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## GLOBAL INTERNATIONAL CREDIT GROUP LIMITED

環球信貸集團有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1669)**

### ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

The board (the “Board”) of directors (the “Directors”) of Global International Credit Group Limited (the “Company”) is pleased to announce the audited final results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2022, together with the comparative figures for the year ended 31 December 2021.

#### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Year ended 31 December	
		2022 HK\$'000	2021 HK\$'000
Revenue	5	90,524	85,981
Other income	5	583	4
Administrative expenses	6	(25,419)	(23,002)
(Impairment losses)/reversal of impairment losses – net	7	(3,282)	280
Finance costs	8	(1,331)	(355)
<b>Profit before income tax</b>		<b>61,075</b>	<b>62,908</b>
Income tax expense	9	(10,116)	(10,388)
<b>Profit and total comprehensive income for the year attributable to owners of the Company</b>		<b>50,959</b>	<b>52,520</b>
<b>Earnings per share attributable to owners of the Company</b>			
– Basic and diluted (expressed in HK cents per share)	10	12.7	13.1

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		<b>As at 31 December</b>	
		<b>2022</b>	2021
<i>Notes</i>		<b>HK\$'000</b>	HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>327</b>	354
Right-of-use assets		<b>4,429</b>	7,915
Loans receivable	<i>12</i>	<b>409,090</b>	454,246
Deferred income tax assets		<b>1,070</b>	620
Deposits		<b>1,391</b>	1,480
		<hr/>	<hr/>
<b>Total non-current assets</b>		<b>416,307</b>	464,615
		<hr/>	<hr/>
<b>Current assets</b>			
Loans receivable	<i>12</i>	<b>456,676</b>	319,863
Interest receivables	<i>13</i>	<b>9,014</b>	5,554
Repossessed assets		<b>4,705</b>	7,293
Prepayments, deposits and other receivables		<b>6,083</b>	6,841
Pledged deposit		<b>–</b>	18,962
Cash and cash equivalents		<b>51,156</b>	82,330
		<hr/>	<hr/>
<b>Total current assets</b>		<b>527,634</b>	440,843
		<hr/>	<hr/>
<b>Total assets</b>		<b>943,941</b>	905,458
		<hr/>	<hr/>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	<i>Notes</i>	<b>As at 31 December</b>	
		<b>2022</b>	2021
		<b>HK\$'000</b>	HK\$'000
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	<i>15</i>	<b>4,000</b>	4,000
Reserves		<b>881,220</b>	851,461
<b>Total equity</b>		<b><u>885,220</u></b>	<u>855,461</u>
<b>LIABILITIES</b>			
<b>Non-current liability</b>			
Lease liabilities		<b>1,148</b>	3,448
<b>Total non-current liability</b>		<b><u>1,148</u></b>	<u>3,448</u>
<b>Current liabilities</b>			
Accruals and other payables		<b>3,778</b>	3,435
Tax payable		<b>7,344</b>	2,615
Bank loans	<i>14</i>	<b>15,000</b>	35,900
Loans from a related company	<i>16(a)</i>	<b>28,000</b>	–
Lease liabilities		<b>3,451</b>	4,599
<b>Total current liabilities</b>		<b><u>57,573</u></b>	<u>46,549</u>
<b>Total liabilities</b>		<b><u>58,721</u></b>	<u>49,997</u>
<b>Total equity and liabilities</b>		<b><u>943,941</u></b>	<u>905,458</u>

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **1 GENERAL INFORMATION**

Global International Credit Group Limited (the “Company”) was incorporated in the Cayman Islands on 20 January 2014 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised), of the Cayman Islands. The address of the Company’s registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company and its subsidiaries (the “Group”) are principally engaged in the money lending business of providing property mortgage loans and personal loans in Hong Kong.

The immediate holding company of the Company is Blossom Spring Global Limited (“Blossom Spring”), a company incorporated in the British Virgin Islands (“BVI”). The directors of the Company (the “Directors”) regard Blossom Spring as the ultimate holding company of the Company.

The Company has its listing on The Stock Exchange of Hong Kong Limited.

These consolidated financial statements are presented in thousands of Hong Kong dollars (“HK\$’000”), unless otherwise stated. These consolidated financial statements were approved by the Board of Directors for issue on 28 March 2023.

### **2 BASIS OF PREPARATION**

The consolidated financial statements of the Company have been prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”) and the requirements of the Hong Kong Companies Ordinance (Cap. 622 of the Laws of Hong Kong). The consolidated financial statements of the Group have been prepared on a historical cost basis.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the management of the Company to exercise its judgment in the process of applying the Group’s accounting policies.

### **3 APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS**

#### **(a) Relevant amendments to existing standards adopted by the Group**

The Group has applied the following amendments to standards for the first time for their annual reporting period commencing 1 January 2022:

- Amendments to HKFRS 3, Reference to the Conceptual Framework
- Amendments to HKAS 16, Property, Plant and Equipment: Proceeds before Intended Use
- Amendments to HKAS 37, Onerous Contracts – Costs of Fulfilling a Contract
- Annual Improvements to HKFRSs 2018-2020, Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

#### **(b) New and amended standards and interpretations not yet adopted**

Certain new and amended accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Group. These new and amended standards and interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

### **4 SEGMENT INFORMATION**

During the years ended 31 December 2022 and 2021, all of the Group's revenue was generated from the money lending business of providing property mortgage loans and personal loans in Hong Kong. Revenue represents interest income earned from loans offered to the Group's customers. Information reported to the Group's chief operating decision maker, for the purpose of resource allocation and assessment of the Group's performance, is focused on the operating results of the Group as a whole as the Group's resources are integrated and no discrete financial information is available. Accordingly, no segment analysis or information about the Group's products and services are presented.

All of the Group's revenue from external customers and assets was generated from and located in Hong Kong during the years ended 31 December 2022 and 2021.

## 5 REVENUE AND OTHER INCOME

Revenue represents the interest income earned from the money lending business of providing property mortgage loans and personal loans in Hong Kong. Revenue and other income recognised during the year are as follows:

	Year ended 31 December	
	2022 HK\$'000	2021 HK\$'000
<b>Revenue</b>		
Interest income	<u>90,524</u>	<u>85,981</u>
<b>Other income</b>		
Bank interest income	14	4
Government grants ( <i>Note (a)</i> )	<u>569</u>	<u>–</u>
	<u>583</u>	<u>4</u>

- (a) Being subsidies provided by the Hong Kong Government under the Subsidy Scheme of Anti-epidemic Fund and the Reimbursement of Maternity Leave Pay Scheme during the year ended 31 December 2022. There are no unfulfilled conditions or other contingencies attaching to these grants.

## 6 ADMINISTRATIVE EXPENSES

	Year ended 31 December	
	2022 HK\$'000	2021 HK\$'000
Employee benefit expenses (including directors' emoluments)	10,519	10,734
Advertising and marketing expenses	4,983	4,156
Legal and professional fees	1,139	1,532
Auditor's remuneration		
– Audit services	700	700
– Non-audit services	150	100
Depreciation of property, plant and equipment	120	268
Depreciation of right-of-use assets	3,486	3,666
Other administrative expenses	<u>4,322</u>	<u>1,846</u>
	<u>25,419</u>	<u>23,002</u>

7 (IMPAIRMENT LOSSES)/REVERSAL OF IMPAIRMENT LOSSES – NET

	Year ended 31 December 2022			Total <i>HK\$'000</i>
	12 months expected credit loss (Stage 1) <i>HK\$'000</i>	Lifetime expected credit loss not credit impaired (Stage 2) <i>HK\$'000</i>	Lifetime expected credit loss credit impaired (Stage 3) <i>HK\$'000</i>	
Net charge for provisions for impairment assessment on loans receivable	(1,320)	(1,377)	(66)	(2,763)
Net charge for provisions for impairment assessment on interest receivables	(16)	(31)	(7)	(54)
Provisions for impairment assessment on repossessed assets	–	–	(465)	(465)
	<u>(1,336)</u>	<u>(1,408)</u>	<u>(538)</u>	<u>(3,282)</u>
	Year ended 31 December 2021			
	12 months expected credit loss (Stage 1) <i>HK\$'000</i>	Lifetime expected credit loss not credit impaired (Stage 2) <i>HK\$'000</i>	Lifetime expected credit loss credit impaired (Stage 3) <i>HK\$'000</i>	Total <i>HK\$'000</i>
Net reversal of/(charge for)provisions for impairment assessment on loans receivable	258	(124)	201	335
Net reversal of provisions for impairment assessment on interest receivables	7	11	12	30
Provisions for impairment assessment on repossessed assets	–	–	(85)	(85)
	<u>265</u>	<u>(113)</u>	<u>128</u>	<u>280</u>

## 8 FINANCE COSTS

	Year ended 31 December	
	2022	2021
	HK\$'000	HK\$'000
Interest expenses on unsecured bank loan	10	–
Interest expenses on secured bank loans	545	75
Interest expenses on loans from a related company	499	–
Interest expenses on lease liabilities	277	280
	<u>1,331</u>	<u>355</u>

## 9 INCOME TAX EXPENSE

Hong Kong Profits Tax has been provided for at the rate of 8.25% for the first HK\$2,000,000 estimated assessable profits and 16.5% for estimated assessable profits above HK\$2,000,000 for the group entity qualified for the two-tiered profits tax rates regime introduced pursuant to the Inland Revenue (Amendment) (No. 7) Bill 2017. For group entities not qualifying for the two-tiered profits tax rates regime, Hong Kong Profits Tax has been provided for at a flat rate of 16.5%.

The amount of income tax charged to the consolidated statement of comprehensive income represents:

	Year ended 31 December	
	2022	2021
	HK\$'000	HK\$'000
Current tax		
– Current tax on profits for the year	10,586	10,352
– Over-provision in prior years	(20)	(20)
Total current tax	<u>10,566</u>	<u>10,332</u>
Deferred tax		
(Increase)/decrease in deferred income tax assets	<u>(450)</u>	<u>56</u>
Income tax expense	<u>10,116</u>	<u>10,388</u>



During the year ended 31 December 2017, the Hong Kong Inland Revenue Department (the “IRD”) has issued enquiries and a letter to the Company disagreeing with certain interest income received by the Company during the years of assessment 2015/16 and 2016/17 being claimed as capital and offshore in nature.

Notices of assessment of HK\$129,000 and HK\$3,058,000 were issued by IRD to the Company for the years of assessment 2015/16 and 2016/17, respectively. The Company has lodged objection against the tax assessments with IRD considering that valid technical grounds are available in claiming the said interest income as capital and offshore in nature. IRD agreed to hold over the tax claim subject to the purchase of tax reserve certificates of HK\$3,187,000, which was purchased by the Company during the year ended 31 December 2018. During the year ended 31 December 2020, a notice of assessment of HK\$1,310,000 was further issued by the IRD to the Company for the year of assessment 2017/18 on the said interest income. The Company has lodged an objection against the tax assessment 2017/18 with the IRD on the same technical grounds and has purchased an additional tax reserve certificate of HK\$1,310,000 for holding over the tax claim during the year ended 31 December 2020. As at 31 December 2022, the case is referred to the Appeals Section for the Commissioner’s determination.

As the ultimate outcome cannot presently be determined and with a view of probable outflow with resources, a tax provision of HK\$4,522,000 in respect of the tax enquiries has been provided in previous years and the Company considered that adequate provision has been made in the Group’s consolidated financial statements.

## 10 EARNINGS PER SHARE

### (a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company of HK\$50,959,000 (2021: HK\$52,520,000) by the weighted average number of ordinary shares in issue during the year of 400,000,000 (2021: 400,000,000 shares).

	<b>Year ended 31 December</b>	
	<b>2022</b>	2021
Profit attributable to owners of the Company ( <i>HK\$’000</i> )	<b>50,959</b>	52,520
Weighted average number of ordinary shares in issue for basic earnings per share ( <i>’000</i> )	<b>400,000</b>	400,000
Basic earnings per share ( <i>HK cents</i> )	<b><u>12.7</u></b>	<u>13.1</u>

### (b) Diluted earnings per share

There were no potential dilutive ordinary shares outstanding during the years ended 31 December 2022 and 2021 and hence the diluted earnings per share is the same as the basic earnings per share.

## 11 DIVIDEND

A final dividend in respect of the year ended 31 December 2022 of HK5.1 cents per share, totalling HK\$20,400,000 is to be proposed at the upcoming annual general meeting. These consolidated financial statements do not reflect this dividend payable.

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Proposed final dividend of HK5.1 cents (2021: HK5.3 cents) per share	<u>20,400</u>	<u>21,200</u>

## 12 LOANS RECEIVABLE

	<b>As at 31 December</b>	
	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Loans receivable	<b>871,527</b>	777,107
Less:		
Provision for impairment assessment of loans receivable		
– Stage 1	<b>(2,631)</b>	(1,311)
– Stage 2	<b>(2,605)</b>	(1,228)
– Stage 3	<b>(525)</b>	(459)
	<u><b>(5,761)</b></u>	<u>(2,998)</u>
Loans receivable, net of provision	<b>865,766</b>	774,109
Less: non-current portion	<b>(409,090)</b>	(454,246)
Current portion	<u><b>456,676</b></u>	<u>319,863</u>

The Group's loans receivable, which arise from the money lending business of providing property mortgage loans and personal loans in Hong Kong, are denominated in Hong Kong dollars.

Except for loans receivable of HK\$1,242,000 (2021: HK\$1,230,000), which are unsecured, interest-bearing and are repayable with fixed terms agreed with customers, all loans receivable are secured by collaterals provided by customers, interest-bearing and are repayable with fixed terms agreed with the customers. The maximum exposure to credit risk at each of the reporting dates is the carrying amount of the loans receivable mentioned above.

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

	<b>As at 31 December</b>	
	<b>2022</b>	<b>2021</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Current	<b>456,676</b>	319,863
Over 1 year and within 5 years	<b>208,872</b>	275,423
Over 5 years	<b>200,218</b>	178,823
	<u><b>865,766</b></u>	<u>774,109</u>

As at 31 December 2021, loans receivable with carrying amount of HK\$94,751,000 were charged to a bank to secure a bank loan facility granted to a subsidiary of the Company. Such bank loan facility expired as at 31 December 2022 and no loans receivables were charged as at 31 December 2022.

### 13 INTEREST RECEIVABLES

	<b>As at 31 December</b>	
	<b>2022</b>	<b>2021</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Interest receivables	<b>9,160</b>	5,646
Less:		
Provision for impairment assessment of interest receivables		
– Stage 1	<b>(26)</b>	(10)
– Stage 2	<b>(56)</b>	(25)
– Stage 3	<b>(64)</b>	(57)
	<u><b>(146)</b></u>	<u>(92)</u>
Interest receivables, net of provision	<u><b>9,014</b></u>	<u>5,554</u>

The Group's interest receivables, which arise from the money lending business of providing property mortgage loans and personal loans in Hong Kong, are denominated in Hong Kong dollars.

Except for interest receivables of HK\$9,000 (2021: HK\$12,000), which are unsecured and are repayable with fixed terms agreed with the customers, all interest receivables are secured by collaterals provided by customers and are repayable with fixed terms agreed with the customers. The maximum exposure to credit risk at each of the reporting dates is the carrying amount of the interest receivables mentioned above.

The ageing analysis of these interest receivables by due date, net of provision, is as follows:

	<b>As at 31 December</b>	
	<b>2022</b>	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
current	<b>2,392</b>	2,279
0–30 days	<b>2,630</b>	1,400
31–90 days	<b>1,924</b>	914
Over 90 days	<b>2,068</b>	961
	<b>9,014</b>	5,554

## 14 BANK LOANS

Bank loans are analysed as follows:

	<b>As at 31 December</b>	
	<b>2022</b>	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Bank loan – unsecured (Note (a))	<b>15,000</b>	–
Bank loans – secured (Note (b))	–	35,900
Total bank loans	<b>15,000</b>	35,900

### (a) Bank loan – unsecured

As at 31 December 2022, an unsecured bank loan of HK\$15,000,000 (2021: Nil) was denominated in Hong Kong dollars, repayable within one year and bore an interest rate of 7.95% per annum. The bank loan was obtained from an independent third party bank.

### (b) Bank loans – secured

As at 31 December 2021, secured bank loans of HK\$35,900,000, were denominated in Hong Kong dollars, repayable in one year and bore an interest rate of 4.26% per annum. The bank loans were obtained from an independent third party bank and were secured by (i) a floating charge on certain loans receivable of a subsidiary of the Company with carrying value of HK\$94,751,000; (ii) a floating charge on certain bank accounts of a subsidiary of the Company with carrying value of HK\$18,962,000; and (iii) a corporate guarantee from the Company. Such secured bank loan facility expired and was fully repaid in 2022.

## 15 SHARE CAPITAL

### Authorised share capital

	Number of ordinary shares	Nominal value of ordinary shares <i>HK\$</i>	Equivalent nominal value of ordinary shares <i>HK\$</i>
At 31 December 2021, 1 January 2022 and 31 December 2022	<u>10,000,000,000</u>	<u>0.01</u>	<u>100,000,000</u>

### Issued share capital

	Number of issued shares	Amount <i>HK\$</i>
At 31 December 2021, 1 January 2022 and 31 December 2022	<u>400,000,000</u>	<u>4,000,000</u>

## 16 RELATED PARTY TRANSACTIONS

The Group is controlled by Blossom Spring (incorporated in BVI), which is the ultimate holding company of the Group and owns 75% of the Company's shares. The remaining 25% of the shares are widely held. The ultimate controlling party is Ms. Jin Xiaoqin ("Ms. Jin").

The following is a summary of the significant transactions carried out between the Group and its related parties in the ordinary course of business during the years ended 31 December 2022 and 2021.

### (a) Interest expenses on loans from a related company

	Year ended 31 December	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest expenses on loans from a related company – World Deluxe Limited ("World Deluxe")	<u>499</u>	<u>–</u>

During the year ended 31 December 2022, the Group obtained an unsecured revolving loan facility from World Deluxe, a related company of the Group where Ms. Jin is the sole ultimate beneficial owner, with a facility limit of HK\$50,000,000 (2021: Nil). The facility is denominated in Hong Kong dollars, repayable in one year and bears a fixed interest rate of 5.5% per annum (2021: Nil). As at 31 December 2022, the Group utilised HK\$28,000,000 (2021: Nil) of the loan facility.

During the year ended 31 December 2022, the Group also obtained an unsecured revolving loan facility from Kei Tung Group Limited, a related company of the Group where Mr. Ng Yiu Lun, a key management of the Group, and his spouse are the beneficial owners, with a facility limit of HK\$50,000,000 (2021: Nil). The facility is denominated in Hong Kong dollars, repayable in one year and bear a fixed interest rate of 5.5% per annum (2021: Nil). As at 31 December 2022, the Group did not utilise the loan facility (2021: Nil).

**(b) Key management compensation**

The remuneration of executive Directors of the Company and other members of key management is shown below:

	<b>Year ended 31 December</b>	
	<b>2022</b>	<b>2021</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
Salaries, benefits and other remuneration	<b>4,239</b>	4,133
Discretionary bonus	<b>272</b>	272
Pension costs	<b>72</b>	81
	<b><u>4,583</u></b>	<b><u>4,486</u></b>

**(c) Remuneration paid to a related party**

	<b>Year ended 31 December</b>	
	<b>2022</b>	<b>2021</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
Salaries and pension costs paid to the spouse of a director of the Company	<b><u>252</u></b>	<b><u>252</u></b>

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW AND INDUSTRY OVERVIEW**

The Group is principally engaged in the money lending business focusing primarily on providing short-term and long-term property mortgage loans in Hong Kong under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).

During the financial year ended 31 December 2022 (“FY2022”), Hong Kong’s gross domestic product shrank by 3.5% as it was hobbled by the continued COVID-19 fallout, surging global interest rates and geopolitical tensions. Affected by the backdrop of interest-rate hikes, a fluctuating stock market and weak local economy, the residential property market in Hong Kong went into a down-cycle in 2022 whereby the number of residential property transactions dropped by 38.2% compared with the prior year and the residential property price index in December 2022 plunged by 15.2% from a year earlier to near five-year low.

Amid the challenging economic environment, the Group gradually expanded its loan portfolio on lower-risk first mortgage loans during the year and managed to record a growth on its loan portfolio, whereby the gross loans receivable increased by HK\$94.4 million or 12.2% to HK\$871.5 million as at 31 December 2022 as compared to HK\$777.1 million as at 31 December 2021. The Group’s revenue increased by HK\$4.5 million or 5.2% from HK\$86.0 million for the year ended 31 December 2021 (“FY2021”) to HK\$90.5 million for FY2022.

As there was an overall decrease in the market value of the Group’s collaterals due to the worsening property market condition in 2022, the Group recorded a provision for impairment losses on loans receivable, interest receivables and repossessed assets of HK\$3.3 million in FY2022 as compared to a net reversal of provision of impairment losses of HK\$0.3 million in FY2021. Amidst a challenging economic and property environment, the Group continued to conduct its mortgage loan business with stringent credit control to minimise associated credit risks. The Group strived to uphold the quality of its loan portfolio with the overall weighted average loan-to-value ratio as at 31 December 2022 managed at 57.4% (2021: 53.7%).

## **FINANCIAL REVIEW**

### **Revenue**

For FY2022, the Group's interest income from its money lending business was HK\$90.5 million, representing an increase of HK\$4.5 million or 5.2% from interest income of HK\$86.0 million for FY2021. The increase was primarily due to the increase in average month-end balance of loans receivable during the year. The average month-end balance of aggregate loans receivable increased by HK\$100.0 million or 13.4% from HK\$748.6 million for FY2021 to HK\$848.6 million for FY2022.

### **Other income**

Other income increased by HK\$579,000 from HK\$4,000 in FY2021 to HK\$583,000 in FY2022. The increase was mainly due to the subsidies provided by the Hong Kong Government under the Subsidy Scheme of Anti-epidemic Fund and the Reimbursement of Maternity Leave Pay Scheme in FY2022.

### **Administrative expenses**

Administrative expenses incurred by the Group mainly comprised employee benefit expenses, advertising and marketing expenses, legal and professional fees, auditor's remuneration, depreciation of property, plant and equipment, depreciation of right-of-use assets and other administrative expenses. These expenses, which constitute 28.1% and 26.7% of the total revenue for FY2022 and FY2021, respectively, increased from HK\$23.0 million in FY2021 to HK\$25.4 million in FY2022, representing an increase of HK\$2.4 million or 10.4%.

Employee benefit expenses decreased by HK\$0.2 million or 1.9% from HK\$10.7 million in FY2021 to HK\$10.5 million in FY2022.

Advertising and marketing expenses increased by HK\$0.8 million or 19.0% from HK\$4.2 million in FY2021 to HK\$5.0 million in FY2022. The increase in advertising and marketing expenses in FY2022 was mainly due to an increase in expenses for television advertising.



Excluding employee benefit expenses and advertising and marketing expenses mentioned above, administrative expenses increased by HK\$1.8 million or 22.2% from HK\$8.1 million in FY2021 to HK\$9.9 million in FY2022. These expenses were comprised of mainly legal and professional fees of HK\$1.1 million (FY2021: HK\$1.5 million); auditor's remuneration of HK\$0.9 million (FY2021: HK\$0.8 million); depreciation of property, plant and equipment of HK\$0.1 million (FY2021: HK\$0.3 million); depreciation of right-of-use assets of HK\$3.5 million (FY2021: HK\$3.7 million); and other administrative expenses of HK\$4.3 million (FY2021: HK\$1.8 million). The increase in other administrative expenses was mainly due to increase in business traveling expenses.

### **(Impairment losses)/reversal of impairment losses – net**

The Group recognised a provision for impairment losses on loans receivable, interest receivables and repossessed assets of HK\$3.3 million in FY2022 (FY2021: a net reversal of impairment losses of HK\$0.3 million), which was primarily due to (i) the increase in the Group's loan portfolio; and (ii) the decrease in market value of the related collaterals.

### **Finance costs**

Finance costs increased by HK\$0.9 million or 225.0% from HK\$0.4 million in FY2021 to HK\$1.3 million in FY2022 due to an increase in average borrowings during the year.

### **Net interest margin**

Net interest margin during the year refers to the interest income in respect of the Group's mortgage loans and personal loans less finance costs (excluding interest expenses on lease liabilities) divided by the average of month-end gross loans receivable balances of the corresponding loans during the year.

Net interest margin decreased from 11.5% for FY2021 to 10.5% for FY2022.

### **Income tax expenses**

The Group's effective tax rate remained stable at 16.5% for FY2022 (FY2021: 16.5%).

### **Profit and total comprehensive income**

As a result of the foregoing, the Group's profit and total comprehensive income for FY2022 was HK\$51.0 million, representing a decrease of HK\$1.5 million or 2.9% as compared to the Group's profit and total comprehensive income of HK\$52.5 million for FY2021.

## **OUTLOOK**

With the long-awaited border-reopening and/or resumption of quarantine-free travel with the globe and the mainland China coming into effect and the recent removal of most pandemic-related restrictions, there is a general expectation that the economy in Hong Kong will be gradually recovered in 2023. With the improvement in market sentiment following the border-reopening, the property market in Hong Kong also shows a sign of mild rebound in early 2023. However, the risk of interest rate hikes from the continued monetary policy tightening in the United States and heightened geopolitical tensions is expected to continue to impose pressure on investment activities and the property market.

Looking ahead, the Group will remain cautious and sensibly uphold its risk management policies and credit review process to control the quality of the Group's loan portfolio and at the same time capture business opportunities to further expand its loan portfolio along with the expected economic recovery. The Group will closely monitor the development of the property market and implement any necessary measures in a timely manner in order to strike a balance between risk and return.

Although the Group does not have any detailed plans for material investments, capital assets or launching new products in a large scale in the coming year, it will continue to improve its existing products and services to enhance customer experience.

## **LIQUIDITY AND FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

During FY2022, the Group's operational and capital requirements were financed principally through retained earnings and loans from a bank and a related company.

Based on the Group's current and anticipated levels of operations, the Group's future operations and capital requirements will be mainly financed through loans from banks, related companies and other independent third party licensed money lenders, retained earnings and share capital. There were no significant commitments for capital expenditure as at 31 December 2022.

As at 31 December 2022, cash and cash equivalents and pledged deposits amounted to HK\$51.2 million, which were mainly denominated in Hong Kong dollars, representing a decrease of HK\$50.1 million as compared to the position as at 31 December 2021. The decrease was mainly attributable to an increase in gross loans receivable as at 31 December 2022.

As at 31 December 2022, interest-bearing bank loans amounted to HK\$15 million and loans from a related company amounted to HK\$28 million, which were all denominated in Hong Kong dollars, representing a decrease of HK\$20.9 million and an increase of HK\$28 million, respectively, as compared to the position as at 31 December 2021.

As at 31 December 2022, all outstanding interest-bearing bank loans were unsecured, repayable in one year and bore interest at variable rates. Loans from a related company were unsecured, repayable in one year and bore interest at a fixed rate.

During FY2022, none of the Group's borrowing facilities were subject to any covenants relating to financial ratio requirements or any material covenants that restrict the Group from undertaking additional debt or equity financing. As at 31 December 2022, the unutilised facility available to the Group for drawdown amounted to HK\$72 million (2021: HK\$14.1 million).

### **Current ratio**

The Group's current ratio decreased from 9.5 times as at 31 December 2021 to 9.1 times as at 31 December 2022.

### **Gearing ratio**

The Group's gearing ratio was calculated by dividing net debts (being the total borrowings and lease liabilities less cash and cash equivalents and pledged deposit) by total equity. The Group was in a net cash position as at 31 December 2022 and 2021.

### **Return on total assets and return on equity**

The return on total assets decreased from 5.8% as at 31 December 2021 to 5.4% as at 31 December 2022. The return on equity decreased from 6.1% as at 31 December 2021 to 5.8% as at 31 December 2022.

## **SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS**

The Group did not have any significant investments held, material acquisitions or disposals of subsidiaries, associated companies and joint ventures during the year ended 31 December 2022.

## **EMPLOYEES AND REMUNERATION**

As at 31 December 2022, the Group employed 18 full-time employees (2021: 20). The total employee benefit expenses (including directors' emoluments) of the Group for the years ended 31 December 2022 and 2021 were HK\$10.5 million and HK\$10.7 million, respectively. The remuneration of its employees included salaries, overtime allowances, commissions and year end discretionary bonuses. The Group remunerates its employees mainly based on current market trends, individual performance and experience and conducts performance appraisals on an annual basis.

## **CONTINGENT LIABILITIES**

As at 31 December 2022 and 2021, the Group had no material contingent liabilities.

## **PLEDGE OF ASSETS**

As at 31 December 2022, the Group did not have any pledged assets. As at 31 December 2021, certain loans receivable and bank accounts of a subsidiary of the Group with carrying value of HK\$94.8 million and HK\$19.0 million, respectively, were charged to a bank to secure a loan facility granted to the Group. Such loan facility expired in 2022.

## **FOREIGN CURRENCY EXPOSURE**

The business activities of the Group were denominated in Hong Kong dollars. The Directors did not consider the Group was exposed to any significant foreign exchange risks during the financial year ended 31 December 2022. As the impact from foreign exchange exposure was minimal, the Directors were of the view that no hedging against foreign currency exposure was necessary. In view of the operational needs, the Group will continue to monitor the foreign currency exposure from time to time and take necessary actions to minimise the exchange related risks.

## **EVENTS AFTER THE REPORTING PERIOD**

Subsequent to the end of the financial year ended 31 December 2022 and up to the date of this announcement, there was no other significant or important event that affects the business of the Group.

## **PURCHASE, SALE, OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2022.

## **CORPORATE GOVERNANCE PRACTICES**

For the year ended 31 December 2022, the Company has complied with the relevant code provisions of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules (the "Code") applicable as at 31 December 2022, except for the following deviations:

Pursuant to Code Provision C.2.1 of the Code, the role of chairman and the chief executive should be segregated and should not be performed by the same individual. However, the Company does not have a separate chairman and chief executive and Ms. Wang Yao currently performs these two roles. The Board believes that vesting the roles of both chairman and chief executive in the same position has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. A balance of power and authority between the Board and management can be ensured by the operation of the Board, whose members (including the three independent non-executive directors) are individuals with ample experience, such that the interests of shareholders can be safeguarded. Furthermore, the Directors had regular discussions in relation to major matters affecting the operations of the Group and the Group has an effective risk management and internal control systems in place for providing adequate checks and balances. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and chief executive of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

Pursuant to Code Provision F.2.2 of the Code, the chairman of the Board should attend the annual general meeting (“AGM”). The chairperson of the Board, Ms. Wang Yao was unable to attend the Company’s AGM held on 1 June 2022 due to other business commitments. Mr. Man Yiu Kwong, Nick, an independent non-executive director of the Company, took the chair of the AGM, and Ms. Yip Lee Ying, an executive Director of the Company and other independent non-executive Directors, attended the AGM to answer questions regarding activities of the Group.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted a code of conduct (the “Company’s Code”) regarding securities transactions by the Directors on terms no less exacting than the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules. Having made specific enquiry with all Directors, the Company confirms that all the Directors have complied with the required standards as stated in the Model Code and the Company’s Code for the year ended 31 December 2022.

## **REVIEW OF FINAL RESULTS BY THE AUDIT COMMITTEE**

The audit committee (the “Audit Committee”) of the Company consists of three independent non-executive directors, namely, Dr. Ng Lai Man, Carmen (“Dr. Ng”), Mr. Man Yiu Kwong, Nick, and Mr. Tang, Warren Louis, and is chaired by Dr. Ng.

The Audit Committee has discussed with the management of the Company about the internal control and financial reporting matters including the accounting principles and practices related to the preparation of the consolidated financial statements for the year ended 31 December 2022. It has also reviewed the accounting principles and practices adopted by the Group and the annual results for the year ended 31 December 2022 with the management and the auditor of the Company and recommended them to the Board for approval.

## **FINAL DIVIDEND**

The Board recommends the payment of a final dividend of HK5.1 cents per ordinary share, totalling HK\$20,400,000 payable to the Shareholders whose names appear on the register of members of the Company on Tuesday, 6 June 2023. The proposed final dividend will be paid on or about Tuesday, 20 June 2023 following approval at the forthcoming AGM of the Company.

## **CLOSURE OF REGISTER OF MEMBERS**

For determining the entitlement to attend and vote at the forthcoming AGM of the Company to be held on Thursday, 25 May 2023, the register of members of the Company will be closed from Monday, 22 May 2023 to Thursday, 25 May 2023 (both days inclusive), during which no transfer of shares of the Company will be registered. In order to qualify for attendance and voting at the forthcoming AGM of the Company, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Boardroom Share Registrars (HK) Limited of Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong for registration not later than 4:30 pm on Friday, 19 May 2023.

For determining the entitlement to the payment of final dividend, the register of members of the Company will be closed from Friday, 2 June 2023 to Tuesday, 6 June 2023 (both days inclusive), during which no transfer of shares of the Company will be registered. The final dividend is payable to the Company's shareholders whose names appear on the Register of Members of the Company at the close of business on Tuesday, 6 June 2023. In order to qualify for the payment of final dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Boardroom Share Registrars (HK) Limited of Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong for registration not later than 4:30 pm on Thursday, 1 June 2023.

## **PUBLICATION**

The final results announcement of the Company for the year ended 31 December 2022 is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.gicl.com.hk](http://www.gicl.com.hk)) respectively. The 2022 annual report will be dispatched to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

## **ANNUAL GENERAL MEETING**

The forthcoming AGM of the Company will be held on Thursday, 25 May 2023. The notice of the forthcoming AGM, which constitutes part of the circular to its shareholders, together with proxy form and the Company's 2022 annual report will be published on the aforesaid websites and dispatched to the shareholders of the Company in due course.

By Order of the Board  
**Global International Credit Group Limited**  
**Wang Yao**  
*Chairman and Chief Executive*

Hong Kong, 28 March 2023

*As at the date of this announcement, the Board comprises three executive directors of the Company, namely Ms. Wang Yao, Ms. Jin Xiaoqin and Ms. Yip Lee Ying, and three independent non-executive directors of the Company, namely Dr. Ng Lai Man, Carmen, Mr. Man Yiu Kwong, Nick, and Mr. Tang, Warren Louis.*