

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## 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 2014

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 2014, together with the comparative figures for the year ended 31 December 2013.

#### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 December	
		2014	2013
	Note	HK\$'000	HK\$'000
Revenue	5	107,767	121,240
Other income	5	17	2,137
Administrative expenses	6	(44,007)	(59,290)
Finance costs, net	7	(20,153)	(10,156)
<b>Profit before income tax</b>		<b>43,624</b>	<b>53,931</b>
Income tax expense	8	(8,072)	(9,413)
<b>Profit and total comprehensive income for the year attributable to owners of the Company</b>		<b>35,552</b>	<b>44,518</b>
<b>Earnings per share attributable to owners of the Company</b>			
– Basic and diluted (expressed in HK cents per share)	9	11.6	14.8

Details of dividends proposed to owners of the Company attributable to the profit for the year are set out in note 10 to the financial statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	As at 31 December 2014 <i>HK\$'000</i>	As at 31 December 2013 <i>HK\$'000</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		1,210	2,645
Loans receivable	11	159,705	168,690
Deferred income tax assets		728	–
Deposits		–	1,104
<b>Total non-current assets</b>		<b>161,643</b>	172,439
<b>Current assets</b>			
Loans receivable	11	527,774	596,538
Interest receivables	12	6,282	9,521
Prepayments, deposits and other receivables		3,614	1,124
Repossessed asset		926	17,313
Prepaid tax		1,034	–
Cash and cash equivalents		198,126	56,891
<b>Total current assets</b>		<b>737,756</b>	681,387
<b>Total assets</b>		<b>899,399</b>	853,826
<b>EQUITY</b>			
<b>Equity attributable to the owners of the Company</b>			
Share capital	14	4,000	–
Reserves		560,386	103,838
Proposed final dividend	10	10,800	–
<b>Total equity</b>		<b>575,186</b>	103,838
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accruals and other payables		14,495	10,742
Tax payable		440	5,768
Bank and other borrowings	13	309,278	317,466
Amount due to the controlling shareholder	16(a)	–	416,012
<b>Total current liabilities</b>		<b>324,213</b>	749,988
<b>Total liabilities</b>		<b>324,213</b>	749,988
<b>Total equity and liabilities</b>		<b>899,399</b>	853,826
<b>Net current assets/(liabilities)</b>		<b>413,543</b>	(68,601)
<b>Total assets less current liabilities</b>		<b>575,186</b>	103,838

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

## 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, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

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

The directors regard Blossom Spring Global Limited (“Blossom Spring”), a company incorporated in the British Virgin Islands, to be the ultimate holding company of the Company.

The Company has been listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 12 December 2014.

These consolidated financial statements are presented in Hong Kong dollars (“HK\$”), unless otherwise stated. These consolidated financial statements were approved by the Board of Directors for issue on 25 March 2015.

### **Key events**

Pursuant to the reorganisation of the Group (the “Reorganisation”) as set out under the section headed “History, development and corporate structure” in the prospectus of the Company dated 28 November 2014, which was completed on 24 November 2014, the Company became the holding company of the subsidiaries now comprising the Group. The Reorganisation is merely a reorganisation of the Group’s business with no change in management of such business and the ultimate holding company remains the same. Accordingly, the consolidated financial statements of the Group have been prepared as if the Group had always been in existence throughout both years presented, or since the respective dates of incorporation or establishment of the group companies.

## 2 BASIS OF PREPARATION

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). They have been prepared under the historical cost convention.

The consolidated financial statements are prepared in accordance with the applicable requirements of predecessor Companies Ordinance (Cap. 32) for this financial year and the comparative period.

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

## 3 ACCOUNTING POLICIES

### *(a) Amended standards adopted by the Group*

The following standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2014:

Amendment to HKAS 32, ‘Financial instruments: Presentation’ on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have a significant effect on the Group’s consolidated financial statements.

Amendments to HKAS 36, 'Impairment of assets', on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of cash generating units which had been included in HKAS 36 by the issue of HKFRS 13. The Group has applied the amendment and there has been no significant impact on the Group consolidated financial statements as a result.

Other standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2014 are not material to the Group.

**(b) *New standards, amendments and interpretations have been issued but are not effective for the financial year beginning 1 January 2014 and have not been early adopted***

The following new standards, amendments and interpretations have been published and are mandatory for the Company's accounting periods beginning on or after 1 January 2014 or later periods, but the Company has not early adopted:

		<b>Effective for accounting periods beginning on or after</b>
HKAS 1 (Amendment)	Disclosure initiative	1 January 2016
HKAS 16 and HKAS 38 (Amendments)	Clarification of acceptable methods of depreciation and amortisation	1 January 2016
HKAS 16 and HKAS 41 (Amendments)	Agriculture: bearer plants	1 January 2016
HKAS 19 (Amendment)	Employee benefits	1 July 2014
HKAS 27 (Amendment)	Equity method in separate financial statements	1 January 2016
HKFRS 9	Financial instruments	1 January 2018
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	1 January 2016
HKFRS 11 (Amendment)	Accounting for acquisitions of interests in joint operations	1 January 2016
HKFRS 14	Regulatory deferral accounts	1 January 2016
HKFRS 15	Revenue from contracts with customers	1 January 2017
Annual Improvements Project	Annual improvements 2010-2012 cycle	1 July 2014
Annual Improvements Project	Annual improvements 2011-2013 cycle	1 July 2014
Annual Improvements Project	Annual improvements 2012-2014 cycle	1 January 2016

The Group plans to adopt the above new standards, amendments and interpretation when they become effective. The Group has already commenced an assessment of the related impact of adopting the above new standards, amendments and interpretations to the Group but is not yet in a position to state whether substantial changes to the Group's accounting policies and presentation of the consolidated financial statements will result.

#### **4 SEGMENT INFORMATION**

During the year ended 31 December 2014, 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 2013 and 2014.

## 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	
	2014 HK\$'000	2013 HK\$'000
<b>Revenue</b>		
Interest income	107,767	121,240
<b>Other income</b>		
Bank interest income	7	3
Exchange gains	–	449
Referral income	–	1,680
Sundry income	10	5
	17	2,137

## 6 EXPENSES BY NATURE

	Year ended 31 December	
	2014 HK\$'000	2013 HK\$'000
Employee benefit expenses (including directors' emoluments)	9,628	9,525
Advertising and marketing expenses	13,660	14,349
Legal and professional fees	1,606	1,587
Auditor's remuneration	1,157	524
Depreciation of property, plant and equipment	1,672	977
Listing expenses	8,423	7,007
(Reversal of provision)/provision for individual impairment assessment of loans and interest receivables	(44)	9,510
Provision for collective impairment assessment of loans receivable	–	2,597
Provision for impairment of repossessed assets	–	3,848
Operating lease of land and buildings	3,235	3,466
Other expenses	4,670	5,900
Administrative expenses	44,007	59,290

## 7 FINANCE COSTS, NET

	Year ended 31 December	
	2014 HK\$'000	2013 HK\$'000
Interest on secured bank loans	580	22,856
Interest on secured other borrowing	19,573	7
Exchange gain arising from pledged bank deposits	–	(6,353)
Interest income from pledged bank deposits	–	(6,354)
	20,153	10,156

## 8 INCOME TAX EXPENSE

Hong Kong profits tax has been provided for at the rate of 16.5% (2013: 16.5%) on the estimated assessable profit for the year.

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

	Year ended 31 December	
	2014	2013
	HK\$'000	HK\$'000
Hong Kong profits tax		
– Current year	8,809	9,411
– (Over)/under-provision in prior years	(9)	2
Under-provision of deferred income tax in prior years	(728)	–
	<u>8,072</u>	<u>9,413</u>

## 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\$35,552,000 (2013: HK\$44,518,000) by the weighted average number of ordinary shares in issue during the year of 305,479,000 (2013: 300,000,000 shares). In determining the weighted average number of ordinary shares in issue during the years ended 31 December 2013 and 2014, the 300,000,000 shares issued and allotted through capitalisation of the share premium account arising from the listing of the Company's shares on 12 December 2014 have been regarded as if these shares were in issue since 1 January 2013.

	Year ended 31 December	
	2014	2013
Profit attributable to owners of the Company (HK\$'000)	35,552	44,518
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	305,479	300,000
Basic earnings per share (HK cents)	<u>11.6</u>	<u>14.8</u>

### b) Diluted earnings per share

There were no potential dilutive ordinary shares outstanding during the years ended 31 December 2013 and 2014 and hence the diluted earnings per share is the same as basic earnings per share.

## 10 DIVIDEND

A dividend in respect of the year ended 31 December 2014 of HK2.7 cents per share, totaling HK\$10,800,000, is to be proposed at the upcoming annual general meeting. These financial statements do not reflect this dividend payable.

During the year ended 31 December 2013, a subsidiary of the Company declared a final dividend of HK\$8,000 per share, totalling HK\$80,000,000 to its then owners. Such dividend was paid on 2 May 2014.

## 11 LOANS RECEIVABLE

	As at 31 December	
	2014 HK\$'000	2013 HK\$'000
Loans receivable	700,255	778,048
Less:		
Provision for individual impairment assessment of loans receivable	(9,789)	(9,833)
Provision for collective impairment assessment of loans receivable	(2,987)	(2,987)
Loans receivable, net of provision	687,479	765,228
Less: non-current portion	(159,705)	(168,690)
Current portion	527,774	596,538

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\$5,891,000 (2013: HK\$3,452,000), which are unsecured, bear interest and are repayable with fixed terms agreed with customers, all loans receivable are secured by collaterals provided by customers, bear interest 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 value 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	
	2014 HK\$'000	2013 HK\$'000
Current	527,774	596,538
2 to 5 years	55,728	55,313
Over 5 years	103,977	113,377
	687,479	765,228

At 31 December 2013 and 2014, certain properties mortgaged to the subsidiary of the Company for loans granted to its customers were pledged to an independent third party to secure other borrowing granted to a subsidiary of the Company.

## 12 INTEREST RECEIVABLES

	As at 31 December	
	2014 HK\$'000	2013 HK\$'000
Interest receivables	6,339	9,578
Less:		
Provision for individual impairment assessment of interest receivables	(57)	(57)
Interest receivables, net of provision	6,282	9,521

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\$66,000 (2013: HK\$77,000) as at 31 December 2014, 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 value of the interest receivables mentioned above.

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

	<b>As at 31 December</b>	
	<b>2014</b>	2013
	<b>HK\$'000</b>	HK\$'000
0–30 days	1,144	1,277
31–90 days	896	1,982
Over 90 days	712	2,685
	<u>2,752</u>	<u>5,944</u>

### 13 BANK AND OTHER BORROWINGS

Bank and other borrowings are analysed as follows:

	<b>As at 31 December</b>	
	<b>2014</b>	2013
	<b>HK\$'000</b>	HK\$'000
Bank loans – secured	–	278,767
Other borrowing – secured	309,278	38,699
	<u>309,278</u>	<u>317,466</u>

The weighted average effective interest rate on total bank and other borrowings during the year ended 31 December 2014 was approximately 7% (2013: 4.4%) per annum.

As at 31 December 2013 and 2014, all bank and other borrowings were denominated in Hong Kong dollars.

As at 31 December 2013, bank and other borrowings were secured by the pledge of certain properties mortgaged to the subsidiary of the Company for loans granted to its customers, and a personal guarantee from the sole director of the subsidiary of the Company (*Note 16(b)*).

As at 31 December 2014, other borrowing was obtained from an independent third party and was secured by the pledge of certain properties mortgaged to the subsidiary of the Company for loans granted to its customers, and a corporate guarantee from the Company.



## 14 SHARE CAPITAL

### Company:

#### 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 20 January 2014 (Date of incorporation)	38,000,000	0.01	380,000
Increase in authorised share capital ( <i>Note (c)</i> )	9,962,000,000	0.01	99,620,000
<b>At 31 December 2014</b>	<b>10,000,000,000</b>	<b>0.01</b>	<b>100,000,000</b>

#### Issued share capital

	Number of issued shares	Amount <i>HK\$</i>
At 20 January 2014 (Date of incorporation) ( <i>Note (a)</i> )	1	–
Arising from Reorganisation ( <i>Note (b)</i> )	37,999,999	380,000
Capitalisation of shares ( <i>Note (d)</i> )	262,000,000	2,620,000
Issue of new shares pursuant to the shares offer ( <i>Note (e)</i> )	100,000,000	1,000,000
<b>At 31 December 2014</b>	<b>400,000,000</b>	<b>4,000,000</b>

#### Notes:

- a) The Company was incorporated in the Cayman Islands on 20 January 2014 as an exempted company with limited liability with an authorised share capital of HK\$380,000 divided into 38,000,000 ordinary shares of HK\$0.01 each. Upon incorporation, one share was allotted and issued at par to Mapcal Limited, the initial subscriber which, on the same date, transferred the said one share to Ms. Jin Xiaoqin (“Ms. Jin”), the sole shareholder of Blossom Spring.
- b) On 24 November 2014, the Company acquired the entire equity interest in GIC (Overseas) Holdings Limited and GITI (Overseas) Limited by allotting and issuing 37,999,999 ordinary shares of HK\$0.01 each to Blossom Spring credited as fully paid to Blossom Spring.
- c) On 24 November 2014, the authorised share capital of the Company was increased from HK\$380,000 to HK\$100,000,000 by the creation of 9,962,000,000 ordinary shares of HK\$0.01 each.

- d) Pursuant to the sole shareholder resolution passed on 22 November 2014, an aggregate of 262,000,000 ordinary shares of HK\$0.01 each in the Company were allotted and issued, credited as fully paid at par, by way of capitalisation of the sum of HK\$2,620,000 from the share premium account, to the then existing shareholder of the Company, whose name appeared in the register of members of the Company on 24 November 2014. Such allotment and capitalisation were conditional on the share premium account being credited as a result of the issue of new shares to the public in connection with the Company's initial public offering as detailed in (e) below. Upon the listing of the Company's shares on the Stock Exchange on 12 December 2014, 262,000,000 ordinary shares of HK\$0.01 each were issued under the capitalisation issue.
- e) In connection with the Company's initial public offering, 100,000,000 ordinary shares of HK\$0.01 each were issued at a price of HK\$1.35 per share for a total cash consideration of HK\$135,000,000, resulting in an increase in the issued share capital of the Company by HK\$1,000,000 and the share premium by HK\$134,000,000 before listing expenses.

## 15 COMMITMENTS

### Operating lease commitments – Group as lessee

The Group leases its office under non-cancellable operating lease agreements. The lease terms are 2 years, and the lease agreements are renewable at the end of the lease period at market rate.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	As at 31 December	
	2014	2013
	HK\$'000	HK\$'000
Not later than one year	1,019	3,224
One to five years	–	1,075
	<u>1,019</u>	<u>4,299</u>

## 16 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 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 year, and balances arising from related party transactions as at 31 December 2013 and 2014.

### (a) Amount due to the controlling shareholder

As at 31 December 2013, the amount due to the controlling shareholder was unsecured, interest-free and was repayable on demand. The amount due to the controlling shareholder was denominated in Hong Kong dollars. During the year ended 31 December 2014, HK\$390,000,000 was capitalised upon Reorganisation, and the remaining balance of HK\$26,012,000 was repaid to the controlling shareholder.

### (b) Guarantee from a related party

As at 31 December 2013, bank and other borrowings of the Group were guaranteed by the sole director of a subsidiary of the Company, who is also a director of the Company (*Note 13*).

(c) **Indemnity from a controlling shareholder**

The controlling shareholder of the Company has entered into a deed of indemnity with the Group to personally indemnify the Company for, among of other things, damages, legal costs and liabilities in connection with the legal proceeding as described in Note 17 to this announcement.

(d) **Key management compensation**

	Year ended 31 December	
	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Salaries, benefits and bonus	3,768	2,589
Pension costs	61	30
	<u>3,829</u>	<u>2,619</u>

**17 LITIGATION**

In July 2014, an Independent third party (the “Plaintiff”) filed a claim in the Court of First Instance of the High Court of Hong Kong against one of the Company’s subsidiary’s customers (the “Customer”) as first defendant and the Company’s subsidiary as the second defendant, alleging that, in 2013, the Company’s subsidiary had not acted in good faith in entering into a mortgage financing arrangement with the Customer since the Company’s subsidiary had actual or constructive notice of that borrower’s intent to defraud creditors and/or lack of good faith (the “Litigation”). Accordingly, the Plaintiff sought a declaration that the mortgage provided by the Customer to the Company’s subsidiary (the “Mortgage”) is void and be set aside, the registration of the Mortgage at the Land registry be vacated, damages to be assessed, and interest and costs.

The Directors have sought the opinion of an independent legal counsel in respect of the merits of the case, and have considered that, based on the preliminary advice and tentative views of the legal counsel, the Group has a good prospect of successfully defending the claim. As such, the Directors intend to vigorously contest the claim.

Included in loans receivable is an amount due from the Customer of HK\$8,800,000 as at 31 December 2014. On 17 December 2014, the Customer had been adjudged bankrupted by the Court of First Instance of the High Court of Hong Kong. The Directors reassessed the collectability of this loan with reference to the validity of the Mortgage due to the Litigation and the creditability of the Customer, and considered that an impairment of the outstanding loans receivable amount of HK\$8,800,000 should be recognised in the consolidated statement of comprehensive income for the year ended 31 December 2013.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

The Group is principally engaged in the money lending business focusing primarily on providing short-term and long-term property mortgage loans to customers to meet their financial needs.

In Hong Kong, the Group holds a strong market position, ranking third in 2013 in terms of value of outstanding mortgage loans and revenue, with a market share of approximately 7.3%. During the year ended 31 December 2014, the Group continued to develop on its sound foundation in the money lending business. The Group delivered solid results for the year ended 31 December 2014, generating a full year interest income of approximately HK\$107.8 million from an aggregated loan portfolio value of approximately HK\$700.3 million.

2014 was a historic and memorable year for the Group. On 12 December 2014, the Company successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), which marked a new stage in the development of the Group. The Group’s strategy is to use the listing proceeds to expand our loan portfolio and continue to strengthen our brand recognition and presence in the property mortgage market. With the intense market competition, we have continued to employ various advertising and marketing channels such as internet, newspaper, TV campaigns, etc. to reach a wide range of customers. The effectiveness of these marketing campaigns is demonstrated by the growth of our loan portfolio particularly in the second half of 2014.

### **FINANCIAL REVIEW**

#### **Revenue**

For the year ended 31 December 2014 (“FY2014”), the Group’s interest income from money lending business was approximately HK\$107.8 million, representing a decrease of approximately HK\$13.4 million or 11.1% from interest income of approximately HK\$121.2 million for the year ended 31 December 2013 (“FY2013”). Such decrease was a result of the decrease in average month-end balance of mortgage loans receivable. The average month-end balance of aggregate mortgage loans receivable decreased by approximately HK\$157.3 million or 19.3% from approximately HK\$815.6 million for FY2013 to approximately HK\$658.3 million for FY2014.

The property market in the first half of 2014 was rather volatile which led to relatively higher loan redemption rates, whereas the property market became more buoyant in the second half of 2014, which enabled the Group to record a steadier growth in its loan portfolio.

#### **Other income**

The Group’s other income decreased by approximately HK\$2.1 million or 99.2% from approximately HK\$2.1 million in FY2013 to HK\$17,522 in FY2014. The reason for the significant decrease in the Group’s other income is because of the fact that the referral income in FY2013 is non-recurring.

## **Administrative expenses**

Administrative expenses incurred by the Group were mainly comprised of employee benefit expenses, advertising and marketing expenses, legal and professional fees, referral fees, operating lease charges in relation to land and buildings, listing expenses and other expenses. These expenses, which represent approximately 40.8% and 48.9% of total revenue for FY2014 and FY2013, respectively, decreased from approximately HK\$59.3 million in FY2013 to approximately HK\$44.0 million in FY2014, representing a decrease of approximately HK\$15.3 million or 25.8%.

Employee benefit expenses increased slightly by approximately HK\$0.1 million or 1.1% from approximately HK\$9.5 million in FY2013 to approximately HK\$9.6 million in FY2014. The increase was the result of the increase in the provision for long service payments of approximately HK\$0.2 million.

The Group was officially listed on the Stock Exchange on 12 December 2014. It incurred non-recurring listing expenses of approximately HK\$7.0 million in FY2013 and approximately HK\$8.4 million in FY2014.

Provision for impairment assessment of certain loans receivable made by the Group in FY2013 amounted to approximately HK\$12.1 million and provision for impairment of repossessed assets made by the Group in FY2013 amounted to approximately HK\$3.8 million. No such impairments were made in FY2014 due to the Group's stringent credit control.

Excluding listing expenses and impairment allowances mentioned above, other operating expenses decreased by approximately HK\$0.7 million or 2.0% from approximately HK\$36.3 million in FY2013 to approximately HK\$35.6 million in FY2014. These expenses comprised mainly of advertising and marketing expenses of approximately HK\$13.7 million (2013: HK\$14.3 million); operating lease of land and buildings of approximately HK\$3.2 million (2013: HK\$3.5 million); depreciation expenses of approximately HK\$1.7 million (2013: HK\$1.0 million); and other operating and utility expenses.

## **Finance costs**

Finance costs increased by approximately HK\$10.0 million or 98.0% from approximately HK\$10.2 million in FY2013 to approximately HK\$20.2 million in FY2014. The increase was mostly due to the absence of pledged bank deposit interest income and the exchange gain arising from such pledged deposit, which is denominated in RMB, of approximately HK\$12.7 million, in FY2013. Interest on secured bank and other borrowings decreased by approximately HK\$2.7 million or 11.8% from approximately HK\$22.9 million in FY2013 to approximately HK\$20.2 million in FY2014. The decrease was due to the decrease in average loan outstanding of approximately HK\$516.6 million in FY2013 to approximately HK\$289.7 million in FY2014; net off by the increase in interest rate due to the switch of source of financing from a bank and a financial institution to a licensed money lender.

## **Net interest margin**

The net interest margin remained stable at approximately 13.1% and 13.7% for FY2014 and FY2013, respectively.

### **Profit before taxation excluding listing expenses**

As a result of the foregoing, our profit before taxation excluding listing expenses decreased by approximately HK\$8.9 million or 14.6% from approximately HK\$60.9 million in FY2013 to approximately HK\$52.0 million in FY2014.

### **Income tax expenses**

The Group's effective tax rate was 18.5% for FY2014 as compared to 17.5% for FY2013. The increase in effective tax rate was mainly due to the listing expenses which were non-deductible for tax purposes. Excluding the listing expenses, the effective tax rate for FY2014 would have been 15.5%.

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

As a result of the foregoing, our profit and total comprehensive income for FY2014 was approximately HK\$35.6 million, representing a decrease of approximately HK\$8.9 million or 20.0% from profit and total comprehensive income of approximately HK\$44.5 million for FY2013. As mentioned above, the major reason for the decrease is due to the reduction in the size of our loan portfolio, which in turn was due to the fall in demand for our mortgage loan products and the absence of any exchange gains and interest income from pledged bank deposits. On the other hand, in view of the more volatile property market in FY2014, the Group has managed to minimize its credit risk by recording no impairment allowances during FY2014.

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

During the year ended 31 December 2014, the Group's operations and capital requirements were financed principally through retained earnings, advances from the Group's controlling shareholder, loans from a bank, financial institution and an independent third party licensed money lender and the net proceeds from the listing of shares of the Company (the "Shares").

With tight control on authorised financial institutions in Hong Kong, the Group's future operations and capital requirements will be mainly financed through independent third party licensed money lenders, retained earnings and our share capital. The Group will also actively look for diversified financing resources in the coming year. There were no significant commitments for capital expenditure as at 31 December 2014.

As at 31 December 2014, cash and cash equivalents amounted to approximately HK\$198.1 million, representing an increase of approximately HK\$141.2 million as compared to the position as at 31 December 2013. The increase was mainly attributed to proceeds received from the listing of Shares.

As at 31 December 2014, interest-bearing bank and other borrowings amounted to approximately HK\$309.3 million, representing a decrease of approximately HK\$8.2 million as compared to the position as at 31 December 2013. All interest-bearing borrowings are repayable on demand and were secured by (i) properties mortgaged to the Group for securing loans receivables from customers; and (ii) corporate guarantee executed by the Company.

During the year ended 31 December 2014, 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 2014, the unutilised facility available to the Group for drawdown amounted to approximately HK\$190.7 million (2013: approximately HK\$696.3 million).

### **Current Ratio**

The Group's current ratio increased from approximately 0.9 times as at 31 December 2013 to approximately 2.3 times as at 31 December 2014, which was mainly due to the classification of "Amount due to the controlling shareholder" of approximately HK\$416.0 million as part of the current liabilities as at 31 December 2013.

### **Gearing Ratio**

As at 31 December 2014, the Group's gearing ratio, which was calculated by dividing net debts (being the total borrowings less pledged bank deposits and cash and cash equivalents) by total equity plus total advances from the Group's controlling shareholder, was 0.19 as compared to 0.50, the position as at 31 December 2013. The ratio improved by 0.31 as the receipt of listing proceeds has reduced the net debt position as at 31 December 2014.

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

The return on total assets and return on equity decreased from approximately 5.2% and 42.9% as at 31 December 2013 to approximately 4.0% and 6.2% as at 31 December 2014, respectively. The decrease was due to the drop in profits as explained above and the increase in reserves, respectively.

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

Save for the listing of the Shares on the Stock Exchange, the Group did not have any significant investments held, material acquisitions and disposals of subsidiaries and associated companies for the year ended 31 December 2014 and up to the date of this announcement.

## **EMPLOYEES AND REMUNERATION**

As at 31 December 2014, the Group employed 25 full-time employees (2013: 24). The total employee benefit expenses (including directors' emoluments) of the Group for the years ended 31 December 2014 and 2013 were approximately HK\$9.6 million and approximately HK\$9.5 million, respectively. The remuneration of our employees 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 society through community focused commitments. The Group has performed its corporate social responsibility through the participation in various charitable and volunteer activities. We encourage 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 provide our support and aid the needs of the underprivileged in Hong Kong.

## **CONTINGENT LIABILITIES**

As at 31 December 2014, the Group had no material contingent liabilities.

## **PLEDGE OF ASSETS**

As at 31 December 2014, certain properties mortgaged to the Group by its customers were pledged to secure against a loan facility of the Group. These properties are mortgaged to the Group for securing loans receivable with net book value of approximately HK\$332.4 million (2013: HK\$37.7 million). The borrowing facility was for the expansion of our mortgage business.

## **PROSPECTS**

Looking forward, the Group will continue to channel more resources and effort to business expansion and fund raising. In terms of business expansion, we will grasp all reasonable opportunities to expand our loan portfolio and increase our market penetration in the industry. On the other hand, in view of uncertainty created by the countercyclical measures introduced by the Hong Kong Government, we will adopt a positive but stringent control in implementing our loan approval policy.

In terms of fund raising, we intend to diversify our financing channels by actively seeking alternative financing resources in order to maintain our finance cost at the lowest possible level.

## **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 period from the Listing Date and up to the date of this announcement.



## **CORPORATE GOVERNANCE PRACTICES**

The Company has adopted the code provisions (the “Code Provisions”) as set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). During the period from 12 December 2014 (the “Listing Date”) to 31 December 2014, the Company has complied with the Code Provisions except the following deviations:

Pursuant to code provision A.2.1 of the Code of Corporate Governance Practices, 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.

## **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 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 directors have complied with the required standards as stated in the Model Code and the Company’s Code throughout the period from the Listing Date to 31 December 2014.

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

The Audit Committee of the Company consists of three independent non-executive Directors, namely, Mr. Chan Chi On (alias Derek Chan), Dr. Ng Lai Man, Carmen (“Dr. Ng”) and Mr. Tang, Warren Louis, and is chaired by Dr. Ng.

The Audit Committee has discussed with the management of the Company the internal control and financial reporting matters including the accounting principles and practices related to the preparation of the consolidated financial statements for the year ended 31 December 2014. It has also reviewed the consolidated financial statements for the year ended 31 December 2014 with the management and the auditor of the Company and recommended them to the Board for approval.

## **FINAL DIVIDEND**

The Board recommended the payment of a final dividend of HK2.7 cents per share for the year ended 31 December 2014, subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on Wednesday, 3 June 2015, payable to the shareholders of the Company whose names appear on the register of members of the Company on Wednesday, 10 June 2015. The proposed final dividend will be paid on or about Friday, 26 June 2015 following approval at the 2014 annual general meeting of the Company.

## **CLOSURES OF REGISTER OF MEMBERS**

For determining the entitlement to attend and vote at the forthcoming annual general meeting of the Company to be held on Wednesday, 3 June 2015, the register of members of the Company will be closed from Friday, 29 May 2015 to Wednesday, 3 June 2015 (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 annual general meeting 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, Tricor Investor Services Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 28 May 2015.

For determining the entitlement to the payment of final dividend, the register of members of the Company will be closed from Tuesday, 9 June 2015 to Wednesday, 10 June 2015 (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 Wednesday, 10 June 2015. 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, Tricor Investor Services Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 8 June 2015.

## **PUBLICATION**

The final results announcement of the Company for the year ended 31 December 2014 is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.gic.com.hk](http://www.gic.com.hk)) respectively. The 2014 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 first annual general meeting of the Company will be held on Wednesday, 3 June 2015. The notice of the annual general meeting, which constitutes part of the circular to our shareholders, together with proxy form and the Company's 2014 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, 25 March 2015

*As at the date of this announcement, the Board comprises two executive directors of the Company, namely Ms. Wang Yao and Ms. Jin Xiaoqin, and three independent non-executive directors of the Company, namely Mr. Chan Chi On (alias Derek Chan), Dr. Ng Lai Man, Carmen and Mr. Tang, Warren Louis.*