



CREDIT
INTELLIGENCE
LIMITED

ACN 126 296 295

2024

ANNUAL REPORT

ASX: CI1





Corporate Data

Directors

Michael Pixley
Mark Ng
Russell Goodman
Alex Luis

Company Secretary

Louisa Ho

Share Registry

Automic Pty Ltd
Level 5, 126 Philip Street,
Sydney, NSW 2000,
Australia

Registered Office

24-26 Kent Street,
Millers Point,
Sydney, NSW 2000,
Australia

Principal Place of Business

Level 4 & 5, Double Building,
22 Stanley Street,
Central,
Hong Kong

Level 6, 56 Pitt Street,
Sydney, NSW 2000,
Australia

1 Rochor Canal #01-01,
Sim Lim Square,
Singapore 188504

Independent Auditor

Moore Australia Audit (WA)
Level 15, Exchange Tower,
2 The Esplanade,
Perth, WA 6000,
Australia

Home Exchange

Perth

ASX Code

CI1

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Chairman's Letter

Dear fellow Shareholders,

On behalf of the board of directors (the Board) of Credit Intelligence Limited (CI1 or the Company), it is my great pleasure to present the Company's annual report for the 2024 Financial Year (FY24). FY24 has been a challenging year for the Company, with the Board going through a transitional period while navigating through the local and overseas regulatory frameworks to ensure compliance across the Group. Despite these challenges, the Company and Board has remained focused on the pathway to shareholder value by evaluating the Company's portfolio and consolidating the business as practicable.

Our revenue decreased by 33% to \$10.4m in FY24. The loss after tax attributable to shareholders was \$12.6m in FY24. This was primarily related to (i) the impairment losses recognised during the year on the carrying amounts of goodwill on the acquisition of relevant cash generating units, and (ii) the loss incurred by the business segments of Singapore and Hong Kong.

Australia

The CHT business continues to grow its debt management client portfolio. With the rise in interest rates, CHT has seen an increase in debt consolidation mortgage refinancing, as this service benefits clients by consolidating all debts into a new mortgage.

Yozo continues to keep operation costs low to achieve net profit. In addition, the diversified loan risk portfolio has been beneficial to the Company and to date has kept the default rate at zero.

Hong Kong

During FY24, the Company implemented numerous cost-saving measures to improve the financial health of businesses in Hong Kong by streamlining operations and reducing unnecessary expenses. The Company also managed to mitigate potential financial setbacks. These actions not only help stabilize our current situation but also position us for future sustainability.

Given continuing loss-making business of HKBNPL, the Company discontinued its operation in Q2 FY24.

Singapore

During Q4 FY24, the Company disposed of ICS having considered ICS's decline in revenue and the market conditions in Singapore. The Board sees the disposal as a positive step forward to reallocate resources and focus on the core business of the Group.

The Company continues to operate its partly owned subsidiary HHC. As more competitors enter the market, we have seen a noticeable decline in our revenue. This increased competition has created challenges for our business, prompting us to reassess our strategies and operations. The company is actively working to evaluate its market position.

Other Matter

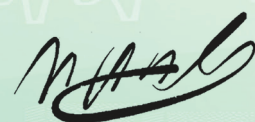
On 8 February 2024, the Company applied for a trading halt and subsequently applied for a voluntary suspension in the trading of its securities following the receipt of a letter from the Hong Kong Official Receiver's Office (ORO). The issues in the letter from the ORO has since been addressed (refer to ASX announcement dated 9 April 2024). The Company remains in suspension under Listing Rule 17.3.1, as it navigates the suspension of new cases by the ORO (refer to ASX announcement dated 22 May 2024).

On 18 September 2024, the Company advised that the legal action initiated by the former executive Chairman/CEO Mr. Ka Sek Wong (Jimmie) and his spouse Chuen Lan Chan (Eva), as initially announced to the market on 2 February 2024 (the "Matter"), has been dismissed by the High Court of the Hong Kong Special Administrative Region.

The Company provides a further update to the 22 May 2024 ASX release, noting that the Official Receiver's Office ("ORO") has assigned new cases to Hong Kong Insolvency Service Limited ("HKIS") (formerly HKDMS) where Mr. King Wong and Mr. Julian Wong are joint trustees for the new cases. However, given the re-assignment are at its early stage the Company is still assessing the financial position of the Company and unable to fully inform the market (notwithstanding its efforts to inform the market).

The Board of Directors of the Company (the "Board") continue to closely monitor the status of HKIS and intend to apply for reinstatement of the Company's shares with the ASX in due course.

I would like to take this opportunity to thank our shareholders, my fellow Board members and our Australia, Hong Kong and Singapore teams for their ongoing support as we move into the 2025 Financial Year (FY25). It has been a challenging but positive year for the Company and going into FY25 the Board continue to stay focused on delivering shareholder value.



Michael Pixley

Chairman

Directors' Report

The directors submit their report on the consolidated entity (referred to hereafter as the “Group”) consisting of Credit Intelligence Limited (the “Company”) and the entities it controlled at the end of, or during, the year ended 30 June 2024.

Directors

The names and details of the Company's directors in office during the year and until the date of this report are as follows.

Where applicable, all current and former directorships held in listed public companies over the past three years have been detailed below.

Directors were in office for this entire period unless otherwise stated.

Michael Pixley

Non-Executive Chairman, appointed 28 April 2020.

Chairman of Audit and Risk Committee

Mr Michael Pixley has 35 years merchant banking experience in Australia and Asian regions across a broad range of industries. Mr Pixley is a non-executive director of Eneco Fresh Ltd (ASX:ERG) and Red Ridge Group Limited (NSX: RRG). He has a Bachelor of Business Management, Curtin University, Perth, Western Australia.

Mark Ng

Executive Director, appointed 29 December 2020.

Mr Mark Ng is a member of CPA Australia and a practising member of Hong Kong Institute of Certified Public Accountants. Mr Ng has over 20 years of experience in the financial services sector across Asia and in the management and governance of listed companies. He has been involved in a number of IPOs and M&A activity on major stock exchanges (LSE, HKEX, ASX, NSX, SGX, TSX, NYSE). Mr. Ng is responsible for investment, corporate and financial management. He is also an executive director of Sanvo Fine Chemicals Group Limited, a company listed on the main board of the Hong Kong Stock Exchange and an executive director of Red Ridge Group Limited (NSX: RRG).

Russell Goodman

Non-Executive Director, appointed 22 October 2020.

Chairman of Nomination Committee

Mr Russell Goodman is a Melbourne based fund manager with over 30 years' experience in stock broking and equity investments, including over 10 years as the Head of Institutional Australian Equities Dealing Desk for Credit Suisse First Boston. Mr Goodman was also a fund manager at ANZ Funds Management and K2 Investment Management. Mr Goodman was also previously Director/Chairman of Vmoto Limited. Mr Goodman has a Bachelor of Business from Swinburne University of Technology and has a Graduate Diploma in Applied Finance.

Non-Executive Directors

Alex Luis

Non-Executive Director, appointed 1 February 2024.

Chairman of Remuneration Committee

Mr Luis has over 15 years of experience in business management, media, advertising, investor relationship and public relationship across different countries and corporations. He is also a professional investor in major capital markets such Australia (ASX, NSX), UK (AIM), Singapore (SGX) and Hong Kong (HKex). Mr Luis is currently a part of senior management of a leading global media group.

Doman Wong

Non-Executive Director (appointed on 1 January 2024 and resigned on 1 March 2024)

King Wong

Executive Director (not re-elected on 25 October 2023)

Vincent Lai

Non-Executive Director (not re-elected on 25 October 2023)

Jimmie Wong

Executive Chairman (resigned on 12 December 2023)

Company Secretary

Louisa Ho

Appointed 1 January 2024

Ms Louisa Ho is a lawyer by profession holding an LLB, Bachelor of Business (major in accounting) & Bachelor of Laws from the University of Technology Sydney and has been admitted as a lawyer of the Supreme Court of New South Wales. Ms Ho has extensive experience in assisting Boards in transitional periods, capital raising activities, corporate governance and compliance advisory with respect to the *Corporations Act 2001* (Cth) and the ASX Listing Rules. She is also currently the Company Secretary of Admiralty Resources NL (ASX:ADY), Cardiex Limited (ASX:CDX), High Peak Royalties Limited (ASX:HPR), Kalium Lakes Limited (ASX:KLL), Red Ridge Group Limited (NSX:RRG), and AHP Group Limited (SSX:88A).

Directors' Report

Interests in the shares of the Company and related bodies corporate

As at the date of this report, the interests of the directors in the shares of Credit Intelligence Limited were:

	Option Holdings	Ordinary Shares
Mark Ng	–	–
Michael Pixley	–	5,000
Russell Goodman	–	100,000
Alex Luis	–	5,438,273

Principal activities

Credit Intelligence Group is one of the leading diversified debts restructuring and personal insolvency service businesses operating in Australia, Hong Kong and Singapore. The Group primarily engages in debt solution service, BNPL services, debt restructuring, personal insolvency service and credit financing for individuals.

Except for the discontinued operations of HKBNPL and ICS, there was no change in the principal activities of the Group during the year.

Dividends paid or recommended

There was no dividend reinvestment plan in operation during the year.

Following the year end, the company's cash flow requirements for business operations necessitate the decision not to declare a final dividend (FY23: Nil).

Review of operations and activities

Australia

CHT has continued to grow its debt management client portfolio, which sees clients onboarded to manage their debt repayments to creditors over a five-year period. With the rise in interest rates, CHT has seen an increase in debt consolidation mortgage refinancing, as this service benefits clients by consolidating all debts into a new mortgage. During FY24, CHT contributed a positive result of \$692k (FY23:1.4m) to the Group.

Yozo kept minimum operation costs and achieved net profit. Yozo mainly benefited from the diversified loan risk portfolio and has kept the default rate to zero to date.

Hong Kong

During FY24, the provision of debt restructuring and personal insolvency service businesses recorded a loss of \$2.2m (FY23: profit \$908k).

OneStep's App principally offers Buy Now Pay Later ("BNPL") services to clients who subscribe to ongoing audit matching service through iProEx under OneStep online platform. Approximately 1,000 new UK companies and Hong Kong companies were registered through OneStep's online platform, adding to 23,000 clients in OneStep's client database.

During FY24, HKBNPL recorded a loss of \$502k (FY23: \$663k). Given continuing loss-making business, the Company discontinued its operations in December 2023.

Singapore

There were a number of competitors that entered into the credit financing market. Changes in market demand, consumer preferences and industry trends reduced the market share. As a result, the businesses in Singapore recorded a loss of \$2.3m (FY23: profit 790k).

During FY24, HHC distributed \$1.3m (FY23: 662k) dividend to the Company. These funds were used to pay off the bond to a lender (refer to note 21).

During Q4 FY24, the Company disposed of ICS having considered ICS's decline in revenue and the market conditions in Singapore. The Board sees the disposal as a positive step forward to reallocate resources and focus on the core business of the Group.

Risk management

The board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the board.

The Group has established an Audit and Risk Committee which comprises only non-executive directors.

The board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the board. These include the following:

- Board approval of a strategic plan, which encompasses strategy statements designed to meet stakeholders needs and manage business risk.
- Implementation of board approved operating plans and budgets and board monitoring of progress against these budgets.

Significant changes in the state of affairs

Except for the discontinued operations of HKBNPL and ICS, there were no other significant changes in the state of affairs during the year.

Significant events after the reporting date

No matters or circumstances have arisen since 30 June 2024, which significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

Likely developments and expected results of operations

The Company will continue to implement numerous cost-saving measures to improve the financial health of businesses by streamlining operations, reducing unnecessary expenses as well as reallocating resources and focus on the core business of the Group.

Environmental regulation and performance

The Group's current business is not subject to any significant environmental regulation.

Remuneration report (audited)

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

Directors' Report

Principles used to determine the nature and amount of remuneration

Remuneration governance and policy

The Board has established a remuneration committee comprised of three independent non-executive directors and a nomination committee comprised of three independent non-executive directors and chairman. The Corporate Governance Statement provides further information on the role of this committee. The remuneration policy of Credit Intelligence has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long term incentives. The board of the Company believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Group.

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the Group is as follows:

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the board. The board reviews executive packages annually and determines policy recommendations by reference to executive performance and comparable information from industry sectors and other listed companies in similar industries.

The board may exercise discretion in relation to approving incentives, bonuses and equity securities. The policy is designed to attract and retain the highest calibre of executives and reward them for performance that results in long term growth in shareholder wealth.

Executives are also entitled to participate in the employee share arrangements, where applicable.

Where required, the executive directors and executives receive a superannuation guarantee contribution required by the government, which was 11% for Australia in FY24 and 5% or maximum contribution approximately A\$292 per month for Hong Kong in the reporting period, and do not receive any other retirement benefits.

All remuneration paid to directors and executives is valued at the cost to the Company and expensed. Equity securities in the form of performance shares are valued using an appropriate binomial, trinomial or option pricing methodology depending on the terms of the equity securities granted.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting (currently \$250,000). Fees for non-executive directors are not linked to the performance of the Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

Performance based remuneration

The Group does not have a formal short-term incentive scheme for executives, directors or other key management personnel. However, the Board believes that a portion of the remuneration package for the directors should be linked to some form of financial indicator, such as share price, from time to time, as determined by the Board.

In addition, discretionary bonuses are paid at the discretion of the Board based on the KMP's individual performance, the overall performance of the company, the KMP's length of service and prior years' salary reviews.

Principles used to determine the nature and amount of remuneration (continued)

Company performance, shareholder wealth and directors' and executives' remuneration

The Group aims to align director and executive remuneration to its strategic and business objectives and the creation of shareholder wealth. The table below shows measures of the group's financial performance over the last five years as required by the *Corporations Act 2001*. The results below set as reference in determining the amounts of remuneration to be awarded to Key Management Personnel (KMP). The Group also quotes references from market rates and market capitalisation as benchmark. As a consequence, there may not always be a direct correlation between the statutory key performance measures and the performance-based remuneration awarded.

The table below shows the statutory key performance indicators of the Group over the last five years.

	2024 \$	2023 \$ Represented	2022 \$	2021 \$	2020 \$
Revenue	10,474,758	15,792,350	15,714,147	12,698,718	13,611,618
Net (loss)/profit attributable to members	(12,588,592)	(5,775,845)	(842,421)	736,062	2,541,275
(Loss)/Earnings per share*	(0.1444)	(0.0697)	(0.0105)	0.0111	0.0500
Share price at year end	0.11	0.135	0.097	0.32	0.5200
Dividend payments	–	–	–	599,689	1,020,146

A discontinued operation is a component of the Group that is distinguishable by reference to a line of business, that is held for sale, has been disposed of or discontinued, or is a subsidiary acquired exclusively with view to sale. Given that HKBNPL and ICS are discontinued and disposed during the year respectively, the comparative consolidated statement of profit or loss and other comprehensive income for the 2023 financial year is re-presented.

*Following shareholders' approval at the General Meeting held on 27 April 2022, the consolidation of the issued capital of the Company on the basis of one (1) share for every twenty (20) shares was completed. Accordingly, (loss)/earnings per share and the share price from year 2020 to year 2021 are re-presented.

Use of remuneration consultants

The Group did not retain the services of any remuneration consultants during the year ended 30 June 2024.

Voting and comments made at the Company's 2023 Annual General Meeting

The Company received approximately 7.71% of "For" votes on its remuneration report for the 2023 year.

The Remuneration Committee (RC) has reviewed the remuneration of its directors and officers, and the Company has since held a Board Spill Meeting which saw the re-election of Messrs Michael Pixley, Russell Goodman and Mark Ng, being the only directors in office at the time of the Board Spill Meeting in accordance with section 250V of the *Corporations Act*.

Directors' Report

Details of Remuneration

Details of the remuneration of the directors and the key management personnel of the Group are set out in the following table.

The key management personnel of the Group comprises all the Directors of CIL. All amounts included in the Remuneration Table below are included as expenses within the consolidated statement of profit or loss in the financial statements. The key management personnel and details of their remuneration are outlined below:

	Short-term		Long-term		Post	Share-based	Total	Percentage performance related (Options)
	Salary & fees	Discretionary cash bonus	Non-monetary	Leave entitlements	Employment Super-annuation	Payments Options		
	\$	\$	\$	\$	\$	\$	\$	%
Directors								
Michael Pixley								
2024	48,000	–	–	–	–	218	48,218	N/A
2023	48,000	–	–	–	–	7,296	55,296	N/A
Mark Ng								
2024	123,686	–	–	–	878	435	124,999	0%
2023	126,080	–	–	–	–	25,437	151,517	17%
Russell Goodman								
2024	48,000	–	–	–	–	218	48,218	N/A
2023	48,000	–	–	–	–	7,296	55,296	N/A
Alex Luis								
2024	15,038	–	–	–	–	–	15,038	N/A
2023	–	–	–	–	–	–	–	N/A
Doman Wong								
2024	6,028	–	–	–	–	–	6,028	N/A
2023	–	–	–	–	–	–	–	N/A
King Wong								
2024	81,916	–	–	–	1,171	435	83,522	1%
2023	247,156	–	–	–	6,828	25,437	279,421	9%
Vincent Lai								
2024	20,071	–	–	–	–	218	20,289	N/A
2023	63,040	–	–	–	–	7,296	70,336	N/A
Brett Crowley								
2024	–	–	–	–	–	218	218	N/A
2023	–	–	–	–	–	3,684	3,684	N/A
Jimmie Wong								
2024	1,014,583	–	–	–	1,756	3,263	1,019,602	0%
2023	2,262,427	–	–	–	6,828	274,020	2,543,275	11%
Total key management personnel compensation								
2024	1,357,322	–	–	–	3,805	5,005	1,366,132	0%
2023	2,794,703	–	–	–	13,656	350,466	3,158,825	11%

Service agreements

The details of service agreements of the key management personnel of the Group are as follows:

Mark Ng, Executive Director

- Term of agreement – employment commencing from 1 July 2024 or until employment is terminated.
- Annual salary of \$360,000 inclusive of any statutory superannuation.
- The agreement may be terminated by either party giving 6 months written notice, or applicable shorter periods upon breach of contract by either party. There are no benefits payable on termination other than entitlements accrued to the date of termination.

The non-executive directors have entered into engagement letters containing terms and conditions which are considered standard for the appointments and are in line with common industry practice.

Equity instruments held by key management personnel

Ordinary share and option holdings

The number of ordinary shares and option in the Company held during the year by each director of Credit Intelligence Limited is set out below. There were no ordinary shares granted during the reporting period as compensation.

	Balance at start of the year or date of appointment	Received during the year as remuneration	Other changes during the year	Balance at end of the year
2024 Ordinary share				
Michael Pixley	5,000	–	–	5,000
Mark Ng	100,000	–	(100,000)	–
Russell Goodman	100,000	–	–	100,000
Alex Luis	5,283,273	–	155,000	5,438,273
2024 Option holdings				
Michael Pixley	130,000	–	(80,000)*	50,000
Mark Ng	500,000	–	(400,000)*	100,000
Russell Goodman	130,000	–	(80,000)*	50,000
Alex Luis	–	–	–	–

* The options expired on 16 May 2024.

Loans to key management personnel and their related parties

There were no loans to key management personnel and their related parties during the year (2023: Nil).

Directors' Report

Other transactions with key management personnel and their related parties

During the year ended 30 June 2024, \$89,304 (2023: \$226,104) was paid to Ms Eva Chan as remuneration (including salary and options issued by the Company). Ms Chan is the spouse of Mr Jimmie Wong, former executive chairman of the Company.

During the year ended 30 June 2024, \$171,323 (2023: \$226,104) was paid to Mr Herbert Wong as remuneration (including salary and options issued by the Company). Mr Wong is the son of Mr Jimmie Wong, former executive chairman of the Company.

During the year ended 30 June 2024, \$78,267 (2023: \$92,557) was paid to Mr Hansen Wong as remuneration. Mr Wong is the son of Mr Jimmie Wong, former executive chairman of the Company.

During the year ended 30 June 2024, \$20,485 (2023: \$48,934) was paid to Mr Terence Chan. Mr Chan is the brother-in-law of Mr Jimmie Wong, former executive chairman of the Company.

All of the individuals listed above were either removed or resigned, followed by the resignation of Mr. Jimmie Wong, the former executive chairman of the Company.

End of audited remuneration report

Directors' meetings

During the year the Company held five meetings of directors. The attendance of directors at meetings of the board was:

	Committee Meetings					
	Directors Meetings		Audit and Risk		Remuneration and Nomination	
	A	B	A	B	A	B
Michael Pixley	5	5	2	2	–	–
Mark Ng	5	5	–	–	–	–
Russell Goodman	5	5	2	2	–	–
Alex Luis	2	2	1	1	–	–
King Wong	3	3	–	–	–	–
Vincent Lai	3	3	–	–	–	–
Jimmie Wong	3	3	–	–	–	–
Doman Wong	2	2	1	1	–	–

A – Number of meetings attended.

B – Number of meetings held during the time the director held office during the year.

Indemnification of officers

The Company has paid premiums to insure directors under a Directors and Officers Insurance policy. The details of the indemnity insurance are as follows:

The Company has entered into an insurance policy to indemnify each director against any liability arising from a claim brought against the Company and the directors by a third party for the supply of substandard services or advice.

Further disclosure of information relating to this policy is not permitted under the contract of insurance.

No indemnification has been obtained for the auditors of the Company or the Group.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-audit services

The following non audit services were provided by the Group’s auditor, Moore Australia or associated entities. The directors are satisfied that the provision of non audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor;
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards).

Moore Australia or associated entities and component auditors have received, or are due to receive, the following amounts for the provision of non audit services to Credit Intelligence Limited:

	2024 \$	2023 \$
– Taxation services Moore Australia	9,985	17,047

Auditor’s independence declaration

A copy of the auditor’s independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 14.

Signed in accordance with a resolution of the directors.



Mark Ng
Executive Director

25 September 2024

Auditor's Independence Declaration



Moore Australia Audit (WA)

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Auditor's Independence Declaration Under Section 307C of the Corporations Act 2001

To the directors of Credit Intelligence Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit, and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

Shaun Williams
Partner – Audit and Assurance
[Moore Australia Audit \(WA\)](#)
Perth

Moore Australia Audit (WA)
Chartered Accountants

25th day of September 2024.

Moore Australia Audit (WA) – ABN 16 874 357 907.

An independent member of Moore Global Network Limited - members in principal cities throughout the world.

Liability limited by a scheme approved under Professional Standards Legislation.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024

	Notes	2024 \$	2023 \$(Represented)
Continuing operations			
Service revenue	3a	9,567,841	12,874,993
Credit financing interest revenue	3b	906,917	2,917,357
Other income	4	257,119	301,864
Bad debts written off and loss allowances	5	(1,165,837)	(2,907,548)
Employee benefits expense		(6,891,366)	(8,316,661)
Other expenses		(4,064,406)	(2,890,559)
Impairment losses	16	(9,464,821)	(5,243,471)
Finance costs		(28,838)	(215,706)
Loss before income tax from continuing operations		(10,883,391)	(3,479,731)
Income tax expense	6	(159,930)	(815,135)
Loss for the year from continuing operations		(11,043,321)	(4,294,866)
Discontinued operations	36		
Loss for the year from discontinued operations after tax		(2,249,289)	(687,036)
Loss for the year		(13,292,610)	(4,981,902)
Other comprehensive income			
Items that may or will be reclassified to profit or loss			
Exchange differences on translating foreign operations, net of tax		245,950	939,978
Total comprehensive loss for the year, net of tax		(13,046,660)	(4,041,924)
Net (loss)/profit attributable to:			
Members of the parent entity		(12,588,592)	(5,775,845)
Non-controlling interest		(704,018)	793,943
		(13,292,610)	(4,981,902)
Total comprehensive (loss)/income attributable to:			
Members of the parent entity		(12,391,516)	(5,000,709)
Non-controlling interest		(655,144)	958,785
		(13,046,660)	(4,041,924)
Loss per share	27		
Basic & diluted			
From continuing operations		(0.1260)	(0.0632)
From discontinued operations		(0.0184)	(0.0065)
From continuing operations and discontinued operations		(0.1444)	(0.0697)

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 30 June 2024

	Notes	2024 \$	2023 \$
CURRENT ASSETS			
Cash and cash equivalents	7	1,430,621	5,457,764
Pledged deposits	8	680,743	201,019
Trade and other receivables	9	1,416,668	1,272,208
Loan receivables	10	2,036,786	5,387,892
Current tax assets	11	196,485	7,962
Other current assets	12	259,865	267,602
Assets held for sale	36	119,735	–
TOTAL CURRENT ASSETS		6,140,903	12,594,447
NON-CURRENT ASSETS			
Plant and equipment	13	491,079	215,920
Right-of-use assets	14	178,421	311,281
Trade and other receivables	9	4,385,270	3,239,305
Loan receivables	10	73,713	127,276
Deferred tax assets	15	533,147	357,597
Intangible assets	16	863,750	10,350,951
TOTAL NON-CURRENT ASSETS		6,525,380	14,602,330
TOTAL ASSETS		12,666,283	27,196,777
CURRENT LIABILITIES			
Trade and other payables	17	2,009,407	1,426,415
Lease liabilities	18	106,304	192,566
Contract liabilities	19	87,604	127,575
Amounts due to vendor	20	–	699,643
Other borrowings	21	–	1,089,139
Liabilities directly associated with assets held for sale	36	21,621	–
TOTAL CURRENT LIABILITIES		2,224,936	3,535,338
NON-CURRENT LIABILITIES			
Lease liabilities	18	78,057	121,888
Deferred tax liabilities	15	1,321,618	917,027
Amounts due to directors	22	264,052	368,319
TOTAL NON-CURRENT LIABILITIES		1,663,727	1,407,234
TOTAL LIABILITIES		3,888,663	4,942,572
NET ASSETS		8,777,620	22,254,205
EQUITY			
Issued capital	23	22,764,076	22,074,790
Reserves	24	2,153,818	2,362,207
Accumulated losses	24	(17,692,666)	(5,517,417)
Equity attributable to owners of the parent entity		7,225,228	18,919,580
Non-controlling interest		1,552,392	3,334,625
TOTAL EQUITY		8,777,620	22,254,205

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

	Issued Capital \$	Accumulated Losses \$	Merger Reserve \$	Foreign Currency Translation Reserve \$	Option Reserve \$	Total \$	Non- controlling Interest \$	Total Equity \$
Balance at 1.7.2022	21,705,165	199,334	11,037	904,165	236,089	23,055,790	2,689,970	25,745,760
Comprehensive income:								
Loss for the year	-	(5,775,845)	-	-	-	(5,775,845)	793,943	(4,981,902)
Other comprehensive income for the year	-	-	-	775,136	-	775,136	164,842	939,978
Total comprehensive income for the year	-	(5,775,845)	-	775,136	-	(5,000,709)	958,785	(4,041,924)
Transactions with owners, in their capacity as owners, and other transfers								
Allotment of shares	369,625	-	-	-	-	369,625	-	369,625
Capital injection from non-controlling Interest	-	-	-	-	-	-	127,312	127,312
Options expense recognised in the year	-	-	-	-	494,874	494,874	-	494,874
Expiry of options	-	59,094	-	-	(59,094)	-	-	-
Dividend distribution from a subsidiary	-	-	-	-	-	-	(441,442)	(441,442)
Total transactions with owners and other transfers	369,625	59,094	-	-	435,780	864,499	(314,130)	550,369
Balance at 30.6.2023	22,074,790	(5,517,417)	11,037	1,679,301	671,869	18,919,580	3,334,625	22,254,205
Balance at 1.7.2023	22,074,790	(5,517,417)	11,037	1,679,301	671,869	18,919,580	3,334,625	22,254,205
Comprehensive income:								
Loss for the year	-	(12,588,592)	-	-	-	(12,588,592)	(704,018)	(13,292,610)
Other comprehensive income for the year	-	-	-	197,076	-	197,076	48,874	245,950
Total comprehensive income for the year	-	(12,588,592)	-	197,076	-	(12,391,516)	(655,144)	(13,046,660)
Transactions with owners, in their capacity as owners, and other transfers								
Allotment of shares	689,286	-	-	-	-	689,286	-	689,286
Disposal of a subsidiary	-	-	-	-	-	-	(229,937)	(229,937)
Options expense recognised in the year	-	-	-	-	7,878	7,878	-	7,878
Expiry of options	-	413,343	-	-	(413,343)	-	-	-
Dividend distribution from a subsidiary	-	-	-	-	-	-	(897,152)	(897,152)
Total transactions with owners and other transfers	689,286	413,343	-	-	(405,465)	697,164	(1,127,089)	(429,925)
Balance at 30.6.2024	22,764,076	(17,692,666)	11,037	1,876,377	266,404	7,225,228	1,552,392	8,777,620

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2024

	Notes	2024 \$	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		7,674,408	7,678,882
Payments to suppliers and employees		(9,983,052)	(9,933,638)
Interest received		4,149	3,983
Bank charges and interest		(240,955)	(222,626)
Income tax paid		(105,563)	(1,062,846)
		(2,651,013)	(3,536,245)
Changes in operating assets arising from cash flow movements:			
Customer loans		1,939,251	7,691,040
Net cash (used in)/generated from operating activities	25	(711,762)	4,154,795
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(117,314)	(26,985)
Pledged deposits		(489,366)	(199,097)
Disposal of a subsidiary		(21,395)	–
Net cash used in investing activities		(628,075)	(226,082)
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal payment of lease liabilities		(503,721)	(664,861)
Capital injection from non-controlling interest		–	127,312
Accounts with directors		(104,170)	20,640
Repayment of other borrowings		(1,176,685)	(1,370,337)
Dividend distribution from a subsidiary to non-controlling shareholders		(897,152)	(528,586)
Net cash used in financing activities		(2,681,728)	(2,415,832)
Net (decrease)/increase in cash and cash equivalents held		(4,021,565)	1,512,881
Cash and cash equivalents at beginning of the year		5,457,764	3,589,354
Effect of foreign currency translation		(5,578)	355,529
Cash and cash equivalents at end of the year		1,430,621	5,457,764

The accompanying notes form part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

These consolidated financial statements and notes represent those of Credit Intelligence Limited (the “Company”) and its controlled entities (the “Group”).

The separate financial statements of the parent entity, Credit Intelligence Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*.

The consolidated financial statements were authorised for issue on 25 September 2024 by the directors of the Company.

Basis of preparation

Reporting entity

Credit Intelligence Limited is a public company limited by shares, incorporated and domiciled in Australia.

These general purpose consolidated financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Material accounting policy information adopted in the preparation of this financial report is presented below. They have been consistently applied unless otherwise stated.

Except for cash flow information, the consolidated financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

1 Summary of material accounting policy information

(a) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Credit Intelligence Limited (‘Company’ or ‘Parent Entity’) as at 30 June 2024 and the results of its controlled entities for the year then ended. Credit Intelligence Limited and its controlled entities together are referred to in these financial statements as the “Consolidated entity”.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

1 Summary of material accounting policy information (continued)

(a) Principles of consolidation (continued)

Group companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- Accumulated loss/retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the consolidated statement of financial position and allocated to non-controlling interest where relevant. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and consolidated statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

(b) Foreign currency translation

(i) Functional and presentation currency

The functional currencies of the Group are Australia dollars (A\$), Hong Kong dollars (HK\$) and Singapore dollars (SG\$), which are the currencies of the primary economic environment in which the Group operates, while presentation currency of the Group is Australian dollars (A\$).

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. Foreign exchange gains and losses resulting from settling foreign currency transactions, as well as from restating foreign currency denominated monetary assets and liabilities, are recognised in profit or loss.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined.

1 Summary of material accounting policy information (continued)

(c) Revenue recognition

Debt solution service

Debt solution service is recognised (a) at a point in time which is defined as the point of settlement for a finance facility, the successful negotiation of debt or the commission received from placing a client into a complimentary product and (b) a mixture of at a point in time and over time which is defined as the length of the long term payment arrangement (5 years) with the client. This arrangement contains a fixed component (present value of the amount to be repaid over 5 years) which is recognised as revenue at a point in time and a financing component (interest charge) which is recognised as revenue over time.

Revenue from insolvency service

The Group provides payment collection and assets realisation services to the customers. Service is carried out when the bankrupts pay to their bankruptcy estate bank accounts. Revenue is recognised progressively, which based on the payment made by the bankrupts at an agreed rate, because the customer receives and uses the benefits simultaneously.

The Group also provides dividend distribution services to the customers. Service is carried out when the Group distributes to the monetary value in bankruptcy estate bank accounts to the creditors. Revenue is recognised progressively based on the payment distributed to the creditors at an agreed rate, because the customer receives and uses the benefits simultaneously.

Any unconditional rights to consideration are presented separately as “Accounts receivable”.

Variable consideration

In the event that the total aggregate revenue from insolvency services is less than an agreed amount, the remaining funds in the bankruptcy estate bank account will be charged as discharge minimum fee up to a ceiling which makes the revenue up to the agreed amount if sufficient funds are available.

Since such minimum fee, which is subject to sufficiency of funds, is considered as “variable consideration”, the related amount is recognised as revenue only when it is highly probable that a significant reversal in the amount of cumulative revenue will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The management considers that the uncertainty of the minimum fee can only be resolved until the bankrupt is discharged.

Revenue from Individual Voluntary Arrangement (IVA) services

Revenue from sharing of service fee from the IVA nominees refer to services provided to the nominees, for preparing monthly administrative documents on behalf of the nominees. As the nominees simultaneously receives and consumes the benefits provided by the Group, revenue is recognised over time by using input method, which is based on the passage of time.

The Group provides IVA proposal consultancy services to the customers. Also, the Group has an enforceable right to payment for performance completed to date, in particular, based on certain explicit terms in the contracts and the past practice which gives the Group the right to be paid for work done to date if the customer were to terminate the contract for reasons other than the Group's failure to perform as promised.

Revenue is recognised by using output method, which is the service fee for each stage of services completed as stated in the contracts.

Any unconditional rights to consideration are presented separately as “Accounts receivable”.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

1 Summary of material accounting policy information (continued)

(c) Revenue recognition (continued)

Interest income

Interest income is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rates which is the rate that exactly discounts the estimated future cash receipts over the expected future life of the financial asset.

When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

Permitted fee income, late interest income and finance service income

Permitted fee income, late interest income and finance service income are recognised on a time proportion basis using the effective interest method.

(d) Income tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income). The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the consolidated financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for all temporary differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered, or liabilities settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. Exceptions are made for certain temporary differences arising on initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit.

Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(e) Leases (the Group as lessee)

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Group where the Group is a lessee. However all contracts that are classified as short-term leases (lease with lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

1 Summary of material accounting policy information (continued)

(e) Leases (the Group as lessee) (continued)

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(f) Impairment of assets

At the end of each reporting period the Group assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in profit or loss where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where it is not possible to estimate the recoverable amount for an individual asset, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

1 Summary of material accounting policy information (continued)

(g) Employee benefits

(i) Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages and salaries are recognised as current provisions in the consolidated statement of financial position.

(ii) Other long-term employee benefits

The Group classifies employees' long service leave and annual leave entitlements as other long-term employee benefits, as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the Group's obligation for other long-term employee benefits, which is measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee benefits expense.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its consolidated statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions.

(iii) Retirement benefit obligations

The Group does maintain a company superannuation plan. The Group makes fixed percentage contributions for all Hong Kong resident employees to complying third party superannuation/MPF funds.

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the consolidated statement of profit or loss and other comprehensive income as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. No forfeited contribution was available to reduce the contribution payable in the future years. Payments to MPF Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

The Group's legal or constructive obligation is limited to these contributions.

Contributions to complying third party superannuation/MPF funds are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

1 Summary of material accounting policy information (continued)

(g) Employee benefits (continued)

(iv) Share-based payments

The fair value of options at grant date is independently determined using a Black-Scholes or Binomial Barrier Valuation option pricing model that takes into account the exercise price, the term, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate. The fair value is recognised in the option reserve and consolidated statement of profit or loss over the vesting period.

(h) Plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses. A formal assessment of recoverable amount is made and impairment loss is recognised in profit or loss when impairment indicators are present (refer to note 1(f) for detail of impairment).

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the item has been put into operation, such as repairs and maintenance and overhaul costs, is normally expensed in the consolidated statement of profit or loss in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in future economic benefits expected to be obtained from the use of the item, the expenditure is capitalised as an additional cost of the item.

Depreciation is provided on the straight-line method, based on the estimated economic useful life of the individual assets, as follows:

Leasehold improvements	Over the shorter of the lease terms and 20% per annum
Furniture, fixtures and equipment	20% per annum
Motor vehicles	20% per annum

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the consolidated statement of profit or loss in the period the asset is derecognised and is the difference between the net sales proceeds and the carrying amounts of the relevant asset.

(i) Intangible assets (other than goodwill)

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Software under development is initially recognised at cost and is subsequently carried at cost less accumulated amortisation and accumulated impairment losses, once the Group commences usage of the software. The amortisation period and the amortisation method are reviewed at least once at each financial year end. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carry amount of the asset and are recognised in the consolidated statement of profit or loss when the asset is derecognised.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

1 Summary of material accounting policy information (continued)

(j) Accounting of goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

- (i) the consideration transferred at fair value;
- (ii) any non-controlling interest (determined under either the fair value or proportionate interest method);
- (iii) the acquisition date fair value of any previously held equity interest; and
- (iv) less the acquisition date fair value of any identifiable assets acquired and liabilities assumed.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (ie reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139: Financial Instruments: Recognition and Measurement, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value (full goodwill method) or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets (proportionate interest method). In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective note to the consolidated financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interest is determined using valuation techniques which make the maximum use of market information where available.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored and not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

1 Summary of material accounting policy information (continued)

(k) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

All loans are initially recognised at fair value, net of transaction costs incurred and inclusive of loan origination fees. Loans are subsequently measured at amortised cost based on the Group's business model objective is to originate loans and advances on its balance sheet and hold to collect repayments of principal and interest. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated statement of profit or loss over the period of the loans using the effective interest method.

Loans and advances are reported at their recoverable amount representing the aggregate amount of principal and unpaid interest owing to the Group at the reporting date, less any allowance or provision for impairment.

All loans and advances greater than 30 days in arrears are reviewed and graded according to the anticipated level of credit risk.

The classification adopted is described below:

- Undue matured loans – Loans for which repayment is not yet due > 3 months.
- Near due matured loans – Loans for which repayment is not yet due < 3 months.
- Matured loans – Loans for which repayment is overdue > 1 month.
- Non performing loans – Loans for which repayment is overdue > 3 months.
- Non active loans – Loans for which principle repayment is finished.

Classification and subsequent measurement

Financial liabilities

Financial instruments are subsequently measured at amortised cost.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at amortised cost on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

1 Summary of material accounting policy information (continued)

(k) Financial instruments (continued)

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the consolidated statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (ie the Group has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the consolidated statement of profit or loss.

Impairment

The Group recognises a loss allowance for expected credit losses (ECL) on financial assets that are measured at amortised cost:

The Group uses the following approaches to impairment, as applicable under AASB 9: Financial Instruments:

- the general approach; and
- the simplified approach

General approach

Under the general approach, at each reporting period, the Group assesses whether the financial instruments are credit-impaired, and if:

- there is no significant increase in credit risk since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses (Stage 1); or
- the credit risk of the financial instrument has increased significantly since initial recognition, the Group measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses (Stage 2 and 3).

1 Summary of material accounting policy information (continued)

(k) Financial instruments (continued)

Impairment (continued)

General approach – Loan receivables

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (PD);
- loss given default (LGD); and
- exposure at default (EAD).

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD.

LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortisation. The EAD of a financial asset is its gross carrying amount at the time of default. For lending commitments, the EADs are potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts.

As described above, and subject to using a maximum of a 12-month PD for Stage 1 financial assets, the Group measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for credit risk management purposes, the Group considers a longer period. The maximum contractual period extends to the date at which the Group has the right to require repayment of an advance or terminate a loan commitment or guarantee.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

1 Summary of material accounting policy information (continued)

(k) Financial instruments (continued)

Impairment (continued)

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to trade receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (ie diversity of customer base, appropriate groupings of historical loss experience, etc).

Recognition of expected credit losses in consolidated financial statements

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the consolidated statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

(l) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its consolidated financial statements, an additional (third) consolidated statement of financial position as at the beginning of the preceding period in addition to the minimum comparative consolidated financial statements is presented.

(m) New and amended accounting policies adopted by the Group

AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates

The Group adopted AASB 2021-2 which amends AASB 7, AASB 101, AASB 108 and AASB 134 to require disclosure of “material accounting policy information” rather than significant accounting policies in an entity’s financial statements. It also updates AASB Practice Statement 2 to provide guidance on the application of the concept of materiality to accounting policy disclosures.

The adoption of the amendment did not have a material impact on the consolidated financial statements.

AASB 2021-5: Amendments to Australian Accounting Standards – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

The Group adopted AASB 2021-5: Amendments to Australian Accounting Standards – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction for the financial year ending 30 June 2024.

The adoption of the amendment did not have a material impact on the consolidated financial statements.

1 Summary of material accounting policy information (continued)

(m) New and amended accounting policies adopted by the Group (continued)

AASB 2022-7: Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards

AASB 2022-7 makes editorial corrections to various Australian Accounting Standards and AASB Practice Statement 2. It also formally repeals the superseded and redundant Australian Accounting Standards set out in Schedules 1 and 2 of this standard.

The adoption of the amendment did not have a material impact on the consolidated financial statements.

(n) New and amended accounting policies not yet adopted by the Group

AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

The amendment amends AASB 101 to clarify whether a liability should be presented as current or non-current.

The Group plans on adopting the amendment for the reporting period ending 30 June 2025 along with the adoption of AASB 2023-6. The amendment is not expected to have a material impact on the consolidated financial statements once adopted.

AASB 2021-7c: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

AASB 2021-7c defers the application of AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2025 instead of 1 January 2018.

The Group plans on adopting the amendments for the reporting periods ending 30 June 2026. The impact of initial application is not yet known.

AASB 2022-6: Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants

AASB 2022-6 amends AASB 101: Presentation of Financial Statements to improve the information an entity provides in its financial statements about liabilities arising from loan arrangements for which the entity's right to defer settlement of those liabilities for at least 12 months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement. It also amends an example in Practice Statement 2 regarding assessing whether information about covenants is material for disclosure. The Group plans on adopting the amendment for the reporting period ending 30 June 2025. The amendment is not expected to have a material impact on the consolidated financial statements once adopted.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

2 Critical accounting estimates and judgements

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the consolidated financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

(i) Performance obligations under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/type, cost/value, quantity and the period of transfer related to the goods or services promised. Where a contract includes variable consideration, this is subject to management judgement and estimation of the amount to which it will be entitled and that a significant reversal in the amount will not occur.

(ii) Lease term and option to extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The decision on whether or not the options to extend are reasonably going to be exercised is a key management judgement that the entity will make. The Group determines the likelihood to exercise on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to future strategy of the Group.

(iii) Share based payment transactions

The fair value of any options issued as remuneration is measured using the Black-Scholes model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on historic volatility adjusted for changes expected due to publicly available information, if any), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds).

3a Service revenue

	2024 \$	2023 \$
Debt solution and finance service	2,706,967	3,568,680
Debt restructuring, personal insolvency and BNPL service	6,424,146	7,030,081
Credit financing service income	436,728	2,276,232
	9,567,841	12,874,993

3b Credit financing interest revenue

Total revenue	906,917	2,917,357
Timing of revenue recognition	10,474,758	15,792,350
Over time	7,991,707	12,520,760
At point in time	2,483,051	3,271,590
	10,474,758	15,792,350

4 Other income

	2024 \$	2023 \$
Bank interest income	3,765	3,927
Administrative charges	118,503	146,893
Other income	134,851	151,044
	257,119	301,864

5 Loss for the year

	2024 \$	2023 \$
Loss before income tax from continuing operations includes the following specific expenses:		
Expenses		
Short-term operating lease payments	33,058	27,421
Contributions to defined contribution plans	118,110	118,680
Consultancy fee	516,710	43,260
Impairment losses	9,464,821	5,243,471
Bad debt written off and loss allowance – comprising		
– Allowance for impairment	8,331	1,533,407
– Bad debt written off	1,157,506	1,374,141
	1,165,837	2,907,548

6 Income tax expense

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operated.

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax under these jurisdictions during the years.

The Company, CHT and Yozo are subject to Australian tax. Hong Kong Profits Tax is calculated at 8.25% of the first HK\$2 million estimated assessable profit and 16.5% above HK\$2 million estimated assessable profit derived in Hong Kong. Singapore Profits Tax is calculated at 17% of estimated assessable profit.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

6 Income tax expense (continued)

	2024 \$	2023 \$
a. The components of tax expense comprise:		
Current tax	(79,103)	177,699
Deferred tax	301,582	489,429
Under provision from prior years	(62,549)	148,007
Income tax reported in consolidated statement of profit or loss	159,930	815,135
b. The prima facie tax benefit on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax benefit on loss from ordinary activities before income tax at 25%	(2,720,848)	(869,932)
Add tax effect of:		
– Non-allowable items	2,387,852	1,888,258
– Revenue losses not recognised	330,986	316,883
	(2,010)	1,335,209
Less tax effect of:		
– Differential in corporate tax rate	(199,326)	159,963
– Non-assessable items	9,702	223,859
– Special tax reduction	–	75,464
– Prior period adjustment	1,041	60,788
– Other deferred tax balances not recognised	26,643	–
Income tax reported in consolidated statement of profit or loss	159,930	815,135
c. Deferred tax recognised at 25% (Note 1(d)):		
Deferred tax liabilities:		
Deferred payment contracts	(1,280,756)	(917,027)
Others	(40,862)	–
	(1,321,618)	(917,027)
Deferred tax assets:		
Revenue losses	383,959	300,194
Others	149,188	57,403
	533,147	357,597
Net deferred tax	(788,471)	559,430
d. Unrecognised deferred tax assets at 25% (Note 1(d)):		
Revenue losses	1,695	1,648
Plant & equipment	2	4,709
Goodwill	79,645	–
Unrealised FX losses	12,016	–
Provisions and accruals	8,000	9,250
Unlisted investments	254,065	254,064
	355,423	269,671
e. Current tax assets		
Current tax receivable	196,485	7,962

The tax benefits of the above deferred tax assets will only be obtained if

- the company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- the company continues to comply with the conditions for deductibility imposed by law; and
- no changes in income tax legislation adversely affect the company in utilising the benefits.

7 Cash and cash equivalents

	2024 \$	2023 \$
Cash at bank and on hand	1,430,621	5,457,764

Cash and cash equivalents represent cash at bank and on hand. Cash at bank earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with authorised banks with no recent default history.

8 Pledged deposits

	2024 \$	2023 \$
Pledged deposits	680,743	201,019

9 Trade and other receivables

	2024 \$	2023 \$
Current	1,576,463	1,434,587
Allowance for expected credit losses	(159,795)	(162,379)
	1,416,668	1,272,208
Non-current	4,385,270	3,239,305
Allowance for expected credit losses	–	–
	4,385,270	3,239,305
Trade and other receivables	5,801,938	4,511,513

Trade receivable from debt solution services normally span over 6-12 months from the date of billing. They are paid when the settlements are negotiated or if they are part of a refinance they are paid when the loan is settled. Trade receivable from debt arrangement services span over 60 months from the date of billing. They are paid in equal monthly instalments. The management of the Group recognised allowance for expected credit losses of \$159,795 for debt solutions services during the year (2023: \$131,088).

Accounts receivable from creditors of bankrupts are generally transferred from the estate bank accounts in the name of bankrupts to the Group. Accounts receivable from creditors of bankrupts are normally settled within 15 days from the month end when the Group is entitled to recognise any revenue arising from the personal insolvency service. The management of the Group believes that no provision for expected credit losses is necessary as at 30 June 2024 (2023: Nil) and the balances are considered fully recoverable. The Group does not hold any collateral over these balances.

Accounts receivable from nominees of IVA services are normally due within 30 days from the date of billing. Based on past experience, management believes that no provision for expected credit losses is necessary in respect of these balances as at 30 June 2024 (2023: Nil) as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances as at 30 June 2024.

Trade receivable from SME BNPL service normally spans 3 months from the date of billing.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

9 Trade and other receivables (continued)

The following table shows the movement in lifetime expected credit loss that has been recognised for trade and other receivables in accordance with the simplified approach set out in AASB 9.

(i) Lifetime expected credit Loss: credit impaired

	Opening balance 1 July 2023 \$	Net measurement of loss allowance \$	Amounts written off \$	Closing balance 30 June 2024 \$
Trade and other receivables	162,379	28,707	(31,291)	159,795

The Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade and other receivables. To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 1 July 2023 and 30 June 2024 is determined as follows; the expected credit losses also incorporate forward-looking information.

	Current (less than 30 days) past due	31 to 60 days past due	61 to 90 days past due	More than 90 days past due	Total
30 June 2024					
Trade and other receivables					
Expected credit loss	0.7%	1.5%	2%	2.9%	
Gross carrying amount	406,022	179,603	135,481	5,240,627	5,961,733
Allowance for expected credit losses	2,875	2,643	2,644	151,633	159,795
30 June 2023					
Trade and other receivables					
Expected credit loss	0.6%	1.2%	1.9%	3.9%	
Gross carrying amount	417,493	225,890	122,991	3,907,518	4,673,892
Allowance for expected credit losses	2,573	2,610	2,276	154,920	162,379

(ii) Credit risk

The Group has no significant concentration of credit risk with respect to any single counterparty or entity of counterparties other than those receivables specifically provided for and mentioned within this note. The main source of credit risk to the Group is considered to relate to the class of assets described as “trade and other receivables”.

The Group always measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit loss. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

9 Trade and other receivables (continued)

(ii) Credit risk (continued)

There has been no change in the estimation techniques used or significant assumptions made during the year.

The Group writes off a trade and other receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery (eg when the debtor has been placed under liquidation or has entered into bankruptcy proceedings) or when the trade receivables are over one year past due, whichever occurs earlier.

10 Loan receivables

	2024 \$	2023 \$
Loan receivables – third parties	6,011,210	9,955,344
Allowance for expected credit losses	(3,900,711)	(4,440,176)
	2,110,499	5,515,168
Current	2,036,786	5,387,892
Non-current	73,713	127,276
	2,110,499	5,515,168
Undue matured loans	52,863	37,563
Near due matured loans	28,323	86,114
Matured loans	206,526	814,401
Non performing loans	2,784,850	2,791,976
Non active loans	828,149	710,122
Allowance for expected credit losses	3,900,711	4,440,176
Movement in allowance for expected credit losses:		
At beginning of the year	4,440,176	2,933,535
Allowance for expected credit losses	2,531,545	3,264,503
Allowance written back	(9,680)	(27,400)
Allowance written-off	(2,855,998)	(1,923,897)
Disposal of a subsidiary – ICS	(183,797)	–
Foreign exchange adjustment	(21,535)	193,435
At end of the year	3,900,711	4,440,176
Maturity analysis – loan receivables		
0 to 3 months	5,779,264	8,288,384
3 to 6 months	72,850	823,668
6 to 12 months	85,383	574,530
Over 12 months	73,713	268,762
	6,011,210	9,955,344

The maturity date of the loans ranged from 3 months to 26 months. They are due within 5 business days from the maturity date.

The key inputs into the measurement of allowance for expected credit losses (ECL) are the term structure of the following variables:

- probability of default (PD);
- loss given default (LGD); and
- exposure at default (EAD).

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

10 Loan receivables (continued)

The Group measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for credit risk management purposes, the Group considers a longer period. The maximum contractual period extends to the date at which the Group has the right to require repayment of an advance or terminate a loan commitment or guarantee.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

The loan receivables are bearing interest rate at 1% to 8% per month to corporates and not more than 4% per month to individuals. All the loan receivables to corporates are guaranteed by the shareholders and directors of these borrowers.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

A loan receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

There is no other class of financial assets that is past due and/or impaired except for loan receivables.

The parent entity did not have any loan receivables as at the reporting dates.

11 Current tax assets

	2024 \$	2023 \$
Current tax assets		
Tax refund receivable	196,485	7,962

12 Other current assets

	2024 \$	2023 \$
Deposits	136,000	143,818
Accrued income and other debtors	102,100	103,888
Prepayments	21,616	19,747
Amount due from a shareholder	149	149
	259,865	267,602

13 Plant and equipment

	2024 \$	2023 \$
Leasehold improvements		
At cost	174,517	134,811
Accumulated depreciation	(103,146)	(72,721)
Accumulated impairment loss	–	(16,968)
Foreign exchange adjustment	(502)	2,447
	70,869	47,569
Furniture, fixtures and equipment		
At cost	547,327	755,893
Accumulated depreciation	(393,474)	(567,683)
Accumulated impairment loss	–	(27,626)
Foreign exchange adjustment	(9,536)	7,767
	144,317	168,351
Motor vehicles		
At cost	340,086	–
Accumulated depreciation	(58,750)	–
Foreign exchange adjustment	(5,443)	–
	275,893	–
Total plant and equipment	491,079	215,920

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

13 Plant and equipment (continued)

Movements in carrying amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and end of the year.

	Leasehold improvements \$	Furniture, fixtures and equipment \$	Motor vehicles \$	Total \$
30 June 2024				
Carrying amount at beginning of the year	47,569	168,351	–	215,920
Additions	53,263	60,905	–	114,168
Transfer from right-of-use assets	–	–	340,086	340,086
Written-off	–	(11,042)	–	(11,042)
Depreciation expense	(29,461)	(64,361)	(58,750)	(152,572)
Foreign exchange adjustment	(502)	(9,536)	(5,443)	(15,481)
Carrying amount at end of the year	70,869	144,317	275,893	491,079

	Leasehold improvements \$	Furniture, fixtures and equipment \$	Motor vehicles \$	Total \$
30 June 2023				
Carrying amount at beginning of the year	68,293	229,788	–	298,081
Additions	–	26,532	–	26,532
Depreciation expense	(23,171)	(95,736)	–	(118,907)
Foreign exchange adjustment	2,447	7,767	–	10,214
Carrying amount at end of the year	47,569	168,351	–	215,920

14 Right-of-use assets

The Group leases proprieties under non-cancellable operating lease arrangements with lease terms of 2-5 years without option to renew the lease term at the expiry date. The leases do not include contingent rentals.

- (i) *AASB 16 related amounts recognised in the consolidated statement of financial position*

	2024 \$	2023 \$
Right-of-use assets		
Carrying amount at beginning of the year	311,281	792,234
Addition to right-of-use assets	401,793	62,074
Lease modification	5,207	9,469
Depreciation expense for the year	(170,667)	(576,868)
Transfer to plant and equipment	(340,086)	–
Disposal of a subsidiary – ICS	(29,091)	–
Foreign exchange adjustment	(16)	24,372
Carrying amount at end of the year	178,421	311,281

- (ii) *AASB 16 related amounts recognised in the consolidated statement of profit or loss*

Depreciation expense on right-of-use assets	170,667	576,868
Interest expense on lease liabilities (under finance cost)	28,838	17,313
Short-term leases expense	33,058	27,421
	232,563	621,602
Total yearly cash outflows for leases	503,721	694,835

15 Deferred tax assets/liabilities

	2024 \$	2023 \$
Deferred tax assets		
Tax losses and others	533,147	357,597
Deferred tax liabilities		
Deferred payment contracts	1,321,618	917,027

16 Intangible assets

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

- the consideration transferred;
- any non-controlling interest (determined under either the full goodwill or proportionate interest method);
- the acquisition date fair value of any previously held equity interest; and
- less the acquisition date fair value of any identifiable assets acquired and liabilities assumed.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

16 Intangible assets (continued)

	2024 \$	2023 \$
Goodwill		
ICS**	2,457,512	4,959,448
HHC**	7,007,309	8,291,515
CHT	691,396	691,396
Yozo*	–	981,272
Impairment loss	(9,464,821)	(5,243,471)
Foreign exchange adjustment	–	476,057
	691,396	10,156,217
* – Fully impaired as at 30 June 2023		
** – Fully impaired as at 31 December 2023		
Software		
Carrying amount at beginning of the year	194,734	432,621
(Government grant)/Additions	–	(176,693)
Amortisation	(22,380)	(67,477)
Foreign exchange adjustment	–	6,283
Carrying amount at end of the year	172,354	194,734
Total intangible assets	863,750	10,350,951

Goodwill impairment test

Goodwill is allocated to the Company's cash generating units "CGUs" which are based on individual entity's acquired by the Group. The Company tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

In accordance with Australian Accounting Standard AASB 136, "Impairment of Assets", the Company performed its goodwill impairment test by comparing the recoverable amount of each CGU with its carrying amount. The recoverable amount of each cash-generating unit above is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a 5 year period with the period extending beyond 5 years extrapolated using an estimated long term growth rate. The cash flows are discounted using the yield of a 5-year weighted average cost of capital (WACC) at the beginning of the budget period.

16 Intangible assets (continued)

Goodwill impairment test (continued)

The following key assumptions were used in the value-in-use calculations:

CGU	Long term growth rate	Discount rate
CHT	1.8%	13.02%

Management has based the value-in-use calculations on budgets for each reporting segment. These budgets use historical weighted average growth rates to project revenue. Costs are calculated taking into account historical gross margins as well as estimated weighted average inflation rates over the period, which are consistent with inflation rates applicable to the locations in which the segments operate. Discount rates are pre-tax and are adjusted to incorporate risks associated with a particular segment.

Impairment loss

ICS	2,457,512	2,653,878
HHC	7,007,309	1,608,321
Yozo	–	981,272
	9,464,821	5,243,471

Based on the performance of ICS and HHC and the information obtained, a number of competitors entered the credit financing market. Changes in market demand, consumer preferences and industry trends reduced their market share. As a result, the businesses in Singapore recorded a decrease in revenue and made losses during the year. Therefore, impairment losses of \$9,464,821 were recognised in the consolidated statement of profit or loss in the current year.

17 Trade and other payables

	2024 \$	2023 \$
Accrued expenses	2,009,407	1,204,459
Other payables	–	221,956
	2,009,407	1,426,415

The other payables represent a dividend payable to the individual shareholders of ICS.

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For the year ended 30 June 2024

18 Lease liabilities

	2024 \$	2023 \$
Carrying amount at beginning of the year	314,454	880,967
New leases during the year	395,878	62,074
Lease modification	–	4,676
Payments	(533,927)	(694,835)
Interest charges during the year	37,088	34,564
Disposal of a subsidiary – ICS	(29,879)	–
Foreign exchange adjustment	747	27,008
Carrying amount at end of the year	184,361	314,454
Current	106,304	192,566
Non-current	78,057	121,888
	184,361	314,454

19 Contract liabilities

	2024 \$	2023 \$
Contract liabilities	87,604	127,575

Contract liabilities relate to permit fees advances received for loans provided to individuals. Contract liabilities are recognised as revenue when the Group satisfies the performance obligations.

20 Amounts due to vendor

	2024 \$	2023 \$
Amounts due to vendor	–	699,643

Amounts due to vendor represents the acquisition of 60% interest of CHT. The company paid the Vendor an additional \$320,000 in terms of shares plus profit guarantee adjustment in the first three financial years following completion of the acquisition.

21 Other borrowings

	2024 \$	2023 \$
Bond	–	1,089,139

On 15 July 2023, the Group entered into a bond subscription agreement with an individual, who is an independent third party, to borrow an aggregate amount of \$1.17m (including extension of part of the existing other borrowing and interest accrual amounting to \$957k and \$131k respectively). This new and/or extended borrowing is unsecured, interest-bearing at 15% per annum (2023: 15%), repayable on 31 July 2024. On 22 November 2023, the Group repaid the bond early with the principal sum of \$1.1m and accrued interest of \$67k to the Lender. As at 30 June 2024, there was no outstanding balance of other borrowings.

22 Amounts due to directors

	2024 \$	2023 \$
Amounts due to directors	264,052	368,319

This balance relates to amounts owed to the directors of CIL's subsidiaries. The amount is non-trade in nature and unsecured.

23 Issued capital

The table below reflects movements in the legal parent's capital structure for the year ended 30 June 2024 and 30 June 2023.

	2024 No.	2023 No.	2024 \$	2023 \$
(a) Ordinary issued and paid up share capital				
At beginning of the year	83,499,160	80,137,020	22,074,790	21,705,165
Shares issued to vendor	4,546,051	3,362,140	689,286	369,625
Ordinary share capital at end of the year	88,045,211	83,499,160	22,764,076	22,074,790
	2024 No.	2023 No.	2024 \$	2023 \$
(b) Option reserve				
At beginning of the year	9,810,000	10,140,000	671,869	236,089
Fair value of options issued	–	–	7,878	494,874
Expiry of options	(8,000,000)	(330,000)	(413,343)	(59,094)
Options at end of the year	1,810,000	9,810,000	266,404	671,869

Each ordinary shareholder maintains, when present in person or by proxy or by attorney at any general meeting of the Company, the right to cast one vote for each ordinary share held. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

The Company granted 8,000,000 options to directors and employees on 16 May 2022. The Options are exercisable at any time after the date that is one year following its date of issue; and on or prior to the Expiry Date (Exercise Period). The options expired on 16 May 2024.

The Company granted 1,810,000 options to directors and employees on 23 July 2021. The Options are exercisable at any time after the date that is two years following its date of issue; and on or prior to the Expiry Date (Exercise Period). The options expired on 23 July 2024.

Options	Number of options	Exercise price \$	Expiry date
Unlisted Options as at 30 June 2024			
23 July 2021 – Issue of KMP/employee options	1,810,000	0.60	23 July 2024

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For the year ended 30 June 2024

24 Reserves and accumulated losses

	2024 \$	2023 \$
(a) Reserves		
Movements in option reserve		
Carrying amount at beginning of the year	671,869	236,089
Transfer to option reserve	7,878	494,874
Transfer from option reserve on expiry of share options	(413,343)	(59,094)
Carrying amount at end of the year	266,404	671,869
Movements in foreign currency translation reserve		
Carrying amount at beginning of the year	1,679,301	904,165
Movement in foreign currency translation reserve	197,076	775,136
Carrying amount at end of the year	1,876,377	1,679,301
Movements in merger reserve		
Carrying amount at beginning of the year	11,037	11,037
Carrying amount at end of the year	11,037	11,037
Total reserves	2,153,818	2,362,207
(b) Accumulated losses		
Movements in accumulated losses		
Carrying amount at beginning of the year	(5,517,417)	199,334
Expiry of options	413,343	59,094
Loss after tax for the year	(12,588,592)	(5,775,845)
Carrying amount at end of the year	(17,692,666)	(5,517,417)

(c) Nature and purpose of reserves

The option reserve comprises the value of non-employee services received through the issue of share options. When shares options are issued that are not subject to vesting conditions, the value of share options is recognised in full at grant date.

The foreign currency translation reserve records exchange differences arising on translation of the foreign controlled subsidiaries.

The merger reserve represents (i) the difference between the nominal value of share capital of Hong Kong Debt Management Limited (HKDM) held by the remaining shareholders and the nominal value of share capital of Hong Kong Insolvency Service Limited (HKIS) held by the remaining shareholders; and (ii) the difference between the nominal value of the share capital of HKDM acquired by the Credit Intelligence Holding Limited and the consideration paid to the then shareholders of HKDM.

25 Cash flow information

	2024 \$	2023 \$
Reconciliation of cash flow from operating activities with loss after income tax:		
Loss from continuing operations after income tax	(11,043,321)	(4,294,866)
Loss from discontinued operations after income tax	(2,249,289)	(687,036)
Loss after income tax	(13,292,610)	(4,981,902)
Non-cash flow items:		
Bad debts written-off and loss allowances	3,072,949	3,521,088
Depreciation on plant and equipment	162,059	118,907
Depreciation on right-of-use assets	170,668	576,868
Amortisation on software	22,380	67,477
Impairment loss on goodwill	9,464,821	5,243,471
Finance costs	67,037	183,739
Exchange loss/(gain)	226,020	(122,536)
Share-based payments	7,878	1,065,693
Loss on disposal of a subsidiary	125,187	–
Loss on disposal of plant and equipment	11,041	–
Movements in working capital		
Effect of foreign currency translation	61,323	289,976
Trade and other receivables	(1,410,161)	(2,678,313)
Loan receivables	(238,994)	1,110,747
Other current assets	(7,298)	184,395
Trade and other payables	845,442	307,806
Contract liabilities	(39,971)	(516,721)
Accounts with directors	(97)	4,155
Income tax payable	40,564	(220,055)
Net cash (used in)/generated from operating activities	(711,762)	4,154,795

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26 Interests in other entities

The legal corporate structure of the Group is set out below.

Name of Entity	Country of Incorporation	Principal Place of Business	Ownership Interest 2024 %	Ownership Interest 2023 %
Credit Intelligence Holding Ltd	Cayman Islands	Hong Kong	100	100
Hong Kong Debt Management Ltd	British Virgin Islands	Hong Kong	100	100
Hong Kong Insolvency Service Ltd formerly known as Hong Kong Debt Management Services Ltd	Hong Kong	Hong Kong	100	100
Hong Kong I.V.A. Consultants Ltd	British Virgin Islands	Hong Kong	100	100
Credit Intelligence Finance (Hong Kong) Ltd	Hong Kong	Hong Kong	100	100
Credit Intelligence (Singapore) Holdings Ltd	Cayman Islands	Singapore	100	100
ICS Funding Pte Ltd	Singapore	Singapore	Nil	60
Hup Hoe Credit Pte Ltd	Singapore	Singapore	60	60
Chapter Two Holdings Pty Ltd	Australia	Australia	60	60
Chapter Two Australia Pty Ltd	Australia	Australia	60	60
Chapter Two Mortgages Pty Ltd	Australia	Australia	60	60
BNPL International Ltd	British Virgin Islands	Hong Kong	100	100
HKBNPL Investments Ltd	Hong Kong	Hong Kong	81.2	81.2
Yozo Finance Pty Ltd	Australia	Australia	60	60
OneStep Information Technology Ltd	British Virgin Islands	Hong Kong	60	60
Hong Kong BNPL Ltd	Hong Kong	Hong Kong	60	60

Percentage of voting power is in proportion to ownership

The following subsidiaries have material non-controlling interests.

Name of Entity	Country of Incorporation	Operating Segment	Ownership Interest held by NCI 2024 %	Ownership Interest held by NCI 2023 %
Chapter Two Holdings Pty Ltd	Australia	Debt solution and finance service	40	40
Hup Hoe Credit Pte Ltd	Singapore	Credit financing	40	40

26 Interests in other entities (continued)

Set out below is the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group, before any intragroup eliminations.

	Chapter Two Holdings Pty Ltd		Hup Hoe Credit Pte Ltd	
	2024 \$	2023 \$	2024 \$	2023 \$
Summarised Financial Position				
Current assets	1,101,357	823,050	2,208,936	5,490,059
Non-current assets	5,130,627	3,528,471	171,073	76,596
Current liabilities	(1,543,569)	(1,117,996)	(183,463)	(319,171)
Non-current liabilities	(1,990,037)	(1,228,008)	(78,057)	(14,577)
NET ASSETS	2,698,378	2,005,517	2,118,489	5,232,907
Carrying amount of non-controlling interests	1,079,351	802,207	847,396	2,093,163
Summarised Financial Performance				
Revenue	2,561,288	3,317,885	1,445,244	5,285,944
Profit/(loss) after tax	692,862	1,391,518	(894,964)	821,830
Other comprehensive income after tax	–	–	–	–
Total comprehensive income	692,862	1,391,518	(894,964)	821,830
Profit/(loss) attributable to non-controlling interests	277,145	556,607	(357,986)	328,732
Distributions paid to non-controlling interests	–	–	–	–
Summarised Cash Flow Information				
Net cash generated from/(used in) operating activities	141,348	(60,477)	220,387	5,538,338
Net cash used in investing activities	–	–	(23,684)	(5,104)
Net cash provided by/(used in) financing activities	(72,156)	53,239	(2,073,746)	(3,526,257)
Net increase/(decrease) in cash and cash equivalents	69,192	(7,238)	(1,877,043)	2,006,977
Dividends paid to non-controlling interests	–	–	–	441,442

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

27 Loss per share

	2024 \$	2023 \$
Weighted average number of shares used in		
Basic loss per share calculation	87,148,456	82,845,155
Diluted loss per share calculation	88,958,456	92,655,155
Loss for the period used in loss per share		
From continuing operations	(10,978,003)	(5,237,179)
From discontinued operations	(1,610,589)	(538,666)
From continuing and discontinued operations	(12,588,592)	(5,775,845)
Basic & diluted loss per share		
Basic & diluted loss per share from continuing operations	(0.1260)	(0.0632)
Basic & diluted loss per share from discontinued operations	(0.0184)	(0.0065)
Basic & diluted loss per share from continuing and discontinued operations	(0.1444)	(0.0697)

28 Commitments and contingent liabilities

The Group had the following capital commitments at end of the year:

	2024 \$	2023 \$
Contracted for, but not provided for:		
Motor Vehicle	—	209,682

The Group did not have any contingent liabilities as at 30 June 2024 (2023: Nil).

29 Events occurring after the balance sheet date

No matters or circumstances have arisen since 30 June 2024, which significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent years.

30 Segment information

The Group has three reportable segments which are the Group's strategic business units, namely i) debt solution and finance service, ii) debt restructuring and personal insolvency service and iii) credit financing.

All of the Group's financial information is reported to the Board as three single segments. Accordingly, all significant operating decisions are based upon an analysis of the Group into three segments. The consolidated financial results from these segments are equivalent to the financial statements of the Group as a whole.

During the year, the Group operated in Australia, Hong Kong and Singapore.

30 Segment information (continued)

(i) Revenue by operating segment

	Continuing operations							
	Debt solution and finance service		Debt restructuring, personal insolvency		Credit financing		Total	
	2024 \$	2023 \$	2024 \$	2023 \$	2024 \$	2023 \$	2024 \$	2023 \$
Revenue								
External sales	2,706,967	3,568,680	6,424,146	7,030,081	1,343,645	5,193,589	10,474,758	15,792,350
Inter-segment sales	–	–	–	–	–	–	–	–
Other revenue	–	–	–	–	–	–	–	–
Total segment revenue	2,706,967	3,568,680	6,424,146	7,030,081	1,343,645	5,193,589	10,474,758	15,792,350
Reconciliation of segment revenue to Group revenue								
Unallocated revenue	–	–	–	–	–	–	–	–
Total group revenue							10,474,758	15,792,350
Segment profit/(loss) before tax	951,335	1,979,025	(412,612)	989,523	(909,016)	949,847	(370,293)	3,918,395
Reconciliation of segment result to Group net profit/(loss) before tax								
Amounts not included in segment result but reviewed by the Board:								
Unallocated items:								
– Corporate expenses							(1,048,277)	(2,154,655)
– Impairment loss on intangible assets							(9,464,821)	(5,243,471)
– Finance costs							–	–
– Other							–	–
Net loss before tax from continuing operations							(10,883,391)	(3,479,731)
Net loss before tax from discontinued operations							(2,265,367)	(677,778)

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

30 Segment information (continued)

(ii) Assets and liabilities by operating segment

	Debt solution and finance service		Debt restructuring, personal insolvency		Credit financing		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$	\$	\$
Segment assets	7,835,506	16,227,666	2,450,768	2,916,682	2,380,009	8,052,429	12,666,283	27,196,777
Segment liabilities	2,892,957	2,876,255	734,186	1,513,735	261,520	552,582	3,888,663	4,942,572

(iii) Revenue by geographical region

Revenue attributable to external customers is disclosed below, based on the location of the external customer:

	2024 \$	2023 \$
Australia	2,706,967	3,568,680
Hong Kong	6,424,146	7,030,081
Singapore	1,343,645	5,193,589
	10,474,758	15,792,350

(iv) Assets by geographical region

The location of segment assets by geographical location of the assets is disclosed below:

Australia	7,784,307	16,227,666
Hong Kong	2,450,768	2,916,682
Singapore	2,380,009	8,052,429
	12,615,084	27,196,777

31 Related party transactions

Related parties

The Group's main related parties are as follows:

- (i) Entities exercising control over the Group:

The ultimate Parent Entity that exercises control over the Group is Credit Intelligence Ltd, which is incorporated in Australia.

- (ii) Key management personnel:

Any person(s) having significant authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered key management personnel.

- (iii) Other related parties:

Other related parties include entities controlled by the ultimate Parent Entity and entities over which key management personnel have joint control.

Key management personnel remuneration

The total remuneration paid to key management personnel ("KMP") of the Group during the year is as follows:

	2024 \$	2023 \$
Short-term employee benefits	1,357,322	2,794,703
Cash bonus	—	—
Post-employment benefits	3,805	13,656
Share-based payments	5,005	350,466
Total KMP compensation	1,366,132	3,158,825

Short-term employee benefits

These amounts include fees and benefits paid to non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other KMP.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

31 Related party transactions (continued)

Key management personnel remuneration (continued)

Post-employment benefits

These amounts are the current-year's estimated costs of providing for the Group's defined contributions scheme post-retirement, superannuation contributions made during the year and post-employment life insurance benefits.

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the consolidated statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. No forfeited contribution was available to reduce the contribution payable in the future years. Payments to MPF Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

Share-based payments

These amounts represent the expense related to the participation of KMP in equity-settled benefit schemes as measured by the fair value of the options, rights and shares granted on grant date.

Other related party transactions

During the year ended 30 June 2024, \$89,304 (2023: \$226,104) was paid to Ms Eva Chan as remuneration (including salary and options issued by the Company). Ms Chan is the spouse of Mr Jimmie Wong, former executive chairman of the Company.

During the year ended 30 June 2024, \$171,323 (2023: \$226,104) was paid to Mr Herbert Wong as remuneration (including salary and options issued by the Company). Mr Wong is the son of Mr Jimmie Wong, former executive chairman of the Company.

During the year ended 30 June 2024, \$78,267 (2023: \$92,557) was paid to Mr Hansen Wong as remuneration. Mr Wong is the son of Mr Jimmie Wong, former executive chairman of the Company.

During the year ended 30 June 2024, \$20,485 (2023: \$48,934) was paid to Mr Terence Chan. Mr Chan is the brother-in-law of Mr Jimmie Wong, former executive chairman of the Company.

All of the individuals listed above were either removed or resigned, followed by the resignation of Mr. Jimmie Wong, the former executive chairman of the Company.

32 Parent information

The following information relates to the legal parent, Credit Intelligence Limited, only. It has been extracted from the books and records of the legal parent entity set out below and has been prepared in accordance with Australian Accounting Standards.

	2024 \$	2023 \$
Statement of Financial Position		
Assets		
Current assets	9,020,726	13,934,966
Non-current assets	3,864,902	3,864,902
TOTAL ASSETS	12,885,628	17,799,868
Liabilities		
Current liabilities	39,338	842,285
Non-current liabilities	—	—
TOTAL LIABILITIES	39,338	842,285
Equity		
Issued capital	22,764,059	22,074,773
Reserve	266,404	671,869
Accumulated losses	(10,184,173)	(5,789,059)
TOTAL EQUITY	12,846,290	16,957,583
Statement of Profit or Loss and Other Comprehensive Income		
Total loss	(4,808,457)	(850,887)
Total comprehensive income	(4,808,457)	(850,887)

Contractual commitments

As at 30 June 2024, the legal parent entity had no contractual commitments for the acquisition of property, plant or equipment (30 June 2023: Nil).

Guarantees and contingent liabilities

There are no contingent liabilities or guarantees as at 30 June 2024 (30 June 2023: Nil).

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

33 Auditor's remuneration

The following information relates to the remuneration of the auditor and their network firms overseas for the listed parent company, Credit Intelligence Limited and its controlled entities.

	2024 \$	2023 \$
Auditors of the Group – Moore and related network firms		
Audit and review of financial statements		
Parent entity	56,000	65,000
Controlled entities	258,567	232,075
Total audit and review of financial statements	314,567	297,075
Non-audit services		
Taxation services	9,985	17,047
Total non-audit services	9,985	17,047
Total services provided by Moore	324,552	314,122

34 Dividends

There was no dividend reinvestment plan in operation during the year.

Following the year end, the Group's cash flow requirements for business operations necessitate the decision not to declare a final dividend (2023: Nil).

35 Financial risk management

(a) Financial instruments by categories

	2024 \$	2023 \$
Financial assets		
Receivables measured at amortised cost:		
– Trade and other receivables	5,801,938	4,511,513
– Loan receivables	2,110,499	5,515,168
– Pledged deposits	680,743	201,019
– Cash and cash equivalents	1,430,621	5,457,764
	10,023,801	15,685,464
Financial liabilities		
Financial liabilities measured at amortised cost:		
– Trade and other payables	2,009,407	1,426,415
– Amount due to vendor	–	699,643
– Amount due to directors	264,052	368,319
– Lease liabilities	184,361	314,454
– Other borrowings	–	1,089,139
	2,457,820	3,897,970

35 Financial risk management (continued)

(b) Financial risk management and policies

The Group has exposure to the credit risk and liquidity risk arising from financial instruments. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

The Group's credit risk is primarily attributable to account receivables, deposits and other receivables and amounts due from the controlling shareholder and a director. In order to minimise risk, the management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. Credit evaluations of its debtors' financial position and condition are performed on each and every major debtor periodically. These evaluations focus on the debtor's past history of making payments when due and current ability to pay and take into account information specific to the debtor as well as pertaining to the economic environment in which the debtor operates. Debtors with overdue balances, which will be reviewed on a case-by-case basis, are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers other than loans to corporates which are guaranteed by the shareholders and directors of the borrowers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each debtor. The default risk of the industry in which debtors operate also has an influence on credit risk. At the end of the reporting period, the Group has no concentration of credit risk of the total account receivables due from the Group's largest customer and five largest customers.

The credit risk on balances of cash and cash equivalents is low as these balances are placed with reputable financial institutions.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

35 Financial risk management (continued)

(b) Financial risk management and policies (continued)

(ii) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the raising of loans to cover expected cash demands, subject to approval of the management. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient amount of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term. The Group relies on its liquid funds as significant sources of liquidity.

The following table reflects an undiscounted contractual maturity analysis for financial assets and financial liabilities.

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2024 \$	2023 \$	2024 \$	2023 \$	2024 \$	2023 \$	2024 \$	2023 \$
Consolidated Group								
Financial liabilities due for payment								
Trade and other payables	2,009,407	1,426,415	–	–	–	–	2,009,407	1,426,415
Amount due to vendors	–	699,643	–	–	–	–	–	699,643
Amount due to directors	–	–	264,052	368,319	–	–	264,052	368,319
Lease liabilities	106,304	192,566	78,057	121,888	–	–	184,361	314,454
Other borrowings	–	1,089,139	–	–	–	–	–	1,089,139
Total expected outflows	2,115,711	3,407,763	342,109	490,207	–	–	2,457,820	3,897,970
Financial assets – cash flows realisable								
Trade and other receivables	1,416,668	1,272,208	4,385,270	3,239,305	–	–	5,801,938	4,511,513
Loan receivables	2,036,786	5,387,892	73,713	127,276	–	–	2,110,499	5,515,168
Pledged deposits	680,743	201,019	–	–	–	–	680,743	201,019
Cash and cash equivalents	1,430,621	5,457,764	–	–	–	–	1,430,621	5,457,764
Total anticipated inflows	5,564,818	12,318,883	4,458,983	3,366,581	–	–	10,023,801	15,685,464
Net inflow on financial instruments	3,449,107	8,911,120	4,116,874	2,876,374	–	–	7,565,981	11,787,494

35 Financial risk management (continued)

(b) Financial risk management and policies (continued)

(iii) Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Group has exposures arising from transactions that are denominated in Hong Kong Dollars ("HK\$") and Singapore Dollars ("SG\$"). The Group holds cash and bank balances denominated in HK\$ and SG\$ for working capital purposes. Consequently, the Group is exposed to movements in foreign currency exchange rates. The Group does not use any financial derivatives such as foreign currency forward contracts, foreign currency options or swaps for hedging purposes.

The following table shows the foreign currency risk on the financial assets and liabilities of the Group's operations denominated in currencies other than Australian dollars. The table is presented in Australian dollars:

	2024 \$	2023 \$
Hong Kong Dollars (HK\$)		
Cash and cash equivalents	384,908	1,540,968
Pledged deposits	680,743	201,019
Trade and other receivables	439,029	499,319
Current tax assets	196,485	198,199
Other current assets	183,135	198,704
Lease liabilities	–	(85,287)
Trade and other payables	(602,218)	(228,862)
Other borrowings	–	(1,089,139)
Net HK\$ exposure	1,282,082	1,234,921
Singapore Dollars (SG\$)		
Cash and cash equivalents	749,435	3,162,865
Loan receivables	1,445,986	4,855,331
Other current assets	13,515	11,930
Lease liabilities	(141,885)	(130,010)
Contract liabilities	(87,604)	(127,575)
Trade and other payables	(32,030)	(294,998)
Current tax liabilities	–	(112,264)
Net SG\$ exposure	1,947,417	7,365,279

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

35 Financial risk management (continued)

(b) Financial risk management and policies (continued)

(iii) Foreign currency risk (continued)

Sensitivity analysis

The following table illustrates sensitivities to the Group's exposures to changes in the exchange rate. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the exchange rate that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Consolidated Group Profit after Tax \$	Equity \$
Year ended 30 June 2024		
+/-2% in A\$/HK\$	+/- 52,303	+/- 52,303
Year ended 30 June 2023		
+/-2% in A\$/HK\$	+/- 2,309	+/- 2,309

	Consolidated Group Profit after Tax \$	Equity \$
Year ended 30 June 2024		
+/-2% in A\$/SG\$	+/- 18,059	+/- 18,059
Year ended 30 June 2023		
+/-2% in A\$/SG\$	+/- 151	+/- 151

There have been no changes in any of the methods or assumptions used to prepare the above sensitivity analysis from the prior year.

(c) Capital management

The Group's objectives when managing capital are to ensure that entities in the Group will be able to continue as a going concern while maximising the return to the shareholders through the optimisation of the debt and equity balance. The management reviews the capital structure by considering the cost of capital and the risks associated with each class of capital. In view of this, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt as it sees fit and appropriate.

The Group monitors capital on the basis of the net gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as "equity" as shown in the consolidated statement of financial position plus net debt, if any.

(d) Fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair value as at 30 June 2024 and 2023.

36 Discontinued operations

A discontinued operation is a component of the Group that is distinguishable by reference to a line of business, that is held for sale, has been disposed of or discontinued, or is a subsidiary acquired exclusively with view to sale. When an operation is classified as discontinued, the comparative statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

HKBNPL is mainly engaged in providing personal BNPL services. During the year, it recorded a loss of \$502k (FY23: \$663k). To adopt a cost saving plan for the continuing loss-making business, the Company discontinued its operations in December 2023.

As a result, all of the assets and liabilities associated with HKBNPL and its subsidiaries are classified as held for sale, and its related business is classified as discontinued operations.

On 31 May 2024, the Company disposed its entire equity interest (60%) in its partly owned subsidiary, ICS to an independent third party for \$183,784, thereby discontinuing its operations in the credit financing business segment.

The financial performance of the discontinued operation of HKBNPL, which is included in loss from discontinued operations in the consolidated statement of profit or loss and other comprehensive income, is as follows:

	2024 \$	2023 \$
Results of discontinued operation (HKBNPL)		
Revenue	99,968	39,004
Expenses	(602,742)	(702,158)
Loss before income tax	(502,774)	(663,154)
Income tax expense	–	–
Loss from discontinued operation	(502,774)	(663,154)
Cash flows from discontinued operation:		
Net cash outflow from operating activities	(502,774)	(663,154)
Net cash inflow/(outflow) from investing activities	–	–
Net cash inflow from financing activities	429,581	614,518
Net decrease in cash generated by the discontinued operation	(73,193)	(48,636)
Assets and liabilities directly associated with assets held for sale as at 30 Jun 2024		
Assets		
Cash and cash equivalents	119,735	
Total assets held for sale	119,735	
Liabilities		
Trade and other payables	(21,621)	
Total liabilities directly associated with assets held for sale	(21,621)	
Net assets held for sale	98,114	

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

36 Discontinued operations (continued)

The financial performance of the discontinued operation of ICS to the date of sale, which is included in loss from discontinued operations in the consolidated statement of profit or loss and other comprehensive income, is as follows:

	2024 \$	2023 \$
Results of discontinued operation (ICS)		
Revenue	422,847	822,670
Expenses	(2,185,441)	(837,294)
Loss before income tax	(1,762,594)	(14,624)
Income tax expense	16,079	(9,258)
Loss from discontinued operation	(1,746,515)	(23,882)
Cash flows from discontinued operation		
Net cash (outflow)/inflow from operating activities	(87,069)	17,661
Net cash (outflow)/inflow from investing activities	–	180,387
Net cash outflow from financing activities	(31,111)	(441,165)
Net decrease in cash generated by the discontinued operation	(118,180)	(243,117)
Loss on disposal of discontinued operation		
Assets and liabilities held at disposal date:		
Cash and cash equivalents	224,550	
Other current assets	4,678	
Loan receivables	570,714	
Right-of-use assets	29,091	
Trade and other payables	(240,829)	
Tax payables	(45)	
Lease liabilities	(29,879)	
Net assets disposed	558,280	
Net assets allocated in non-controlling interest	(229,938)	
Foreign exchange adjustment	(19,371)	
Total cash consideration received	(183,784)	
Loss on disposal of discontinued operation	125,187	

End of the notes

Consolidated Entity Disclosure Statement

Consolidated Entity Disclosure Statement as at 30 June 2024

This consolidated entity disclosure statement has been prepared in accordance with section 295(3A)(a) of the *Corporations Act 2001*, and includes the required information for Credit Intelligence Limited and the entities it controls in accordance with AASB 10 *Consolidated Financial Statements*.

Tax Residency

Section 295(3A)(a)(vi) of the *Corporations Act 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency may involve judgement as there are different interpretations that could be adopted and which could give rise to different conclusions regarding residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency

Current legislation and judicial precedent has been applied, including having regard to the Commissioner's public tax rulings and guidance.

Foreign tax residency

Where appropriate, independent tax advisers have been engaged to assist in the determination of tax residency to ensure applicable foreign tax legislation has been complied with.

Name of Entity	Entity Type	Trustee, partner or JV participant?	Country of Incorporation	% of Share Capital	Australian or Foreign Tax Resident	Foreign Jurisdiction of Foreign Residents
Credit Intelligence Ltd	Body Corporate	n/a	Australia	n/a	Australian resident	n/a
Chapter Two Holdings Pty Ltd	Body Corporate	n/a	Australia	60%	Australian resident	n/a
Chapter Two Australia Pty Ltd	Body Corporate	n/a	Australia	60%	Australian resident	n/a
Chapter Two Mortgages Pty Ltd	Body Corporate	n/a	Australia	60%	Australian resident	n/a
Yozo Finance Pty Ltd	Body Corporate	n/a	Australia	60%	Australian resident	n/a
Credit Intelligence Holding Ltd	Body Corporate	n/a	Cayman Islands	100%	Foreign resident	Hong Kong
Hong Kong Debt Management Ltd	Body Corporate	n/a	British Virgin Islands	100%	Foreign resident	Hong Kong
Hong Kong Insolvency Service Ltd formerly known as Hong Kong Debt Management Services Ltd	Body Corporate	n/a	Hong Kong	100%	Foreign resident	Hong Kong
Hong Kong I.V.A. Consultants Ltd	Body Corporate	n/a	British Virgin Islands	100%	Foreign resident	Hong Kong
Credit Intelligence Finance (Hong Kong) Ltd	Body Corporate	n/a	Hong Kong	100%	Foreign resident	Hong Kong
Credit Intelligence (Singapore) Holdings Ltd	Body Corporate	n/a	Cayman Islands	100%	Foreign resident	Singapore
Hup Hoe Credit Pte Ltd	Body Corporate	n/a	Singapore	60%	Foreign resident	Singapore
BNPL International Ltd	Body Corporate	n/a	British Virgin Islands	100%	Foreign resident	Hong Kong
HKBNPL Investments Ltd	Body Corporate	n/a	Hong Kong	81.2%	Foreign resident	Hong Kong
OneStep Information Technology Ltd	Body Corporate	n/a	British Virgin Islands	60%	Foreign resident	Hong Kong
Hong Kong BNPL Ltd	Body Corporate	n/a	Hong Kong	60%	Foreign resident	Hong Kong

Directors' Declaration

In the directors' opinion:

- (a) the financial statements comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and accompanying notes set out on pages 15 to 62 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable;
- (c) the remuneration disclosures included in the Directors' Report (as part of the audited Remuneration Report), for the year ended 30 June 2024, comply with Section 300A of the *Corporations Act 2001*;
- (d) a statement that the attached financial statements are in compliance with International Financial Reporting Standards has been included in the notes to the financial statements; and
- (e) The consolidated entity disclosure statement as at 30 June 2024 is true and correct.

The directors have been given the declarations by executive director and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.



Mark Ng
Executive Director

25 September 2024

Independent Auditors Report to the Members



Moore Australia Audit (WA)

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Independent Audit Report

To the members of Credit Intelligence Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Credit Intelligence Limited (the “Company”) and its subsidiaries (the “Group”), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information, the consolidated entity disclosure statement and the directors’ declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Group’s financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the “Code”) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors Report to the Members



Key audit matter	How the matter was addressed in our audit						
Goodwill Impairment Assessment							
Refer to Note 1(j) Accounting of Goodwill and Note 16 Intangible Assets							
<p>At 30 June 2024, the Group has \$691k of goodwill recognised on the consolidated statement of financial position. Goodwill is required to be assessed for impairment annually in accordance with AASB 138: <i>Intangible Assets</i> and AASB 136: <i>Impairment of Assets</i>. The Group performed an impairment test to assess the recoverable amount through “value in use” (VIU) using a discounted cashflow model.</p> <p>Significant judgement was required by the Group to estimate the key assumptions in the model to determine the recoverable amount of the goodwill and the amount of any impairment. The most significant areas of judgement relate to:</p> <ul style="list-style-type: none"> the level at which the goodwill is assessed; cash flow forecasts, including terminal values; future growth rates in revenue; and discount rates used. <p>As a result of the impairment assessment, an impairment loss of \$9.5 million was recognised with respect to the ICS and HHC goodwill.</p> <p>This was a key audit mater given the level of judgement required by the Group in determining the assumptions used to perform the impairment test and the significance of goodwill to the consolidated statement of financial position.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> Assessed whether the Group’s identification of the group of cash generating units (CGU’s) was consistent with the level at which goodwill is allocated, based on our knowledge of the operations and internal monitoring & reporting; Reviewed the impairment assessment prepared by management, including an assessment of the appropriateness of the relevant inputs and cash flow forecasts together with the underlying assumptions used in determining the recoverable amount of the cash generating unit; Assessed the Group’s ability to forecast future cash flows for the business by comparing historical budgets against actual results; Assessed the appropriateness of terminal growth rates used in the model; Performed a sensitivity analysis based on the “worst case scenario” to test the reasonableness of the impairment assessment; Agreed the mathematical accuracy of the impairment model calculations; and Assessed the adequacy of the disclosures in the financial statements relating to AASB 138: <i>Intangible Assets</i> & AASB 136: <i>Impairment of Assets</i>. 						
Revenue Recognition							
Refer to Note 1(c) Revenue Recognition, Note 3a Service Revenue and Note 3b Credit Financing Interest Revenue							
<p>Revenue recognised in the financial statements for the year ended 30 June 2024 was \$10.5 million.</p> <table border="1"> <thead> <tr> <th>Revenue Stream</th><th>Point of Revenue Recognition</th></tr> </thead> <tbody> <tr> <td>Insolvency service</td><td>Over time</td></tr> <tr> <td>Individual voluntary arrangements</td><td>Over time</td></tr> </tbody> </table>	Revenue Stream	Point of Revenue Recognition	Insolvency service	Over time	Individual voluntary arrangements	Over time	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> Documented the revenue cycle process and assessed the design and implementation of internal controls relating to revenue recognition; Assessed the accounting policy for revenue recognition to ensure compliance with AASB 15: <i>Revenue from Contracts with Customers</i>;
Revenue Stream	Point of Revenue Recognition						
Insolvency service	Over time						
Individual voluntary arrangements	Over time						

Key audit matter		How the matter was addressed in our audit						
<table><tr><td>Debt solution & finance service</td><td>At a point in time</td></tr><tr><td>Permit fees</td><td>Over time</td></tr><tr><td>Interest</td><td>Over time</td></tr></table>	Debt solution & finance service	At a point in time	Permit fees	Over time	Interest	Over time	<p>The recognition of revenue is a key audit matter due to the different nature of the diversified income streams, and because of its significance to the Group. In addition, Australian Auditing Standards (ASAs) presume there are risks of fraud in revenue recognition unless rebutted.</p>	<ul style="list-style-type: none">Evaluated the judgements made by the Group in applying the accounting policy by obtaining an understanding of the revenue streams and considering the terms and conditions of a sample of contracts;Performed tests of details on a sample of transactions throughout the year to verify the accuracy of the revenue recognised;Performed cut off procedures to ensure revenue is recognised in the correct period;Performed analytical procedures to ensure the reasonableness of revenue;Tested the appropriateness of journal entries in the accounting system;Obtained evidence of the subsequent collection of receivables recognised as at 30 June 2024;Reviewed component auditors' audit working papers to ensure revenue testing procedures were appropriate and adequate; andAssessed the adequacy of disclosures in the financial statements relating to AASB 15: <i>Revenue from Contracts with Customers</i>.
Debt solution & finance service	At a point in time							
Permit fees	Over time							
Interest	Over time							
Impairment Allowance for Loan Receivables								
Refer to Note 1(k) Financial Instruments - Impairment and Note 10 Loan Receivables								
<p>The Group recorded loan receivables of \$2.1 million attributed to the consolidation of HHC's financial results as at 30 June 2024. The balance was inclusive of an allowance for expected credit losses of \$3.9 million.</p> <p>The general approach as permitted by AASB 9: <i>Financial Instruments</i> was applied to assess the lifetime expected losses of loan receivables. This was calculated as a function of "probability of default (PD)", "loss given default (LGD)" and "exposure at default (EAD)" taking into account the credit risk exposure to different risk groups and future macroeconomic information.</p> <p>Impairment allowance for loan receivables is a key audit matter due to the significance of loan receivables to the Group and because the inputs used for its calculation are based on management judgements or accounting estimates and therefore</p>		<p>Our audit procedures included, amongst others:</p> <ul style="list-style-type: none">Reviewed the expected credit loss (ECL) model prepared by management and assessed the appropriateness of key judgements and assumptions exercised by management, including:<ul style="list-style-type: none">Probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD");Reasonableness of inputs used to calculate the allowance for expected credit losses for loan receivables;Timing and recognition of loss event and significant increase in credit risk;Tested the mathematical accuracy of the ECL model through re-performance;Identified key inputs used in the calculation of impairment allowance and testing a sample of						

Independent Auditors Report to the Members



Key audit matter	How the matter was addressed in our audit
have a higher risk of material misstatement associated with them.	<p>the source data (e.g. probability of default rates used by Credit Bureau of Singapore) used in the impairment model, and a sample of the calculations within the model for mathematical accuracy and completeness;</p> <ul style="list-style-type: none">• Reviewed component auditors' audit working papers; and• Assessed the adequacy of the disclosures in the financial statements relating to AASB 9: <i>Financial Instruments</i>.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and
- c) for such internal control as the directors determine is necessary to enable the preparation of:
 - i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
 - ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report as included in the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Credit Intelligence Limited, for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Shaun Williams
Partner – Audit and Assurance
[Moore Australia Audit \(WA\)](#)



Moore Australia Audit (WA)
Chartered Accountants

Signed at Perth this 25th day of September 2024.

Corporate Governance Statement

Credit Intelligence Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance. Credit Intelligence Limited has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

The 2024 Corporate Governance Statement was approved by the Board on 25 September 2024 and is current as at 25 September 2024. A description of the Group's current corporate governance practices is set out in the Group's Corporate Governance Statement which can be viewed at www.ci1.com.au.

ASX Additional Information

Additional information required by Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 13 September 2024.

(a) Distribution of equity securities

Analysis of numbers of equity security holders by size of holding

TOP SPREAD REPORT			
SPREADS OF HOLDINGS	NUMBER OF HOLDERS	NUMBER OF UNITS	% OF TOTAL ISSUED CAPITAL
1 – 1,000	880	446,983	0.51%
1,001 – 5,000	1,029	2,822,482	3.21%
5,001 – 10,000	325	2,450,770	2.78%
10,001 – 100,000	431	12,253,674	13.92%
above 100,000	40	70,071,302	79.59%
TOTAL	2,705	88,045,211	100%

(b) Twenty largest shareholders

The name of the twenty largest holders of quoted ordinary shares are:

Rank	Name	Units	% of Units
1	BNP PARIBAS	33,583,408	38.14%
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,274,932	8.26%
3	CITICORP NOMINEES PTY LIMITED	5,589,237	6.35%
4	MR ALEX LUIS*	4,856,926	5.52%
5	MR CHRISTOPHER HAYDEN MUSHAN	2,670,903	3.03%
6	MR KAM WING CHAN	2,130,000	2.42%
7	MS HOULI DAI	1,719,178	1.95%
8	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,539,550	1.75%
9	MR BRADLEY PAUL BOYLING	1,383,929	1.57%
10	MR KOK KEEN CHONG & MRS HUE NGHI CHONG	1,182,500	1.34%
11	MS LAI TING CHOW	1,000,000	1.14%
12	ADVANCE ASSETS MANAGEMENT LTD	766,984	0.87%
13	MR CHENBING LI	665,000	0.76%
14	MR GEORGE HRISTODOULOU	655,448	0.74%
15	MR HEUNG KWAN TSANG	540,000	0.61%
16	TERENCE WING KEUNG CHAN	532,853	0.61%
17	CHIANG LAI FAN	325,000	0.37%
18	MR PANKESH PATEL	307,214	0.35%
19	MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED <NO 1 ACCOUNT>	276,950	0.31%
20	GARY HONAN SUPERANNUATION PTY LTD <GARY HONAN SUPER FUND A/C>	250,000	0.28%
Totals: Top 20 holders of CI1 ORDINARY FULLY PAID		67,250,012	76.38
Total Remaining Holders Balance		20,795,199	23.62
Total Holders Balance		88,045,211	100

Note: Nominee holders hold shares on behalf of a number of beneficial holders

*581,347 shares are held in custodian bank of BNP Paribas.

ASX Additional Information

(c) Substantial Shareholders

The names of substantial shareholders who have notified the Group in accordance with section 671B of the Corporations Act 2011 are:

Shareholder	Shares held	% of Issued Capital
MR ALEX LUIS	5,438,273	6.17%

(d) Voting rights

There is a total of 88,045,211 fully paid ordinary shares on issue, all of which are listed on the ASX. All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

(e) Unmarketable Parcels

There were 1,738 shareholders holding 2,421,865 shares, which is less than a marketable parcel of shares in the Group at \$0.11.

