

CREDIT INTELLIGENCE HOLDING LIMITED

FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED 30 JUNE 2017

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Credit Intelligence Holding Limited

Corporate Data

<i>Directors</i>	Wong Ka Sek Wong Ka Lam King Chan Chuen Lan
<i>Secretary</i>	Codan Trust Company (Cayman) Limited
<i>Registered office</i>	Cricket Square, Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
<i>Principal place of business</i>	5/F., Double Building 22 Stanley Street Central Hong Kong
<i>Independent auditor</i>	Moore Stephens CPA Limited 801-806 Silvercord, Tower 1 30 Canton Road Tsimshatsui, Kowloon Hong Kong

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大華馬施雲
會計師事務所有限公司

Independent Auditor's Report to the Directors of Credit Intelligence Holding Limited (Incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the financial statements of Credit Intelligence Holding Limited (the "Company") set out on pages 6 to 17, which comprise the statement of financial position as at 30 June 2017, the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows for the three months ended 30 June 2017, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 30 June 2017 and of its financial performance and its cash flows for the three months period then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") issued by the International Auditing and Assurance Standards Board ("IAASB"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics for Professional Accountants* (the "Code") issued by the International Ethics Standards Board for Accountants ("IESBA"), and we have 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(b) to the financial statements, which indicates that the Company has net current liability and a capital deficiency of HK\$64,300 as at 30 June 2017. As stated in Note 2(b), this condition indicates that a material uncertainty exists which may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matters

The comparative statement of comprehensive income, statement of changes in equity, statement of cash flows and the relevant explanatory notes for the three months ended 30 June 2016 disclosed in these financial statements have not been audited in accordance with ISAs.

**Independent Auditor's Report to the Directors of
Credit Intelligence Holding Limited
(Incorporated in the Cayman Islands with limited liability)
(Continued)**

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs issued by the IASB, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability 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 Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

**Independent Auditor's Report to the Directors of
Credit Intelligence Holding Limited
(Incorporated in the Cayman Islands with limited liability)
(Continued)**

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Moore Stephens CPA Limited
Certified Public Accountants

Li Wing Yin
Practising Certificate Number: P05035

Hong Kong, 6 NOV 2017

Credit Intelligence Holding Limited

Statement of Comprehensive Income

For the three months ended 30 June 2017

		Three months ended 30 June	
	Notes	2017 HK\$	2016 HK\$ (unaudited)
Revenue	4	-	-
Administrative expenses		-	-
Result before taxation		-	-
Income tax expense	5	-	-
Result and total comprehensive income for the period		-	-

Credit Intelligence Holding Limited

Statement of Financial Position

As at 30 June 2017

	Notes	30 June 2017 HK\$	31 March 2017 HK\$
LIABILITY			
Current liability			
Amount due to a director	6	<u>64,300</u>	<u>64,300</u>
Net current liability		<u>(64,300)</u>	<u>(64,300)</u>
CAPITAL AND RESERVE			
Share capital	7	-	-
Accumulated losses		<u>(64,300)</u>	<u>(64,300)</u>
Capital deficiency		<u>(64,300)</u>	<u>(64,300)</u>

On behalf of the directors



Mr. Wong Ka Sek
Director



Mr. Wong Ka Lam King
Director

Credit Intelligence Holding Limited

Statement of Changes in Equity

For the three months ended 30 June 2017

	Share capital HK\$	Accumulated losses HK\$	Total equity HK\$
As at 1 April 2016	-	(33,939)	(33,939)
Result and total comprehensive income for the period (unaudited)	-	-	-
As at 30 June 2016 (unaudited)	-	(33,939)	(33,939)
At 1 April 2017	-	(64,300)	(64,300)
Result and total comprehensive income for the period	-	-	-
At 30 June 2017	-	(64,300)	(64,300)

Credit Intelligence Holding Limited

Statement of Cash Flows

For the three months ended 30 June 2017

	Three months ended 30 June	
	2017 HK\$	2016 HK\$ (unaudited)
Results before taxation	-	-
Net movement in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the period	-	-
Cash and cash equivalents at the end of the period	-	-

Notes to the Financial Statements

For the three months ended 30 June 2017

1. General

Credit Intelligence Holding Limited (the "Company") was incorporated in the Cayman Islands on 17 August 2015 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office was Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, the Cayman Islands. The Company has established a principal place of business in Hong Kong at 5/F., Double Building, 22 Stanley Street, Central, Hong Kong.

During the three months ended 30 June 2017, the Company was inactive.

In the opinion of the directors of the Company, the Company's immediate holding company and ultimate holding company is Beta Field (China) Financial Information Services Limited ("Beta Field"), a company incorporated in the British Virgin Islands. Mr Wong Ka Sek, being the sole shareholder of Beta Field, who is also a director of the Company, is the controlling shareholder of the Company.

2. Basis of preparation and presentation

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs"), which collective term includes all applicable individual International financial reporting standards, International Accounting standards ("IASs") and related Interpretations, promulgated by the International Accounting Standards Board ("IASB").

The financial statements have been prepared on historical cost basis. The financial statements are presented in Hong Kong dollar ("HK\$"), which is also the functional currency of the Company.

The significant accounting policies and methods of computation used by the Company in the preparation of the financial statements for the three months ended 30 June 2017 are consistent with those adopted in the financial statements for the year ended 31 March 2017, except for the adoption of the new and revised IFRSs as explained in (a) below.

(a) Adoption of new and revised International Financial Reporting Standards

In the preparation of the financial statements for the three months ended 30 June 2017, the Group has applied, for the first time, the following new and revised standards issued by the IASB.

IAS 7 Amendments	Disclosure Initiative
IAS 12 Amendments	Recognition of Deferred Tax Assets for Unrealised Losses
IFRSs Amendments	Annual Improvements to IFRSs 2014 – 2016 Cycle

The adoption of the above new and revised standards has had no significant effect on these financial statements.

Notes to the Financial Statements (Continued)

For the three months ended 30 June 2017

2. *Basis of preparation and presentation (continued)*

(b) Going concern

The financial statements have been prepared on a going concern basis notwithstanding that the Company had net current liability and a capital deficiency of HK\$64,300 as of that date, which indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern and therefore, the Company may not be able to discharge its liabilities in the normal course of business. The going concern basis has been adopted on the basis of undertaking from the ultimate holding company to provide continuing financial support and the undertaking from the director not to demand repayment of debts due from the Company until such time when repayment will not affect the Company's ability to repay other creditors in the normal course of business (collectively, the "Undertakings"). The ultimate holding company and the director have provided the Undertakings.

Should the Company be unable to continue in business as a going concern, adjustments would have to be made to provide for any further liabilities which might arise. No such adjustments are made to the financial statements.

3. *Significant accounting policies*

(a) Significant judgements and estimates

In the application of the Company's accounting policies, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Company did not adopt any critical accounting estimates and judgements in the preparation of the financial statements that would have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

(b) Financial Instruments

The Company classified its financial instruments into the following categories at inception, depending on the purpose for which the liabilities were incurred.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at loans and borrowings.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Company's financial liability includes amount due to a director.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statements of comprehensive income.

Notes to the Financial Statements (Continued)

For the three months ended 30 June 2017

3. Significant accounting policies (continued)

(b) Financial Instruments (continued)

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statements of comprehensive income.

(c) Income tax

Income tax represents the sum of current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Company operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:-

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

Notes to the Financial Statements (Continued)

For the three months ended 30 June 2017

3. Significant accounting policies (continued)

(c) Income tax (continued)

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax is calculated, without discounting, at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(d) Provisions and contingent liabilities

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statements of comprehensive income.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(e) Related parties

- (l) A person, or a close member of that person's family, is related to the Company if that person:-
- (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of key management personnel of the Company or the Company's parent;

or

Notes to the Financial Statements (Continued)

For the three months ended 30 June 2017

3. Significant accounting policies (continued)

(e) Related parties (continued)

(II) An entity is related to the Company if any of the following conditions applies:-

- (i) the entity and the Company are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) the entity and the Company are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company;
- (vi) the entity is controlled or jointly controlled by a person identified in (I);
- (vii) a person identified in (I)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the Company's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4. Revenue

The Company is inactive and did not generate any revenue for the current period (three months ended 30 June 2016: Nil).

5. Income tax expense

Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax under this jurisdiction during the three months ended 30 June 2017 (three months ended 30 June 2016: Nil).

No provision for Hong Kong Profits Tax has been made as the Company did not generate any assessable profits during the three months ended 30 June 2017 (three months ended 30 June 2016: Nil).

Reconciliation between income tax expense and result before taxation at the applicable tax rate:

	Three months ended 30 June	
	2017 HK\$	2016 HK\$ (unaudited)
Result before taxation	-	-
Tax at applicable rate at 16.5%	-	-
Income tax expense	-	-

There were no material unrecognised deferred tax assets and liabilities as at 30 June 2017 (31 March 2017: Nil).

Notes to the Financial Statements (Continued)

For the three months ended 30 June 2017

6. Amount due to a director

The amount due to a director is unsecured, interest-free and repayable on demand.

7. Share capital

	Number of shares	Nominal value HK\$
Ordinary shares of HK\$0.01 each		
Authorised:		
As at 31 March 2017 and 30 June 2017	<u>38,000,000</u>	<u>380,000</u>
Issued and fully paid:		
As at 31 March 2017 and 30 June 2017	<u>1</u>	<u>0.01</u>

8. Financial risk management and capital disclosures

(a) Financial instrument by category

	30 June 2017 HK\$	31 March 2017 HK\$
Financial liability		
Financial liability measured at amortised cost:		
- Amount due to a director	<u>64,300</u>	<u>64,300</u>

(b) Financial risk management and policies

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

(i) Liquidity risk

The Company'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 Company relies on the financial support from its controlling shareholder as significant source of liquidity.

The financial liability as at 30 June 2017 and 31 March 2017 was repayable on demand or within one year.

Notes to the Financial Statements (Continued)

For the three months ended 30 June 2017

8. Financial risk management and capital disclosures (continued)

(b) Financial risk management and policies (continued)

(i) Liquidity risk (continued)

The Company had net current liability and a capital deficiency of HK\$64,300 as at 30 June 2017. The liquidity of the Company is dependent on the ability of the ultimate holding company to provide the continuing financial support to the Company and the ability of the director not to demand repayment until such time when repayment of such will not affect the ability of the Company to repay other creditors in the normal course of business.

(c) Capital management

The Company's objectives when managing capital are to ensure that the Company will be able to continue as a going concern while maximising the return to the owners 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 Company 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.

(d) Fair value

The carrying amount of the Company's financial liability carried at cost or amortised cost is not materially different from its fair value as at 30 June 2017 and 31 March 2017.

9. Event after the reporting period

As at 24 October 2017, the Company acquired entire equity interest in Hong Kong Debt Management Limited ("HKDM") and its subsidiaries from ultimate holding company, Mr. Wong Ka Lam King, Mr. Chen Guorong, Mr. Chan Wing Keung Terence and Ms. Pang Wai Yu Michelle, with an aggregate cash consideration of United States dollars 10,000. Immediate after this transaction, HKDM became a wholly owned subsidiary of the Company.

Pursuant to the written resolution of the directors of the Company dated on 24 October 2017, the Company issued and allotted 8,599, 500, 500, 200 and 200 ordinary shares of the Company to ultimate holding company, Mr. Wong Ka Lam King, Mr. Chen Guorong, Mr. Chan Wing Keung Terence and Ms. Pang Wai Yu Michelle, with an aggregate cash consideration of HK\$100.

10. New and revised IFRSs not yet adopted

At the date of this report, certain new and amended IFRSs have been issued but are not yet effective, and have not been applied early by the Company.

		Effective for annual reporting periods beginning on or after
IFRS 10 and IAS 28 Amendments	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined*

Notes to the Financial Statements (Continued)

For the three months ended 30 June 2017

10. New and revised IFRSs not yet adopted (continued)

		Effective for annual reporting periods beginning on or after
IFRSs Amendments	Annual Improvements to IFRSs 2014 – 2016 Cycle	1 January 2018
IAS 40 Amendments	Transfers of Investment Property	1 January 2018
IFRS 2 Amendments	Classification and Measurement of Share-based Payment Transactions	1 January 2018
IFRS 4 Amendments	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	1 January 2018
IFRS 9	Financial Instruments	1 January 2018
IFRS 15	Revenue from Contracts with Customers	1 January 2018
IFRIC 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
IFRS 16	Leases	1 January 2019
IFRIC 23	Uncertainty over Income Tax Treatments	1 January 2019
IFRS 17	Insurance Contracts	1 January 2021

- * On 17 December 2015, the IASB issued "Effective Date of Amendments to IFRS 10 and IAS 28". This update defers the effective date of the amendments in "Sale or Contribution of Assets between an Investor or its Associate or Joint Venture" that the IASB issued in September 2014. Early application of these amendments continues to be permitted.

The Company has already commenced an assessment of the related impact of adopting the above new and revised IFRSs. So far, it has concluded that the above new and revised IFRSs will be adopted at the respective effective dates and the adoption of them is unlikely to have a significant impact on the financial statements of the Company.

11. Approval of the financial statements

These financial statements were approved and authorised for issue by the board of directors on 6 NOV 2017