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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 2023

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 2023 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 2023

		Six months ended 31 December	
		2023	2022
		(Unaudited)	(Unaudited)
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	3	63,149	45,067
Cost of services provided		(12,758)	(7,737)
Other income		1,752	2,224
Other gains and losses, net		194	(79)
Fair value loss on investment properties (Impairment loss)/reversal of impairment loss on property, plant and equipment	8	(4,200)	(2,400)
Provision for impairment and write-off of loans receivable and interest receivables, net	10	(15,646)	(6,588)
Administrative expenses		(37,005)	(32,722)
(Loss)/profit from operations		(8,645)	6,449
Finance costs		(5,852)	(2,953)
(Loss)/profit before tax		(14,497)	3,496
Income tax expense	5	(3,065)	(3,417)
(Loss)/profit for the period	4	(17,562)	79

		Six months ended 31 December	
		2023	2022
	<i>Note</i>	(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000
Other comprehensive income/(loss) after tax			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operation		<u>7,595</u>	<u>(22,899)</u>
Total other comprehensive income/(loss) for the period, net of tax		<u>7,595</u>	<u>(22,899)</u>
Total comprehensive loss for the period		<u><u>(9,967)</u></u>	<u><u>(22,820)</u></u>
(Loss)/profit for the period attributable to:			
– Owners of the Company		(18,841)	(1,659)
– Non-controlling interests		<u>1,279</u>	<u>1,738</u>
		<u><u>(17,562)</u></u>	<u><u>79</u></u>
Total comprehensive (loss)/income for the period attributable to:			
– Owners of the Company		(13,300)	(18,591)
– Non-controlling interests		<u>3,333</u>	<u>(4,229)</u>
		<u><u>(9,967)</u></u>	<u><u>(22,820)</u></u>
Loss per share			
– Basic and diluted (<i>HK cents</i>)	6	<u><u>(0.97)</u></u>	<u><u>(0.08)</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

		31 December 2023 (Unaudited) <i>HK\$'000</i>	30 June 2023 (Audited) <i>HK\$'000</i>
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment		388,729	402,095
Right-of-use assets		1,506	1,899
Investment properties	8	642,441	638,215
Intangible assets		1,094	1,278
Deferred tax assets		2,215	2,371
Financial assets at fair value through profit or loss (“FVTPL”)	9	31,512	31,488
Loans receivable	10	245,837	189,167
		1,313,334	1,266,513
Current assets			
Trade and other receivables	11	13,489	10,543
Loans receivable and interest receivables	10	96,475	114,761
Current tax assets		–	480
Bank and cash balances		98,590	63,114
		208,554	188,898
Current liabilities			
Contract liabilities		1,533	2,034
Other payables		32,681	32,943
Borrowings and interest payables	12	126,464	54,477
Lease liabilities		815	782
Current tax liabilities		3,796	4,295
		165,289	94,531
Net current assets		43,265	94,367
Total assets less current liabilities		1,356,599	1,360,880

		31 December 2023 (Unaudited) HK\$'000	30 June 2023 (Audited) HK\$'000
	<i>Note</i>		
Non-current liabilities			
Other payables		5,519	4,894
Amounts due to non-controlling shareholders of a subsidiary		57,122	54,459
Lease liabilities		809	1,225
Deferred tax liabilities		<u>83,856</u>	<u>81,042</u>
		<u>147,306</u>	<u>141,620</u>
NET ASSETS		<u>1,209,293</u>	<u>1,219,260</u>
Capital and reserves			
Share capital	<i>13</i>	1,317,736	1,317,736
Reserves		<u>(216,148)</u>	<u>(202,848)</u>
Equity attributable to owners of the Company		1,101,588	1,114,888
Non-controlling interests		<u>107,705</u>	<u>104,372</u>
TOTAL EQUITY		<u>1,209,293</u>	<u>1,219,260</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2023

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 2023 except for the adoption of the new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as the “**new and amendments to 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 2023 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 required to be 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 2023 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 AMENDMENTS TO 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 2023 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 and HKASs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2023 for the preparation of the unaudited condensed consolidated financial statements:

Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

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 three (for the six months ended 31 December 2022 / for the year ended 30 June 2023: four) operating segments as follows:

- (i) Money lending business;
- (ii) Hotel operations business;
- (iii) Property leasing business; and
- (iv) 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**") (*note*).

Note: During the six months ended 31 December 2023, the Gaming and Entertainment Business was ceased due to the Group's strategic change so the management has abandoned the Gaming and Entertainment Business.

(a) Segment revenue and results

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

For the six months ended 31 December 2023 (Unaudited)

	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>33,968</u>	<u>11,049</u>	<u>18,132</u>	<u>63,149</u>
Segment results	<u>(999)</u>	<u>(6,023)</u>	<u>3,318</u>	<u>(3,704)</u>
Unallocated other income				1,502
Unallocated other gains and losses				24
Unallocated finance costs				(2,773)
Unallocated expenses				<u>(9,546)</u>
Loss before tax				<u><u>(14,497)</u></u>

For the six months ended 31 December 2022 (Unaudited)

	Money lending business <i>HK\$'000</i>	Hotel operations business <i>HK\$'000</i>	Property leasing business <i>HK\$'000</i>	Gaming and Entertainment Business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue	<u>21,600</u>	<u>4,881</u>	<u>18,586</u>	<u>-</u>	<u>45,067</u>
Segment results	<u>1,190</u>	<u>2,093</u>	<u>4,846</u>	<u>(11)</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>

(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 2023 (Unaudited)

	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>
Assets				
Segment assets	<u>369,187</u>	<u>338,997</u>	<u>710,530</u>	1,418,714
Unallocated corporate assets				<u>103,174</u>
Consolidated total assets				<u><u>1,521,888</u></u>
Liabilities				
Segment liabilities	<u>(111,827)</u>	<u>(4,488)</u>	<u>(115,906)</u>	(232,221)
Unallocated corporate liabilities				<u>(80,374)</u>
Consolidated total liabilities				<u><u>(312,595)</u></u>

At 30 June 2023 (Audited)

	Money lending business <i>HK\$'000</i>	Hotel operations business <i>HK\$'000</i>	Property leasing business <i>HK\$'000</i>	Gaming and Entertainment Business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Assets					
Segment assets	<u>321,987</u>	<u>348,573</u>	<u>697,796</u>	<u>192</u>	1,368,548
Unallocated corporate assets					<u>86,863</u>
Consolidated total assets					<u><u>1,455,411</u></u>
Liabilities					
Segment liabilities	<u>(60,688)</u>	<u>(4,163)</u>	<u>(113,397)</u>	<u>(2,512)</u>	(180,760)
Unallocated corporate liabilities					<u>(55,391)</u>
Consolidated total liabilities					<u><u>(236,151)</u></u>

Unallocated corporate assets mainly represent certain property, plant and equipment, financial assets at FVTPL, deposits, other receivables and certain bank and cash balances.

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

4. (LOSS)/PROFIT FOR THE PERIOD

The Group's (loss)/profit for the period is stated after charging/(crediting) the followings:

	Six months ended	
	31 December	
	2023	2022
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Amortisation of intangible assets	184	125
Bank interest income	(89)	(69)
Dividend income from financial assets at FVTPL	(1,488)	(1,488)
Depreciation of property, plant and equipment	10,208	9,876
Depreciation of right-of-use assets	393	65
Fair value gain on financial assets at FVTPL	(24)	(24)
	<u>184</u>	<u>125</u>

5. INCOME TAX EXPENSE

	Six months ended	
	31 December	
	2023	2022
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current tax – Hong Kong Profits Tax		
Provision for the period	(228)	(303)
Over-provision in prior years	–	10
	<u>(228)</u>	<u>(293)</u>
Current tax – The People's Republic of China (the "PRC") Enterprise Income Tax ("EIT")		
Provision for the period	(1,437)	(2,232)
Over-provision in prior years	277	–
	<u>(1,160)</u>	<u>(2,232)</u>
Deferred taxation	<u>(1,677)</u>	<u>(892)</u>
Income tax expense	<u>(3,065)</u>	<u>(3,417)</u>

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 taxed at a 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, interpretations and practices in respect thereof.

The Group's entity operating in the PRC is subject to EIT at the rate of 25% on the assessable profits.

6. 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\$18,841,000 (unaudited) for the six months ended 31 December 2023 (for the six months ended 31 December 2022: HK\$1,659,000 (unaudited)) and the weighted average number of ordinary shares of approximately 1,938,823,000 in issue during both periods.

Diluted loss per share

No diluted loss per share has been presented as there were no potential dilutive shares outstanding during the six months ended 31 December 2023 and 2022.

7. INTERIM DIVIDEND

The Directors do not recommend the payment of any interim dividend in respect of the six months ended 31 December 2023 and 2022.

8. INVESTMENT PROPERTIES

HK\$'000

Fair value

At 1 July 2022	687,112
Fair value loss	(4,984)
Exchange differences	(43,913)
	638,215
At 30 June 2023 and 1 July 2023 (Audited)	638,215
Fair value loss	(4,200)
Exchange differences	8,426
	642,441
At 31 December 2023 (Unaudited)	642,441

As at 31 December 2023, the Group's investment properties in Hong Kong amounted to approximately HK\$123,500,000 (30 June 2023: HK\$127,700,000) have been pledged to secure banking facilities granted to the Group (note 12(a)).

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2023 (Unaudited) HK\$'000	30 June 2023 (Audited) HK\$'000
Financial assets at FVTPL		
– Unlisted fund investment	31,512	31,488

As at 31 December 2023, the carrying amount of the unlisted fund investment was approximately HK\$31,512,000 (30 June 2023: 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 end of the reporting period. The Directors believe that the estimated fair value provided by the administrator of the fund is reasonable, and is the most appropriate value at the end of the reporting period.

The carrying amount of the investment is denominated in Hong Kong dollars.

10. LOANS RECEIVABLE AND INTEREST RECEIVABLES

	31 December 2023 (Unaudited) HK\$'000	30 June 2023 (Audited) HK\$'000
Loans receivable	351,958	304,436
Less: Provision for impairment of loans receivable	(27,753)	(17,803)
Loans receivable, net of provision	324,205	286,633
Interest receivables	20,096	18,686
Less: Provision for impairment of interest receivables	(1,989)	(1,391)
Interest receivables, net of provision	18,107	17,295
	342,312	303,928
Analysed as:		
– Non-current assets	245,837	189,167
– Current assets	96,475	114,761
	342,312	303,928

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

	31 December 2023 (Unaudited) HK\$'000	30 June 2023 (Audited) HK\$'000
Loans receivable		
Neither past due nor impaired		
– Secured	49,234	49,251
– Unsecured	240,967	194,222
1-30 days past due		
– Unsecured	114	29
31-90 days past due		
– Unsecured	151	135
91-180 days past due		
– Unsecured	–	168
181-365 days past due		
– Secured	–	10,558
– Unsecured	–	317
Over 365 days past due		
– Secured	33,739	31,949
– Unsecured	–	4
	324,205	286,633
Interest receivables		
Neither past due nor impaired		
– Secured	675	287
– Unsecured	3,419	2,382
1-30 days past due		
– Unsecured	179	43
31-90 days past due		
– Unsecured	181	34
91-180 days past due		
– Secured	–	98
181-365 days past due		
– Secured	–	2,820
Over 365 days past due		
– Secured	13,653	11,631
	18,107	17,295
	342,312	303,928

The secured loans were secured by properties. The fair values of the collaterals, as assessed by the management, were not less than the outstanding aggregate amounts of loan receivable and interest receivable of the relevant loans as at 31 December 2023 and 30 June 2023.

Movement on the Group's provision for 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 2022	8,183	26	1,741	9,950
New loans originated	9,951	77	3,978	14,006
Loans repaid during the year	(8,184)	(26)	(20)	(8,230)
Charged for the year	1,677	163	8,691	10,531
Written off during the year	–	–	(8,454)	(8,454)
At 30 June 2023 and 1 July 2023 (Audited)	11,627	240	5,936	17,803
New loans originated	6,478	82	921	7,481
Loans repaid during the period (Credited)/charged for the period	(2,429)	(1)	(43)	(2,473)
Written off during the period	–	–	(4,925)	(4,925)
At 31 December 2023 (Unaudited)	14,199	616	12,938	27,753

	Interest receivables			Total
	Stage 1	Stage 2	Stage 3	
	12-month	Lifetime	Lifetime	
	ECL	ECL	ECL	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 July 2022	79	2	125	206
New loans originated	130	3	76	209
Loans repaid during the year	(79)	(2)	(2)	(83)
Charged for the year	19	4	1,386	1,409
Written off during the year	–	–	(350)	(350)
At 30 June 2023 and 1 July 2023 (Audited)	149	7	1,235	1,391
New loans originated	103	3	83	189
Loans repaid during the period	(35)	–	(6)	(41)
(Credited)/charged for the period	(1)	20	604	623
Written off during the period	–	–	(173)	(173)
At 31 December 2023 (Unaudited)	216	30	1,743	1,989

Two (30 June 2023: Three) secured loans receivable were default as at 31 December 2023. As at 31 December 2023, the balance of the relevant loans receivable and interest receivables were approximately HK\$36,800,000 (30 June 2023: HK\$42,507,000) and approximately HK\$15,290,000 (30 June 2023: HK\$14,549,000), respectively, in aggregate of approximately HK\$52,090,000 (30 June 2023: HK\$57,056,000). 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 provision for impairment losses of the relevant loans receivable and interest receivables amounted to approximately HK\$3,061,000 (30 June 2023: HK\$3,094,000) and HK\$1,637,000 (30 June 2023: HK\$1,156,000), respectively. The Group carried out legal action against the relevant borrowers to recover the aforesaid loans receivable and interest receivables by enforcing the rights on the collaterals.

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.

As at 31 December 2023, the charge of impairment allowance of loans receivable of approximately HK\$9,867,000 (30 June 2023: HK\$10,531,000), and that of interest receivables of approximately HK\$623,000 (30 June 2023: HK\$1,409,000) was due to change in probability of default and loss given default during the period/year.

11. TRADE AND OTHER RECEIVABLES

	31 December	30 June
	2023	2023
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
Trade receivables from hotel operations business	2	36
Trade receivables from property leasing business	<u>7,201</u>	<u>5,056</u>
	7,203	5,092
Impairment losses on trade receivables	<u>(300)</u>	<u>(794)</u>
	6,903	4,298
Deposits, prepayments and other receivables	<u>6,586</u>	<u>6,245</u>
	13,489	10,543
	<u>13,489</u>	<u>10,543</u>

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. No credit period is allowed to other customers. Rentals are payable upon presentation of demand notes.

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	30 June
	2023	2023
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
0 – 90 days	5,021	3,867
91 – 180 days	1,676	220
181 – 365 days	74	91
Over 365 days	<u>132</u>	<u>120</u>
	6,903	4,298
	<u>6,903</u>	<u>4,298</u>

As at 31 December 2023, an allowance was made for estimated irrecoverable trade receivables of approximately HK\$300,000 (30 June 2023: HK\$794,000).

Reconciliation of allowance for trade receivables:

	31 December 2023 (Unaudited) HK\$'000	30 June 2023 (Audited) HK\$'000
At the beginning of the period/year	794	810
Increase in loss allowance for the period/year	–	309
Written off during the period/year	(498)	(260)
Exchange differences	4	(65)
	<u>300</u>	<u>794</u>
At the end of the period/year	<u><u>300</u></u>	<u><u>794</u></u>

12. BORROWINGS AND INTEREST PAYABLES

	31 December 2023 (Unaudited) HK\$'000	30 June 2023 (Audited) HK\$'000
Secured borrowings from bank (<i>note a</i>)	100,000	50,000
Secured loan from a third party (<i>note b</i>)	20,000	–
Unsecured loans from third parties (<i>note c</i>)	5,150	3,500
Interest payables	1,314	977
	<u>126,464</u>	<u>54,477</u>
Carrying amount repayable:		
Within one year	<u><u>126,464</u></u>	<u><u>54,477</u></u>

Notes:

- (a) On 11 January 2023, the Group as borrower entered into a facility agreement (the “**Facility Agreement**”) in respect of uncommitted revolving loan facility limit amounted to HK\$100,000,000 (the “**Loan Facility**”) with a commercial bank as lender. The Loan Facility granted to the Group was secured by the Group’s hotel property and investment properties (note 8) in Hong Kong and the corporate guarantee from the Company. The Loan Facility will mature on 10 January 2026.

Under the terms of the Facility Agreement, Ms. Lin Yee Man, the controlling shareholder of the Company, shall (directly or indirectly) remain the single largest shareholding interest in the Company. As at 31 December 2023, Ms. Lin Yee Man was beneficially interested in approximately 70.9% (30 June 2023: 70.9%) of the total issued share capital of the Company.

At 31 December 2023, the Group's secured bank borrowings carry interest at variable rate of the Hong Kong Inter-Bank Offered Rate plus 2.6% per annum, with interest rates ranging from 7.1% to 8.3% (30 June 2023: 6.1% to 7.4%) per annum. All the Group's secured bank borrowings will be due within one year.

As at 31 December 2023, bank borrowings of HK\$100,000,000 (30 June 2023: HK\$50,000,000) were secured by charge over the Group's buildings classified as property, plant and equipment and investment properties amounting to approximately HK\$334,100,000 and HK\$123,500,000 (30 June 2023: HK\$346,600,000 and HK\$127,700,000), respectively.

- (b) On 7 December 2023, the Group entered into a loan agreement with an independent third party. Pursuant to the loan agreement, a loan of HK\$20,000,000 is secured by charge over the Group's building classified as property, plant and equipment amounting to approximately HK\$51,600,000 with fixed interest rate of 8% per annum and repayable on 6 February 2024.
- (c) The Group entered into several loan agreements with independent third parties. Pursuant to the loan agreements, the loans are unsecured with fixed interest rates ranging from 2% to 10% (30 June 2023: 2 to 10%) per annum and loans of approximately HK\$3,300,000, HK\$1,150,000 and HK\$700,000 shall be repayable on 31 May 2024, 31 July 2024 and 30 September 2024, respectively (30 June 2023: 31 May 2024).

13. SHARE CAPITAL

	31 December 2023		30 June 2023	
	(Unaudited)		(Audited)	
	No. of shares	Amount	No. of shares	Amount
	('000)	HK\$'000	('000)	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

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 2023, the Group incurred a loss attributable to owners of the Company of approximately HK\$18.8 million (loss per share of approximately HK cents 0.97) and total comprehensive loss attributable to owners of the Company of approximately HK\$13.3 million, while it recorded 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 for the six months ended 31 December 2022.

BUSINESS REVIEW

The Group is principally engaged in (i) money lending business; (ii) hotel operations business; and (iii) property leasing business. The Gaming and Entertainment Business was ceased during the six months ended 31 December 2023 due to the Group's strategic change so the management has abandoned such business.

During the six months ended 31 December 2023, despite the Group's revenue was increased by approximately 39.9% to approximately HK\$63.1 million as compared to that of approximately HK\$45.1 million for the six months ended 31 December 2022, the Group recorded a loss for the period of approximately HK\$17.6 million, as compared to a profit for the period of approximately HK\$79,000 for the six months ended 31 December 2022. This was primarily attributable to (i) the increase in the Group's provision for impairment and write-off of loans receivable and interest receivables by approximately HK\$9.1 million as compared to that for the six months ended 31 December 2022; and (ii) the impairment loss on the properties held by the Group, which are classified as property, plant and equipment, was increased by approximately HK\$12.8 million as compared to a reversal of impairment loss for the six months ended 31 December 2022. Nevertheless, the decrease in the total other comprehensive loss for the six months ended 31 December 2023 was mainly attributable to the net gain on foreign exchange differences related to Renminbi against Hong Kong dollars on translating the Group's operation of approximately HK\$7.6 million for the six months ended 31 December 2023 whereas a net loss on foreign exchange differences of approximately HK\$22.9 million was recorded for the six months ended 31 December 2022.

Recovery from the COVID-19 pandemic brings new opportunities and challenges, the Group will continue to focus on its established diversification strategy. The Board is cautiously optimistic and convinced that the Group will achieve sustainable growth in long run.

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, and optimising user experience. 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 2023 amounted to approximately HK\$352.0 million, representing an increase of approximately HK\$47.6 million as compared to that of approximately HK\$304.4 million as at 30 June 2023 due to the significant increase in the number of customers. As at 31 December 2023, the Group had a sizeable customer base of 1,229 customers. The interest income generated for the six months ended 31 December 2023 amounted to approximately HK\$34.0 million, representing an increase of approximately HK\$12.4 million as compared to that of approximately HK\$21.6 million generated for the six months ended 31 December 2022. The interest income for the six months ended 31 December 2023 was generated from a larger customer base and therefore is more sustainable.

The Group is one of the member users of the credit database of TransUnion Limited, and actively joins the new credit reporting system developed by Credit Reference Platform Limited. By referencing to customers' credit report, with established internal guidelines and credit review policies in place, the Group strives to maintain a low default rate comparable to that of mainstream finance companies.

The Board fully recognises the achievements in the money lending business despite the fact that profit could not be immediately recognised from the money lending business in the current period due to the provision for impairment of loans receivable. Leveraging on the Group's strong financial strength and effective management, the Board believes that the money lending business will continue to develop positively with the increase in loan products and the 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. The hotel operations business achieved an average occupancy rate of 95.5% for the six months ended 31 December 2023. Hotel room revenue for the six months ended 31 December 2023 was approximately HK\$11.0 million, representing a significant improvement from approximately HK\$4.9 million for the six months ended 31 December 2022.

Despite the increase in hotel room revenue by approximately HK\$6.1 million, the Group recorded a loss before tax from the hotel operations business amounted to approximately HK\$6.0 million for the six months ended 31 December 2023, representing a decrease of approximately HK\$8.1 million when compared to a profit before tax of approximately HK\$2.1 million for the six months ended 31 December 2022, and was mainly attributable to the increase in impairment loss made on property, plant and equipment of approximately HK\$12.8 million as compared to a reversal of impairment loss for the six months ended 31 December 2022.

The Board remains 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 2023, a total number of 39 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 15,078 square metres within the PRC Properties; while a gross floor area of approximately 3,366 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.

The underlying profit before tax from the property leasing business amounted to approximately HK\$3.3 million for the six months ended 31 December 2023 as compared to that of approximately HK\$4.8 million for the six months ended 31 December 2022, which was primarily due to the profit before tax of approximately HK\$7.1 million contributed by the property leasing business in the PRC, which was partially offset by the fair value loss on the leased properties in Hong Kong of approximately HK\$4.2 million.

The Board has confidence in the PRC economy and will continue to hold on to the PRC Properties, and develop and enhance the Group's property leasing business. The leasing of the PRC Properties has brought stable cash flow to the Group and it has generated another major source of revenue and profit for the Group.

FINANCIAL POSITION

The total equity attributable to owners of the Company as at 31 December 2023 amounted to approximately HK\$1,101.6 million (as at 30 June 2023: HK\$1,114.9 million). The decrease was mainly due to the loss for the period.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2023, the Group's net current assets was approximately HK\$43.3 million (as at 30 June 2023: HK\$94.4 million). The current ratio was 1.3 times as at 31 December 2023 (as at 30 June 2023: 2.0 times). The total cash and bank balances were approximately HK\$98.6 million as at 31 December 2023 as compared to that of approximately HK\$63.1 million as at 30 June 2023. The Group's approach in managing liquidity is to ensure, as far as possible, that the Group always maintains sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Group's reputation.

BORROWINGS AND GEARING RATIO

As at 31 December 2023, the Group had a total borrowings of approximately HK\$182.3 million (as at 30 June 2023: HK\$108.0 million) comprising secured borrowings from bank of HK\$100.0 million (as at 30 June 2023: HK\$50.0 million), a secured loan from a third party of HK\$20.0 million (as at 30 June 2023: nil), unsecured loans from third parties of approximately HK\$5.2 million (as at 30 June 2023: HK\$3.5 million) and amounts due to non-controlling shareholders of a subsidiary of approximately HK\$57.1 million (as at 30 June 2023: HK\$54.5 million).

The interest-bearing secured bank borrowings of the Group as at 31 December 2023 was HK\$100.0 million (as at 30 June 2023: HK\$50.0 million) with interest rates ranging from 7.1% to 8.3% per annum. The Group reviews and ensures sufficient external financing to reserve resources to support its business development. As at 31 December 2023, the Group had uncommitted revolving loan facility limit granted by a commercial bank amounted to HK\$100.0 million (as at 30 June 2023: HK\$100.0 million), of which HK\$100.0 million (as at 30 June 2023: HK\$50.0 million) had been utilised. The Loan Facility will mature on 10 January 2026. Pursuant to the Facility Agreement, Ms. Lin Yee Man, the controlling shareholder of the Company, shall (directly or indirectly) remain the single largest shareholding interest in the Company.

The gearing ratio, calculated on the basis of total borrowings over total equity attributable to owners of the Company, was approximately 16.5% as at 31 December 2023 (as at 30 June 2023: 9.7%).

CAPITAL STRUCTURE

There was no material change in the capital structure of the Group from that disclosed in the annual report for the year ended 30 June 2023. As at 31 December 2023, the total number of issued shares of the Company was approximately 1,938,823,000 (as at 30 June 2023: 1,938,823,000 shares).

CHARGE ON ASSETS

As at 31 December 2023, the Group's buildings classified as property, plant and equipment and investment properties with a total carrying amount of approximately HK\$391.2 million (as at 30 June 2023: HK\$346.6 million) and HK\$123.5 million (as at 30 June 2023: HK\$127.7 million), respectively, have been pledged as collaterals for the purpose of securing its Loan Facility and a secured loan from a third party of HK\$20.0 million.

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 2023, 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.

CONTINGENT LIABILITIES

The Company did not have any material contingent liabilities as at 31 December 2023.

FUNDING AND TREASURY POLICY AND FOREIGN EXCHANGE RISK MANAGEMENT

The Group adopts prudent funding and treasury policy. All assets and liabilities of the Group were denominated in Hong Kong dollars. The functional currencies of the Company and its major subsidiaries are Hong Kong dollars and Renminbi in which most of their transactions and assets are denominated. As at 31 December 2023, the Group was exposed to certain foreign exchange risk as the Group had bank balances in RMB of approximately RMB50.6 million (equivalent to approximately HK\$55.5 million). The Group currently does not have foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities, but it closely monitors its foreign currency exposure and will consider hedging significant foreign currency exposure should the needs arise.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed above, the Group does not have any solid plans for material investments or acquisition of capital assets as at the date of this announcement. The Group continues to seek appropriate investment opportunities which are in line with the Group's strategy.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2023, the total number of employees of the Group was 87. The emolument policy regarding the Directors, senior management and other employees of the Group was formulated and is reviewed by the remuneration committee of the Company from time to time. Employees are remunerated according to their qualifications, experience, job nature and performance and under the pay scales aligned with prevailing market conditions. Other benefits to employees include mandatory provident fund scheme, medical insurance coverage and share option schemes.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 31 December 2023, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 31 December 2023 (for the six months ended 31 December 2022: 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 C1 to the Rules Governing the Listing of Securities on the Stock Exchange during the six months ended 31 December 2023.

REVIEW OF INTERIM RESULTS

The Group's interim results for the six months ended 31 December 2023 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.

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 2023 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, 29 February 2024

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.

* *for identification purposes only*