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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)

SUPPLEMENTAL ANNOUNCEMENT IN RESPECT OF THE ANNUAL REPORT 2022 FOR THE YEAR ENDED 30 JUNE 2022

Reference is made to the annual report of Rich Goldman Holdings Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) for the year ended 30 June 2022 (the “**Annual Report 2022**”) published on 31 October 2022. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Annual Report 2022.

In addition to the information disclosed in the Annual Report 2022, the Company hereby provides the following supplementary information in relation to the Group’s money lending business.

CREDIT RISK ASSESSMENT POLICY

It is the Group’s policy that if the preliminary basic information assessment is satisfactory to the credit department of the money lending business of the Group, the loan application will proceed to the stage of detailed risk assessment. Same credit risk assessment procedures are applicable to both the grant and renewal of loans. Specific internal guidelines regarding each of the major loan categories in the credit risk assessment performed by the credit department are summarised below:

Mortgage loans

Mortgage loans are granted and renewed to customers with the real estate assets as security. The Group's principal mortgage loan products include first and second mortgage loans. The Group has therefore set a clear guideline on the loan-to-value ratios for granting and renewing mortgage loans. The guideline is applicable to both first and second mortgage loans. A higher assessment requirement is set for applications with higher loan-to-value ratios. The Group's customer service department and credit department perform land search on the properties to be used as collaterals. The Group engages independent professional valuers to produce valuation reports on the properties to be charged. In assessing the risks of mortgage loan applications, the credit department considers and assesses all the relevant factors including but not limited to:

- (i) credit history and profile of customers;
- (ii) property type, historical ownership and location of the properties to be used as collaterals;
- (iii) overall market conditions;
- (iv) basis and assumptions used in the valuation reports;
- (v) stamped tenancy agreement if the property is leased;
- (vi) market value of the properties provided by independent professional valuers;
- (vii) property transaction data available publicly;
- (viii) quoted market price of the properties provided by real estate agents;
- (ix) official documents and the outstanding balance of the first mortgage loan in the case of a second mortgage loan; and
- (x) company search results if the property owners are corporations.

Personal loans

For personal loans, the Group determines the grant and renewal of loans with reference to factors such as the financial strength and repayment ability of customers, size of the loans, whether the customers were the property owners and whether their credit history and rating meet the Group's credit policies, etc.

The Group accepts personal loans secured against any assets or properties, with personal or corporate guarantee. The Group pays special attention to the valuation of the collaterals in order to minimize risks and determine the loan amount throughout the loan application. As a general rule, the maximum loan amount is limited to the total amount of pledged assets and guarantees. If the total loan amount requested by the borrower is greater than the total amount of collaterals, the application will be assessed on a case-by-case basis by the credit department.

Name screening to check whether the customers are politically exposed person and verification of source of fund from customers for repayment are also performed by the Group.

All the relevant documents and the assessment results are recorded and documented in a master loan file if the loan application satisfies the assessment of the credit department, and are subject to the final review and approval of the directors of the money lending business of the Group and the executive Director before a loan is granted or renewed.

MAJOR TERMS OF LOAN GRANTED

The Group primarily offers mortgage loans and personal loans. The Group finances all the loans with its internal resources.

For mortgage loans, the Group granted secured loans to customers and held collaterals against loans receivable in the form of mortgages over properties owned by these customers. These collaterals were located in Hong Kong and Macau, all of the collaterals were residential properties. The total gross amount of mortgage loans amounted to approximately HK\$87.8 million with 20 customers and were accounted for approximately 48.0% of the entire loan portfolio of the Group as at 30 June 2022. The effective interest rates of the mortgage loans ranged from 11.0% to 29.8% per annum. The term of the mortgage loans ranged from 12 months and to 264 months.

For personal loans, the Group granted unsecured loans to customers. The total gross amount of personal loans amounted to approximately HK\$95.1 million with 391 customers and were accounted for approximately 52.0% of the entire loan portfolio of the Group as at 30 June 2022. The effective interest rates of the personal loans ranged from 10.0% to 56.5% per annum. The term of the personal loans ranged from 6 months and to 96 months.

The total gross amount of renewed or topped up loans amounted to approximately HK\$1.5 million and were accounted for approximately 0.8% of the entire loan portfolio of the Group as at 30 June 2022. During the year ended 30 June 2022, the top five customers and the single largest customer accounted for 42.6% and 36.2%, respectively of the Group's revenue from money lending business for the year ended 30 June 2022. The top five customers and the single largest customer constituted 39.2% and 26.1%, respectively of the total gross loans receivable of the Group as at 30 June 2022.

MANAGEMENT DISCUSSION ON THE MOVEMENTS IN LOAN AND INTEREST IMPAIRMENTS

The Group recorded a provision for impairment of loans receivable and interest receivables of approximately HK\$8.6 million and HK\$191,000, respectively for the year ended 30 June 2022. The significant increase in the loan impairment was mainly attributable to the increase in the amount and in the proportion of unsecured loans out of the Group's entire loan portfolio from HK\$13.9 million, accounted for 12.9%, as at 30 June 2021 to HK\$95.1 million, accounted for 52.0%, as at 30 June 2022.

The additional information set out above does not affect other information contained in the Annual Report 2022.

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

Hong Kong, 9 November 2022

As at the date of this announcement, the Board comprises Ms. Lin Yee Man (Chairman) and Mr. Zhang Yiwei as executive Directors; Mr. Nicholas J. Niglio as non-executive Director; and Mr. Cheung Yat Hung, Alton, Mr. Yue Fu Wing and Ms. Yeung Hoi Ching as independent non-executive Directors.