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金粵控股有限公司

Rich Goldman Holdings Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00070)

**MAJOR TRANSACTION
IN RELATION TO THE DISPOSAL AND LOAN ASSIGNMENT OF
HOME MORTGAGE FINANCE COMPANY LIMITED**

THE DISPOSAL AND THE LOAN ASSIGNMENT

On 2 December 2024 (after trading hours of the Stock Exchange), the Vendor, the Purchaser and the Guarantor entered into the SPA pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Share, at a Consideration of approximately HK\$9,296,000. After Closing, the Target Company will cease to be a subsidiary of the Company. Accordingly, the financial results of the Target Company will no longer be consolidated into the consolidated financial statements of the Company.

Pursuant to the SPA, at Closing, each of the Company and Funki Finance will enter a deed of assignment with the Purchaser and the Target Company, pursuant to which the Company shall assign and the Purchaser shall acquire from the Company the Company Loan in the principal amount of approximately HK\$36,329,000 and Funki Finance shall assign and the Purchaser shall acquire from Funki Finance the Funki Loan in the principal amount of approximately HK\$14,046,000, representing all outstanding loan advanced by the Company and Funki Finance to the Target Company.

The gross proceeds to be received by the Group under the Disposal and the Loan Assignment, being the Consideration arising from the Disposal and the principal amount of the Sale Loan, are approximately HK\$59,671,000.

LISTING RULES IMPLICATION

As one of the relevant percentage ratios calculated in accordance with the Listing Rules in respect of the Disposal and the Loan Assignment exceeds 25% but is less than 75%, the Disposal and the Loan Assignment constitute major transaction for the Company and are subject to the notification, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

So far as the Company is aware, having made all reasonable enquiries, no Shareholder has a material interest in, and would be required to abstain from voting on the resolution to approve the Disposal and the Loan Assignment if the Company was to convene a general meeting to approve the same. The Company has received written Shareholders' approval in respect of the Disposal and the Loan Assignment from Faith Mount Limited, which holds approximately 70.1% of the issued Shares, in accordance with Rule 14.44 of the Listing Rules. Accordingly, no Shareholders' meeting will be convened by the Company to approve the Disposal and the Loan Assignment.

Pursuant to Rule 14.41(a) of the Listing Rules, the circular containing, among other things, (i) details of the SPA and the transactions contemplated thereunder; (ii) financial and other information of the Target Company; and (iii) other information as required under the Listing Rules should be despatched to the Shareholders within 15 business days after the publication of this announcement, which is on or before 23 December 2024.

THE DISPOSAL

On 2 December 2024 (after trading hours of the Stock Exchange), the Vendor, the Purchaser and the Guarantor entered into the SPA pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Share, at a Consideration of approximately HK\$9,296,000. After Closing, the Target Company will cease to be a subsidiary of the Company. Accordingly, the financial results of the Target Company will no longer be consolidated into the consolidated financial statements of the Company.

THE SPA

The principal terms of the SPA are as follows:

Date: 2 December 2024 (after trading hours of the Stock Exchange)

Parties: (i) the Purchaser
(ii) the Vendor
(iii) the Guarantor

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and the Guarantor (being the ultimate beneficial owner of the Purchaser) are Independent Third Parties.

Subject matter

The Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Sale Share, representing the entire issued share capital of the Target Company, subject to the terms and conditions of the SPA.

Consideration

The Consideration payable by the Purchaser to the Vendor for the Sale Share shall be up to approximately HK\$9,296,000. The Consideration shall be payable by the Purchaser to the Vendor in the following manner:

- (a) within 5 Business Days after the signing of the SPA, the Purchaser shall pay approximately HK\$625,000 to the Vendor as deposit which will be applied as payment of the Consideration at Closing; and
- (b) for any amount recovered within 3 years from the Closing Date (the “**Recovery Period**”) from the relevant parties in relation to the claims by the Target Company under the Legal Proceedings (the “**Recovered Amount**”), within 3 Business Days after receipt the relevant Recovered Amount by the Target Company, the Purchaser shall pay to the Vendor an amount equivalent to such Recovered Amount. Immediately after the expiry of the Recovery Period, the Consideration shall be adjusted downwards by the difference (if any) between the Total Claims and the total Recovered Amount during the Recovery Period.

As at the date of this announcement, the Target Company is involved in outstanding legal proceedings (the “**Legal Proceedings**”) involving claims by the Target Company for the recovery of certain loans extended by the Target Company for a total amount of approximately HK\$8,671,000 (the “**Total Claims**”). The Purchaser agrees to delegate the conduct of all legal proceedings in respect of the Legal Proceedings to the Vendor. The Vendor agrees to reimburse the Target Company in respect of all costs, charges and expenses that are reasonably and properly incurred by the Target Company as a consequence of any actions taken at the request of the Vendor on the delegation of the conduct of the Legal Proceedings.

The Consideration was determined on arm-length basis with reference to, among other things, the Total Claims, the unaudited net asset value of approximately HK\$7,448,000 of the Target Company as at 31 October 2024 and the adjusted net liabilities of the Target Company of approximately HK\$1,223,000 after deducting the Total Claims as at 31 October 2024.

Conditions

Closing shall be conditional upon the following Conditions being satisfied or waived (where applicable) on or before the Longstop Date:

- (a) all necessary consents, confirmations, permits, approvals, licences and authorisations having been obtained from all relevant governmental, regulatory and other authorities, agencies and departments in Hong Kong or elsewhere or third party in connection with the transactions contemplated under the SPA; and
- (b) the Company, being the holding company of the Vendor, having satisfied the Shareholders' approval requirement in respect of the SPA and the transactions contemplated thereunder in accordance with the Listing Rules.

The Purchaser may, at its absolute discretion, waive the Condition set out in (a). Condition set out in (b) cannot be waived. The Vendor shall use its best endeavours to procure the fulfilment of the Conditions on or before the Longstop Date. As at the date of this announcement, Condition set out in (b) above has been fulfilled.

Closing

If all the Conditions are fulfilled (or, where applicable, waived) on or before the Longstop Date, Closing shall take on the Closing Date.

Guarantee

The Guarantor agrees to guarantee the performance of the Purchaser under the terms of the SPA.

Assignment of the Sale Loan

As at the date of this announcement, each of the Company and Funki Finance has advanced a loan in the principal amount of approximately HK\$36,329,000 and approximately HK\$14,046,000, respectively, to the Target Company for its working capital.

Pursuant to the SPA, each of the Company and Funki Finance will enter a deed of assignment with the Purchaser and the Target Company at Closing, pursuant to which the Company shall assign and the Purchaser shall acquire from the Company the Company Loan in the principal amount of approximately HK\$36,329,000 and Funki Finance shall assign and the Purchaser shall acquire from Funki Finance the Funki Loan in the principal amount of approximately HK\$14,046,000, representing all outstanding loan advanced by the Company and Funki Finance to the Target Company. The Purchaser shall pay the Company and Funki Finance the principal amount of its respective loan at Closing.

INFORMATION OF THE COMPANY, THE VENDOR, FUNKI FINANCE AND THE TARGET COMPANY

The Company is a limited liability company incorporated in Hong Kong. The Company and its subsidiaries are principally engaged in money lending, hotel operations and property leasing businesses.

The Vendor is a limited liability company incorporated in the British Virgin Islands. As at the date of this announcement, the Vendor is a direct wholly-owned subsidiary of the Company. It is principally engaged in investment holding.

Funki Finance is a limited liability company incorporated in Hong Kong. As at the date of this announcement, Funki Finance is an indirect wholly-owned subsidiary of the Company. It is principally engaged in money lending business.

The Target Company is a limited liability company incorporated in Hong Kong. As at the date of this announcement, the Target Company is an indirect wholly-owned subsidiary of the Company. It has obtained the money lenders licence under the Money Lenders Ordinance on 13 April 2021 and commenced the money lending business on 20 April 2022.

Set out below is a summary of the audited financial information of the Target Company for the two financial years ended 30 June 2024 and 2023:

	For the year ended 30 June 2024 <i>HK\$</i> (approximately) (audited)	For the year ended 30 June 2023 <i>HK\$</i> (approximately) (audited)
Revenue	8,815,000	9,063,000
Net profit before tax	2,323,000	3,020,000
Net profit after tax	2,279,000	2,529,000

	As at 30 June 2024 <i>HK\$</i> (approximately) (audited)	As at 30 June 2023 <i>HK\$</i> (approximately) (audited)
Net assets	4,898,000	2,620,000

INFORMATION OF THE PURCHASER AND THE GUARANTOR

The Purchaser is a limited liability company incorporated in the British Virgin Islands. The Purchaser is an investment holding company and is held as to 100% by the Guarantor as at the date of this announcement.

The Guarantor is an individual and a merchant.

FINANCIAL EFFECT OF THE DISPOSAL

After Closing, the Target Company will cease to be a subsidiary of the Company. Accordingly, the financial results of the Target Company will no longer be consolidated into the consolidated financial statements of the Company.

Based on the Consideration, the unaudited carrying value of Target Company of approximately HK\$7,448,000 as at 31 October 2024 and the related expenses for the Disposal of approximately HK\$655,000, the Group currently expects to record a profit on the Disposal of approximately HK\$1,193,000. The actual loss/profit of the Disposal is subject to audit and therefore may be different from the amount mentioned above.

REASONS AND BENEFITS FOR THE DISPOSAL AND LOAN ASSIGNMENT

The Group is principally engaged in (i) money lending business; (ii) hotel operations business; and (iii) property leasing business.

The Group's money lending business focuses on the provision of unsecured personal loans and property mortgages to the Hong Kong's local market. The Group engages in personal loan business through Funki Finance, and mortgage loan business through the Target Company. Taking into account of gloomy outlook of the property market in Hong Kong and the keen competition and uncertain prospects in mortgage loan business, the Group exercises the utmost caution when conducting mortgage loan business. For the financial years ended 30 June 2024 and 2023, revenue from mortgage loans only represented approximately 12.5% and 17.9% of the Group's revenue from money lending business, respectively. As at 31 October 2024, the Target Company only had 34 customers, and a loan book of approximately HK\$57,469,000.

The Board believes that the Disposal and the Loan Assignment allow the Group to realise its investment in the Target Company and allocate its resources to focus on the personal loan business under "Funki Finance", which is, in contrast, growing rapidly. The popularity and market share of "Funki Finance" in the industry are steadily increasing as its business scale and customer base continue to grow. As at 31 October 2024, the Group had over 1,400 customers under its personal loan business, and a loan book of approximately HK\$268,500,000.

The net proceeds from the Disposal (being the Consideration without taking into account the Recovered Amount) and the Loan Assignment (being the principal amount of the Sale Loan) are estimated to be approximately HK\$50,345,000 and are expected to be applied for the development of the Group's personal loan business under "Funk Finance". The Recovered Amount when recovered is expected to be applied for working capital of the Group.

Based on the above, the Board considers that the terms of the SPA (including the Consideration), the Disposal and the Loan Assignment are on normal commercial terms and are fair and reasonable, and the entering into of the SPA by the Vendor and the Purchaser, the Disposal and Loan Assignment are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

As one of the relevant percentage ratios calculated in accordance with the Listing Rules in respect of the Disposal and the Loan Assignment exceeds 25% but is less than 75%, the Disposal and the Loan Assignment constitute major transaction for the Company and are subject to the notification, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

So far as the Company is aware, having made all reasonable enquiries, no Shareholder has a material interest in, and would be required to abstain from voting on the resolution to approve the Disposal and the Loan Assignment if the Company was to convene a general meeting to approve the same. The Company has received written Shareholders' approval in respect of the Disposal and the Loan Assignment from Faith Mount Limited, which holds approximately 70.1% of the issued Shares, in accordance with Rule 14.44 of the Listing Rules. Accordingly, no Shareholders' meeting will be convened by the Company to approve the Disposal and the Loan Assignment.

Pursuant to Rule 14.41(a) of the Listing Rules, the circular containing, among other things, (i) details of the SPA and the transactions contemplated thereunder; (ii) financial and other information of the Target Company; and (iii) other information as required under the Listing Rules should be despatched to the Shareholders within 15 business days after the publication of this announcement, which is on or before 23 December 2024.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day(s)”	any day (excluding Saturdays, Sundays, public holidays and days on which a tropical cyclone warning no.8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are generally open for business in Hong Kong
“Closing”	completion of the Disposal in accordance with the terms and conditions of the SPA
“Closing Date”	a date during the Closing Period which is mutually agreed by the Vendor and the Purchaser
“Closing Period”	the period from the date which the Conditions have been fulfilled or waived until 31 December 2024 (or such other date as the Vendor and the Purchaser may agree in writing)
“Company”	Rich Goldman Holdings Limited, a company incorporated in Hong Kong with limited liability, and the Shares of which are listed on the Main Board of the Stock Exchange (Stock code: 00070)
“Company Loan”	the loan in the principal amount of approximately HK\$36,329,000 to be assigned by the Company to the Purchaser upon Closing
“Conditions”	the conditions precedent set out in the section headed “The Disposal – The SPA – Conditions” in this announcement
“Consideration”	approximately HK\$9,296,000, being the maximum amount of consideration to be received by the Vendor pursuant to the terms of the SPA
“Directors”	the directors of the Company
“Disposal”	the disposal of the Sale Share by the Vendor to the Purchaser pursuant to the terms and conditions of the SPA
“Funk Finance”	Funki Finance Limited, a limited liability company in Hong Kong, an indirect wholly-owned subsidiary of the Company as at the date of this announcement

“Funki Loan”	the loan in the principal amount of approximately HK\$14,046,000 to be assigned by Funki Finance to the Purchaser upon Closing
“Group”	the Company and its subsidiaries
“Guarantor”	Mr. Chan Siu Ping
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Parties”	parties who are independent of the Company and its connected person (as defined in the Listing Rules)
“Legal Proceedings”	has the meaning ascribed to it under the paragraph headed “The Disposal – The SPA – Consideration” in this announcement
“Listing Rules”	the Rules governing the Listing of Securities on the Stock Exchange
“Loan Assignment”	the assignment of the Sale Loan by the Company and Funki Finance to the Purchaser
“Longstop Date”	31 December 2024 (or such later date as may be agreed between the Vendor and the Purchaser in writing)
“Money Lenders Ordinance”	the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong)
“percentage ratios”	has the meaning ascribed to it under the Listing Rules
“Purchaser”	Ever Bright International Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“Recovered Amount”	has the meaning ascribed to it under the paragraph headed “The Disposal – The SPA – Consideration” in this announcement
“Recovery Period”	has the meaning ascribed to it under the paragraph headed “The Disposal – The SPA – Consideration” in this announcement

“Sale Loan”	the Company Loan and the Funki Loan or any one of them
“Sale Share”	1 share of the Target Company, representing the entire issued share capital of the Target Company
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“SPA”	the sale and purchase agreement dated 2 December 2024 entered into between the Vendor, the Purchaser and the Guarantor in relation to the Disposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Home Mortgage Finance Company Limited, a company incorporated in Hong Kong with limited liability, an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“Total Claims”	has the meaning ascribed to it under the paragraph headed “The Disposal – The SPA – Consideration” in this announcement
“Vendor”	Credible Limited, a company incorporated in the British Virgin Islands with limited liability, a direct wholly-owned subsidiary of the Company as at the date of this announcement
“%”	per cent

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

Hong Kong, 2 December 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.