

21 February 2019

**Company Announcements Office
Australia Securities Exchange**

Appendix 4D – Half Year Report

1. Name of Entity **Credit Intelligence Limited** **ABN 16 126 296 295**

Half year ended 31 December 2018

Reporting period 1 July 2018 to 31 December 2018

Previous period 1 July 2017 to 31 December 2017

2. Results for announcement to the market (A\$)

		31 December 2018	31 December 2017	% Change Up (Down)
2.1	Revenues from ordinary activities	2,809,513	2,007,959	40%
2.2	Profit after tax from ordinary activities attributable to members	276,466	982,575	(72%)
2.3	Net profit attributable to members	276,466	982,575	(72%)
		Amount	Amount per security	Franked Amount per security at 30% tax
2.4	Dividends paid and proposed			
	2018 final unfranked dividend paid,	\$984,513	\$0.0012	Nil
	2019 interim – N/A	N/A	N/A	N/A
2.5	Record date for determining entitlements to interim dividend	N/A	N/A	N/A
2.6	An explanation of the above figures is contained in the “Review of Operations” included within the attached directors’ report.			
3.0	Net tangible assets per security			
		31 December 2018	31 December 2017	
		\$0.005	\$0.006	

- 4.0 Details of entities over which control has been gained or lost during the period, including the following.

The Company incorporated the following entity on 29 November 2018:

Name of Entity	Country of Incorporation	Ownership Interest 2018 %	Ownership Interest 2017 %	Principal Activities
Credit Intelligence Finance (Hong Kong) Limited	Hong Kong	100	Nil	Money Lending

No entity has been disposed of during the period.

- 5.0 The Company declared an unfranked dividend of \$0.0012 per share on 20 August 2018, amounting to \$984,513, out of the profits for the year ended 30 June 2018. The dividend was paid on 16 November 2018 out of foreign source income.

- 6.0 There is no dividend reinvestment plan in operation.

- 7.0 There is an associate or joint venture entity.

The Company established a joint venture through acquiring the following entity on 26 December 2018.

Name of Entity	Country of Incorporation	Ownership Interest 2018 %	Ownership Interest 2017 %	Principal Activities
Credit Intelligence (Singapore) Pte. Ltd.	Singapore	51%	Nil	Debt restructuring service

- 8.0 The Company is not a foreign entity.

- 9.0 The accounts are not subject to any audit dispute or qualification.

-ENDS-

For more information, please contact:

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About Credit Intelligence Limited (ASX:CI1)

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

The Company acts for all the leading banks and financial institutions in Hong Kong, with regular referrals from those banks and financial institutions to assist their defaulting personal clients. Two of the directors of the Company are registered Trustees in Bankruptcy in Hong Kong.

To learn more about Credit Intelligence please visit: www.ci1.com.au



CREDIT INTELLIGENCE LIMITED
INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

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Corporate Data

Directors	Anthony Ho Jimmie Wong King Wong Mel Ashton Vincent Lai Krista Bates (resigned 29 November 2018)
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 2 The Esplanade Perth WA 6000
Home Exchange	Perth
ASX Code	CI1

Credit Intelligence Limited
ACN 126 296 295

Directors' Report

Your directors submit their report on the consolidated entity (referred to hereafter as CIL or "the Group") consisting of Credit Intelligence Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2018.

Directors

The names of the Company's directors in office during or since the end of the half-year up to the date of this report are as follows.

Anthony Ho
Jimmie Wong
King Wong
Mel Ashton
Vincent Lai
Krista Bates (Resigned 29 November 2018)

Review of Operations

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.

Results for the half-year ended 31 December 2018 were as follows:

Results for the half-year to 31 December 2018 comprises CIL and subsidiaries while results for the half-year to 31 December 2017 comprised CIH and subsidiaries. See Note 1.

	31 December 2018	31 December 2017
	\$	\$
Revenue	2,809,513	2,007,959
Profit after tax	276,466	982,575
Basic earnings per share (cents)	0.033	N/A
Diluted earnings per share (cents)	0.032	N/A

Revenue for the equivalent six months increased by 40% year on year, while new cases appointed have grown by 10% for the calendar year to 31 December 2018 to 1,542. The Group currently has more than 10,000 bankruptcy cases under management.

Expenses for the six months to 31 December 2018 included the corporate costs of the ASX listed entity CIL. Whereas no such expenses were incurred in the prior period. This also included a non cash share based expense of \$155,454 relating to performance shares issued to employees and directors of the Group. Operating expenses were in line with forecast. In addition, the Company has incurred costs in pursuing regional expansion looking at potential joint ventures and acquisitions in Singapore and Australia. The Company continues to actively seek growth opportunities in businesses that are adjacent to the Group's business. Businesses being sought would provide the platform for the Group to provide an integrated debt management service.

In November 2018 the Group announced a joint venture in personal debt restructuring and insolvency business with Arrow Business Consultants Pte Ltd based in Singapore. Recent changes to the Singapore Bankruptcy Law, requiring Financial Institutions to nominate a Private Trustee in their Bankruptcy applications, has opened up a segment of the personal insolvency sector. As the Bankruptcy Acts of both jurisdictions are similar, this facilitates an easy adaptation of CIL's Hong Kong based IT management system for use in Singapore.

Directors' Report

The group is also currently developing a smartphone application to enhance the Company's fintech offering and improve the overall user experience, in partnership with Hong Kong based company, which will provide benefits to both the Company and users, with launch expected in March 2019.

The Company declared an unfranked dividend of \$0.0012 per share on 20 August 2018, amounting to \$984,513, which represented an approximate 6% yield on the closing price as at this date.

From a cash flow perspective, the Group reported an operating cash inflow for the half year of \$230,984 (2017: \$491,036), reflecting the positive 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.

During the period the Company issued performance rights to a Director and employees as follows:

Director	Class A Performance Rights	Class B Performance Rights
Anthony Ho	1,750,000	500,000

Employees	Class A Performance Rights	Class B Performance Rights
Employees	18,522,500	18,522,500

- (1) Each Class A Performance Rights 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 two years from the date the Company re-commenced trading on the ASX, being 22 May 2018.
- (2) Each Class B Performance Rights 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 three years from the date the Company re-commenced trading on the ASX, being 22 May 2018.

Significant changes in state of affairs

In the opinion of the Directors, other than the matters covered above in this report and the accounts and notes attached thereto, there were no significant changes in the state of affairs of the Group that occurred during the financial period under review.

Dividends

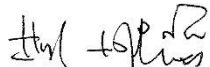
Other than the dividend of \$984,513 paid on 16 November 2018, no other dividends have been paid or declared since the end of the previous financial year to the date of this report.

Events subsequent to reporting date

Other than as outlined above there have been no events subsequent to the end of the period which would have a material effect on the Group's financial statements for the half-year ended 31 December 2018.

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 5.



Wong Ka Sek, Jimmie
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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF CREDIT INTELLIGENCE LIMITED

I declare that to the best of my knowledge and belief, during the half-year ended 31 December 2018, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review, and
- b) any applicable code of professional conduct in relation to the review.



WEN-SHIEN CHAI
PARTNER



MOORE STEPHENS
CHARTERED ACCOUNTANTS

Signed at Perth this 21st day of February 2019.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2018

	Notes	Dec 2018 \$	Dec 2017 \$
Revenue	3	2,809,513	2,007,959
Other income	4	77,954	44,345
Advertising and promotion		(104,399)	-
Audit fee		(74,955)	-
Bank charges and interest		(83,804)	(79,243)
Directors' fees		(407,303)	(135,349)
Directors' Share-based payments	10	(150,526)	-
Depreciation expense		(20,623)	(7,769)
Legal and professional fees		(83,716)	(19,852)
Rent and rates		(181,827)	(117,550)
Employee benefits expense (included share-based payments)		(777,772)	(412,402)
Secretarial and filing fees		(89,722)	-
Travelling expenses		(96,261)	(6,766)
Other expenses		(324,030)	(95,462)
Profit before income tax		492,529	1,177,911
Income tax expense	5	(216,063)	(195,336)
Profit after tax		276,466	982,575
Profit for the half-year		276,466	982,575
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations, net of tax		81,148	(17,088)
Total other comprehensive income for the half-year, net of tax		81,148	(17,088)
Total comprehensive income for the half-year		357,614	965,487
Net profit attributable to:			
Members of the parent entity		276,466	982,575
Total comprehensive income/(loss) attributable to:			
Members of the parent entity		357,614	965,487
Earnings per share			
Basic earnings per share (cents per share)		0.033	N/A
Diluted earnings per share (cents per share)		0.032	N/A

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

As at 31 December 2018

	Notes	Dec 2018 \$	Jun 2018 \$
CURRENT ASSETS			
Cash and cash equivalents	6	3,476,179	4,334,378
Trade and other receivables	7	475,779	252,782
Other current assets		213,713	131,093
TOTAL CURRENT ASSETS		4,165,671	4,718,253
NON-CURRENT ASSETS			
Property, plant and equipment	8	243,948	83,381
TOTAL NON-CURRENT ASSETS		243,948	83,381
TOTAL ASSETS		4,409,619	4,801,634
CURRENT LIABILITIES			
Trade and other payables		134,385	288,260
Current tax liabilities		444,769	211,464
TOTAL CURRENT LIABILITIES		579,154	499,724
TOTAL LIABILITIES		579,154	499,724
NET ASSETS		3,830,465	4,301,910
EQUITY			
Issued capital	9	4,485,035	4,485,035
Reserves		313,333	76,731
Accumulated loss		(967,903)	(259,856)
Equity attributable to owners of the parent entity		3,830,465	4,301,910
Non-controlling interest		-	-
TOTAL EQUITY		3,830,465	4,301,910

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2018

	Issued Capital \$	Retained Earnings \$	Merger Reserve \$	Foreign Currency Translation Reserve \$	Share-based Payment Reserve \$	Total \$
Balance at 1 July 2017	-*	1,306,693	11,053	(46,457)	-	1,271,289
Comprehensive income						
Profit after tax for the half-year	-	982,575	-	-	-	982,575
Other comprehensive income for the half-year	-	-	-	(17,088)	-	(17,088)
Total comprehensive income for the period	-	2,289,268,	11,053	(63,545)	-	2,236,776
Transactions with owners, in their Capacity as owners, and other transfer						
Allotment of shares	16	-	(16)	-	-	-
Dividends recognised for the period	-	(907,083)	-	-	-	(907,083)
Total transactions with owners and Other transfers	16	(907,083)	(16)	-	-	(907,083)
Balance at 31 December 2017	16	1,382,185	11,037	(63,545)	-	1,329,693
Balance at 1 July 2018	4,485,035	(259,856)	11,037	28,960	36,734	4,301,910
Comprehensive income						
Profit after tax for the half-year	-	276,466	-	-	-	276,466
Other comprehensive income for the half-year	-	-	-	81,148	-	81,148
Total comprehensive income for the period	4,485,035	16,610,	11,037	110,108	36,734	4,659,524
Transactions with owners, in their Capacity as owners, and other transfer						
Option expense recognised in the half-year	-	-	-	-	155,454	155,454
Dividends recognised for the period	-	(984,513)	-	-	-	(984,513)
Total transactions with owners and Other transfers	-	(984,513)	-	-	155,454	(829,059)
Balance at 31 December 2018	4,485,035	(967,903)	11,037	110,108	192,188	3,830,465

*- amounts less than \$1

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2018

	Notes	Dec 2018 \$	Dec 2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		2,679,865	1,980,387
Payments to suppliers and employees		(2,368,765)	(1,410,108)
Interest received		3,688	-
Finance costs		(83,804)	(79,243)
Net cash provided by operating activities	11	230,984	491,036
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(172,519)	(60,401)
Amount due to/from director		-	221,654
Net cash provided by/(used in) investing activities		(172,519)	161,253
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(984,513)	(907,083)
Net cash used in financing activities		(984,513)	(907,083)
Net decrease in cash held		(926,048)	(254,794)
Cash at beginning of the year		4,334,378	349,481
Effect of foreign currency translation		67,849	(1,753)
Cash at the end of the year		3,476,179	92,934

The accompanying notes form part of these financial statements.

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2018

1 Summary of significant accounting policies

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

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

The interim financial statements were authorised for issue on 21 February 2019 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.

Statement of compliance

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the *Corporations Act 2001*, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this interim financial report be read in conjunction with the annual financial report for the year ended 30 June 2018 and any public announcements made by Credit Intelligence Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

The interim financial report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim financial report, the half-year has been treated as a discrete reporting period.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period. These accounting policies are consistent with Australian Accounting Standards and with International Reporting Standards.

(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 31 December 2018 and the results of its controlled entities for the half-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.

Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2018

1 Summary of significant accounting policies (continued)

(b) Principles of consolidation (continued)

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 consolidated entity for the half-year ended 31 December 2018 is Credit Intelligence Limited and its subsidiaries (CIL). Comparative figures for the previous half-year to 31 December 2017 was Credit Intelligence Holdings Limited (CIH) and its then subsidiaries. CIH was an unlisted private company during the prior period.

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 of 1 July 2018 to 31 December 2018 comprises 6 months of CIL;
 - for the comparative period of 1 July 2017 to 31 December 2017 comprises 6 months of CIH.
- The consolidated statement of financial position:
 - as at 31 December 2018 represents CIL as at that date; and
 - as at 30 June 2018 represents CIL as at that date.
- The consolidated statement of changes in equity:
 - for the period between 1 July 2018 to 31 December 2018 of CIL's changes in equity.
 - for the comparative period comprises 1 July 2017 to 31 December 2017 of CIH's changes in equity.

(c) Adoption of new and revised accounting standards

The Group has considered the implications of new or amended Accounting Standards which have become applicable for the current financial reporting period and the group had to change its accounting policies as a result of adopting the following standards:

AASB 9: Financial Instruments; and

AASB 15: Revenue from Contracts with Customers

The impact of the adoption of these standards and the respective accounting policies is discussed below.

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2018

1 Summary of significant accounting policies (continued)

(c) Adoption of new and revised accounting standards (continued)

AASB 9: Financial Instruments – Accounting Policies

AASB 9 replaces the “incurred loss” impairment model in *AASB 139 Financial Instruments: “Recognition and Measurement”* with a forward-looking “expected credit loss” (ECL) model. It is no longer necessary for a loss event to occur before an impairment loss is recognised under the new model. Under the ECL model, the Group assesses on a forward looking basis on the expected credit losses associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The new impairment model applies to financial assets at amortised cost and contract assets under *AASB 15 Revenue from Contracts with Customers*. The application of the new standard results in a change in accounting policy. The Group applies the simplified approach permitted by *AASB 9*, which requires the recognition of lifetime expected losses for accounts receivables and contract assets from initial recognition of such assets. At every reporting date, the Group reviews and adjusts its historically observed default rates based on current conditions and changes in the future forecasts. As regards other receivables, the Group considers they have low credit risk and hence recognises 12-month expected credit losses for such item. The expected losses were considered to be insignificant to the Group. The adoption of *AASB 9* has had no material impact on the results and financial position of the Group for the current and prior years.

The measurement categories for all financial liabilities remain the same, the carrying amounts for all financial liabilities at 1 July 2018 have not been impacted by the initial application of *AASB 9*.

The Group did not designate or de-designate any financial asset or financial liability at fair value through profit or loss at 1 July 2018.

AASB 15: Revenue from Contracts with Customers – Accounting Policies

AASB 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. *AASB 15* replaced *AASB 118 “Revenue”*, which covered revenue arising from sale of goods and rendering of services, and *AASB 111 “Construction Contracts”*, which specified the accounting for construction contracts. Under *AASB 15*, revenue is recognised when the customer obtains the promised good or service in the contract. This may be at a single point in time or over time.

Timing of revenue recognition

Revenue from provision of bankruptcy administration services includes revenue from payment collection and assets realisation services and dividend distribution services. Previously, revenue from payment collection and assets realisation services was recognised when the payments were made to the bankruptcy estate bank accounts, whereas revenue from dividend distribution services was recognised when the distribution services are performed to the customers, which is evidenced when the dividend distributed to the creditors of the bankrupts.

Revenue from IVA services includes revenue from sharing of service fee from the IVA nominees and revenue from rendering of IVA proposal consultancy services. Previously, revenue from sharing of service fee from the IVA nominees was recognised over time when the debtors deposit their IVA contributions into bank accounts designated by the nominee to the debtors, whereas revenue from rendering of IVA proposal consultancy services was recognised over time based on the stage of services performed to the customers.

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2018

1 Summary of significant accounting policies (continued)

(c) Adoption of new and revised accounting standards (continued)

Under *AASB 15*, revenue is recognised when the customer obtains control of the promised service in the contract. This may be at a single point in time or over time. *AASB 15* identifies the following three situations in which control of the promised service is regarded as being transferred over time:

- A. When the customer simultaneously receives and consumes the benefits provided by the entity's performance, as the entity performs;
- B. When the entity's performance creates or enhances an asset (for example work in progress) that the customer controls as the asset is created or enhanced; or
- C. When the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If the contract terms and the entity's activities do not fall into any of these 3 situations, then under *AASB 15* the entity recognises revenue for the service at a single point in time, being when control has passed. Transfer of risks and rewards of ownership is only one of the indicators that is considered in determining when the transfer of control occurs.

The adoption of *AASB 15* does not have a significant impact on when the Group recognises revenue from provision of bankruptcy administration services and IVA services.

Variable consideration

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

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

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2018. These are unlikely to have a significant impact on the group except for the following;

AASB 16 "Leases"

AASB 16 "Leases" will supersede the existing lease accounting requirements in *AASB 117 "Leases"* and the related Interpretations. It introduces a single lease accounting model by eliminating the current requirement to distinguish leases as either operating leases or finance leases depending on the transfer of risks and rewards of ownership. The key requirements of *AASB 16* are summarised as follows:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with *AASB 116 Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2018

1 Summary of significant accounting policies (continued)

(c) Adoption of new and revised accounting standards (continued)

- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components, instead accounting for all components as a lease;
- inclusion of additional disclosure requirements; and
- accounting for lessors will not significantly change.

AASB 16 will primarily affect the accounting of the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of HK\$2,084,220 (\$377,660). The Group is currently assessing to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit, financial positions and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under AASB 16. The Standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. The Group does not intend to adopt the Standard before its effective date.

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 accounting policies applied in this interim financial report are consistent with the annual financial report for the year ended 30 June 2018.

	Dec 2018 \$	Dec 2017 \$
3 Revenue		
Bankruptcy administration service income	2,753,898	1,940,394
IVA service income	55,615	67,565
	2,809,513	2,007,959
4 Other income		
Bank interest income	3,688	-
Administrative charges	74,266	44,345
	77,954	44,345

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2018

5 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 period presented.

Hong Kong Profits Tax is calculated at 8.25% of the first HK\$ 2 million estimated assessable profit and 16.5% above HK\$ 2 million estimated assessable profit derived in Hong Kong for the half-year ended 31 December 2018.

	Dec 2018 \$	Dec 2017 \$
The components of tax expense comprise:		
Current tax	216,063	195,336
Income tax reported in statement of comprehensive income	216,063	195,336

6 Cash and cash equivalents

	Dec 2018 \$	Jun 2018 \$
Cash at bank and in hand	3,476,179	4,334,378

7 Trade and other receivables

Trade debtors	475,779	252,782
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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. Jimmie Wong and Mr. King Wong, 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 2018 and 31 December 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 2018 and 31 December 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.

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.

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2018

8 Property, plant and equipment

During the half-year ended 31 December 2017 and 2018, the Group has acquired \$60,401 and \$172,519 of property, plant and equipment respectively and no items of property, plant and equipment were disposed of.

9(a) 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).

There was no movement in the legal parent's capital structure for the half-year to 31 December 2018.

Ordinary issued and paid up share capital	Dec 2018 No.	Jun 2018 No.	Dec 2018 \$	Jun 2018 \$
At the beginning of the reporting year	820,427,185	1	4,485,035	-*
Issue of shares in CIH	-	9999	-	-
Balance before reverse acquisition	-	10,000	-	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	820,427,185	4,485,035	4,485,035
(b) Share-based payment reserve				-
At the beginning of the reporting year	40,000,000		36,734	-
Valuation of class A and class B performance shares at the end of the reporting period			150,198	
Class A performance rights	20,272,500	18,500,000	3,162	20,852
Class B performance rights	19,022,500	21,500,000	2,094	15,882
Total performance shares at the end of the reporting period	79,295,000	40,000,000	192,188	36,734

*Amount is less than \$1

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

Notes to the Consolidated Financial Statements

For the year half-year ended 31 December 2018

10 Share-based payments

The following share-based payments were made during the half-year ended 31 December 2018:

Issue of Performance Rights to director and employees:

On 24 December 2018 the Company issued 20,272,500 Class A Performance Rights and 19,022,500 Class B Performance Rights to a director and employees as part consideration for services to the Company, as follows:

Director	Class A Performance Rights	Class B Performance Rights
Anthony Ho	1,750,000	500,000

Employees	Class A Performance Rights	Class B Performance Rights
Employees	18,522,500	18,522,500

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

- (1) Each Class A Performance Right 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 Right 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.

In addition to the above the Company has a further 18,500,000 Class A Performance Shares and 21,500,000 Class B Performance Shares on issue as at 31 December 2018. The terms are as outlined in (1) and (2) above.

An expense of \$155,454 (directors \$150,526 & employees \$4,928 respectively) was recognised in the profit or loss account of the Company for the half year ended 31 December 2018 (2017: \$nil).

Notes to the Consolidated Financial Statements

For the year half-year ended 31 December 2018

11 Cash flow information

	Dec 2018 \$	Dec 2017 \$
Reconciliation of cash flow from operations with operating profit from ordinary activities after income tax:		
Profit from ordinary activities after income tax	276,466	982,575
Non-cash flows in profit from ordinary activities:		
Depreciation	20,623	7,769
Share-based payment	155,454	-
Effect of foreign currency translation	4,628	(4,057)
(Increase) in trade and other receivables	(222,997)	(68,727)
(Increase) in other current assets	(82,620)	(608,545)
(Decrease) in trade and other payables	(153,875)	(11,394)
Increase in income tax payable	233,305	193,415
Cash flow from operations	<u>230,984</u>	<u>491,036</u>

12 Commitments and contingent liabilities

Capital expenditure commitments

As at 31 December 2018, the Group had no capital expenditure commitments (2017: \$nil).

Contingent liabilities

As at 31 December 2018, the Group had no contingent liabilities (2017: \$nil).

13 Events occurring after the end of the interim period

The directors are not aware of any significant events since the end of the interim period.

14 Dividends

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

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

*Dividends paid prior to re-listing

Notes to the Consolidated Financial Statements

For the year half-year ended 31 December 2018

15 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 half year ended 31 December 2018 and 2017 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 half year (2017: Nil).

(i) *Revenue by geographical region*

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

	Dec 2018	Dec 2017
	\$	\$
Australia	-	-
Hong Kong	2,809,513	2,007,959
Total revenue	2,809,513	2,007,959

(ii) *Assets by geographical region*

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

	Dec 2018	Jun 2018
	\$	\$
Australia	1,842,526	3,425,335
Hong Kong	2,567,093	1,376,299
Total assets	4,409,619	4,801,634

End of the notes

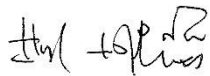
Directors' Declaration

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 10 to 19 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standard AASB 134: Interim Financial Reporting, 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 31 December 2018 and of its performance for the half 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;

7

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



Wong Ka Sek, Jimmie
CEO & Managing Director

21 February 2019

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF CREDIT INTELLIGENCE LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Credit Intelligence Limited (the "company") and its controlled entities (the "group") which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the group is not in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the group's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- b. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410: *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including:

- a. giving a true and fair view of the group's financial position as at 31 December and its performance for the half-year ended on that date; and
- b. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Auditor's Responsibility (continued)

As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



WEN-SHIEN CHAI
PARTNER



MOORE STEPHENS
CHARTERED ACCOUNTANTS

Signed at Perth this 21st day of February 2019.