金粵控股有限公司
Rich Goldman Holdings Limited

(formerly known as Neptune Group Limited 海王國際集團有限公司)
(Incorporated in Hong Kong with limited liability)
(Stock Code: 00070)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2017

The Board of Directors (the "Board") of Rich Goldman Holdings Limited (the "Company"), formerly known as Neptune Group Limited, is pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 30 June 2017 together with the comparative figures as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2017

	Notes	2017 HK$'000	2016 HK$'000
Revenue	4	**296,797**	278,651
Cost of services provided		**(204)**	–
Other income	5	**4,898**	8,709
Other net profit/(loss)	6	**10,400**	(39,602)
Reversal of impairment loss/(impairment loss) of trade receivables	13	**306,279**	(62,997)
Impairment loss of intangible assets	12	**(397,311)**	(450,870)
Amortisation of intangible assets	12	**(108,636)**	(205,416)
General and administrative expenses		**(13,296)**	(11,317)
Profit/(loss) from operations		**98,927**	(482,842)
Share of (loss)/profit of an associate		**(13)**	16,650
Gain on bargain purchase of acquisition of an associate		**4,327**	–
Loss on disposal of an associate		**(62,855)**	–
Finance costs		**(437)**	(507)
Profit/(loss) before taxation		**39,949**	(466,699)
Income tax	8	**–**	–
Profit/(loss) for the year	7	**39,949**	(466,699)

	Notes	**2017** **HK$'000**	2016 *HK$'000*
Other comprehensive expense for the year, net of tax:			
Items that may be reclassified to profit or loss:			
Change in fair value of available-for-sale investments		**–**	(39,672)
Reversal of impairment loss on available-for-sale investments		**–**	39,672
		–	–
Other comprehensive expense for the year, net of tax		**–**	–
Total comprehensive income/(expense) for the year		**39,949**	(466,699)
Profit/(loss) for the year attributable to:			
– Owners of the Company		**(10,153)**	(202,108)
– Non-controlling interests		**50,102**	(264,591)
		39,949	(466,699)
Total comprehensive income/(expense) for the year attributable to:			
– Owners of the Company		**(10,153)**	(202,108)
– Non-controlling interests		**50,102**	(264,591)
		39,949	(466,699)
		HK$	*HK$*
Loss per share	*9*		
– Basic and diluted		**(0.01)**	(0.43)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	Notes	**2017** *HK$'000*	2016 *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**70,573**	403
Investment property	*11*	**–**	60,000
Intangible assets	*12*	**73,838**	571,285
Goodwill		**2,644**	–
Investment in an associate		**81,116**	72,855
Deferred tax assets		**426**	–
Available-for-sale investments		**–**	–
		228,597	704,543
CURRENT ASSETS			
Trade and other receivables	*13*	**410,561**	625,340
Loan receivables		**65,000**	–
Derivative financial instruments		**–**	–
Amount due from an associate		**110,485**	245
Cash and cash equivalents		**594,302**	148,562
		1,180,348	774,147
CURRENT LIABILITIES			
Other payables		**9,920**	10,590
Bank borrowing		**14,009**	16,448
		23,929	27,038
NET CURRENT ASSETS		**1,156,419**	747,109
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,385,016**	1,451,652
NON-CURRENT LIABILITIES			
Deferred tax liabilities	*8(ii)*	**1,403**	–
		1,403	–
NET ASSETS		**1,383,613**	1,451,652
CAPITAL AND RESERVES			
Share capital		**1,171,921**	1,171,921
Other reserves		**(119,955)**	(109,802)
Equity attributable to owners of the Company		**1,051,966**	1,062,119
Non-controlling interests		**331,647**	389,533
TOTAL EQUITY		**1,383,613**	1,451,652

1. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant to its operations and effective for its accounting year beginning on 1 July 2016. HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current year and prior years.

The financial information relating to the financial years ended 30 June 2017 and 2016 included in this preliminary announcement of annual results 2017 do not constitute the Company's statutory annual consolidation financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 30 June 2016 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance and will deliver the financial statements for the year ended 30 June 2017 in due course.

Crowe Horwath (HK) CPA Limited has reported on those financial statements of the Group for 2016 and Zhonghui Anda CPA Limited has reported on those financial statements of the Group for 2017. The auditor's reports dated 19 December 2016 and 29 September 2017 were qualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; did not contain a statement under section 406(2) and 407(2) of the Hong Kong Companies Ordinance; and contained a statement under section 407(3) of the Hong Kong Companies Ordinance.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The application of these new HKFRSs will not have material impact on the financial statements of the Group. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

2. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, available-for-sale investments and derivative financial instruments which are carried at their fair values.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires the directors to exercise its judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these consolidated financial statements.

3. CHANGES IN ACCOUNTING POLICIES

There are no new standards or amendments to HKFRSs issued by HKICPA that are first effective for the current accounting period of the Group. The Group has not applied any new standard or amendment to HKFRSs that is not yet effective for the current accounting period.

4. 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's operating divisions are as follows:

(1) To introduce customers to respective casino's VIP rooms in Macau and receiving the profit streams from junket businesses at respective casino's VIP rooms in Macau (the "Gaming and Entertainment Business").

(2) Money Lending Business

(3) Hotel Operation

(a) Segment revenue and results

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

	Gaming and Entertainment Business	Money Lending Business	Hotel Operation	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 30 June 2017				
TURNOVER	**295,459**	**1,102**	**236**	**296,797**
SEGMENT RESULTS	**98,539**	**904**	**(9)**	**99,434**
Interest income				**641**
Other material items of income:				
– Rental income				**1,400**
Unallocated expenses				**(2,561)**
Gain on bargain purchase of acquisition of an associate				**4,327**
Loss on disposal of an associate				**(62,855)**
Finance costs				**(437)**
Profit before taxation				**39,949**

	Gaming and Entertainment Business	Total
	HK$'000	*HK$'000*
Year ended 30 June 2016		
TURNOVER	278,651	278,651
SEGMENT RESULTS	(434,318)	(434,318)
Interest income		512
Other material items of income:		
– Rental income		1,680
Unallocated expenses		(11,044)
Impairment loss of available-for-sale investments		(39,672)
Share of profit of an associate		16,650
Finance costs		(507)
Loss before taxation		(466,699)

(b) **Segment assets and liabilities**

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

	Gaming and Entertainment Business *HK$'000*	**Money Lending Business** *HK$'000*	**Hotel Operation** *HK$'000*	**Total** *HK$'000*
As at 30 June 2017				
ASSETS				
Segment assets	**720,683**	**80,952**	**18,627**	**820,262**
Investment in an associate				**81,116**
Unallocated corporate assets				**507,567**
Consolidated total assets				**1,408,945**
LIABILITIES				
Segment liabilities	**(111)**	**(42)**	**(3,636)**	**(3,789)**
Unallocated corporate liabilities				**(21,543)**
Consolidated total liabilities				**(25,332)**

	Gaming and Entertainment Business	Total
	HK$'000	*HK$'000*
As at 30 June 2016		
ASSETS		
Segment assets	1,208,595	1,208,595
Interest in associates		72,855
Unallocated corporate assets		197,240
Consolidated total assets		1,478,690
LIABILITIES		
Segment liabilities	(92)	(92)
Unallocated corporate liabilities		(26,946)
Consolidated total liabilities		(27,038)

Unallocated corporate assets mainly represent property, plant and equipment, investment property, deferred tax assets, and bank balances and cash.

Unallocated corporate liabilities mainly represent bank borrowing and deferred tax liabilities.

(c) Other segment information

	Gaming and Entertainment Business	**Money Lending Business**	**Hotel Operation**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Amounts included in the measurement of segment results or segment assets:				
Year ended 30 June 2017				
Additions of property, plant and equipment arising from acquisition of a subsidiary	**–**	**–**	**495**	**495**
Reversal of impairment of trade receivables	**306,279**	**–**	**–**	**306,279**

	Gaming and Entertainment Business	Total
	HK$'000	*HK$'000*
Amounts included in the measurement of segment results or segment assets:		
Year ended 30 June 2016		
Impairment of trade receivables	62,997	62,997

(d) Geographical segments

The Group's business operates in two principal geographical areas – (i) Hong Kong and (ii) Macau (place of domicile). In presenting information on the basis of geographical locations, revenue is based on the location of customers.

The Group's non-current assets include property, plant and equipment, investment property, intangible assets, goodwill and interest in an associate. The geographical locations of property, plant and equipment and investment property are based on the physical location of the asset under consideration. In the case of intangible assets and goodwill, it is based on the location of the operation to which they are allocated. In the case of interest in an associate, it is the location of operation of the associate.

	Revenue from external customers		**Non-current assets** *(note)*	
	Year ended 30 June		**As at 30 June**	
	2017	2016	**2017**	2016
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**1,338**	–	**162,833**	60,403
Macau	**295,459**	278,651	**65,338**	644,140
	296,797	278,651	**228,171**	704,543

Note: Non-current assets excluded deferred tax assets.

5. OTHER INCOME

	2017	2016
	HK$'000	*HK$'000*
Rental income	**1,400**	1,680
Bank interest income	**665**	512
Interest income on short term loan receivables:		
– non-controlling interests of subsidiaries of the Company	**2,829**	6,517
Others	**4**	–
	4,898	8,709

6. OTHER NET PROFIT/(LOSS)

	2017	2016
	HK$'000	*HK$'000*
Fair value change on an investment property	**10,400**	137
Fair value change on derivative financial instruments	**–**	(67)
Impairment loss of available-for-sale investments	**–**	(39,672)
	10,400	(39,602)

7. PROFIT/(LOSS) FOR THE YEAR

The Group's profit/(loss) for the year is arrived at after charging/(crediting):

	2017	2016
	HK$'000	*HK$'000*
Staff costs (including directors' remuneration):		
Wages and salaries	**3,256**	2,789
Pension scheme contributions		
– Defined contribution scheme	**98**	81
Share-based payments	**–**	5,252
	3,354	8,122
Auditors' remuneration	**800**	670
Depreciation of property, plant and equipment	**725**	240
Amortisation of intangible assets	**108,636**	205,416
Impairment loss of intangible assets	**397,311**	450,870
(Reversal of impairment of)/impairment of trade receivables	**(306,279)**	62,997
Share of loss/(profit) of an associate	**13**	(16,650)
Operating lease charges	**695**	657

8. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(i) Income tax in the consolidated statement of profit or loss and other comprehensive income

Hong Kong Profits Tax is calculated at 16.5% (2016: 16.5%) of the estimated assessable profit for the year. No provision for Hong Kong Profits Tax has been made in the financial statements as the Group has no assessable profit for both years.

Pursuant to the rules and regulations of the British Virgin Islands, the Group is not subject to tax in the British Virgin Islands.

The Group's entities operating in Macau receiving profit streams from gaming and entertainment related business are not subject to Macau Complimentary tax because the gaming revenue is received net of taxes collected by the Macau SAR paid directly by the casino operators on a monthly basis. No provision for Macau Complimentary tax has been made.

(ii) Deferred tax assets and liabilities not recognised

At the end of the reporting period, the Group has unused tax losses of HK$13,954,000 (2016: HK$11,074,000). A deferred tax asset has been recognised in respect of HK$2,583,000 (2016: HK$Nil) of such losses because of acquisition of a subsidiary. No deferred tax asset has been recognised in respect of the remaining HK$11,371,000 (2016: HK$11,074,000) due to the unpredictability of future profit streams. Tax losses may be carried forward indefinitely.

9. LOSS PER SHARE

Basic loss per share

The calculation of basic loss (2016: loss) per share attributable to owners of the Company is based on the loss (2016: loss) for the year attributable to owners of the Company of HK$10,153,000 (2016: HK$202,108,000) and the weighted average number of 692,437,000 (2016: 469,845,000) ordinary shares in issue during the year.

Diluted loss per share

No diluted loss per share are presented as the Company did not have any dilutive potential ordinary shares during the year ended 30 June 2017 and 2016.

10. DIVIDEND

The Directors do not recommend the payment of any dividend for each of the years ended 30 June 2017 and 2016.

11. INVESTMENT PROPERTY

	Building	Total
	HK$'000	*HK$'000*
FAIR VALUE:		
At 1 July 2015	59,200	59,200
Additions	663	663
Increase in fair value	137	137
At 30 June 2016 and 1 July 2016	60,000	60,000
Increase in fair value	10,400	10,400
Transfer to property, plant and equipment	(70,400)	(70,400)
At 30 June 2017	–	–

At 30 June 2016, the investment property is situated in the Hong Kong.

As 30 June 2016, the Group has pledged the building with fair value of HK$60,000,000 to secure the bank loans and general banking facilities granted to the Group.

Investment property was revalued at 30 June 2016 on the open market value basis by reference to market evidence of recent transactions for similar properties by Roma Appraisals Limited, an independent firm of professional valuer not connected with the Group, who have among their staff members of the Hong Kong Institute of Surveyors and with recent experience in the location and category of property being valued.

As at 30 April 2017, the Company has changed the usage of the investment property to owner-occupied, it was reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes. The investment property was revalued on the open market value basis by reference to market evidence of recent transactions for similar properties by Roma Appraisals Limited, an independent firm of professional valuer not connected with the Group, who have among their staff members of the Hong Kong Institute of Surveyors and with recent experience in the location and category of property being valued.

12. INTANGIBLE ASSETS

	Gaming and Entertainment Business				Hotel Operation	
	Hou Wan Profit Agreement	**Neptune Ouro Profit Agreement**	**Hao Cai Profit Agreement**	**Hoi Long Profit Agreement**	**Lease benefit**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
COST:						
At 1 July 2015, 30 June 2016 and 1 July 2016	567,793	405,000	1,215,000	562,000	–	2,749,793
Acquisition of a subsidiary	–	–	–	–	8,500	8,500
At 30 June 2017	567,793	405,000	1,215,000	562,000	8,500	2,758,293
ACCUMULATED AMORTISATION AND IMPAIRMENT:						
At 1 July 2015	241,675	289,401	873,194	117,952	–	1,522,222
Provided during the year	46,588	16,514	48,830	93,484	–	205,416
Impairment loss	96,082	71,593	66,852	216,343	–	450,870
At 30 June 2016 and 1 July 2016	384,345	377,508	988,876	427,779	–	2,178,508
Provided during the year	30,575	4,582	37,687	35,792	–	108,636
Impairment loss	142,535	22,910	188,437	43,429	–	397,311
At 30 June 2017	557,455	405,000	1,215,000	507,000	–	2,684,455
CARRYING AMOUNT:						
At 30 June 2017	10,338	–	–	55,000	8,500	73,838
At 30 June 2016	183,448	27,492	226,124	134,221	–	571,285

Gaming and Entertainment Business

Prior to 1 July 2015, the directors considered that the useful life of the Group's intangible assets which represented the rights in sharing of profit streams from junket businesses at the respective casinos' VIP rooms in Macau was indefinite because the directors expected that the intangible assets could contribute cash flows to the Group indefinitely.

From time to time, the directors reviewed the useful life of intangible assets. Since the termination of the Lucky Star Profit Agreement on 1 July 2015, the directors reassessed the useful life of the remaining profit sharing agreements. When assessing the useful life of the intangible assets, the directors have taken into account the prolonged difficult business environment of the gaming industry, particularly the VIP room operations, the shifting of focus to tourists and recreational players in the gaming industry in Macau as well as the uncertainty of the outcome of the renewal of the relevant gaming concession contracts by the Macau government. After the assessment, the directors considered that the useful life of the intangible assets is estimated to be in the range of 5 to 7 years. As such, an amortisation of intangible assets was provided over the estimated useful life of 5 to 7 years starting from 1 July 2015.

The recoverable amount of the intangible assets with definite useful life is determined based on value-in-use calculations by reference to the valuation report issued by Ascent Partners Valuation Services Limited, an independent qualified professional valuer. These calculations use cash flow projections based on financial budgets approved by the directors of the Company covering a five-year period. Cash flows beyond the five year period are extrapolated using zero growth rate, which does not exceed the long-term average growth rate for gaming and entertainment industry. The cash flows are discounted using a discount rate of 21.72%. The discount rate used is pre-tax and reflects specific risks relating to the gaming and entertainment segment. Other key assumptions for the value-in-use calculations relate to the estimation of cash inflows/outflows which have included budgeted revenue from sharing of profit streams from respective junket businesses, and such estimation is based on the past performance and management's expectation for the market development. During the year ended 30 June 2016, an impairment loss of HK$450,870,000 was recognised in respect of the Group's Gaming and Entertainment Business. The main factors contributing to the impairment were (i) the increase in discount rate and; (ii) the decrease in profit forecasts of Gaming and Entertainment Business estimated by the directors of the Company. In the opinion of the directors of the Company, the impact of softening of marco- economic condition in China and fewer high net-worth people going to Macau for gaming were the main factors leading to the decrease in profit forecasts of Gaming and Entertainment Business, in addition to the termination Lucky Star Profit Agreement.

Hao Cai and Neptune Ouro Profit Agreements were terminated with effect on 30 June 2017 and accordingly, an impairment loss of intangible assets of approximately HK$211,347,000 was charged for the year ended 30 June 2017.

Hou Wan Profit Agreement was terminated with effect on 30 August 2017 and the carrying amount of such profit agreement was the total rolling income for two months ended 30 August 2017 of approximately HK$10,338,000. An impairment loss of intangible assets of approximately HK$142,535,000 was therefore charged for the year ended 30 June 2017.

Due to the termination of Hao Cai, Neptune Ouro and Hou Wan Profit Agreements, the directors reassessed the useful life of Hoi Long Profit Agreement. After the assessment, the directors considered that the useful life is estimated to be 10 months ended 28 April 2018.

The recoverable amount of Hoi Long Profit Agreement is determined based on value-in-use calculations by reference to the valuation report issued by Ascent Partners Valuation Services Limited, an independent qualified professional valuer. These calculations use cash flow projections based on financial budgets approved by the directors of the Company covering a 10-month period. The cash flows are discounted using a discount rate of 16.85%. The discount rate used is pre-tax and reflects specific risks relating to the gaming and entertainment segment. Other key assumptions for the value-in-use calculations relate to the estimation of cash inflows/outflows which have included budgeted revenue from sharing of profit streams from respective junket businesses, and such estimation is based on the past performance and management's expectation for the market development. As at 30 June 2017, the recoverable amount of Hoi Long Profit Agreement was HK$55,000,000 and an impairment loss of HK$43,429,000 was charged for the year ended 30 June 2017.

Hotel Operation

On 26 June 2017, Harbour Bay Hotels Limited ("Harbour Bay") entered into a deed of lease and a supplemental deed of lease with 5-year lease term ending on 30 April 2022 with Ever Praise Enterprises Limited ("Ever Praise"). On 26 June 2017, the Group acquired 100% entire equity interest in Harbour Bay and 30% entire equity interest in Ever Praise. A lease benefit relates to the favourable aspect of the 5-year lease was identified as intangible asset with a definite useful life of 5 years ending on 30 April 2022. The fair value of the lease benefit was initially valued by income approach with a discount rate of 9.01%.

As at 30 June 2017, there is no impairment indication and no impairment loss was provided for the year ended 30 June 2017.

13. TRADE AND OTHER RECEIVABLES

	2017	2016
	HK$'000	*HK$'000*
Trade debtors		
– Entities owned by shareholders of non-controlling interests of subsidiaries		
– Customer A	**68,901**	185,269
– Customer B	**94,528**	140,674
– Customer C	**244,344**	199,241
– Others	**205**	–
	407,978	525,184
Short term loan receivables from customers	**–**	92,147
Interest receivables	**420**	6,435
Prepayments and other receivables	**2,163**	1,574
	410,561	625,340

Trade debtors

The aged analysis of trade debtors net of allowance for doubtful debts presented based on the invoice dates at the end of the reporting period, which approximate the respective recognition dates, is as follows:

	2017	2016
	HK$'000	*HK$'000*
0 – 90 days	**51,472**	69,616
91 – 180 days	**–**	76,080
181 – 365 days	**–**	132,955
Over 365 days	**356,506**	246,533
	407,978	525,184

The Group allows an average credit period ranging from 30 days to 60 days to its trade customers. Before accepting any new customers, the management will internally assess the credit quality of the potential customer and define appropriate credit limits. Management closely monitors the credit quality of trade and other receivables and considers the trade debtors that are neither past due nor impaired to be of a good quality.

Reconciliation of allowance for trade debtors:

	2017	2016
	HK$'000	*HK$'000*
At beginning of the year	**407,286**	344,289
Impairment losses recognised	**–**	62,997
Reversal of impairment losses	**(306,279)**	–
	101,007	407,286

In September 2016, the Group entered into various agreements with trade debtors pursuant to which (i) the trade debtors agreed to settle the overdue trade receivables of HK$517,470,000 by monthly installments commencing from October 2016; (ii) the trade debtors and owners of the trade debtors charged all the undertaking properties, assets and rights of the gaming promoters to the Group; and (iii) the owners of the trade debtors guaranteed the full repayments of the outstanding amounts by the trade debtors.

In November 2016, the trade debtors procured several independent third parties to charge their properties located in Macau to the Group as securities for repayment of the overdue trade receivables. The market value of these properties as at 31 October 2016 were amounted to HK$151,728,000. Together with the amount of HK$373,456,000 already settled subsequent to 30 June 2016, the directors considered that part of the outstanding trade receivables amounting HK$525,184,000 would be recoverable in full. Therefore, an additional impairment loss of HK$62,997,000 was made in the year ended 30 June 2016.

Subsequent to 30 June 2017 and up to the date of approval of these financial statements, the trade debtors made a total payments of HK$368,001,000 to the Group. Trade debtors procured several independent third parties to charge their properties located in Macau to the Group as securities for repayment of the overdue trade debtors. The fair value of the properties that used to secure the unsettled trade debtors as at 30 June 2017 was amounted to HK$39,977,000. Together with the amount already settled subsequent to 30 June 2017, the directors considered that part of the outstanding trade debtors of HK$407,978,000 would be recoverable in full. A reversal of impairment loss of HK$306,279,000 was therefore credited made for the year ended 30 June 2017.

Included in the Group's trade debtors are debtors with aggregate carrying amount of HK$51,679,000 (2016: HK$498,394,000) which are past due as at the reporting date for which the Group has not provided for impairment loss. The directors of the Company determined that these receivables are either subsequently settled and secured by properties.

The aged analysis of trade debtors which are past due but not impaired is as follows:

	2017	2016
	HK$'000	*HK$'000*
Up to 3 months	**15,992**	11,951
3 to 6 months	**–**	19,628
6 to 12 months	**7,647**	135,766
Over 12 months	**28,040**	331,049
	51,679	498,394

Based on the experience of the management and repayment record of the customers, trade debtors which are past due but not impaired and not associated with litigations are generally recoverable.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The Company's auditor has issued the qualified opinion on the Group's consolidated financial statements for the year ended 30 June 2017, an extract of which is as follows:

Basis for Qualified Opinion

1. Investment in an associate and loss on disposal of an associate

We were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the assumptions made by the directors in the valuation of the associate's intangible assets as well as the recoverable amount of the associate's trade receivables as at 30 June 2016. There are no other satisfactory audit procedures that we could adopt to satisfy ourselves as to the valuation of the interest in an associate as included in the consolidated statement of financial position as at 30 June 2016 and the Group's share of profit of an associate as included in the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2016.

We were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the carrying amount of the above associate on disposal for the year ended 30 June 2017. There are no other satisfactory audit procedures that we could adopt to determine whether the loss on disposal of an associate charged to the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2017 is appropriate. However, we are satisfied that the investment in an associate is fairly stated as at 30 June 2017.

2. Intangible assets

We were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the useful life determination of the intangible assets related to gaming and entertainment business of HK$65,338,000 and HK$571,285,000 as at 30 June 2017 and 2016 respectively. There are no other satisfactory audit procedures that we could adopt to determine whether the carrying amounts of these intangible assets of HK$65,338,000 and HK$571,285,000 as at 30 June 2017 and 2016 respectively are fairly stated, and the accuracy of the impairment loss and amortisation of the intangible assets of HK$450,870,000 and HK$205,416,000 charged for the year ended 30 June 2016 respectively and the accuracy of the impairment loss and amortisation of the intangible assets of HK$397,311,000 and HK$108,636,000 charged for the year ended 30 June 2017 respectively.

Any adjustments to the figures as described above might have a consequential effect on the Group's financial performance and cash flows for the year ended 30 June 2017 and 2016 and the financial position of the Group as at 30 June 2017 and 2016, and the related disclosures thereof in the consolidated financial statements.

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2017, and of the Group's consolidated financial performance and consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

SCOPE OF WORK OF ZHONGHUI ANDA CPA LIMITED ON THIS PRELIMINARY ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statements of changes in equity and the related notes thereto for the year ended 30 June 2017 as set out in the preliminary announcement have been agreed by the auditors, Zhonghui Anda CPA Limited, to the amounts set out in the audited consolidated financial statements of the Group for the year ended 30 June 2017. The work performed by Zhonghui Anda CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Zhonghui Anda CPA Limited on the preliminary announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

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

The Board announced that the audited net profit of the Group for the year ended 30 June 2017 amounted to approximately HK$39.9 million (2016: net loss of HK$466.7 million) and the net loss for the year attributable to owners of the Company amounted to approximately HK$10.2 million (2016: HK$202.1 million).

Gaming and Entertainment Business

The Group's gaming revenue increased by approximately 6.03% from approximately HK$278.7 million for the year ended 30 June 2016 to approximately HK$295.5 million for the year ended 30 June 2017. The increase was attributable to the increase in revenue contributed by the VIP rooms operated by the Junket Operators at Sands Macau and Grand Lisboa of approximately HK$42.1 million and HK$3.3 million, respectively, which was driven by an improving customer patronage and increasing gaming volume. Such increase was partially offset by a decrease in revenue contributed by the VIP rooms operated by the Junket Operator at The Venetian Macau of HK$28.6 million.

The following is the summary relating to revenue contributed by the VIP junkets rooms for each of the two years ended 30 June 2017.

	For the year ended 30 June		
	2017	2016	**Change**
	Revenue	Revenue	
	(HK$ in millions, except percentage and points)		
I) The Venetian Macau			
Venetian Neptune GD VIP Club	**86.5**	115.1	–24.8%
II) Sands Macau			
Sands Neptune GD VIP Club	**114.6**	72.5	58.1%
III) Grand Lisboa			
Neptune GD 31 Sky Club	**94.4**	91.1	3.6%

On 31 May 2017, the Board was informed by Hao Cai Sociedade Unipessoal Limitada ("Hao Cai"), one of the Junket Operators, that Venetian Macau Limited ("VML") had on 31 May 2017 issued a written notice to Hao Cai to terminate the gaming promotion agreement dated 30 December 2016 entered into between Hao Cai and VML in relation to the promotion of casinos of VML, with effect from 30 June 2017, while on 31 July 2017, the Board was informed by Hou Wan Entertainment Company Limited ("Hou Wan"), one of the Junket Operators, that VML had on 31 July 2017 issued a written notice to Hou Wan to terminate the gaming promotion agreement dated 30 December 2016 entered into between Hou Wan and VML in relation to the promotion of casinos of VML, with effect from 30 August 2017.

As at the date of this announcement, the Junket Operator is currently operating junket businesses in relation to a total of 8 VIP tables in the casino of Grand Lisboa. So far as the Directors are aware, and having made reasonable enquiries, the Junket Operator is carrying out its business in the usual and ordinary manner. The Group would continue to monitor closely the performance of the Junket Operator and it is intended to continue to engage in the gaming sector in Macau through the Junket Operator.

Money Lending Business

The Group commenced the money lending business during the year ended 30 June 2017. Revenue generated from the money lending business amounted to approximately HK$1.1 million. It is the intention of the Group to continue with the money lending business.

Hotel Operation Business

On 26 June 2017, the Company completed the acquisition of the entire equity interest in and the shareholder's loan owed by Harbour Bay Hotels Limited, a company principally engaged in hotel management business, details of which are set out in the circular of the Company dated 29 May 2017 and the announcements of the Company dated 4 May 2017, 26 May 2017 and 26 June 2017. Revenue generated from the hotel operation business amounted to approximately HK$0.2 million. It is the intention of the Group to continue with the hotel operation business.

The net loss attributable to owners of the Company for the year ended 30 June 2017 was approximately HK$10.2 million (loss per share of HK$0.01), as compared with the net loss attributable to owner of the Company for the year ended 30 June 2016 of approximately HK$202.1 million (loss per share of HK$0.43).

Our EBITDA *(Note 1)* for the year ended 30 June 2017 amounted to approximately HK$149.7 million as compared with a negative EBITDA of approximately HK$260.5 million for the year ended 30 June 2016.

The abovementioned decrease in net loss attributable to owners of the Company was the combined result of the following reasons:

(i) There was an increase in revenue of approximately HK$18.1 million due to (a) the increase in gaming revenue of approximately HK$16.8 million; (b) the interest income contributed by the money lending business of approximately HK$1.1 millions and (c) the revenue contributed by the hotel operation business of approximately HK$0.2 million.

(ii) There was a gain on bargain purchase of an associate of approximately HK$4.3 million resulting from the acquisition of 30% of the equity interest in and the shareholder's loan owed by Ever Praise Limited, a company which owns a hotel located at Nos. 1-3 Minden Avenue, Tsim Sha Tsui, Kowloon, Hong Kong.

(iii) The Group recorded the reversal of impairment loss of trade receivables of approximately HK$306.3 million for year ended 30 June 2017 as a result of the subsequent settlement by the trade debtors whereas the Group recorded an impairment loss of trade receivables of approximately HK$63.0 million for the year ended 30 June 2016.

(iv) The Group recorded an impairment loss of intangible assets of approximately HK$397.3 million for the year ended 30 June 2017 as compared with an impairment loss of intangible assets of approximately HK$450.9 million for the year ended 30 June 2016. Such impairment loss of intangible assets was attributable to the receipt of termination notices by the Junket Operators during the year ended 30 June 2017 as described above.

(v) The Group recorded a gain on fair value change on an investment property of approximately HK$10.4 million (2016: HK$0.1 million).

(vi) The abovementioned positive effects were partly offset by (a) an increase in general and administrative expenses by approximately 17.7% from approximately HK$11.3 million for the year ended 30 June 2016 to approximately HK$13.3 million for the year ended 30 June 2017; and (b) the loss on disposal of an associate recorded by the Group of approximately HK$62.9 million for the year ended 30 June 2017 whereas there was a share of profit on an associate recorded by the Group of approximately HK$16.7 million for the year ended 30 June 2016.

Note 1: EBITDA refers to earnings before interest expenses and other finance costs, tax, depreciation and amortisation.

CAPITAL STRUCTURE

As at 30 June 2017, the total number of issued shares of the Company was approximately 692,437,000. There was no change in the capital structure of the Company during the year ended 30 June 2017.

LIQUIDITY, FINANCIAL RESOURCES AND FUNDING

As at 30 June 2017, the Group had outstanding bank borrowing of approximately HK$14.0 million, a decrease of approximately HK$2.4 million, compared to the outstanding bank borrowing of approximately HK$16.4 million as at 30 June 2016. The total cash and bank balance was approximately HK$594.3 million as compared to approximately HK$148.6 million as at 30 June 2016.

The Group had net current assets of approximately HK$1,156.4 million (2016: HK$747.1 million) as at 30 June 2017.

The total equity attributable to owners of the Company as at 30 June 2017 amounted to approximately HK$1,052.0 million (2016: HK$1,062.1 million). The gearing ratio, calculated on the basis of total debt (which represents the outstanding bank borrowing of the Group) over total equity attributable to owners of the Company as at 30 June 2017, was approximately 1.33% (2016: 1.55%).

As at 30 June 2017, the total liabilities amounted to approximately HK$25.3 million (2016: HK$27.0 million), comprising of bank borrowing of approximately HK$14.0 million, deferred tax liabilities of approximately HK$1.4 million and other payables of approximately HK$9.9 million.

PLEDGE OF GROUP'S ASSETS

As at 30 June 2017, a leasehold land and building of the Group with carry amount of approximately HK$69.9 million (2016: an investment property of approximately HK$60 million) was pledged to secure the Group's bank facilities of approximately HK$14.0 million (2016: 16.4 million).

CONTINGENT LIABILITIES

On 1 September 2004, a writ of summons and statement of claim was made by The Center (49) Limited against the Company in respect of the office previously rented by the Group. The claim is for a sum of approximately HK$3.3 million together with interest and cost. In the opinion of the Company's directors, the amount claimed is unreasonable. The Group would vigorously contest against such claim. After obtaining legal advice, a provision of approximately HK$1.6 million has been made in the financial statements for the year ended 30 June 2004. During the year ended 30 June 2017, there has been no significant progress.

BUSINESS OVERVIEW

The operating environment in the gaming market in Macau has been difficult in recent years with consistent decline in its gaming revenue since mid-2014. Nevertheless, according to the monthly statistics published by the Gaming Inspection and Coordination Bureau, the Company is of the view that the gaming market in Macau might have been bottomed out and started to recover. In particular, the monthly gross gaming revenue of the territory has been showing a positive year-on-year growth since August 2015. In August 2017, the gross gaming revenue grew by more than 20.7% to approximately MOP22.7 billion from approximately MOP18.8 billion in August 2016. Despite the recent turnaround, however, in light of the significant downturn recorded in prior years and that the monthly gross gaming revenue recorded in recent months has remained below the corresponding levels in 2014, the overall market sentiment has continued to be conservative as demonstrated by the relatively slow pace of additions of casino complex.

In this connection, the Group would continue to closely monitor the performance of the junket operator with whom the Group has allied through the remaining profit sharing agreements.

Looking forward, we are of the view that positive results are achievable in the money lending segment as we have successfully advanced a sum of HK$65 million to customers and generated stable interest income in this year. Our Group will also continue to expand our hotel-related business. Further, our Group will continue to explore other viable investment opportunities to diversify our revenue stream.

Corporate Governance and other information

The Company strives to attain and maintain high standards of corporate governance best suited to the needs and interests of the Group as it believes that effective corporate governance practices are fundamental to safeguarding interests of shareholders and other stakeholders and enhancing shareholder value. An effective system of corporate governance requires that the Board approves strategic direction, monitors performance to exercise our stewardship responsibilities with due skill and care.

Compliance with the Corporate Governance Code

The Board of Directors (the "Board") are committed to the maintenance of good corporate governance practices and procedures. The Corporate Governance principles of the Company emphasis a quality Board, sound internal controls, and transparency to all shareholders.

The Company has applied the principles and complied with all code provisions and, where applicable, the recommended best practices of Corporate Governance Code ("CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the year ended 30 June 2017. A16.45(5)

Compliance with the model Code for Securities transactions by directors of the Company

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules as the code of conduct regulating directors' dealings in securities of the Company. In response to specific enquiries made, all directors of the Company have confirmed compliance with such code in their securities dealings throughout the accounting period covered by this report.

Audit Committee review

The audit committee has reviewed the accounting policies adopted by the Group and the audited consolidated financial statement for the year ended 30 June 2017 and was of the opinion that the preparation of such final results compiled with the applicable accounting standards and requirements that adequate disclosure have been made. All of the audit committee members are independent non-executive directors, with Mr. Cheung Yat Hung Alton (Chairman of the audit Committee) and Mr. Yue Fu Wing possessing the appropriate professional qualification and accounting and related financial management expertise and Miss Yeung Hoi Ching.

The Group's annual results for the year ended 30 June 2017 has been reviewed by the audit committee. It has also discussed and reviewed accounting, internal controls and financial reporting matters of the Group. A16.45(6)

Remuneration Committee

The remuneration committee comprises two independent non-executive directors, namely Mr. Cheung Yat Hung (Chairman), Mr. Yue Fu Wing and one executive director Mr. Nicholas J. Niglio.

Nomination Committee

The Company has established a nomination committee. The Board is tasked with ensuring that it has a balanced composition of skills and experience appropriate for the requirements of the businesses of the Group and that appropriate individuals with the relevant expertise and leadership qualities are appointed to the Board to complement the capabilities of existing directors of the Company.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

During the year, neither the Company nor any its subsidiaries has purchased, sold or redeemed any of the Company's listed securities. A16.45(2)

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This result announcement is published on the website of the Stock Exchange of Hong Kong Limited (http://www.hkex.com.hk) and the Company's website (http://www.richgoldman.com.hk). The annual report of the Company for the year ended 30 June 2017 containing all information required by the Listing Rules will be despatched to the Company's shareholders and published on the above websites in due course.

By Order of the Board of
Rich Goldman Holdings Limited
Danny Xuda Huang
Chairman

Hong Kong, 29 September 2017

As at the date of this announcement the Board comprises Mr. Danny Xuda Huang (Chairman), Mr. Nicholas J. Niglio, and Mr. Lin Chuen Chow Andy as executive directors; and Mr. Cheung Yat Hung, Alton, Mr. Yue Fu Wing and Miss Yeung Hoi Ching as the independent non-executive directors.