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金粵控股有限公司

Rich Goldman Holdings Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00070)

**MAJOR TRANSACTION REGARDING
PROVISION OF FINANCIAL ASSISTANCE
AND
REALLOCATION OF USE OF PROCEEDS OF THE OPEN OFFER**

PROVISION OF FINANCIAL ASSISTANCE

On 25 February 2020 (after trading hours), Top Vast (a wholly-owned subsidiary of the Company), as lender, and the Customer, as borrower, entered into the Loan Agreement, pursuant to which Top Vast agreed to grant the Loan in the amount of HK\$200,000,000 to the Customer for a term of one year at the interest rate of 5.25% per annum. The Loan is secured by a second legal charge in respect of the Property, which is valued at HK\$750,000,000 as at 31 January 2020 by an independent property valuer.

LISTING RULES IMPLICATIONS

Reference is made to the announcement of the Company dated 15 November 2019 and the circular of the Company dated 29 November 2019 in relation to the Previous Loan. As Top Vast advanced the Loan and the Previous Loan to the Customer within a 12-month period, the Loan and the Previous Loan were required to be aggregated under Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Loan, both on a standalone basis and on an aggregate basis with the Previous Loan, are equal to or more than 25% but less than 100%, the Loan constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to notification, publication and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Loan, and accordingly no Shareholder is required to abstain from voting on the resolution to approve the Loan Agreement and the transactions contemplated thereunder if the Company were to convene a general meeting to approve the same.

WRITTEN SHAREHOLDER'S APPROVAL

Faith Mount Limited, the controlling shareholder of the Company which holds approximately 70.10% of the issued shares of the Company, has approved the Loan Agreement and the transactions contemplated thereunder by a written shareholder's approval in accordance with Rule 14.44 of the Listing Rules in lieu of a resolution to be passed at a general meeting of the Company. Accordingly, no Shareholders' meeting will be convened by the Company to approve the Loan Agreement and the transactions contemplated thereunder.

A circular containing, among others, (i) details of the Loan Agreement; (ii) the financial information of the Group; and (iii) other information as required under the Listing Rules will be despatched to the Shareholders on or before 16 March 2020.

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Set out below are a summary of the principal terms of the Loan Agreement:

LOAN AGREEMENT

Date	25 February 2020
Lender	Top Vast, a wholly-owned subsidiary of the Company
Borrower	The Customer is a company incorporated in Hong Kong and is principally engaged in investment holding. The Customer is indirectly wholly owned by Mr. Wang Chi Hung. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Customer and its ultimate beneficial owner are Independent Third Parties.

Loan amount	HK\$200,000,000
Interest rate	5.25% per annum
Term	One year commencing from the Drawdown Date
Security	The Loan is secured by a second legal charge in respect of the Property, which is valued at HK\$750,000,000 as at 31 January 2020 by an independent property valuer. The first legal charge in respect of the Property was created by the Customer in favour of Top Vast on 15 November 2019 to secure all indebtedness due from the Customer to Top Vast regarding the Previous Loan.
Availability	<p>The Loan will become available to the Customer within three Business Days immediately following the date of fulfilment of all following conditions:</p> <ul style="list-style-type: none"> (i) all condition precedent documents as required under the Loan Agreement having been provided; (ii) all representations and warranties given by the Customer are and shall remain true, accurate, correct and not misleading in all respects; (iii) the Customer's title to the Property being approved by the solicitors of Top Vast; (iv) Top Vast having obtained all necessary approvals for granting of the Loan to the Customer; and (v) the Company having complied with all applicable requirements under the Listing Rules in respect of the Loan Agreement, including obtaining the Shareholders' approval of the Loan Agreement and the transactions contemplated thereunder, by way of either a majority vote at a general meeting of the Company, or in lieu of holding such general meeting, a written Shareholders' approval from Shareholders who together hold more than 50% of the voting rights at such general meeting of the Company in accordance with the requirements under the Listing Rules.

Repayment

The principal amount of the Loan shall be repaid in full on the Repayment Date.

When call upon by Top Vast, the Customer shall repay the principal amount of the Loan within five Business Days from the date of the notice of Top Vast together with all unpaid accrued interest on the outstanding principal.

Upon occurrence of an event of default, the Customer shall repay the principal amount of the Loan forthwith from the date of the notice of Top Vast together with all unpaid accrued interest on the outstanding principal and such other accrued amount (if any).

Prepayment

The Customer may prepay the Loan in whole or in part to Top Vast provided that Top Vast shall have received from the Customer not less than five Business Days' prior irrevocable written notice of intention to make such prepayment.

Interest payment

Interest shall accrue on the unpaid principal of the Loan from the Drawdown Date until repayment in full and the Customer shall pay interest on a monthly basis commencing from the first month after the Drawdown Date.

INFORMATION ON THE CREDIT RISK RELATING TO THE LOAN

On 15 November 2019, the Customer executed and created a first legal charge over the Property in favour of Top Vast to secure all indebtedness due from the Customer to Top Vast with respect to the Previous Loan. The Loan and Previous Loan in aggregate are collateralized against the Property provided by the Customer with a loan-to-value ratio of approximately 38.67% based on the value of the Property for the Loan as determined by an independent property valuer engaged by the Company.

The Loan in the amount of HK\$200,000,000 was determined based on (i) Top Vast's credit assessments on the financial strength and repayment ability of the Customer; and (ii) the collateral provided by the Customer. After taking into account the factors as disclosed above in assessing the risks of the relevant advance, Top Vast considers that the risks involved in granting the Loan to the Customer is acceptable.

FUNDING OF THE LOAN

The Group will finance the Loan with the proceeds from the Open Offer as well as its internal resources. For details, please refer to the section headed “Reasons for and benefits of entering into the Loan Agreement and the reallocation of use of proceeds of the Open Offer” below.

INFORMATION ON THE GROUP AND TOP VAST

The Group is principally engaged in (i) introducing customers to respective casino’s VIP rooms in Macau and receiving the profit streams from junket businesses at respective casino’s VIP rooms in Macau through independent junket operators in Macau; (ii) the money lending business; (iii) the hotel operation business; and (iv) the property leasing business.

Top Vast is an indirect wholly-owned subsidiary of the Company. It has obtained a money lender licence under the Money Lenders Ordinance on 24 December 2015 and commenced the money lending business thereafter.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LOAN AGREEMENT AND THE REALLOCATION OF USE OF PROCEEDS OF THE OPEN OFFER

Taking into account the principal business activities of the Group, the grant of the Loan to the Customer is in the ordinary and usual course of business of the Group.

The terms of the Loan Agreement were negotiated on an arm’s length basis between Top Vast and the Customer. The Directors are of the view that the terms of the Loan Agreement are fair and reasonable and are entered into on normal commercial terms based on Top Vast’s credit policy. Taking into account the financial strength and repayment ability of the Customer, the value of the Property as collateral and a stable interest income to be generated from the Loan, the Directors consider that the entering into the Loan Agreement is in the interests of the Company and the Shareholders as a whole.

As disclosed in the section headed “Reasons for the Open Offer and the Use of Proceeds” in the “Letter from the Board” of the Prospectus, the Company intended to apply, among others, approximately HK\$130 million of the net proceeds from the Open Offer to expand the Group’s money lending business (the “**Proceeds for Money Lending Business**”). It is also disclosed in the same section of the Prospectus that, based on the historical development progress of the Group’s money lending business, the Company intends to allocate the Proceeds for Money Lending Business to accelerate the development of the Group’s money lending business within the year ending 30 June 2020 in the following manner:

- (i) approximately 60% or HK\$78 million to be allocated to mortgage loans;

- (ii) approximately 30% or HK\$39 million to be allocated to pledged share loans; and
- (iii) approximately 10% or HK\$13 million to be allocated to personal and other loans.

The net proceeds from the Open Offer, after deducting related expenses, were approximately HK\$145.07 million. As at the date of this announcement, none of the Proceeds for Money Lending Business has been utilised.

In light of the recent outbreak of the Coronavirus, the Board considered that the business outlook and operating environment of the Group's business may become challenging in the first half of 2020. The Loan represents a good and ready business opportunity for the Group in return for a stable interest income. Hence, the Board has resolved to apply the entire Proceeds for Money Lending Business (i.e. HK\$130 million) to finance the Loan, which is a mortgage loan. The remaining amount of the Loan (i.e. HK\$70 million) is expected to be financed by the Group's internal resources.

Having considered (i) the prevailing market conditions and business environment; (ii) the business opportunity of the Loan; and (iii) the existing internal resources of the Group, the Board is of the view that the re-allocation of the Proceeds for Money Lending Business to finance the Loan will be more favourable to the Group's business development as well as a better utilisation of the Proceeds for Money Lending Business. The Board therefore considered that the aforesaid re-allocation is in the interests of the Company and its Shareholders as a whole.

Save for the abovementioned change in the allocation of the Proceeds for Money Lending Business, there is no other change in the use of proceeds from the Open Offer. The Board considered that the re-allocation in the use of net proceeds within the Group's money lending business will not have any material adverse impact on the operations of the Group and is in the best interests of the Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

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DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the same meanings set out below:

“Business Day(s)”	a day (excluding a Saturday or a Sunday) on which banks in Hong Kong are generally open for business
“Company”	Rich Goldman Holdings Limited, a company incorporated in Hong Kong with limited liability, and the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 70)
“Customer”	Dragon Joy Development Limited, a company incorporated in Hong Kong with limited liability which is principally engaged in investment holding and an Independent Third Party
“Director(s)”	the directors of the Company
“Drawdown Date”	any date within one month after the date of fulfilment of the conditions as set out in “Availability” under the paragraphs headed “Loan Agreement” above, or such other time as mutually agreed by the Customer and Top Vast

“Group”	the Company together with its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	party(ies) who is/are independent of the Company and its connected person(s) (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	a loan in the amount of HK\$200,000,000 granted by Top Vast to the Customer subject to and on the terms of the Loan Agreement
“Loan Agreement”	the loan agreement dated 25 February 2020 entered into between Top Vast and the Customer pursuant to which Top Vast agreed to grant the Loan to the Customer
“Money Lenders Ordinance”	the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Open Offer”	the offer of the open offer shares at the price of HK\$0.12 per open offer share on the basis of nine (9) open offer shares for every five (5) existing shares held by the Shareholders on 3 January 2020, details of which were set out in the Prospectus
“Previous Loan”	a loan in the amount of HK\$90,000,000 granted by Top Vast to the Customer pursuant to the loan agreement dated 15 November 2019 entered into between Top Vast and the Customer
“Property”	a residential property located on Perkins Road, Hong Kong
“Prospectus”	the prospectus of the Company dated 6 January 2020 in relation to the Open Offer

“Repayment Date”	the date falling one year from the Drawdown Date or such other date when called upon by Top Vast pursuant to the terms of the Loan Agreement, whichever is earlier
“Shareholders”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning as ascribed thereto under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Top Vast”	Top Vast Finance Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“%”	per cent.

By Order of the board of Directors
Rich Goldman Holdings Limited
Lin Chuen Chow, Andy
Chairman

Hong Kong, 25 February 2020

As at the date of this announcement, the board of Directors comprises Mr. Lin Chuen Chow, Andy and Ms. So Wai Yin as executive Directors; Mr. Nicholas J. Niglio as non-executive Director and Mr. Cheung Yat Hung, Alton, Mr. Yue Fu Wing and Ms Yeung Hoi Ching as independent non-executive Directors.