APAC Coal Limited (to be renamed "Credit Intelligence Limited")
A.C.N 126 296 295

Level 5
23-25 O'Connell Street
Sydney NSW 2000
www.apaccoal.com

24 January 2018

LAUNCHES PROSPECTUS TO RAISE UP TO $5 MILLION

Highlights

- **Successfully lodges Prospectus to raise up to $5 million - minimum $3.5 million - before costs**
- **Conditional sale and purchase agreement to acquire 100% of Credit Intelligence Holding – leading Hong-based diversified debt restructuring business offering debtors and creditors customised and cost-effective debt solutions**
- **Clear plan to grow profitability by entering highly attractive Australian market**
- **Highly profitable business model, achieving an average NPAT of A$2.48m* p.a. over the last 3 years with an average net margin in excess of 60%**
- **Favourable macro conditions in Australia – record household debt levels, low wages growth and high mortgage stress**

The Offer

- **Funds raised from Offer to be used for:**
  - **Establishing Credit Intelligence's Australian operations; and**
  - **Grow brand and market reputation in Australia.**
- **Offer opened on 10th January 2018, and expected to close 15 February 2018**
- **All resolutions passed at the Shareholder meeting on 23rd January 2018, held to vote on acquisition and other key resolutions**
- **Recommence trading as "Credit Intelligence Ltd" expected early March 2018, subject to completing transaction**

APAC Coal Limited (ASX: AAL) ("APAC" or "the Company"), to be renamed Credit Intelligence Limited, is pleased to announce the lodgement of a Prospectus with the Australian Securities and Investments Commission (ASIC) to raise up to $5 million before costs.

The Prospectus offers 250 million shares at an issue price of $0.02 per share with a minimum subscription requirement to raise at least $3.5 million before costs.

In October 2017, APAC - initially admitted to the ASX in 2008 as a coal producer in Indonesia - entered into a conditional sale and purchase agreement to acquire a 100% equity interest in Credit Intelligence Holding Ltd, the parent company of the Credit Intelligence Group (Credit Intelligence) (please refer to ASX announcement dated 23 October 2017).

The Offer opened on the 10th of January 2018 and is expected to close on 15 February 2018 with proceeds primarily used to establish the Company's operations in Australia and grow its brand and market reputation in the country.

The transaction to acquire Credit Intelligence is subject to a number of conditions including raising of a minimum $3.5 million and shareholders approving specified resolutions at a General Meeting. All the specified resolutions were passed at the General Meeting held on 23rd January 2018

**2016 NPAT of A$4.33m include a A$2.52m gain on change in shareholding of subsidiary.*

Subject to the successful completion of the proposed transaction, the Company expects to recommence trading on the Australian Securities Exchange (ASX) in the first week of March 2018 under the new name "Credit Intelligence Limited" and ASX ticker code CI1.

Overview of Credit Intelligence

Credit Intelligence is a profitable and leading diversified debt restructuring group that has developed a practical and clever mechanism to manage bankrupt estates.

It has developed an Insolvency Management System and applied it to the Hong Kong market where it holds a dominant position.

This system is unique, allowing a high number of cases to be managed with minimal staff thereby reducing direct labour costs and delivering efficiency dividends.

Credit Intelligence has achieved net profits for the following periods as follows:

- $510,374 for the 3 months ended 30 June 2017;
- $1,666,872 for the year ended 31 March 2017;
- $4,330,605 for the year ended 31 March 2016*; and
- $1,472,430 for the year ended 31 March 2015.

The company has also achieved an excellent net margin in excess of 60% on average.

The company employs approximately 25 staff including accountants and legal practitioners who work with financial institutions to provide debtors and creditors with customised and cost-effective debt solutions.

Credit Intelligence has worked with over 30 banks in Hong Kong including HSBC, Standard Chartered Bank, Bank of China and Citibank and has played a central role in shaping the IVA process in Hong Kong.

Australian Focus

Following the acquisition, Credit Intelligence will initiate the process of entering the Australian insolvency market with a view to providing debt agreement administrator services and act as a registered trustee in relation to personal insolvency agreements and bankruptcies.

To do this, Credit Intelligence plans to progressively establish local offices throughout Australia either by acquiring existing insolvency businesses, employing experienced Australian insolvency practitioners or a combination of both.

Listing on the ASX offers a sophisticated capital market and an internationally recognised corporate governance environment, which the company believes will provide a suitable platform to grow into other markets.

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Credit Intelligence Non-Executive Chairman Mel Ashton said:

"It is a very exciting time to be a part of this Company as it pursues new business opportunities in the debt restructuring sector.

Credit Intelligence has shown that it is a highly profitable business in the Hong Kong market. The company will seek to replicate this successful and unique model in the highly attractive Australian market.

Our view is that the macro-economic conditions in Australia are favourable for our entry, providing the opportunity for Credit Intelligence to expand significantly.

For some time, Australian media have been reporting high levels of mortgage stress, high personal debt levels and low wages growth while insolvency statistics are showing increased activity in the personal insolvency market.

I believe that this transition will unlock great value for shareholders and significantly more opportunities ahead."

Key Offer Details

Key financial information	Minimum subscription	Full subscription
Existing Shares on issue	72,000,000	72,000,000
Issue price per Share	$0.02	$0.02
Shares being offered under the Offer	175,000,000	250,000,000
Amount to be raised under the Offer (before costs)	$3,500,000	$5,000,000
Shares to be issued to Sellers	532,852,564	532,852,564
Shares to be issued to Advisers	37,299,679	37,299,679
Total number of Shares on issue upon completion of the Offer	817,152,243	892,152,243
Indicative market capitalisation upon completion of the Offer[1]	$16,343,045	$17,843,045

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Revised Timetable

Important dates	
Lodgement of Prospectus with ASIC	21 December 2017
Opening Date for the Offer	10 January 2018
General Meeting	23 January 2018
Closing Date for the Offer	15 February 2018
Issue of new Shares under the Offer	22 February 2018
Holding statements sent to Shareholders	27 February 2018
Expected date for Shares to commence trading on ASX	5 March 2018

The dates in this timetable are indicative only and subject to change.

Board Restructure

Pursuant to the Shareholders vote on the restructure of the company's board at the General Meeting held on 23rd January 2018, existing Directors (Luke Ho Khee Yong, Quah Boon Ban and Brett Crowley) will be stepping down from the board to be replaced with the highly experienced board of Credit Intelligence including:

Jimmie Wong (Founder and Managing Director)
Founder of Credit Intelligence with over 20 years' experience as a leading Hong Kong insolvency lawyer

Mel Ashton (Non-Executive Chairman)
Over 37 years' experience as a chartered accountant, 25 years as an insolvency practitioner and turnaround specialist and is currently a director of Hawaiian Group and the non-executive chairman of ASX listed company, Venture Minerals Ltd

King Wong (Head of Operations)
Joined Credit Intelligence in 2002, holds a Bachelor of Laws degree (Honours) from the City University of Hong Kong and is a practicing solicitor

Krista Bates (Non-Executive Director)
Has over 15 years' experience as a legal practitioner and has advised on various insolvency and corporate matters including acquisitions, disposals, joint ventures, takeovers, corporate governance and various high-profile insolvency cases

Vincent Lai (Non-Executive Director)
Brings 30 years' experience in international banking & corporate finance to the Company having previously been the senior executive at the PRC Office of Bank of America and the CEO of a Hong Kong listed company

Re-compliance with Chapters 1 and 2

In addition to the purpose of making the Offer, the Prospectus was issued for the purpose of re-complying with the admission requirements under Chapters 1 and 2 of the Listing Rules following a change to the nature and scale of the Company's activities.

To access a copy of the Prospectus, please click on the link:

http://apaccoal.com/prospectus.asp

For more details, please contact:

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