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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 2023

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 2023, together with the comparative figures for the year ended 31 December 2022.

#### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Year ended 31 December	
		2023 HK\$'000	2022 HK\$'000
Revenue	5	87,860	90,524
Other income	5	1,756	583
Administrative expenses	6	(22,714)	(25,419)
Impairment losses on financial assets, net of reversal	7	(4,683)	(3,282)
Impairment loss on intangible asset	12	(1,640)	–
Finance costs	8	(422)	(1,331)
<b>Profit before income tax</b>		<b>60,157</b>	61,075
Income tax expense	9	(9,853)	(10,116)
<b>Profit and total comprehensive income for the year attributable to owners of the Company</b>		<b>50,304</b>	50,959
<b>Earnings per share attributable to owners of the Company</b>			
– Basic and diluted (expressed in HK cents per share)	10	12.6	12.7

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		<b>As at 31 December</b>	
		<b>2023</b>	2022
		<b>HK\$'000</b>	<b>HK\$'000</b>
	<i>Notes</i>		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		223	327
Right-of-use assets		6,175	4,429
Intangible asset	12	13,360	–
Loans receivable	13	369,334	409,090
Deposits		1,220	1,391
Deferred income tax assets		485	1,070
		<hr/>	<hr/>
<b>Total non-current assets</b>		<b>390,797</b>	416,307
		<hr/>	<hr/>
<b>Current assets</b>			
Loans receivable	13	455,343	456,676
Interest receivables	14	12,778	9,014
Repossessed assets		10,331	4,705
Prepayments, deposits and other receivables		9,174	6,083
Cash and cash equivalents		52,317	51,156
		<hr/>	<hr/>
<b>Total current assets</b>		<b>539,943</b>	527,634
		<hr/>	<hr/>
<b>Total assets</b>		<b>930,740</b>	943,941
		<hr/>	<hr/>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

		<b>As at 31 December</b>	
		<b>2023</b>	2022
		<b>HK\$'000</b>	<b>HK\$'000</b>
	<i>Notes</i>		
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	<i>16</i>	<b>4,000</b>	4,000
Reserves		<b>911,124</b>	881,220
		<hr/>	<hr/>
<b>Total equity</b>		<b>915,124</b>	885,220
		<hr/>	<hr/>
<b>LIABILITIES</b>			
<b>Non-current liability</b>			
Lease liabilities		<b>3,587</b>	1,148
		<hr/>	<hr/>
<b>Total non-current liability</b>		<b>3,587</b>	1,148
		<hr/>	<hr/>
<b>Current liabilities</b>			
Accruals and other payables		<b>2,905</b>	3,778
Bank loan	<i>15</i>	–	15,000
Loans from a related company	<i>17(a)</i>	–	28,000
Lease liabilities		<b>3,048</b>	3,451
Tax payable		<b>6,076</b>	7,344
		<hr/>	<hr/>
<b>Total current liabilities</b>		<b>12,029</b>	57,573
		<hr/>	<hr/>
<b>Total liabilities</b>		<b>15,616</b>	58,721
		<hr/>	<hr/>
<b>Total equity and liabilities</b>		<b>930,740</b>	943,941
		<hr/>	<hr/>

# 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 27 March 2024.

## 2 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRS”) and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622 of the Laws of Hong Kong) (“HKCO”). 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 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

#### (i) New standards, interpretations and amendments

(a) The Group has adopted the following new standards, interpretations and amendments for the first time for their annual reporting period commencing 1 January 2023:

- HKFRS 17 *Insurance Contracts*;
- Disclosure of Accounting Policies (Amendments to HKAS 1 *Presentation of Financial Statements* and HKFRS Practice Statement 2 *Making Materiality Judgements*);
- Definition of Accounting Estimates (Amendments to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*);
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to HKAS 12 *Income Taxes*); and
- International Tax Reform – Pillar Two Model Rules (Amendments to HKAS 12 *Income Taxes*)

Except for the Amendments to HKAS 1 *Presentation of Financial Statements* and HKFRS Practice Statement 2 *Making Materiality Judgements* which affect the disclosure of accounting policies of the Group, the other new standards, interpretations and amendments have no material impact on the Group's results and financial position for the current or prior period and on accounting policies.

(b) New HKICPA guidance on the accounting implications of the abolition of the Mandatory Provident Fund (“MPF”) – Long Service Payment (“LSP”) offsetting mechanism

In July 2023, the HKICPA published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” that provides accounting guidance relating to the offsetting mechanism and the abolition of the mechanism effective from 1 May 2025. To better reflect the substance of the abolition of the offsetting mechanism, the Group has changed its accounting policy in connection with its long service payment liability and has applied the above HKICPA guidance. The abolition of the offsetting mechanism and the related change in accounting policy has no material impact on the Group's results and financial position for the current or prior period.

**(ii) New standards, interpretations and amendments not yet effective**

The Group has not early adopted the following new standards, interpretations and amendments that have been issued but not yet effective.

The following amendments are effective for the accounting periods beginning on or after 1 January 2024:

- Lease liability in a Sale and Leaseback (Amendments to HKFRS 16 *Leases*)
- Classification of Liabilities as Current or Non-current (Amendment to HKAS 1 *Presentation of Financial Statements*)
- Non-current Liabilities with Covenants (Amendment to HKAS 1 *Presentation of Financial Statements*)
- Hong Kong Interpretation 5 (Revised) *Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* (Amendment to HKAS 1 – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants)
- Supplier Finance Arrangements (Amendment to HKAS 7 *Statement of Cash Flows* and HKFRS 7 *Financial Instruments: Disclosures*)

The following amendments are effective for the accounting periods beginning on or after 1 January 2025:

- Lack of Exchangeability (Amendments to HKAS 21 *The Effects of Changes in Foreign Exchange Rates*)

The Group is currently assessing the impact of these new accounting standards, interpretations and amendments. The Group does not believe that the amendments to HKAS 1 will have a significant impact on the classification of its liabilities. The Group does not expect any other standards issued, but are yet to be effective, to have a material impact on the Group.

#### **4 SEGMENT INFORMATION**

During the years ended 31 December 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 years ended 31 December 2023 and 2022.

## 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	
	2023	2022
	HK\$'000	HK\$'000
<b>Revenue</b>		
Interest income	<u>87,860</u>	<u>90,524</u>
<b>Other income</b>		
Bank interest income	1,635	14
Government grants ( <i>Note (a)</i> )	<u>121</u>	<u>569</u>
	<u>1,756</u>	<u>583</u>

- (a) Being subsidies provided by the Hong Kong Government. There are no unfulfilled conditions or other contingencies attaching to these grants.

## 6 ADMINISTRATIVE EXPENSES

	Year ended 31 December	
	2023	2022
	HK\$'000	HK\$'000
Employee benefit expenses (including directors' emoluments)	10,722	10,519
Advertising and marketing expenses	4,093	4,983
Legal and professional fees	1,293	1,139
Auditor's remuneration		
– Audit services	740	700
– Non-audit services	162	150
Depreciation of property, plant and equipment	115	120
Depreciation of right-of-use assets	4,079	3,486
Other administrative expenses	<u>1,510</u>	<u>4,322</u>
	<u>22,714</u>	<u>25,419</u>

7 IMPAIRMENT LOSSES ON FINANCIAL ASSETS, NET OF REVERSAL

	Year ended 31 December 2023			Total HK\$'000
	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	
Net (reversal of)/charge for provisions for impairment losses on loans receivable	(1,318)	(2,176)	7,726	4,232
Net (reversal of)/charge for provisions for impairment losses on interest receivables	(13)	(36)	390	341
Charge for impairment losses on a repossessed asset	—	—	110	110
	<b>(1,331)</b>	<b>(2,212)</b>	<b>8,226</b>	<b>4,683</b>
	Year ended 31 December 2022			
	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 charge for provisions for impairment losses on loans receivable	1,320	1,377	66	2,763
Net charge for provisions for impairment losses on interest receivables	16	31	7	54
Provisions for impairment losses on repossessed assets	—	—	465	465
	<b>1,336</b>	<b>1,408</b>	<b>538</b>	<b>3,282</b>

## 8 FINANCE COSTS

	Year ended 31 December	
	2023	2022
	HK\$'000	HK\$'000
Interest expenses on unsecured bank loan	6	10
Interest expenses on secured bank loans	–	545
Interest expenses on loans from a related company	188	499
Interest expenses on lease liabilities	228	277
	<u>422</u>	<u>1,331</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	
	2023	2022
	HK\$'000	HK\$'000
Current tax		
– Current tax on profits for the year	9,403	10,586
– Over-provision in prior years	(135)	(20)
Total current tax	<u>9,268</u>	<u>10,566</u>
Deferred tax		
Decrease/(increase) in deferred income tax assets	<u>585</u>	<u>(450)</u>
Income tax expense	<u>9,853</u>	<u>10,116</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 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 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\$50,304,000 (2022: HK\$50,959,000) by the weighted average number of ordinary shares in issue during the year of 400,000,000 (2022: 400,000,000 shares).

	<b>Year ended 31 December</b>	
	<b>2023</b>	2022
Profit attributable to owners of the Company ( <i>HK\$'000</i> )	<b>50,304</b>	50,959
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>12.6</u></b>	<u>12.7</u>

### (b) Diluted earnings per share

There were no potential dilutive ordinary shares outstanding during the years ended 31 December 2023 and 2022 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 2023 of HK5.0 cents per share, totalling HK\$20,000,000 is to be proposed at the upcoming annual general meeting. These consolidated financial statements do not reflect this dividend payable.

	<b>2023</b>	2022
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Proposed final dividend of HK5.0 cents (2022: HK5.1 cents) per share	<b><u>20,000</u></b>	<u>20,400</u>

## 12. INTANGIBLE ASSET

During the year ended 31 December 2023, the Group acquired a nominated membership of Hong Kong Golf Club (“Club Membership”) at a cost of HK\$15,000,000. As at 31 December 2023, the Club Membership is assessed as having an indefinite useful life as the management considered the Group has the contractual right to control over the asset and legal rights with an indefinite period. The Club Membership is carried at cost less accumulated impairment.

During the year ended 31 December 2023, the Group carried out an assessment of the recoverable amount of the Club Membership and recognised an impairment loss of HK\$1,640,000 (2022: nil) during the year. Such recoverable amount is estimated with reference to the current open market value less cost of disposal as of the end of the reporting period.

## 13 LOANS RECEIVABLE

	<b>As at 31 December</b>	
	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Loans receivable	<b>834,670</b>	871,527
Less:		
Provision for impairment losses on loans receivable		
– Stage 1	<b>(1,313)</b>	(2,631)
– Stage 2	<b>(429)</b>	(2,605)
– Stage 3	<b>(8,251)</b>	(525)
	<b>(9,993)</b>	(5,761)
Loans receivable, net of provision	<b>824,677</b>	865,766
Less: non-current portion	<b>(369,334)</b>	(409,090)
Current portion	<b>455,343</b>	456,676

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\$1,301,000 (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 period, based on the maturity date, net of provision, is as follows:

	<b>As at 31 December</b>	
	<b>2023</b>	2022
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Current	<b>455,343</b>	456,676
Over 1 year and within 5 years	<b>205,945</b>	208,872
Over 5 years	<b>163,389</b>	200,218
	<u><b>824,677</b></u>	<u>865,766</u>

#### **14 INTEREST RECEIVABLES**

	<b>As at 31 December</b>	
	<b>2023</b>	2022
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Interest receivables	<b>13,265</b>	9,160
Less:		
Provision for impairment losses on interest receivables		
– Stage 1	<b>(13)</b>	(26)
– Stage 2	<b>(20)</b>	(56)
– Stage 3	<b>(454)</b>	(64)
	<u><b>(487)</b></u>	<u>(146)</u>
Interest receivables, net of provision	<u><b>12,778</b></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.

Except for interest receivables of HK\$30,000 (2022: HK\$9,000), 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	
	2023	2022
	HK\$'000	HK\$'000
Current	1,557	2,392
0–30 days	3,378	2,630
31–90 days	2,963	1,924
Over 90 days	4,880	2,068
	<u>12,778</u>	<u>9,014</u>

## 15 BANK LOAN

As at 31 December 2022, an unsecured bank loan of HK\$15,000,000 was denominated in Hong Kong dollars, repayable in one year and bore an interest rate of 7.95% per annum. The bank loan was obtained from an independent third-party bank. Such bank loan facility was expired and the loan was fully repaid during the year ended 31 December 2023.

## 16 SHARE CAPITAL

### Authorised share capital

	Number of ordinary shares	Nominal value of ordinary shares HK\$	Equivalent nominal value of ordinary shares HK\$
At 31 December 2022, 1 January 2023 and 31 December 2023	<u>10,000,000,000</u>	<u>0.01</u>	<u>100,000,000</u>

### Issued share capital

	Number of issued shares	Amount HK\$
At 31 December 2022, 1 January 2023 and 31 December 2023	<u>400,000,000</u>	<u>4,000,000</u>

## 17 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 2023 and 2022.

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

	Year ended 31 December	
	2023	2022
	HK\$'000	HK\$'000
Interest expenses on loans from a related company		
– World Deluxe Limited ("World Deluxe")	<b>188</b>	<b>499</b>

During the year ended 31 December 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 (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 (2022: 5.5%). As at 31 December 2023, the Group did not utilise the loan facility (2022: HK\$28,000,000).

During the year ended 31 December 2022, the Group 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. The facility was denominated in Hong Kong dollars, repayable in one year and bear a fixed interest rate of 5.5% per annum. The Group did not utilise the loan facility and the loan facility was expired during the year ended 31 December 2023.

**(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>2023</b>	<b>2022</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
Salaries, benefits and other remuneration	<b>4,147</b>	4,239
Discretionary bonus	<b>288</b>	272
Pension costs	<b>72</b>	72
	<b><u>4,507</u></b>	<b><u>4,583</u></b>

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

	<b>Year ended 31 December</b>	
	<b>2023</b>	<b>2022</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>-</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 year ended 31 December 2023 (“FY2023”), Hong Kong’s economy experienced a cyclical rebound with Gross Domestic Product (“GDP”) improving by 3.2% from the preceding year. Nevertheless, the post-pandemic recovery was short-lived and weaker than expected as impacted by a weak global demand, a slowdown in China’s economic growth and high interest rates, and it is observed that the overall economic activity is still falling short of its pre-pandemic GDP levels. Amid the headwinds of weak confidence, continued interest rate hikes and increased new house supply, the residential property market in Hong Kong continued its down-cycle after a short-term rebound in early 2023. Notwithstanding the Hong Kong Government partially relaxed property market cooling measures in the fourth quarter of 2023 by reducing the Ad Valorem Stamp Duty rates and to easing loan-to-value ratios for residential properties, the market sentiment remained weak with no significant rebound on both property prices and transaction volume. The Private Domestic Property Price Index of Hong Kong plunged by 7.0% from 334.7 in December 2022 to 311.3 in December 2023. Amid the high interest rate environment and weak economic outlook, risk appetites for various investments and business expansion remain conservative.

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 year. As loan demand remained relatively subdued, the Group’s gross loans receivable decreased by approximately HK\$36.8 million or 4.2% from approximately HK\$871.5 million as at 31 December 2022 to HK\$834.7 million as at 31 December 2023. The Group’s revenue decreased slightly by HK\$2.6 million or 2.9% from HK\$90.5 million for the year ended 31 December 2022 (“FY2022”) to HK\$87.9 million for FY2023.

As there was an overall decrease in the market value of the Group's collaterals due to the worsening property market condition in 2023 and the increase in default loans receivable and interest receivables, the Group recorded a provision for impairment losses on loans receivable, interest receivables and repossessed assets of HK\$4.7 million in FY2023 as compared to HK\$3.3 million in FY2022. With an increasing threat of decline in collateral value and a rise of delinquent payments, the Group has taken measures to actively, and on a regular basis, review the repayment record of customers and conduct comprehensive assessments on the related collaterals to manage credit risk. Prompt legal action for loan recovery has been taken on any identified default of loans to minimise possible credit losses. The Group strived to uphold the quality of its loan portfolio with the overall weighted average loan-to-value ratio as at 31 December 2023 managed at 60.0% (2022: 57.4%).

## **FINANCIAL REVIEW**

### **Revenue**

For FY2023, the Group's interest income from its money lending business was HK\$87.9 million, representing a slight decrease of HK\$2.6 million or 2.9% from interest income of HK\$90.5 million for FY2022. 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\$25.9 million or 3.1% from HK\$848.6 million for FY2022 to HK\$822.7 million for FY2023.

### **Other income**

Other income increased by HK\$1.2 million from HK\$0.6 million in FY2022 to HK\$1.8 million in FY2023. The increase was mainly due to increase in bank interest income.

### **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 25.8% and 28.1% of the total revenue for FY2023 and FY2022, respectively, decreased from HK\$25.4 million in FY2022 to HK\$22.7 million in FY2023, representing a decrease of HK\$2.7 million or 10.6%.

Employee benefit expenses increased by HK\$0.2 million or 1.9% from HK\$10.5 million in FY2022 to HK\$10.7 million in FY2023.

Advertising and marketing expenses decreased by HK\$0.9 million or 18.0% from HK\$5.0 million in FY2022 to HK\$4.1 million in FY2023. The decrease in advertising and marketing expenses in FY2023 was mainly due to a decrease in expenses for television advertising.

Excluding employee benefit expenses and advertising and marketing expenses mentioned above, administrative expenses decreased by HK\$2.0 million or 20.2% from HK\$9.9 million in FY2022 to HK\$7.9 million in FY2023. These expenses were comprised of mainly legal and professional fees of HK\$1.3 million (FY2022: HK\$1.1 million); auditor's remuneration of HK\$0.9 million (FY2022: HK\$0.9 million); depreciation of property, plant and equipment of HK\$0.1 million (FY2022: HK\$0.1 million); depreciation of right-of-use assets of HK\$4.1 million (FY2022: HK\$3.5 million); and other administrative expenses of HK\$1.5 million (FY2022: HK\$4.3 million). The decrease in other administrative expenses was mainly due to decrease in business traveling expenses.

### **Impairment losses on financial assets, net of reversal**

The Group recognised a provision for impairment losses on financial assets of HK\$4.7 million in FY2023 (FY2022: HK\$3.3 million), which was primarily due to increase in default loans receivable and interest receivables and the decrease in market value of the related collaterals.

### **Impairment loss on intangible asset**

The Group recognised an impairment loss of HK\$1.6 million on golf club membership during FY2023 (FY2022: nil), details which are disclosed in note 12 to the notes to the consolidated financial statements.

### **Finance costs**

Finance costs decreased by HK\$0.9 million or 69.2% from HK\$1.3 million in FY2022 to HK\$0.4 million in FY2023 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 increased from 10.5% for FY2022 to 10.7% for FY2023.

## **Income tax expenses**

The Group's effective tax rate decreased slightly from 16.5% for FY2022 to 16.4% for FY2023.

## **Profit and total comprehensive income**

As a result of the foregoing, the Group's profit and total comprehensive income for FY2023 was HK\$50.3 million, representing a decrease of HK\$0.7 million or 1.4% as compared to the Group's profit and total comprehensive income of HK\$51.0 million for FY2022.

## **OUTLOOK**

Moving to 2024, the economic prospects of Hong Kong remain highly uncertain as driven by adverse impact of rising geopolitical tensions, challenges from China's economic growth slowing down and the prolonged high interest rate environment. Loan growth momentum may be constrained with conservative risk appetites for business and property investment in the near term.

Nonetheless, the recent removal of all property market cooling measures by the Hong Kong Government indicates a potential revival of the property market in Hong Kong as it helps in stimulating the property market's transactions and momentum. With a general expectation of an interest rates cut from the second half of 2024, the property market may be gradually stabilised from its downward trend after interest rates come down and the broader economy improves.

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 FY2023, 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 2023.

As at 31 December 2023, cash and cash equivalents amounted to HK\$52.3 million, which were mainly denominated in Hong Kong dollars, representing an increase of HK\$1.2 million as compared to the position as at 31 December 2022. The increase was mainly attributable to a decrease in gross loans receivable as at 31 December 2023.

As at 31 December 2023, the Group did not have any outstanding interest-bearing bank loans or loans from related parties, as compared to HK\$15.0 million and HK\$28.0 million, respectively, as at 31 December 2022.

During FY2023, 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 2023, the unutilised facility available to the Group for drawdown amounted to HK\$50.0 million (2022: HK\$72 million).

### **Current ratio**

The Group's current ratio increased from 9.1 times as at 31 December 2022 to 44.8 times as at 31 December 2023.

### **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 2023 and 2022.

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

The return on total assets remained stable at 5.4% as at 31 December 2023 (2022: 5.4%). The return on equity decreased from 5.8% as at 31 December 2022 to 5.5% as at 31 December 2023.

## **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 2023.

## **EMPLOYEES AND REMUNERATION**

As at 31 December 2023, the Group employed 18 full-time employees (2022: 18). The total employee benefit expenses (including directors' emoluments) of the Group for the years ended 31 December 2023 and 2022 were HK\$10.7 million and HK\$10.5 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 2023 and 2022, the Group had no material contingent liabilities.

## **PLEDGE OF ASSETS**

As at 31 December 2023 and 2022, the Group did not have any pledged 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 financial year ended 31 December 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 exchange related risks.

## **EVENTS AFTER THE REPORTING PERIOD**

Subsequent to the end of the financial year ended 31 December 2023 and up to the date of this annual report, 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 our Company nor any of our subsidiaries has purchased, sold or redeemed any of our Company's listed securities during the year ended 31 December 2023.

## **CORPORATE GOVERNANCE PRACTICES**

For the year ended 31 December 2023, the Company has complied with the relevant code provisions under Part 2 of the Corporate Governance Code as set out in Appendix C1 (formerly known as Appendix 14) of the Listing Rules (the "Code") applicable as at 31 December 2023, 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 25 May 2023 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 C3 (formerly known as 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 2023.

## **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. Pao Ping Wing, 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 2023. It has also reviewed the accounting principles and practices adopted by the Group and the annual results for the year ended 31 December 2023 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 HK5.0 cents per ordinary share, totalling HK\$20,000,000 payable to the shareholders whose names appear on the register of members of the Company on Friday, 14 June 2024. The proposed final dividend will be paid on or about Friday, 28 June 2024 following approval at the forthcoming AGM of the Company.

No arrangement under which a shareholder has waived or agreed to waive any dividends was made by 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 Tuesday, 4 June 2024, the register of members of the Company will be closed from Thursday, 30 May 2024 to Tuesday, 4 June 2024 (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 Wednesday, 29 May 2024.

For determining the entitlement to the payment of final dividend, the register of members of the Company will be closed from Wednesday, 12 June 2024 to Friday, 14 June 2024 (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, 14 June 2024. 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 Tuesday, 11 June 2024.

## **PUBLICATION**

The final results announcement of the Company for the year ended 31 December 2023 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 2023 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 Tuesday, 4 June 2024. The notice of the forthcoming AGM, which constitutes part of the circular to its shareholders, together with proxy form and the Company's 2023 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, 27 March 2024

*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. Pao Ping Wing.*