

Credit Intelligence advances Asian expansion through completing acquisition of Hup Hoe Credit Pte Ltd

Highlights

- Credit Intelligence has completed the acquisition of Hup Hoe Credit Pte Limited in Singapore, effective 30 September 2019
- The acquisition is funded through the issue of Credit Intelligence shares and cash and will accelerate Credit Intelligence's expansion across Asia
- The acquisition is earnings accretive and complements the recent acquisition of ICS Funding Pte Ltd completed in June 2019
- Appointment of Mr Wilson Lim as an Executive Director of Credit Intelligence
- Withdrawal from JV with Arrow Business Consultants Pte Ltd (Singapore)

Leading diversified debt restructuring and personal insolvency management services business within the credit funding sector, Credit Intelligence Limited (ASX:CI1) ("Credit Intelligence" or "the Company") is pleased to announce it has completed the acquisition of a majority 60% interest in Singaporean finance company Hup Hoe Credit Pte. Ltd. (HHC) as part of the Company's ongoing regional expansion, effective 30 September 2019.

Completed acquisition of Hup Hoe Credit Pte Ltd (HHC)

Credit Intelligence announced the proposed acquisition of HHC on 9 May 2019. HHC is a registered moneylender in Singapore which was established in 2014 and specialises in the provision of personal loans to individuals, both Singaporean and foreign residents. HHC's vendor shareholder is Mr Ronald Tan Biing Gim. Credit Intelligence will fund the purchase through the issue of shares and a cash payment of \$1,235,294. The Company issued 80,990,951 fully paid ordinary shares in the Company on 26 September 2019.

Expanding into the Asian credit funding market

With the HHC and ICS acquisitions, Credit Intelligence has identified an opportunity to further expand its operations into the Asian credit funding market with businesses that are synergistic to its current business model and will assist the Company in fulfilling its objectives to further establish its Australian operations as and when a suitable opportunity arises.

A significant portion of the purchase price of HHC to the vendor was in Company shares. This will allow Credit Intelligence to retain capital to achieve its stated objectives, including to further establish its Australian operations. The number of consideration shares in Credit Intelligence issued was based on an exchange rate of SGD\$1 to AUD\$1.0407. All shares issued are subject to moratorium, restricting trading of the shares for 12 months from issue.

In addition, under the share purchase agreement, the consideration will be adjusted twelve months from completion depending on agreed NPAT targets where:

- (a) The NPAT of HHC the twelve months after completion exceeds SGD\$700,000 (Target Value); and
- (b) The Company's share price at the end of twelve months is less than AUD\$0.03.

If the NPAT for HHC does not exceed the Target Value, the vendor must repay that portion of the target shortfall in previously issued consideration shares to the Company. If the NPAT for HHC exceeds the Target Value, the Company must pay that portion of the excess to target to the vendor either in cash or additional consideration shares (at the Company's election and subject to obtaining regulatory and/or shareholder approvals).

In the event the Company's share price is less than AUD\$0.03 twelve months following completion the Company will issue additional top-up shares to the vendor for any shortfall in share price below AUD\$0.03 but not lower than AUD\$0.02, subject to regulatory and/or shareholder approvals.

Capital structure following completion

The capital structure of the Company, following the acquisition of HHC, is set out below:

Current Ordinary Shares on issue	936,128,534
Acquisition of HHC	80,990,951
Total Ordinary Shares on issue post-acquisition	1,017,119,485
Class A Performance Shares on issue	11,750,000
Class B Performance Shares on issue	18,500,000
Class A Performance Rights on issue	31,522,500
Class B performance Rights on issue	25,022,500
Fully diluted capital structure	1,103,914,485

Appointment of Executive Director

The Company is pleased to announce the appointment of Mr Wilson (Chee Wei) Lim as an Executive Director of Credit Intelligence with effect from today's date. Mr Lim is the Managing Director of ICS Funding Pte Limited (ICS) who provide credit funding to SME's in Singapore, a Company in which Credit Intelligence has recently acquired a 60% interest.

Mr Lim became a substantial shareholder in CI1 following the issue of consideration of shares to him on the acquisition of ICS. Mr Lim has extensive experience in the credit funding business and has a Diploma in Mechanical Engineering. Mr Lim's annual remuneration will be S\$120,000 per annum.

Withdrawal from JV with Arrow Business Consultants Pte Ltd

Credit Intelligence will focus its efforts on the businesses of HHC and ICS and has resolved to withdraw from its bankruptcy management joint venture with Arrow Business Consultants Pte Ltd with immediate effect.

Credit Intelligence Managing Director, Jimmie Wong said: "Credit Intelligence is delighted to announce the completion of the acquisition of HHC and the appointment of Mr Wilson Lim to the Board.

Wilson has enormous experience in credit funding. We look forward to working with both HHC and ICS in the further development and growth of these businesses.

Both acquisitions in Singapore are expected to add significant profits to Credit Intelligence in the current and future years".

Ends.

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About Credit Intelligence Limited (ASX:CI1)

Credit Intelligence Limited (ASX:CI1) is one of the leading diversified debt-restructuring and personal insolvency management services operating in Hong Kong in the credit funding sector. Credit Intelligence's main business includes the provision of bankruptcy admission services and Individual Voluntary Arrangement (IVA) proposal consultancy and implementation services. The Company has expanded into the credit funding sector in Singapore With the acquisition of ICS Funding Pte Ltd and Hup Hoe Credit Pte Ltd.

Credit Intelligence 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. For the latest research and news on Credit Intelligence, please visit: www.ci1.com.au