

ASX Announcement

4 June 2020

Business Update

Highlights

- **COVID-19, limited disruption to operations in Hong Kong and Singapore**
- **Singapore business returned to normal operations on 3 June**
- **Australian acquisitions – recession to provide growth opportunities for Chapter Two**

Hong Kong Operations

The company's office in Hong Kong remains operational with staff handling 13,000 cases under personal insolvency management. COVID-19 will have limited impact on the Hong Kong operations this financial year, and will potentially increase business in the years to come.

The Hong Kong courts have recently re-opened and have a significant backlog of bankruptcy petitions to process. Given the significant impact of COVID-19 and ongoing political protests on the retail, tourism and travel sectors, personal bankruptcies are expected to rise sharply in the year ahead. CI1 is well positioned to manage this increase in business.

Singapore Business

The Singapore business of ICS Funding Ptd Ltd (ICS) and Hup Hoe Credit Ptd Ltd (HHC) continue to perform well and both are expected to meet profit guarantee in June and September 2020 respectively, notwithstanding some suspension in operations due to COVID-19. Both businesses are fully open as at 3 June 2020 and are looking to expand their businesses in a difficult economic climate, but are well supported by CIL.

Australian Acquisitions

Chapter Two Holdings Pty Ltd (CTH)

See ASX announcement dated 1 June 2020.

Chapter Two was established in August 2015 to provide informal debt negotiation & mortgage services to Australians.

Chapter Two offers hardship assistance, reduced debt settlements and long term arrangements to Australians unable to maintain their outstanding debts.

Economic difficulties in Australia caused by COVID-19 will provide significant opportunities for CTH. CI1 will use its capital and Fintech capability to expand the CTH business in Australia.

Acquisition Opportunities

CI1 is currently reviewing a larger loan and mortgage business in Australia, and a substantial credit management business in Hong Kong.

CI1 is actively looking to grow its business rapidly through acquisitions that will provide synergy to the CI1 Group in the Asia Pacific region.

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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