CREDIT INTELLIGENCE LIMITED

ANNUAL REPORT **2018**

Credit Intelligence Limited
(formerly known as APAC Coal Limited) ACN 126 296 295

Corporate data

Directors

Mel Ashton
Jimmie Wong
King Wong
Krista Bates
Tony Ho
Vincent Lai

Secretary

Guy Robertson

Registered office

Suite 506, Level 5
50 Clarence Street
Sydney NSW 2000

Principal place of business

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

Independent auditor

Moore Stephens
Level 15 Exchange Tower
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Perth WA 6000

Home exchange

Perth

ASX code CI1

Credit Intelligence Limited
(formerly known as APAC Coal Limited) ACN 126 296 295

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Chairman's letter

Dear Shareholders,

It's been a transformative year for Credit Intelligence, with a successful listing on the Australian Securities Exchange, and also an encouraging year because our business continues to grow its underlying profit.

Also, your Company is well placed to expand our business beyond Hong Kong.

In May this year, shareholders of APAC Coal Limited approved the acquisition of Credit Intelligence Holdings Limited (CIH) of Hong Kong by way of a Reverse Take Over (RTO).

APAC Coal subsequently changed its name to Credit Intelligence Limited (CIL) and changed its business from mining exploration in Indonesia to debt-restructuring and personal insolvency management services in Hong Kong.

CIL started trading on the Australian share market on 22 May 2018 under the ticker CI1.

As a new business on the ASX, it was extremely satisfying that revenue for the 2017/18 financial year grew strongly, at more than 29% year on year.

The normalised profit of CIL's debt-restructuring and personal insolvency management business grew nearly 8% over the financial year.

CIL generated normalised profit of $1.91 million in FY18, up from $1.77 million a year earlier. The calculation of normalised profit is set out on page 8.

The RTO transaction costs and the cost of listing on the ASX amounted to more than $2.1 million including $1.4 million non-cash transaction cost, which meant that CIL booked a statutory net loss of $228,191 for the year ended 30 June 2018, compared to a net profit of $1.77 million 12 months earlier.

But given the strength of the Company's underlying profit, your directors have declared an unfranked maiden dividend of $0.0012 per share. The total dividend payment is $984,513.

The dividend is funded from the retained earnings of the operating subsidiary of the Company in Hong Kong, leaving the funds raised during the RTO of $3.56 million for investments in Australia.

The dividend will be paid on Friday, 16 November 2018.

The group reported an operating cash inflow for the year of $1,562,410, compared to $1,766,029 a year earlier. This reflected a continuing and strong cash generation from CIL's Hong Kong business.

CIL held cash at the end of the year of $4.3 million.

Your Company has a positive outlook. The Group's Business in Hong Kong remains well managed.

CIL has more than 10,000 bankruptcy cases under personal insolvency management, and the cumulative average growth rate is about 20% since 2011.

CIL owns and uses its own processing software platform to manage the big number of cases under insolvency management in an effective manner and at a low cost per case.

This is the Group's unique selling proposition to banks and financial institutions which refer their defaulting clients to CIL for debt and insolvency management.

Your Company has started looking into the potential for expanding its business to Australia and Asia.

This may include joint ventures with Australian insolvency firms or outsourcing to the Company's Hong Kong processing platform, with commensurate cost savings and competitive advantage.

Concurrently, the Company is seeking to enhance its processing platform in Hong Kong with a proprietary smartphone App to enable an integrated FinTech ecosystem. This will provide the processing base for growth into other markets.

Your Company also believes that it could benefit from the economic headwinds confronting the Australian economy and the developing trade war between the US and China which may create economic uncertainties in Asia.

CIL's debt-restructuring and personal insolvency management services could benefit from such uncertainties and an increase in defaults in personal debt.

On behalf of the Board of directors I would like to thank several parties. Firstly, to our shareholders both pre-RTO and our new shareholders thank you for your support and confidence in the direction we have chosen to take our company. The Board and I look forward to your ongoing support as we enact our plans for future growth and prosperity.

I would also like to thank our advisers who assisted and guided us through the RTO process and to our successful relisting on the ASX.

Thanks, and gratitude are also extended to our staff, management and executive for the many hours of hard work and diligence over the past year.

Finally, I would like to thank my fellow board members and company secretaries for their contributions in the successful transformation of the Company.

M. Ashton

Mel Ashton

Chairman

Directors' report

Mel Ashton Jimmie Wong King Wong Krista Bates Vincent Lai Tony Ho

Your directors submit their report on the consolidated entity (referred to hereafter as "the Group") consisting of Credit Intelligence Limited and the entities it controlled at the end of, or during, the year ended 30 June 2018.

Directors

The names and details of the Company's directors in office during the financial 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.

Norman Mel Ashton

Non-Executive Chairman, appointed 17 May 2018

B.Com, FCA (Member of Audit and Risk Committee)

Mr Ashton has over 37 years' experience as a chartered accountant, 25 years as an insolvency practitioner and turnaround specialist and 12 years' experience as a chairman of ASX listed and large private companies. Mr Ashton has experience in many capital raisings (over A$400 Million) and more than 12 mergers and acquisitions.

Mr Ashton's diversified experience is complemented by his strategic approach and considerable business network. He is currently a director of Hawaiian Group and the non-executive chairman of ASX listed company Venture Minerals Ltd (since 12 May 2006) and a director of ASX listed company Aurora Labs Ltd (since 22 January 2018)

Ka Sek (Jimmie) Wong

Managing Director, appointed 17 May 2018

LL.B (Hons),Non-Practicing Solicitor of HKSAR, Hong Kong Trustee in Bankruptcy

Mr Jimmie Wong is the founder of Credit Intelligence. Mr Wong obtained a bachelor of laws from the University of Hong Kong. Mr Wong has over 20 years' experience as a leading insolvency lawyer having served as legal adviser to numerous financial institutions and groups and has also provided legal advice in relation to cross-border takeovers and mergers, corporate finance, IPOs and foreign direct investment. In 2008 Mr Wong was awarded the Hong Kong Innovative Entrepreneur of the Year Award. He is a non-practicing solicitor and was admitted as a solicitor in Hong Kong in 1989 and In Singapore in 1995.

Ka Lam (King) Wong

Executive Director, appointed 17 May 2018.

LL.B (Hons), Practicing Solicitor of HKSAR, Hong Kong Trustee in Bankruptcy

Mr King Wong is currently the CEO and Executive Director of HKDMS. Mr King Wong joined the Group in 2002 and is primarily responsible for overseeing the overall business operations of the Group. Mr King Wong graduated with a bachelor of laws degree (Honours) from the City University of Hong Kong in 1998. He is a practicing solicitor and was admitted as a solicitor in Hong Kong in 2001.

Mr King Wong has extensive professional experience in handling insolvency matters. He was first appointed as a bankruptcy trustee in Hong Kong in 2004 and has been a member of the Insolvency Law Committee of the Law Society of Hong Kong since June 2015, where he is primarily responsible for reporting on developments and possible reforms relating to the law and practice of insolvency in Hong Kong.

Krista Bates

Non-Executive Director, appointed 17 May 2018.

BA (Hons), Grad Dip (Law), PostGrad Dip (Law), GAICD (Member of Audit and Risk Committee)

Ms Bates has over 15 years as a legal practitioner, being admitted as a solicitor in England and Wales in 2001. In this role, Ms Bates has been involved in the restructuring and strategy for the roll-out of commercial initiatives in multiple jurisdictions and has extensive experience in advising corporate matters such as acquisitions, disposals, joint ventures, takeovers and corporate governance.

Ms Bates also has extensive experience with insolvency matters. Ms Bates has also acted as legal counsel and director of Fastjet Plc, a company listed on the London Stock Exchange.

Ming Wai (Vincent) Lai

Non-Executive Director, appointed 17 May 2018.

B Soc Sci (Member of Audit and Risk Committee)

Mr. Vincent Lai is an executive director and the Chief Executive Officer of Sustainable Forest Holdings Limited (stock code: 723), a company listed on the Main Board of the Hong Kong Stock Exchange since 1 March 2018.

He is also an independent non-executive director of Winshine Science Company Limited (stock code: 209), a company listed on the Main Board of the Hong Kong Stock Exchange since 15 September 2017

He has conducted and organised many training programs for banks, non-bank financial institutions and corporations in China in areas of credit & portfolio risk management, client relationship management, and corporate finance.

Directors' report

Tony Ho

Non-Executive Director, appointed 14 June 2018

B.Com., CA, FAICD, FCIS, FGIA (Chairman of Audit and Risk Committee)

Tony is an experienced director in a wide range of industries. He holds a Bachelor of Commerce degree from the University of New South Wales, Sydney. He is a Chartered Accountant and a fellow of the Australian Institute of Company Directors, Chartered Institute of Secretaries and Administrators and the Governance Institute of Australia. Prior to joining commerce, Tony was a partner of a firm of Chartered Accountants that was subsequently merged with Ernst & Young.

Currently, Tony is the non-executive chairman of ASX listed Greenland Minerals Limited (since 9 August 2007) and Bioxyne Limited (since 30 October 2012). He was previously non-executive director and chairman of Audit Committee of ASX listed Hastings Technology Metals Limited and Dolomatrix International Limited.

Prior to that, He was a non-executive director and member of Audit and Remuneration committees of the then ASX listed Brazin Limited, from September 1997 to January 2007 when it was privatised. Brazin was a successful national retailing group.

Luke Ho Khee Yong

Mr Ho was a director from the beginning of the year until 17 May 2018.

Brett Crowley

Mr Crowley was a director from the beginning of the year until 17 May 2018.

Boon Ban Quah

Mr Quah was a director from the beginning of the year until 17 May 2018.

Company secretary

Guy Robertson

Appointed 14 September 2018

B. Com (Hons) CA

Mr Robertson has over 30 years' experience as a Director, CFO and Company Secretary of both public (ASX- listed) and private companies in both Australia and Hong Kong. He has had significant experience in due diligence, acquisitions, IPOs and corporate management. Mr Robertson has a Bachelor of Commerce (Hons) and is a Chartered Accountant.

Mr Robertson is currently a director of ASX listed Metal Bank Limited and Hastings Technology Metals Ltd.

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:

	Ordinary Shares	Class A Performance Shares	Class B Performance Shares
Mel Ashton	-	5,000,000	2,500,000
Jimmie Wong	470,910,256	5,000,000	10,000,000
King Wong	26,642,628	5,000,000	7,500,000
Krista Bates	-	1,750,000	750,000
Vincent Lai	-	1,750,000	750,000
Tony Ho	2,000,000	-	-

Principal activities

Credit Intelligence Limited is one of the leading diversified debt restructuring and personal insolvency management businesses operating in Hong Kong. Credit Intelligence's main business model includes the provision of bankruptcy administration services and Individual Voluntary Arrangement proposal consultancy and implementation services.

Dividends paid or recommended

Subsequent to the 30 June 2018 the directors declared an unfranked maiden dividend of 0.0012 cents per share. The total dividend declared is $984,513. The dividend is funded from the retained earnings of the operating subsidiary in Hong Kong, leaving the funds raised during the reverse takeover of $3.56 million for investments in Australia. The dividend will be paid on Friday, 16 November 2018 with record date for the determination of dividend entitlement to be 5pm Perth time, 28 September 2018.

Dividends paid or declared for payment during the financial year are as follows:

Interim ordinary dividend of $90.71 per share paid on 30 September 2017*	$907,083
Interim ordinary dividend of $43.13 per share paid on 31 March 2018*	$431,276
Final ordinary dividend of $0.0012 per share recommended by the directors to be paid on 16 November 2018 out of retained profits at 30 June 2018	$984,513

** Dividends paid prior to listing*

Review of operations

On 8 May 2018, shareholders of the then APAC Coal Limited approved the acquisition of Credit Intelligence Holdings Limited ("CIH") of Hong Kong by way of a Reverse Take Over ("RTO"). Shareholders further approved the change of name of the Company to Credit Intelligence Limited ("CIL"). The Company has adopted AASB 3 *Business Combinations* for the preparation of the 2018 consolidated financial statements. The consolidated entity for the year ended 30 June 2018 is CIL and its controlled entities. Comparative figures for the previous year to 30 June 2017 are CIH and its then controlled entities.

On 22 May 2018, CIL was listed on the Australian Securities Exchange (ASX) under the code CI1.

Review of operations continued

As a new business re-listed on the ASX, it is extremely satisfying that revenue for the year grew strongly at 29% year on year. Statutory net profit after tax for the year ended 30 June 2018 declined 113% when compared to the previous year. The underlying profit of the Group's Hong Kong debt restructuring and personal insolvency management business (the "Business") remains strong. The 'normalised' profit shown below grew nearly 8% during the year ended 30 June 2018.

On a like for like basis, the normalised profits were:

	30 June 2018 $	30 June 2017 $
Reported (loss)/profit after tax	(228,191)	1,775,453
Add one-off RTO transaction costs		
- Non-cash deemed acquisition cost	1,439,979	-
- Other costs of listing	703,035	-
Normalised profit	**1,914,823**	**1,775,453**
The earnings per share based on restated normalised profits are:		
Basic earnings per share (cents per share)	0.263	0.00250
Diluted earnings per share (cents per share)	0.261	0.00250

Results for the year ended 30 June 2018 include one off transaction costs of $2,143,014 associated with the RTO that were expensed to the consolidated profit or loss account for the year.

Corporate costs associated with being an ASX listed company from 22 May 2018 were also incurred. These included non-cash share-based payments of $36,734 approved by shareholders for the grant of performance shares to directors of the Group. The comparative figures did not include these costs.

The Group's Business in Hong Kong remains well managed. The Group has more than 10,000 bankruptcy cases under personal insolvency management. The cumulative average growth rate is approximately 20% since 2011. The Business owns and uses its proprietary processing software platform to manage the large number of cases under insolvency management in an effective and at a low cost per case being managed. This is the Group's Business unique selling proposition to banks and financial institutions that referred their defaulting individual clients to the Group's Business for debt insolvency management.

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

Credit Intelligence Limited, being the ultimate legal parent, completed the legal acquisition of 100% of the issued share capital of Credit Intelligence Holding Limited and its controlled entities ("CIH") on 8 May 2018. Under the terms of AASB 3 "*Business Combinations*", CIH is deemed to be the accounting acquirer in the business combination as it has obtained control over the operations of the legal acquirer (accounting subsidiary). Consequently, the transaction has been accounted for as a reverse acquisition. The financial statements of the Company have been prepared as a continuation of the business and operations of CIH.

The comparative information presented in the consolidated financial statements is that of CIH for the year ended 30 June 2017.

Through a Restructuring Exercise, CIH became the holding company of the companies now comprising the CIH Group on 24 October 2017. CIH and its subsidiaries have been, prior to and immediately after the Restructuring Exercise, under the common control of the ultimate shareholder. There has been a continuation of the risks and benefits to the ultimate shareholder before and immediately after the Restructuring Exercise. Accordingly, the consolidated financial statements of CIH now comprising the Group for the years ended 30 June 2016 and 2017 have been prepared using the principles of merger accounting as if the current group structure had been in existence throughout the period.

As part of the RTO the Group disposed of its previous coal mining exploration tenements and related subsidiaries, PT Deefu Chemical Indonesia and PT Batubara Selaras Sapta.

Significant events after the reporting date

The Company declared an unfranked dividend on 20 August 2018. See Dividends section on page 7.

Other than the foregoing, there are no other matter or circumstance has arisen since 30 June 2018, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

Likely developments and expected results of operations

The Company has commenced investigations into expanding its Business to Australia and Asia. This may include joint ventures with Australian insolvency practices to focus on the personal insolvency and debt restructuring markets. Investigations are also focusing on the potential of outsourcing to the Company's Hong Kong processing platform, with commensurate cost savings and competitive advantage.

Concurrently, the Company is seeking to enhance its processing platform in Hong Kong with a proprietary smartphone App to enable an integrated FinTech ecosystem. This will provide the processing foundation for growth into other markets.

There are economic headwinds confronting the Australian economy. The current tariff driven trade war between USA and China may create further economic uncertainties in Asia. The debt restructuring, and personal insolvency management services of the Group would benefit from such uncertainties and an increase in defaults in personal debt. This is the segment of the market where the Group has extensive experience and expertise in assisting this category of potential clients.

The Company does not deal with corporate insolvency management.

Environmental regulation and performance

Prior to the RTO, the Group was subject to significant environmental regulation in respect to its exploration activities under both state and federal legislation. The directors of the Group are not aware of any breach of environmental legislation for the year under review.

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

The directors have considered the recently enacted National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the directors have determined that the NGER Act will have no effect on the Group for the current, nor subsequent, financial year. The directors will reassess this position as and when the need arises.

Remuneration report (audited)

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

Principles used to determine the nature and amount of remuneration

Remuneration governance and policy

Taking into account the current size and operations of the Company, the board has assumed the role of the Remuneration and Nomination Committee. The Corporate Governance Statement provides further information on the role of this committee. The remuneration policy of Credit Intelligence Limited 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 and short-term incentives. The board of Credit Intelligence Limited 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 9.5% for Australia and 5% or maximum contribution HKD1,500 circa AUD258 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.

Principles used to determine the nature and amount of remuneration continued

Remuneration governance and policy continued

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 Company 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 this regard, performance shares provide a performance linked incentive component in the remuneration package, subject to shareholder approval, of the directors to motivate and reward their performance.

Following shareholder approval at a general meeting of the Company held on 19 January 2018, a majority of the current directors were granted performance shares with performance milestones that are linked to increases in the volume weighted average share price of the Company. Details are provided in the 'Share-Based Compensation' section below.

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 two years as required by the *Corporations Act 2001*. Consolidated financial statements for the years ended 30 June 2014, 2015 and 2016 have not been prepared and therefore we have not been able to include the results for these periods below. The results below are not necessarily consistent with the measures used in determining the performance-based amounts of remuneration to be awarded to KMPs. 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 two years.

	2018 $	2017 $
Revenue	4,794,266	3,714,690
Net (loss)/profit	(228,191)	1,775,453
Earnings per share (cents)	(0.03)	0.25
Share price at year end (cents)	1.6	N/A
Dividend payments	1,338,359	1,482,575

Use of remuneration consultants

The Group did not retain the services of any remuneration consultants during the financial year ended 30 June 2018.

Voting and comments made at the Company's 2017 Annual General Meeting

The Company received approximately 77% of "yes" votes on its remuneration report for the 2017 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

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 include those directors of CIL appointed in accordance with the RTO and executives that form part of the continuing CIH Business. All amounts included in the Remuneration Table below are included as expenses within the consolidated statements of profit and loss in the financial statements. The key management personnel and details of the periods for which their remuneration is recorded are:

	Period for which remuneration is included
Directors	
Mel Ashton	From appointment on 17 May 2018
Jimmie Wong	From commencement of the comparative period shown
King Wong	From commencement of the comparative period shown
Krista Bates	From appointment on 17 May 2018
Vincent Lai	From appointment on 17 May 2018
Tony Ho	From appointment on 14 June 2018
Other key management personnel	
Alex Chung, Director of Subsidiary	From appointment on 1 August 2017
Eva Chan, Director of Subsidiary	From commencement of the comparative period shown
Chris Lui, Director of Subsidiary	From commencement of the comparative period shown

Details of remuneration continued

	Short-term			Long-term	Post-employment	Share-based payments		
	Salary & fees	Cash bonus	Non-monetary	Leave entitlements	Super-annuation	Performance shares	Total	Percentage performance related
	$	$	$	$	$	$	$	%
Directors								
Mel Ashton								
2018	7,715	-	-	-	-	7,483	15,198	49
2017	-	-	-	-	-	-	-	-
Jimmie Wong								
2018	87,099	-	-	-	2,474	13,023	102,596	13
2017	40,899	-	-	-	1,534	-	42,433	-
King Wong								
2018	81,817	26,388	-	-	2,474	11,176	121,855	31
2017	40,899	-	-	-	1,534	-	42,433	-
Krista Bates								
2018	4,444	-	-	-	-	2,526	6,970	36
2017	-	-	-	-	-	-	-	-
Vincent Lai								
2018	19,105	-	-	-	742	2,526	22,373	11
2017	-	-	-	-	-	-	-	-
Tony Ho								
2018	2,361	-	-	-	-	-	2,361	-
2017	-	-	-	-	-	-	-	-
Other key management personnel								
Alex Chung								
2018	21,440	26,388	-	-	1,072	-	48,900	54
2017	-	-	-	-	-	-	-	-
Eva Chan								
2018	74,216	-	-	-	2,721	-	76,937	-
2017	51,123	-	-	-	2,556	-	53,679	-
Chris Lui								
2018	19,791	-	-	-	990	-	20,781	-
2017	20,449	-	-	-	937	-	21,386	-
Total key management personnel compensation								
2018	317,988	52,776	-	-	10,473	36,734	417,971	21
2017	153,370	-	-	-	6,561	-	159,931	-

Details of remuneration continued

The former directors of APAC Coal Limited who have not continued with CIL following the RTO received the following remuneration during the 2018 financial year which are not included as expenses within the consolidated statements of profit and loss in the financial statements:

	Salary & fees $	Superannuation $	Total $
Luke Ho	26,290	-	26,290
Brett Crowley	26,290	-	26,290
Boon Quah	15,862	1,665	17,527
Total	68,442	1,665	70,107

Service agreements

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

Jimmie Wong, Managing Director and Chief Executive Officer:

- Term of agreement – employment commencing from the date of re-admittance to the official list of ASX for 3 years or employment is terminated.
- Annual salary of $200,000 plus any statutory superannuation.
- The agreement may be terminated by either party giving 6 months' notice in writing, 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.

King Wong, Executive Director

- Term of agreement – employment commencing from the date of re-admittance to the official list of ASX for 3 years or employment is terminated.
- Annual salary of $150,000 plus any statutory superannuation.
- The agreement may be terminated by either party giving 6 months' notice in writing, 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.

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

Share-based compensation

Performance Shares

Performance Shares are issued to directors and executives as part of their remuneration. The Company does not have a formal policy in relation to the key management personnel limiting their exposure to risk in relation to the securities, but the Board actively discourages key personnel management from obtaining mortgages in securities held in the Company.

The following performance shares were granted to or vesting with key management personnel during the year, there were no performance shares forfeited during the year:

	Grant date	Granted number	Number vested	Date vesting & exercisable	Expiry date	Value per right at grant date[3] Cents
Directors						
Mel Ashton	16/05/2018	5,000,000	Nil	(1)	22/05/2020	1.85
Mel Ashton	16/05/2018	2,500,000	Nil	(2)	22/05/2021	1.81
Jimmie Wong	16/05/2018	5,000,000	Nil	(1)	22/05/2020	1.85
Jimmie Wong	16/05/2018	10,000,000	Nil	(2)	22/05/2021	1.81
King Wong	16/05/2018	5,000,000	Nil	(1)	22/05/2020	1.85
King Wong	16/05/2018	7,500,000	Nil	(2)	22/05/2021	1.81
Krista Bates	16/05/2018	1,750,000	Nil	(1)	22/05/2020	1.85
Krista Bates	16/05/2018	750,000	Nil	(2)	22/05/2021	1.81
Vincent Lai	16/05/2018	1,750,000	Nil	(1)	22/05/2020	1.85
Vincent Lai	16/05/2018	750,000	Nil	(2)	22/05/2021	1.81

(1) Each Class A Performance Share will convert into a fully paid ordinary share in the capital of the Company upon satisfaction of the following milestone: on the Company's 30-day volume weighted average share price reaching at least $0.025.

(2) Each Class B Performance Share will convert into a fully paid ordinary share in the capital of the Company upon satisfaction of the following milestone: on the Company's 30-day volume weighted average share price reaching at least $0.03.

For performance shares granted during the current year, the valuation inputs for the Binomial Barrier Valuation model were as follows:

	Underlying share price (cents)	Exercise price (cents)	Barrier price (cents)	Volatility	Risk free interest rate	Valuation date	Expiration date
Directors							
Class A	2.0	Nil	2.5	80.0%	2.06%	16/05/2018	22/05/2020
Class B	2.0	Nil	3.0	80.0%	2.22%	16/05/2018	22/05/2021

There were no ordinary shares in the Company provided as a result of the exercise of remuneration performance shares during the year.

Equity instruments held by key management personnel

Performance shares

The numbers of performance shares in the Company held during the financial year by each director of Credit Intelligence Limited and other key management personnel of the Group, including their personally related parties, are set out below:

2018	Balance at start of the year	Granted as compensation	Exercised	Other changes	Balance at end of the year	Vested & exercisable	Unvested
Directors of Credit Intelligence Limited							
Mel Ashton	-	7,500,000	-	-	7,500,000	-	7,500,000
Jimmie Wong	-	15,000,000	-	-	15,000,000	-	15,000,000
King Wong	-	12,500,000	-	-	12,500,000	-	12,500,000
Krista Bates	-	2,500,000	-	-	2,500,000	-	2,500,000
Vincent Lai	-	2,500,000	-	-	2,500,000	-	2,500,000
Tony Ho	-	-	-	-	-	-	-
Luke Ho	-	-	-	-	-	-	-
Brett Crowley	-	-	-	-	-	-	-
Boon Quah	-	-	-	-	-	-	-
Other key management personnel of the Group							
Alex Chung	-	-	-	-	-	-	-
Eva Chan	-	-	-	-	-	-	-
Chris Lui							

Directors' report

Ordinary share holdings

The number of ordinary shares in the Company held during the financial year by each director of Credit Intelligence Limited and other key management personnel of the Group, including their personally related parties, are set out below. There were no ordinary shares granted during the reporting period as compensation.

2018	Balance at start of the year or date of appointment	Received during the year on the vesting of performance rights/ exercise of options	Other changes during the year	Balance at end of the year [1]
Directors of Credit Intelligence Limited				
Ordinary shares				
Mel Ashton	-	-	-	-
Jimmie Wong [4]	470,910,256	-	-	470,910,256
King Wong	26,642,628	-	-	26,642,628
Krista Bates	-	-	-	-
Vincent Lai	-	-	-	-
Tony Ho	2,000,000	-	-	2,000,000
Luke Ho	288,340 [2]	-	(288,340) [3]	-
Brett Crowley	-	-	- [3]	-
Boon Quah	-	-	- [3]	-
Other key management personnel of the Group				
Ordinary shares				
Alex Chung	-	-	-	-
Eva Chan [4]	470,910,256	-	-	470,910,256
Chris Lui	-	-	-	-

(1) At year end there are no nominally held shares.

(2) Represents the number of shares on a post-consolidation basis (1,000,000 pre-consolidation).

(3) Balance held at date of resignation as a director.

(4) Ms Chan is the spouse of Mr Wong. As such shareholdings noted in the table above include holdings for both Mr Wong and Ms Chan as related parties of each other.

Loans to key management personnel

As at 30 June 2017, the director, Jimmie Wong, owed the Company $712,291 (2018: $nil) . The amount was repaid prior to the date of relisting of the Company. The loan was interest free, unsecured and repayable on demand.

Other transactions with key management personnel

During the ended 30 June 2018 Hong Kong I.V.A. Consultants Limited received $22,867 (2017: $35,037) consultancy fee from Alex Chung & Company, CPA. Mr Alex Chung is the Principal of Alex Chung & Company, CPA and a member of the Key Management Personnel of the Group.

End of Audited Remuneration Report

Directors' meetings

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

	Directors Meetings		Committee Meetings: Audit and Risk		Committee Meetings: Remuneration and Nomination	
	A	B	A	B	A	B
Mel Ashton	2	2	-	-	-	-
Jimmie Wong	2	2	*	*	*	*
King Wong	2	2	*	*	*	*
Krista Bates	2	2	-	-	-	-
Vincent Lai	2	2	-	-	-	-
Tony Ho	-	-	-	-	-	-
Luke Ho	1	1	1	1	1	1
Brett Crowley	1	1	1	1	1	1
Boon Quah	1	1	1	1	1	1

A Number of meetings attended.
B Number of meetings held during the time the director held office during the year.
* Not a member of the relevant committee.

Shares under option

There are no unissued ordinary shares of Credit Intelligence Limited under option at the date of this report.

Insurance of directors, officers or auditors

During or since the end of the financial year, Credit Intelligence Limited has not given an indemnity, or entered into an agreement to indemnify the directors, secretary or auditors of the Company. At the date of this report, the Group is in the process of completing a proposal with an underwriter to insure directors and officers.

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 entity's auditor, Moore Stephens 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.*

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

	2018 $	2017 $
- taxation services		
Moore Stephens Hong Kong	3,628	-
Moore Stephens Perth	5,000	3,750
- Corporate advisory services		
Moore Stephens Perth	27,000	43,500
	35,628	47,250

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 24.

Signed in accordance with a resolution of the directors.

Jimmie Wong
Managing Director

Perth, 27 September 2018

Review of operations

Overall review

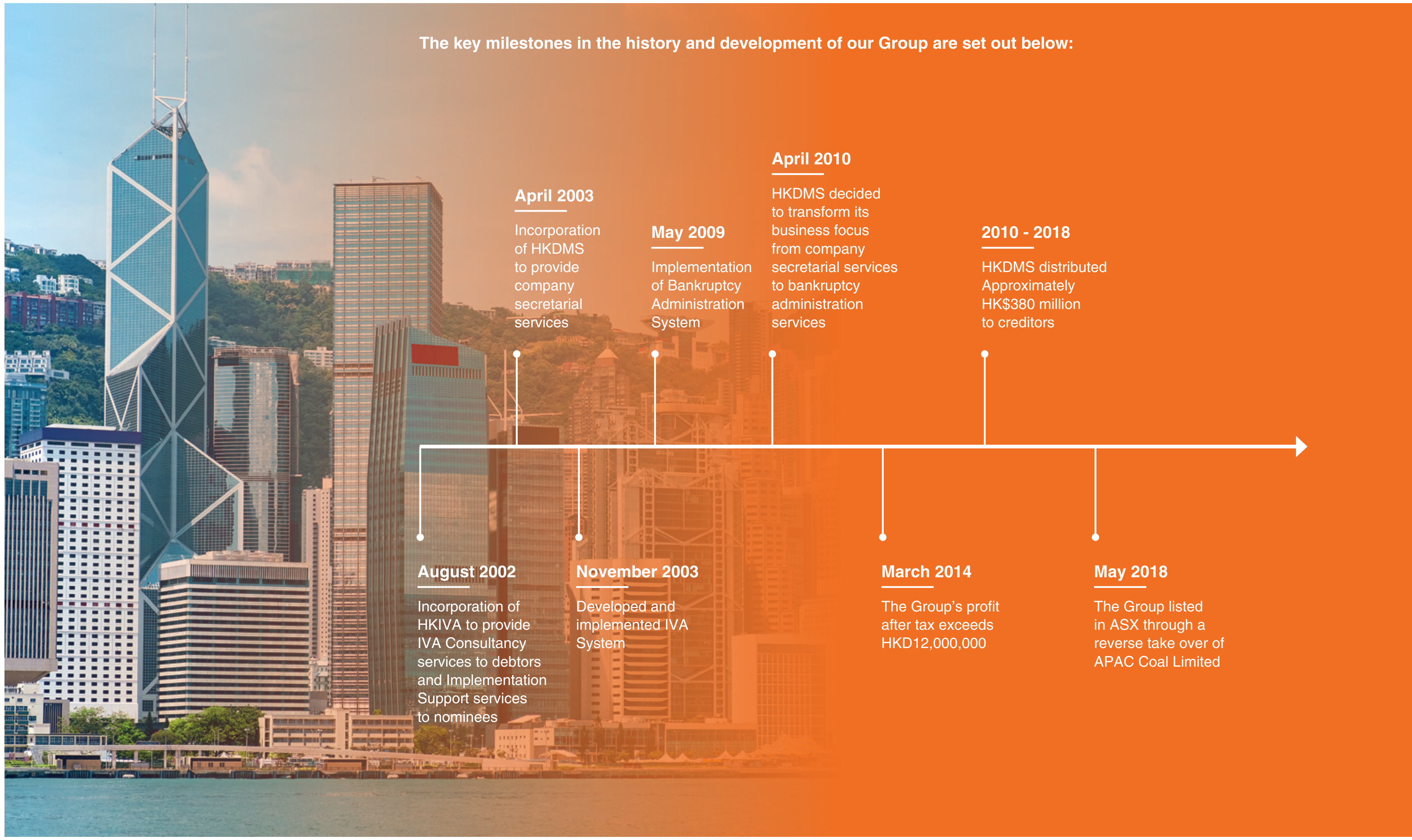
2018 was an important year for Credit Intelligence Limited and its controlled entities (the "Group") as the Group has been listed in the ASX through a Reverse Take Over of APAC Coal Limited on 22 May 2018. The Group is mainly engaged in personal insolvency management services in Hong Kong. The insolvency management services include debt restructuring and bankruptcy administration services. The Group is one of the leading diversified debt restructuring businesses ("IVA") and bankruptcy administration service ("OT") in Hong Kong. The Group employs 30 full-time staff including accountants and legal practitioners who work with financial institutions to provide creditors and debtors with customized and cost-effective debt solutions and bankruptcy administration services. Credit Intelligence has worked with all major banks in Hong Kong including HSBC, Standard Chartered (Hong Kong) Bank, Bank of China and Citibank and has played central role in shaping the insolvency management IVA process in Hong Kong.

Operational highlights

The OT is carried on by the Hong Kong Debts Management Services Limited ("HKDMS"), a wholly owned subsidiary of the Credit Intelligence Limited. Under the Bankruptcy Ordinance (Chapter 6 of the Laws of Hong Kong) ("Bankruptcy Ordinance"), where an individual is unable to pay their debts, they or their creditors may present a petition to court for a bankruptcy order against him. Upon the preparation of the bankruptcy order, a trustee will be appointed to administer the bankruptcy estate. The duty of the trustee includes the realisation of assets, monitoring income and expenses, and the making distributions. This duty is known as a bankruptcy administration service. Four directors of HKDMS are qualified to act as a trustee in bankruptcy administration services.

IVA is carried on by the Hong Kong I.V.A Consultants Limited ("HKIVA"), also a wholly owned subsidiary of the Credit Intelligence Limited. As an alternative to bankruptcy, an individual may seek to enter into an individual voluntary arrangement (IVA) with their creditors by making a proposal for repayment of their debts (usually by monthly instalments in full) to them under the Bankruptcy Ordinance. The proposal will firstly be approved by the court and then by a special majority (75%) of the creditors voting at a creditors' meeting. After the proposal is approved, a nominee will be appointed to implement the proposal. The duty of the nominee includes collecting payments from the individual and making distributions to the creditors monthly. The HKIVA provides IVA advisory service to Debtors and IVA implementation services to nominees.

Operational milestones



Review of operations

Hong Kong personal insolvency market outlook

In the last decade, the number of bankruptcy cases per year reached its peak in 2009 after the global financial crisis. Thereafter, the number has remained stable in the range of 8,000 to 10,000 per annum. It is expected that the number of bankruptcy cases each year will continue to be within this range until the outbreak of the next financial crisis.

Statistics on bankruptcy petitions and order for the period January 2007 to June 2018

	Petitions presented by			Receiving/bankruptcy orders made on		
Year	Debtors	Creditors	Total	Debtors' petitions	Creditors' petitions	Total
2007	10174	744	10918	10403	660	11063
2008	10754	866	11620	10116	663	10779
2009	14907	877	15784	15366	791	16157
2010	8353	749	9102	8531	632	9163
2011	7440	637	8077	7422	559	7981
2012	8118	567	8685	7735	443	8178
2013	8919	530	9449	8959	412	9371
2014	9550	477	10027	9293	381	9674
2015	9343	532	9875	9353	397	9750
2016	8543	508	9051	8532	387	8919
2017	7219	636	7855	7169	458	7627
2018 (June)	3437	304	3741	3279	259	3538

Source: HKSAR Official Receiver's Office

Given the uncertainty of the global economic environment, the Group projects that the number of bankruptcy cases in Hong Kong will increase significantly, with the number of bankruptcy cases administered by the Group increasing at the same time, hence the increase in income and operating profitability of the Group.

Statistics on approved Individual voluntary arrangement cases January 2008 to June 2018

Year	Nominee number of approved individual voluntary arrangement cases with outside nominees
2008	2020
2009	3046
2010	1389
2011	822
2012	799
2013	810
2014	782
2015	684
2016	589
2017	598
2018 (June)	294

Source: HKSAR Official Receiver's Office

Financial highlights for the year ended 30 June 2018

The Group is pleased to report that business growth continued during the year ended 30 June 2018, with revenue for the financial year totalling $4,794,266 a 29% increase compared to the year ended 30 June 2017.

Whilst the statutory net profit after tax for the Group was 113% down on the previous year, the underlying operating profit of the Company's Hong Kong debt restructuring and personal insolvency management business (the "Business") remains strong with the profits of trading subsidiaries in Hong Kong growing 22% during the year ended 30 June 2018. The Group results for the year ended 30 June 2018 included one off transaction costs of $2,143,014 associated with the RTO that were expensed to the consolidated profit or loss account for the year. Corporate costs associated with being an ASX listed company from 22 May 2018 were also incurred. These included non-cash share-based payments of $36,734 approved by shareholders for the grant of performance shares to directors of the Company.

Subsequent to 30 June 20148, the Company declared a dividend of $0.0012 per share that represents approximately 6% yield on the closing price of the Group on 20 August 2018.

The net assets as at 30 June 2018 totalled $4,301,909 an increase of 238% compared to 30 June 2017.

The Group achieved a net profit margin of approximately 40% after taking out non-recurring one-off listing expenses (totalling $2,143,014).

From a cash flow perspective, the Group reported an operating cash inflow for the year of $1,562,410 (2017: $1,766,029), reflecting strong cash generation from the Hong Kong Business. No major capital expenditure is required for the Company's Business activity in Hong Kong in the foreseeable future.

Auditor's Independence Declaration

MOORE STEPHENS

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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, for the year ended 30 June 2018, 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.

WEN-SHIEN CHAI
PARTNER

MOORE STEPHENS
CHARTERED ACCOUNTANTS

Signed at Perth this 27th day of September 2018

Consolidated statements of profit or loss and other comprehensive income For the year ended 30 June 2018

	Notes	2018 $	2017 $
Revenue	3	4,794,266	3,714,690
Other income	4	109,964	93,300
Advertising and promotion		(28,654)	(27,537)
Audit fee		(133,954)	(3,238)
Bank charges and interests		(152,084)	(146,938)
Directors' fees		(370,764)	(153,370)
Directors' fees (Share-based payments)	14	(36,734)	-
Directors' mandatory provident fund		(10,473)	(6,561)
Depreciation expense		(18,482)	(7,070)
Legal and professional fees		(99,571)	(53,168)
Listing costs		(703,035)	-
Printing and stationery		(35,890)	(26,986)
Rents and rates		(255,394)	(195,091)
Reverse acquisition cost	17	(1,439,979)	-
Employee benefits expense		(1,032,112)	(896,479)
Search fees		(28,619)	(28,196)
Secretarial and filing fees		(46,622)	-
Travelling expenses		(136,419)	(884)
Other expenses		(179,063)	(140,591)
Profit before income tax		196,381	2,121,882
Income tax expense	6	(424,572)	(346,429)
(Loss)/Profit after tax		(228,191)	1,775,453
(Loss)/Profit for the year		(228,191)	1,775,453
Other comprehensive income			
- Exchange differences on translating foreign operations, net of tax		75,417	(46,457)
Total other comprehensive income for the year, net of tax		75,417	(46,457)
Total comprehensive income for the year		(152,774)	1,728,996
Net (loss)/profit attributable to:			
Members of the parent entity		(228,191)	1,775,453
Non-controlling interest		-	-
		(228,191)	1,775,453
Total comprehensive income/(loss) attributable to:			
Members of the parent entity		(152,774)	1,728,996
Non-controlling interest		-	-
		(152,774)	1,728,996
Earnings per share			
Basic earnings/(loss) per share (cents per share)	18	(0.03)	N/A
Diluted earnings/(loss) per share (cents per share)	18	(0.03)	N/A

The accompanying notes form part of these financial statements.

Consolidated statement of financial position

As at 30 June 2018

	Notes	2018 $	2017 $
CURRENT ASSETS			
Cash and cash equivalents	7	4,334,378	349,480
Trade and other receivables	8	252,782	903,584
Other current assets	9	131,092	112,380
TOTAL CURRENT ASSETS		4,718,252	1,365,444
NON-CURRENT ASSETS			
Property, plant and equipment	10	83,381	31,308
TOTAL NON-CURRENT ASSETS		83,381	31,308
TOTAL ASSETS		4,801,633	1,396,752
CURRENT LIABILITIES			
Trade and other payables	11	288,260	34,463
Current tax liabilities	6	211,464	91,000
TOTAL CURRENT LIABILITIES		499,724	125,463
TOTAL LIABILITIES		499,724	125,463
NET ASSETS		4,301,909	1,271,289
EQUITY			
Issued capital	12	4,485,035	-*
Reserves	13	76,731	(35,404)
(Accumulated loss)/retained earnings	13	(259,856)	1,306,693
Equity attributable to owners of the parent entity		4,301,909	1,271,289
Non-controlling interest		-	-
TOTAL EQUITY		4,301,909	1,271,289

*- amounts less than $1

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity

For the year ended 30 June 2018

	Notes	Issued capital $	Retained earnings $	Merger reserve $	Foreign currency translation reserve $	Share-based payment reserve $	Total $
Balance at 1.7.2016		-*	1,013,815	4	-	-	1,013,819
Comprehensive income:							
Profit for the year		-	1,775,453	-	-	-	1,775,453
Other comprehensive income for the year		-	-	-	(46,457)	-	(46,457)
Total comprehensive income for the year		-	2,789,268	4	(46,457)	-	2,742,815
Transactions with owners, in their capacity as owners, and other transfers							
Allotment of shares by Hong Kong Debt Management Limited (HKDM)		-	-	13,290	-	-	13,290
Difference arising from reorganisation of HKDM		-	-	(2,241)	-	-	(2,241)
Dividends recognised for the period		-	(1,482,575)	-	-	-	(1,482,575)
Total transactions with owners and other transfers		-	(1,482,575)	-	-	-	(1,471,526)
Balance at 30.6.2017		-*	1,306,693	11,053	(46,457)	-	1,271,289
Balance at 1.7.2017		-*	1,306,693	11,053	(46,457)	-	1,271,289
Comprehensive income:							
Loss for the year		-	(228,191)	-	-	-	(228,191)
Other comprehensive income for the year		-	-	-	75,417	-	75,417
Total comprehensive income for the year		-	1,078,502	11,053	28,960	-	1,118,515
Transactions with owners, in their capacity as owners, and other transfers							
Allotment of shares		16	-	(16)	-	-	-
Proceeds from capital raising		3,565,500	-	-	-	-	3,565,500
Deemed acquisition costs for RTO		1,439,999	-	-	-	-	1,439,999
Cost of capital raising		(520,480)	-	-	-	-	(520,480)
Option expense recognised in the year		-	-	-	-	36,734	36,734
Dividends recognised for the period		-	(1,338,359)	-	-	-	(1,338,359)
Total transactions with owners and other transfers		4,485,035	(1,338,359)	(16)	-	36,734	3,183,394
Balance at 30.6.2018		4,485,035	(259,856)	11,037	28,960	36,734	4,301,909

*- amounts less than $1

The accompanying notes form part of these financial statements.

	Notes	2018 $	2017 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		4,824,810	3,788,532
Payments to suppliers and employees		(2,798,273)	(1,545,602)
Interest received		-*	-
Finance costs		(152,084)	(146,938)
Income tax refunded/(paid)		(312,043)	(329,963)
Net cash provided by (used in) operating activities	15	1,562,410	1,766,029
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(67,380)	(11,430)
Repayments from related company		-	(660,946)
Amount due from director		(633,093)	-
Net cash provided by (used in) investing activities		(700,473)	(672,376)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from capital raising		3,565,500	-
Cost of capital raising		(520,480)	-
Repayment of borrowings		-	(1,704,110)
Net cash provided by (used in) financing activities		3,045,020	(1,704,110)
Net increase (decrease) in cash held		3,906,957	(610,457)
Cash at beginning of the year		349,480	984,616
Effect of foreign currency translation		77,941	(24,679)
Cash at the end of the year		4,334,378	349,480

*- amounts less than $1

The accompanying notes form part of these financial statements.

1 Summary of significant accounting policies

These 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 Listed Public Limited, have not been presented within this financial report as permitted by the Corporations Act 2001.

The financial statements were authorised for issue on 27 September 2018 by the directors of the Company.

(a) Basis of preparation

Reporting Entity

Credit Intelligence Limited is a 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.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

Except for cash flow information, the 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.

(b) 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 2018 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.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

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
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

1 Summary of significant accounting policies continued

(b) Principles of consolidation continued

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 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.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and 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.

Credit Intelligence Limited (CIL), being the ultimate legal parent, completed the legal acquisition of Credit Intelligence Holding Limited and its controlled entities (CIH) on 8 May 2018. The Company has treated this transaction as a reverse acquisition in accordance with AASB 3 *Business Combinations* for the preparation of the 2018 consolidated financial statements. CIH (the legal subsidiary/accounting parent, ("the Group") was deemed to be the acquirer for accounting purposes as it has obtained control over the operations of the legal acquirer CIL (accounting subsidiary). Accordingly, the consolidated financial statements of CIL have been prepared as a continuation of the financial statements of CIH. The comparative information presented in the consolidated financial statements is that of CIH.

The consolidated entity for the year ended 30 June 2018 is Credit Intelligence Limited and its subsidiaries. Comparative figures for the previous year to 30 June 2017 was Credit Intelligence Holdings Limited and its then subsidiaries.

The impact of the reverse acquisition on each of the primary statements is as follows:

- The consolidated statement of profit or loss and comprehensive income and consolidated statement of cash flow:
  - for the period between 1 July 2017 to 30 June 2018 comprises 12 months of CIH and the period from 1 June 2018 to 30 June 2018 of CIL; and
  - for the comparative period comprises 1 July 2017 to 30 June 2018 comprises 12 months of CIH.
- The consolidated statement of financial position:
  - as at 30 June 2018 represents both CIH and CIL as at that date; and
  - as at 30 June 2017 represents CIH as at that date.
- The consolidated statement of changes in equity:
  - for the period between 1 July 2017 to 30 June 2018 CIH's balance at 1 July 2017, its profit for the period and transactions with equity holders for 12 months. It also comprises CIL transactions within equity from 1 June 2018 to 30 June 2018 and the equity value of CIH and CIL at 30 June 2018. The number of shares on issue at period end represents those of CIL only; and
  - for the comparative period comprises 1 July 2016 to 30 June 2017 of CIH's changes in equity.

(c) Foreign currency translation

(i) Functional and presentation currency

The functional currency of the Group is Hong Kong dollars (HK$), which is the currency of the primary economic environment in which the Group operates, while presentation currency of the Group is Australian dollars (A$).

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 significant accounting policies continued

(c) Foreign currency translation continued

(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, except when they are deferred in other comprehensive income as qualifying cash flow hedges or where they relate to differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity.

(d) Revenue recognition

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.

Service Fee Income

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Bankruptcy Administration Service

Revenue from payment collection and assets realisation services represents service fee charged by the Group to the creditors of the bankrupts on the monetary value of the payments paid to their bankruptcy estate bank accounts at an agreed rate. Revenue is recognised when the above transactions take place.

Revenue from dividend distribution services represents service fee charged by the Group to the creditors of the bankrupts on the monetary value of the dividend distributed to the creditors of the bankrupts at an agreed rate. Revenue from provision of dividend distribution services are recognised when the above transactions take place.

Upon the discharge of a bankrupt, in the event that the total aggregate revenue from payment collection and assets realisation 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. The minimum fee is recognised when the bankrupt was discharged.

(ii) Individual Voluntary Arrangement ("IVA") Service

Revenue from sharing of service fee from the IVA nominees is recognised when the debtors deposit their IVA contributions into bank accounts designated by the nominee to the debtors.

Revenue from rendering of IVA proposal consultancy services is recognised when the services are rendered.

(e) Income tax

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 financial statements, and to unused tax losses.

1 Summary of significant accounting policies continued

(e) Income tax continued

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.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associated and interests in joint ventures where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(f) Fair Value of assets and liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(g) Leases

Leases where the lessor retains substantially all of the risks and rewards of ownership of the net asset are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit and loss on a straight-line basis over the period of the lease.

Notes to the consolidated financial statements
For the year ended 30 June 2018

1 Summary of significant accounting policies continued

(h) 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.

(i) Cash and cash equivalent

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand and at bank, deposits held at call with financial institutions, other short-term, highly liquid investments with maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(j) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

(k) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the year end and which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

(l) Provisions

Provisions for make good obligations are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

(m) Employee benefits

(i) Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the end of the reporting period are recognised in other payables in respect of employees' services rendered up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled.

1 Summary of significant accounting policies continued

(m) Employee benefits continued

(ii) Retirement benefit obligations

The Group does not 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 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.

(iii) Share-based payments

The fair value of performance shares granted to directors as approved by shareholders in a general meeting recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the directors become unconditionally entitled to the performance shares.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the performance shares, 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 for the term of the performance shares.

(iii) Share - based payments

The fair value of the performance shares granted is adjusted to reflect market vesting conditions but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of performance shares that are expected to become allotted. At each reporting date, the entity revises its estimate of the number of performance shares that are expected to become allotted.

The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the Statement of Comprehensive Income with a corresponding adjustment to equity.

Where the terms of performance shares are modified, the expense continues to be recognised from grant date to vesting date as if the terms had never been changed. In addition, at the date of the modification, a further expense is recognised for any increase in fair value of the transaction as a result of the change.

Upon the allotment of performance shares, the balance of the share-based payments reserve relating to those performance shares is transferred to share capital, net of any directly attributable transaction costs, are credited to share capital.

(n) Contributed equity

Costs directly attributable to the issue of new shares are shown as a deduction from the equity as a deduction proceeds net of any income tax benefit. Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are included as part of the purchase consideration.

1 Summary of significant accounting policies continued

(o) Goods and services tax (GST)

Revenues, expenses and assets are recognised net GST, except where the GST incurred on the purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

(p) Plant and equipment

Property, plant and equipment are stated at cost, less provisions for depreciation and impairment losses, if any.

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 charged to the consolidated statement of comprehensive income 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:

Furniture, fixtures and equipment	20% per annum
Leasehold improvements	Over the shorter of the lease terms and 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 comprehensive income in the period the asset is derecognised is the difference between the net sales proceeds and the carrying amounts of the relevant asset.

(q) Trade and other receivables

Trade and other receivables are stated at their cost less an allowance for impairment of receivables.

(r) Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued, or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

1 Summary of significant accounting policies continued

(r) Business combinations continued

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

(s) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity 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 (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Group's Accounting Policy.

The Group does not designate any interests in subsidiaries, associates or joint ventures as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

1 Summary of significant accounting policies continued

(s) Financial Instruments continued

Classification and subsequent measurement continued

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are contingent consideration that may be paid by an acquirer as part of a business combination to which AASB 3: *Business Combinations* applies, held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount included in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned from the financial asset and is included in the face of the statement of profit and loss and other comprehensive income.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Contingent consideration of an acquirer in a business combination to which AASB 3: *Business Combinations* applies is classified as a financial liability and measured at fair value through profit or loss.

1 Summary of significant accounting policies continued

(s) Financial Instruments continued

Derivative instruments

The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities, or a firm commitment (fair value hedge); or
- hedges of highly probable forecast transactions (cash flow hedge).

At the inception of the transaction the relationship between hedging instruments and hedged items, as well as the Group's risk management objective and strategy for undertaking various hedge transactions, is documented.

Assessments, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items are also documented.

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualified as fair value hedges are recognised in profit or loss, together with any changes in the fair value of hedged assets or liabilities that are attributable to the hedged risk.

(ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is deferred to a hedge reserve in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts accumulated in the hedge reserve in equity are transferred to profit or loss in the periods when the hedged item affects profit or loss.

Preference shares

Preferred share capital is classified as equity if it is non-redeemable or redeemable only at the discretion of the parent company, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity upon declaration by the directors.

Preferred share capital is classified as a liability if it is redeemable on a set date or at the option of the shareholders, or where the dividends are mandatory. Dividends thereon are recognised as interest expense in profit or loss.

Compound financial instruments

The component parts of compound instruments (convertible preference shares) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share capital. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

1 Summary of significant accounting policies continued

(s) Financial Instruments continued

Compound financial instruments continued

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

Impairment

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

Financial assets, other than those measured at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For available-for-sale equity instruments, including listed or unlisted shares, objective evidence of impairment includes information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in the equity instrument may not be recovered. A significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment for shares classified as available-for-sale. For all other financial assets, including redeemable notes classified as available-for-sale and finance lease receivables, objective evidence of impairment could include: significant financial difficulty of the issuer or counterparty; breach of contract, such as a default or delinquency in interest or principal payments; it becoming probable that the borrower will enter bankruptcy or financial reorganisation; or the disappearance of an active market for that financial asset because of financial difficulties. For certain categories of financial assets, such as trade receivables, assets that are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

1 Summary of significant accounting policies continued

(s) Financial Instruments continued

Impairment continued

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

At the end of each reporting period the group assessed whether there is any objective evidence that a financial asset or group of financial assets is impaired (other than financial assets classified as at fair value through profit or loss).

Financial guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contract issued by a group entity are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at the higher of: the amount of the obligation under the contract, as determined in accordance with AASB 137: *Provisions, Contingent Liabilities and Contingent Assets*; and the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

(t) New and amended accounting standards adopted by the Company

At the date of authorisation of the financial statements there were no new applicable standards and interpretations which would have any impact on the current period, any prior period, or which is likely to affect future periods.

Notes to the consolidated financial statements
For the year ended 30 June 2018

1 Summary of significant accounting policies continued

(u) New and amended accounting standards for application in future periods

The following Standards and Interpretations listed below were on issue but not yet effective:

Standard/interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments' (December 2014) AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities and includes a forward-looking 'expected loss' impairment model and a substantially-changed approach to hedge accounting. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The entity has undertaken an assessment of the impact of AASB 9 and determined that the adoption of AASB 9 will not have a significant impact on the Group's financial instruments.	1 January 2018	30 June 2018
AASB 15 Revenue from Contracts with Customers AASB 15: • Replaces AASB 118 Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations: - establishes a new revenue recognition model - changes the basis for deciding whether revenue is to be recognised over time or at a point in time - provides new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return, warranties and licensing) - expands and improves disclosures about revenue The entity has undertaken an assessment of the impact of AASB 15 and determined that it will not have any significant impact on the Group's revenue recognition	1 January 2018	30 June 2018

1 Summary of significant accounting policies continued

(u) New and amended accounting standards for application in future periods continued

Standard/interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 16 Leases AASB 16: • Replaces AASB 117 Leases and some lease-related Interpretations • requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases • provides new guidance on the application of the definition of lease and on sale and lease back accounting • largely retains the existing lessor accounting requirements in AASB 117 • requires new and different disclosures about leases When this Standard is first adopted for the year ending 30 June 2020, there will be no material impact on the transactions and balances recognised in the financial statements.	1 January 2019	30 June 2020
AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) AASB 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9. Refer to the section on AASB 9 above.	1 January 2018	30 June 2019

Notes to the consolidated financial statements
For the year ended 30 June 2018

2 Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the 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) Business combinations

Business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Credit Intelligence Limited, being the ultimate legal parent, completed the legal acquisition of 100% of the issued share capital of Credit Intelligence Holding Limited and its controlled entities ("CIH") on 8 May 2018. Credit Intelligence Limited (formerly APAC Coal Limited) had limited activities at the time of acquisition and was not considered to be a business under AASB 3 *"Business Combinations"*.

Under the terms of AASB 3 *"Business Combinations"*, CIH is deemed to be the accounting acquirer in the business combination as it has obtained control over the operations of the legal acquirer (accounting subsidiary). Consequently, the transaction has been accounted for as a reverse acquisition. The financial statements of the Company have been prepared as a continuation of the business and operations of CIH.

The comparative information presented in the consolidated financial statements is that of CIH for the year ended 30 June 2017.

The deemed acquisition costs to acquire the listed company were allocated against the identifiable assets and liabilities of the listed entity. Any excess of the deemed acquisition cost over the fair value of the assets and liabilities acquired represents a share-based payment (exchange for control) and accounted for as an expense of listing.

Through a Restructuring Exercise, CIH became the holding company of the companies now comprising the CIH Group on 24 October 2017. CIH and its subsidiaries have been, prior to and immediately after the Restructuring Exercise, under the common control of the ultimate shareholder. There has been a continuation of the risks and benefits to the ultimate shareholder before and immediately after the Restructuring Exercise. Accordingly, the consolidated financial statements of CIH now comprising the Group for the years ended 30 June 2016 and 2017 have been prepared using the principles of merger accounting as if the current group structure had been in existence throughout the period.

(ii) Performance shares

The performance shares comprising class A and class B were valued using the binomial method as between 0.0185 cents and 0.0181 cents per share. A share-based payment expense of $36,734 was recognised for the period ended 30 June 2018 in relation to these performance shares (2017: $nil).

No performance shares were issued to employees during the year ended 30 June 2018. The term of performance shares set as note 14.

	2018 $	2017 $
3 Revenue		
Bankruptcy administration service income	4,674,957	3,475,037
IVA service income	119,309	239,653
	4,794,266	**3,714,690**
4 Other income		
Bank interest income	1	-
Administrative charges	103,152	93,300
Foreign exchange gain	6,811	-
	109,964	**93,300**
5 Profit for the Year		
Profit before income tax from continuing operations includes the following specific expenses:	196,381	2,121,882
Expenses		
Operating lease payments	255,394	195,091
Contributions to defined contribution plans	49,624	44,598
Listing costs	703,035	-
Directors' fees (share-based payments)	36,734	-
Reverse acquisition cost	1,439,979	-

6 Income tax

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 presented.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit derived in Hong Kong for the year ended 30 June 2018.

	2018 $	2017 $
a. The components of tax expense comprise:		
Current tax	424,572	346,429
Deferred tax	-	-
Income tax reported in statement of comprehensive income	424,572	346,429

6 Income tax continued

	2018 $	2017 $
b. The prima facie tax expense on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax expense on profit from ordinary activities before income tax at 30% (2017: 16.5%)	58,914	350,111
Add tax effect of:		
- Non-allowable items	658,953	1,021
- Revenue losses not recognised	106,432	-
- Other deferred tax balances not recognised	18,293	-
- Other	-	2,772
	842,592	353,904
Less tax effect of:		
- Differential in corporate tax rate	377,072	-
- Non-assessable items	36,000	-
- Special tax reduction	4,948	6,816
- Other deferred tax balances not recognised	-	659
Income tax reported in statement of comprehensive income	424,572	346,429
c. Deferred tax recognised at 30% (2017:16.5%) (Note i):		
Deferred tax liabilities:		
Foreign exchange differences	(1,798)	-
Deferred tax assets:		
Capital raising costs	1,798	
Net deferred tax	-	-
d. Unrecognised deferred tax assets at 30% (2017:16.5%) (Note i):		
Provisions and accruals	12,000	-
Capital raising costs	150,780	-
	162,780	-
e. Current tax liabilities		
Provision for tax	211,464	91,000

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

(a) the company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;

(b) the company continues to comply with the conditions for deductibility imposed by law; and

(c) no changes in income tax legislation adversely affect the company in utilising the benefits.

Note i - *the corporate tax rate for eligible companies in Australia will reduce from 30% to 25% by 30 June 2027 providing certain turnover thresholds and other criteria are met. Deferred tax assets and liabilities are required to be measured at the tax rate that is expected to apply in the future income year when the asset is realised or the liability is settled. The directors have determined that the deferred tax balances be measured at the tax rates stated.*

	2018 $	2017 $
7 Cash and cash equivalents		
Cash at bank and in hand	**4,334,378**	**349,480**
8 Trade and other receivables		
Trade debtors	252,782	191,293
Amounts due from directors	-	712,291
	252,782	903,584

All of the account receivables are expected to be recovered within one year.

Account receivables from creditors of bankrupts are generally deducted from the estate bank accounts in the name of bankrupts and paid when instructed by the bankruptcy trustees, Mr. Wong Ka Sek and Mr. Wong Ka Lam King, who are also the directors of the Company. Account receivables 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 provision of bankruptcy administration services. The management of the Company believes that no provision for impairment is necessary as at 30 June 2017 and 2018 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.

Account receivables from nominees of IVA services are normally due within 30 days from the date of billing. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as at 30 June 2017 and 2018 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 2017 and 2018.

All account receivables are neither past due nor impaired. Receivables that were neither past due nor impaired relate to customers for whom there was no recent history of default.

The other receivable as at 30 June 2017 is an amount due from director to the Company of $712,291. The amounts are fully repaid prior to the date of relisting of the company. The loan was interest free, unsecured and repayable on demand.

	Gross amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
			<30	31-60	61-90	>90	
	$	$	$	$	$	$	$
2018							
Trade and term receivables	252,782	-	252,782	-	-	-	-
Other receivables	-	-	-	-	-	-	-
Total	252,782	-	252,782	-	-	-	-
2017							
Trade and term receivables	191,293	-	191,293	-	-	-	-
Other receivables	712,291	-	-	-	-	712,291	-
Total	903,584	-	191,293	-	-	712,291	-

Notes to the consolidated financial statements
For the year ended 30 June 2018

	2018 $	2017 $
9 Other current assets		
Deposits	35,284	32,814
Accrued income and other debtors	86,444	76,125
GST receivable	6,276	-
Prepayments	3,088	3,441
	131,092	**112,380**
10 Property, plant and equipment		
Leasehold improvements		
At cost	5,097	-
Accumulated depreciation	(737)	-
Total leasehold improvements	4,360	-
Furniture, fixtures and equipment		
At cost	238,492	173,034
Accumulated depreciation	(159,471)	(141,726)
Total furniture, fixtures and equipment	79,021	31,308
Total property, plant and equipment	**83,381**	**31,308**

Movements in carrying amounts

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

	Leasehold improvements $	Furniture, fixtures and equipment $	Total $
Balance at the beginning of the year	-	31,308	31,308
Additions	5,097	65,458	70,555
Disposals	-	-	-
Depreciation expense	(737)	(17,745)	(18,482)
Carrying amount at the end of year	4,360	79,021	83,381

11 Trade and other payables

	2018 $	2017 $
Accrued expenses	288,260	27,618
Other payables	-	6,845
	288,260	**34,463**

Trade and other payables are unsecured.

12 Issued capital

Although the Company's acquisition of 100% of Credit Intelligence Holding Limited (CIH) has been accounted for as a reverse acquisition, the capital structure of the Consolidated Entity is that of the legal parent, Credit Intelligence Limited (CIL).

The current period reflects the movements in the legal parent's capital structure for the year to 30 June 2018.

	2018 No.	2017 No.	2018 $	2017 $
Ordinary issued and paid up share capital				
At the beginning of the reporting year	1	1	-*	-*
Issue of shares in CIH	9999	-	-	-
Balance before reverse acquisition	10,000	1	16	-*
Elimination of CIH (legal acquire) shares	(10,000)	-	-	-
Shares of CIL (legal acquirer) at acquisition date	71,999,942	-	-	-
Deemed consideration for the issue of shares by the Company as consideration for the acquisition of CIH	532,852,564	-	1,439,999	-
Capital raising at $0.02 per share	178,275,000	-	3,565,500	-
Shares issued to advisors	37,299,679	-	-	-
Transaction costs relating to capital raising	-	-	(520,480)	-
Total ordinary share capital at the end of the reporting period	820,427,185	1	4,485,035	-*
At the beginning of the reporting year	-	-	-	-
Class A performance shares	18,500,000	-	20,852	-
Class B performance shares	21,500,000	-	15,882	-
Total performance shares at the end of the reporting period	40,000,000	-	36,734	-

** Amount is less than $1*

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.

At the date of this report, there were no options on issue by the Company.

Notes to the consolidated financial statements
For the year ended 30 June 2018

13 Reserves and accumulated losses

	2018 $	2017 $
(a) Reserves		
Total reserves	**76,731**	**(35,404)**
Share based payments reserve		
Movements in share-based payments reserve were as follows:		
Balance 1 July	-	-
Transfer to share based payments reserve	36,734	-
Options lapsed	-	-
Transfer from share option reserve on exercise of options	-	-
Balance 30 June	**36,734**	**-**
Movements in foreign currency translation reserve		
Balance 1 July	**(46,457)**	**-**
Movement in foreign currency translation reserve	**75,417**	**(46,457)**
Balance 30 June	**28,960**	**(46,457)**
Movements in merger reserve		
Balance 1 July	**11,053**	**4**
Movement in allotment of shares	**(16)**	**11,049**
Balance 30 June	**11,037**	**11,053**
Total reserves	**76,731**	**(35,404)**
(b) Accumulated losses		
Movements in accumulated losses were as follows:		
Opening retained earnings	1,306,693	1,013,815
(Loss)/profit after tax for the year	(228,191)	1,775,453
Interim dividend paid prior to reverse takeover	(1,338,359)	(1,482,575)
Balance 30 June	**(259,856)**	**1,306,693**

(c) Nature and purpose of reserves

The share-based payment reserve comprises the cumulative value of employee services received through the issue of performance shares. When the performance shares vests, the related balance previously recognised in the share-based payments reserve is transferred to share capital. When the performance shares lapse, the related balance previously recognised in the performance share reserve is transferred to accumulated profits.

Notes to the consolidated financial statements
For the year ended 30 June 2018

14 Share-based payments

The following share-based payments were made during the year ended 30 June 2018:

Issue of Ordinary Shares to advisors:

As part of the reverse takeover, 37,299,679 shares were issued to advisors of the transaction at $0.02 per share. The total value of the shares of $745,994 has been capitalised against share capital as costs of the transaction.

Issue of Performance Shares to directors:

During the year ended 30 June 2018 the Company issued 18,500,000 Class A Performance Shares and 21,500,000 Class B Performance Shares to the directors as partial consideration of services provided as directors of the Company:

Director	Class A Performance Shares	Class B Performance Shares
Jimmie Wong	5,000,000	10,000,000
King Wong	5,000,000	7,500,000
Mel Ashton	5,000,000	2,500,000
Krista Bates	1,750,000	750,000
Vincent Lai	1,750,000	750,000

The performance shares entitle the holder to ordinary shares on the terms and conditions set out below.

(1) Each Class A Performance Share will convert into one fully paid ordinary share in the capital of the Company upon satisfaction of the following milestone: on the Company's 30-day volume weighted average share price reaching at least $0.025 two years from the date the Company re-commenced trading on the ASX, being 22 May 2018.

(2) Each Class B Performance Share will convert into one fully paid ordinary share in the capital of the Company upon satisfaction of the following milestone: on the Company's 30-day volume weighted average share price reaching at least $0.03 three years from the date the Company re-commenced trading on the ASX, being 22 May 2018.

(3) The Performance Shares do not carry any voting rights in the Company.

(4) The Performance Shares confer on the holder the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to shareholders. Holders of Performance Shares have the right to attend general meetings of shareholders.

(5) The Performance Shares do not entitle the holder to any dividends.

(6) The Performance Shares do not confer any right to participate in the surplus profits or assets of the Company upon winding up of the Company.

(7) The Performance Shares do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(8) The Performance Shares do not confer the right to participate in new issues of securities such as entitlement issues. If the Company makes a bonus issue of Shares or other securities to existing shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of Shares which must be issued on the conversion of a Performance Share will be increased by the number of Shares which the holder would have received if the relevant Performance Share had converted before the record date for the bonus issue.

15 Share-based payments continued

(9) If at any time the issued capital of the Company is reorganised, the Performance Shares are to be treated in the manner set out in Listing Rule 7.21 (or other applicable Listing Rule), being that the number of Performance Shares or the conversion ratio or both will be reorganised so that the holder of the Performance Shares will not receive a benefit that holders of ordinary shares do not receive and so that the holders of ordinary shares will not receive a benefit that the holder of the Performance Shares does not receive.

(10) The Performance Shares give the holder no rights other than those expressly provided by these terms and conditions and those provided at law where such rights at law cannot be excluded by these terms and conditions.

For performance shares granted during the current year, the valuation inputs for the Binomial Barrier Valuation model were as follows:

	Underlying share price (cents)	Exercise price (cents)	Barrier price (cents)	Volatility	Risk free interest rate	Valuation date	Expiration date
Directors							
Class A	2.0	Nil	2.5	80.0%	2.06%	16/05/2018	22/05/2020
Class B	2.0	Nil	3.0	80.0%	2.22%	16/05/2018	22/05/2021

The performance shares vest over the period from the grant date to the expiration date. An expense of $36,734 was recognised in the profit or loss account of the Company for the year ended 30 June 2018 (2017: $nil).

15 Cash flow information

	2018 $	2017 $
Reconciliation of cash flow from operations with operating profit from ordinary activities after income tax:		
Profit/(loss) from ordinary activities after income tax	(228,191)	1,775,453
Non-cash flows in profit from ordinary activities:		
Depreciation	18,482	7,070
Reverse acquisition cost	1,439,999	-
Share-based payment	36,734	-
Effect of foreign currency translation	1,326	-
Decrease/(Increase) in trade and other receivables	(61,489)	(19,458)
Decrease/(Increase) in other current assets	(18,712)	(8,664)
Decrease/(Increase) in trade and other payables	253,797	(4,838)
Increase/(Decrease) in income tax payable	120,464	16,466
Cash flow from operations	1,562,410	1,766,029

16 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 2018* %	Ownership interest 2017* %
Credit Intelligence Holding Limited	Cayman Islands	Hong Kong	100	-
Hong Kong Debt Management Limited	British Virgin Island	Hong Kong	100	-
Hong Kong Debt Management Services Limited	Hong Kong	Hong Kong	100	-
Hong Kong I.V.A. Consultants Limited	British Virgin Island	Hong Kong	100	-
PT Deefu Chemical Indonesia	Indonesia	Indonesia	-	99.33
PT Batubara Selaras Sapta	Indonesia	Indonesia	-	95.00

** Percentage of voting power is in proportion to ownership*

17 Business combinations

Acquisition of Credit Intelligence Holding Limited

On 8 May 2018, Credit Intelligence Limited (formerly APAC Coal Limited) completed the acquisition of 100% of Credit Intelligence Holding Limited (CIH). Under the terms of AASB 3 “Business Combinations”, CIH was deemed to be the accounting acquirer in the business combination. Consequently, the transaction has been accounted for as a reverse acquisition.

Details of the fair value of assets and liabilities acquired, and excess consideration are as follows:

	$
Purchase consideration:	
Being the deemed fair value of consideration paid for Credit Intelligence Limited	1,439,999
Less: fair value of net identifiable assets acquired (see below)	(20)
Excess consideration	1,439,979

The excess consideration has been written off in the statement of comprehensive income because the directors have determined that there is no future benefit associated with the excess consideration.

Details of the fair value of identifiable assets and liabilities of Credit Intelligence Limited as at the date of acquisition are:

	Book carrying value $	Fair value $
Assets		
Cash and cash equivalents	1,471	1,471
Liabilities		
Trade and other payables	(1,451)	(1,451)
Net assets	20	20

Direct costs relating to the acquisition have been expensed in the statement of comprehensive income.

17 Business combinations continued

Disposal of PT Deefu Chemical Indonesia and PT Batubara Selaras Sapta

As part of the conditions of the acquisition of Credit Intelligence Holding Limited noted above, Credit Intelligence Limited disposed of 100% of its interest in its subsidiaries, PT Deefu Chemical Indonesia and PT Batubara Selaras Sapta for US$2. As the net assets of these subsidiaries had already been impaired to $1 in the consolidated balance sheet of the Group, the Company did not recognise a loss or gain on disposal for the year ended 30 June 2018.

18 Earnings per share

	2018 $	2017 $
Basic Loss/(Earnings) per share (cents per share)	(0.03)	0.25
Diluted Loss/(Earnings) per share (cents per share)	(0.03)	0.25
Weighted average number of shares		
Basic earnings per share calculation	727,297,919	711,127,564
Diluted earnings per share calculation	733,215,727	711,127,564
(Loss)/profit for the period used in earnings per share		
From continuing operations	(228,191)	1,775,453

As mentioned in note 12 the equity structure in the consolidated financial statements following the reverse acquisition reflects the equity structure of Credit Intelligence Limited, being the legal acquirer (the accounting acquiree).

In calculating the weighted average number of ordinary shares outstanding (the denominator of the EPS calculation) for the year ended 30 June 2018:

(1) the number of ordinary shares outstanding from 1 July 2017 to 8 May 2018 (acquisition date) were computed on the basis of the weighted average number of ordinary shares of Credit Intelligence Holding Limited, (legal acquiree/accounting acquirer) outstanding during the period multiplied by the exchange ratio established in the acquisition agreement; and

(2) the number of ordinary shares outstanding from 8 May 2018 to the end of year shall be the actual number of ordinary shares of Credit Intelligence Limited outstanding during that period.

The basic EPS for the year ended 30 June 2017 was calculated by dividing:

(3) the profit or loss of Credit Intelligence Holding Limited attributable to ordinary shareholders in the period by the Credit Intelligence Holding Limited historical weighted average number of ordinary shares outstanding multiplied by the exchange ratio established in the acquisition agreement.

19 Commitments and contingent liabilities

Capital expenditure commitments

As at 30 June 2018, the Company had no capital expenditure commitments (2017: $nil).

Operating leases commitments

As at 30 June 2017 and 2018, the Group had the following commitments under non-cancellable operating leases in respect of office premises as follows:

	2018 $	2017 $
Within one year	198,276	-

The Group leases a property under a non-cancellable operating lease arrangement with a lease term of two years, without option to renew the lease term at the expiry date.

Contingent liabilities

As at 30 June 2018, the Company had no contingent liabilities (2017: $nil).

20 Events occurring after the balance sheet date

Consistent with the Group's Business and strong cash generation, the directors have declared an unfranked maiden dividend of 0.0012 cents per share after the balance sheet date. The total dividend declared is $984,513. The dividend is funded from the retained earnings of the operating subsidiary in Hong Kong, leaving the funds raised during the reverse takeover of $3.56 million for investments in Australia. The dividend will be paid on Friday, 16 November 2018 with the record date for the determination of dividend entitlement to be 5pm (Perth time), 28 September 2018. Shareholders with an Australian address will be paid by direct credit to an Australian bank account. Shareholders with an overseas address will receive their dividend payment in an AUD denominated cheque.

The Group intends to introduce a share-based incentive plan to retain and incentivise key management team members in the Group. The Company will seek for shareholders' approval at the next Annual General Meeting to approve a Performance Rights Plan ("PRP"). The PRP will also provide similar incentives for Australian-based team members as and when the Company expands its operations to Australia.

21 Segment information

Credit Intelligence is one of the leading diversified debt restructuring and personal insolvency management businesses operating in Hong Kong. For management purposes, the Group is organised into one main operating segment which involves provision of bankruptcy administration services and Individual Voluntary Arrangement proposal consultancy and implementation services. All of the Group's activities are interrelated and financial information is reported to the Board as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

During the years ended 30 June 2017 and 2018 the Group operated only in the Hong Kong market and revenue was generated predominantly from the Group's provision of bankruptcy administration services. All revenue is generated from external customers. There were no inter-segment sales in the current year (2017: Nil).

Notes to the consolidated financial statements
For the year ended 30 June 2018

21 Segment information continued

(i) Revenue by geographical region

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

	2018 $	2017 $
Australia	-	-
Hong Kong	4,794,266	3,714,690
Total revenue	4,794,266	3,714,690

(ii) Assets by geographical region

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

	2018 $	2017 $
Australia	3,425,335	-
Hong Kong	1,376,298	1,396,752
Total assets	4,801,633	1,396,752

22 Related party transactions

Key management personnel compensation

Refer to the Remuneration Report contained in the Directors Report for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2018.

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

	2018 $	2017 $
Short-term employee benefits	370,764	153,370
Post-employment benefits	10,473	6,561
Share-based payments	36,734	-
Total KMP compensation	417,971	159,931

Short-term employee benefits

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

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 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.

22 Related party transactions continued

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.

Loans to Key Management Personnel

As at 30 June 2017, the director, Jimmie Wong, owed the Company $712,291 (2018: $nil). The amount was repaid prior to the date of listing of the Company.

Other Transactions with Key Management Personnel

During the ended 30 June 2018 Hong Kong I.V.A. Consultants Limited received $22,867 (2017: $35,037) consultancy fee from Alex Chung & Company, CPA. Mr Alex Chung is the Principal of Alex Chung & Company, CPA and a member of the Key Management Personnel of the Group.

23 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.

	2018 $	2017 $
Statement of Financial Position		
Assets		
Current assets	3,425,335	34,238
Non-current assets	-	-
Total assets	3,425,335	34,238
Liabilities		
Current liabilities	195,972	166,934
Non-current liabilities	-	-
Total liabilities	195,972	166,934
Equity		
Issued capital	9,439,086	6,394,067
Share based payment reserve	36,734	-
Retained earnings/(Accumulated losses)	(6,246,457)	(6,526,763)
Total equity	3,229,363	(132,696)
Statement of Profit or Loss and Other Comprehensive Income		
Total profit	280,325	(212,946)
Total comprehensive income	280,325	(212,946)

Contractual commitments

As at 30 June 2018, the legal parent entity had no contractual commitments for the acquisition of property, plant or equipment.

Guarantees and contingent liabilities

As at 30 June 2018, the legal parent entity had no guarantees or contingent liabilities.

24 Auditor's remuneration

The following information relates to the remuneration of the auditor for both the listed parent company, Credit Intelligence Limited and the legal subsidiary Credit Intelligence Holding Limited.

	2018 $	2017 $
– Auditing or reviewing the financial statements		
K.C. Liu & Co (Hong Kong based)	-	3,238
Moore Stephens Hong Kong	95,326	-
Moore Stephens Perth	41,500	23,700
– Taxation services		
Moore Stephens Hong Kong	3,628	-
Moore Stephens Perth	5,000	3,750
– Corporate advisory services		
Moore Stephens Perth	27,000	43,500
	172,454	74,188

25 Dividends

Subsequent to the 30 June 2018 the directors declared an unfranked maiden dividend of $0.0012 per share. The total dividend declared is $984,513. The dividend is funded from the retained earnings of the operating subsidiary in Hong Kong, leaving the funds raised during the reverse takeover of $3.56 million for investments in Australia. The dividend will be paid on Friday, 16 November 2018 with record date for the determination of dividend entitlement to be 5pm Perth time, 28 September 2018.

Dividends paid or declared for payment during the financial year are as follows:

Interim ordinary dividend of $90.71 per share paid on 30 September 2017*	$907,083
Interim ordinary dividend of $43.13 per share paid on 31 March 2018*	$431,276
Final ordinary dividend of $0.0012 per share recommended by the directors to be paid on 16 November 2018 out of retained profits at 30 June 2018	$984,513

** Dividends paid prior to listing*

26 Financial risk management

(a) Financial instruments by categories

	2018 $	2017 $
Financial assets		
Receivables measured at amortised cost:		
- Accounts receivable	252,782	191,293
- Deposits and other receivables	121,728	108,939
- Amount due from a director	-	712,291
- Cash and cash equivalents	4,334,378	349,480
	4,708,888	1,362,003
Financial liabilities		
Financial liabilities measured at amortised cost:		
- Accruals	288,260	34,463

26 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.

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.

(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. All financial assets and liabilities as at 30 June 2017 and 2018 were repayable on demand.

(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$"), the functional currency of the group. The Group holds cash and bank balances denominated in HK$ 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.

Notes to the consolidated financial statements
For the year ended 30 June 2018

26 Financial risk management continued

(b) Financial risk management and policies continued

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:

	2018 $	2017 $
Cash and cash equivalents – HK$	1,066,629	349,480
Accounts receivable – HK$	252,782	191,293
Deposits and other receivables- HK$	121,728	108,939
Amount due from a director	-	712,291
Trade and other payables – HK$	(92,288)	(34,463)
Net exposure	1,348,851	1,327,540

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 2018		
+/–2% in $A/$HK	+/- 41,938	+/- 20,487
Year ended 30 June 2017		
+/–2% in $A/$HK	+/- 35,509	+/- 10,083

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 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 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 statements 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 2017 and 2018.

End of the notes

In the directors' opinion:

(a) the financial statements comprising the statements of profit or loss and other comprehensive income, statements of financial position, statements of changes in equity, statements of cash flows and accompanying notes set out on pages 29 to 59 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 2018 and of its performance for the financial year ended on that date;

(b) there are reasonable grounds to believe that the Company 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 2018, comply with Section 300A of the *Corporations Act 2001*; and

(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.

The directors have been given the declarations by the chief executive officer 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.

Jimmie Wong
Managing Director

Perth, 27 September 2018

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INDEPENDENT AUDITOR'S 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 2018, the consolidated statement of 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 significant accounting policies, 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 2018 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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* (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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

MOORE STEPHENS

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.

Accounting for Reverse Acquisition Refer to Note 17 Business Combinations	
During the year ended 30 June 2018, Credit Intelligence Limited (the legal acquirer) completed a reverse acquisition (takeover) of Credit Intelligence Holding Limited and its controlled entities ("CIHL") (accounting acquirer) for consideration of 532,852,564 shares in Credit Intelligence Limited. The audit of the reverse acquisition is a key audit matter due to the complexity and judgement involved in reverse acquisition accounting. Judgment is involved in the determination of the value of the purchase consideration settled by way of a share-based payment presented as "Reverse acquisition cost" on the face of the consolidated statement of profit or loss and other comprehensive income.	Our procedures included, amongst others: • Reviewed the share purchase agreement and underlying terms and conditions of the transaction; • Discussed with management regarding the nature of the transaction; • Evaluated the valuation of the share-based payment and reviewed the underlying assumptions used; • Checked the calculation of the net assets acquired and listing expense or premium; • Reviewed technical papers and workings, and satisfying ourselves that the reverse takeover accounting was in line with Australian Accounting Standards; • Obtained an understanding of the transaction including an assessment of the accounting acquirer and whether the transaction constituted a business or an asset acquisition; • Ensured that the consolidated financial statements of the Company as at 30 June 2018 accurately reflect the reverse takeover and represent the continuation of the business of CIHL; and • Assessed the adequacy of the disclosures in the financial statements.

Independent auditor's report to the members

MOORE STEPHENS

Revenue Recognition Refer to Note 3 Revenue	
Revenue recognised in the financial statements for the year ended 30 June 2018 was $4,794,266. Revenue from bankruptcy administration services is recognised when payment collections and dividend distributions are made to creditors of the bankrupts. Bankruptcy discharge fees are recognised on discharge of the bankrupt individual. Revenue from Individual Voluntary Arrangements is recognised when debtors deposit their contributions to the designated bank accounts. The recognition of revenue is a key audit matter due to the increase in revenue recognised in the trading subsidiaries of over 29% during the year ended 30 June 2018, and because of its significance to the Group. In addition, ASAs presume there are risks of fraud in revenue recognition unless rebutted.	Our procedures included, amongst others: • Assessed the accounting policy for revenue recognition to ensure compliance with Australian Accounting Standards; • Performed tests of detail on a sample of transactions throughout the year to verify the accuracy of revenue recognised; • Tested the cut-off of revenue; • Performed analytical procedures; • Tested the appropriateness of journal entries in the accounting system; and • Assessing the adequacy of disclosures in the financial statements.

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 2018 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.

Directors' Responsibilities for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material 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.

MOORE STEPHENS

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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, 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, international omissions, misrepresentation, 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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 Group'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 report 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

MOORE STEPHENS

REPORT ON THE REMUNERATION REPORT

Opinion

We have audited the Remuneration Report as included in the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Credit Intelligence Limited, for the year ended 30 June 2018 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.

WEN-SHIEN CHAI PARTNER	MOORE STEPHENS CHARTERED ACCOUNTANTS

Signed at Perth on the 27th day of September 2018

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 (3rd edition) published by the ASX Corporate Governance Council.

The 2018 Corporate Governance Statement was approved by the Board on 27 September 2018 and is current as at 27 September 2018. 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 19 September 2018.

(a) Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

			Ordinary shares	
			Number of holders	Number of shares
1	-	1,000	12	3,820
1,001	-	5,000	177	529,398
5,001	-	10,000	54	365,778
10,001	-	100,000	207	13,448,608
100,001	-	and over	90	806,079,581
			540	820,427,185
The number of shareholders holding less than a marketable parcel of shares are:			299	1,781,599

ASX additional information

The information is current as at 19 September 2018.

(b) Twenty largest shareholders

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

		Listed ordinary shares	
		Number of shares	Percentage of ordinary shares
1	Ka Sek (Jimmie) Wong	423,617,788	51.63
2	BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient DRP>	49,500,040	6.03
3	BNP Paribas Noms Pty Ltd <DRP>	42,536,589	5.18
4	MS Kwan Yee Wan	34,635,417	4.22
5	HSBC Custody Nominees (Australia) Limited	32,905,183	4.01
6	Wong Ka Lam King	26,642,628	3.25
7	Chen Guorong	26,642,628	3.25
8	YUS International Holdings Limited	25,000,000	3.05
9	Advanced Assets Management Ltd	15,339,662	1.87
10	Rung Capital International Limited	14,530,417	1.77
11	Michelle Wai Yu Pang	10,657,052	1.3
12	Terence Wing Keung Chan	10,657,051	1.3
13	Mr Yau Shing Wong	10,260,000	1.25
14	Chiang Lai Fan	6,500,000	0.79
15	Shum Chi Cheung	6,000,000	0.73
16	Mr Kevin Ho + Mrs Vikki Ho <Nathan Ho Account>	5,220,000	0.64
17	Mr Chung Ming Cheung	5,000,000	0.61
18	Wu Ngai Hoi Derrick	4,500,000	0.55
19	Mr Sing En Chan	3,700,000	0.45
20	Mr Kam Wing Chan	3,500,000	0.43
		757,344,455	92.31

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

(c) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

(d) Substantial shareholders

No substantial shareholders have notified the Company in accordance with section 671B of the *Corporations Act 2001*.

(e) Unquoted Securities

Class	Number of securities	Number of holders	Holders of 20% or more of the class	
			Holder name	Number of securities
Class A Performance Shares	18,500,000	5	Palms on Farms Pty Ltd Jimmie Wong King Wong	5,000,000 5,000,000 5,000,000
Class B Performance Shares	21,500,000	5	Jimmie Wong King Wong	10,000,000 7,500,000