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First Credit Finance Group Limited

第一信用金融集團有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8215)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

The board (“**Board**”) of directors (“**Directors**”) of First Credit Finance Group Limited (“**Company**”) announce the unaudited results of the Company and its subsidiaries for the nine months ended 30 September 2021. This announcement, containing the full text of the third quarterly report of the Company for the nine months ended 30 September 2021 (“**2021 Third Quarterly Report**”), complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (“**GEM Listing Rules**”) in relation to information to accompany preliminary announcement of third quarterly results. Printed version of the 2021 Third Quarterly Report will be delivered to the shareholders of the Company in due course.

For and on behalf of the Board
First Credit Finance Group Limited
Ho Yuen May May

Executive Director and Chief Executive Officer

Hong Kong, 5 November 2021

As at the date of this announcement, the Board comprises Ms. Ho Yuen May May (chief executive officer), Ms. Xie Si, Ms. Lai Szu Yu and Mr. Lui Cheuk Fung as executive Directors; and Dr. Fung Kam Man, Mr. Wang Zhiwei, Mr. Li Long, Mr. Choy Sze Chung Jojo and Mr. Wong Kin Ning as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting. This announcement will also be published and remained on the Company’s website at www.fcfg.com.hk.

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (“STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This report, for which the directors (“**Directors**”) of First Credit Finance Group Limited (“**Company**”) together with its subsidiaries, the “**Group**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (“**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

香港聯合交易所有限公司（「聯交所」）GEM的特色

GEM的定位，乃為中小型公司提供一個上市的市場，此等公司相比起其他在聯交所上市的公司帶有較高投資風險。有意投資的人士應了解投資於該等公司的潛在風險，並應經過審慎周詳的考慮後方作出投資決定。

由於GEM上市公司普遍為中小型公司，在GEM買賣的證券可能會較在主板買賣之證券承受較大的市場波動風險，同時無法保證在GEM買賣的證券會有高流通量的市場。

香港交易及結算所有限公司及聯交所對本報告之內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本報告全部或任何部分內容而產生或因倚賴該等內容而引致之任何損失承擔任何責任。

本報告的資料乃遵照聯交所GEM證券上市規則（「**GEM上市規則**」）而刊載，旨在提供有關第一信用金融集團有限公司（「**本公司**」，連同其附屬公司為「**本集團**」）的資料；本公司的董事（「**董事**」）願就本報告的資料共同及個別地承擔全部責任。各董事在作出一切合理查詢後，確認就其所知及所信，本報告所載資料在各重要方面均屬準確完整，沒有誤導或欺騙成分，且並無遺漏任何其他事項，足以令致本報告或其載任何陳述產生誤導。

The board of Directors (“Board”) is pleased to present the unaudited condensed consolidated results of the Group for the nine months ended 30 September 2021, together with the comparative unaudited figures for the corresponding period in 2020, as follows:

董事會(「董事會」)欣然提呈本集團截至二零二一年九月三十日止九個月的未經審核簡明綜合業績，連同二零二零年同期的未經審核比較數字如下：

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income 未經審核簡明綜合損益及其他全面收入表

For the nine months ended 30 September 2021 截至二零二一年九月三十日止九個月

			Nine months ended 30 September 截至九月三十日止九個月	
			2021 二零二一年 HK\$ 港元 (unaudited) (未經審核)	2020 二零二零年 HK\$ 港元 (unaudited) (未經審核)
		Note 附註		
Revenue	收益	3	42,839,032	25,946,071
Other income	其他收入	4	425,410	1,944,107
Other gains and losses	其他收益及虧損	5	(35,357,163)	(2,780,980)
			7,907,279	25,109,198
Administrative expenses	行政開支		(10,942,619)	(20,087,993)
Reversal of impairment loss/(Impairment loss) on loans receivables, net	應收貸款減值虧損回撥/ (減值虧損)淨額		16,023,473	(197,176,616)
Other operating expenses	其他經營開支		(11,908,545)	(6,557,162)
Finance costs	財務費用	6	(687,938)	(233,029)
Profit/(loss) before tax	除稅前溢利/(虧損)	7	391,650	(198,945,602)
Income tax expense	所得稅開支	8	(8,130,870)	(14,409,246)
Loss and total comprehensive loss for the period attributable to owners of the Company	本公司擁有人應佔期內虧損及全面虧損總額		(7,739,220)	(213,354,848)
			HK cents 港仙	HK cents 港仙
Loss per share	每股虧損			
Basic	基本	10	(0.21)	(5.88)
Diluted	攤薄	10	N/A不適用	N/A不適用

Notes to the Unaudited Condensed Consolidated Financial Statements 未經審核簡明綜合財務報表附註

For the nine months ended 30 September 2021 截至二零二一年九月三十日止九個月

1. BASIS OF PREPARATION

The unaudited condensed consolidated results of the Group for the nine months ended 30 September 2021 have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the GEM Listing Rules. They have been prepared under the historical cost convention unless mentioned otherwise (e.g. certain financial instruments are measured at fair value). These unaudited condensed consolidated results of the Group are presented in Hong Kong dollars (“HK\$”).

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

In the current period, the Group has adopted all the amended HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2021. HKFRSs comprise Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations. The adoption of these new and revised HKFRSs did not have any significant impact on the unaudited condensed consolidated financial statements.

3. REVENUE

	Nine months ended 30 September 截至九月三十日止九個月	
	2021 二零二一年 HK\$ 港元 (unaudited) (未經審核)	2020 二零二零年 HK\$ 港元 (unaudited) (未經審核)
Interest income from loan facilities (Note) 貸款融資的利息收入(附註)	42,839,032	25,946,071

Note:

Interest income on the credit-impaired loans receivables for the nine months ended 30 September 2021 amounted to HK\$30,771,356 (2020: HK\$25,245).

1. 編製基準

本集團截至二零二一年九月三十日止九個月的未經審核簡明綜合業績乃根據香港會計師公會(「香港會計師公會」)頒佈的所有適用香港財務報告準則(「香港財務報告準則」)及GEM上市規則編製。該等業績已按歷史成本法編製，除非提及其他方式(如若干以公平值計量的金融工具)。本集團此等未經審核簡明綜合業績以港元(「港元」)呈列。

2. 採納新訂及經修訂香港財務報告準則

於本期間，本集團已採納由香港會計師公會頒佈的與其經營相關及於二零二一年一月一日開始的會計年度生效的所有經修訂香港財務報告準則。香港財務報告準則包括香港財務報告準則、香港會計準則及詮釋。採納該等新訂及經修訂香港財務報告準則對未經審核簡明綜合財務報表並無任何重大影響。

3. 收益

附註：

截至二零二一年九月三十日止九個月期間，已信貸減值的應收貸款的利息收入為30,771,356港元(二零二零年：25,245港元)。

Notes to the Unaudited Condensed Consolidated Financial Statements 未經審核簡明綜合財務報表附註 (continued 續)

For the nine months ended 30 September 2021 截至二零二一年九月三十日止九個月

4. OTHER INCOME

4. 其他收入

		Nine months ended 30 September 截至九月三十日止九個月	
		2021 二零二一年 HK\$ 港元 (unaudited) (未經審核)	2020 二零二零年 HK\$ 港元 (unaudited) (未經審核)
Bank interest income	銀行利息收入	25	89
Other interest income	其他利息收入	5	18
Dividend income	股息收入	137	–
Government subsidy income	政府補貼收入	–	1,944,000
Sundry income	雜項收入	425,243	–
		425,410	1,944,107

5. OTHER GAINS AND LOSSES

5. 其他收益及虧損

		Nine months ended 30 September 截至九月三十日止九個月	
		2021 二零二一年 HK\$ 港元 (unaudited) (未經審核)	2020 二零二零年 HK\$ 港元 (unaudited) (未經審核)
Gain on early termination of lease	提前終止租賃的收益	–	11,100
Gain on disposal of property, plant and equipment	出售物業、廠房及 設備的收益	104,167	–
Realised gain from financial assets at fair value through profit or loss	以公平值計入損益的金融 資產的已變現收益	620,350	–
Fair value loss from financial assets at fair value through profit or loss	以公平值計入損益的金融 資產的公平值虧損	(36,081,680)	(2,792,080)
		(35,357,163)	(2,780,980)

Notes to the Unaudited Condensed Consolidated Financial Statements 未經審核簡明綜合財務報表附註 (continued)

For the nine months ended 30 September 2021 截至二零二一年九月三十日止九個月

6. FINANCE COSTS

6. 財務費用

		Nine months ended 30 September 截至九月三十日止九個月	
		2021 二零二一年 HK\$ 港元 (unaudited) (未經審核)	2020 二零二零年 HK\$ 港元 (unaudited) (未經審核)
Interest expenses on consideration payable	應付代價的利息開支	39,298	69,552
Interest expenses on bond payable	應付債券的利息開支	598,356	-
Interest expenses on lease liabilities	租賃負債的利息開支	50,284	163,477
		687,938	233,029

7. PROFIT/(LOSS) BEFORE TAX

7. 除稅前溢利／(虧損)

The Group's profit/(loss) before tax is stated after charging/(crediting) the following:

本集團除稅前溢利／(虧損)已扣除／(計入)下列各項：

		Nine months ended 30 September 截至九月三十日止九個月	
		2021 二零二一年 HK\$ 港元 (unaudited) (未經審核)	2020 二零二零年 HK\$ 港元 (unaudited) (未經審核)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,021,588	553,011
Depreciation of right-of-use assets	使用權資產折舊	1,599,470	4,113,105
Directors' emoluments:	董事酬金：		
Salaries, bonuses and allowances	薪金、花紅及津貼	1,779,021	1,343,556
Pension scheme contributions	退休金計劃供款	28,250	27,000
		1,807,271	1,370,556
Employee benefits expense (excluding directors' emoluments):	僱員福利開支 (不包括董事酬金)：		
Salaries, bonuses and allowances	薪金、花紅及津貼	5,190,384	10,951,025
Pension scheme contributions	退休金計劃供款	194,592	658,983
		5,384,976	11,610,008
(Reversal of impairment loss)/ Impairment loss on loans receivables, net	應收貸款(減值虧損回撥)／減值虧損淨額	(16,023,473)	197,176,616

8. INCOME TAX EXPENSE

8. 所得稅開支

		Nine months ended 30 September 截至九月三十日止九個月	
		2021 二零二一年 HK\$ 港元 (unaudited) (未經審核)	2020 二零二零年 HK\$ 港元 (unaudited) (未經審核)
Current tax – Hong Kong Profits Tax	即期稅項 – 香港利得稅		
Provision for the period	期內撥備	27,366	26,414
Over-provision in prior years	過往年度超額撥備	(48,001)	(40,746)
		(20,635)	(14,332)
Deferred tax	遞延稅項	8,151,505	14,423,578
Income tax expense	所得稅開支	8,130,870	14,409,246

Under the two-tiered profits tax rates regime in Hong Kong, the first HK\$2 million of assessable profits of a corporation will be taxed at 8.25%, and assessable profits above HK\$2 million will be taxed at 16.5%. For the nine months ended 30 September 2021, Hong Kong Profits Tax of the nominated company was calculated in accordance with the two-tiered profits tax rates regime. The assessable profits of other group companies in Hong Kong will continue to be taxed at the tax rate of 16.5%.

根據香港利得稅兩級制，公司首2,000,000港元應評稅利潤之稅率為8.25%，而超過2,000,000港元應評稅利潤之稅率為16.5%。於截至二零二一年九月三十日止九個月，獲提名的公司的香港利得稅已按照利得稅兩級制計算。集團其他香港公司的應評稅利潤繼續按16.5%的稅率繳稅。

9. DIVIDENDS

The Directors did not recommend the payment of any dividend to shareholders for the nine months ended 30 September 2021 (2020: Nil).

9. 股息

董事並不建議就截至二零二一年九月三十日止九個月向股東派付任何股息（二零二零年：無）。

Notes to the Unaudited Condensed Consolidated Financial Statements 未經審核簡明綜合財務報表附註 (continued) 續
For the nine months ended 30 September 2021 截至二零二一年九月三十日止九個月

10. LOSS PER SHARE

BASIC LOSS PER SHARE

The calculation of basic loss per share is based on the loss for the nine months ended 30 September 2021 attributable to owners of the Company of HK\$7,739,220 (2020: HK\$213,354,848), and the weighted average number of ordinary shares of 3,628,800,000 (2020: 3,628,800,000) in issue during the period.

DILUTED LOSS PER SHARE

No diluted loss per share is presented as the Company did not have any dilutive potential ordinary shares during the nine months ended 30 September 2021.

11. MOVEMENT OF RESERVES

		(Unaudited) (未經審核)					
		Attributable to owners of the Company 本公司擁有人應佔					
		Share capital	Share premium	Capital reserve	Contributed surplus	Retained profits/ (accumulated losses)	Total
		股本	股份溢價	資本儲備	繳入盈餘	保留溢利/ (累計虧損)	總額
		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元	港元	港元
At 1 January 2020	於二零二零年一月一日	72,576,000	356,661,862	141,829,615	213,460,470	75,026,932	859,554,879
Total comprehensive loss for the period	期內全面虧損總額	-	-	-	-	(213,354,848)	(213,354,848)
Changes in equity for the period	期內權益變動	-	-	-	-	(213,354,848)	(213,354,848)
At 30 September 2020	於二零二零年九月三十日	72,576,000	356,661,862	141,829,615	213,460,470	(138,327,916)	646,200,031
At 1 January 2021	於二零二一年一月一日	72,576,000	356,661,862	141,829,615	213,460,470	(292,584,596)	491,943,351
Total comprehensive loss for the period	期內全面虧損總額	-	-	-	-	(7,739,220)	(7,739,220)
Changes in equity for the period	期內權益變動	-	-	-	-	(7,739,220)	(7,739,220)
At 30 September 2021	於二零二一年九月三十日	72,576,000	356,661,862	141,829,615	213,460,470	(300,323,816)	484,204,131

10. 每股虧損

每股基本虧損

每股基本虧損乃基於截至二零二一年九月三十日止九個月本公司擁有人應佔虧損 7,739,220 港元 (二零二零年: 213,354,848 港元) 及期內已發行普通股加權平均股數為 3,628,800,000 股 (二零二零年: 3,628,800,000 股) 計算。

每股攤薄虧損

由於本公司於截至二零二一年九月三十日止九個月並無任何潛在攤薄普通股，故並無呈列每股攤薄虧損。

11. 儲備變動

Management Discussion and Analysis 管理層討論及分析

BUSINESS REVIEW AND PROSPECTS

For the nine months ended 30 September 2021 (“**Review Period**”), the Group continued to focus on conducting money lending business by providing both secured and unsecured loans to customers, including individuals, corporations and foreign domestic workers.

Since the outbreak of coronavirus disease 2019 (“**COVID-19**”) in early 2020, a series of precautionary and control measures have been implemented by the government of Hong Kong to prevent the spread of coronavirus which may have an impact on the business environment of the Group. The Group will pay close attention to the development of the COVID-19 outbreak and evaluate its impact on the financial position and business operations of the Group when necessary.

The Group is proactively exploring further potential investment opportunities, including but not limited to investments in bonds, debt instruments, listed equity securities or project-based investments, subject to the prevailing market condition and taking into account the interest of the Company and its shareholders as a whole.

Looking forward, with the ultimate aim to maximise value for shareholders and enhance its position in the competitive industry, the Group will continue to strive for maintaining revenue growth and credit quality on the basis of its experience in money lending business. Meanwhile, the Group will closely monitor its capital base from time to time to ensure sufficient funding is maintained through various means for capturing different potential opportunities.

業務回顧及展望

截至二零二一年九月三十日止九個月（「**回顧期間**」），本集團繼續專注於經營放債業務，向客戶（包括個人、公司及外籍家庭傭工）提供有抵押及無抵押貸款。

自2019冠狀病毒病（「**2019冠狀病毒病**」）於二零二零年初爆發以來，香港政府為防止冠狀病毒病傳播已採取一系列防控措施，可能對本集團的經營環境造成影響。本集團將密切關注2019冠狀病毒病疫情的發展，並在必要時評估其對本集團財務狀況及業務營運的影響。

本集團根據現行市況以及考慮到本公司及其股東的整體利益，積極探索更多潛在投資機遇，包括但不限於投資債券、債務工具、上市股本證券或以項目為基礎的投資。

展望將來，為實現股東價值最大化及提升其在此競爭激烈行業的地位，本集團將憑藉其於放債業務的經驗，繼續致力維持收益增長及信貸質素。與此同時，本集團將不時緊密監察其資本基礎，通過各種方式確保維持充裕的資金，以獲取不同潛在機遇。

FINANCIAL REVIEW

REVENUE

The Group's revenue for the Review Period was derived from interest received from the provision of various types of loan products to its customers.

For the Review Period, the revenue increased to approximately HK\$42.84 million (for the nine months ended 30 September 2020: approximately HK\$25.95 million) which represented loan interest income derived from its money lending business.

The increase in revenue was mainly attributable to the increase in accrued interest from credit-impaired loans receivables during the Review Period.

For the Review Period the revenue of past due less than 3 months and over 3 months but not impaired loans was HK\$1,648,389 and HK\$1,422,054 respectively.

NET INTEREST MARGIN

The Group recorded a net interest margin of approximately 9.2% for the Review Period in respect of its money lending business.

The above net interest margin represented the ratio of net interest income to the average balance of gross loans receivables as at the end of the Review Period after deducting certain amount of the past due loans receivables which were matured or impaired during the Review Period. The net interest margin calculated on the same basis for the corresponding period last year was approximately 9.1%.

The net interest margin was maintained at a low level which reflects the Group's pricing strategy under the low interest rate environment in the competitive money lending industry.

財務回顧

收益

本集團於回顧期間的收益來自向其客戶提供各類貸款產品而收取的利息。

於回顧期間，收益增加至約42,840,000港元（截至二零二零年九月三十日止九個月：約25,950,000港元），為放債業務產生的貸款利息收入。

收益增加主要是由於回顧期間已信貸減值的應收貸款所產生的應計利息增加所致。

於回顧期間，逾期不足三個月及超過三個月但並未減值貸款的收益分別為1,648,389港元及1,422,054港元。

淨息差

本集團於回顧期間就放債業務錄得淨息差約9.2%。

上述淨息差指於回顧期末時淨利息收入對應收貸款總額平均結餘（經扣除於回顧期間已到期或已減值的若干逾期應收貸款金額）的比率。去年同期以相同基準計算的淨息差為約9.1%。

淨息差維持於較低水平，反映本集團在競爭激烈的放債行業的低息環境下作出的定價策略。

Management Discussion and Analysis 管理層討論及分析 (continued 續)

OTHER INCOME

The Group's other income recorded a decrease from approximately HK\$1.94 million for the nine months ended 30 September 2020 to approximately HK\$0.43 million for the Review Period which was mainly attributable to the government subsidy received under the Employment Support Scheme launched by the government of Hong Kong under the second round of the "Anti-epidemic Fund" last year.

OTHER GAINS AND LOSSES

For the Review Period, the Group recorded other losses of approximately HK\$35.36 million as compared to other losses of approximately HK\$2.78 million for the corresponding period in 2020. The increase in other losses was mainly attributable to the increase in fair value loss from investment in listed securities (i.e. financial assets at fair value through profit or loss) during the Review Period.

ADMINISTRATIVE EXPENSES

The Group's administrative expenses for the Review Period mainly comprised employment expenses, occupancy costs for its offices and depreciation charges. Employment expenses included directors' emoluments, employees' salaries, bonuses, mandatory and voluntary provident fund contributions, and insurance premium for employees, etc. Occupancy costs included management fees, government rent and rates as well as utilities expenses. Administrative expenses also included repair and maintenance and general insurance premiums, etc.

For the Review Period, the Group's administrative expenses decreased and recorded at approximately HK\$10.94 million as compared to approximately HK\$20.09 million for the corresponding period in 2020. The decrease in administrative expenses was mainly attributable to the decrease in employment expenses and depreciation charges for the Review Period.

其他收入

本集團的其他收入由截至二零二零年九月三十日止九個月約1,940,000港元減少至回顧期間約430,000港元，主要由於去年香港政府推出的第二輪「防疫抗疫基金」下「保就業」計劃中獲得的政府補貼。

其他收益及虧損

於回顧期間，本集團錄得其他虧損約35,360,000港元，而二零二零年同期則錄得其他虧損約2,780,000港元。其他虧損增加主要是由於回顧期間錄得的上市證券投資（即以公平值計入損益的金融資產）的公平值虧損增加。

行政開支

本集團於回顧期間的行政開支主要包括僱員開支、辦公室租用成本以及折舊費用。僱員開支包括董事酬金、僱員薪金、花紅、強制性及自願性公積金供款以及僱員的保險費用等。租用成本包括管理費、地租及差餉以及水電費用。行政開支亦包括維修與保養及一般保險費用等。

於回顧期間，本集團的行政開支減少並錄得約10,940,000港元，而於二零二零年同期則約為20,090,000港元。行政開支減少主要是由於回顧期間的僱員開支及折舊費用減少所致。

Management Discussion and Analysis 管理層討論及分析 (continued 續)

IMPAIRMENT LOSS ON LOANS RECEIVABLES

The Group's impairment losses mainly relate to expected credit loss ("ECL") allowance for loans receivables. Generally speaking, ECL assessment is done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. The ECL on loans receivables are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings.

For the Review Period, the Group recorded a reversal of impairment loss on loans receivables of approximately HK\$16.02 million as compared to net impairment loss of approximately HK\$197.18 million for the corresponding period in 2020. The significant decrease in impairment loss on loans receivables is principally due to the recovery of loan provision and significant improvement on bad debt control during the Review Period.

The Group performs collective assessment on impairment allowance for the loans receivables at least on a quarterly basis by dividing its loans receivables into different groups according to the loan types, with each loan type sharing similar credit risk characteristics, and calculates the expected credit loss for each loan type. The measurement of impairment allowance for collective assessment is mainly based on the amount of loans receivables of each loan type at a point of time and will take into account the probability of default (which may be affected by the duration of delinquency) and loss given default (i.e. the magnitude of the loss if there is a default) pertaining to that particular loan type, which are derived from the assessment made by the external professional valuer as at the latest year-end date based on the historical repayment performance of different loan types and adjusted by forward-looking information such as the economic and financial environment and expected unemployment rate etc.

The Group also performs monthly individual assessment on impairment allowance for the loans receivables. For individual assessment, the amount of impairment allowance on loans receivables will be considered on a case by case basis by way of discounted cash flow, taking into account, among other factors, the expected date of recovery and the fair value of the collateral (if any).

應收貸款減值虧損

本集團的減值虧損主要與應收貸款預期信貸虧損（「預期信貸虧損」）撥備有關。一般而言，預期信貸虧損評估乃根據本集團過往信貸虧損經驗進行，並根據債務人特定因素、整體經濟狀況以及於報告日期對當前狀況及未來狀況預測的評估（包括貨幣時間價值（如適用））作出調整。應收貸款的預期信貸虧損乃就具有重大結餘的債務人進行個別評估及／或使用具有適當分組的撥備矩陣進行集體評估。

於回顧期間，本集團錄得應收貸款減值虧損回撥約16,020,000港元，而二零二零年同期則錄得減值虧損淨額約197,180,000港元。應收貸款減值虧損大幅減少，主要是由於在回顧期間貸款撥備回撥及公司壞賬控制政策得宜所致。

本集團至少每季對應收貸款的減值撥備進行集體評估，方式為按貸款類別將應收貸款分為不同組別（同類貸款須具備相似的信貸風險特質），再按不同貸款類別計算預期信貸虧損。於集體評估時，本集團主要根據某一時間點各類貸款的應收貸款金額計量減值撥備，並將計及有關貸款類別的違約概率（可能受逾期日數影響）及違約損失率（即出現違約時虧損的程度），以上兩項均源自外聘專業估值師於最新年結日作出的評估，而其評估則以各類貸款的過往還款表現為基礎，並按前瞻性資料（例如經濟與金融環境以及預期失業率等）作出調整。

本集團亦對應收貸款的減值撥備進行每月獨立評估。於獨立評估時，以折現現金流方式個別考慮應收貸款的減值撥備金額，並將計及（其中包括）預期收回日期及抵押品的公平值（如有）。

Management Discussion and Analysis 管理層討論及分析 (continued 續)

OTHER OPERATING EXPENSES

The Group's other operating expenses for the Review Period mainly comprised legal and professional fees, audit fees, other general expenses and advertising and promotion expenses.

As compared to approximately HK\$6.56 million for the nine months ended 30 September 2020, other operating expenses increased to approximately HK\$11.91 million for the Review Period, which was mainly owing to the increase in services fees of debt recovery agencies as well as the increase in legal and professional fees.

FINANCE COSTS

The Group's finance costs for the Review Period mainly comprised interest expenses on lease liabilities, interest expenses on consideration payable and interest expenses on bond payable. Finance costs was recorded at approximately HK\$0.69 million for the Review Period, as compared to approximately HK\$0.23 million for the nine months ended 30 September 2020.

LOSS FOR THE PERIOD

For the Review Period, the Group recorded a significant decrease in unaudited consolidated loss attributable to owners of the Company of approximately HK\$7.74 million as compared to the unaudited consolidated loss attributable to owners of the Company of approximately HK\$213.35 million for the nine months ended 30 September 2020, which is principally due to (i) an increase in revenue for the Review Period and (ii) a significant decrease in impairment loss on loans receivables for the Review Period as disclosed under the paragraphs headed "Revenue" and "Impairment Loss on Loans Receivables" above.

其他經營開支

本集團於回顧期間的其他經營開支主要包括法律及專業費用、審計費用、其他一般開支以及廣告及推廣開支。

與截至二零二零年九月三十日止九個月約6,560,000港元相比，其他經營開支於回顧期間增加至約11,910,000港元，主要由於債務追收代理服務費增加以及法律及專業費用增加所致。

財務費用

本集團於回顧期間的財務費用主要包括租賃負債的利息開支、應付代價的利息開支及應付債券的利息開支。回顧期間的財務費用錄得約690,000港元，而截至二零二零年九月三十日止九個月則約為230,000港元。

期內虧損

於回顧期間，本集團錄得本公司擁有人應佔未經審核綜合虧損大幅減少至約7,740,000港元，而截至二零二零年九月三十日止九個月本公司擁有人應佔未經審核綜合虧損約213,350,000港元，此乃主要由於(i)回顧期間的收益增加以及(ii)回顧期間的應收貸款減值虧損大幅減少所致（如上文「收益」及「應收貸款減值虧損」各段中所披露）。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2021, none of the Directors and the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO")) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2021, the interests and short positions of the persons (other than the Directors and the chief executive of the Company) in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO were as follows:

LONG POSITION

Name	Nature of interest	Number of ordinary shares held	Approximate percentage of the Company's issued share capital 佔本公司已發行股本的概約百分比
姓名	權益性質	所持普通股數目	
Xiao Guoliang 肖國良	Beneficial owner 實益擁有人	1,070,400,000	29.50%

Save as disclosed above, the Directors are not aware of any other person (other than the Directors and the chief executive of the Company) who/which had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO as at 30 September 2021.

董事及最高行政人員於股份、相關股份及債券中的權益及淡倉

於二零二一年九月三十日，本公司董事及最高行政人員概無於本公司或其相聯法團（定義見香港法例第571章《證券及期貨條例》（「證券及期貨條例」）第XV部）的股份、相關股份或債券中擁有記錄於根據證券及期貨條例第352條規定須予存置的登記冊或根據GEM上市規則第5.46條所述董事進行交易的必守準則須知會本公司及聯交所的任何權益或淡倉。

主要股東及其他人士於股份及相關股份中的權益及淡倉

於二零二一年九月三十日，有關人士（本公司董事及最高行政人員除外）於本公司股份或相關股份中擁有記錄於根據證券及期貨條例第336條須予存置的登記冊的權益及淡倉如下：

好倉

除上文所披露者外，於二零二一年九月三十日，董事並不知悉任何其他人士（本公司董事及最高行政人員除外）於本公司股份或相關股份中擁有記錄於根據證券及期貨條例第336條規定須予存置的登記冊中的任何權益或淡倉。

SHARE OPTION SCHEME

The Company adopted a share option scheme (“Share Option Scheme”) on 24 November 2011 for the purpose of rewarding the eligible participants for their contribution to the Group. The Share Option Scheme also enables the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group. Eligible participants of the Share Option Scheme include (a) any full-time or part-time employees of the Company and/or any of its subsidiaries; (b) any director (including executive, non-executive and independent non-executive director) of the Company and/or any of its subsidiaries; and (c) any consultant or adviser (whether professional or otherwise and whether on an employment or contractual or honorary basis or otherwise and whether paid or unpaid), distributor, contractor, supplier, service provider, agent, customer and business partner of the Company and/or any of its subsidiaries who, at the sole determination of the Board, have contributed or will contribute to the Company and/or any of its subsidiaries.

The maximum number of ordinary shares of the Company which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Group is 362,880,000 ordinary shares, representing 10% of the issued ordinary shares of the Company as at the date of this report.

No share option has been granted under the Share Option Scheme since its adoption on 24 November 2011.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities during the Review Period.

購股權計劃

本公司於二零一一年十一月二十四日採納一項購股權計劃（「購股權計劃」），旨在獎勵合資格參與者對本集團所作的貢獻。購股權計劃亦令本集團能招攬及挽留能幹的僱員及吸納對本集團有寶貴價值的人才。購股權計劃的合資格參與者包括董事會全權認為曾對或將對本公司及／或其任何附屬公司作出貢獻的(a)本公司及／或其任何附屬公司的任何全職或兼職僱員；(b)本公司及／或其任何附屬公司的任何董事（包括執行、非執行及獨立非執行董事）；及(c)本公司及／或其任何附屬公司的任何諮詢人或顧問（不論其是否專業人士、為受僱、合約或義務性質，亦不論有否收取酬勞）、分銷商、承包商、供應商、服務供應商、代理、客戶及業務夥伴。

按照購股權計劃及本集團任何其他購股權計劃將予授出之所有購股權獲行使後可能發行之本公司普通股數目上限為362,880,000股普通股，相當於本報告日期本公司已發行普通股股份之10%。

自二零一一年十一月二十四日採納購股權計劃以來，概無根據購股權計劃授出購股權。

購買、出售或贖回上市證券

於回顧期間，本公司或其任何附屬公司概無購買、出售或贖回本公司的任何上市證券。

COMPETING INTERESTS

The Directors confirm that none of the Directors and their respective close associates had any business or interest which competes or may compete, either directly or indirectly, with the business of the Group or had any other conflicts of interest with the Group during the Review Period.

The Company did not have any controlling shareholder during the Review Period and therefore had no issue of any competing interest of any controlling shareholder.

SUSPENSION OF TRADING

Trading in the shares of the Company has been suspended since 24 November 2017 pursuant to the direction of the Securities and Futures Commission of Hong Kong (“SFC”) made under Section 8(1) of the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and will remain suspended until further notice.

Announcements were made by the Company on 1 August 2018, 1 November 2018, 1 February 2019, 2 May 2019, 1 August 2019, 1 November 2019, 31 January 2020, 29 April 2020, 31 July 2020, 30 October 2020, 1 February 2021, 30 April 2021, 30 July 2021 and 29 October 2021 pursuant to Rule 17.26A of the GEM Listing Rules.

As disclosed in the announcement of the Company dated 24 June 2019, the Stock Exchange has withheld exercising its right to delist the Company although trading in its shares remained suspended on 31 July 2019. As such, trading in the shares of the Company will continue to be suspended until further notice.

競爭權益

董事確認，於回顧期間董事及彼等各自之緊密聯繫人概無擁有任何與本集團業務直接或間接構成競爭或可能構成競爭之業務或權益，或與本集團構成任何其他利益衝突。

本公司於回顧期間並無任何控股股東，因此概無任何控股股東的任何競爭權益問題。

暫停買賣

根據香港證券及期貨事務監察委員會（「證監會」）按香港法例第571V章《證券及期貨（在證券市場上市）規則》第8(1)條作出的指示，本公司股份已自二零一七年十一月二十四日起暫停買賣，且將維持暫停買賣直至另行通知為止。

本公司已根據GEM上市規則第17.26A條，於二零一八年八月一日、二零一八年十一月一日、二零一九年二月一日、二零一九年五月二日、二零一九年八月一日、二零一九年十一月一日、二零二零年一月三十一日、二零二零年四月二十九日、二零二零年七月三十一日、二零二零年十月三十日、二零二一年二月一日、二零二一年四月三十日、二零二一年七月三十日及二零二一年十月二十九日刊發公告。

誠如本公司日期為二零一九年六月二十四日之公告所披露，儘管本公司股份於二零一九年七月三十一日仍然暫停買賣，但聯交所保留行使其將本公司除牌的權利。因此，本公司股份將繼續暫停買賣，直至另行通知為止。

Management Discussion and Analysis 管理層討論及分析 (continued 續)

As disclosed in the announcement of the Company dated 29 October 2021, the Company has continued its effort in communicating with and addressing the concern of the SFC with a view to achieving a resumption of trading of its shares as soon as possible. The Company's trade resumption application is still pending and the Company is not in a position to provide any concrete resumption timeframe at this stage. The Company and its legal representatives will closely follow up with this matter.

AUDIT COMMITTEE

As at the date of this report, the audit committee of the Company ("Audit Committee") comprises four existing independent non-executive Directors, namely, Mr. Choy Sze Chung Jojo (as the chairman of the Audit Committee), Dr. Fung Kam Man, Mr. Wang Zhiwei and Mr. Wong Kin Ning. This report and the Group's unaudited condensed consolidated results for the Review Period have been reviewed by the Audit Committee. The Board is of the opinion that the preparation of such financial information has complied with the applicable accounting standards, the requirements under the GEM Listing Rules and any other applicable legal requirements, and that adequate disclosures have been made.

For and on behalf of the Board

First Credit Finance Group Limited

HO Yuen May May

Executive Director & Chief Executive Officer

Hong Kong, 5 November 2021

誠如本公司日期為二零二一年十月二十九日的公告所披露，本公司繼續努力與證監會溝通及回應其質詢，以求盡快恢復股份買賣。本公司的復牌申請現時仍待批核，本公司現階段無法提供任何具體復牌時間表。本公司及其法律代表將密切跟進此事。

審核委員會

於本報告日期，本公司審核委員會（「審核委員會」）由四名現任獨立非執行董事組成，即蔡思聰先生（審核委員會主席）、馮錦文博士、王志維先生及黃健寧先生。審核委員會已審閱本報告及本集團於回顧期間的未經審核簡明綜合業績。董事會認為，該等財務資料的編製已符合適用的會計準則、GEM上市規則下的規定及任何其他適用的法律規定，且已作出充足披露。

代表董事會

第一信用金融集團有限公司

執行董事及行政總裁

何婉薇

香港，二零二一年十一月五日