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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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

The board (the “Board”) of directors (the “Directors”) of Global International Credit Group Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2023, together with relevant comparative figures of 2022, as follows:

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	Note	Six months ended 30 June	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Revenue	3,4	44,179	44,544
Other income	4	533	233
Administrative expenses	5	(10,935)	(10,952)
Impairment losses – net	6	(993)	(500)
Finance costs	7	(277)	(604)
Profit before income tax		32,507	32,721
Income tax expense	8	(5,097)	(5,295)
Profit and total comprehensive income for the period attributable to owners of the Company	9	27,410	27,426
Earnings per share attributable to owners of the Company			
– Basic and diluted (<i>expressed in HK cents per share</i>)	9	6.9	6.9

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

		As at 30 June 2023 <i>HK\$'000</i> (Unaudited)	As at 31 December 2022 <i>HK\$'000</i> (Audited)
	<i>Note</i>		
ASSETS			
Non-current assets			
Property, plant and equipment		269	327
Right-of-use assets		3,181	4,429
Loans receivable	11	364,907	409,090
Deferred income tax assets		754	1,070
Deposits		90	1,391
		<hr/>	<hr/>
Total non-current assets		369,201	416,307
		<hr/>	<hr/>
Current assets			
Loans receivable	11	409,955	456,676
Interest receivables	12	13,293	9,014
Repossessed assets		–	4,705
Prepayments, deposits and other receivables		7,073	6,083
Cash and cash equivalents		108,504	51,156
		<hr/>	<hr/>
Total current assets		538,825	527,634
		<hr/>	<hr/>
Total assets		908,026	943,941
		<hr/>	<hr/>

		As at 30 June 2023 <i>HK\$'000</i> (Unaudited)	As at 31 December 2022 <i>HK\$'000</i> (Audited)
EQUITY			
Equity attributable to owners of the Company			
Share capital	<i>13</i>	4,000	4,000
Reserves		888,230	881,220
Total equity		892,230	885,220
LIABILITIES			
Non-current liability			
Lease liabilities		234	1,148
Total non-current liability		234	1,148
Current liabilities			
Accruals and other payables		2,945	3,778
Tax payable		9,536	7,344
Bank loan	<i>14</i>	–	15,000
Loans from a related company	<i>15(a)</i>	–	28,000
Lease liabilities		3,081	3,451
Total current liabilities		15,562	57,573
Total liabilities		15,796	58,721
Total equity and liabilities		908,026	943,941

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

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 PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company and its subsidiaries (collectively referred to as 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. The directors of the Company (the “Directors”) regard Blossom Spring as the ultimate holding company of the Company.

This unaudited condensed consolidated interim financial information is presented in thousands of Hong Kong dollars (“HK\$’000”), unless otherwise stated.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

This unaudited condensed consolidated interim financial information for the six months ended 30 June 2023 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The unaudited condensed consolidated interim financial information does not include all the notes of the type normally included in an annual financial report, and accordingly should be read in conjunction with the annual financial statements for the year ended 31 December 2022, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2022, as described in those annual financial statements, except for the adoption of new and amended standards effective for the financial year beginning on 1 January 2023. The adoption of the new standards and amendments to HKFRSs effective for the financial year beginning on 1 January 2023 did not have a material impact on the preparation of the unaudited condensed consolidated interim financial information.

There are no other standards and interpretations that have been issued by the HKICPA but are not effective yet that would be expected to have a material impact on the Group’s financial statements once adopted.

3. SEGMENT INFORMATION

During the six months ended 30 June 2023 and 2022, 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 six months ended 30 June 2023 and 2022.

4. 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 period are as follows:

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue		
Interest income	<u>44,179</u>	<u>44,544</u>
Other income		
Bank interest income	533	1
Government grants (<i>Note (a)</i>)	<u>-</u>	<u>232</u>
	<u>533</u>	<u>233</u>

- (a) Being wage 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 six months ended 30 June 2022. There are no unfulfilled conditions or other contingencies attaching to these grants.

5. ADMINISTRATIVE EXPENSES

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Employee benefit expenses (including directors' emoluments)	5,188	5,022
Advertising and marketing expenses	1,925	2,155
Depreciation of property, plant and equipment	58	62
Depreciation of right-of-use assets	1,744	1,743
Other administrative expenses	2,020	1,970
	<u>10,935</u>	<u>10,952</u>

6. IMPAIRMENT LOSSES – NET

	Six months ended 30 June 2023 (Unaudited)			
	12 months expected credit loss (Stage 1) HK\$'000	Lifetime expected credit loss not credit impaired (Stage 2) HK\$'000	Lifetime expected credit loss credit impaired (Stage 3) HK\$'000	Total HK\$'000
Net reversal of/(charge for) provision for impairment losses on loans receivable	633	1,251	(2,662)	(778)
Net reversal of/(charge for) provision for impairment losses on interest receivables	10	25	(140)	(105)
Charge for impairment losses on a repossessed asset	–	–	(110)	(110)
	<u>643</u>	<u>1,276</u>	<u>(2,912)</u>	<u>(993)</u>

	Six months ended 30 June 2022 (Unaudited)			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)/reversal of provision for impairment losses on loans receivable	(955)	616	(122)	(461)
Net (charge for)/reversal of provision for impairment losses on interest receivables	(15)	17	(6)	(4)
Provision for impairment losses on a repossessed asset	–	–	(35)	(35)
	<u>(970)</u>	<u>633</u>	<u>(163)</u>	<u>(500)</u>

7. FINANCE COSTS

	Six months ended 30 June	
	2023 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)
Interest expenses on an unsecured bank loan	7	–
Interest expenses on secured bank loans	–	446
Interest expenses on loans from a related company (<i>Note 15(a)</i>)	188	–
Interest expenses on lease liabilities	82	158
	<u>277</u>	<u>604</u>

8. INCOME TAX EXPENSE

Hong Kong profits tax for the six months ended 30 June 2023 and 2022 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 unaudited condensed consolidated interim statement of comprehensive income represents:

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Hong Kong profits tax		
– current year	4,915	5,350
– over-provision in previous years	(134)	–
Decrease/(increase) in deferred income tax assets	316	(55)
	<u>5,097</u>	<u>5,295</u>

During the year ended 31 December 2017, the Hong Kong Inland Revenue Department (the “IRD”) had 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 the IRD to the Company for the years of assessment 2015/16 and 2016/17, respectively. The Company has lodged an objection against the tax assessments with the IRD considering that valid technical grounds are available in claiming the said interest income as capital and offshore in nature. The IRD agreed to hold over the tax claim subject to the purchase of tax reserve certificates of HK\$3,187,000, which were 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 30 June 2023, 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 unaudited condensed consolidated interim financial information.

9. 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\$27,410,000 (2022: HK\$27,426,000) by the weighted average number of ordinary shares in issue during the six months ended 30 June 2023 of 400,000,000 shares (2022: 400,000,000 shares).

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit attributable to owners of the Company (<i>HK\$'000</i>)	27,410	27,426
Weighted average number of ordinary shares in issue for basic earnings per share (<i>'000</i>)	400,000	400,000
Basic earnings per share (<i>HK cents</i>)	<u>6.9</u>	<u>6.9</u>

(B) Diluted earnings per share

There were no potential dilutive ordinary shares in issue during the six months ended 30 June 2023 and 2022 and hence the diluted earnings per share is the same as basic earnings per share.

10. DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2023 (for the six months ended 30 June 2022: Nil).

A final dividend in respect of the year ended 31 December 2022 of HK5.1 cents per share, totaling HK\$20,400,000 was declared and approved in May 2023 and was paid in June 2023 (for the six months ended 30 June 2022: a final dividend in respect of the year ended 31 December 2021 of HK5.3 cents per share, totaling HK\$21,200,000 was declared, approved and paid in June 2022).

11. LOANS RECEIVABLE

	As at 30 June 2023 <i>HK\$'000</i> (Unaudited)	As at 31 December 2022 <i>HK\$'000</i> (Audited)
Loans receivable	781,401	871,527
Less:		
Provision for impairment losses of loans receivable		
– Stage 1	(1,998)	(2,631)
– Stage 2	(1,354)	(2,605)
– Stage 3	(3,187)	(525)
	<u>774,862</u>	<u>865,766</u>
Loans receivable, net of provision		
Less: non-current portion	(364,907)	(409,090)
	<u>409,955</u>	<u>456,676</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.

As at 30 June 2023, except for loans receivable of HK\$1,148,000 (31 December 2022: HK\$1,242,000) 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 periods, based on the maturity date, net of provision, is as follows:

	As at 30 June 2023 <i>HK\$'000</i> (Unaudited)	As at 31 December 2022 <i>HK\$'000</i> (Audited)
Current	409,955	456,676
Over 1 year and within 5 years	202,744	208,872
Over 5 years	162,163	200,218
	<u>774,862</u>	<u>865,766</u>

12. INTEREST RECEIVABLES

	As at 30 June 2023 <i>HK\$'000</i> (Unaudited)	As at 31 December 2022 <i>HK\$'000</i> (Audited)
Interest receivables	13,544	9,160
Less:		
Provision for impairment losses of interest receivables		
– Stage 1	(16)	(26)
– Stage 2	(31)	(56)
– Stage 3	(204)	(64)
	<u>13,293</u>	<u>9,014</u>
Interest receivables, net of provision	<u>13,293</u>	<u>9,014</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.

As at 30 June 2023, except for interest receivables of HK\$8,000 (31 December 2022: HK\$9,000), which are unsecured and repayable with fixed terms agreed with the customers, all interest receivables are secured by collaterals provided by customers and 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 interest receivables, based on the maturity date, net of provision, is as follows:

	As at 30 June 2023 <i>HK\$'000</i> (Unaudited)	As at 31 December 2022 <i>HK\$'000</i> (Audited)
Current	2,073	2,392
1–30 days	2,634	2,630
31–90 days	3,033	1,924
Over 90 days	5,553	2,068
	<u>13,293</u>	<u>9,014</u>

13. SHARE CAPITAL

	As at 30 June 2023 <i>HK\$'000</i> (Unaudited)	As at 31 December 2022 <i>HK\$'000</i> (Audited)
Authorised:		
10,000,000,000 shares of HK\$0.01 each	<u>100,000</u>	<u>100,000</u>
Issued and fully paid:		
400,000,000 shares of HK\$0.01 each	<u>4,000</u>	<u>4,000</u>

14. BANK LOAN

As at 30 June 2023, an unsecured revolving bank loan facility of HK\$15,000,000 (31 December 2022: HK\$15,000,000) was obtained from an independent third-party bank of which nil was utilised (31 December 2022: HK\$15,000,000). The bank loan facility was denominated in Hong Kong dollars, expiring in one year and carried variable interest rate.

15. RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control the other party or exercise significant influence in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

The Group is controlled by Blossom Spring, 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").

Save as the transactions and balances disclosed elsewhere in this unaudited condensed consolidated interim financial information, 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 six months ended 30 June 2023 and 2022.

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

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest expenses on loans from a related company		
– World Deluxe Limited (“World Deluxe”)	188	–

As at 30 June 2023, 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 (31 December 2022: HK\$50,000,000). The facility is denominated in Hong Kong dollars, repayable in one year and bears a fixed interest rate of 5.5% per annum (31 December 2022: 5.5%). As at 30 June 2023, the Group did not utilise the loan facility (31 December 2022: HK\$28,000,000).

As at 30 June 2023, 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 (31 December 2022: HK\$50,000,000). The facility is denominated in Hong Kong dollars, repayable in one year and bears a fixed interest rate of 5.5% per annum (31 December 2022: 5.5%). As at 30 June 2023, the Group did not utilise the loan facility (31 December 2022: Nil).

(b) **Key management compensation**

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Salaries, commission and benefits	2,049	2,151
Pension costs	36	36
	2,085	2,187

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

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Salaries and pension costs paid to the spouse of a director of the Company	–	126

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

During the six months ended 30 June 2023, with the removal of all anti-epidemic measures and border-reopening which supported the recovery of inbound tourism and private consumption, Hong Kong's Gross Domestic Product improved by 2.9% and 1.5% year-on-year, respectively, in the first and second quarter of 2023. The property market in Hong Kong likewise witnessed a mild recovery after the border-reopening with mainland China in early 2023, yet the recovery trend was short-lived given the continued interest rate hikes as well as challenging external economic environment, which dampened market sentiment towards the later-half of second quarter. Amid the high interest rate environment, risk appetites for various investments and business expansion remained conservative despite the improved economy.

Under the aforesaid challenging operating environment, the Group continued to conduct its mortgage loan business with stringent credit control to minimise associated credit risk during the reporting period. As loan demand remained relatively subdued, the Group's gross loans receivable decreased by approximately HK\$90.1 million or 10.3% from approximately HK\$871.5 million as at 31 December 2022 to approximately HK\$781.4 million as at 30 June 2023. The Group's revenue decreased slightly by approximately HK\$0.3 million or 0.7% from approximately HK\$44.5 million for the six months ended 30 June 2022 to approximately HK\$44.2 million for the six months ended 30 June 2023.

FINANCIAL REVIEW

Revenue

The Group's interest income received from the money lending business of providing property mortgage loans and personal loans decreased slightly by approximately HK\$0.3 million or 0.7% from approximately HK\$44.5 million for the six months ended 30 June 2022 to approximately HK\$44.2 million for the six months ended 30 June 2023. Such decrease was primarily due to the decrease of average month-end balance of the Group's gross loans receivable by approximately HK\$12.1 million or 1.4% from approximately HK\$836.3 million for the six months ended 30 June 2022 to approximately HK\$824.2 million for the six months ended 30 June 2023.

Other Income

Other income increased by HK\$300,000 from HK\$233,000 for the six months ended 30 June 2022 to HK\$533,000 for the six months ended 30 June 2023. Other income for the six months ended 30 June 2023 mainly represented bank interest income, while other income for the six months ended 30 June 2022 represented subsidies provided by the Hong Kong Government under the Subsidy Scheme of Anti-epidemic Fund and the Reimbursement of Maternity leave Pay Scheme.

Administrative expenses

The Group incurred administrative expenses of approximately HK\$10.9 million for the six months ended 30 June 2023 (six months ended 30 June 2022: approximately HK\$11.0 million), which mainly comprised employee benefit expenses, advertising and marketing expenses, depreciation of property, plant and equipment, depreciation of right-of-use assets and other administrative expenses.

Impairment losses – net

The Group recognised a provision for net impairment losses on loans receivable, interest receivables and repossessed assets of HK\$993,000 for the six months ended 30 June 2023, as compared to HK\$500,000 for the six months ended 30 June 2022. The increase in impairment losses was primarily due to the increase in default loans as at 30 June 2023.

Finance costs

Finance costs decreased by HK\$327,000 from HK\$604,000 for the six months ended 30 June 2022 to HK\$277,000 for the six months ended 30 June 2023. The decrease in finance costs was primarily due to the decrease in average borrowings during the reporting period.

Net interest margin

Net interest margin decreased from 10.7% for the six months ended 30 June 2022 to 10.5% for the six months ended 30 June 2023.

Net interest margin 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 reporting period.

Income tax expenses

The Group's effective tax rate decreased from 16.2% for the six months ended 30 June 2022 to 15.7% for the six months ended 30 June 2023.

Profit and total comprehensive income

As a result of the foregoing, the Group's profit and total comprehensive income for the six months ended 30 June 2023 remained stable at HK\$27.4 million (six months ended 30 June 2022: HK\$27.4 million).

LIQUIDITY AND FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the six months ended 30 June 2023, the Group's operation and capital requirements were financed principally through share capital, retained earnings and loans from a bank and a related company.

Based on the Group's current and anticipated levels of operation, the Group's future operations and capital requirements will be financed principally 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 30 June 2023.

As at 30 June 2023, cash and cash equivalents amounted to approximately HK\$108.5 million, representing an increase of approximately HK\$57.3 million as compared to the position as at 31 December 2022. The increase was mainly attributable to the decrease in loans receivable during the reporting period. Cash and cash equivalents as at 30 June 2023 were all denominated in Hong Kong dollars.

As at 30 June 2023, the Group had no outstanding bank loan and loans from related company, representing a decrease of HK\$15.0 million and HK\$28.0 million, respectively, as compared to the positions as at 31 December 2022.

During the six months ended 30 June 2023, the interest-bearing bank facility (of which nil was utilised as at 30 June 2023) was unsecured, denominated in Hong Kong dollars, repayable in one year and bore interest at variable rates.

During the six months ended 30 June 2023, loan facilities from related companies (of which nil was utilised as at 30 June 2023) were unsecured, denominated in Hong Kong dollars, repayable in one year and bore fixed interest rate at 5.5% per annum.

During the six months ended 30 June 2023, 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 30 June 2023, the unutilised facility available to the Group for drawdown amounted to HK\$115.0 million (31 December 2022: HK\$72.0 million).

Gearing Ratio

The Group's gearing ratio was calculated by dividing net debts (being the total borrowings and lease liabilities less pledged deposits and cash and cash equivalents) by total equity. The Group was in a net cash position as at 30 June 2023 and 31 December 2022.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have any significant investments held, material acquisitions and disposals of subsidiaries and associated companies for the six months ended 30 June 2023.

EMPLOYEES AND REMUNERATION

As at 30 June 2023, the Group has employed 18 full-time employees (31 December 2022: 18). The Group's total employee benefit expenses (including directors' emoluments) for the six months ended 30 June 2023 and 2022 were approximately HK\$5.2 million and HK\$5.0 million, respectively. The remuneration of the employees of the Group included salaries, overtime allowance, commission and year end discretionary bonuses. The Group remunerates its employees mainly based on current market trend, individual performance and experience and conduct performance appraisals on an annual basis.

CORPORATE SOCIAL RESPONSIBILITY

As a good corporate citizen, the Group is eager to contribute towards the society through community focused commitments. The Group has demonstrated its corporate social responsibility commitment through the participation in various charitable and volunteer activities. The Group also encourages its staff members to support community activities as well as to promote healthy and balanced physical and mental development. Where possible, the Group will endeavor to participate in community and public welfare activities in particular to support and aid the needs of the underprivileged in Hong Kong.

CONTINGENT LIABILITIES

As at 30 June 2023 and 31 December 2022, the Group had no material contingent liabilities.

PLEDGE OF ASSETS

As at 30 June 2023 and 31 December 2022, the Group did not have any pledged or charged assets.

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 six months ended 30 June 2023. 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 foreign exchange related risks.

EVENTS AFTER THE REPORTING PERIOD

The Group did not have any significant events since the end of the reporting period (i.e. 30 June 2023) and up to the date of this interim results announcement.

PROSPECT

While it is expected that the economy of Hong Kong will continue its post-pandemic recovery path in the second half of 2023, the momentum may slow down given headwinds of high interest rates environment and difficult global economic environment. The property market in Hong Kong may remain floundering as it is surrounded by various risk factors, such as interest rate hikes and a waning economic recovery in mainland China. The road to recovery and investment sentiment will then be driven by interest rate trends and it is expected that loan demand may be constrained in the near term.

With these challenges 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 closely monitor the development of the property market to implement necessary measures in a timely manner. While it is expected that the growth of the Group's loan portfolio may be constrained by subdued loan demand and higher funding cost, the Group will continue to implement stringent cost control measures and strengthen its treasury management and pricing policies to uphold its profitability.

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

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

During the six months ended 30 June 2023, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions (the “Code Provisions”) as set out in the Corporate Governance Code contained in Part 2 of Appendix 14 to the Listing Rules (the “Code”). During the six months ended 30 June 2023, we have complied with the Code Provisions except the following deviations:

- Pursuant to Code Provision C.2.1 of the Code, the roles 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 enabling 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 chairman of the Board, Ms. Wang Yao was unable to attend the Company’s AGM held on 25 May 2023 due to other business commitments. Mr. Man Yiu Kwong, Nick, an independent non-executive Director, took the chair of the AGM, and Ms. Yip Lee Ying, an executive Director, 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 Directors on terms no less exacting than the required standards set out in the Model Code. Having made specific enquiries, the Company confirms that all the Directors have complied with the required standards as stated in the Model Code and the Company’s Code throughout the six months ended 30 June 2023.

REVIEW OF INTERIM RESULTS BY THE AUDIT COMMITTEE

The audit committee of the Board (the “Audit Committee”) 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 the internal control and financial reporting matters including the accounting principles and practices related to the preparation of the unaudited condensed consolidated interim financial information for the six months ended 30 June 2023. It has also reviewed the unaudited condensed consolidated interim financial information for the six months ended 30 June 2023 with the management and the independent auditor of the Company and recommended the same to the Board for approval. In addition, the independent auditor of the Company has reviewed the interim results for the six months ended 30 June 2023 in accordance with Hong Kong Standard of Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2023 (for the six months ended 30 June 2022: Nil).

PUBLICATION

The interim results announcement of the Company for the six months ended 30 June 2023 is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.gicl.com.hk) respectively. The interim report of the Company for the six months ended 30 June 2023 will be dispatched to the shareholders of the Company and published on the websites of the Stock Exchange and the Company, respectively, in due course.

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

Hong Kong, 29 August 2023

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