underwriter : Aperto Investments

Aperto Investments is a company incorporated in the British Virgin Islands with limited liability which is principally engaged in investment holding. As at the Latest Practicable Date, Aperto Investments is beneficially interested in 230,360,000 Existing Shares, representing approximately 27.34% of the total issued share capital of the Company and is a substantial shareholder of the Company. As such, the Underwriter complies with Rule 10.24A(2) of the GEM Listing Rules.

In the event that the Underwriter becomes the controlling shareholder of the Company as a result of the taking up of the Underwritten Shares pursuant to the Underwriting Agreement, it is the intention of the Underwriter to continue the existing businesses of the Group. The Underwriter has no intention to introduce any major changes to the businesses of the Group (including any redeployment of the fixed assets of the Group) or terminate the continued employment of the employees of the Group.

Number of Rights Shares : Aperto Investments has (in addition to its obligations underwritten by the Irrevocable Undertaking) conditionally Underwriter agreed to underwrite such number of Rights Shares not taken up under the Compensatory Arrangements (rounded down to the nearest whole number), which together with the Shares already held by Aperto Investments and the Undertaken Shares, and depending on the number of Untaken Rights Shares, up to 51% of the total enlarged issued share capital of the Company at completion of the Rights Issue. For the avoidance of doubt, in the event that the number of Shares already held by Aperto Investments together with the Undertaken Shares exceed 51% of the total enlarged issued share capital of the Company at completion of the Rights Issue, no Rights Share will be underwritten by Aperto Investments under the Underwriting Agreement

Commission : The Underwriter will not receive any underwriting commission

LETTER FROM THE BOARD

The terms of the Underwriting Agreement (including the commission rate) were determined after arm's length negotiation between the Company and the Underwriter by reference to the financial position of the Group, the size of the Rights Issue, the current and expected market condition and the prevailing market rate. The Directors consider that the terms of the Underwriting Agreement including the commission rate are fair and reasonable so far as the Company and the Shareholders as a whole are concerned.

Termination of the Underwriting Agreement

If prior to the Latest Time for Underwriting Termination, one or more of the following events or matters shall develop, occur, arise, exist or come into effect:

- (i) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever after the signing of Underwriting Agreement;
- (ii) any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing, before and/or after the signing of the Underwriting Agreement and/or continuing after the signing of the Underwriting Agreement) of a social, political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets;
- (iii) any material adverse change after the signing of the Underwriting Agreement in the business or in the financial or trading position of any member of the Group;
- (iv) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, act of terrorism, strike or lock-out;
- (v) the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange whether due to exceptional financial circumstances or otherwise;
- (vi) any change or any development involving a prospective change or any event or circumstance likely to result in a change or development involving a prospective change, in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, on Hong Kong, the People's Republic of China or other jurisdiction relevant to any member of the Group and a change in currency conditions for the purpose of this paragraph includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs;
- (vii) the circular and/or the Prospectus when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the GEM Listing Rules or the Takeovers Code or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company in compliance with the GEM Listing Rules;

LETTER FROM THE BOARD

- (viii) any order or petition for the winding up of any member of the Group or any composition or arrangement made by any member of the Group with its creditors or a scheme of arrangement entered into by any member of the Group or any resolution for the winding-up of any member of the Group or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any member of the Group or anything analogous thereto occurring in respect of any member of the Group;
- (ix) any litigation, dispute, legal action, arbitration, proceeding or claim of any third party being threatened or instigated against any member of the Group;
- (x) a creditor takes possession of all or a material part of the business or asset of any member of the Group or any execution or other legal process is enforced against all or a material part of the business or assets of any member of the Group and is not discharged within (7) days or such longer period as the Underwriter may approve; or
- (xi) any breach of any of the warranties or undertakings or any omission to observe any of the obligations or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter,

which, individually or in aggregate, in the absolute opinion of the Underwriter:

- (a) has had or is/are likely to have a material adverse effect on the business or financial or trading position or prospects of the Group as a whole;
- (b) is/are likely to have a material adverse effect on the success of the Rights Issue or the level of the Rights Shares “taken up”; or
- (c) make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Underwriting Termination, to terminate the Underwriting Agreement.

Any such notice shall be served by the Underwriter prior to the Latest Time for Underwriting Termination.

If the Underwriter terminates the Underwriting Agreement, the Rights Issue will not proceed. Further announcement would be made by the Company if the Underwriting Agreement is terminated by the Underwriter.

LETTER FROM THE BOARD

Conditions of the Rights Issue

The Rights Issue is conditional upon each of the following conditions being fulfilled:

- (i) the passing of all necessary resolutions by the Independent Shareholders to be proposed at the EGM for approving the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder, and the Whitewash Waiver;
- (ii) the Share Consolidation becoming effective;
- (iii) the delivery of the Prospectus Documents to the Stock Exchange and the issue by the Stock Exchange on or before the Prospectus Posting Date of a certificate authorising registration of the Prospectus Documents with the Registrar of Companies in Hong Kong;
- (iv) following registration, the posting of the Prospectus Documents to the Qualifying Shareholders and the Prospectus only (without the PAL) to the Non-Qualifying Shareholder for their information only and the publication of the Prospectus on the website of the Stock Exchange on or before the Prospectus Posting Date;
- (v) the grant of listing of the Rights Shares (in both nil-paid and fully paid forms) by the Stock Exchange (either unconditionally or subject only to the allotment and despatch of the share certificates in respect thereof) and the grant of permission to deal in the nil-paid Rights Shares and the fully-paid Rights Shares by the Stock Exchange (and such permission and listing not subsequently having been withdrawn or revoked);
- (vi) the Executive granting the Whitewash Waiver to the Underwriter and the satisfaction of any condition attached to the Whitewash Waiver granted;
- (vii) the Placing Agreement not having been terminated in accordance with the provisions thereof, including force majeure events;
- (viii) the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms and conditions; and
- (ix) all other necessary waivers, consent and approvals (if required) from the relevant governmental or regulatory authorities for the Rights Issue and the transaction contemplated thereunder having been obtained and fulfilled.

None of the above conditions precedent can be waived. If any of the above conditions are not satisfied at or before the Latest Time for Underwriting Termination, the Rights Issue will not proceed.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND INTENDED USE OF PROCEEDS

The principal activity of the Company is an 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.

As disclosed in the annual report of the Company for the year ended 31 March 2024, due to unforeseen delays caused by the continuing high interest rate environment which has led to poor investment environment, the net proceeds of approximately HK\$55.9 million from the 2017 Rights Issue, which was intended to use for the investment in potential businesses, remained unutilised as at 31 March 2024 (“**Unutilised Proceeds**”). The Board, having considered the current needs of working capital of the Group, as well as the prevailing market conditions, resolved to change the use of the Unutilised Proceeds. The Board resolves to reallocate the Unutilised Proceeds together with net proceeds from the Rights Issue in the manner as set out below.

The estimated net proceeds of the Rights Issue, if fully subscribed, will be up to approximately HK\$24.2 million (assuming no change in the number of Shares in issue on or before the Record Date). The Company intends to utilise the net proceeds from the Rights Issue, together with the Unutilised Proceeds of approximately HK\$55.9 million, in the following manner:

- (i) approximately HK\$48.0 million (approximately HK\$14.5 million from the net proceeds of the Rights Issue) will be used for staff cost (including salaries, bonus and allowances) covering approximately 18 months;
- (ii) approximately HK\$10.0 million (approximately HK\$3.0 million from the net proceeds of the Rights Issue) will be used for expansion of the Group’s existing businesses in the provision of valuation and advisory services, financing services and securities broking, placing and underwriting and investment advisory and asset management services;
- (iii) approximately HK\$12.0 million (approximately HK\$3.6 million from the net proceeds of the Rights Issue) will be used for the repayment of interest-bearing borrowings which are unrelated to Shareholders. As at the Latest Practicable Date, there is no outstanding indebtedness payable to any Shareholder. For avoidance of doubt, no repayment will be made to any Shareholder (including Aperto Investments, Mr. Luk and parties acting in concert with any of them); and
- (iv) the remaining net proceeds (approximately HK\$3.1 million from the net proceeds of the Rights Issue) will be used for other general working capital and general corporate purposes.

LETTER FROM THE BOARD

The Rights Issue will proceed irrespective of the level of acceptance of provisionally allotted Rights Shares. In the event that there is an under-subscription of the Rights Issue, the net proceeds of the Rights Issue (excluding the Unutilised Proceeds) will be allocated and utilised in accordance with the same proportion to the above uses. As at the Latest Practicable Date, the Group expects to utilise the net proceeds from the Rights Issue, together with the Unutilised Proceeds, within 24 months from the completion of the Rights Issue. The estimated net subscription price per Rights Share after deducting the related expenses of the Rights Issue is expected to be approximately HK\$0.19.

The Board considers that the Rights Issue will provide an opportunity to raise capital for the Company to accommodate the funding need for the operation and expansion of the Group, as well as repayment of indebtedness of the Group whilst increasing the capital base and financial position of the Company and give the Qualifying Shareholders equal opportunity to maintain their respective pro-rata shareholding interests in the Company. Hence, the Board considers that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole. However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders should note that their shareholdings will be diluted.

SHAREHOLDING STRUCTURE OF THE COMPANY

Sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately upon the Share Consolidation becoming effective; and (iii) immediately upon completion of the Rights Issue:

Name of Shareholder	As at the Latest Practicable Date		Immediately upon Share Consolidation becoming effective		Immediately after completion of the Rights Issue (assuming full acceptance of the Rights Shares by all Qualifying Shareholders other than Mr. Yue and all of the Unsubscribed Rights Shares and NQS Unsold Rights Shares have been placed by the Placing Agent) ^{Note 2}		Immediately after completion of the Rights Issue (assuming only Aperto Investments have taken up on the Rights Shares and none of the Unsubscribed Rights Shares and NQS Unsold Rights Shares have been placed by the Placing Agent)	
	Number of Existing Shares	Approx. %	Number of Consolidated Shares	Approx. %	Number of Consolidated Shares	Approx. %	Number of Consolidated Shares	Approx. %
Substantial Shareholder								
Aperto Investments ^{Note 1}	230,360,000	27.34%	11,518,000	27.34%	46,072,000	27.34%	46,072,000	60.08%
Subtotal of Aperto Investments, Mr. Luk and parties acting in concert with any of them	230,360,000	27.34%	11,518,000	27.34%	46,072,000	27.34%	46,072,000	60.08%
Directors								
Mr. Yue ^{Note 2}	56,580,000	6.72%	2,829,000	6.72%	2,829,000	1.68%	2,829,000	3.69%
Mr. Chung	1,250	0.00%	62	0.00%	248	0.00%	62	0.00%
Public Shareholders								
Independent places	—	—	—	—	8,487,000	5.04%	—	—
Other public shareholders	555,540,410	65.94%	27,777,021	65.94%	111,108,084	65.94%	27,777,021	36.23%
Total	842,481,660	100.00%	42,124,083	100.00%	168,496,332	100.00%	76,678,083	100.00%

LETTER FROM THE BOARD

Notes:

1. The entire issued share capital of Aperto Investments is legally and beneficially owned by Mr. Luk. Under the SFO, Mr. Luk is deemed to be interested in all the Shares held by Aperto Investments.
2. The 56,580,000 Existing Shares are held by Fast and Fabulous Company Limited, which is the trustee of the share award plan of the Company adopted on 22 June 2018, and is wholly owned by Mr. Yue. According to the rules of the share award plan, the trustee shall not exercise the voting rights and/or accept its pro rata entitlement under Rights Issue in respect of the Shares held by it under the trust.

FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

The Company has conducted the following fund-raising activities in the 12 past months before the Latest Practicable Date.

Date of announcement	Fund raising activity	Net proceeds (approximately)	Proposed use of net proceeds	Actual use of proceeds
21 July 2023	Placing of new shares under general mandate	HK\$4.54 million	General working capital of the Group	Used as intended

Save for the fund raising activity disclosed above, the Company had not conducted any fund raising activities in the past 12 months immediately preceding the Latest Practicable Date.

TAKEOVERS CODE IMPLICATIONS AND APPLICATION FOR THE WHITEWASH WAIVER

As at the Latest Practicable Date, Aperto Investments, Mr. Luk and parties acting in concert with any of them are interested in 230,360,000 Existing Shares (or 11,518,000 Consolidated Shares upon the Share Consolidation becoming effective) in aggregate, representing approximately 27.34% of the existing issued share capital of the Company and is a substantial shareholder of the Company.

Assuming (i) there is no change in the number of issued Shares from the Latest Practicable Date up to and including the date of closing of the Rights Issue; (ii) none of the Qualifying Shareholders other than the Aperto Investments have taken up their entitlements under the Rights Issue; and (iii) none of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares have been taken up under the Compensatory Arrangements, the aggregate interests in the Company held by Aperto Investments, Mr. Luk and parties acting in concert with any of them upon the completion of the Rights Issue will increase from the current level of approximately 27.34% to approximately 60.08% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares. Aperto Investments will, in the absence of the Whitewash Waiver, be obliged to make a mandatory cash offer for all issued Shares not already owned or agreed to be acquired by it pursuant to Rule 26 of the Takeovers Code, unless the Whitewash Waiver is granted.

LETTER FROM THE BOARD

An application has been made by the Aperto Investments to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, (i) the approval of the Whitewash Waiver by at least 75% of the Independent Shareholders at the EGM by way of poll; and (ii) the approval by more than 50% of the Independent Shareholders at the EGM by way of poll in respect of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder. Aperto Investments, Mr. Luk and parties acting in concert with any of them and those who are involved in and/or interested in the Rights Issue, the Placing Agreement, the Underwriting Agreement or the Whitewash Waiver are required to abstain from voting on the proposed resolution approving the Rights Issue, the Placing Agreement, the Underwriting Agreement and the Whitewash Waiver at the EGM. If the Whitewash Waiver is not granted by the Executive, the Rights Issue will not proceed.

As at the Latest Practicable Date, the Company does not believe that the Rights Issue, the Placing Agreement and the Underwriting Agreement give rise to any concerns in relation to compliance with other applicable rules or regulations (including the GEM Listing Rules). The Company notes that the Executive may not grant the Whitewash Waiver if the Rights Issue, the Placing Agreement and the Underwriting Agreement do not comply with other applicable rules and regulations.

GEM LISTING RULES IMPLICATION

As the Rights Issue, if proceeded with, will increase the issued share capital of the Company by more than 50%, the Rights Issue is subject to approval of the Independent Shareholders at the EGM by a resolution on which any controlling Shareholders and their respective associates or, where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the Rights Issue under Rule 10.29(1) of the GEM Listing Rules. Since there is no controlling shareholder, Mr. Yue and his associates, who are interested in 56,580,000 Existing Shares (representing approximately 6.72% of the existing issued share capital of the Company) as at the Latest Practicable Date as the beneficial owner of the trustee of the share award plan of the Company adopted on 22 June 2018, shall abstain from voting in favour of the resolutions to approve the Rights Issue and the transactions contemplated thereunder at the EGM. As at the Latest Practicable Date, save for Mr. Yue and Mr. Chung, none of the Directors or chief executives of the Company had any interests in the Shares.

As at the Latest Practicable Date, Aperto Investments holds 230,360,000 Existing Shares (or 11,518,000 Consolidated Shares upon the Share Consolidation becoming effective), representing approximately 27.34% of the existing issued share capital of the Company and is a substantial shareholder of the Company. As such, the Aperto Investments is a connected person of the Company under Chapter 20 of the GEM Listing Rules and the transactions contemplated under the Underwriting Agreement constitute a connected transaction for the Company under the GEM Listing Rules and are subject to the reporting, announcement and

LETTER FROM THE BOARD

Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules. Aperto Investments and its associates shall abstain from voting in respect of the resolution relating to the Underwriting Agreement at the EGM.

As at the Latest Practicable Date, save for the Irrevocable Undertaking from Aperto Investments, the Company has not received any other irrevocable commitments to accept or reject the Rights Shares or to vote for or against the Rights Issue.

EGM

The register of members of the Company will be closed from Wednesday, 21 August 2024 to Tuesday, 27 August 2024 (both days inclusive) for determining the identity of the Shareholders entitled to attend and vote at the EGM.

The EGM will be convened and held for the purpose of considering and, if thought fit, the Share Consolidation and the Rights Issue. A notice convening the EGM to be held at 11:00 a.m. on Tuesday, 27 August 2024 at Rooms 1101–4, 11/F, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong is enclosed with this circular. Save for Aperto Investments, Mr. Luk and parties acting in concert to any of them and Mr. Yue, there is no other shareholder who shall be abstained to vote on the resolution(s) to approve the Rights Issue at the EGM. Save for Aperto Investments, Mr. Luk and parties acting in concert with any of them, there is no other shareholder who shall be abstained to vote on the resolution(s) to approve the Placing Agreement, the Underwriting Agreement and the Whitewash Waiver at the EGM.

A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the meeting in person, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Hong Kong branch share registrar and transfer office of the Company, Boardroom Share Registrars (HK) Limited, at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed (i.e. by 11:00 a.m. on Sunday, 25 August 2024) for holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

Subject to the fulfilment of certain conditions of the Rights Issue, the Prospectus Documents will be despatched to the Qualifying Shareholders on or before Tuesday, 10 September 2024 whereas the Prospectus will be despatched to the Non-Qualifying Shareholders, if any, for information only.

FINANCIAL ADVISERS TO THE COMPANY

Emperor Corporate Finance Limited has been engaged by the Company to advise the Company in respect of the Share Consolidation and the Rights Issue only, it has not and will not provide any advice on any Takeovers Code related matters including the Whitewash Waiver.

LETTER FROM THE BOARD

Draco Capital Limited has been engaged by the Company as the financial adviser for reviewing, among other things, the financial position of the Company as requested under Rule 10.11 of the Takeovers Codes.

RECOMMENDATION

The Independent Board Committee, comprising Mr. Chung Man Lai, Ms. Li Tak Yin and Ms. Suen Tin Yan, being all the independent non-executive Directors, has been established to advise the Independent Shareholders in respect of the Rights Issue and the Whitewash Waiver and as to the voting action therefor. In this connection, Gram Capital has been appointed and approved by the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue and the Whitewash Waiver and as to whether the terms of the Rights Issue and the Whitewash Waiver are fair and reasonable and as to the voting action therefor.

You are advised to read carefully the letter of recommendation from the Independent Board Committee set out on pages 40 to 41 of this circular and the letter of advice from Gram Capital set out on pages IFA-1 to IFA-23 of this circular. The Independent Board Committee, having taken into account the advice of Gram Capital, considers that the terms of the Rights Issue and the Whitewash Waiver are fair and reasonable so far as the Independent Shareholders are concerned and the Rights Issue is in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the proposed resolution approving the Rights Issue at the EGM.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in Appendices I to III to this circular.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of the letter of recommendation, prepared for the purpose of incorporation in this circular, from the Independent Board Committee to the Independent Shareholders regarding the Rights Issue and the Whitewash Waiver.



ROMA (META) GROUP LIMITED

羅馬(元宇宙)集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8072)

12 August 2024

To the Independent Shareholders

Dear Sir/Madam,

**(I) PROPOSED SHARE CONSOLIDATION;
(II) PROPOSED RIGHTS ISSUE ON THE BASIS OF
THREE (3) RIGHTS SHARES FOR EVERY ONE (1) CONSOLIDATED
SHARE HELD ON RECORD DATE ON A NON-FULLY
UNDERWRITTEN BASIS;
(III) CONNECTED TRANSACTION IN RELATION TO THE
UNDERWRITING AGREEMENT;
AND
(IV) APPLICATION OFR WHITEWASH WAIVER**

We refer to the circular dated 12 August 2024 (the “**Circular**”) of the Company of which this letter forms part. Unless the context requires otherwise, terms defined in the Circular shall have the same meanings when used herein.

We have been appointed by the Board to advise the Independent Shareholders as to whether the terms of Rights Issue and the Whitewash Waiver are fair and reasonable insofar as the Independent Shareholders are concerned and whether the Rights Issue and the Whitewash Waiver are in the interests of the Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote. Gram Capital has been appointed as the independent financial advisor to advise you and us in this respect.

* *For identification purpose only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taken into account the advice and recommendation of Gram Capital as set out in its letter of advice to the Independent Shareholders and us on pages IFA-1 to IFA-23 of the Circular, we consider that the terms of the Rights Issue and the Whitewash Waiver are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned. Furthermore, the Rights Issue and the Whitewash Waiver are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the relevant resolution(s) to be proposed at the EGM to approve the Rights Issue and the transactions contemplated thereunder and the Whitewash Waiver.

Yours faithfully,

For and on behalf of the Independent Board Committee

Mr. Chung Man Lai

Ms. Li Tak Yin

Ms. Suen Tin Yan

Independent non-executive Directors

LETTER FROM GRAM CAPITAL

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of Rights Issue and Whitewash Waiver for the purpose of inclusion in this circular.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

12 August 2024

*To: The independent board committee and the independent shareholders
of Roma (meta) Group Limited*

Dear Sir/Madam,

**(1) PROPOSED RIGHTS ISSUE ON THE BASIS OF THREE RIGHTS
SHARES FOR EVERY ONE CONSOLIDATED SHARE;
AND
(2) APPLICATION FOR WHITEWASH WAIVER**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue and the Whitewash Waiver, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 12 August 2024 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

With reference to the Board Letter, the Company proposes, subject to the Share Consolidation becoming effective, to implement the Rights Issue on the basis of three Rights Shares for every one Consolidated Share held on the Record Date at the Subscription Price of HK\$0.2 per Rights Share, to raise up to approximately HK\$25.3 million before expenses by way of the rights issuing up to 126,372,249 Rights Shares (assuming no change in the issued share capital of the Company on or before the Record Date, and all the Qualifying Shareholders taking up their respective allotment of Rights Shares in full) to the Qualifying Shareholders.

With reference to the Board Letter,

- As the Rights Issue, if proceeded with, will increase the issued share capital of the Company by more than 50%, the Rights Issue is subject to approval of the Independent Shareholders at the EGM.

LETTER FROM GRAM CAPITAL

- As at the Latest Practicable Date, Aperto Investments, Mr. Luk and parties acting in concert with any of them are interested in 230,360,000 Existing Shares (or 11,518,000 Consolidated Shares upon the Share Consolidation becoming effective) in aggregate, representing approximately 27.34% of the existing issued share capital of the Company and is a substantial shareholder of the Company.
- Assuming (i) there is no change in the number of issued Shares from the Latest Practicable Date up to and including the date of closing of the Rights Issue; (ii) none of the Qualifying Shareholders other than Aperto Investments have taken up their entitlements under the Rights Issue; and (iii) none of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares have been taken up under the Compensatory Arrangements, the aggregate interests in the Company held by Aperto Investments, Mr. Luk and parties acting in concert with any of them upon the completion of the Rights Issue will increase to approximately 60.08% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares. Aperto Investments will, in the absence of the Whitewash Waiver, be obliged to make a mandatory cash offer for all issued Shares not already owned or agreed to be acquired by it pursuant to Rule 26 of the Takeovers Code, unless the Whitewash Waiver is granted.
- An application has been made by Aperto Investments to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, (i) the approval of the Whitewash Waiver by at least 75% of the Independent Shareholders at the EGM by way of poll; and (ii) the approval by more than 50% of the Independent Shareholders at the EGM by way of poll in respect of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder.

The Independent Board Committee comprising Mr. Chung Man Lai, Ms. Li Tak Yin and Ms. Suen Tin Yan (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Rights Issue and Whitewash Waiver are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the Rights Issue and Whitewash Waiver are in the interests of the Company and the Independent Shareholders as a whole; and (iii) how to vote in relation to the Rights Issue and Whitewash Waiver at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect. The appointment of Gram Capital has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code.

INDEPENDENCE

As at the Latest Practicable Date, we were not aware of any relationships or interests between Gram Capital and the Company during the past two years immediately preceding the Latest Practicable Date, or any other parties (including Mr. Luk and Aperto Investments) that

LETTER FROM GRAM CAPITAL

could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Rights Issue, the Placing Agreement, the Underwriting Agreement and the Whitewash Waiver. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 17.92 of the GEM Listing Rules and Rule 2 of the Takeovers Code.

Your attention is drawn to the responsibility statements as set out in the section headed "1. RESPONSIBILITY STATEMENT" of Appendix III to the Circular. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, Aperto Investments, Mr. Luk, or their respective subsidiaries or associates (where applicable), nor have we considered the taxation implication on the Group or the Shareholders as a result of the Rights Issue and the Whitewash Waiver. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders will be notified of any material changes as soon as possible in accordance with Rule 9.1 of the Takeovers Code. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell, or buy any Shares or any securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

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PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Rights Issue and the Whitewash Waiver, we have taken into consideration the following principal factors and reasons:

I. Background of the Rights Issue

Information on the Group

With reference to in the Board Letter, the Company is an investment holding company and the Group is principally engaged in provision of valuation and advisory services, financing services and securities broking, placing and underwriting and investment advisory and asset management services.

Set out below are the consolidated audited financial information of the Group as extracted from the Company's annual report for the year ended 31 March 2024 (the "2023/24 Annual Report"):

	For the year ended 31 March 2024 HK\$'000	For the year ended 31 March 2023 HK\$'000	Year-on- year change %
Revenue	52,436	61,385	(14.58)
— <i>Valuation and advisory services</i>	27,506	37,737	(27.11)
— <i>Securities broking, placing and underwriting and investment advisory and asset management services</i>	10,436	406	2,470.44
— <i>Interest income from provision of financing services</i>	14,494	23,242	(37.64)
Loss and total comprehensive expense attributable to owners of the Company	(40,990)	(29,352)	39.65
Net increase/(decrease) in cash and cash equivalents	429	(1,895)	N/A
	As at 31 March 2024 HK\$'000	As at 31 March 2023 HK\$'000	Year-on- year change %
Bank balances and cash — general accounts	6,957	6,528	6.57
Pledged bank deposits	51,562	51,562	—
Net assets	303,691	340,897	(10.91)

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As depicted from the table above, the Group's revenue decreased by approximately 14.58% from approximately HK\$61.4 million for the year ended 31 March 2023 ("FY2022/23") to approximately HK\$52.4 million for the year ended 31 March 2024 ("FY2023/24"). With reference to the 2023/24 Annual Report, such decrease was a combined effect of (i) decrease in revenue from valuation and advisory services caused by inactive Hong Kong investment market sentiment which led to fewer mergers and acquisitions and decrease in number of projects engaged; (ii) decrease in interest income from provision of financing services caused by reduced loan portfolios size; and (iii) increase in revenue from securities broking, placing and underwriting and investment advisory and asset management services caused by heated investment atmosphere in the United States stock market and commission income generated from a number of placing projects completed during FY2023/24.

The loss and total comprehensive expense attributable to owners of the Company increased by approximately 39.65% from approximately HK\$29.4 million for FY2022/23 to approximately HK\$41.0 million for FY2023/24. With reference to the 2023/24 Annual Report and as confirmed by the Directors, such increase was mainly attributable to decrease in revenue, increase in other expenses (mainly due to increase in professional fee and consultancy fee), and impairment loss on goodwill and intangible assets incurred for FY2023/24.

With reference to the 2023/24 Annual Report, 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 matching its services with the changing environment and sustain its growth. The Group will also continue to explore various merger and acquisition ("M&A") opportunities and/or business collaboration to maintain and enhance its market presence in the valuation and advisory industry in Hong Kong.

Industry overview

To further understand the operating environment of the Group's major business, being (i) valuation and advisory services; (ii) securities broking, placing and underwriting and investment advisory and asset management services; and (iii) provision of financing services, we searched for relevant market information as follows:

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Set out below are (i) the numbers of listed companies; (ii) average daily turnover; and (iii) number of new listing in the Hong Kong stock market during the five years ended 31 December 2023, according to the statistics published by the Stock Exchange and the SFC:

	2019	2020	2021	2022	2023
Number of listed companies	2,449	2,538	2,572	2,597	2,609
Number of new listing	168	146	97	90	73
Average daily turnover of the Hong Kong securities market (HK\$ million)	87,163	129,476	166,730	124,908	105,012

As shown in the above table, the number of listed companies in Hong Kong securities market had been increasing from 2019 to 2023. Nevertheless, the annual increase in number of listed companies in Hong Kong securities market decreased from 89 for 2020 to 12 for 2023. The number of new listing has been decreasing from 2019 to 2023. Average daily turnover of the Hong Kong securities market increased from year 2019 to 2021 decreased in 2022 and 2023.

Set out below are statistics of completed M&A transactions with target in China, as shown in “Global Mergers & Acquisitions Review” for year 2019 to 2023 published by LSEG (London Stock Exchange Group) Data & Analytics/Refinitiv (According to LSEG’s website, in January 2021, LSEG completed the all-share acquisition of Refinitiv to create a leading global financial markets infrastructure and data provider. LSEG Data & Analytics is one of the world’s largest providers of financial markets data and infrastructure, with over 40,000 customers and 400,000 end users across approximately 190 markets.):

	2019	2020	2021	2022	2023
Value of completed M&A transactions (in US\$ million)	278,742	363,259	317,859	226,346	216,180
Number of completed M&A transactions	3,506	3,760	5,176	2,376	2,627

As depicted from the above table, the value of completed M&A transactions with target in China increased significantly from 2019 to 2020 and continuously decreased from 2020 to 2023. The number of completed M&A transactions with target in China increased from 2019 to 2021, decreased significantly from 2021 to 2022 and recovered in 2023.

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On 7 July 2024, the Financial Secretary of Hong Kong, namely, Mr. Chan Mo-po, Paul, published his blog “Attracting Capital and Creating Wealth for Businesses and People” (<https://www.fso.gov.hk/eng/blog/blog20240707.htm>), which outlined certain positive messages, including:

- (i) With staunch support from the PRC government, measures benefitting Hong Kong are being rolled out one after another. The Hong Kong government is also implementing various initiatives, such as offering tax incentives to attract family offices, implementing the New Capital Investment Entrant Scheme, and introducing measures to attract enterprises and talents. The Hong Kong government is confident that this positive trend will continue, and Hong Kong’s the asset and wealth management business will secure a leading position globally.
- (ii) The private equity funds’ capital under management also recorded steady growth last year, amounting to over HK\$1,700 billion. Hong Kong continued to be second largest private equity management hub in Asia, trailing only after Mainland China. Benefitting from robust growth in the private banking and private wealth management business, Hong Kong registered net fund inflows of close to HK\$390 billion, representing a year-on-year increase of over 3.4 times. Net fund inflows were strong for Hong Kong-domiciled funds as well, increasing year-on-year by over 90% to HK\$87 billion. These facts prove that concerns about outflows of funds from Hong Kong were unwarranted.
- (iii) Under the New Capital Investment Entrant Scheme launched in March 2024, more than 3,800 enquiries and over 340 applications have been received, with 117 cases approved in principle. If more than 300 applications are approved, and taking an investment of HK\$30 million per applicant, over HK\$10 billion would be brought to Hong Kong.

In addition, we noted from an article titled “PwC predicts that the Hong Kong IPO market will gradually stabilise in 2024” (<https://www.pwchk.com/en/press-room/press-releases/pr-020124.html>) published by PricewaterhouseCoopers in July 2024 that (i) the implementation of the new Chapter 18C listing regime will help connect specialist technology companies with international funds, bringing new opportunities to technology companies and the Hong Kong stock market; and (ii) Hong Kong is accelerating market interconnection between Association of Southeast Asian Nations (ASEAN) and the Middle East, which are important sources of capital for the Hong Kong stock market.

Having considered the above, we are of the view that although the above statistics indicated a recent downturn in the financial markets, there are still opportunities and potentials with the support of the Hong Kong government.

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Reasons for the Rights Issue and use of proceeds

With reference to the Board Letter, the Board considers that the Rights Issue will provide an opportunity to raise capital for the Company to accommodate the funding need for the operation and expansion of the Group, as well as repayment of indebtedness of the Group whilst increasing the capital base and financial position of the Company and give the Qualifying Shareholders equal opportunity to maintain their respective pro-rata shareholding interests in the Company. Hence, the Board considers that fund-raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole. However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders should note that their shareholdings will be diluted.

Financing alternatives

We enquired into the Directors regarding the financing alternatives they considered before conducting the Rights Issue and the Directors advised us the followings:

- The Board considered other fund-raising alternatives before resolving to the Rights Issue, including but not limited to debt financing and issue of new shares.
- In respect of the debt financing, it will incur additional finance costs and increase gearing level of the Group and may be subject to lengthy due diligence and negotiations with lenders. Having also taken into account that the Company intends to apply part of the net proceeds from the Rights Issue for the repayment of interest-bearing borrowings, debt financing is not an optimal financing method.
- The Board considered that placing or subscription of new shares would lead to immediate dilution in the shareholding interest of the existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company.
- The Board considers that the Rights Issue will provide an opportunity to raise capital for the Company to accommodate the funding need for the Group, enhance its capital base and financial position and give the Qualifying Shareholders equal opportunity to maintain their respective pro-rata shareholding interests in the Company. Hence, the Board considers that fund-raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

Having considered the above, we are of the view that the Rights Issue is an appropriate fund-raising method for the Group.

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Use of proceeds

With reference to the Board Letter, the estimated net proceeds of the Rights Issue, if fully subscribed, will be up to approximately HK\$24.2 million (assuming no change in the number of Shares in issue on or before the Record Date) (the “**RI Net Proceeds**”).

With reference to the Board Letter and as confirmed by the Directors, the Company intends to utilise the net proceeds from the Rights Issue, together with the Unutilised Proceeds of approximately HK\$55.9 million, in the following manner:

- (i) Approximately HK\$48.0 million (approximately HK\$14.5 million from the RI Net Proceeds) will be used for staff cost (including salaries, bonus and allowances) covering approximately 18 months.

With reference to 2023/24 Annual Report, the Group’s total employee benefit expense was approximately HK\$31.6 million for FY2023/24. Accordingly, the above allocation is expected to cover the Group’s staff cost (including salaries, bonus and allowances) for approximately 18 months.

- (ii) Approximately HK\$10.0 million (approximately HK\$3.0 million from the RI Net Proceeds) will be used for expansion of the Group’s existing businesses in the provision of valuation and advisory services, financing services and securities broking, placing and underwriting and investment advisory and asset management services.

Upon our enquiry, the Directors advised us that the aforesaid allocation was determined based on expected value of acquisition targets which are involved in the aforesaid businesses ranging from approximately HK\$1 million to approximately HK\$5 million (based on the Company’s preliminary research/assessment on possible acquisition targets). Nevertheless, the Company did not have any concrete acquisition plan/target as at the Latest Practicable Date.

- (iii) Approximately HK\$12.0 million (approximately HK\$3.6 million from the RI Net Proceeds) will be used for the repayment of interest-bearing borrowings which are unrelated to Shareholders. As at the Latest Practicable Date, there was no outstanding indebtedness payable to any Shareholder. For avoidance of doubt, no repayment will be made to any Shareholder (including Aperto Investments, Mr. Luk and parties acting in concert with any of them).

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Upon our enquiry, the Directors advised us that the Company intends to repay bank borrowings secured by the Group's investment property and assignment of insurance (according to the section headed "B. INDEBTEDNESS" of Appendix I to the Circular (the "**Indebtedness Statement**"), such borrowings amounted to approximately HK\$8 million as at 30 June 2024 and bear interest rate of Hong Kong Inter-bank Offered Rate + 1.5% to 4%) and unsecured other borrowings from financial institutions (according to the Indebtedness Statement, such borrowings amounted to approximately HK\$30 million as at 30 June 2024 and bear fixed interest rate of 5% and 15%.

- (iv) The remaining net proceeds of approximately HK\$10.1 million (approximately HK\$3.1 million from the RI Net Proceeds) will be used for other general working capital and general corporate purposes.

With reference to 2023/24 Annual Report, the Group's other expenses was approximately HK\$26 million. The above allocation is expected to finance the Group's other expenses.

Having considered (i) reasons for the Rights Issue as mentioned above; (ii) that the Rights Issue is an appropriate fund-raising method for the Group; and (iii) that the intended use of proceeds as set out above (a) is in-line with the Group's business strategy; (b) can reduce the Group's liabilities and interest burden; and (c) can support the Group's expansion and development, we are of the view that although the Rights Issue is not conducted in the Group's ordinary and usual course of business, it is in the interest of the Company and the Independent Shareholders as a whole.

II. Principal terms of the Rights Issue

Set out below are the principal terms of the Rights Issue as extracted from the Board Letter:

Basis of the Rights Issue:	Three Rights Shares for every one Consolidated Share held on the Record Date
Subscription Price:	HK\$0.2 per Rights Share (after the Share Consolidation has become effective)
Number of Existing Shares in issue at the Latest Practicable Date:	842,481,660 Existing Shares
Number of Consolidated Shares in issue upon the Share Consolidation becoming effective:	42,124,083 Consolidated Shares (assuming no change in the number of Shares in issue on or before the date on which the Share Consolidation became effective)

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Number of Rights Shares: Up to 126,372,249 Rights Shares (assuming no change in the number of Shares in issue on or before the date on which the Share Consolidation became effective), representing 300% of the Company's issued number of Consolidated Shares as at the Latest Practicable Date and 75.0% of the enlarged issued share capital of the Company upon completion of the Rights Issue

Conditions of the Rights Issue: The Rights Issue is conditional upon each of the conditions set out under the section headed "Conditions of the Rights Issue" of the Board Letter being fulfilled (the "**Conditions Precedent**"). None of the Conditions Precedent can be waived. If any of the Conditions Precedent are not satisfied at or before the Latest Time for Underwriting Termination, the Rights Issue will not proceed.

Further details of the Rights Issue are set out under the section headed "PROPOSED RIGHTS ISSUE" of the Board Letter.

Analysis on the Subscription Price

With reference to the Board Letter, the Subscription Price of HK\$0.2 per Rights Share represents (assuming the Share Consolidation has become effective as at the Latest Practicable Date):

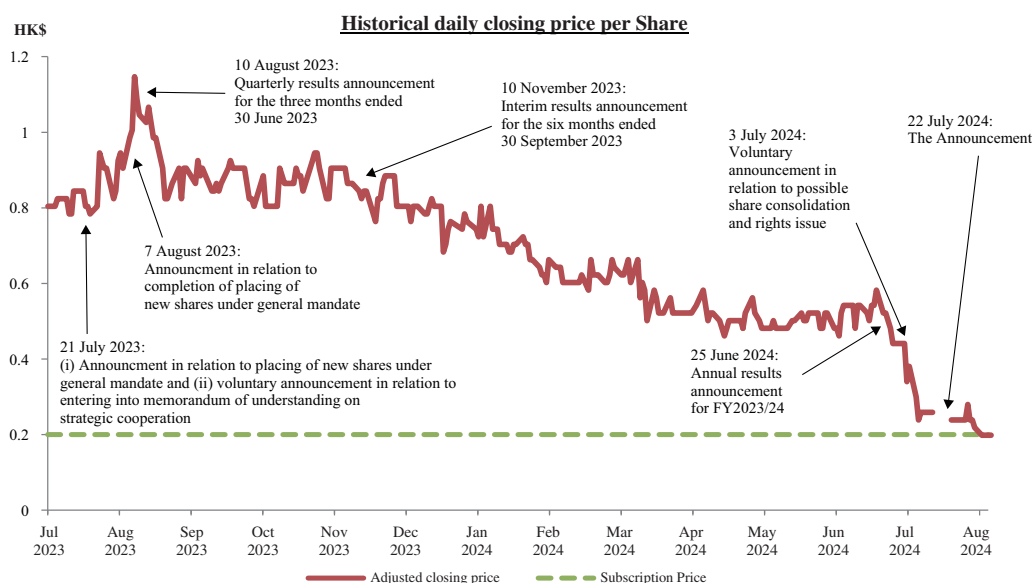
- (i) the theoretical closing price of HK\$0.2 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the closing price of HK\$0.01 per Existing Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 23.08% to the theoretical closing price of HK\$0.26 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the closing price of HK\$0.013 per Existing Share as quoted on the Stock Exchange on the Last Trading Day; (the "**LTD Discount**");
- (iii) a discount of approximately 23.08% to the theoretical average closing price of HK\$0.26 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the average closing price of HK\$0.013 per Existing Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day (the "**5 Days Discount**");

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- (iv) a discount of approximately 7.41% to the theoretical ex-rights price of approximately HK\$0.216 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the benchmark price of HK\$0.0132 per Existing Share (as defined under Rule 10.44A of the GEM Listing Rules, taking into account the closing price on the Last Trading Day of HK\$0.013 per Existing Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five previous consecutive trading days prior to the date of the Placing Agreement and the Underwriting Agreement of approximately HK\$0.0132 per Existing Share) (the “**TERP Discount**”); and
- (v) a discount of approximately 97.29% over the net asset value of the Company of approximately HK\$7.39 per Consolidated Share based on the audited equity attributable to owners of the Company of approximately HK\$311,269,000 as at 31 March 2024 as disclosed in the 2023/24 Annual Report and 42,124,083 Consolidated Shares assuming the Share Consolidation has become effective (the “**NAV Discount**”).

(a) Share price performance

In order to assess the fairness and reasonableness of the Subscription Price, we reviewed the daily adjusted closing price of the Shares as quoted on the Stock Exchange from 3 July 2023 up to and including the Latest Practicable Date (the “**Review Period**”), being a period of approximately one year prior to the Last Trading Day and up to the Latest Practicable Date. The comparison of daily adjusted closing prices of the Shares and the Subscription Price is illustrated as follows:



Source: The Stock Exchange’s website

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Notes:

1. The historical closing price of Shares was adjusted assuming the Share Consolidation was effective since the beginning of the Review Period.
2. Trading in the Shares was halted with effect from 9:00 a.m. on 24 July 2023 and resumed at 1:00 p.m. on 24 July 2023.
3. Trading in the Shares was halted with effect from 9:00 a.m. on 16 July 2024 and resumed at 9:00 a.m. on 23 July 2024.

During the Review Period, the lowest and highest adjusted closing prices of the Shares were HK\$0.2 recorded from 5 August 2024 to Latest Practicable Date and HK\$1.14 recorded on 9 August 2023 respectively.

During the Review Period, the adjusted closing price of the Shares increased from HK\$0.8 on 3 July 2023 to HK\$1.14 on 9 August 2023. Subsequently, the adjusted closing price of the Shares formed a general downward trend until it reached HK\$0.24 on 9 July 2024.

Subsequent to the publication of the Announcement and up to the Latest Practicable Date, the adjusted closing price of Shares fluctuated between HK\$0.2 per Share to HK\$0.28 per Share.

The Subscription Price of HK\$0.2 is at the lower end of the range of adjusted closing prices of Shares during the Review Period.

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(b) Liquidity

Set out below are (i) the number of trading days; (ii) the percentage of the Shares' average daily trading volume (the "**Average Volume**") as compared to the total number of issued Shares held by the public as at the Latest Practicable Date; and (iii) the percentage of the Average Volume as compared to the total number of issued the Shares as at the Latest Practicable Date, during the Review Period:

Month	No. of trading days in each month	% of the Average Volume to total number of issued Shares as at the date of the Latest Practicable Date	% of the Average Volume to total number of issued Shares held by the public as at the Latest Practicable Date
		%	%
2023			
July	20	0.11	0.17
August	23	0.93	1.42
September	19	0.11	0.16
October	20	0.05	0.08
November	22	0.04	0.06
December	19	0.10	0.15
2024			
January	18	0.12	0.18
February	20	0.03	0.04
March	23	0.17	0.25
April	17	0.06	0.09
May	21	0.12	0.18
June	21	0.21	0.32
July	17	0.33	0.50
August (up to and including the Latest Practicable Date)	7	0.37	0.55

Source: The Stock Exchange's website

Notes:

1. Based on 555,540,410 Shares held by the public as at the Latest Practicable Date as disclosed under the Board Letter.
2. Based on 842,481,660 Shares as at the Latest Practicable Date as disclosed under the Board Letter.

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We noted from the above table that the liquidity of the Shares was generally thin during the Review Period. Save for August 2023, the Average Volume during the Review Period was below 1% of (i) the total number of issued Shares held by the public; and (ii) the total number of issued Shares, as at the Latest Practicable Date.

As aforementioned, the Subscription Price of HK\$0.2 is at the lower end of the range of adjusted closing prices of Shares during the Review Period. Given the generally thin liquidity of the Shares during the Review Period, we consider that it is reasonable to offer discount for the Subscription Price to promote its attractiveness.

(c) Comparables

As part of our analysis, we also searched for rights issue transactions announced, by companies listed on the Stock Exchange from 15 April 2024 up to the Last Trading Day (which were not lapsed or terminated up to the Latest Practicable Date). The review period of approximately three months prior to and including the Last Trading Day was determined to illustrate recent practices in rights issue transactions conducted by Hong Kong listed companies during a period close to and including the Last Trading Day. Based on our search on the Stock Exchange's website, we found 13 rights issue transactions (the "Comparables") which met the aforesaid criteria and they are exhaustive. Shareholders should note that although the businesses, operations and prospects of the Company are not the same as the subject companies of the Comparables and we have not conducted any independent verification with regard to the businesses and operations of such companies, the Comparables illustrate recent practices in rights issue transactions conducted by Hong Kong listed companies during a period close to and including the Last Trading Day.

Company name (stock code)	Date of announcement	Expected maximum gross proceeds <i>HK\$ million</i>	Premium/ (discount) of the subscription price to the closing price per share on the last trading day immediately prior to publication of announcement in relation to the respective rights issue	Premium/ (discount) of the subscription price to the average closing price per share for the last five consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue	Premium/ (discount) of the subscription price to the theoretical ex-rights price per share based on the benchmarked price in relation to the respective rights issue	Premium/ (discount) of the subscription price to the then latest net asset attributable to owners of the company per share <i>(Note 1)</i>	Excess application/ Placing arrangement	Placing commission %	Underwriting commission %
			%	%	%	%			
Shin Hwa World Limited (582)	18 April 2024	263.70	(33.33)	(32.29)	(14.19)	(98.22)	Excess application	N/A	1.0
Flying Financial Service Holdings Limited (8030)	26 April 2024	63.60	(24.24)	(23.31)	(7.41)	(64.93)	Placing arrangement	3.0 <i>(Note 2)</i>	Not underwritten
Goldway Education Group Limited (8160)	30 April 2024	15.80	(27.50)	(28.22)	(8.81)	(87.51)	Placing arrangement	1.0	Not underwritten
Futian Holdings Limited (8196)	16 May 2024	45.00	Nil	(10.71)	Nil	8.65	Excess application	N/A	Not underwritten

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Company name (stock code)	Date of announcement	Expected maximum gross proceeds <i>HK\$ million</i>	Premium/ (discount) of the subscription price to the closing price per share on the last trading day immediately prior to publication of announcement in relation to the respective rights issue %	Premium/ (discount) of the subscription price to the average closing price per share for the last five consecutive trading days immediately up to and including the last trading day immediately prior to publication of announcement in relation to the respective rights issue %	Premium/ (discount) of the subscription price to the theoretical ex-rights price per share based on the benchmarked price in relation to the respective rights issue %	Premium/ (discount) of the subscription price to the then latest net asset attributable to owners of the company per share <i>(Note 1)</i> %	Excess application/ Placing arrangement	Placing commission %	Underwriting commission %
Icon Culture Global Company Limited (8500)	29 May 2024	54.00	(36.71)	(37.19)	(22.48)	N/A <i>(Note 3)</i>	Placing arrangement	0.5	Not underwritten
MMG Limited (1208)	4 June 2024	9,079.00	(31.41)	(35.59)	(24.65)	36.87	Excess application	N/A	2.0 <i>(Note 4)</i>
Bonny International Holding Limited (1906)	19 June 2024	73.50	(43.02)	(43.55)	(37.66)	(14.00)	Excess application	N/A	Not underwritten
Chong Fai Jewellery Group Holdings Company Limited (8537)	25 June 2024	27.00	(32.20)	(32.58)	(10.65)	(87.39)	Excess application and placing arrangement	1.0 <i>(Note 5)</i>	Not underwritten
Ev Dynamics (Holdings) Limited (476)	26 June 2024	132.20	(3.06)	(2.86)	(1.25)	(93.91)	Placing arrangement	1.5 <i>(Note 6)</i>	Not underwritten
Hanvey Group Holdings Limited (8219)	27 June 2024	8.25	(59.35)	(59.35)	(49.32)	(11.67)	Placing arrangement	3.5 <i>(Note 7)</i>	Not underwritten
Jiading International Group Holdings Limited (8153)	28 June 2024	27.50	(16.67)	(14.38)	(4.76)	(90.17)	Placing arrangement	3.0	Not underwritten
Tonking New Energy Group Holdings Limited (8326)	2 July 2024	40.90	(41.18)	(42.13)	(31.83)	(67.78)	Placing arrangement	1.0 <i>(Note 8)</i>	Not underwritten
Guan Chao Holdings Limited (1872)	12 July 2024	172.80	(20.00)	(29.08)	(4.76)	(89.80)	Placing arrangement	0.75	Not underwritten
Maximum			Nil	(3.06)	Nil	36.87		3.5	2.0
Minimum			(59.35)	(59.35)	(49.32)	(98.22)		0.5	1.0
Average			(28.36)	(30.10)	(16.75)	(54.99)		1.7	1.5
The Company	22 July 2024	25.30	(23.08)	(23.08)	(7.41)	(97.29)	Placing arrangement	1.25 <i>(Note 9)</i>	Nil

Source: The Stock Exchange's website

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Notes:

1. Based on the then latest published net assets value per share attributable to equity holders of the subject company prior to the date of announcement in relation to the relevant rights issue transaction.
2. The placing commission is the higher of HK\$800,000 or 3% gross proceeds from successful placement.
3. The subject company recorded net liabilities attributable to equity holders of the company based on its latest published financial information prior to the date of announcement in relation to the relevant rights issue transaction.
4. An additional discretionary incentive fee up to 0.5% of the aggregate subscription price of the underwritten shares will be offered at the sole discretion of the Company.
5. The placing commission is the higher of HK\$130,000 or 1% of the gross proceeds from successful placement.
6. Subject to a minimum charge of HK\$150,000.
7. The placing commission is the higher of HK\$100,000 or 3.5% of the gross proceeds from successful placement.
8. The placing commission is the higher of HK\$100,000 or 1% of the gross proceeds from successful placement.
9. Subject to a minimum charge of HK\$100,000.

As shown by the above table, the discount as represented by the subscription prices of the Comparables to (i) the respective closing price per share on last trading day immediately prior to publication of announcement in relation to the respective rights issue ranged from nil to approximately 59.35% (the “**LTD Discount Market Range**”) with an average discount of approximately 28.36%; (ii) the respective average closing price per share for the last five consecutive trading days immediately prior to publication of announcement in relation to the respective rights issue ranged from approximately 3.06% to approximately 59.35% (the “**5 Days Discount Market Range**”) with an average discount of approximately 30.10%; and (iii) the respective theoretical ex-rights price per share based on the benchmarked price in relation to the respective rights issue ranged from nil to approximately 49.32% (the “**TERP Discount Market Range**”) with an average discount of approximately 16.75%. The premium/discount as represented by the subscription prices of the Comparables to the net asset attributable to owners of the subject company per share ranged from premium of approximately 36.87% to discount of approximately 98.22% with an average discount of approximately 54.99% (the “**NAV Premium/Discount Market Range**”).

We noted that the LTD Discount, the 5 Days Discount and the TERP Discount (i) fall within the LTD Discount Market Range, 5 Days Discount Market Range and TERP Discount Market Range respectively; and (ii) are less than the respective

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average of the Comparables. We also noted that the NAV Discount falls within the NAV Premium/Discount Market Range and is deeper than the average discount of the Comparables.

Having considered the above and that it is reasonable to offer discount for the Subscription Price to promote its attractiveness given the generally thin liquidity of the Shares during the Review Period, we are of the view that the Subscription Price is fair and reasonable.

The Compensatory Arrangements and Placing

With reference to the Board Letter, the Company will make arrangements described in Rule 10.31(1)(b) of the GEM Listing Rules to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent placees for the benefit of Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue. Accordingly, on 15 July 2024 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares during the Placing Period to placee(s) who and whose ultimate beneficial owner(s) are Independent Third Party(ies) on a best efforts basis. Any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders and Non-Qualifying Shareholders on a pro-rata basis. Any Unsubscribed Rights Shares and NQS Unsold Rights Shares which are not placed under the Compensatory Arrangements will be taken up by the Underwriter to an extent pursuant to the Underwriting Agreement and the remaining Rights Shares (if any) not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Set out below are principal terms of the Placing Agreement as extracted from the Board Letter:

Date	15 July 2024
Placing Agent:	Emperor Securities Limited was appointed as the Placing Agent to procure, on a best efforts basis, placees to subscribe for the Unsubscribed Rights Shares and NQS Unsold Rights Shares during the Placing Period
Placing Period:	The period commencing from the second Business Day after the Latest Time for Acceptance and ending at 4:00 p.m. on the sixth Business Day after the Latest Time for Acceptance

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Commission and expenses:	Subject to completion of the Placing, the Company shall pay to the Placing Agent a placing commission in Hong Kong dollars, of 1.25% (i.e. Placing Commission) of the amount which is equal to the placing price multiplied by the number of Unsubscribed Rights Shares and NQS Unsold Rights Shares that have been successfully placed by the Placing Agent, with minimum charge of HK\$100,000 (the “ Minimum Charge ”), pursuant to the terms of the Placing Agreement.
Placing price of the Unsubscribed Rights Shares and NQS Unsold Rights Shares:	The placing price of the Unsubscribed Rights Shares and NQS Unsold Rights Shares shall be not less than the Subscription Price and the final price determination will be depended on the demand for and the market conditions of the Unsubscribed Rights Shares and NQS Unsold Rights Shares during the process of placement.
Places:	The Unsubscribed Rights Shares and NQS Unsold Rights Shares are expected to be placed to placee(s), who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies).

For detailed terms of the Placing Agreement, please refer to the section headed “Placing Agreement” of the Board Letter.

We noted that the commission rates payable to placing agents of the Comparables (if any) ranged from 0.5% to 3.5%. Accordingly, we are of the opinion that Placing Commission of 1.25% (which is within the aforesaid range) is fair and reasonable.

In addition, we noted that the placing commissions of five out of nine Comparables were subject to minimum charge of HK\$100,000 to HK\$800,000 (representing approximately 0.11% to 1.26% of expected maximum gross proceeds from the respective rights issue). Accordingly, we consider the Minimum Charge (representing approximately 0.40% of the expected maximum gross proceeds from the Rights Issue) to be fair and reasonable.

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The Underwriting Agreement

Set out below are the principal terms of the Underwriting Agreement as extracted from the Board Letter:

Date:	15 July 2024
Issuer:	the Company
Underwriter	Aperto Investments
Number of Rights Shares underwritten by the Underwriter:	Aperto Investments has (in addition to its obligations under the Irrevocable Undertaking) conditionally agreed to underwrite such number of Rights Shares not taken up under the Compensatory Arrangements (rounded down to the nearest whole number), which together with the Shares already held by Aperto Investments and the Undertaken Shares, and depending on the number of Untaken Rights Shares, up to 51% of the total enlarged issued share capital of the Company at completion of the Rights Issue. For the avoidance of doubt, in the event that the number of Shares already held by Aperto Investments together with the Undertaken Shares exceed 51% of the total enlarged issued share capital of the Company at completion of the Rights Issue, no Rights Share will be underwritten by Aperto Investments under the Underwriting Agreement.
Commission:	The Underwriter will not receive any underwriting commission.

For detailed terms of the Underwriting Agreement, please refer to the section headed “THE UNDERWRITING AGREEMENT” of the Board Letter.

We consider that the aforesaid underwriting arrangement secured the Company’s fund-raising through the Rights Issue to a certain extent and that the Underwriter will not receive any underwriting commission is favourable to the Company.

Taking into account the principal terms of the Rights Issue as highlighted above, we consider that the terms of the Rights Issue are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

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Possible dilution effect to the existing public Shareholders

All Qualifying Shareholders are entitled to subscribe for the Rights Shares in the same proportion to their existing shareholding in the Company held on the Record Date. Those Qualifying Shareholders who take up their entitlements in full under the Rights Issue could maintain their shareholding interests in the Company after the Rights Issue.

With reference to the shareholding tables in the section headed “SHAREHOLDING STRUCTURE OF THE COMPANY” of the Board Letter, the shareholding interests of the existing public Shareholders would be diluted by a maximum of approximately 29.71 percentage points immediately after completion of the Rights Issue.

We are aware of the potential dilution effect as just mentioned. Nevertheless, we consider that the foregoing should be balanced by the following factors:

- Independent Shareholders are offered a chance to express their views on the terms of the Rights Issue through their votes at the EGM;
- Qualifying Shareholders have their choice of whether to accept the Rights Issue or not;
- The Rights Issue offers the Qualifying Shareholders a chance to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company at discount to the prevailing market prices of the Shares;
- Those Qualifying Shareholders who choose to accept the Rights Issue in full can maintain their respective existing shareholding interests in the Company after the Rights Issue; and
- The Compensatory Arrangements will provide a compensatory mechanism for the No Action Shareholders and the Non-Qualifying Shareholders.

Having considered the above, we consider the potential dilution effect to be acceptable.

Possible financial effects of the Rights Issue

The unaudited pro forma statement of consolidated net tangible assets of the Group attributable to the owners of the Company (the “**Pro Forma Statement**”) adjusted for the effect of the Rights Issue as at 31 March 2024, which is prepared as if the Rights Issue had taken place on 31 March 2024, is set out under Appendix II to the Circular.

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According to the Pro Forma Statement, the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2024 was approximately HK\$311 million and would be approximately HK\$335 million (based on 126,372,249 Rights Shares to be issued) as if the Rights Issue had taken place on 31 March 2024.

It should be noted that the aforementioned analyses are for illustrative purpose only and do not purport to represent how the financial position of the Group will be upon completion of the Rights Issue.

RECOMMENDATION ON RIGHTS ISSUE

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Rights Issue are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) although the Rights Issue is not conducted under the Group's ordinary and usual course of business, it is in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Rights Issue and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

III. Whitewash Waiver

According to the Board Letter:

- As at the Latest Practicable Date, Aperto Investments, Mr. Luk and parties acting in concert with any of them are interested in 230,360,000 Existing Shares (or 11,518,000 Consolidated Shares upon the Share Consolidation becoming effective) in aggregate, representing approximately 27.34% of the existing issued share capital of the Company and is a substantial shareholder of the Company.
- Assuming (i) there is no change in the number of issued Shares from the Latest Practicable Date up to and including the date of closing of the Rights Issue; (ii) none of the Qualifying Shareholders other than Aperto Investments have taken up their entitlements under the Rights Issue; and (iii) none of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares have been taken up under the Compensatory Arrangements, the aggregate interests in the Company held by Aperto Investments, Mr. Luk and parties acting in concert with any of them upon the completion of the Rights Issue will increase to approximately 60.08% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares. Aperto Investments will, in the absence of the Whitewash Waiver, be obliged to make a mandatory cash offer for all issued Shares not already owned or agreed to be acquired by it pursuant to Rule 26 of the Takeovers Code, unless the Whitewash Waiver is granted.

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- An application has been made by Aperto Investments to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, (i) the approval of the Whitewash Waiver by at least 75% of the Independent Shareholders at the EGM by way of poll; and (ii) the approval by more than 50% of the Independent Shareholders at the EGM by way of poll in respect of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder.

In view of (i) that the Rights Issue is in the interest of the Company and the Independent Shareholders as a whole; (ii) the terms of the Rights Issue is fair and reasonable so far as the Independent Shareholders are concerned; and (iii) that the Rights Issue is conditional on the Conditions Precedent (including the grant of the Whitewash Waiver) whereas none of the Conditions Precedent can be waived, we are of the opinion that the Whitewash Waiver is in the interest of the Company and the Independent Shareholders as a whole and is fair and reasonable so far as the Independent Shareholders are concerned for proceeding with the Rights Issue.

RECOMMENDATION ON THE WHITEWASH WAIVER

Having taken into consideration the above, and that the Rights Issue is conditional on the Conditions Precedent (including the grant of the Whitewash Waiver) whereas none of the Conditions Precedent can be waived, we consider the Whitewash Waiver is fair and reasonable so far as the Independent Shareholders are concerned and is in the interest of the Company and the Independent Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Whitewash Waiver and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 25 years of experience in investment banking industry.

A. FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for the three years ended 31 March 2022, 2023 and 2024 are disclosed in the following documents which have been published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.romagroup.com/>), respectively:

- (i) the audited consolidated financial information of the Group for the year ended 31 March 2024 is disclosed in the annual report of the Company for the year ended 31 March 2024 published on 24 July 2024, from pages 45 to 131

(<https://www1.hkexnews.hk/listedco/listconews/gem/2024/0724/2024072400578.pdf>)

- (ii) the audited consolidated financial information of the Group for the year ended 31 March 2023 is disclosed in the annual report of the Company for the year ended 31 March 2023 published on 29 June 2023, from pages 46 to 135

(<https://www1.hkexnews.hk/listedco/listconews/gem/2023/0629/2023062900856.pdf>)

- (iii) the audited consolidated financial information of the Group for the year ended 31 March 2022 is disclosed in the annual report of the Company for the year ended 31 March 2022 published on 29 June 2022, from pages 45 to 137

(<https://www1.hkexnews.hk/listedco/listconews/gem/2022/0629/2022062901125.pdf>)

Set out below is a summary of the audited consolidated financial results of the Group for the financial years ended 31 March 2022, 2023 and 2024 respectively, as extracted from the relevant published annual report of the Company for the relevant years.

	For the year ended 31 March		
	2022	2023	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)	(audited)
Revenue	91,342	61,385	52,436
Other income, other gains and losses	8,748	4,673	12,435
Change in fair value of investment property	600	(600)	(1,500)
Employee benefit expenses	(43,358)	(36,408)	(31,567)
Depreciation and amortisation	(5,021)	(5,114)	(3,669)
Allowance for expected credit losses, net	(38,756)	(30,414)	(28,045)
Impairment loss on goodwill	—	—	(4,253)
Impairment loss on intangible assets	—	—	(838)
Finance costs	(4,353)	(7,069)	(8,799)
Other expenses	(44,266)	(16,182)	(26,215)
Loss before income tax	(35,064)	(29,729)	(40,015)
Income tax credit/(expense)	200	(25)	217
Loss and total comprehensive expense for the year	(34,864)	(29,754)	(39,798)
Loss and total comprehensive expense attributable to:			
Owners of the Company	(34,864)	(29,352)	(40,990)
Non-controlling interests	—	(402)	1,192
	<u>(34,864)</u>	<u>(29,754)</u>	<u>(39,798)</u>

Except as disclosed in the above summary, there were no items of income or expenses which are material during the years ended 31 March 2022, 2023 and 2024.

No dividend was paid or proposed by the Company during the years ended 31 March 2022, 2023 and 2024.

The management discussion and analysis of the Company for each of the years ended 31 March 2022, 2023 and 2024 are disclosed in the annual reports of the Company for the years ended 31 March 2022, 2023 and 2024 respectively.

CL Partners CPA Limited is the auditor of the Company. No modified opinion, emphasis of matter or material uncertainty related to going concern was contained in the Company's auditor's report for the financial years ended 31 March 2022, 2023 and 2024.

B. INDEBTEDNESS

As at the close of business on 30 June 2024, being the latest practicable date for the purpose of ascertaining information contained in this statement of indebtedness prior to the printing of this circular, the following table sets forth the indebtedness as at 30 June 2024:

	<i>HK\$'000</i> (unaudited)
Bank borrowings — secured <i>(Note 1)</i>	57,359
Other borrowings — unsecured <i>(Note 2)</i>	30,020
Lease liabilities	
— Current	2,677
— Non-current	<u>2,416</u>
	<u><u>92,472</u></u>

Notes:

- As at 30 June 2024, the bank borrowings of HK\$49,466,000 are secured by bank deposits of HK\$51,562,000 placed in a bank. Bank borrowings are carried at Hong Kong Inter-bank Offered Rate (“**HIBOR**”)+1% and bank cost of fund +0.9% per annum.

As at 30 June 2024, the bank borrowings of HK\$7,893,000 are secured by the Group's investment property and assignment of insurance, interest-bearing at HIBOR+1.5% to 4% per annum.

- As at 30 June 2024, the other borrowings of HK\$30,020,000 are unsecured, interest-bearing at fixed rate at 5% and 15% per annum.
- Bank borrowings are denominated in Hong Kong dollars.

Disclaimers

Save as aforesaid and apart from the intra-group liabilities, as at close of business on 30 June 2024, the Group did not have any debt securities issued and outstanding, any authorised or otherwise created but unissued, term loans, other borrowings, indebtedness in nature of borrowings including bank overdrafts, liabilities under acceptances (other than normal trade bills) or acceptance credits, hire purchase commitments, debentures, mortgages, charges, recognised lease liabilities, which are either guaranteed, unguaranteed, secured, or unsecured, or other material contingent liabilities or guarantees.

C. WORKING CAPITAL STATEMENT

Taking into account the financial resources available to the Group including the estimated net proceeds from the Rights Issue of approximately HK\$24,154,000, cash and cash equivalents on hand, cash flows from operating activities and available banking facilities, the Directors are of the opinion that the Group will have sufficient working capital for its present requirements for at least the next twelve months from the date of this circular.

D. MATERIAL CHANGE

The Board confirms that save for (i) the proposed Share Consolidation; (ii) the proposed Rights Issue on the basis of three (3) Rights Shares for every one (1) Consolidated Share held on the Record Date on a non-fully underwritten basis; (iii) the connected transaction in relation to the Underwriting Agreement; (iv) application for the Whitewash Waiver; (v) change in use of proceeds (please refer to the announcement of the Company dated 22 July 2024 for item (i) to (v)); and (vi) the increase in current liabilities of the Company which was mainly due to the increase in trade payables arising from securities broking business, which represent the monies received from and repayable to brokerage clients, there is no material change in the financial or trading position or outlook of the Group since 31 March 2024, the date to which the latest audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

E. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

As disclosed in the annual report of the Company for the year ended 31 March 2024, the Group's revenue was approximately HK\$52.4 million, representing a decrease of approximately 14.6% compared with that for the year ended 31 March 2023. Such decrease in revenue was mainly due to the decrease in revenue on the services fee income generated from provision of valuation and advisory services decreased by 27.1% to approximately HK\$27.5 million for the year ended 31 March 2024 from approximately HK\$37.7 million for the year ended 31 March 2023.

Besides, the loss attributable to owners of the Company amounted to approximately HK\$41.0 million for the year ended 31 March 2024, which rose by approximately HK\$11.6 million as compared to that loss attributable to owners of the Company of approximately HK\$29.4 million for the year ended 31 March 2023. The increase was mainly due to following negative impacts (i) decrease in revenue from the valuation and advisory services segment and financing services segment; (ii) increase of approximately HK\$10.0 million in the Group's

other expenses substantially derived from the rise of professional fee and consultancy fee; and (iii) recognition of the impairment loss on goodwill and intangible assets amounted to approximately HK\$4.3 million and HK\$0.9 million respectively during the year ended 31 March 2024. All of those negative impacts outweighed the positive factor from the increase by approximately HK\$7.8 million during the year ended 31 March 2024 from the other income, other gains and losses.

However, 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 such as US initial public offering consultancy service 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.

The continuing high interest rate environment leading the poor market sentiment that have hindered the development of the mergers and acquisition opportunities and growth of the Group's provision of valuation and advisory service segment during the year ended 31 March 2024. Nevertheless, it is expected that the related policies in relation to the development of the Belt and Road Initiative and the advancement of Guangdong-Hong Kong-Macao Greater Bay Area will create new opportunities for Hong Kong as an international financial hub.

The performance of the Group's provision of securities broking, placing and underwriting and investment advisory and asset management service segment has been persistently improving during the year ended 31 March 2024 due to heated investment atmosphere in the United States stock market. In addition, the expected interest rate cuts in the coming few years should support a gradual recovery of demand and leading support to economic confidence and activities in Hong Kong. Therefore, it is expected that the Group will continue 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 play a key driver of increasing the revenue streams.

In addition, an indirectly non wholly owned subsidiary has submitted an application to the Securities and Futures Commission of Hong Kong (the "SFC") to engaged in virtual asset-related activities under the Type 1 regulated activity (Dealing in Securities) licensing. The Group is of the view that, subject to obtaining the necessary regulatory approvals, the expansion of the business to engage in virtual asset-related services is in line with the Group's strategy to provide more diversified services to investors and will create opportunities for synergies among the Group's various business line. The Group will continue to monitor its status of the license application and seek new business opportunities to achieve growth and profitability.

For illustrative purpose only, set out below is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group after completion of the Rights Issue. Although reasonable care has been exercised in preparing the unaudited pro forma financial information, Shareholders who read the information should bear in mind that these figures are inherently subject to adjustments and may not give a complete picture of the Group's financial results and positions for the financial periods concerned.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company (the “**Unaudited Pro Forma Financial Information**”) has been prepared by the Directors in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on GEM operated by The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) to illustrate the effect of the Rights Issue on the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as if the Rights Issue had taken place on 31 March 2024.

The Unaudited Pro Forma Financial Information is prepared for illustrative purpose only and based on the judgements, estimates and assumptions of the Directors, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to the owners of the Company immediately after completion of the Rights Issue or any future date after completion of the Rights Issue.

The Unaudited Pro Forma Financial Information is prepared based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2024, as extracted from the published annual report of the Company for the year ended 31 March 2024 and is adjusted to reflect the effect of the Rights Issue as if the Rights Issue had been completed on 31 March 2024.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

Audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2024 <i>HK\$'000</i> <i>(Note 1)</i>	Estimated net proceeds from the Rights Issue <i>HK\$'000</i> <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after completion of the Rights Issue <i>HK\$'000</i>	Audited consolidated net tangible assets of the Group attributable to owners of the Company per share as at 31 March 2024 <i>HK\$'000</i> <i>(Note 3)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per share as at 31 March 2024 immediately after completion of the Rights Issue <i>HK\$'000</i> <i>(Note 4)</i>
311,157	24,154	335,311	7.39	1.99

Based on 126,372,249
Rights Shares to be
issued at Subscription
Price of HK\$0.2 per
Rights Share

Notes:

1. The audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2024 is extracted from the published annual report of the Company for the year ended 31 March 2024, which is equal to the audited consolidated net assets of the Group attributable to owners of the Company as at 31 March 2024 of approximately HK\$311,269,000, after deducting intangible assets of approximately HK\$112,000.
2. The estimated net proceeds from the Rights Issue of approximately HK\$24,154,000 is calculated based on 126,372,249 Rights Shares assuming to be issued on the completion of the Rights Issue (based on 126,372,249 Shares in issue as at the Latest Practicable Date) at the Subscription Price of HK\$0.2 per Rights Share and after deduction of estimated related expenses of approximately HK\$1,120,000.
3. The audited consolidated net tangible assets of the Group attributable to owners of the Company per Share as at 31 March 2024 was HK\$7.39, which was based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2024 of approximately HK\$311,157,000, divided by 42,124,083 Consolidated Shares immediately as if the Share Consolidation had become effective on 31 March 2024.
4. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per share as at 31 March 2024 immediately after completion of the Rights Issue is calculated based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after completion of Rights Issues of approximately HK\$335,311,000, divided by 168,496,332 Shares which represents 42,124,083 Consolidated Shares immediately after the Share Consolidation having become effective and 126,372,249 Rights Shares, assuming the Share Consolidation has become effective and the Rights Issue has been completed on 31 March 2024.
5. Save as disclosed above, no adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 March 2024.

The following is the text of the independent reporting accountants' assurance report received from CL Partners CPA Limited, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this circular.

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF THE UNAUDITED PRO FORMA FINANCIAL INFORMATION



To the Directors of Roma (meta) Group Limited

We have completed our assurance engagement to report on the compilation of the unaudited pro forma financial information of Roma (meta) Group Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 31 March 2024 and related notes as set out in Appendix II to the circular issued by the Company dated 12 August 2024 (the “**Circular**”) in connection with the Company, proposed rights issue on the basis of three rights shares for every one existing share held on the record date at the subscription price of HK\$0.2 per rights share (“**the Rights Issue**”). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described in Appendix II to the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the Rights Issue on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2024 as if the Rights Issue had taken place at 31 March 2024. As part of this process, information about the Group's audited consolidated net tangible assets attributable to owners of the Company has been extracted by the Directors from the Group's financial information for the year ended 31 March 2024, on which an auditor's report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on GEM operated by The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 7.31 of the GEM Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of the unaudited pro forma financial information included in this circular is solely to illustrate the impact of the Rights Issue on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 March 2024 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

CL Partners CPA Limited

Certified Public Accountants

Lee Wai Chi

Practising Certificate Number: P07830

Hong Kong

12 August 2024

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 circular 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 circular misleading.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this circular (other than those relating to the Underwriter, Mr. Luk and parties acting in concert with any of them) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this circular (other than those expressed by the sole director of the Underwriter) have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement in this circular misleading.

Mr. Luk, being the sole director and the ultimate beneficial owner of the Underwriter, accepts full responsibility for the accuracy of the information contained in this circular (other than those relating to the Group), and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this circular (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement in this circular misleading.

2. SHARE CAPITAL

(i) Share capital as at the Latest Practicable Date

<i>Authorised</i>	<i>HK\$</i>
<u>57,600,000,000</u> Existing Shares of HK\$0.01 each	<u>576,000,000</u>
<i>Issued and fully paid:</i>	
<u>842,481,660</u> Existing Shares of HK\$0.01 each	<u>8,424,816.6</u>

- (ii) **Immediately following the Share Consolidation having become effective (assuming no change in the number of issued Existing Shares (or the Consolidated Shares upon the Share Consolidation having become effective) from the Latest Practicable Date up to the effective date)**

<i>Authorised</i>	<i>HK\$</i>
<u>2,880,000,000</u> Consolidated Shares of HK\$0.20 each	<u>576,000,000</u>
<i>Issued and fully paid:</i>	
<u>42,124,083</u> Consolidated Shares of HK\$0.20 each	<u>8,424,816.6</u>

- (iii) **Share capital immediately following the Share Consolidation becoming effective and upon completion of the Rights Issue (assuming no further issue of Consolidated Shares or repurchase of Shares on or before the completion of the Rights Issue (other than issue of the Rights Shares) and the Rights Issue is fully subscribed)**

<i>Authorised</i>	<i>HK\$</i>
<u>2,880,000,000</u> Consolidated Shares immediately following the Share Consolidation becoming effective	<u>576,000,000</u>
<i>Issued and fully paid:</i>	
42,124,083 Consolidated Shares of HK\$0.20 each	8,424,816.6
126,372,249 Rights Shares to be allotted and issued under the Rights Issue	25,274,449.8
<u>168,496,332</u> Shares in issue immediately upon completion of the Rights Issue	<u>33,699,266.4</u>

All the Existing Shares, Consolidated Shares and the Rights Shares in issue and to be issued rank and will rank *pari passu* in all respects with each other including rights to dividends, voting and return of capital. The Existing Shares, Consolidated Shares and the Rights Shares in issue and to be issued are or will be listed on GEM.

As at the Latest Practicable Date, the Company did not have any other derivatives, options, warrants, other securities or conversion rights or other similar rights which are convertible or exchangeable into, any Existing Shares or Consolidated Shares and no capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option. The Company has no intention to issue or grant any convertible securities, warrants and/or options on or before the Record Date.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Existing Shares, the Consolidated Shares or the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

3. MARKET PRICES

The table below sets forth the closing price(s) of the Existing Shares as quoted on the Stock Exchange (i) on the Last Trading Day, (ii) at the end of each calendar months during the Relevant Period and (iii) on the Latest Practicable Date:

Date	Closing price per Existing Share HK\$
31 January 2024	0.031
29 February 2024	0.033
28 March 2024	0.026
30 April 2024	0.026
31 May 2024	0.026
28 June 2024	0.022
15 July 2024 (the Last Trading Day)	0.013
31 July 2024	0.012
9 August 2024 (the Latest Practicable Date)	0.010

The highest and lowest closing prices per Existing Share as quoted on the Stock Exchange during the period commencing from 23 January 2024, being the first day of the Relevant Period, and ending on the Latest Practicable Date are HK\$0.035 per Existing Share on 23 and 24 January 2024, and HK\$0.01 per Existing Share on 5, 6, 7, 8 and 9 August 2024, respectively.

4. DISCLOSURE OF INTERESTS

(a) Director's and chief executive's interest and short positions in shares and underlying shares and debentures of the Company or its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives 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 were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (iii) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange; or (iv) to be disclosed under the Takeovers Code were as follows:

Long position in the Shares and underlying shares 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	The Company	Interest of controlled corporation/ Corporate interest	56,580,000	6.72%
	Fast and Fabulous Company ("Fast and Fabulous")	Trustee of the Plan/Others	56,580,000	6.72%
Mr. Chung	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 842,481,660 Shares as at 31 March 2024.
- These 56,580,000 Shares were held by Fast and Fabulous, which was the trustee of the share award 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 the Latest Practicable Date, none of the Directors and the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which would be required pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange, or which would be required to be disclosed under the Takeovers Code.

(b) Interests of substantial Shareholders

As at the Latest Practicable Date, 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:

Name of shareholders	Capacity/nature of interest	Number of issued Shares held	Approximate percentage of interest
Aperto Investments	Beneficial owner/Personal interest	230,360,000	27.34%
Mr. Luk	Interest of a controlled corporation/ Corporate interest	230,360,000	27.34%

Notes:

1. The percentage is calculated on the basis of the total number of issued 842,481,660 Shares as at the Latest Practicable Date.
2. The entire issued share capital of Aperto Investments was legally and beneficially owned by Mr. Luk. Mr. Luk was deemed to be interested in all the Shares held by Aperto Investments by virtue of the SFO.

Save as disclosed above and as at the Latest Practicable Date, the Company had not been notified for 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.

5. ADDITIONAL DISCLOSURE OF INTERESTS AND DEALINGS IN SECURITIES OF THE COMPANY

As at the Latest Practicable Date:

- (a) save as disclosed in the section headed “Shareholding Structure of the Company” in the “Letter from the Board” of this circular, none of the Underwriter, Mr. Luk or any parties acting in concert with any of them held, owned or controlled any other Shares, convertible preference shares, convertible securities, warrants, options or derivatives of the Company. In addition, save for the Irrevocable Undertaking given by the Underwriter, details of which as set out in the section headed “Irrevocable Undertaking from Aperto Investments” in the “Letter from the Board” of this circular and the Underwriting Agreement, none of the Underwriter, Mr. Luk or any parties acting in concert with any of them had dealt for value in any Shares, convertible preference shares, convertible securities, warrants, options or derivatives of the Company during the Relevant Period;
- (b) save as disclosed in the section headed “Shareholding Structure of the Company” in the “Letter from the Board” of this circular, the sole director of the Underwriter, Mr. Luk, was not interested in any Shares, convertible preference shares, convertible securities, warrants, options or derivatives of the Company or similar rights which are convertible or exchangeable into any Shares. In addition, the sole director of the Underwriter had not dealt in any Shares, convertible preference shares, convertible securities, warrants, options or derivatives of the Company during the Relevant Period;
- (c) no person had irrevocably committed themselves to vote for or against the resolutions to be proposed at the EGM to approve the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder, and the Whitewash Waiver;
- (d) save for the Irrevocable Undertaking given by the Underwriter, details of which as set out in the section headed “Irrevocable Undertaking from Aperto Investments” in the “Letter from the Board” of this circular and the Underwriting Agreement, there was no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Underwriter, Mr. Luk or any parties acting in concert with any of them, and none of them had dealt for value in any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company during the Relevant Period;
- (e) none of the Underwriter, Mr. Luk or any parties acting in concert with any of them has borrowed or lent any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company;

- (f) none of the Company and the Directors held any shares, convertible securities, warrants, options or derivatives of the Underwriter or similar rights which are convertible or exchangeable into shares of the Underwriter. None of them had dealt for value in any shares, convertible securities, warrants, options or derivatives of the Underwriter during the Relevant Period;
- (g) save as disclosed in the paragraph headed “4. Disclosure of Interests” in this appendix, none of the Directors had owned or controlled, or had dealt for value in, any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company during the Relevant Period;
- (h) none of the subsidiaries of the Company, pension funds of the Company or of any member of the Group or by a person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” or who is an associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code had owned or controlled, or had dealt for value in, any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company during the Relevant Period;
- (i) no Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company were managed on a discretionary basis by fund managers connected with the Company and no such person had dealt for value in any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company during the Relevant Period;
- (j) none of the Company nor any Directors had borrowed or lent any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company, save for any borrowed shares which have been either on-lent or sold during the Relevant Period;
- (k) save for the Irrevocable Undertaking given by the Underwriter, details of which as set out in the section headed “Irrevocable Undertaking from Aperto Investments” in the “Letter from the Board” of this circular and the Underwriting Agreement, there was no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate”, and none of them had dealt for value in any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company during the Relevant Period;

- (l) there was no agreement, arrangement or understanding (including any compensation arrangement) between the Underwriter, Mr. Luk or any parties acting in concert with any of them and any of the Directors, recent Directors, Shareholders or recent Shareholders having any connection with or dependence upon the Rights Issue, the Placing Agreement, the Underwriting Agreement and the Whitewash Waiver;
- (m) save for the Irrevocable Undertaking given by the Underwriter, details of which as set out in the section headed “Irrevocable Undertaking from Aperto Investments” in the “Letter from the Board” of this circular and the Underwriting Agreement, there is no other understanding, arrangement, agreement or special deal between (i) any Shareholders; and (ii)(a) the Underwriter, Mr. Luk and any parties acting in concert with any of them, or (b) the Company, its subsidiaries or associated companies;
- (n) save for the Irrevocable Undertaking, there was no agreement, arrangement or understanding between the Underwriter and other persons in relation to the transfer, charge or pledge of the Shares that (i) are held by the Underwriter; or (ii) will be issued and allotted to the Underwriter pursuant to the Rights Issue or may be issued and allotted to the Underwriter pursuant to the fulfillment of its obligations under the Underwriting Agreement;
- (o) the Company has not paid and will not pay any consideration, compensation or benefit in whatever form to the Underwriter, Mr. Luk or parties acting in concert with any of them in connection with the Rights Issue and the Underwriting Agreement;
- (p) apart from the Underwriting Agreement and the Irrevocable Undertaking, there is no other understanding, arrangement or special deal between the Company on the one hand, and the Underwriter, Mr. Luk or parties acting in concert with any of them on the other hand; and
- (q) apart from the Underwriting Agreement and the Irrevocable Undertaking, there is no understanding, arrangement or agreement or special deal between (i) any Shareholders; and (ii) (a) Aperto Investments, Mr. Luk or any parties acting in concert with any of them, or (b) the Company, its subsidiaries or associated companies.

6. ARRANGEMENTS AFFECTING AND RELATING TO DIRECTORS

As at the Latest Practicable Date:

- (a) no benefit (other than statutory compensation) would be given to any Director as compensation for loss of office or otherwise in connection with the Rights Issue, the Placing Agreement, the Underwriting Agreement and the Whitewash Waiver;

- (b) there was no agreement or arrangement between any Director and any other person which was conditional or dependent upon the outcome of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the Whitewash Waiver or otherwise connected with the Rights Issue, the Placing Agreement, the Underwriting Agreement and the Whitewash Waiver; and
- (c) there was no material contract entered into by the Underwriter in which any Director had a material personal interest.

7. DIRECTORS' SERVICE CONTRACTS

The Company has entered into a letter of appointment with Ms. Suen Tin Yan, an independent non-executive Director on 28 March 2024 for an initial term of one year commencing from 28 March 2024. The appointment is subject to rotational retirement and re-election requirements at subsequent annual general meetings of the Company pursuant to the articles of association of the Company. Ms. Suen will receive an annual director fee of HK\$60,000 without any variable remuneration.

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group other than contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

8. COMPETING INTERESTS

To the best knowledge of the Directors, as at the Latest Practicable Date, none of the Directors and the controlling shareholders of the Company and employees of the Company nor their respective close associates had any business or interest which competed or might compete, either directly or indirectly, with the business of the Group or any other conflict of interest which any such person had or might have with the Group which would be required to be disclosed under Rule 11.04 of the GEM Listing Rules.

9. MATERIAL LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

10. DIRECTORS' INTERESTS IN ASSETS, CONTRACTS OR ARRANGEMENTS

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2024, the date to which the latest published audited accounts of the Group were made up. There was no contract or arrangement entered into by any member of the

Group, subsisting as at the Latest Practicable Date, in which any of the Directors was materially interested and which was significant in relation to the business of the Group as a whole.

11. RISKS FACTORS

In compliance with the GEM Listing Rules, the Company sets out below the risk factors of the Group for the attention of the Shareholders and potential investors. The Directors believe that there are certain risks involved in the operations of the Group, which includes but are not limited to, the following:

- (a) the revenue from the Group's valuation and financial advisory services is typically derived from projects which are non-recurring in nature. In the event that the Group fails to secure new projects in the future, the business and financial positions and prospects of the Group may be materially and adversely affected;
- (b) the business of the Group depends considerably on its experienced technical staff members, such staff members are continuously in great demand in the labour market. In the event that the Group's competitors offer more attractive compensation packages, the Group may not be able to retain them to sustain its business growth, or its staff expenses in relation thereto may increase substantially, both of which could have a material adverse effect on the Group's business and financial result;
- (c) the Group's trade receivables are subject to credit risk. If the counter-parties default on their settlements to the Group, the Group will suffer financial loss; and
- (d) the changes in the macro-economic situation and other factors such as instability of regulations, government policies and economy may have any adverse effect on the Group's business, financial condition and results.

12. MATERIAL CONTRACTS

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) which have been entered into by any member of the Group within the two years immediately preceding the date of the Announcement up to and including the Latest Practicable Date:

- (i) the Placing Agreement;
- (ii) the Underwriting Agreement;
- (iii) the Irrevocable Undertaking;
- (iv) the sales and purchase agreement dated 20 December 2022 entered into between United Brilliant Limited ("**United Brilliant**"), a direct wholly-owned subsidiary, and Greenhouse Global Limited in relation to the sale and purchase of 140 shares of

- the Million Up Holdings Limited (“**Million Up Holdings**”), representing approximately 21.9% of its then issued share capital, details of which were set out in the announcement of the Company dated 20 December 2022;
- (v) the sales and purchase agreement dated 20 December 2022 entered into between United Brilliant and Greenhouse Global Limited in relation to the sale and purchase of 140 shares of the Fantastic Adventure Holdings Limited (“**Fantastic Adventure Holdings**”), representing approximately 21.9% of its then issued share capital, details of which were set out in the announcement of the Company dated 20 December 2022;
 - (vi) the subscription agreement dated 9 January 2023 entered into between Goodway Max Limited and Million Up Holdings in relation to the subscription of 250 shares of Million Up Holdings (the “**Million Up Subscription Shares**”), representing approximately 28.1% of its enlarged share capital by the Million Up Subscription Shares, details of which were set out in the announcement of the Company dated 9 January 2023;
 - (vii) the subscription agreement dated 9 January 2023 entered into between Goodway Max Limited and Fantastic Adventure Holdings in relation to the subscription of 250 shares of Fantastic Adventure Holdings (the “**Fantastic Adventure Subscription Shares**”), representing approximately 28.1% of its enlarged share capital by Fantastic Adventure Subscription Shares, details of which were set out in the announcement of the Company dated 9 January 2023;
 - (viii) the sales and purchase agreement dated 9 January 2023 entered into between the United Brilliant and Goodway Max Limited in relation to the sale and purchase of the 54 shares of Million Up Holdings, representing approximately 6.1% of its enlarged share capital by the Million Up Subscription Shares, details of which were set out in the announcement of the Company dated 9 January 2023;
 - (ix) the agreement dated 9 January 2023 entered into between the United Brilliant and Goodway Max Limited in relation to the sale and purchase of 54 shares of Fantastic Adventure Holdings, representing approximately 6.1% of its enlarged share capital by the Fantastic Adventure Subscription Shares, details of which were set out in the announcement of the Company dated 9 January 2023; and
 - (x) the placing agreement dated 21 July 2023 entered into between the Company and Emperor Securities Limited in relation to the placing of up to 140,400,000 Existing Shares and its supplemental agreement dated 24 July 2023, details of which were set out in the announcements of the Company dated 21 July and 24 July 2023.

13. QUALIFICATION AND CONSENT OF EXPERTS

The following is the qualification of the experts who have given opinion, letter or advice contained in this circular (the “**Experts**”):

Name	Qualification
CL Partners CPA Limited	Certified Public Accountants Registered Public Interest Entity Auditors
Gram Capital	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO
Draco Capital Limited	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, each of the above Experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letters or reports and the reference to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, none of the Experts had any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, none of the Experts had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2024, being the date to which the latest published audited accounts of the Company were made up.

14. EXPENSE

The expenses payable by the Company in connection with the Rights Issue, including financial adviser fees, printing, registration, translation, legal and accounting fees, are estimated to be approximately HK\$1.1 million.

15. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Board of Directors	<p><i>Executive Directors:</i> Mr. Yue Kwai Wa Ken <i>(Chairman and Chief Executive Officer)</i> Mr. Li Sheung Him Michael</p> <p><i>Independent Non-executive Directors:</i> Mr. Chung Man Lai Ms. Li Tak Yin Ms. Suen Tin Yan</p>
Audit Committee	Mr. Chung, Man Lai (<i>chairman</i>) Ms. Li, Tak Yin Ms. Suen, Tin Yan
Nomination Committee	Ms. Li, Tak Yin (<i>chairperson</i>) Mr. Chung, Man Lai Ms. Suen, Tin Yan
Remuneration Committee	Ms. Suen, Tin Yan (<i>chairperson</i>) Mr. Chung, Man Lai Ms. Li, Tak Yin
Registered Office	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Head office and principal place of business in Hong Kong	Rooms 1101–4, 11/F, Harcourt House 39 Gloucester Road Wanchai Hong Kong
Authorised representative	Mr. Yue, Kwai Wa Ken Mr. Li, Sheung Him Michael
Company secretary	Mr. Yue, Kwai Wa Ken, AICPA
Hong Kong branch share registrar and transfer office	Boardroom Share Registrars (HK) Limited Room 2103B, 21/F 148 Electric Road North Point Hong Kong

Principal share registrar and transfer office in the Cayman Islands	Conyers Trust Company (Cayman) Limited Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Principal bankers	China Construction Bank (Asia) Corporation Limited 11/F, CCB Centre 18 Wang Chiu Road Kowloon Bay Kowloon Hong Kong
Auditors	CL Partners CPA Limited Certified Public Accountants Registered Public Interest Entity Auditors Unit 3203A-5, 32/F. Tower 2, Lippo Centre 89 Queensway, Admiralty Hong Kong
Legal adviser to the Company as to Hong Kong laws	Robertsons 57/F., The Center 99 Queen's Road Central Hong Kong
Financial adviser in relation to the Rights Issue only	Emperor Corporate Finance Limited 23/F Emperor Group Centre 288 Hennessy Road Wanchai Hong Kong
Financial adviser in relation to Rule 10.11 of the Takeovers Code	Draco Capital Limited 4/F, Connaught Harbour Front House 35-36 Connaught Road West Sheung Wan Hong Kong
Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders	Gram Capital Limited Room 1209, 12/F, Nan Fung Tower 173 Des Voeux Road Central Central Hong Kong

16. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Yue, Kwai Wa Ken (余季華) aged 58, was appointed as an executive Director on 18 March 2011. Mr. Yue is the company secretary and the compliance officer of the Company and is also a director of a number of subsidiaries of the Company. Mr. Yue obtained a diploma of technology in financial management accounting option from the British Columbia Institute of Technology in Canada and a bachelor degree of science in accounting from Upper Iowa University of the United States. He is a member of the American Institute of Certified Public Accountants, a member of the Chartered Global Management Accountants and a fellow member of the Colorado State Society of Certified Public Accountants. Mr. Yue has over 20 years of experience in accounting and finance. Mr. Yue has been appointed as an independent non-executive director of China Starch Holdings Limited (Stock code: 3838) since 5 September 2007 and Major Holdings Limited (Stock code: 1389) since 30 December 2013. Mr. Yue was an independent non-executive director of Pan Asia Data Holdings Inc. (formerly known as Manfield Chemical Holdings Limited) (Stock code: 1561) between 6 November 2015 and 31 December 2018. The shares of the abovementioned companies are listed on the Stock Exchange.

Mr. Li, Sheung Him Michael (李尚謙) (“**Mr. Li**”), aged 40, was appointed as an executive Director on 31 May 2018. He is also a director of a number of subsidiaries of the Company. Mr. Li obtained BSc Biochemistry from Imperial College, London in September 2005 and MRes in Structural Biology from Birkbeck College, London in September 2006. From September 2007 to November 2009, Mr. Li was the business development manager of Kinetics Group in London. Since January 2010, Mr. Li has been working in the Group as a project director.

Independent non-executive Directors

Mr. Chung, Man Lai (鍾文禮), aged 47, has been appointed as an independent non-executive Director since 1 March 2020. He is also the chairman of the audit committee (the “**Audit Committee**”) and members of the nomination committee (the “**Nomination Committee**”) and the remuneration committee (the “**Remuneration Committee**”) of the Board. Mr. Chung has over 23 years of experience in auditing and accounting. Mr. Chung obtained a bachelor of arts degree in accountancy from The Hong Kong Polytechnic University in November 1998 and a master of business administration degree with a major in international business from EU Business School in December 2018. Mr. Chung is a fellow member of the Hong Kong Institute of Certified Public Accountants. He worked in Ernst & Young from 2004 to 2007 and was the chief financial officers of CM Energy Tech Co.,Ltd. (formerly known as CMIC Ocean EnTech Holding Co., Ltd. and TSC Group Holdings Limited) (Stock code: 206) and IDT International Limited (Stock code: 167), both are companies listed on the Main Board of the Stock Exchange, for the period from January 2008 to April 2016 and from April 2016 to December 2016, respectively. Since December 2019, he is an independent non-executive director of Century Group International Holdings Limited (Stock code: 2113), which is a company listed on the Main Board of the Stock Exchange. He was also a non-executive director of Century

Plaza Hotel Group (formerly known as Greatwalle Inc.) (the share of which are listed on GEM of the Stock Exchange, Stock code: 8315) from March 2020 to June 2024. He was also an independent non-executive director of Wuxi Life International Holdings Group Limited (formerly known as Aurum Pacific (China) Group Limited) (the shares of which are listed on GEM of the Stock Exchange, Stock code: 8148) for the period from 1 April to 15 September 2020 and redesignated as an executive director from September 2020 to November 2023. Mr. Chung was appointed as the chief financial officer, company secretary, member of the risk management committee and authorised representative of D&G Technology Holding Company Limited (the shares of which are listed on the Main Board of the Stock Exchange, Stock code: 1301) from September 2020 to December 2023.

Ms. Li, Tak Yin (李德賢) (“**Ms. Li**”), aged 43, was appointed as an independent non-executive Director on 13 September 2017. She is the chairperson of Nomination Committee and a member of each of the Audit Committee and the Remuneration Committee. Ms. Li has over 14 years of experience in sales and marketing. She joined Unisto Ltd., a company based in Switzerland for the period from 2006 to 2020. She worked as a sales executive in 2006, then promoted as a sales manager in 2008, and was later promoted as the sales manager of the Asia region in 2015. She was responsible for the sales and marketing of name badge section in the Asian market, including Hong Kong, Macau, Taiwan, Singapore and Philippines. Ms. Li is currently the directors of Golden Epoch Asia Limited and Golden Epoch Group Limited since 2021. She holds a Bachelor of Arts (Hons) in marketing from The Hong Kong Polytechnic University.

Ms. Suen, Tin Yan (孫天欣) (“**Ms. Suen**”), aged 40, was appointed as an independent non-executive Director on 28 March 2024. She is the chairperson of Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee. She obtained her bachelor of science degree in chemistry from The Hong Kong University of Science and Technology in 2005 and a bachelor of laws from The Manchester Metropolitan University (through distance learning) in 2012. Ms. Suen possesses more than 10 years of experience in corporate finance, mergers and acquisitions and fund raising activities in various ventures and projects. She was a responsible officer of Orient Securities Limited (“**Orient**”), a licensed corporation registered under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the “**SFO**”), to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities which she has been accredited from January 2023 to April 2024. Ms. Suen was appointed as executive director of Orient Securities International Holdings Limited, a company whose shares are listed on GEM of the Stock Exchange (stock code: 8001.hk) on 18 November 2022 and resigned with effect from 31 March 2024.

Prior to joining Orient, Ms. Suen was a responsible officer of Kingdom Investment Managers Limited, a licensed corporation under the SFO, to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities between August 2022 and December 2022. Ms. Suen was also a responsible officer of Gransing Securities Co., Limited (“**Gransing**”) to carry out (i) Type 9 (asset management) regulated activity from March 2022 to July 2022; and (ii) Type 1 (dealing in securities) and Type 4 (advising on

securities) regulated activities from August 2021 to July 2022. She was also a licensed representative of Gransing to carry out (i) Type 9 (asset management) regulated activity from June 2020 to March 2022; and (ii) Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities from June 2020 to August 2021. Ms. Suen was a licensed representative of various licensed corporations under the SFO between 2011 and 2020.

Business address of the Directors

The business address of the Directors is the same as the Company's principal office in Hong Kong at Rooms 1101-4, 11/F, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong.

17. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Board comprises all the independent non-executive Directors, namely Mr. Chung, Ms. Li, Tak Yin, Ms. Suen, Tin Yan. The primary duties of the audit committee include the review of the Group's financial reporting process and the internal control systems as well as risk management of the Group.

18. DOCUMENTS ON DISPLAY

Copies of the following documents are published on the websites of the Stock Exchange (www.hkexnews.hk), the Securities and Futures Commission (www.sfc.hk) and the Company (www.romagroup.com/) from the date of this circular until the date of the EGM:

- (a) the memorandum and articles of association of the Company;
- (b) the memorandum and articles of association of the Underwriter;
- (c) the annual reports of the Company for each of the three financial years ended 31 March 2022, 2023 and 2024;
- (d) the letter of recommendation from the Independent Board Committee, the text of which is set out on pages 40 to 41 of this circular;
- (e) the letter of advice from the Independent Financial Adviser, the text of which is set out on pages IFA-1 to IFA-23 of this circular;
- (f) the accountants' report on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this circular;
- (g) the material contracts referred to in the paragraph headed "12. Material Contracts" of this appendix;
- (h) the written consent referred to in paragraph headed "13. Qualification and Consent of Experts" of this appendix; and
- (i) the letter of appointment dated 28 March 2024 entered into between the Company and Ms. Suen Tin Yan, an independent non-executive Director referred to in paragraph headed "7. Directors' Service Contracts" of this appendix.

19. MISCELLANEOUS

- (a) As at the Latest Practicable Date, to the best knowledge of the Directors, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong;
- (b) As at the Latest Practicable Date, the Company has no significant exposure to foreign exchange liabilities;
- (c) As at the Latest Practicable Date, save as disclosed elsewhere in this circular, there was no material contract for the hire or hire purchase of plant to or by any member of the Group for a period of over a year which is substantial in relation to the Group's business; and
- (d) In the event of any inconsistency, the English texts of this circular and the accompanying form of proxy shall prevail over their respective Chinese texts.

Address of the Company

Rooms 1101-4, 11/F, Harcourt House
39 Gloucester Road
Wanchai, Hong Kong

Address of the Underwriter and Mr. Luk

Flat A, 12/F, Success Commercial Building
245-251 Hennessy Road
Wanchai, Hong Kong

Address of Gram Capital

Room 1209, 12/F, Nan Fung Tower
173 Des Voeux Road Central
Central, Hong Kong



ROMA (META) GROUP LIMITED

羅馬 (元宇宙) 集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8072)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of Roma (meta) Group Limited (the “**Company**”) will be held at Rooms 1101–4, 11/F, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong at 11:00 a.m. on Tuesday, 27 August 2024 for the purpose of considering and, if though fit, passing the following resolutions as ordinary resolutions of the Company. Unless otherwise indicated, capitalised terms used herein shall have the same meaning as those defined in the circular of the Company dated 12 August 2024 (the “**Circular**”)

ORDINARY RESOLUTIONS

1. “**THAT** subject to and conditional upon (i) the compliance with all relevant procedures and requirements under the laws of the Cayman Islands (where applicable) and the Listing Rules to effect the Share Consolidation (as defined below), and (ii) the Stock Exchange (as defined below) granting the listing of, and permission to deal in, the Consolidated Shares (as defined below) arising from the Share Consolidation, with effect from the next business day immediately following the day of passing of this resolution, being a day on which the shares of the Company are traded on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”):
 - (a) every twenty (20) issued and unissued shares of par value HK\$0.01 each in the share capital of the Company be consolidated into one (1) share of par value HK\$0.20 (each a “**Consolidated Share**”), and such Consolidated Share(s) shall rank *pari passu* in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the articles of association of the Company (the “**Share Consolidation**”);
 - (b) all fractional Consolidated Shares resulting from the Share Consolidation will be disregarded and will not be issued to holders of the same but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company in such manner and on such terms as the board of directors (the “**Directors**”) of the Company may think fit; and

* *For identification purposes only*

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- (c) any one or more Directors be and is/are hereby authorised to take such actions, do all such acts and things and execute all such further documents or deeds as he/they may, in his/their absolute discretion, consider necessary, appropriate, desirable or expedient for the purpose of, or in connection with, the implementation of or giving effect to or the completion of any matters relating to the Share Consolidation.”
2. **“THAT** conditional upon (i) all other resolutions set out in this notice being passed by the shareholders of the Company (the **“Shareholders”**); (ii) the Stock Exchange granting or agreeing to grant the listing of and permission to deal in the Rights Shares (as defined below) (in their nil-paid and fully-paid forms); (iii) the fulfilment or waiver of the conditions set out in the Underwriting Agreement (as defined below); and (iv) the filing and registration of all documents relating to the Rights Issue (as defined below) required to be filed or registered with the Registrar of Companies in Hong Kong in accordance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) and the Underwriting Agreement not being terminated in accordance with its terms:
- (a) the allotment and issue of 126,372,249 rights shares (the **“Rights Share(s)”**) by way of Rights Issue (the **“Rights Issue”**) at the Subscription Price of HK\$0.2 per Rights Share on the basis of three (3) Rights Shares for every one (1) Consolidated Share of the Company held by the shareholders (the **“Qualifying Shareholders”**) of the Company whose names appear on the register of members of the Company as at the close of business on Monday, 9 September 2024 (or such later date as may be determined and announced by the Company) (the **“Record Date”**) other than those shareholders (the **“Non-Qualifying Shareholders”**) of the Company whose names appear on the register of members of the Company as at the close of business on the Record Date and whose addresses as shown on the register of members of the Company are outside Hong Kong, whom the Directors, based on legal opinions provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account either of restrictions under the laws of the relevant place or the requirements of a relevant regulatory body or stock exchange in that place, and the transactions contemplated thereunder, be and are hereby approved;
- (b) the placing agreement dated 15 July 2024 entered into between the Company and Emperor Securities Limited (**“Placing Agreement”**) in relation to the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares on a best effort basis (a copy of the Placing Agreement marked **“B”** is produced to this meeting and initialled by the chairman of the meeting for the purpose of identification), and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;

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- (c) the board of Directors (the “**Board**”) or a committee thereof be and is/are hereby authorised to allot and issue the Rights Shares pursuant to or in connection with the Rights Issue notwithstanding that the same may be offered, allotted or issued otherwise than pro-rata to the Qualifying Shareholders and, in particular, the Board may make such exclusions or other arrangements in relation to the Non-Qualifying Shareholders as it may deem necessary or expedient having regard to the legal restrictions under the laws of the place and requirements of the relevant regulatory body or stock exchange;
- (d) the entering into of the underwriting agreement dated 15 July 2024 among the Company and Aperto Investments Limited (the “**Underwriter**”) in relation to the Rights Issue (the “**Underwriting Agreement**”) and the transactions contemplated thereunder (a copy of the Underwriting Agreement marked “C” is produced to the meeting and initialled by the chairman of the meeting for the purpose of identification) be and is hereby approved, confirmed and ratified in all respects and the performance of the transactions contemplated thereunder by the Company (including but not limited to the arrangements for taking up of the underwritten Rights Shares, if any, by the Underwriter) be and are hereby approved, confirmed and ratified; and
- (e) any one Director be and are hereby authorised to sign or execute such documents and do all such acts and things in connection with the allotment and issue of the Rights Shares, the implementation of the Rights Issue in accordance with all terms and conditions of the Rights Issue, the implementation of or giving effect to or the completion of any matters relating to the Underwriting Agreement and the transactions contemplated thereunder as set out in the “Letter from the Board” in the circular of the Company dated 12 August 2024 and the Underwriting Agreement, the exercise or enforcement of any of the Company’s rights under the Underwriting Agreement and to make and agree to make such variations of the terms of the Underwriting Agreement as he/she may in his/her discretion consider to be appropriate, necessary or desirable and in the interests of the Company and its shareholders as a whole.”

SPECIAL RESOLUTION

3. “**THAT:**

- (a) Subject to the granting of the Whitewash Waiver (as defined below) by the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any of his delegate(s) and any conditions that may be imposed thereon, the granting of a waiver pursuant to Note 1 on dispensations from Rule 26 of the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”) to the Underwriter of any obligation to make a general offer under the Takeovers Code for all the issued shares of the Company (other than those owned or agreed to be acquired by the Underwriter and parties acting in concert with the Underwriter) as a result of the taking up

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of the Underwritten Shares (upon Share Consolidation becoming effective) by the Underwriter pursuant to the Underwriting Agreement (the “**Whitewash Waiver**”) be and is hereby approved; and

- (b) any one or more Directors be and is/are hereby authorised to take such actions, do all such acts and things and execute all such further documents or deeds as he/they may, in his/their absolute discretion, consider necessary, appropriate, desirable or expedient for the purpose of, or in connection with, the implementation of or giving effect to or the completion of any matters relating to the Whitewash Waiver and the transactions contemplated thereunder.”

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

Hong Kong, 12 August 2024

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Rooms 1101–4, 11/F, Harcourt House
39 Gloucester Road
Wanchai
Hong Kong

Notes:

1. Any member of the Company (“**Members**” or “**Shareholders**”) entitled to attend and vote at the meeting above (“**Meeting**”) is entitled to appoint in written form one or, if he/she is the holder of two or more shares of the Company (“**Shares**”), more proxies to attend and vote instead of him/her. A proxy need not be a Member.
2. In the case of joint holders of Shares, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the Meeting, personally or by proxy, that one of the said persons so present whose name stands first in the register in respect of such Share shall alone be entitled to vote in respect thereof
3. In order to be valid, the form of proxy must be in writing under the hand of the appointor or of his/her attorney duly authorised in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney duly authorised, and must be deposited with the Hong Kong branch share registrar and transfer office of the Company (“**Branch Registrar**”), Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong (together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) not less than 48 hours before the time fixed for holding of the Meeting (i.e. by 11:00 a.m. on Sunday, 25 August 2024) or any adjournment thereof.
4. For the purpose of determining Members who are qualified for attending and voting at the Meeting, the register of Members will be closed from Wednesday, 21 August 2024 to Tuesday, 27 August 2024, both days inclusive, during which no transfer of Shares will be effected. In order to qualify for attending and voting at the Meeting, all transfers of Shares, accompanied by the relevant share certificates, must be lodged with the Branch Registrar at the address stated in note 3 above not later than 4:30 p.m. on Tuesday, 20 August 2024 for registration.

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5. Delivery of an instrument appointing a proxy should not preclude a Member from attending and voting in person at the above Meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. According to Rule 17.47(4) of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited, voting on all proposed resolutions set out in this notice will be taken by a poll.
7.
 - (a) Subject to paragraph (b) below, if a tropical cyclone warning signal No. 8 or above is expected to be hoisted or “extreme conditions” caused by super typhoons or a black rainstorm warning signal is expected to be in force at any time on the date of the Meeting, the Meeting will be postponed to the next Business Day on which no tropical cyclone warning signal No. 8 or above or “extreme conditions” caused by super typhoons or a black rainstorm warning signal is hoisted or in force in Hong Kong at any time between the hours from 8:00 a.m. to 11:00 a.m. and in such case the meeting shall be held at the same time and venue.
 - (b) If a tropical cyclone warning signal No. 8 or above or “extreme conditions” caused by super typhoons or a black rainstorm warning signal is lowered or cancelled three hours before the time appointed for holding the Meeting and where conditions permit, the Meeting will be held as scheduled.
 - (c) The Meeting will be held as scheduled when a tropical cyclone warning signal No. 3 or below is hoisted or an amber or red rainstorm warning signal is in force.
 - (d) After considering their own situations, Members should decide on their own whether or not they would attend the Meeting under any bad weather condition and if they do so, they are advised to exercise care and caution.
8. All times and dates specified herein refer to Hong Kong local times and dates.

As at the date of this notice, the Board comprises two executive Directors, namely Mr. Li Sheung Him Michael and Mr. Yue Kwai Wa Ken; and two independent non-executive Directors, namely Mr. Chung Man Lai and Ms. Li Tak Yin.