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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 2024

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 2024, together with relevant comparative figures of 2023, as follows:

#### UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

*For the six months ended 30 June 2024*

	Note	Six months ended 30 June	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue	3,4	46,457	44,179
Other income	4	528	533
Administrative expenses	5	(12,367)	(10,935)
Impairment losses on financial assets – net	6	(5,027)	(993)
Finance costs	7	(148)	(277)
<b>Profit before income tax</b>		<b>29,443</b>	32,507
Income tax expense	8	(4,747)	(5,097)
<b>Profit and total comprehensive income for the period attributable to owners of the Company</b>	9	<b>24,696</b>	27,410
<b>Earnings per share attributable to owners of the Company</b>			
– Basic and diluted ( <i>expressed in HK cents per share</i> )	9	<b>6.2</b>	6.9

# UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

		As at 30 June 2024 <i>HK\$'000</i> (Unaudited)	As at 31 December 2023 <i>HK\$'000</i> (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		1,497	223
Right-of-use assets		4,081	6,175
Intangible asset	<i>11</i>	13,360	13,360
Loans receivable	<i>12</i>	301,751	369,334
Deferred income tax assets		897	485
Deposits		1,130	1,220
		<u>322,716</u>	<u>390,797</u>
<b>Total non-current assets</b>			
<b>Current assets</b>			
Loans receivable	<i>12</i>	413,741	455,343
Interest receivables	<i>13</i>	6,355	12,778
Repossessed assets	<i>14</i>	89,100	10,331
Prepayments, deposits and other receivables		6,069	9,174
Cash and cash equivalents		125,851	52,317
		<u>641,116</u>	<u>539,943</u>
<b>Total current assets</b>			
<b>Total assets</b>			
		<u>963,832</u>	<u>930,740</u>

		As at <b>30 June 2024</b> <i>HK\$'000</i> <b>(Unaudited)</b>	As at 31 December 2023 <i>HK\$'000</i> (Audited)
<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>915,820</b>	911,124
<b>Total equity</b>		<b>919,820</b>	915,124
<b>LIABILITIES</b>			
<b>Non-current liability</b>			
Lease liabilities		<b>2,468</b>	3,587
<b>Total non-current liability</b>		<b>2,468</b>	3,587
<b>Current liabilities</b>			
Accruals and other payables	<i>15</i>	<b>30,697</b>	2,905
Tax payable		<b>8,619</b>	6,076
Lease liabilities		<b>2,228</b>	3,048
<b>Total current liabilities</b>		<b>41,544</b>	12,029
<b>Total liabilities</b>		<b>44,012</b>	15,616
<b>Total equity and liabilities</b>		<b>963,832</b>	930,740

# 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 2024 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 2023, 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 2023, 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 2024. The adoption of the new standards and amendments to HKFRSs effective for the financial year beginning on 1 January 2024 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 2024 and 2023, 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 2024 and 2023.

### 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:

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Revenue</b>		
Interest income	<u>46,457</u>	<u>44,179</u>
<b>Other income</b>		
Bank interest income	<u>528</u>	<u>533</u>

**5. ADMINISTRATIVE EXPENSES**

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Employee benefit expenses (including directors' emoluments)	<b>5,763</b>	5,188
Advertising and marketing expenses	<b>1,570</b>	1,925
Depreciation of property, plant and equipment	<b>361</b>	58
Depreciation of right-of-use assets	<b>2,105</b>	1,744
Other administrative expenses	<b>2,568</b>	2,020
	<b>12,367</b>	10,935

**6. IMPAIRMENT LOSSES ON FINANCIAL ASSETS – NET**

	<b>Six months ended 30 June 2024 (Unaudited)</b>			<b>Total</b>
	<b>12 months</b>	<b>Lifetime</b>	<b>Lifetime</b>	
	<b>expected</b>	<b>expected</b>	<b>expected</b>	
	<b>credit loss</b>	<b>not credit</b>	<b>credit</b>	
	<b>(Stage 1)</b>	<b>(Stage 2)</b>	<b>(Stage 3)</b>	<b>HK\$'000</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
Net (reversal of)/charge for provision for impairment losses on loans receivable	<b>(396)</b>	<b>3,852</b>	<b>603</b>	<b>4,059</b>
Net (reversal of)/charge for provision for impairment losses on interest receivables	<b>(5)</b>	<b>59</b>	<b>339</b>	<b>393</b>
Written off of loans receivable and interest receivables	<b>–</b>	<b>–</b>	<b>184</b>	<b>184</b>
Provision for impairment losses on a repossessed asset	<b>–</b>	<b>–</b>	<b>391</b>	<b>391</b>
	<b>(401)</b>	<b>3,911</b>	<b>1,517</b>	<b>5,027</b>

	Six months ended 30 June 2023 (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 (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
Provision for impairment losses on a repossessed asset	–	–	110	110
	<u>(643)</u>	<u>(1,276)</u>	<u>2,912</u>	<u>993</u>

## 7. FINANCE COSTS

	Six months ended 30 June	
	2024 <i>HK\$'000</i> (Unaudited)	2023 <i>HK\$'000</i> (Unaudited)
Interest expenses on an unsecured bank loan	–	7
Interest expenses on loans from a related company ( <i>Note 17(a)</i> )	–	188
Interest expenses on lease liabilities	<u>148</u>	<u>82</u>
	<u>148</u>	<u>277</u>

## 8. INCOME TAX EXPENSE

Hong Kong profits tax for the six months ended 30 June 2024 and 2023 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	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Hong Kong profits tax		
– current year	5,159	4,915
– over-provision in previous years	–	(134)
(Increase)/decrease in deferred income tax assets	(412)	316
	<u>4,747</u>	<u>5,097</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 2024, 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\$24,696,000 (2023: HK\$27,410,000) by the weighted average number of ordinary shares in issue during the six months ended 30 June 2024 of 400,000,000 shares (2023: 400,000,000 shares).

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit attributable to owners of the Company (HK\$'000)	24,696	27,410
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	400,000	400,000
Basic earnings per share (HK cents)	<u>6.2</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 2024 and 2023 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 2024 (for the six months ended 30 June 2023: Nil).

A final dividend in respect of the year ended 31 December 2023 of HK5.0 cents per share, totaling HK\$20,000,000 was declared, approved and paid in June 2024 (for the six months ended 30 June 2023: 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).

## 11. 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. 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 six months ended 30 June 2024, the Group carried out an assessment of the recoverable amount of the Club Membership and concluded that no impairment loss is recognised during the period (for the six months ended 30 June 2023: Nil). 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.

## 12. LOANS RECEIVABLE

	As at 30 June 2024 <i>HK\$'000</i> (Unaudited)	As at 31 December 2023 <i>HK\$'000</i> (Audited)
Loans receivable	723,450	834,670
Less:		
Provision for impairment losses on loans receivable		
– Stage 1	(917)	(1,313)
– Stage 2	(4,281)	(429)
– Stage 3	(2,760)	(8,251)
	<u>(7,958)</u>	<u>(9,993)</u>
Loans receivable, net of provision	715,492	824,677
Less: non-current portion	<u>(301,751)</u>	<u>(369,334)</u>
Current portion	<u>413,741</u>	<u>455,343</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 2024, except for loans receivable of HK\$1,213,000 (31 December 2023: HK\$1,301,000) 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 2024 <i>HK\$'000</i> (Unaudited)	As at 31 December 2023 <i>HK\$'000</i> (Audited)
Current	413,741	455,343
Over 1 year and within 5 years	135,275	205,945
Over 5 years	166,476	163,389
	<u>715,492</u>	<u>824,677</u>

### 13. INTEREST RECEIVABLES

	<b>As at 30 June 2024 HK\$'000 (Unaudited)</b>	As at 31 December 2023 HK\$'000 (Audited)
Interest receivables	<b>6,939</b>	13,265
Less:		
Provision for impairment losses on interest receivables		
– Stage 1	<b>(8)</b>	(13)
– Stage 2	<b>(79)</b>	(20)
– Stage 3	<b>(497)</b>	(454)
	<b>(584)</b>	(487)
Interest receivables, net of provision	<b>6,355</b>	12,778

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 2024, except for interest receivables of HK\$75,000 (31 December 2023: HK\$30,000), 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:

	<b>As at 30 June 2024 HK\$'000 (Unaudited)</b>	As at 31 December 2023 HK\$'000 (Audited)
Current	<b>1,433</b>	1,557
1–30 days	<b>2,493</b>	3,378
31–90 days	<b>1,896</b>	2,963
Over 90 days	<b>533</b>	4,880
	<b>6,355</b>	12,778

#### 14. REPOSSESSED ASSETS

The nature and carrying amount of the repossessed assets held as at 30 June 2024 and 31 December 2023 are summarised as follows:

	As at 30 June 2024 <i>HK\$'000</i> (Unaudited)	As at 31 December 2023 <i>HK\$'000</i> (Audited)
Repossessed properties		
– residential properties	95,849	4,487
– industrial property	–	5,844
Less: provision for impairment assessment	<u>(6,749)</u>	<u>–</u>
Repossessed assets, net of provision	<u>89,100</u>	<u>10,331</u>

Repossessed assets represent the underlying collateral assets in which the Group has the right to rent or sell in the recovery of the credit impaired loans and interest receivable (e.g. through court proceedings or voluntary actions by the owners of the underlying properties) but does not obtain ownership and control of the underlying collateral assets. They are classified as debt investments carried at amortised cost and are subject to the expected credit loss model. The estimated market value of such repossessed asset as at 30 June 2024 was HK\$90,000,000 (31 December 2023: HK\$55,000,000). Subsequent to 30 June 2024, the Group has successfully sold the repossessed asset as at 30 June 2024 at a consideration of HK\$90,000,000.

#### 15. ACCRUALS AND OTHER PAYABLES

	As at 30 June 2024 <i>HK\$'000</i> (Unaudited)	As at 31 December 2023 <i>HK\$'000</i> (Audited)
Accruals	1,206	2,147
Payable of excess proceeds ( <i>Note (a)</i> )	19,037	–
Deposit received from disposal of a repossessed asset ( <i>Note (b)</i> )	9,000	–
Other payables	<u>1,454</u>	<u>758</u>
	<u>30,697</u>	<u>2,905</u>

(a) Being payable to a borrower in relation to the excess of proceed received from the sale of a repossessed asset less recovery of loan and interest receivables due from the borrower during the period ended 30 June 2024.

(b) Being deposit received from a buyer for the sale of a repossessed asset pursuant to a sale and purchase agreement entered into between a subsidiary of the Company and the buyer during the period ended 30 June 2024.

## 16. SHARE CAPITAL

	<b>As at 30 June 2024 HK\$'000 (Unaudited)</b>	As at 31 December 2023 HK\$'000 (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>

## 17. 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.

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 2024 and 2023.

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

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Interest expenses on loans from a related company		
– World Deluxe Limited (“World Deluxe”)	–	188
	<u>                    </u>	<u>                    </u>

As at 30 June 2024, the Group obtained an unsecured revolving loan facility from World Deluxe, a related company of the Group where Ms. Wang Yao, an executive director of the Company is the sole ultimate beneficial owner, with a facility limit of HK\$50,000,000 (31 December 2023: HK\$50,000,000). The facility is denominated in Hong Kong dollars, repayable in one year and bears a fixed interest rate of 6.5% per annum (31 December 2023: 5.5%). As at 30 June 2024, the Group did not utilise the loan facility (31 December 2023: Nil).

(b) **Key management compensation**

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Salaries, commission and benefits	2,129	2,049
Pension costs	36	36
	<u>                    </u>	<u>                    </u>
	<u>2,165</u>	<u>2,085</u>

## **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 2024, despite a short term rebound in property transactions following the withdrawal of all property market cooling measures by the Hong Kong Government in February 2024, the property market in Hong Kong remained under pressure due to the prolonged high-interest rate environment and weak market confidence. The Private Domestic Property Price Index of Hong Kong fell by 3.1% from 311.3 in December 2023 to 301.8 in June 2024, and it has been corrected by 24.2% since the peak of 398.1 in September 2021. 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 reporting period. The Group's gross loans receivable and gross repossessed assets decreased by approximately HK\$25.7 million or 3.0% from approximately HK\$845.0 million as at 31 December 2023 to approximately HK\$819.3 million as at 30 June 2024. The Group's revenue increased by approximately HK\$2.3 million or 5.2% from approximately HK\$44.2 million for the six months ended 30 June 2023 to approximately HK\$46.5 million for the six months ended 30 June 2024.

As there was an overall decrease in the market value of the Group's collaterals due to the continued worsening of property market condition and the increase in default loans receivable and interest receivables, the Group recorded impairment losses on loans receivable, interest receivables and repossessed assets of approximately HK\$5.0 million for the six months ended 30 June 2024 as compared to approximately HK\$1.0 million for the six months ended 30 June 2023. With an increasing risk of decline in collateral values and more delinquent payments, the Group has taken measures to actively, and on a regular basis, review the repayment records of the customers and conduct comprehensive assessments on the related collaterals to manage the credit risk. Prompt legal action for loan recovery has been taken on any identified default of loans to minimise possible credit losses. The Group also implemented additional guidelines in assessing the market value of the underlying collaterals in order to tighten credit control and preserve the overall quality of its loan portfolio.

## **FINANCIAL REVIEW**

### **Revenue**

The Group's interest income received from the money lending business of providing property mortgage loans and personal loans increased by approximately HK\$2.3 million or 5.2% from approximately HK\$44.2 million for the six months ended 30 June 2023 to approximately HK\$46.5 million for the six months ended 30 June 2024. Such increase was primarily due to the increase of average month-end balance of the Group's gross loans receivable by approximately HK\$6.3 million or 0.8% from approximately HK\$824.2 million for the six months ended 30 June 2023 to approximately HK\$830.5 million for the six months ended 30 June 2024.

### **Other Income**

Other income represented bank interest income which remained stable at approximately HK\$0.5 million for the six months ended 30 June 2024.

### **Administrative expenses**

The Group incurred administrative expenses of approximately HK\$12.4 million for the six months ended 30 June 2024 (six months ended 30 June 2023: approximately HK\$10.9 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. Administrative expenses increased by approximately HK\$1.5 million or 13.8% mainly due to increase in employee benefit expenses, depreciation of property, plant and equipment and depreciation of right-of-use assets as a result of office relocation.

### **Impairment losses on financial assets – net**

The Group recognised a provision for net impairment losses on financial assets, comprising loans receivable, interest receivables and repossessed assets, of approximately HK\$5.0 million for the six months ended 30 June 2024, as compared to approximately HK\$1.0 million for the six months ended 30 June 2023, which was assessed based on the estimation of expected credit loss model in accordance with HKFRS 9. The increase in impairment losses was primarily due to the increase in default loans receivable and interest receivables and the decrease in market values of the related collaterals as at 30 June 2024.



### **Finance costs**

Finance costs decreased by HK\$129,000 from HK\$277,000 for the six months ended 30 June 2023 to HK\$148,000 for the six months ended 30 June 2024. The decrease in finance costs was primarily due to the decrease in average borrowings during the reporting period.

### **Net interest margin**

Net interest margin increased from 10.5% for the six months ended 30 June 2023 to 11.0% for the six months ended 30 June 2024.

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 increased from 15.7% for the six months ended 30 June 2023 to 16.1% for the six months ended 30 June 2024.

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

As a result of the foregoing, the Group's profit and total comprehensive income decreased by approximately HK\$2.7 million or 9.9% from approximately HK\$27.4 million for the six months ended 30 June 2023 to approximately HK\$24.7 million for the six months ended 30 June 2024.

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

During the six months ended 30 June 2024, the Group's operation and capital requirements were financed principally through share capital and retained earnings.

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 2024. In relation to treasury policies, the Group adopts a prudent approach with the objective to maintain a healthy financial position whereby its liquidity can support the operations of the Group.

As at 30 June 2024, cash and cash equivalents amounted to approximately HK\$125.9 million, representing an increase of approximately HK\$73.6 million as compared to the position as at 31 December 2023. The increase was mainly attributable to the decrease in loans receivable during the reporting period. Cash and cash equivalents as at 30 June 2024 were all denominated in Hong Kong dollars.

As at 30 June 2024, the Group did not have any outstanding interest-bearing bank loans or loans from related company (31 December 2023: Nil).

During the six months ended 30 June 2024, 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 2024, the unutilised facility available to the Group for drawdown amounted to HK\$50 million (31 December 2023: HK\$50 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 2024 and 31 December 2023.

### **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 2024.

## **EMPLOYEES AND REMUNERATION**

As at 30 June 2024, the Group has employed 19 full-time employees (31 December 2023: 18). The Group's total employee benefit expenses (including directors' emoluments) for the six months ended 30 June 2024 and 2023 were approximately HK\$5.8 million and HK\$5.2 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 2024 and 31 December 2023, the Group had no material contingent liabilities.

## **PLEDGE OF ASSETS**

As at 30 June 2024 and 31 December 2023, 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 2024. 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 2024) and up to the date of this interim results announcement.

## **PROSPECT**

While it is anticipated that the economy of Hong Kong will show a mild expansion in the second half of 2024, the prospect remains challenging given the prolonged high-interest rate environment which limits investment and business expansions and the change in local consumption patterns which hits the retail sector. Loan growth momentum may be constrained with conservative risk appetites for business and property investment in the near term.

Nonetheless, with a general expectation of interest rate cuts by the US Federal Reserve in the second half of 2024, the anticipated lower interest rates trend may help stabilizing the property market in Hong Kong and improving the investment sentiment.

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 expected economic recovery. The Group will closely monitor the development of the property market and implement 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 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 2024, 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 C1 to the Listing Rules (the “Code”). During the six months ended 30 June 2024, 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.

## **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 for Securities Transactions by Director of Listed Issuers (the “Model Code”) as set out in Appendix C3 of the Listing Rules. 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 2024.

## **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. Pao Ping Wing, 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 2024. It has also reviewed the unaudited condensed consolidated interim financial information for the six months ended 30 June 2024 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 2024 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 2024 (for the six months ended 30 June 2023: Nil).

## **PUBLICATION**

The interim results announcement of the Company for the six months ended 30 June 2024 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 interim report of the Company for the six months ended 30 June 2024 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, 28 August 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.*