

ASX Announcement

24 February 2020

CI1 STRONG 355% INCREASE IN PAT & 333% GROWTH IN EPS

Highlights

- **Profit after tax increased by 355% to \$1.25 million over previous half year**
- **Revenue increased by 116% to \$6.1 million over previous half year**
- **EPS increased by 333% to 0.13 cents**
- **Singapore based ICS and HHC (both 60% held) on target to exceed profit guarantee**
- **Actively reviewing potential acquisitions in Australia**

Leading diversified debt restructuring, personal insolvency management services and credit funding to personal and SME, **Credit Intelligence Limited (ASX: CI1)** (the “Company”) today released its half yearly results for the half year to 31 December 2019 showing a 355% increase in profit after tax from a 116% increase in revenue, and a 333% increase in earnings per share. The Company reported a positive cashflow inflow from operations of \$777,516 (2018: cash inflow \$230,984).

On 20 January 2020, CI1 issued a profit alert that the half year PAT would be around \$1.2 million. We are pleased to report that the auditor reviewed PAT is \$1.258 million, +5% higher than the estimate. This PAT took into account a non-recurring transaction cost relating to the acquisition of HHC of \$190,000. The underlying profit of the group gross after this item was \$1.448 million.

The Hong Kong business results improved year on year with increased revenues and a reduction in operating costs. The Company’s core business of Bankruptcy and Individual Voluntary Arrangement continues to trade well in the current social and political unrest in Hong Kong, and more recently the adverse economic impact of CoVid19. These adverse events are expected to result in further growth in the Company’s business for the balance of the calendar year. CI1’s Hong Kong business is counter cyclical to current economic conditions. The Company’s profitability increases more quickly in economic downturns and uncertainty.

The Company’s recent Singapore acquisitions, ICS funding Pte Ltd (28 June 2019) and Hup Hoe Credit Pte Ltd (30 September 2019) are performing well and are on track to exceed the Profit Guarantee for the period to 30 June and 30 September 2020, respectively. Both entities have expanded their lending base and loan books since acquisition.

During the half year the Company has reviewed and is continuing to work on potential acquisitions in Australia and New Zealand to strengthen the group's operating base through geographic diversification that will add to shareholder value.

Credit Intelligence Managing Director, Jimmie Wong commented, *"we are delighted with the half year performance, and particularly with the performance of our new Singapore acquisitions. We are working tirelessly to build on this in the year ahead in growing our existing businesses and with an acquisition in Australia."*

-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. CI1 acquired 60% of two profitable Singapore based finance companies, ICS Funding Pte Limited (ICS) and Hup Hoe Credit Pte Limited (HHC) on 28 June 2019 and 30 September 2019 respectively. Both acquisitions are profit accretive to the group results for the financial year ended 30 June 2020.

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