

**GLOBAL INTERNATIONAL CREDIT GROUP LTD:
THE MONEY LENDER HAS ENTERED
A DIFFICULT PHASE IN ITS SHORT HISTORY**

As it is, the Net Profit for the Current Financial Year, ending December 31, 2014, is forecast to be about 33 percent lower than the recorded, Net Profit in respect of the 2013 Financial Year.

Global International Credit is a moneylender, operating exclusively in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

It was one of the last few companies to pitch a Share Offer on the premier equity market of the HKSAR, during the month of November.

The Share Offer

This Company, which has been in existence for only about five years and 11 months, is Offering 100 million, one-cent Shares at the Indicative Offer Price Per Share, ranging from \$HK1.30 to \$HK1.60.

Management is Placing 90 million Shares with International Investors, leaving 10 million Shares for HKSAR Investors.

At the midpoint of the Indicative Offer Price Per Share, being \$HK1.45, Management estimates that it will net about \$HK121 million.

This amount of money is expected to be utilised for the following purposes:

- Approximately, \$HK96.80 million, being about 80 percent of the net proceeds of the Share Offer, *'for expanding our mortgage loan portfolio by providing more and/or higher value loans to existing and/or new customers'*;
- Approximately, \$HK12.10 million, being about 10 percent of the net proceeds of the Share Offer, for marketing and advertising programmes; and,
- Approximately, \$HK12.10 million, being 10 percent of the net proceeds of the Share Offer, to enrich the Company's Working Capital Account.

Just before pitching its **Initial Public Offering (IPO)**, Management cleared out a goodly amount of the cash from the Company's Current Account, paying what could only be described as a whopping dividend to the then loan shareholder. That amount of money was \$HK80 million, leaving just shy of \$HK35 million in the kitty.

The Business

The business of Global International Credit is given in an '**OVERVIEW**', contained at Page 83 of the Share

Offer Prospectus:

‘Our Group is principally engaged in the money lending business. We mainly provide mortgage loan financings to corporations and private individuals which are secured against real estate assets in Hong Kong. We also provide some unsecured personal loans.

‘We have operated our business under a Money Lenders Licence, and in accordance with the provisions of the Money Lenders Ordinance, since 2009 when our principal operating subsidiary was first established... our Group is one of the top ten licensed money lenders in Hong Kong. Our Group is focused on offering various mortgage loan financing options to suit the needs of our corporate and private individual customers. Our principal loan products are (i) first mortgage loans, which are secured by first mortgage on the borrowers’ real estates; and (ii) subordinated mortgage loans, which are secured by mortgages subordinated to first or higher ranking mortgages charged on the borrowers’ pledged properties. We only offer mortgage loan financings which are secured against real estate assets located in Hong Kong. We accept residential, commercial and industrial real estate assets as security including apartments, tenement houses, village houses, retail and office units, car parking lots, industrial units and land. We generate revenue from interest received from the provision of loans to our corporate and private individual customers.

‘In accordance with our credit policy, the size of loans offered to our customers is dependent upon the type of property to be mortgaged (i.e. residential, commercial or other) with reference to the value of the underlying security, or the residual value of the underlying security once any prior securities have been valued and assessed (i.e. the loan-to-value ratio). During the Track Record Period, for loans mortgaged against residential properties, we offered first mortgage loans with loan-to-value ratio, in the majority of cases, of not more than 70%. In respect of subordinated mortgage loans, we offered mortgage loans, when aggregated with all prior mortgage loans, with loan-to-value ratio, in the majority of cases, of not more than 70%. For non-residential properties we typically offer loans with lower loan-to-value ratios. During the Track Record Period, mortgage loans granted to our customers have ranged from around HK\$18,000 to HK\$90 million and for contractual periods ranging from one month to 20 years. We register mortgages taken out as security for our loans with the Land Registry so that the priority of such mortgages is established against subsequent mortgages of the same property with other lenders or mortgagees.

‘In addition to mortgage loan financings, during the Track Record Period, we have also offered unsecured personal loans to private individuals. Our Group has offered unsecured personal loans since we first commenced business. However, as our operation has grown, we have focused principally on developing our mortgage loan business. Of the limited number of unsecured personal loans we provided, we mainly offered such loans to those individuals who own real estate assets under the Home Ownership Scheme in Hong Kong. During the Track Record Period, unsecured personal loans granted to our private individual customers have ranged from HK\$10,000 to HK\$765,000 and for contractual periods ranging from nine months to 10 years.’

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