



# 金粵控股有限公司

## Rich Goldman Holdings Limited

(Incorporated in Hong Kong with limited liability)  
(Stock Code: 00070)

INTERIM REPORT  
2020/21

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Mr. Lin Chuen Chow Andy (*Chairman*)

Ms. So Wai Yin

(resigned on 20 October 2020)

### Non-executive Director

Mr. Nicholas J. Niglio

### Independent Non-executive Directors

Mr. Cheung Yat Hung, Alton

Mr. Yue Fu Wing

Ms. Yeung Hoi Ching

## COMPANY SECRETARY

Ms. So Hei Lu

## AUDIT COMMITTEE

Mr. Cheung Yat Hung, Alton (*Chairman*)

Mr. Yue Fu Wing

Ms. Yeung Hoi Ching

## REMUNERATION COMMITTEE

Mr. Cheung Yat Hung, Alton (*Chairman*)

Mr. Yue Fu Wing

Mr. Nicholas J. Niglio

## NOMINATION COMMITTEE

Mr. Lin Chuen Chow Andy (*Chairman*)

Mr. Cheung Yat Hung, Alton

Mr. Yue Fu Wing

## AUTHORISED REPRESENTATIVES

Mr. Lin Chuen Chow Andy

Ms. So Wai Yin

(resigned on 20 October 2020)

Ms. So Hei Lu

(appointed on 20 October 2020)

## REGISTERED OFFICE

Room 1807, 18/F

West Tower, Shun Tak Centre

168-200 Connaught Road Central

Sheung Wan, Hong Kong

## COMPANY WEBSITE

[www.richgoldman.com.hk](http://www.richgoldman.com.hk)

## AUDITOR

RSM Hong Kong

29th Floor, Lee Garden Two

28 Yun Ping Road

Causeway Bay, Hong Kong

## PRINCIPAL BANKERS

Bank of Communications

(Hong Kong) Limited

Industrial and Commercial Bank of

China Limited Macau Branch

## SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited

17M Floor

Hopewell Centre

183 Queen's Road East

Wanchai, Hong Kong

## E-MAIL

[enquiry@richgoldman.com.hk](mailto:enquiry@richgoldman.com.hk)

## STOCK CODE

00070

## BOARD LOT

10,000 shares

# MANAGEMENT DISCUSSION AND ANALYSIS

## RESULTS

The board (the “Board”) of directors (the “Directors”) of Rich Goldman Holdings Limited (the “Company”, and its subsidiaries, collectively, the “Group”) announced that the net loss of the Group for the six months ended 31 December 2020 amounted to approximately HK\$18.9 million (for the six months ended 31 December 2019: approximately HK\$1.2 million) and the net loss for the period attributable to owners of the Company amounted to approximately HK\$18.9 million (loss per share of approximately HK\$0.98 cents), as compared to that for the six months ended 31 December 2019 of approximately HK\$3.3 million (loss per share of approximately HK\$0.41 cents).

## BUSINESS OVERVIEW

The Group is principally engaged in (i) introducing customers to respective casino’s VIP rooms and receiving the profit streams from junket businesses at respective casino’s VIP rooms (the “Gaming and Entertainment Business”); (ii) money lending business; (iii) hotel operations business and (iv) property leasing business.

During the six months ended 31 December 2020, the Group’s revenue of approximately HK\$19.2 million decreased by 45.5% as compared to that of approximately HK\$35.2 million for the six months ended 31 December 2019. The Group recorded a loss for the period of approximately HK\$18.9 million, as compared to that of approximately HK\$1.2 million for the six months ended 31 December 2019. The aforesaid loss for the six months ended 31 December 2020 is primarily attributable to (i) the absence of revenue from the Group’s Gaming and Entertainment Business for the six months ended 31 December 2020 following the cessation of cooperation with the Group’s junket operator in Macau since April 2020 as compared to that of approximately HK\$18.5 million recorded for the six months ended 31 December 2019; (ii) the decrease in revenue from the Group’s hotel operations business in the amount of approximately HK\$2.3 million for the six months ended 31 December 2020 as compared to that for the six months ended 31 December 2019 as a result of the significant drop in number of tourists coming to Hong Kong; (iii) an impairment loss on the property held by the Group, which are classified as property, plant and equipment, in an amount of approximately HK\$12.0 million; and (iv) a fair value loss on the Group’s investment properties of approximately HK\$5.9 million to be recorded for the six months ended 31 December 2020. The above was partially offset by (i) the increase in revenue from the Group’s money lending business of approximately HK\$5.3 million and (ii) absence of amortisation of intangible assets from the Group’s Gaming and Entertainment Business, as compared to that for the six months ended 31 December 2019.

# MANAGEMENT DISCUSSION AND ANALYSIS

## **BUSINESS OVERVIEW** *(Continued)*

The Group will continue to focus on its established diversification strategy facing the great uncertainty over the pandemic and recovery of economy. The Directors are cautiously optimistic and convince that the Group will soonest get through the plight with its strategy and achieve sustainable growth in long run.

### **Gaming and Entertainment Business**

The Group did not generate any revenue from commission on rolling turnover of the Gaming and Entertainment Business for the six months ended 31 December 2020 as compared to approximately HK\$18.5 million for the six months ended 31 December 2019. The decrease was mainly attributable to the cessation of the cooperation with a junket operator in Macau, which had decided not to seek an extension of its collaboration contract with the casino operator of Grand Lisboa upon expiry in March 2020.

On 27 April 2020, the Group entered into a conditional joint venture agreement with independent third parties to explore the junket business in the Philippines. On 30 December 2020, all the conditions precedent under the joint venture agreement have been fulfilled and the transaction contemplated under the joint venture agreement has completed. The junket business resumed on 1 January 2021.

### **Money Lending Business**

As one of the key segments of the Group's diversifying strategy over the income streams, its money lending business had been distributed increasing amount of funds for its expansion. The Group continues to offer flexible and competitive loan packages to enlarge its customer base during the six months ended 31 December 2020. As a result, the total gross loan principal lent to its customers as at 31 December 2020 amounted to approximately HK\$306.0 million, representing an increase of approximately HK\$17.4 million as compared to that of approximately HK\$288.6 million as at 31 December 2019. The interest income generated for the six months ended 31 December 2020 amounted to approximately HK\$16.1 million, representing an increase of approximately HK\$5.3 million as compared to that of approximately HK\$10.8 million generated for the six months ended 31 December 2019. The consistently strong financial performance established since 2017 represents the great achievement and reflects the effectiveness of its internal control system executed to monitor the business operation and compliance. A comprehensive risk assessment is implemented before loan packages are granted to its customers.

# MANAGEMENT DISCUSSION AND ANALYSIS

## **BUSINESS OVERVIEW** *(Continued)*

### **Money Lending Business** *(Continued)*

With strong financial capability and effective management, the Group has both the potential and ability to further expand its money lending business and broaden its customer base with increased loan products and integration of Fin Tech elements. Despite the economic uncertainty in Hong Kong, the Board considers that the money lending market in Hong Kong has good business prospect.

### **Hotel Operations Business**

Hotel operations business is another segment of the Group with an aim to diversify the income streams. With the huge drop in the number of visitors resulting from the Coronavirus pandemic since 2020, the occupancy rate of the hotel remained low.

The Group recorded a loss before taxation from the hotel operations business amounted to approximately HK\$22.2 million for the six months ended 31 December 2020, representing a deterioration when compared to that for the six months ended 31 December 2019 of approximately HK\$9.8 million. The increase in loss was mainly attributable to the impairment loss on property, plant and equipment of approximately HK\$12.0 million due to the declined valuation of the hotel property.

The Directors consider that the loss from hotel operations was due to the pandemic of Coronavirus and remain cautiously optimistic on the hotel business in Hong Kong in long term.

### **Property Leasing Business**

The hotel property is mainly used for the hotel operations business of the Group, leaving the shops on the ground floor of the hotel property leased to independent third parties so as to generate another source of income stream for the Group. The underlying loss before taxation from the property leasing business amounted to approximately HK\$5.7 million for the six months ended 31 December 2020, which was primarily due to the fair value loss on investment properties of approximately HK\$5.9 million as compared to profit before taxation of approximately HK\$0.6 million for the six months ended 31 December 2019.

# MANAGEMENT DISCUSSION AND ANALYSIS

## LIQUIDITY, FINANCIAL RESOURCES AND FUNDING

The Group had net current assets of approximately HK\$552.2 million as at 31 December 2020 (as at 30 June 2020: approximately HK\$570.7 million). The total cash and bank balances were approximately HK\$246.7 million as at 31 December 2020 as compared to that of approximately HK\$160.0 million as at 30 June 2020. The Group has currently no other external funding source, and therefore resulting no borrowings as at 31 December 2020 (as at 30 June 2020: nil).

The total equity attributable to owners of the Company as at 31 December 2020 amounted to approximately HK\$1,173.6 million (as at 30 June 2020: approximately HK\$1,192.5 million).

As at 31 December 2020, the total liabilities amounted to approximately HK\$3.4 million (as at 30 June 2020: approximately HK\$9.2 million), comprising current tax liabilities of approximately HK\$2.3 million and other payables of approximately HK\$1.1 million. The gearing ratio, calculated on the basis of total debts over total equity attributable to owners of the Company, was nil as at 31 December 2020 (as at 30 June 2020: nil).

## PLEDGE OF ASSETS

As at 31 December 2020, none of the Group's leasehold land and buildings has been pledged as collateral (as at 30 June 2020: nil).

# MANAGEMENT DISCUSSION AND ANALYSIS

## SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF ASSETS

### Memorandum of understanding in relation to a proposed acquisition

On 22 September 2020, the Company entered into a non-legally binding memorandum of understanding (the “MOU”) with, among others, Power Able International Holdings Ltd. and Original Praise Investment Development Ltd. as potential vendors (the “Potential Vendors”). Pursuant to the MOU, the Company intends to nominate one of its wholly-owned subsidiaries to be the potential purchaser to acquire, and the Potential Vendors intend to dispose of, not less than 51% of the total number of issued shares of Fast Advance Resources Limited (“Fast Advance”).

As at the date of the MOU, the Potential Vendors together hold the entire issued share capital of Fast Advance. Fast Advance is a company incorporated in the British Virgin Islands and indirectly holds the entire issued share capital of Shanghai Jiasong Property Company Limited\* (上海佳頌物業有限公司)(“Shanghai Jiasong”), a company established in the People’s Republic of China (the “PRC”). Shanghai Jiasong is the owner of the relevant land use rights and building ownership relating to the properties which are situated at the north side of Jinyan Road, Pudong New District, Shanghai, the PRC and have been called as Shanghai Zhang Jiabang Yifei Creativity Street\* (上海張家浜逸飛創意街) or Shanghai Jin Xiu Fun\* (上海錦繡坊).

As at the date of this report, the Company is still working on the proposed acquisition and will make further announcement as and when appropriate.

Save as disclosed above and elsewhere in this report, the Group did not have any other significant investments, material acquisitions and disposals of assets during the six months ended 31 December 2020.

### INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 31 December 2020 (for the six months ended 31 December 2019: nil).

\* For identification purposes only

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### COMPLIANCE WITH CORPORATE GOVERNANCE PRACTICES

The Board is committed to the maintenance of good corporate governance practices and procedures. The corporate governance principles of the Company emphasises a quality Board, sound internal controls, and transparency to all shareholders.

The Company has applied the principles and complied with all code provisions and, where applicable, the recommended best practices as set out in Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the six months ended 31 December 2020, except that Mr. Lin Chuen Chow Andy has been both the Chairman and Chief Executive of the Company with effect from 24 July 2019, which deviated from code provision A.2.1 of the CG Code stipulating that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. The Board is of the opinion that the arrangement enhances the leadership for managing the Group and enables greater effectiveness and efficiency in formulating business plans and strategies for future development of the Group. The Board believes that the balance of power and authority is adequately ensured by the composition of the existing Board, with three-fifths of the Board being independent non-executive Directors.

### COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules as its code of conduct regulating Directors’ dealings in securities of the Company. In response to specific enquiries made, all Directors have confirmed that they have complied with the required standards as set out in the Model Code and its code of conduct regarding Directors’ securities transactions throughout the six months ended 31 December 2020.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## AUDIT COMMITTEE

The Company has established an audit committee (the “Audit Committee”) and adopted the written terms of reference in compliance with the CG Code. The primary duties of the Audit Committee are to review and approve the Group’s financial reporting process, risk management and internal control system. The Audit Committee comprises all independent non-executive Directors, namely Mr. Cheung Yat Hung, Alton (chairman of the Audit Committee), Mr. Yue Fu Wing and Ms. Yeung Hoi Ching.

The Group’s interim results for the six months ended 31 December 2020 have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made. The Audit Committee recommended the Board to adopt the same.

## COMPOSITION OF THE BOARD

The composition of the Board and the relevant change during the six months ended 31 December 2020 and up to the date of this report is set out below:

### Executive Directors

Mr. Lin Chuen Chow Andy (*Chairman*)

Ms. So Wai Yin (*resigned on 20 October 2020*)

### Non-executive Director

Mr. Nicholas J. Niglio

### Independent Non-executive Directors

Mr. Cheung Yat Hung, Alton

Mr. Yue Fu Wing

Ms. Yeung Hoi Ching

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 31 December 2020.

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2020, none of the Directors and the chief executive, and any of their associates, had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (the "SFO"), which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

### SUBSTANTIAL SHAREHOLDERS AND INTERESTS DISCLOSEABLE UNDER THE SFO

As at 31 December 2020, according to the information available to the Company, substantial shareholders of the Company and other persons who, directly or indirectly, had interests in 5% or more of the issued share capital of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, were as follows:

<b>Name of shareholder</b>	<b>Long/short position</b>	<b>Number of ordinary shares held</b>	<b>Percentage of shares held</b>
Ms. Lin Yee Man	Long	1,359,187,606	70.10%
Mr. Wong Yau Shing	Long	108,000,000	5.57%

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## SUBSTANTIAL SHAREHOLDERS AND INTERESTS DISCLOSEABLE UNDER THE SFO *(Continued)*

Save as disclosed above, no person had registered an interest of 5% or more of the share capital of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which was required to be recorded in the register kept by the Company under Section 336 of the SFO as at 31 December 2020.

## SHARE OPTION SCHEME

The Company adopts a share option scheme (the "Scheme") under which the Directors may, at their discretion, grant options to employees, including any of the Directors, to subscribe for shares of the Company, subject to the stipulated terms and conditions.

Details of the movements of the outstanding share options are set out as follows:

Name of director	As at 1 July 2020	Forfeited during the period	As at 31 December 2020	Forfeited during the period between 1 January 2021 to the date of this report	As at the date of this report	Percentage of outstanding options as at 31 December 2020	Percentage of outstanding options as at the date of this report
Mr. Nicholas J. Niglio	5,119,000	-	5,119,000	-	5,119,000	50%	50%
Mr. Lin Chuen Chow Andy	5,119,000	-	5,119,000	-	5,119,000	50%	50%

Save as disclosed above, none of the Directors and chief executives, or any of their associates, had any rights to subscribe for the securities of the Company, or had exercised any such rights during the six months ended 31 December 2020.

## ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

Save as disclosed above, at no time during the six months ended 31 December 2020 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2020

	Notes	Six months ended 31 December	
		2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
Revenue	3	19,173	35,179
Cost of services provided		(3,315)	(4,353)
Other income		2,700	4,601
Other gains and losses		16	(320)
Amortisation of intangible assets		–	(15,857)
Fair value loss on investment properties		(5,900)	–
Impairment loss on property, plant and equipment		(12,012)	–
Reversal of impairment losses/ (impairment losses) on trade receivables, net		2	(191)
Reversal of impairment losses on loans receivable and interest receivables, net		218	773
Administrative expenses		(20,863)	(19,610)
<b>(Loss)/profit before tax</b>		<b>(19,981)</b>	222
Income tax credit/(expense)	5	1,049	(1,451)
<b>Loss and total comprehensive income for the period</b>	4	<b>(18,932)</b>	(1,229)

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(Continued)*

For the six months ended 31 December 2020

	Note	Six months ended 31 December	
		2020 (Unaudited) <i>HK\$'000</i>	2019 (Unaudited) <i>HK\$'000</i>
<b>(Loss)/profit and total comprehensive income for the period attributable to:</b>			
– Owners of the Company		<b>(18,940)</b>	(3,309)
– Non-controlling interests		<b>8</b>	2,080
		<b>(18,932)</b>	(1,229)
		<i>HK\$</i>	<i>HK\$</i>
<b>Loss per share</b>	7		
Basic		<b>(0.98 cent)</b>	(0.41 cent)
Diluted		<b>N/A</b>	N/A

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2020

		<b>31 December 2020 (Unaudited) HK\$'000</b>	30 June 2020 (Audited) HK\$'000
	<i>Notes</i>		
<b>Non-current assets</b>			
Property, plant and equipment	8	<b>449,550</b>	473,049
Investment properties	9	<b>132,100</b>	138,000
Deferred tax assets		<b>4,441</b>	1,439
Financial assets at fair value through profit or loss	10	<b>31,508</b>	31,492
Loans receivable	11	<b>3,833</b>	1,356
		<b>621,432</b>	645,336
<b>Current assets</b>			
Trade and other receivables	12	<b>1,946</b>	1,087
Loans receivable and interest receivables	11	<b>305,629</b>	418,885
Current tax assets		<b>1,326</b>	–
Bank and cash balances		<b>246,691</b>	159,997
		<b>555,592</b>	579,969
<b>Current liabilities</b>			
Other payables		<b>1,096</b>	3,357
Current tax liabilities		<b>2,336</b>	5,874
		<b>3,432</b>	9,231
<b>Net current assets</b>		<b>552,160</b>	570,738
<b>NET ASSETS</b>		<b>1,173,592</b>	1,216,074

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

At 31 December 2020

		<b>31 December</b>	30 June
		<b>2020</b>	2020
		<b>(Unaudited)</b>	(Audited)
	<i>Note</i>	<b>HK\$'000</b>	<i>HK\$'000</i>
<b>Capital and reserves</b>			
Share capital	13	<b>1,317,736</b>	1,317,736
Reserves		<b>(144,144)</b>	(125,204)
<hr/>			
Equity attributable to owners of the Company		<b>1,173,592</b>	1,192,532
Non-controlling interests		–	23,542
<hr/>			
<b>TOTAL EQUITY</b>		<b>1,173,592</b>	1,216,074
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# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2020

For the six months ended 31 December 2020 (Unaudited)

	Attributable to owners of the Company								
	Share capital	Property revaluation reserve	Non-distributable reserve	Share option reserve	Other reserve	Accumulated losses	Sub-total	Non-controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 July 2020	1,317,736	5,922	2,264	2,628	(51,221)	(84,797)	1,192,532	23,542	1,216,074
(Loss)/profit and total comprehensive income for the period	-	-	-	-	-	(18,940)	(18,940)	8	(18,932)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(23,550)	(23,550)
At 31 December 2020	1,317,736	5,922	2,264	2,628	(51,221)	(103,737)	1,173,592	-	1,173,592

For the six months ended 31 December 2019 (Unaudited)

	Attributable to owners of the Company								
	Share capital	Property revaluation reserve	Non-distributable reserve	Share option reserve	Other reserve	Accumulated losses	Sub-total	Non-controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 July 2019	1,171,921	5,922	2,264	3,941	(51,221)	(405)	1,132,422	59,399	1,191,821
(Loss)/profit and total comprehensive income for the period	-	-	-	-	-	(3,309)	(3,309)	2,080	(1,229)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(40,384)	(40,384)
At 31 December 2019	1,171,921	5,922	2,264	3,941	(51,221)	(3,714)	1,129,113	21,095	1,150,208

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2020

	Six months ended 31 December	
	2020	2019
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net cash generated from operating activities	108,749	56,619
Net cash generated from investing activities	1,495	23,513
Net cash used in financing activities	(23,550)	(40,384)
Net increase in cash and cash equivalents	86,694	39,748
Cash and cash equivalents at the beginning of the period	159,997	84,161
Cash and cash equivalents at the end of the period	246,691	123,909

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2020

## 1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements has been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange. The principal accounting policies used in the unaudited condensed consolidated financial statements, are consistent with those followed in the preparation of the Group’s financial statements for the year ended 30 June 2020 except for the adoption of the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as the “new and revised HKFRSs”) as disclosed in Note 2 to this interim report. The condensed consolidated financial statements are unaudited but have been reviewed by the Company’s Audit Committee.

The financial information relating to the financial year ended 30 June 2020 that is included in this interim report as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 30 June 2020 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

## 2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The accounting policies and methods of computation used in the preparation of the unaudited interim financial statements are consistent with those used in the annual financial statements for the year ended 30 June 2020 except for the changes mentioned below.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2020

## 2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS *(Continued)*

The Group has applied the Amendments to Reference to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the unaudited condensed consolidated financial statements:

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

The Group has assessed the impact of the adoption of the above new standards amendments to HKFRSs and considered that there was no significant impact on the Group's results and financial position or any substantial changes in the Group's accounting policies.

## 3. REVENUE AND SEGMENT INFORMATION

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The Group has four operating segments as follows:

- (i) Gaming and Entertainment Business;
- (ii) Money lending business;
- (iii) Hotel operations; and
- (iv) Property leasing.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2020

## 3. REVENUE AND SEGMENT INFORMATION (Continued)

### (a) Segment revenue and results

An analysis of the Group's revenue, which represents services provided, and results by reportable and operating segment is as follows:

For the six months ended 31 December 2020 (Unaudited)

	Gaming and Entertainment Business HK\$'000	Money lending business HK\$'000	Hotel operations HK\$'000	Property leasing HK\$'000	Total HK\$'000
Revenue	-	16,059	2,610	504	19,173
Segment results	(67)	13,617	(22,228)	(5,734)	(14,412)
Unallocated other income					1,861
Unallocated other gains and losses					16
Unallocated expenses					(7,446)
Loss before tax					(19,981)

For the six months ended 31 December 2019 (Unaudited)

	Gaming and Entertainment Business HK\$'000	Money lending business HK\$'000	Hotel operations HK\$'000	Property leasing HK\$'000	Total HK\$'000
Revenue	18,491	10,782	4,928	978	35,179
Segment results	2,602	10,864	(9,844)	595	4,217
Unallocated other income					4,562
Unallocated other gains and losses					(320)
Unallocated expenses					(8,237)
Profit before tax					222

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2020

## 3. REVENUE AND SEGMENT INFORMATION (Continued)

### (b) Segment assets and liabilities

An analysis of the Group's assets and liabilities by reportable and operating segments is as follows:

At 31 December 2020 (Unaudited)

	Gaming and Entertainment Business HK\$'000	Money lending business HK\$'000	Hotel operations HK\$'000	Property leasing HK\$'000	Total HK\$'000
<b>Assets</b>					
Segment assets	<u>2</u>	<u>353,650</u>	<u>393,446</u>	<u>144,396</u>	891,494
Unallocated corporate assets					<u>285,530</u>
Consolidated total assets					<u>1,177,024</u>
<b>Liabilities</b>					
Segment liabilities	<u>(87)</u>	<u>(2,206)</u>	<u>(236)</u>	<u>(303)</u>	(2,832)
Unallocated corporate liabilities					<u>(600)</u>
Consolidated total liabilities					<u>(3,432)</u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2020

## 3. REVENUE AND SEGMENT INFORMATION (Continued)

### (b) Segment assets and liabilities (Continued)

At 30 June 2020 (Audited)

	Gaming and Entertainment Business HK\$'000	Money lending business HK\$'000	Hotel operations HK\$'000	Property leasing HK\$'000	Total HK\$'000
<b>Assets</b>					
Segment assets	29,519	493,960	413,907	145,360	1,082,746
Unallocated corporate assets					142,559
Consolidated total assets					1,225,305
<b>Liabilities</b>					
Segment liabilities	(111)	(4,967)	(1,584)	(635)	(7,297)
Unallocated corporate liabilities					(1,934)
Consolidated total liabilities					(9,231)

Unallocated corporate assets mainly represent property, plant and equipment, financial asset at fair value through profit or loss ("FVTPL") and bank and cash balances.

Unallocated corporate liabilities mainly represent other payables and current tax liabilities.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2020

## 4. LOSS FOR THE PERIOD

	Six months ended 31 December	
	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
<b>Loss for the period is stated after charging/(crediting) the following:</b>		
Amortisation of intangible assets	–	15,857
Bank interest income	(185)	(39)
Dividend income from financial assets at FVTPL	(1,492)	(2,671)
Depreciation	11,669	11,719
Fair value (gain)/loss on financial assets at FVTPL	(16)	90
Loss on disposal of financial assets at FVTPL	–	230

## 5. INCOME TAX CREDIT/(EXPENSE)

The amount of taxation credited/(charged) to the condensed consolidated statement of profit or loss and other comprehensive income represents:

	Six months ended 31 December	
	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
<b>Current tax – Hong Kong Profits Tax</b> (Note)		
Provision for the period	(1,954)	(1,876)
Over-provision in prior years	–	30
<b>Deferred tax</b>	<b>3,003</b>	395
<b>Income tax credit/(expense)</b>	<b>1,049</b>	(1,451)

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2020

## 5. INCOME TAX CREDIT/(EXPENSE) (Continued)

*Note:* **Income tax in the condensed consolidated statement of profit or loss and other comprehensive income**

Under the two-tiered profits tax regime, the first HK\$2 million of assessable profits of qualifying corporations will be taxed at a rate of 8.25% and assessable profits above that amount will be subject to the tax rate of 16.5%.

Tax charge on profits assessable elsewhere has been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

## 6. INTERIM DIVIDEND

The Directors do not recommend the payment of any interim dividend in respect of the six months ended 31 December 2020 and 2019.

## 7. LOSS PER SHARE

### Basic loss per share

The calculation of basic loss per share is based on the loss for the period attributable to owners of the Company of approximately HK\$18,940,000 (unaudited) (for the six months ended 31 December 2019: HK\$3,309,000 (unaudited)) and the weighted average number of ordinary shares of 1,938,822,690 (31 December 2019: 810,020,261) in issue during the period. The basic loss per share for the six months ended 31 December 2019 had been adjusted with the effect of the open offer in January 2020.

### Diluted loss per share

No diluted loss per share is presented as the Company did not have any dilutive potential ordinary shares during the six months ended 31 December 2020 and 2019.

## 8. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2020, the Group acquired property, plant and equipment of approximately HK\$181,000 (unaudited) (for the six months ended 31 December 2019: HK\$26,000 (unaudited)).

During the six months ended 31 December 2019 and 2020, no property, plant and equipment was disposed.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2020

## 9. INVESTMENT PROPERTIES

	<i>HK\$'000</i>
<b>Fair value</b>	
At 1 July 2019	151,000
Decrease in fair value	(13,000)
At 30 June 2020 and 1 July 2020 (Audited)	138,000
Decrease in fair value	<b>(5,900)</b>
At 31 December 2020 (Unaudited)	<b>132,100</b>

## 10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>31 December 2020 (Unaudited) <i>HK\$'000</i></b>	30 June 2020 (Audited) <i>HK\$'000</i>
Financial assets at FVTPL		
– Unlisted fund investment	<b>31,508</b>	31,492

As at 31 December 2020, carrying amount of unlisted fund investment was approximately HK\$31,508,000 (30 June 2020: HK\$31,492,000) which is not quoted in an active market. The fair value of investment is stated with reference to the net asset value provided by administrator of the fund at the reporting date. The Directors believe that the estimated fair value provided by the administrator of the fund is reasonable, and that is the most appropriate value at the end of reporting period.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2020

## 11. LOANS RECEIVABLE AND INTEREST RECEIVABLES

	<b>31 December 2020 (Unaudited) HK\$'000</b>	30 June 2020 (Audited) HK\$'000
Loans receivable	<b>306,045</b>	419,956
Less: Provision for impairment assessment of loans receivable	<b>(42)</b>	(261)
Loans receivable, net of provision	<b>306,003</b>	419,695
Interest receivables	<b>3,461</b>	547
Less: Provision for impairment assessment of interest receivables	<b>(2)</b>	(1)
Interest receivables, net of provision	<b>3,459</b>	546
	<b>309,462</b>	420,241

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2020

## 11. LOANS RECEIVABLE AND INTEREST RECEIVABLES (Continued)

The credit quality analysis of the loans receivable and interest receivables is as follows:

	<b>31 December 2020 (Unaudited) HK\$'000</b>	30 June 2020 (Audited) HK\$'000
<b>Loans receivable</b>		
Neither past due nor impaired		
– Secured	<b>302,656</b>	413,934
– Unsecured	<b>3,328</b>	5,761
Less than 1 month past due – Secured	<b>6</b>	–
1 to 3 months past due – Secured	<b>13</b>	–
	<b>306,003</b>	419,695
<b>Interest receivables</b>		
Neither past due nor impaired		
– Secured	<b>3,095</b>	484
– Unsecured	<b>307</b>	62
Less than 1 month past due – Secured	<b>19</b>	–
1 to 3 months past due – Secured	<b>38</b>	–
	<b>3,459</b>	546
	<b>309,462</b>	420,241
Analysed as:		
– Non-current assets	<b>3,833</b>	1,356
– Current assets	<b>305,629</b>	418,885
	<b>309,462</b>	420,241

The secured loans were secured by the personal guarantee and/or properties and assets held. The fair values/net assets value of the collaterals, as assessed by the management at respective loans' inception date is not less than the principal amount of the relevant loans.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2020

## 11. LOANS RECEIVABLE AND INTEREST RECEIVABLES (Continued)

In general, loans receivable and interest receivables being overdue by 60 days are considered as default. Receivables that were neither past due nor impaired related to a large number of diversified customers for whom there was no recent history of default. A receivable that was past due but not impaired related to a customer that had a good track record with the Group. Based on past experience, the Directors were of the opinion that no provision for impairment on this loan receivable was necessary as this loan receivable would be substantially/fully settled subsequent to the reporting period or there had not been a significant change in credit quality that this balance was still considered fully recoverable.

Movement on the Group's impairment of loans receivable and interest receivables are as follows:

	Stage 1 – 12-month expected credit losses ("ECL")		Total HK\$'000
	Loans receivable HK\$'000	Interest receivables HK\$'000	
At 1 July 2019	768	6	774
New loans originated	250	1	251
Loans repaid during the year	(760)	(6)	(766)
Charged for the year	3	–	3
At 30 June 2020 and 1 July 2020 (Audited)	261	1	262
New loans originated	6	–	6
Loans repaid during the period	(233)	(1)	(234)
Charged for the period	8	2	10
At 31 December 2020 (Unaudited)	42	2	44

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2020

## 11. LOANS RECEIVABLE AND INTEREST RECEIVABLES *(Continued)*

For loans receivable and interest receivables that are not credit-impaired without significant increase in credit risk since initial recognition ("Stage 1"), ECL is measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months. If a significant increase in credit risk since initial recognition is identified ("Stage 2") but not yet deemed to be credit-impaired, ECL is measured based on lifetime ECL. If credit-impaired is identified ("Stage 3"), ECL is measured based on lifetime ECL. In general, when loans receivable and interest receivables are overdue by 30 days, there is significant increase in credit risk.

## 12. TRADE AND OTHER RECEIVABLES

	<b>31 December 2020 (Unaudited) HK\$'000</b>	30 June 2020 (Audited) HK\$'000
Trade receivables from hotel operations business	<b>45</b>	53
Trade receivables from property leasing business	–	54
	<b>45</b>	107
Impairment losses on trade receivables	<b>(2)</b>	(4)
	<b>43</b>	103
Deposits, prepayments and other receivables	<b>1,903</b>	984
	<b>1,946</b>	1,087

Hotel room revenue is normally settled by cash or credit card. The Group allows an average credit period of not more than 30 days to travel agents and corporate customers. Rentals are payable upon presentation of demand notes. No credit period is allowed to these customers.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2020

## 12. TRADE AND OTHER RECEIVABLES (Continued)

The aging analysis of trade receivables, based on the invoice dates, and net of allowance, is as follows:

	<b>31 December 2020 (Unaudited) HK\$'000</b>	30 June 2020 (Audited) HK\$'000
0 – 90 days	<b>43</b>	102
91 – 180 days	–	1
	<b>43</b>	103

As at 31 December 2020, an allowance was made for estimated irrecoverable trade receivables of approximately HK\$2,000 (30 June 2020: HK\$4,000).

Reconciliation of allowance for trade receivables:

	<b>31 December 2020 (Unaudited) HK\$'000</b>	30 June 2020 (Audited) HK\$'000
At the beginning of the period/year	<b>4</b>	7,654
Reversed during the period/year	<b>(2)</b>	(7,650)
At the end of the period/year	<b>2</b>	4

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2020

## 13. SHARE CAPITAL

	31 December 2020 (Unaudited)		30 June 2020 (Audited)	
	No. of shares (‘000)	Amount HK\$’000	No. of shares (‘000)	Amount HK\$’000
<b>Ordinary shares, issued and fully paid:</b>				
At the beginning and end of the period/year	<b>1,938,823</b>	<b>1,317,736</b>	1,938,823	1,317,736

The owners of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company’s residual assets.

## 14. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in the condensed consolidated financial statements, during the period, the Group had entered into transactions with related parties which, in the opinion of the Directors, were carried out normal commercial terms and in the ordinary course of the Group’s business, as shown below.

The remuneration of key management personnel during the period is as follows:

	Six months ended 31 December	
	2020 (Unaudited) HK\$’000	2019 (Unaudited) HK\$’000
Salaries and other short-term benefits	<b>1,018</b>	1,306
Post-employment benefits	<b>15</b>	20
	<b>1,033</b>	1,326

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2020

## 15. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and input(s) used), as well as the levels of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

- Level 1: fair value measurements are derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2: fair value measurements are derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: fair value measurements are derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Description	Fair value		Fair value hierarchy	Valuation Technique(s) and key input(s)
	31 December 2020 (Unaudited) HK\$'000	30 June 2020 (Audited) HK\$'000		
Financial assets at FVTPL – Unlisted fund investment	31,508	31,492	Level 3	Fair value of underlying investments provided by the administrator of fund
Investment properties	132,100	138,000	Level 3	Comparison approach