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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 2021

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 2021, together with the comparative figures for the year ended 31 December 2020.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<i>Notes</i>	Year ended 31 December	
		2021	2020
		<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	5	85,981	103,277
Other income	5	4	1,331
Administrative expenses	6	(23,002)	(24,449)
Reversal of impairment losses – net	7	280	1,523
Finance costs	8	(355)	(5,092)
Profit before income tax		62,908	76,590
Income tax expense	9	(10,388)	(12,425)
Profit and total comprehensive income for the year attributable to owners of the Company		52,520	64,165
Earnings per share attributable to owners of the Company			
– Basic and diluted (expressed in HK cents per share)	10	13.1	16.0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
		2021	2020
		<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>Notes</i>		
ASSETS			
Non-current assets			
Property, plant and equipment		354	270
Right-of-use assets		7,915	1,362
Loans receivable	12	454,246	357,652
Deferred income tax assets		620	676
Deposits		1,480	–
		<hr/>	<hr/>
Total non-current assets		464,615	359,960
		<hr/>	<hr/>
Current assets			
Loans receivable	12	319,863	384,237
Interest receivables	13	5,554	7,143
Repossessed assets		7,293	–
Prepayments, deposits and other receivables		6,841	7,315
Pledged deposit		18,962	7,434
Cash and cash equivalents		82,330	132,835
		<hr/>	<hr/>
Total current assets		440,843	538,964
		<hr/>	<hr/>
Total assets		905,458	898,924
		<hr/>	<hr/>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

		As at 31 December	
		2021	2020
<i>Notes</i>		<i>HK\$'000</i>	<i>HK\$'000</i>
EQUITY			
Equity attributable to owners of the Company			
Share capital	<i>15</i>	4,000	4,000
Reserves		851,461	837,341
Total equity		855,461	841,341
LIABILITIES			
Non-current liability			
Lease liabilities		3,448	–
Total non-current liability		3,448	–
Current liabilities			
Accruals and other payables		3,435	3,277
Tax payable		2,615	4,169
Bank loans	<i>14</i>	35,900	48,700
Lease liabilities		4,599	1,437
Total current liabilities		46,549	57,583
Total liabilities		49,997	57,583
Total equity and liabilities		905,458	898,924

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 29 March 2022.

2 BASIS OF PREPARATION

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) and requirements of the Hong Kong Companies Ordinance (Cap. 622). 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 management 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 2021:

- Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16, interest rate benchmark reform - phase 2
- Amendment to HKFRS 16, Covid-19 related concessions beyond 30 June 2021

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 2021 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 2021 and 2020, 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 2021 and 2020.

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	
	2021	2020
	HK\$'000	HK\$'000
Revenue		
Interest income	<u>85,981</u>	<u>103,277</u>
Other income		
Bank interest income	4	36
Government grants (<i>Note (a)</i>)	<u>–</u>	<u>1,295</u>
	<u>4</u>	<u>1,331</u>

- (a) Being wage subsidies provided by the Hong Kong Government under the Employment Support Scheme during the year ended 31 December 2020. There are no unfulfilled conditions or other contingencies attaching to these grants.

6 ADMINISTRATIVE EXPENSES

	Year ended 31 December	
	2021	2020
	HK\$'000	HK\$'000
Employee benefit expenses (including directors' emoluments)	10,734	11,310
Advertising and marketing expenses	4,156	4,843
Legal and professional fees	1,532	1,045
Auditor's remuneration		
– Audit services	700	800
– Non-audit services	100	263
Depreciation of property, plant and equipment	268	424
Depreciation of right-of-use assets	3,666	4,026
Other administrative expenses	<u>1,846</u>	<u>1,738</u>
	<u>23,002</u>	<u>24,449</u>

7 REVERSAL OF IMPAIRMENT LOSSES – NET

	Year ended 31 December 2021			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 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)
	265	(113)	128	280
	Year ended 31 December 2020			
	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	2,197	(847)	191	1,541
Net reversal of/(charge for) provisions for impairment assessment on interest receivables	24	(28)	(14)	(18)
	2,221	(875)	177	1,523

8 FINANCE COSTS

	Year ended 31 December	
	2021	2020
	HK\$'000	HK\$'000
Finance costs		
Interest expenses on secured bank loans	75	512
Interest expenses on secured other borrowings	–	4,365
Interest expenses on lease liabilities	280	215
	<u>280</u>	<u>215</u>
	355	5,092

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	
	2021	2020
	HK\$'000	HK\$'000
Current tax		
– Current tax on profits for the year	10,352	12,260
– Over-provision in prior years	(20)	(20)
	<u>10,332</u>	<u>12,240</u>
Total current tax	10,332	12,240
Deferred tax		
– Decrease in deferred income tax assets	56	185
	<u>56</u>	<u>185</u>
Income tax expense	10,388	12,425

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 2021, 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\$52,520,000 (2020: HK\$64,165,000) by the weighted average number of ordinary shares in issue during the year of 400,000,000 (2020: 400,000,000 shares).

	Year ended 31 December	
	2021	2020
Profit attributable to owners of the Company (<i>HK\$'000</i>)	52,520	64,165
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>13.1</u>	<u>16.0</u>

(b) Diluted earnings per share

There were no potential dilutive ordinary shares outstanding during the years ended 31 December 2021 and 2020 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 2021 of HK5.3 cents per share, totalling HK\$21,200,000, is to be proposed at the upcoming annual general meeting. These consolidated financial statements do not reflect this dividend payable.

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Proposed final dividend of HK5.3 cents (2020: HK6.4 cents) per share	21,200	25,600
Proposed special dividend of nil cents (2020: HK3.2 cents) per share	<u>–</u>	<u>12,800</u>

12 LOANS RECEIVABLE

	As at 31 December	
	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Loans receivable	777,107	745,311
Less:		
Provision for impairment assessment of loans receivable		
– Stage 1	(1,311)	(1,569)
– Stage 2	(1,228)	(1,104)
– Stage 3	(459)	(749)
Loans receivable, net of provision	774,109	741,889
Less: non-current portion	(454,246)	(357,652)
Current portion	319,863	384,237

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\$1,230,000 (2020: HK\$1,178,000), 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:

	As at 31 December	
	2021	2020
	HK\$'000	HK\$'000
Current	319,863	384,237
Over 1 year and within 5 years	275,423	172,156
Over 5 years	178,823	185,496
	774,109	741,889

As at 31 December 2021, loans receivable with carrying amount of HK\$94,751,000 (2020: HK\$115,699,000) were charged to a bank to secure a bank loan facility granted to a subsidiary of the Company.

As at 31 December 2020, certain properties mortgaged to the subsidiary of the Company for loans granted to its respective customers were pledged to an independent third party licensed money lender to secure a loan facility granted to a subsidiary of the Company. These properties, with market value of HK\$238,880,000, were mortgaged to the Group for securing loans receivable of HK\$88,923,000. Such loan facility was expired on 31 December 2021.

13 INTEREST RECEIVABLES

	As at 31 December	
	2021	2020
	HK\$'000	HK\$'000
Interest receivables	5,646	7,284
Less:		
Provision for impairment assessment of interest receivables		
– Stage 1	(10)	(17)
– Stage 2	(25)	(36)
– Stage 3	(57)	(88)
Interest receivables, net of provision	5,554	7,143

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\$12,000 (2020: HK\$15,000), 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:

	As at 31 December	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current	2,279	2,133
0–30 days	1,400	1,684
31–90 days	914	1,870
Over 90 days	961	1,456
	<u>5,554</u>	<u>7,143</u>

14 BANK LOANS

As at 31 December 2021, secured bank loans of HK\$35,900,000 (2020: HK\$48,700,000), were denominated in Hong Kong dollars, repayable in one year and bore interest rate of 4.26% (2020: 4.36%) 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 amount of HK\$94,751,000 (2020: HK\$115,699,000); (ii) a floating charge on certain bank accounts of a subsidiary of the Company with carrying amount of HK\$18,962,000 (2020: HK\$7,434,000); and (iii) a corporate guarantee from the Company.

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 2020, 1 January 2021 and 31 December 2021	<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 2020, 1 January 2021 and 31 December 2021	<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.

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 2021 and 2020.

(a) Key management compensation

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

	Year ended 31 December	
	2021	2020
	HK\$'000	HK\$'000
Salaries, benefits and other remuneration	4,133	4,049
Discretionary bonus	272	268
Pension costs	81	90
	<u>4,486</u>	<u>4,407</u>

(b) Remuneration paid to a related party

	Year ended 31 December	
	2021	2020
	HK\$'000	HK\$'000
Salaries and pension costs paid to the spouse of a director of the Company	<u>252</u>	<u>252</u>

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 2021 (“FY2021”), with the gradual easing of COVID-19, the economy of Hong Kong showed steady recovery from a deep recession in the previous 2 years with the gross domestic product for the year grown by 6.4% and unemployment rate declined from the peak of 7.2% in February 2021 to 3.9% in the last quarter of 2021. The property market in Hong Kong showed signs of rebound with an increased number of property transactions and an increase of the residential property price index in December 2021 by 3.0% as compared to the corresponding figure in December 2020.

Although there was a general recovery of the economy, the overall economic activity in Hong Kong remained below the pre-recession level given the inbound tourism remained frozen and the investor sentiment remained weak. Loan demand revived from low level in previous year amid gradual recovery with HK\$327.7 million new loans granted by the Group in FY2021 as compared to HK\$203.6 million in the financial year ended 31 December 2020 (“FY2020”). The Group’s gross loans receivable and repossessed assets increased slightly by HK\$39.3 million to HK\$784.6 million as at 31 December 2021 as compared to HK\$745.3 million as at 31 December 2020. Although the Group’s gross loans receivable slightly increased in FY2021, the Group’s interest income decreased by 16.7% or HK\$17.3 million to HK\$86.0 million for FY2021 due to the decrease in average gross loans receivable for FY2021 as compared to FY2020.

With the pandemic persists and the overall economic environment remained challenging, 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 2021 managed at 53.7%.

FINANCIAL REVIEW

Revenue

For FY2021, the Group's interest income from its money lending business was HK\$86.0 million, representing a decrease of HK\$17.3 million or 16.7% from interest income of HK\$103.3 million for FY2020. The decrease was primarily due to the decrease in average month-end balance of loans receivable during the year. The average month-end balance of aggregate loans receivable decreased by HK\$92.8 million or 11.0% from HK\$841.4 million for FY2020 to HK\$748.6 million for FY2021.

Other income

Other income decreased by HK\$1,327,000 from HK\$1,331,000 in FY2020 to HK\$4,000 in FY2021. The decrease is mainly due to the absence of the wage subsidies provided by the Hong Kong Government under the Employment Support Scheme in FY2021.

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 26.7% and 23.7% of the total revenue for FY2021 and FY2020, respectively, decreased from HK\$24.4 million in FY2020 to HK\$23.0 million in FY2021, representing a decrease of HK\$1.4 million or 5.7%.

Employee benefit expenses decreased by HK\$0.6 million or 5.3% from HK\$11.3 million in FY2020 to HK\$10.7 million in FY2021.

Advertising and marketing expenses decreased by HK\$0.6 million or 12.5% from HK\$4.8 million in FY2020 to HK\$4.2 million in FY2021. The decrease in advertising and marketing expenses in FY2021 was mainly due to fewer resources being devoted to television advertising.

Excluding employee benefit expenses and advertising and marketing expenses mentioned above, administrative expenses decreased by HK\$0.2 million or 2.4% from HK\$8.3 million in FY2020 to HK\$8.1 million in FY2021. These expenses were comprised of mainly legal and professional fees of HK\$1.5 million (FY2020: HK\$1.0 million); auditor's remuneration of HK\$0.8 million (FY2020: HK\$1.1 million); depreciation of property, plant and equipment of HK\$0.3 million (FY2020: HK\$0.4 million); depreciation of right-of-use assets of HK\$3.7 million (FY2020: HK\$4.0 million); and other administrative expenses of HK\$1.8 million (FY2020: HK\$1.7 million).

Reversal of impairment losses – net

The Group recognised a reversal of provision for impairment losses on loans receivable and interest receivables of HK\$0.4 million in FY2021 (FY2020: HK\$1.5 million) netting off with a provision for repossessed assets of HK\$0.1 million (FY2020: Nil).

Finance costs

Finance costs decreased by HK\$4.7 million or 92.2% from HK\$5.1 million in FY2020 to HK\$0.4 million in FY2021 due to a decrease 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 11.7% for FY2020 to 11.5% for FY2021.

Income tax expenses

The Group's effective tax rate increased slightly from 16.2% for FY2020 to 16.5% for FY2021.

Profit and total comprehensive income

As a result of the foregoing, the Group's profit and total comprehensive income for FY2021 was HK\$52.5 million, representing a decrease of HK\$11.7 million or 18.2% from profit and total comprehensive income of HK\$64.2 million for FY2020.

OUTLOOK

While there was a hope that Hong Kong will continue its path to economy recovery in 2022, the new wave of epidemic has disrupted the pace of economy recovery. The escalating outbreak of the Omicron variant has caused a heavy blow to the local economies. It is expected that the economy of Hong Kong will be severely affected in the first half of 2022. The recovery of the economy will then largely depend on the development of the pandemic situation and the Government's pandemic strategies in the second half of 2022.

Besides the local pandemic threat, the Russia-Ukraine conflict and the inflationary pressure on the United States of America bring further uncertainties on the global economy. With a view of an increasing threat of a rise of loan defaults and delinquent payments and a downward pressure on property price due to the worsening economic environment, the Group will continue to take active measures to review the repayment record of the customers and conduct comprehensive assessments on the related collaterals to manage the credit risk.

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. The Group will closely monitor the development of the property market to implement necessary timely measures 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 currently, it will continue to improve its existing products and services to enhance customer experience.

LIQUIDITY AND FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During FY2021, the Group's operational and capital requirements were financed principally through retained earnings, loans from a bank and loans from independent third party licensed money lenders.

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 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 2021.

As at 31 December 2021, cash and cash equivalents and pledged deposits amounted to HK\$101.3 million, representing a decrease of HK\$39.0 million as compared to the position as at 31 December 2020. The decrease was mainly attributable to an increase in gross loans receivable as at 31 December 2021.

As at 31 December 2021, interest-bearing bank loans amounted to HK\$35.9 million, representing a decrease of HK\$12.8 million as compared to the position as at 31 December 2020.

As at 31 December 2021, all outstanding interest-bearing bank loans were repayable in one year and bore interest at variable rates. The bank loans were secured by (i) a floating charge on certain loans receivable of a subsidiary of the Company; (ii) a floating charge on certain bank accounts of a subsidiary of the Company; and (iii) a corporate guarantee executed by the Company.

During the year ended 31 December 2021, 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 2021, the unutilised facility available to the Group for drawdown amounted to HK\$14.1 million (2020: HK\$301.3 million).

Current ratio

The Group's current ratio increased from 9.4 times as at 31 December 2020 to 9.5 times as at 31 December 2021.

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 2021 and 2020.

Return on total assets and return on equity

The return on total assets decreased from 7.1% as at 31 December 2020 to 5.8% as at 31 December 2021. The return on equity decreased from 7.6% as at 31 December 2020 to 6.1% as at 31 December 2021.

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 FY2021.

EMPLOYEES AND REMUNERATION

As at 31 December 2021, the Group employed 20 full-time employees (2020: 22). The total employee benefit expenses (including directors' emoluments) of the Group for the years ended 31 December 2021 and 2020 were HK\$10.7 million and HK\$11.3 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 2021 and 2020, the Group had no material contingent liabilities.

PLEDGE OF ASSETS

As at 31 December 2020, certain properties mortgaged to a subsidiary of the Company by its customers were pledged to a licensed money lender to secure a loan facility granted to the Group. These properties, with a combined market value of HK\$238.9 million, were mortgaged to the Group for securing loans receivable of HK\$88.9 million. Such loan facility was expired on 31 December 2021.

As at 31 December 2021, certain loans receivable and bank accounts of a subsidiary of the Company with carrying amount of HK\$94.8 million (2020: HK\$115.7 million) and HK\$19.0 million (2020: HK\$7.4 million), respectively, were charged to a bank to secure a loan facility granted to the Group. Those loan facilities granted to the Group were for the expansion of the Group's mortgage business.

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 2021. 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 2021 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 2021.

CORPORATE GOVERNANCE PRACTICES

For the year ended 31 December 2021, 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 2021, except for the following deviations:

Pursuant to Code Provision A.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 Directors believe 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. 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 E.1.2 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 1 June 2021 due to other business commitments. Man Yiu Kwong, Nick, the independent non-executive director of the Company, took the chair of the AGM, together with other Directors including executive and 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, 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 2021.

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 2021. It has also reviewed the accounting principles and practices adopted by the Group and the annual results for the year ended 31 December 2021 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 HK5.3 cents per ordinary share, totalling HK\$21,200,000 payable to the shareholders whose names appear on the register of members of the Company on Friday, 10 June 2022. The proposed final dividend will be paid on or about Friday, 24 June 2022 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 Wednesday, 1 June 2022, the register of members of the Company will be closed from Friday, 27 May 2022 to Wednesday, 1 June 2022 (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 p.m. on Thursday, 26 May 2022.

For determining the entitlement to the payment of final dividend, the register of members of the Company will be closed from Wednesday, 8 June 2022 to Friday, 10 June 2022 (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 Friday, 10 June 2022. 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 p.m. on Tuesday, 7 June 2022.

PUBLICATION

The final results announcement of the Company for the year ended 31 December 2021 is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.gicl.com.hk) respectively. The 2021 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 Wednesday, 1 June 2022. The notice of the forthcoming AGM, which constitutes part of the circular to its shareholders, together with proxy form and the Company's 2021 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, 29 March 2022

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.