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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)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2019

The Board of Directors (the "Board") of Rich Goldman Holdings Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 30 June 2019 together with the comparative figures as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2019

	Notes	**2019** **HK$'000**	2018 *HK$'000*
Revenue	*3*	**119,807**	130,484
Cost of services provided		**(14,787)**	(14,938)
Other income	*4*	**5,819**	4,659
Other gains and losses	*5*	**3,068**	(151)
Amortisation of intangible assets	*10*	**(53,293)**	(78,105)
Reversal of impairment losses on intangible assets	*10*	**37,000**	49,800
Reversal of impairment losses on trade receivables, net		**2,003**	41,892
Reversal of impairment losses on loans receivable and interest receivables, net		**581**	–
Administrative expenses		**(17,781)**	(13,035)
Profit from operations		**82,417**	120,606
Share of profits of an associate		**1,339**	7,532
Gain on bargain purchase on acquisition of a subsidiary		**12,209**	–
Finance costs		**–**	(208)
Profit before tax		**95,965**	127,930
Income tax expense	*7*	**(4,322)**	(3,546)
Profit and total comprehensive income for the year	*6*	**91,643**	124,384

	Notes	**2019**	2018
		HK$'000	*HK$'000*
Attributable to:			
– Owners of the Company		**42,579**	39,009
– Non-controlling interests		**49,064**	85,375
		91,643	124,384
		HK$	*HK$*
Earning per share	*8*		
– Basic		**0.06**	0.06
– Diluted		**N/A**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

	Notes	**2019** **HK$'000**	2018 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**561,336**	68,023
Investment properties		**151,000**	–
Intangible assets	*10*	**23,786**	45,533
Goodwill		**2,644**	2,644
Investment in an associate		**–**	88,671
Deferred tax assets	*7(ii)*	**225**	–
Available-for-sale investments	*11*	**–**	–
Financial assets at fair value through profit or loss	*11*	**52,671**	–
Loans receivable	*13*	**140,000**	124,000
		931,662	328,871
CURRENT ASSETS			
Trade and other receivables	*12*	**14,852**	68,414
Loans receivable and interest receivables	*13*	**173,012**	129,376
Due from an associate		**–**	111,947
Bank and cash balances		**84,161**	595,633
		272,025	905,370
CURRENT LIABILITIES			
Other payables		**4,083**	3,801
Current tax liabilities		**7,783**	3,401
		11,866	7,202
NET CURRENT ASSETS		**260,159**	898,168
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,191,821**	1,227,039
NON-CURRENT LIABILITIES			
Deferred tax liabilities	*7(ii)*	**–**	1,122
NET ASSETS		**1,191,821**	1,225,917
CAPITAL AND RESERVES			
Share capital	*14*	**1,171,921**	1,171,921
Other reserves		**(39,499)**	(80,947)
Equity attributable to owners of the Company		**1,132,422**	1,090,974
Non-controlling interests		**59,399**	134,943
TOTAL EQUITY		**1,191,821**	1,225,917

1. BASIS OF PREPARATION

The financial information have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. The financial information also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and with the requirements of the Hong Kong Companies Ordinance.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in the financial information.

The financial information relating to the financial years ended 30 June 2019 and 2018 included in this preliminary announcement of annual results for the year ended 30 June 2019 does not constitute the Company's statutory annual consolidated financial statements for those years but, in respect of the year ended 30 June 2018, 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 2018 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 2019 in due course.

The Company's auditor has reported on those financial statements of the Group for the year ended 30 June 2018. The auditor's reports dated 21 September 2018 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 Company's auditor has reported on the financial statements of the Group for the year ended 30 June 2019. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

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

(a) Application of new and revised HKFRSs

The HKICPA has issued a number of new and revised HKFRSs that are first effective for annual periods beginning on or after 1 January 2018. Of these, the following developments are relevant to the Group's consolidated financial statements:

(i) HKFRS 9 Financial Instruments; and

(ii) HKFRS 15 Revenue from Contracts with Customers

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

HKFRS 9 Financial instruments

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements retrospectively to instruments that have not been derecognised as at 1 July 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 July 2018. The difference between carrying amounts as at 30 June 2018 and the carrying amounts as at 1 July 2018 are recognised in the opening retained profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 Financial Instruments: Recognition and Measurement.

The adoption of HKFRS 9 resulted in the following changes to the Group's accounting policies.

(a) Classification and measurement

From 1 July 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through other comprehensive income ("FVTOCI") or at fair value through profit or loss ("FVTPL"), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

The assets previously classified as available-for-sale investments are reclassified as financial assets at FVTPL under HKFRS 9.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVTOCI.

At initial recognition, the Group measures a financial assets at its fair value plus, in the case of a financial assets not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

(b) Impairment

The Group's loans receivable, interest receivables and trade receivables are subject to HKFRS 9's new ECL model.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of receivables.

The Group applied HKFRS 9 and measures the loss allowance for loans receivable, interest receivables and other receivables equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL.

Set out below is the impact of the adoption of HKFRS 9 on the Group.

The following table summaries the impact on the Group's opening retained earnings as at 1 July 2018 is as follows:

	Note	*HK$'000*
Increase in impairment losses for:		
– Loans receivable and interest receivables	*(i)*	(1,355)
– Trade and other receivables	*(ii)*	(6)
Related tax		224
Adjustment to retained earnings from adoption of HKFRS 9 on 1 July 2018		(1,137)
Attributable to:		
Owners of the Company		(1,132)
Non-controlling interest		(5)
		(1,137)

The following table and the accompanying notes below explain the original measurement categories under HKAS 39 and the new measurement categories under HKFRS 9 for each class of the Group's financial assets as at 1 July 2018.

Financial assets	*Note*	**Classification under HKAS 39**	**Classification under HKFRS 9**	**Carrying amount under HKAS 39**	**Carrying amount under HKFRS 9**
				HK$'000	*HK$'000*
Loans receivable and interest receivables	*(i)*	Loans and receivables	Amortised cost	253,376	252,021
Trade and other receivables	*(ii)*	Loans and receivables	Amortised cost	68,414	68,408
Unlisted equity securities	*(iii)*	Available-for-sale	FVTPL	–	–

(i) Loans receivable and interest receivables that were classified as loans and receivables under HKAS 39 are now classified at amortised cost. An increase of HK$1,355,000 in the allowance for impairment of the loans receivable and interest receivables were recognised in opening retained earnings at 1 July 2018 on transition to HKFRS 9.

(ii) Trade and other receivables that were classified as loans and receivables under HKAS 39 are now classified at amortised cost. An increase of HK$6,000 in the allowance for impairment of the trade and other receivables were recognised in opening retained earnings at 1 July 2018 on transition to HKFRS 9.

(iii) Unlisted equity securities that were classified as available-for-sale under HKAS 39 are now classified at financial assets at FVTPL. The unlisted equity securities had been fully impaired in prior years and there was no impact on the amounts recognised in relation to the adoption of HKFRS 9.

The measurement categories for all financial liabilities remain the same. The carrying amounts for all financial liabilities at 1 July 2018 have not been impacted by the initial application.

The Group did not designated or de-recognise any financial assets or financial liabilities at FVTPL at 1 July 2018.

For assets in scope of the HKFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Group has determined that the application of HKFRS 9 impairment model requirements at 1 July 2018 results in an additional impairment allowance as follows:

	Note	*HK$'000*
Impairment allowance at 30 June 2018 under HKAS 39		59,007
Additional impairment recognised at 1 July 2018:		
– Loans receivable and interest receivables	*(i)*	1,355
– Trade and other receivables	*(ii)*	6
Impairment allowance at 1 July 2018 under HKFRS 9		60,368

HKFRS 15 Revenue from contracts with customers

HKFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognsied. It replaced HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group has adopted HKFRS 15 from 1 July 2018 which resulted in changes in accounting policies. The Group adopted HKFRS 15 using the modified retrospective approach which means that the cumulative impact of the adoption (if any) will be recognised in retained earnings as at 1 July 2018 and that comparatives will not be restated.

The adoption of HKFRS 15 did not result in any significant impact to the financial statements as the timing of revenue recognition is not changed.

(b) New and revised HKFRSs in issue but not yet effective

The Group has not early applied new and revised HKFRSs that have been issued but are not yet effective for the financial year beginning 1 July 2018. These new and revised HKFRSs include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
HKFRS 16 Leases	1 January 2019
HK(IFRIC) 23 Uncertainty over Income Tax Treatments	1 January 2019
Annual Improvements to HKFRSs 2015 -2017 Cycle	1 January 2019

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. Further details of the expected impacts are discussed below. While the assessment has been substantially completed for HKFRS 16, the actual impacts upon the initial adoption of the standards may differ as the assessment completed to date is based on the information currently available to the Group, and further impacts may be identified before the standards are initially applied in the Group's interim financial report for the six months ending 31 December 2019. The Group may also change its accounting policy elections, including the transition options, until the standards are initially applied in that interim financial report.

HKFRS 16 Leases

HKFRS 16 replaces HKAS 17 Leases and related interpretations. The new standard introduces a single accounting model for lessees. For lessees the distinction between operating and finance leases is removed and lessees will recognise right-of-use assets and lease liabilities for all leases (with optional exemptions for short-term leases and leases of low value assets). HKFRS 16 carries forward the accounting requirements for lessors in HKAS 17 substantially unchanged. Lessors will therefore continue to classify leases as operating or financing leases.

HKFRS 16 is effective for annual periods beginning on or after 1 January 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

Based on a preliminary assessment, it is not anticipated that the expected changes in accounting policies as described above could have a material impact on the Group's consolidated financial statements for 2020 onwards.

HK(IFRIC) 23 Uncertainty over Income Tax Treatments

The interpretation of HKAS 12 Income Taxes sets out how to apply that standard when there is uncertainty about income tax treatments. Entities are required to determine whether uncertain tax treatments should be assessed separately or as a group depending on which approach will better predict the resolution of the uncertainties. Entities will have to assess whether it is probable that a tax authority will accept an uncertain tax treatment. If yes, the accounting treatment will be consistent with the entity's income tax filings. If not, however, entities are required to account for the effects of the uncertainty using either the most likely outcome or expected value method depending on which method is expected to better predict its resolution.

The Group is unable to estimate the impact of the interpretation on the consolidated financial statements until a more detailed assessment has been completed.

3. SEGMENT INFORMATION

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

The Group has four operating segments as follows:

(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 Operations

(4) Property Leasing

(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 *HK$'000*	Money Lending Business *HK$'000*	Hotel Operations *HK$'000*	Property Leasing *HK$'000*	Total *HK$'000*
Year ended 30 June 2019					
Revenue	**74,069**	**20,612**	**24,782**	**344**	**119,807**
Depreciation	**–**	**–**	**(4,605)**	**–**	**(4,605)**
Amortisation of intangible assets	**(51,947)**	**–**	**(1,346)**	**–**	**(53,293)**
Reversal of impairment losses/(impairment losses) on trade receivables	**2,007**	**–**	**(4)**	**–**	**2,003**
Reversal of impairment losses on loans receivable and interest receivables, net	**–**	**581**	**–**	**–**	**581**
Reversal of impairment losses on intangible assets	**37,000**	**–**	**–**	**–**	**37,000**
Fair value gain on investment properties	**–**	**–**	**–**	**400**	**400**
Loss on disposal of property, plant and equipment	**–**	**–**	**(3)**	**–**	**(3)**
Segment results	**61,327**	**16,898**	**2,587**	**544**	**81,356**
Unallocated other income					**5,526**
Unallocated other gains and losses					**2,671**
Share of profit of an associate					**1,339**
Gain on bargain purchase of acquisition of a subsidiary					**12,209**
Unallocated expenses					**(11,458)**
Profit after tax					**91,643**

	Gaming and Entertainment Business *HK$'000*	Money Lending Business *HK$'000*	Hotel Operations *HK$'000*	Total *HK$'000*
Year ended 30 June 2018				
Revenue	91,303	15,694	23,487	130,484
Depreciation	–	–	(222)	(222)
Amortisation of intangible assets	(76,405)	–	(1,700)	(78,105)
Reversal of impairment losses/(impairment losses) on trade receivables	42,000	–	(108)	41,892
Reversal of impairment losses on intangible assets	49,800	–	–	49,800
Segment results	106,662	11,562	4,816	123,040
Unallocated other income				4,444
Unallocated other gains and losses				(62)
Share of profit of an associate				7,532
Unallocated expenses				(10,362)
Finance costs				(208)
Profit after tax				124,384

(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 Operations *HK$'000*	Property Leasing *HK$'000*	Total *HK$'000*
As at 30 June 2019					
ASSETS					
Segment assets	**74,264**	**318,282**	**507,709**	**177,842**	**1,078,097**
Unallocated corporate assets					**125,590**
Consolidated total assets					**1,203,687**
LIABILITIES					
Segment liabilities	**(111)**	**(5,120)**	**(3,452)**	**(489)**	**(9,172)**
Unallocated corporate liabilities					**(2,694)**
Consolidated total liabilities					**(11,866)**

	Gaming and Entertainment Business *HK$'000*	Money Lending Business *HK$'000*	Hotel Operations *HK$'000*	Total *HK$'000*
As at 30 June 2018				
ASSETS				
Segment assets	168,685	303,815	23,039	495,539
Investment in an associate				88,671
Unallocated corporate assets				650,031
Consolidated total assets				1,234,241
LIABILITIES				
Segment liabilities	(111)	(2,081)	(3,231)	(5,423)
Unallocated corporate liabilities				(2,901)
Consolidated total liabilities				(8,324)

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

Unallocated corporate liabilities mainly represent other payables.

(c) 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 properties, intangible assets, goodwill, investment in an associate, financial assets at fair value through profit or loss and loans receivable. The geographical locations of property, plant and equipment and investment properties 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 investment in an associate, financial assets at fair value through profit or loss and loans receivable, it is the location of operation of the associate, operation of fund and the money lending business of the Group.

	Revenue from external customers Year ended 30 June		**Non-current assets As at 30 June**	
	2019	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**45,738**	39,181	**907,651**	290,138
Macau	**74,069**	91,303	**23,786**	38,733
	119,807	130,484	**931,437**	328,871

4. OTHER INCOME

	2019	2018
	HK$'000	*HK$'000*
Bank interest income	**5,219**	4,622
Others	**600**	37
	5,819	4,659

5. OTHER GAINS AND LOSSES

	2019	2018
	HK$'000	*HK$'000*
Loss on disposals of property, plant and equipment	**(3)**	(62)
Fair value gain on investment properties	**400**	–
Fair value gain on financial assets at fair value through profit and loss	**2,671**	–
Impairment losses on other receivables	**–**	(89)
	3,068	(151)

6. PROFIT FOR THE YEAR

The Group's profit for the year is stated after charging/(crediting) the following:

	2019	2018
	HK$'000	*HK$'000*
Staff costs (including directors' emoluments):		
Salaries, bonuses and allowances	**9,373**	9,235
Retirement benefit scheme contributions	**345**	328
	9,718	9,563
Auditor's remuneration	**870**	1,050
Amortisation of intangible assets	**53,293**	78,105
Depreciation	**7,518**	3,234
Fair value gain on investment properties	**(400)**	–
Impairment losses on other receivables	**–**	89
Loss on disposals of property, plant and equipment	**3**	62
Operating lease charges	**3,829**	4,726
Reversal of impairment losses on intangible assets	**(37,000)**	(49,800)
Reversal of impairment losses on trade receivables, net	**(2,003)**	(41,892)
Reversal of impairment losses on loans receivable and interest receivables, net	**(581)**	–

7. 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 has been provided at a rate of 16.5% (2018: 16.5%) on the estimated assessable profit for the year.

On 21 March 2018, the Inland Revenue (Amendment) (No. 7) Bill 2017, which introduces a two-tiered profits tax regime, was substantially enacted. Under the two-tiered profits tax regime, the first HK$2 million of assessable profits of qualifying corporations will be taxed at 8.25% with effect from the year assessment 2018/2019. Assessable profits above HK$2 million will continue to be subject to the tax rate of 16.5%.

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

The Group's 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$11,123,000 (2018: HK$10,541,000) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately HK$582,000 (2018: Nil) of such losses. No deferred tax asset has been recognised in respect of the unused tax losses of HK$10,541,000 (2018: HK$10,541,000) due to the unpredictability of future profits streams. Tax losses may be carried forward indefinitely.

8. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share is based on the profit for the year attributable to owners of the Company of HK$42,579,000 (2018: HK$39,009,000) and the weighted average number of ordinary shares of 692,437,000 (2018: 692,437,000) in issue during the year.

Diluted earnings per share

No diluted earnings per share is presented as the Company did not have any dilutive potential ordinary shares during the years ended 30 June 2019 and 2018.

9. DIVIDEND

The Directors do not recommend the payment of any dividend for each of the years ended 30 June 2019 and 2018.

10. INTANGIBLE ASSETS

	Gaming and Entertainment Business					Hotel Operations	
	Hou Wan Profit Agreement	Neptune Ouro Profit Agreement	Hao Cai Profit Agreement	Hoi Long Profit Agreement	Sub-total	Lease benefit	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
COST:							
At 1 July 2017, 30 June 2018 and 1 July 2018	567,793	405,000	1,215,000	562,000	2,749,793	8,500	2,758,293
Derecognition arising from acquisition of a subsidiary	–	–	–	–	–	(8,500)	(8,500)
At 30 June 2019	567,793	405,000	1,215,000	562,000	2,749,793	–	2,749,793
ACCUMULATED AMORTISATION AND IMPAIRMENT:							
At 1 July 2017	557,455	405,000	1,215,000	507,000	2,684,455	–	2,684,455
Amortisation for the year	10,338	–	–	66,067	76,405	1,700	78,105
Reversal of impairment loss	–	–	–	(49,800)	(49,800)	–	(49,800)
At 30 June 2018 and 1 July 2018	567,793	405,000	1,215,000	523,267	2,711,060	1,700	2,712,760
Amortisation for the year	–	–	–	51,947	51,947	1,346	53,293
Derecognition arising from acquisition of a subsidiary	–	–	–	–	–	(3,046)	(3,046)
Reversal of impairment loss	–	–	–	(37,000)	(37,000)	–	(37,000)
At 30 June 2019	567,793	405,000	1,215,000	538,214	2,726,007	–	2,726,007
CARRYING AMOUNT:							
At 30 June 2019	–	–	–	23,786	23,786	–	23,786
At 30 June 2018	–	–	–	38,733	38,733	6,800	45,533

Gaming and Entertainment Business

Due to the terminations of the underlying junket representative agreements of Hao Cai, Neptune Ouro and Hou Wan Profit Agreements, the directors reassessed the useful life of Hoi Long Profit Agreement during the year ended 30 June 2017. As at 30 June 2017, the recoverable amount of Hoi Long Profit Agreement was determined at HK$55,000,000. Amortisation charges of approximately HK$55,000,000 was charged for the year ended 30 June 2018.

During the year ended 30 June 2018, the directors reassessed the recoverable amount and useful life of Hoi Long Profit Agreement in view of the renewal of junket representative agreement between the junket operator and the casino operator for a period of 9 months ending 31 January 2019. The recoverable amount of Hoi Long Profit Agreement was determined at HK$49,800,000 and amortisation charges of approximately HK$11,067,000 was charged for the year ended 30 June 2018. Amortisation charges of approximately HK$38,733,000 in respect of the above was charged for the year ended 30 June 2019.

On 29 January 2019, the directors reassessed the recoverable amount and useful life of Hoi Long Profit Agreement in view of the renewal of junket representative agreement between the junket operator and the casino operator for a period of 14 months ending 31 March 2020. 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 14-month period. The cash flows are discounted using a discount rate of 19.23%. 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 the junket businesses, and such estimation is based on the past performance and management's expectation for the market development. The recoverable amount of Hoi Long Profit Agreement on 29 January 2019 was estimated at HK$37,000,000 and a reversal of impairment loss of an equivalent amount was recognised for the year ended 30 June 2019. Amortisation charge of approximately HK$13,214,000 in respect of the above was charged for the year ended 30 June 2019.

Hotel Operations

During the year ended 30 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"). 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 pre-tax discount rate of 20.37%.

On 18 April 2019, the Group acquired the remaining 70% equity interest in Ever Praise. Following the acquisition, Ever Praise become a wholly-owned subsidiary of the Group. The aggregated lease benefit was derecognised following the completion of the acquisition.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/AVAILABLE-FOR-SALE INVESTMENTS

	2019	2018
	HK$'000	*HK$'000*
Financial assets at fair value through profit or loss		
– Unlisted equity securities	**–**	–
– Unlisted fund investment (note)	**52,671**	–
	52,671	–
Available-for-sale investments		
– Unlisted equity securities	**–**	–
	52,671	–

Note:

On 14 December 2018, the Group subscribed the unlisted fund investment for aggregate consideration of HK$50,000,000.

As at 30 June 2019, carrying amount at unlisted fund investment of HK$52,671,000 which is not quoted in an active market. The fair value of investment is stated with reference to the net asset value provided by administrator of the fund at the reporting date. The directors believe that the estimated fair value provided by the administrator of the fund is reasonable, and that is the most appropriate value at the end of reporting period.

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

12. TRADE AND OTHER RECEIVABLES

	2019	2018
	HK$'000	*HK$'000*
Trade debtors from gaming and entertainment business		
– Entities owned by shareholders of non-controlling interests of subsidiaries		
– Customer A	**20,172**	75,438
– Other customers	**–**	49,356
Trade debtors from hotel operations business	**260**	201
	20,432	124,995
Impairment losses on trade receivables	**(7,654)**	(59,007)
	12,778	65,988
Deposits, prepayments and other receivables	**2,074**	2,426
	14,852	68,414

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.

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

	2019	2018
	HK$'000	*HK$'000*
0 – 90 days	**5,797**	15,511
91 – 180 days	**–**	–
181 – 365 days	**–**	–
Over 365 days	**6,981**	50,477
	12,778	65,988

As at 30 June 2019, an allowance was made for estimated irrecoverable trade receivables of approximately HK$7,654,000 (2018: HK$59,007,000).

Reconciliation of allowance for trade receivables:

	2019	2018
	HK$'000	*HK$'000*
At 1 July	**59,007**	101,007
Impact of adoption of HKFRS 9	**6**	–
At 1 July as restated	**59,013**	101,007
Charged for the year	**4**	108
Reversed during the year	**(2,007)**	(42,000)
Written off during the year	**(49,356)**	(108)
At 30 June	**7,654**	59,007

The trade receivables were denominated in Hong Kong dollars.

As of 30 June 2019, no trade receivables (2018: nil) were past due but not impaired.

Trade debtors from gaming and entertainment business

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. As at 30 June 2018, the fair value of these properties that used to secure the unsettled trade debtors was amounted to HK$40,390,000. Together with the amount already settled subsequent to 30 June 2018, the directors considered that part of the outstanding trade debtors amounting HK$65,787,000 would be recoverable in full. A reversal of impairment loss of HK$42,000,000 was therefore made for the year ended 30 June 2018.

Except for outstanding trade debtors of HK$7,647,000 which an equivalent amount of allowance for trade receivables have been made, all the remaining balance of trade debtors from gaming and entertainment business have been subsequently settled.

13. LOANS RECEIVABLE AND INTEREST RECEIVABLES

	2019	2018
	HK$'000	*HK$'000*
Loans receivable	**313,143**	252,143
Less: Provision for impairment assessment of loans receivable	**(768)**	–
Loans receivable, net of provision	**312,375**	252,143
Interest receivables	**643**	1,233
Less: Provision for impairment assessment of interest receivables	**(6)**	–
Interest receivables, net of provision	**637**	1,233
	313,012	253,376

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

	2019	2018
	HK$'000	*HK$'000*
Neither past due nor impaired		
– Secured	**304,096**	218,841
– Unsecured	**8,916**	34,535
	313,012	253,376
Analysed as:		
– Non-current assets	**140,000**	124,000
– Current assets	**173,012**	129,376
	313,012	253,376

The loans receivable and interest receivables above were denominated in Hong Kong dollars and arise from the money lending business.

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

All of the loans receivable bear interest and are repayable within the fixed term agreed with the customers. At 30 June 2019, the average effective interest rate of the loans receivable was 7% (2018: 9%) per annum.

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

	Year ended 30 June 2019		
	Stage 1 – 12-month ECL		
	Loans receivable	**Interest receivables**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
At 1 July 2018	–	–	–
Impact of adoption of HKFRS 9	1,347	8	1,355
At 1 July 2018 as restated	1,347	8	1,355
New loans originated	60	1	61
Loans repaid during the year	(61)	(1)	(62)
Reversed during the year	(578)	(2)	(580)
As at 30 June 2019	768	6	774

In general, loans receivable and interest receivables are considered as default with the loans receivable and interest receivables are overdue by 60 days. At 30 June 2019, no loans receivable and interest receivables were default and loans receivable and interest receivables were neither past due nor impaired relate to the customers for whom there was no recent history of default.

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 result from default events possible within next 12 months. If a significant increase in credit risk since initial recognition is identified("Stage 2") but not yet deemed to be credit impaired, ECL is measured based on lifetime ECL. If credit impaired is identified ("Stage 3"), ECL is measured based on lifetime ECL. In general, when loans receivable and interest receivables are overdue by 30 days, there are significant increase in credit risk.

As at 30 June 2019, the reversal of individual impairment assessment of loans receivable of HK$578,000 and interest receivables of HK$2,000 was due to change in probability of default and loss given default during the year.

A maturity profile of the loans receivable as at the year end of the reporting period, based on the maturity date, net of provision, is as follows:

	As at 30 June	
	2019	2018
	HK'000	*HK'000*
Current	**172,375**	128,143
Over 1 year and within 5 years	**140,000**	124,000
	312,375	252,143

All the interest receivables as at the end of the reporting period, based on the maturity date, are current.

14. SHARE CAPITAL

	Number of shares	Amount
	'000	*HK$'000*
Ordinary shares, issued and fully paid:		
At 1 July 2017, 30 June 2018, 1 July 2018 and 30 June 2019	692,437	1,171,921

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group reviews the capital structure frequently by considering the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debts, redemption of existing debts or selling assets to reduce debts.

The externally imposed capital requirements for the Group is in order to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of the shares.

15. ACQUISITION OF A SUBSIDIARY

On 18 April 2019, the Group acquired the remaining 70% equity interest in Ever Praise at a total consideration of HK$455,000,000. Ever Praise was engaged in property investment and leasing. Prior to the acquisition, the Group held 30% equity interest in Ever Praise and classified the investment as investment in an associate in the Group's consolidated financial statements.

The fair value of the identifiable assets and liabilities of Ever Praise acquired as at the date of acquisition are as follows:

	Note	*HK$'000*
Net assets acquired:		
Investment properties	*(i)*	650,000
Trade and other receivables		263
Bank and cash balances		25,036
Amounts due to shareholders		(112,174)
Amount due to related party		(1,026)
Trade and other payables		(489)
Deferred tax assets		163
		561,773
Gain on bargain purchase		(12,209)
		549,564
Satisfied by:		
Cash		455,000
Fair value of previously held equity interest in Ever Praise	*(ii)*	90,010
Settlement of pre-existing leasing relationship	*(iii)*	4,554
		549,564

The Group recognised a gain on bargain purchase of HK$12,209,000 in the business combination.

Notes:

(i) The fair value of the investment properties as at the date of acquisition of 70% equity interest in Ever Praise is valued by independent professional valuer, BMI Appraisals Limited. The separately identifiable portion of the hotel premise, amounted to approximately HK$499,400,000, that is held by the Group for the use in the supply of hotel operation services are reclassified as property, plant and equipment in the Group's consolidated financial statements.

(ii) In a business combination achieved in stages, the Group remeasure its previously held equity interest in Ever Praise at its acquisition date fair value and recognised the resulting gain or loss in the profit or loss in accordance with HKFRS 3 (Revised) "Business Combinations". The fair value of this previously held equity interest is then added to the sum of the consideration transferred in a business combination to calculate the gain on bargain purchase.

(iii) The Group acquired Harbour Bay Hotels Limited ("Harbour Bay") on 26 June 2017 and recognised an intangible asset in respect of the favorable lease terms for the lease of the hotel premise between Harbour Bay and Ever Praise. Upon completion of the Acquisition, the pre-existing lease relationship between the Group and Ever Praise will become an intra-group transaction and will effectively be settled. This is accounted for as a separate transaction from the business combination and accordingly an adjustment of HK$4,554,000 is made to the consideration in the table above which represents the amount by which the contract is favorable to the Group at the acquisition date, net of the related tax impact.

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 (the "Gaming and Entertainment Business") at respective casino's VIP rooms in Macau through independent junket operators in Macau (the "Junket Operators"); (ii) the money lending business; (iii) the hotel operations business and (iv) the property leasing business.

The Board announced that the audited net profit of the Group for the year ended 30 June 2019 amounted to approximately HK$91.6 million (2018: net profit of HK$124.4 million) and the net profit for the year attributable to owners of the Company amounted to approximately HK$42.6 million (2018: net profit of HK$39.0 million).

Gaming and Entertainment Business

The Group's gaming revenue decreased by approximately 18.9% from approximately HK$91.3 million for the year ended 30 June 2018 to approximately HK$74.1 million for the year ended 30 June 2019. The decrease was mainly attributable to the termination of the gaming promotion agreement between Venetian Macau Limited ("VML") and our Junkets Operator in 2017, leaving a total of 8 VIP tables in the casino of Grand Lisboa as the only remaining currently operating junket business of our Group.

The following is the summary relating to revenue contributed by the VIP junkets rooms for each of the two years ended 30 June 2019.

	For the year ended 30 June		
	2019	2018	**Change**
	Revenue	Revenue	
	(HK$ in millions, except percentage and points)		
I) Sands Macau			
Sands Neptune GD VIP Club	**–**	10.3	-100%
II) Grand Lisboa			
Neptune GD VIP Club	**74.1**	81.0	-9%

On 31 July 2017, the Board was informed by Hou Wan Entertainment Company Limited ("Hou Wan"), one of the Junket Operators, that VML had issued a written notice to Hou Wan on 31 July 2017 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 remaining 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 of the Board (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

As one of the key segments of our diversifying strategy over the income streams, our money lending business had been distributed increasing amount of funds for its expansion. We continue to offer flexile and competitive loan package to enlarge our customer bases during the year. As a result, the total gross loan principal lent to our customers as at 30 June 2019 amounted to approximately HK$313 million, a considerable increase when compared to that of HK$252 million as at 30 June 2018. The resulting interest revenue generated for the year ended 30 June 2019 amounted to approximately HK$20.6 million, a significant increment when compared to the revenue of HK$15.7 million generated for the year ended 30 June 2018. The consistently strong financial performance since established in 2017 represents a great achievement and reflects the effectiveness of our internal control system executed to monitor the overall operations and compliance. A comprehensive risk assessment had been implemented before loan packages are granted to our customers. Its effectiveness can be demonstrated by the fact that no default history had been recorded from our customers. All of the principal and interest income had been collected in accordance with their corresponding repayment schedules during the year.

With our strong financial capability and effective management, our Group has both the potential and ability to further expand our money lending business and broadening our customer base. It is our Group's intention to keep developing the money lending business.

Hotel Operations Business

Hotel operations business is another segment in our Group's investment portfolio with an aim to diversify the income stream of our Group. With the rise in visitor numbers resulting from closer connection with mainland and the new management since the acquisition by our Group in 2017, the reputation of the hotel, namely Harbour Bay Hotel, and its occupancy rate have been continuously increasing. As a result, the EBITDA generated from the hotel operation business amounted to approximately HK$9.7 million for the year ended 30 June 2019, representing an improvement when compared to that for the year ended 30 June 2018 of HK$8.2 million. The increasing and durable return from hotel operation business since the acquisition by our Group in 2017 indicates our management's ability to add value on an existing business. The increasing occupancy rate also shows the effectiveness of our marketing strategy on reaching potential customers in the market.

Our Group will keep developing the hotel operations business and take advantage of the closer connection and business partnership with the Mainland.

Property Leasing Business

In April 2019, the Group had acquired the remaining 70% of equity interest in Ever Praise Enterprises Limited ("Ever Praise"). Upon completion of the acquisition, the Hotel Property held by Ever Praise become wholly-owned by our Group. The Hotel Property are mainly used for the hotel operations business of our Group, leaving the shops on the ground floor of the Hotel Property leased to independent third parties so as to generate another income stream for our Group. The underlying profit before taxation generated from the property leasing business amounted to approximately HK$0.6 million, representing the financial result captured by the Group during the period from the date of acquisition to 30 June 2019.

We have a positive view on the commercial property market in Hong Kong and therefore the potential capital appreciation of the Hotel Property.

The net profits attributable to owners of the Company for the year ended 30 June 2019 was approximately HK$42.6 million (profit per share of HK$0.06), as compared with the net profits attributable to owner of the Company for the year ended 30 June 2018 of approximately HK$39.0 million (profit per share of HK$0.06).

Our EBITDA *(Note 1)* for the year ended 30 June 2019 amounted to approximately HK$156.8 million as compared with our EBITDA of approximately HK$209.5 million for the year ended 30 June 2018.

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

(i) The Group recorded an increase in revenue of approximately HK$6.5 million in total contributed by the money lending business, the hotel operations business and the property leasing business. The total revenue recorded for these businesses during the year ended 30 June 2019 are approximately HK$45.7 million, as compared with that for the year ended 30 June 2018 of approximately HK$39.2 million. It is primarily due to the increase in total gross loan principal lent to our customers from money lending business as well as the boosting reputation and popularity of our Hotel and, as a result, an increasing occupancy rate. The newly acquired property leasing business in April 2019 also contributes another stable and durable income stream to the Group;

(ii) The Group recorded a decrease in cost of services provided of approximately HK$0.1 million incurred solely by the hotel operation business. The total cost of services provided recorded during the year ended 30 June 2019 are approximately HK$14.8 million, as compared with that for the year ended 30 June 2018 of approximately HK$14.9 million. Although the revenue generated from hotel operation recorded an increase of HK$1.3 million, the Group had put effort on the cost control. The most effective one is that the Hotel Property become wholly-owned by our Group in April 2019 upon the acquisition of 70% of equity interest of Ever Praise and therefore our Group had better control on the property leasing cost of hotel operation business;

(iii) The Group recorded an amortisation of intangible assets of HK$51.9 million in respect of the gaming and entertainment business for the year ended 30 June 2019 as compared with that of HK$76.4 million for the previous financial year. The decrease was mainly due to reduced number of existing junket representative agreements arising from the abovementioned cessation of profit stream from one of the gaming lines in the previous financial year.

(iv) The Group recorded an one-off gains on bargain purchases arising from acquiring the remaining 70% of equity interest in an associated company of approximately HK$12.2 million for the year ended 30 June 2019 whereas there is no such acquisition during the year ended 30 June 2018.

(v) The Group recorded a fair value gain of HK$2.7 million arising from the private fund subscribed by the Group in December 2018 during the year ended 30 June 2019, while no fund had been subscribed by the Group during the year ended 30 June 2018.

The abovementioned positive effects were partly offset by (a) the decrease in revenue from the gaming business by approximately HK$17.2 million, from HK$91.3 million recorded for the year ended 30 June 2018 to HK$74.1 million recorded for the year ended 30 June 2019, primarily due to the termination of the gaming promotion agreement between Hou Wan and VML in 2017 and therefore the revenue from the gaming business for the year ended 30 June 2019 are merely contributed by the remaining one VIP junket room; (b) the significant decrease of the reversal of impairment loss of trade receivables recorded for the year ended 30 June 2019 of HK$2.0 million as compared with that for the year ended 30 June 2018 of HK$42 million. The decrease is due to the fact that majority of the settlement by the trade debtors during the year ended 30 June 2019 are to repay the part of the overdue trade debts which are secured by the properties located in Macau and thus had not been impaired in previous years.

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

FUNDING AND TREASURY POLICY AND FOREIGN EXCHANGE RISK

The Group adopts a prudent funding and treasury policy. All assets and liabilities of the Group were denominated in Hong Kong dollars. The functional currency of the Company and its major subsidiaries is in Hong Kong dollars in which most of their transactions and assets are denominated. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

CAPITAL STRUCTURE

As at 30 June 2019, 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 2019.

LIQUIDITY, FINANCIAL RESOURCES AND FUNDING

The bank mortgage loan which is used for purchase of our office premise had been repaid in full in previous years, resulting nil balance of bank borrowing as at 30 June 2019 and 2018. The total cash and bank balances was approximately HK$84.2 million as at 30 June 2019 as compared to approximately HK$595.6 million as at 30 June 2018.

The Group had net current assets of approximately HK$260.2 million (2018: HK$898.2 million) as at 30 June 2019.

The total equity attributable to owners of the Company as at 30 June 2019 amounted to approximately HK$1,132.4 million (2018: HK$1,091.0 million). The gearing ratio, calculated on the basis of total debt over total equity attributable to owners of the Company as at 30 June 2019, was nil (2018: nil).

As at 30 June 2019, the total liabilities amounted to approximately HK$11.9 million (2018: HK$8.3 million), comprising of income tax payable of approximately HK$7.8 million and other payables of approximately HK$4.1 million.

PLEDGE OF GROUP'S ASSETS

As at 30 June 2019, none of the Group's leasehold land and building had been pledged as collateral (2018: nil).

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 HK$1,592,000 has been made in the financial statements as at 30 June 2004. During the years ended 30 June 2019 and 2018, there has been no significant progress.

NUMBER OF EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2019, the total number of employees of the Group was 33. The emolument policy regarding the Directors, senior management and other employees of the Group was formulated and will be 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 market conditions. Other benefits to employees include medical, insurance coverage, share option scheme and retirement scheme.

BUSINESS OVERVIEW

After a nearly two-year period of rebound from late-2016 to mid-2018, the gaming industry in Macau faced a number of geo-political and economic challenges, including the intensified US-China trade war, the slowing Chinese economy, fluctuations of renminbi exchange rate and new smoking ban. As a result, a period of high volatility had been expected to be experienced by the gaming industry in Macau. Despite the concern, the gaming industry successfully upholds its vital role played in and contributing to Macau's economy. According to the monthly statistics published by the Gaming Inspection and Coordination Bureau, the gaming revenue had reached approximately HK$293,333 million for the year ended 30 June 2019, representing a slight increase of 4% over that for the year ended 30 June 2018. It is a result of the better infrastructure in the Greater Bay Area region, with the opening of the Hong Kong-Shenzhen-Guangzhou high speed train and the Hong Kong-Zhuhai-Macau Bridge during late-2018. As a result, visitor arrivals to Macau continued to surge during the year. According to monthly statistics published by Macau's Statistics and Census Service (DSEC). The visitor arrivals to Macau reached 39.3 million for the year ended 30 June 2019, accounting for a considerable increase of 16% over that for the year ended 30 June 2018. We are optimistic on the Macau gaming industry, with the view that there is still room for improvement in visitor arrivals as the visits and connections between the cities in the Greater Bay Area region is expected to be continuously enhanced by the improved transport links.

Arising from the expectation of the current volatile gaming market condition in Macau, our Group had commenced both the money lending business and hotel business in 2017, with an aim to diversify our income stream and to maintain a stable and durable return to our shareholders. Our Group had benefited from consistently strong financial results achieved in these new segments for two consecutive years.

Our Group has continued to strategically allocate funds to expand our money lending business since its commencement in 2017. Our management has closely monitored the market condition in the money lending business in Hong Kong and offers a competitive loan package to our customers with the enhanced available fund. More comprehensive risk assessment procedures have also been taken in place to ensure the quality of our loan portfolio.

The consistently positive financial performance from the hotel operation business are in line with the publicly published statistics reporting that the total overnight visitor arrivals to Hong Kong reached 29.3 million with a year-on-year increase of approximately 4.9%. It is anticipated that the solid increase in visitor arrivals will continue to surge in 2019 as it will capture the full year impact brought by the opening of the Hong Kong-Shenzhen-Guangzhou high speed train and the Hong Kong-Zhuhai-Macau Bridge. The growing tourism industry in Hong Kong is expected to bring about a positive impact on the hotel market.

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 2019.

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 announcement.

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 2019 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 2019 has been reviewed by the audit committee. It has also discussed and reviewed accounting, internal controls and financial reporting matters of the Group.

Remuneration Committee

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

SCOPE OF WORK OF RSM HONG KONG 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 statement of changes in equity and the related notes thereto for the year ended 30 June 2019 as set out in the preliminary announcement have been agreed by the auditor, RSM Hong Kong, to the amounts set out in the audited consolidated financial statements of the Group for the year ended 30 June 2019. The work performed by RSM Hong Kong 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 RSM Hong Kong on the preliminary announcement.

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 2019 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
Lin Chuen Chow Andy
Chairman

Hong Kong, 20 September 2019

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