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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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

The board (the “**Board**”) of directors (the “**Directors**”) of Rich Goldman Holdings Limited (the “**Company**”) presents the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 31 December 2022 together with the comparative figures as follow:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2022

		Six months ended 31 December	
		2022	2021
		(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000
	Notes		
Revenue	3	45,067	27,111
Cost of services provided		(7,737)	(9,068)
Other income		2,224	1,723
Other gains and losses		(79)	24
Fair value loss on investment properties		(2,400)	(1,200)
Reversal of impairment loss/(impairment loss) on property, plant and equipment		8,684	(6,952)
Provision for impairment and write-off of loans receivable and interest receivables, net	10	(6,588)	(4,478)
Administrative expenses		(32,722)	(24,858)
Profit/(loss) from operations		6,449	(17,698)
Gain on bargain purchase on acquisition of a subsidiary		–	23,917
Finance costs		(2,953)	(1,464)
Profit before tax		3,496	4,755
Income tax expense	5	(3,417)	(723)
Profit for the period	4	79	4,032

	Six months ended 31 December	
	2022	2021
	(Unaudited)	(Unaudited)
<i>Note</i>	HK\$'000	HK\$'000
Other comprehensive (loss)/income after tax		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operation	<u>(22,899)</u>	<u>4,458</u>
Total other comprehensive (loss)/income for the period, net of tax	<u>(22,899)</u>	<u>4,458</u>
Total comprehensive (loss)/income for the period	<u>(22,820)</u>	<u>8,490</u>
(Loss)/profit for the period attributable to:		
– Owners of the Company	(1,659)	2,319
– Non-controlling interests	<u>1,738</u>	<u>1,713</u>
	<u>79</u>	<u>4,032</u>
Total comprehensive (loss)/income for the period attributable to:		
– Owners of the Company	(18,591)	4,593
– Non-controlling interests	<u>(4,229)</u>	<u>3,897</u>
	<u>(22,820)</u>	<u>8,490</u>
(Loss)/earnings per share		
– Basic and diluted (<i>HK cents</i>)	<u>(0.08)</u>	<u>0.12</u>

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2022

		31 December 2022 (Unaudited) <i>HK\$'000</i>	30 June 2022 (Audited) <i>HK\$'000</i>
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment		404,345	405,491
Right-of-use assets		2,293	–
Intangible assets		1,462	1,000
Investment properties	8	658,473	687,112
Deferred tax assets		1,124	1,116
Financial assets at fair value through profit or loss	9	31,512	31,488
Loans receivable	10	154,038	87,556
		1,253,247	1,213,763
Current assets			
Trade and other receivables	11	13,546	13,754
Loans receivable and interest receivables	10	98,490	99,441
Current tax assets		885	2,181
Bank and cash balances		63,109	121,503
		176,030	236,879
Current liabilities			
Contract liabilities		2,489	4,260
Lease liabilities		750	–
Other payables		34,707	30,872
Other loans and interest payables		8,737	8,204
Current tax liabilities		4,311	2,583
		50,994	45,919
Net current assets		125,036	190,960
Total assets less current liabilities		1,378,283	1,404,723

		31 December 2022 (Unaudited) HK\$'000	30 June 2022 (Audited) HK\$'000
	<i>Note</i>		
Non-current liabilities			
Contract liabilities		–	54
Lease liabilities		1,624	–
Other payables		1,635	6,449
Amounts due to non-controlling shareholders of a subsidiary		68,431	65,827
Deferred tax liabilities		81,531	84,511
		<u>153,221</u>	<u>156,841</u>
NET ASSETS		<u>1,225,062</u>	<u>1,247,882</u>
Capital and reserves			
Share capital	12	1,317,736	1,317,736
Reserves		(190,617)	(172,026)
Equity attributable to owners of the Company		1,127,119	1,145,710
Non-controlling interests		97,943	102,172
TOTAL EQUITY		<u>1,225,062</u>	<u>1,247,882</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2022

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have 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 of Hong Kong Limited (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 consolidated financial statements for the year ended 30 June 2022 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 results. The condensed consolidated financial statements are unaudited but have been reviewed by the audit committee of the Company.

The consolidated financial information relating to the financial year ended 30 June 2022 that is included in this interim results as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from the financial statements. Further information relating to the 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 consolidated financial statements for the year ended 30 June 2022 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 2022 except for the changes mentioned below.

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 2022 for the preparation of the unaudited condensed consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
HKFRSs Amendments	Annual Improvements to HKFRS 2018-2020 Cycle

The Group has assessed the impact of the adoption of the above amendments to HKFRSs and HKASs, 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) To introduce 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.

(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:

Six months ended 31 December 2022 (Unaudited)

	Gaming and Entertainment Business <i>HK\$'000</i>	Money lending business <i>HK\$'000</i>	Hotel operations business <i>HK\$'000</i>	Property leasing business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue	<u>-</u>	<u>21,600</u>	<u>4,881</u>	<u>18,586</u>	<u>45,067</u>
Segment results	<u>(11)</u>	<u>1,190</u>	<u>2,093</u>	<u>4,846</u>	<u>8,118</u>
Unallocated other income					1,661
Unallocated other gains and losses					25
Unallocated expenses					<u>(6,308)</u>
Profit before tax					<u><u>3,496</u></u>

Six months ended 31 December 2021 (Unaudited)

	Gaming and Entertainment Business <i>HK\$'000</i>	Money lending business <i>HK\$'000</i>	Hotel operations business <i>HK\$'000</i>	Property leasing business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue	<u>1,392</u>	<u>9,872</u>	<u>2,920</u>	<u>12,927</u>	<u>27,111</u>
Segment results	<u>1,381</u>	<u>(865)</u>	<u>(16,829)</u>	<u>2,993</u>	<u>(13,320)</u>
Unallocated other income					1,534
Unallocated other gains and losses					24
Gain on bargain purchase on acquisition of a subsidiary					23,917
Unallocated expenses					<u>(7,400)</u>
Profit before tax					<u><u>4,755</u></u>

(b) **Segment assets and liabilities**

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

At 31 December 2022 (Unaudited)

	Gaming and Entertainment Business HK\$'000	Money lending business HK\$'000	Hotel operations business HK\$'000	Property leasing business HK\$'000	Total HK\$'000
Assets					
Segment assets	<u>192</u>	<u>274,465</u>	<u>350,213</u>	<u>713,583</u>	1,338,453
Unallocated corporate assets					<u>90,824</u>
Consolidated total assets					<u><u>1,429,277</u></u>
Liabilities					
Segment liabilities	<u>(2,512)</u>	<u>(12,366)</u>	<u>(3,760)</u>	<u>(112,516)</u>	(131,154)
Unallocated corporate liabilities					<u>(73,061)</u>
Consolidated total liabilities					<u><u>(204,215)</u></u>

At 30 June 2022 (Audited)

	Gaming and Entertainment Business HK\$'000	Money lending business HK\$'000	Hotel operations business HK\$'000	Property leasing business HK\$'000	Total HK\$'000
Assets					
Segment assets	<u>192</u>	<u>213,792</u>	<u>352,701</u>	<u>739,486</u>	1,306,171
Unallocated corporate assets					<u>144,471</u>
Consolidated total assets					<u><u>1,450,642</u></u>
Liabilities					
Segment liabilities	<u>(2,542)</u>	<u>(9,205)</u>	<u>(5,939)</u>	<u>(118,294)</u>	(135,980)
Unallocated corporate liabilities					<u>(66,780)</u>
Consolidated total liabilities					<u><u>(202,760)</u></u>

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

Unallocated corporate liabilities mainly represent other payables and amounts due to non-controlling shareholders of a subsidiary.

4. PROFIT FOR THE PERIOD

	Six months ended	
	31 December	
	2022	2021
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the period is stated after charging/(crediting) the followings:		
Amortisation of intangible assets	125	125
Bank interest income	(69)	(70)
Dividend income from financial assets at FVTPL	(1,488)	(1,501)
Depreciation of property, plant and equipment	9,876	11,269
Depreciation of right-of-use assets	65	–
Fair value gain on financial assets at FVTPL	(24)	(24)
	<u> </u>	<u> </u>

5. INCOME TAX EXPENSE

	Six months ended	
	31 December	
	2022	2021
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current tax – Hong Kong Profits Tax		
Provision for the period	(303)	(243)
Over-provision in prior years	10	20
	<u> </u>	<u> </u>
	(293)	(223)
Current tax – The People’s Republic of China (the “PRC”) Enterprise Income Tax		
Provision for the period	(2,232)	(1,137)
Under-provision in prior years	–	(10)
	<u> </u>	<u> </u>
	(2,232)	(1,147)
Current tax – Macau Complementary Tax		
Provision for the period	–	(167)
Deferred tax	(892)	814
	<u> </u>	<u> </u>
Income tax expense	<u> </u>	<u> </u>
	(3,417)	(723)

Under the two-tiered profits tax regime, the first HK\$2 million of assessable profits of the qualifying Group's entity incorporated in Hong Kong are taxed at a rate of 8.25% and assessable profits above that amount are subject to the tax rate of 16.5%. The profits of the Group's entities not qualified for the two-tiered profits tax regime remain to be taxed at a 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.

The Group's entity operating in the PRC is subject to enterprise income tax ("EIT") at the rate of 25% on the assessable profits for the six months ended 31 December 2022.

The Group's entity operating in Macau is subject to Macau complementary tax rate of 12%. No provision for Macau Complementary tax has been made as the Group did not generate any revenue from commission on rolling revenue of the Gaming and Entertainment Business for the six months ended 31 December 2022.

6. (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the (loss)/profit for the period attributable to owners of the Company, which was a loss of approximately HK\$1,659,000 (unaudited) for the six months ended 31 December 2022 (for the six months ended 31 December 2021: profit of approximately HK\$2,319,000 (unaudited)) and the weighted average number of ordinary shares of 1,938,822,690 in issue during both periods.

Diluted (loss)/earnings per share

No diluted (loss)/earnings per share has been presented as there were no potential dilutive shares outstanding during the six months ended 31 December 2022 and 2021.

7. INTERIM DIVIDEND

The Directors do not recommend the payment of any interim dividend in respect of the six months ended 31 December 2022 and 2021.

8. INVESTMENT PROPERTIES

	<i>HK\$'000</i>
Fair value	
At 1 July 2021	137,500
Acquisition of subsidiaries	571,900
Fair value loss	(6,964)
Exchange differences	(15,324)
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At 30 June 2022 and 1 July 2022 (Audited)	687,112
Fair value loss	(2,400)
Exchange differences	(26,239)
	<hr/>
At 31 December 2022 (Unaudited)	658,473
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9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2022 (Unaudited) HK\$'000	30 June 2022 (Audited) HK\$'000
Financial assets at FVTPL		
– Unlisted fund investment	31,512	31,488

As at 31 December 2022, the carrying amount of unlisted fund investment was approximately HK\$31,512,000 (30 June 2022: HK\$31,488,000) which was not quoted in an active market. The fair value of investment was stated with reference to the net asset value provided by the 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 the reporting period.

10. LOANS RECEIVABLE AND INTEREST RECEIVABLES

	31 December 2022 (Unaudited) HK\$'000	30 June 2022 (Audited) HK\$'000
Loans receivable	248,701	182,859
Less: Provision for impairment of loans receivable	(12,533)	(9,950)
Loans receivable, net of provision	236,168	172,909
Interest receivables	16,542	14,294
Less: Provision for impairment of interest receivables	(182)	(206)
Interest receivables, net of provision	16,360	14,088
	252,528	186,997
Analysed as:		
– Non-current assets	154,038	87,556
– Current assets	98,490	99,441
	252,528	186,997

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

	31 December 2022 (Unaudited) HK\$'000	30 June 2022 (Audited) HK\$'000
Loans receivable		
Neither past due nor impaired		
– Secured	57,165	52,804
– Unsecured	132,450	85,087
1-30 days past due		
– Unsecured	699	9
31-90 days past due		
– Secured	10,600	–
– Unsecured	254	9
181-365 days past due		
– Secured	–	35,000
Over 365 days past due		
– Secured	35,000	–
	236,168	172,909
Interest receivables		
Neither past due nor impaired		
– Secured	382	414
– Unsecured	1,757	863
1-30 days past due		
– Secured	870	870
– Unsecured	4	14
31-90 days past due		
– Secured	2,592	1,740
– Unsecured	15	13
91-180 days past due		
– Secured	2,610	2,610
181-365 days past due		
– Secured	5,219	7,564
Over 365 days past due		
– Secured	2,911	–
	16,360	14,088
	252,528	186,997

The secured loans were secured by properties. The fair values of the collaterals, as assessed by the management, were not less than the outstanding amounts of loan receivable and interest receivable of the relevant loans as at 31 December 2022 and 30 June 2022.

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

	Loans receivable			Total HK\$'000
	Stage 1 12-month expected credit losses ("ECL") HK\$'000	Stage 2 Lifetime ECL HK\$'000	Stage 3 Lifetime ECL HK\$'000	
At 1 July 2021	1,279	–	56	1,335
New loans originated	7,591	24	1,320	8,935
Loans repaid during the year	(1,278)	–	–	(1,278)
Charged for the year	591	2	365	958
At 30 June 2022 and 1 July 2022 (Audited)	8,183	26	1,741	9,950
New loans originated	6,765	80	202	7,047
Loans repaid during the period (Credited)/charged for the period	(1,969)	(23)	(17)	(2,009)
Written off during the period	–	–	(3,874)	(3,874)
At 31 December 2022 (Unaudited)	11,987	82	464	12,533

	Interest receivables			Total <i>HK\$'000</i>
	Stage 1	Stage 2	Stage 3	
	12-month	Lifetime	Lifetime	
	ECL	ECL	ECL	
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
At 1 July 2021	10	–	5	15
New loans originated	72	2	98	172
Loans repaid during the year	(10)	–	–	(10)
Charged for the year	7	–	22	29
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At 30 June 2022 and 1 July 2022 (Audited)	79	2	125	206
New loans originated	92	1	7	100
Loans repaid during the period	(18)	(2)	(14)	(34)
Charged for the period	6	–	59	65
Written off during the period	–	–	(155)	(155)
<hr/>				
At 31 December 2022 (Unaudited)	159	1	22	182

During the six months ended 31 December 2022, loans receivable amounted to approximately HK\$3,874,000 (for the six months ended 31 December 2021: nil) and interest receivables amounted to approximately HK\$155,000 (for the six months ended 31 December 2021: nil) had been written-off, respectively. These relate to customers who are either (i) in financial difficulties; (ii) declared bankruptcy; or (iii) deceased and in the opinion of the Directors, such loans receivable and interest receivables are uncollectible.

Three (30 June 2022: one) secured loans receivable were default as at 31 December 2022. The balance of the relevant loans receivable and interest receivables were approximately HK\$45,600,000 (30 June 2022: HK\$35,000,000) and approximately HK\$14,201,000 (30 June 2022: approximately HK\$12,783,000), respectively, in aggregate of approximately HK\$59,801,000 (30 June 2022: approximately HK\$47,783,000). Based on the fair value of the collaterals of the relevant loans receivable and interest receivables which are residential properties located in Hong Kong and Macau, the Directors are of the view that no provision for impairment of the relevant loans receivable and interest receivables is required.

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 twelve 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.

11. TRADE AND OTHER RECEIVABLES

	31 December 2022 (Unaudited) HK\$'000	30 June 2022 (Audited) HK\$'000
Trade receivables from hotel operations business	110	92
Trade receivables from property leasing business	8,953	10,511
	9,063	10,603
Impairment losses on trade receivables	(514)	(810)
	8,549	9,793
Deposits, prepayments and other receivables	4,997	3,961
	13,546	13,754

The Group allows trade receivables from the Gaming and Entertainment Business an average credit period ranging from 30 days to 90 days. Before accepting any new customers, the management internally assesses the credit quality of the potential customers and defines appropriate credit limits.

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.

Regarding the property leasing business, the Group maintains a defined credit policy including stringent credit evaluation on and payment of a rental deposit from customers. In addition to the payment of rental deposits, customers are required to pay monthly rents in respect of leased properties in advance. Receivables are regularly reviewed and closely monitored to minimise any associated credit risk. No interest is charged on overdue trade receivables. In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the end of the reporting period.

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

	31 December 2022 (Unaudited) HK\$'000	30 June 2022 (Audited) HK\$'000
0 – 90 days	5,669	3,469
91 – 180 days	2,185	5,086
181 – 365 days	694	1,229
Over 365 days	1	9
	8,549	9,793

As at 31 December 2022, an allowance was made for estimated irrecoverable trade receivables of approximately HK\$514,000 (30 June 2022: HK\$810,000).

Reconciliation of allowance for trade receivables:

	31 December 2022 (Unaudited) HK\$'000	30 June 2022 (Audited) HK\$'000
At the beginning of the period/year	810	1
Increase in loss allowance for the period/year	–	837
Reversed during the period/year	–	(1)
Written off during the period/year	(258)	–
Exchange differences	(38)	(27)
	<u>514</u>	<u>810</u>
At the end of the period/year	514	810

12. SHARE CAPITAL

	31 December 2022 (Unaudited)		30 June 2022 (Audited)	
	No. of shares ('000)	Amount HK\$'000	No. of shares ('000)	Amount HK\$'000
Ordinary shares, issued and fully paid:				
At the beginning and end of the period/year	1,938,823	1,317,736	1,938,823	1,317,736
	<u>1,938,823</u>	<u>1,317,736</u>	<u>1,938,823</u>	<u>1,317,736</u>

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.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

The Board announces that during the six months ended 31 December 2022, the Group incurred a loss attributable to owners of the Company of approximately HK\$1.7 million (loss per share of approximately HK cents 0.08) and total comprehensive loss attributable to owners of the Company of approximately HK\$18.6 million, while it recorded a profit attributable to owners of the Company of approximately HK\$2.3 million (earnings per share of approximately HK cents 0.12) and total comprehensive income attributable to owners of the Company of approximately HK\$4.6 million for the six months ended 31 December 2021.

BUSINESS REVIEW

The Group is principally engaged in (i) 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 2022, the Group's revenue was increased by approximately 66.4% to approximately HK\$45.1 million as compared to that of approximately HK\$27.1 million for the six months ended 31 December 2021. The Group recorded a profit for the period of approximately HK\$79,000, as compared to that of approximately HK\$4.0 million for the six months ended 31 December 2021. The significant drop in profit was mainly attributable to the absence of the gain on bargain purchase on an acquisition recorded by the Group during the six months ended 31 December 2022. In addition, the total comprehensive loss was mainly attributable to the net loss on foreign exchange differences related to Renminbi against Hong Kong dollars on translating the Group's operation of approximately HK\$22.9 million during the six months ended 31 December 2022. The aforesaid net loss on foreign exchange differences is a non-cash accounting treatment in accordance with Hong Kong Financial Reporting Standards.

The Group will continue to focus on its established diversification strategy to cope with the great uncertainty over the pandemic and recovery of economy. The Directors are cautiously optimistic and convinced that the Group can minimise the impact of the COVID-19 pandemic on the Company's results 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 2022, while it generated that of approximately HK\$1.4 million for the six months ended 31 December 2021.

While the COVID-19 pandemic has slowed down, the Group continues to be concerned about the potential risks associated with various uncertainties and has not resumed inputs into the Gaming and Entertainment Business. The Group's current strategy is to allocate resources reasonably to its other business segments as well as to continue to focus on the future prospects of this business segment.

With the aim of maximising investor returns in a risk-controlled, legally compliant manner, the Group adheres to the principle of prioritising investor interests and carefully evaluates the risks and returns in the deployment of resources for each segment.

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 for providing diversified loan services. The Group has established a brand for its money lending business named "Funkki Finance" with its website at <https://www.funki.com.hk>. Financial technology is driving innovation in financial services globally. Introducing financial technology, "Funkki Finance" is changing the model of commerce and end-user expectations for financial services. In light of the rapid technological advancement, it is important to understand the benefits and risks brought by Fin Tech, and to enhance its steady development. "Funkki Finance" maintains high level of cybersecurity and data security to maintain public confidence in the financial services provided by the Group. "Funkki Finance" is proactively looking for different effective channels for customer acquisition and developing online and offline marketing strategies.

The gross loans receivable as at 31 December 2022 amounted to approximately HK\$248.7 million, representing an increase of approximately HK\$65.8 million as compared to that of approximately HK\$182.9 million as at 30 June 2022 due to the increase in loan principal amounts granted to the significant increase in the number of customers. The interest income generated for the six months ended 31 December 2022 amounted to approximately HK\$21.6 million, representing an increase of approximately HK\$11.7 million as compared to that of approximately HK\$9.9 million generated for the six months ended 31 December 2021. The interest income for the six months ended 31 December 2022 was generated from a larger customer base and therefore is more sustainable.

The Group is one of the members of TransUnion. By referencing to customers' credit report, having internal guidelines, credit review policies and effective management in place, the Group has both the potential and ability to further expand its money lending business and enlarge its customer base with diversified 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, and the money lending business becomes the pillar business of the Group as it expands and grows steadily.

Hotel Operations Business

Hotel operations business is another segment of the Group with an aim to diversify the income stream. There has been a huge drop in the number of visitor arrivals resulting from the Coronavirus pandemic since 2020. Following research into the surrounding accommodation situation, the hotel operation team focused on long-term tenants to improve the occupancy rate and achieved an average occupancy rate of 88.9% for the six months ended 31 December 2022. Rental income for the six months ended 31 December 2022 was approximately HK\$4.9 million, representing an improvement from approximately HK\$2.9 million for the six months ended 31 December 2021.

The Group recorded a profit before taxation from the hotel operations business amounted to approximately HK\$2.1 million for the six months ended 31 December 2022, representing an improvement when compared to the loss before taxation for the six months ended 31 December 2021 of approximately HK\$16.8 million, and was mainly attributable to the reversal of impairment loss made on property, plant and equipment of approximately HK\$8.7 million.

The Directors consider that the underperformance of the hotel operations business was due to the pandemic of Coronavirus. As normal travel between Hong Kong and the Mainland China resumes, the business performance is expected to improve. Through a targeted optimisation of its business approach, the hotel will gradually exit the long-term rental business and is resuming its normal operations. The Directors remain cautiously optimistic on the hotel business in Hong Kong in the long run.

Property Leasing Business

The Group's property leasing business in Hong Kong primarily comprises leasing the shops on the ground floor of the hotel property to independent third parties so as to generate another source of income stream for the Group.

The Group's property leasing business in the PRC represents the leasing of the shops and venue spaces in the properties which are situated at the north side of Jinyan Road, Pudong New District, Shanghai, the PRC* (中國上海市浦東新區錦延路北側), 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) (the “**PRC Properties**”) to various tenants.

As at 31 December 2022, a total number of 37 third parties business tenants, a majority of which are chain restaurants with renowned brands such as McDonald's and Starbucks, as well as education centres, had signed a tenancy agreement in relation to shops and venue spaces of an aggregate gross floor area of approximately 14,330 square metres within the PRC Properties; while a gross floor area of approximately 4,114 square metres within the PRC Properties was vacant and available for lease. The PRC Properties are currently managed by a third party management company under a property management agreement which will expire on 31 December 2024.

As a result of the pandemic, the Group's property leasing business was also severely affected, as tenants were unable to operate in Shanghai during the outbreak. Consequently, the Group granted partial rent concessions to tenants for the period affected by the outbreak in order to maintain the long-term stability of its tenant base.

The underlying profit before taxation from the property leasing business amounted to approximately HK\$4.8 million for the six months ended 31 December 2022 as compared to that of approximately HK\$3.0 million for the six months ended 31 December 2021, which was primarily due to the increase in profit before taxation of approximately HK\$3.2 million contributed by the property leasing business in the PRC which was partly offset by the increase in fair value loss on the leased properties of approximately HK\$1.2 million.

Developing and complementing the Group's property leasing business, the leasing of the PRC Properties generates stable cash flow to the Group and it became another main stream of revenue and profits of the Group.

LIQUIDITY, FINANCIAL RESOURCES AND FUNDING

The Group had net current assets of approximately HK\$125.0 million as at 31 December 2022 (as at 30 June 2022: approximately HK\$191.0 million). The total cash and bank balances were approximately HK\$63.1 million as at 31 December 2022 as compared to that of approximately HK\$121.5 million as at 30 June 2022. The Group had no other external funding source or no borrowings as at 31 December 2022 (as at 30 June 2022: nil).

The total equity attributable to owners of the Company as at 31 December 2022 amounted to approximately HK\$1,127.1 million (as at 30 June 2022: approximately HK\$1,145.7 million).

As at 31 December 2022, the Group's total liabilities amounted to approximately HK\$204.2 million (as at 30 June 2022: approximately HK\$202.8 million), mainly comprising other payables of approximately HK\$36.3 million, amounts due to non-controlling shareholders of a subsidiary of approximately HK\$68.4 million and deferred tax liabilities of approximately HK\$81.5 million. The gearing ratio, calculated on the basis of total debts over total equity attributable to owners of the Company was approximately 6.8% as at 31 December 2022 (as at 30 June 2022: approximately 6.5%).

PLEDGE OF ASSETS

As at 31 December 2022, none of the Group's leasehold land and buildings has been pledged as collateral (as at 30 June 2022: nil).

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSALS OF ASSETS

Save as disclosed in this announcement, there were no significant investments held by the Group as at 31 December 2022, nor other material acquisitions or disposals of assets by the Group.

IMPORTANT EVENTS AFTER THE END OF FINANCIAL PERIOD

Save as disclosed in this announcement, there were no important events affecting the Group after the end of financial period.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 31 December 2022 (for the six months ended 31 December 2021: nil).

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 of and complied with all code provisions and, where applicable, the recommended best practices as set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange throughout the six months ended 31 December 2022.

REVIEW OF INTERIM RESULTS

The Group's interim results for the six months ended 31 December 2022 have been reviewed by the audit committee of the Company, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements, adequate disclosures have been made and there was no disagreement with any accounting treatment adopted. The audit committee of the Company recommended the Board to adopt the same.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 31 December 2022, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

PUBLICATION OF INFORMATION ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The interim results announcement is published on the websites of the Stock Exchange at <https://www.hkexnews.hk> and of the Company at <http://www.richgoldman.com.hk>, respectively. The interim report of the Company for the six months ended 31 December 2022 will be despatched to the shareholders of the Company and published on the websites of the Stock Exchange and the Company in due course.

By Order of the Board
Rich Goldman Holdings Limited
Lin Yee Man
Chairman

Hong Kong, 28 February 2023

** for identification purposes only*

As at the date of this announcement, the Board comprises Ms. Lin Yee Man (Chairman) and Mr. Zhang Yiwei 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.