

25 February 2022

Company Announcements Office  
Australia Securities Exchange

**Appendix 4D – Half Year Report**

1.	Name of Entity	Credit Intelligence Limited		
	Half year ended	31 December 2021		
	Reporting period	1 July 2021 to 31 December 2021		
	Previous period	1 July 2020 to 31 December 2020		
2.	Results for announcement to the market (A\$)			
		<b>31 December 2021</b>	<b>31 December 2020</b>	<b>% Change Up (Down)</b>
2.1	Revenues from ordinary activities	7,549,164	7,368,496	2%
2.2	Profit after tax from ordinary activities attributable to members	1,635,970	1,579,997	3%
2.3	Net profit attributable to members	1,635,970	1,579,997	3%
		<b>Amount</b>	<b>Amount per security</b>	<b>Franked Amount per security</b>
2.4	Dividends paid and proposed			
	2021 final unfranked dividend paid,	NIL	N/A	N/A
	2022 interim dividend	NIL	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.	Net tangible assets per security			
		31 December 2021	31 December 2020	
		\$0.0059	\$0.0006	

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4. Details of entities over which control has been gained or lost during the period are as follows:

a) No entity has been acquired during the period.

b) The Company incorporated the following entity on 15 September 2021.

<b>Name of Entity</b>	<b>Country of Incorporation</b>	<b>Ownership Interest 2021 %</b>	<b>Ownership Interest 2020 %</b>	<b>Principal Activities</b>
HKBNPL Investments Limited	Hong Kong	72%	Nil	Buy Now Pay Later Services for individuals

c) No entity has been disposed during the period.

5. The Company has not declared dividend during the period.

6. The dividend reinvestment plan was adopted for the final dividend for the year ended 30 June 2020. The last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan was 30 October 2020. Shares are allotted at the weighted average sale price per share in the ten trading days before the record date for the dividend and the two trading days after the record date for the dividend. The participants were not charged brokerage fees, commission, stamp duty or any other administrative costs for any allotment of shares under the plan.

7. There are no associates or joint venture entities.

8. The Company is not a foreign entity.

9. The accounts are not subject to any dispute or qualification.

-ENDS-

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For more information, please contact:

Credit Intelligence Limited

Mr Jimmie Wong | Executive Chairman

[jimmiewong@ci1.com.au](mailto:jimmiewong@ci1.com.au)

Ms Elizabeth Lee | Company Secretary

[info@ci1.com.au](mailto:info@ci1.com.au)



### About Credit Intelligence Limited (ASX:CI1)

Credit Intelligence Limited (ASX:CI1) is a conglomerate fintech financial servicing group in Australia, Hong Kong and Singapore.

#### Australia

**“Yozo Finance Pty Limited”** - a SME focus buy now pay later (BNPL) fintech platform, with its proprietary capabilities, namely in regard to artificial intelligence developed in collaboration with University of Technologies Sydney (UTS).

**“Chapter Two Holdings Pty Ltd”** - a Sydney based debt solutions business providing fintech debt negotiation and mortgage broking services to individuals who are experiencing financial hardship.

#### Hong Kong

**“Hong Kong Debts Management Limited”** - a leading diversified fintech debt-restructuring and personal insolvency management services group, acts for all the major banks and financial institutions in Hong Kong to solve their defaulting personal clients.

**“HK BNPL”** – an online shopping platform offers individuals BNPL services.

**“OneStep Information Technology Limited”** – an AI & financial technology platform offers SMEs BNPL services.

#### Singapore

**“ICS Funding Pte Limited (ICS)”** - a SME loan and service provider, focus on secured and unsecured SME lending.

**“Hup Hoe Credit Pte Limited (HHC)”** – a branched consumer finance institution in Singapore, focus on personal loan.

For the latest research and news on Credit Intelligence, please visit: [www.ci1.com.au](http://www.ci1.com.au)

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**CREDIT INTELLIGENCE LIMITED (ASX: CI1)**

**INTERIM FINANCIAL REPORT**

**FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

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## Corporate Data

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<b>Directors</b>	Jimmie Wong (managing director) King Wong Mark Ng Michael Pixley Russell Goodman Vincent Lai
<b>Company Secretary</b>	Elizabeth Lee
<b>Registered Office</b>	Ground Floor 16 Ord Street West Perth, WA 6005 Australia
<b>Principal Place of Business</b>	Level 4 & 5, Double Building 22 Stanley Street Central Hong Kong  Level 6,56 Pitt Street Sydney, NSW 2000 Australia  2 Kallang Avenue #05-06 CT Hub Singapore 339407  1 Rochor Canal #01-01 Sim Lim Square Singapore 188504
<b>Independent Auditor</b>	Moore Australia Level 15 Exchange Tower 2 The Esplanade Perth, WA 6000 Australia
<b>Home Exchange</b>	Perth
<b>ASX Code</b>	CI1

## Directors' Report

The directors submit their report on the consolidated entity (referred to hereafter as the "Group") consisting of Credit Intelligence Limited (the "Company") and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

### Directors

The names of the Company's directors ("Directors") in office during the half-year and until the date of this report are as follows.

Jimmie Wong  
King Wong  
Mark Ng  
Michael Pixley  
Russell Goodman  
Vincent Lai  
Brett Crowley (not re-elected on 22 October 2021)

### Review of operations

Credit Intelligence Limited (Credit Intelligence, CI1 or the Company) is one of the leading diversified debts restructuring and personal insolvency management businesses within the credit funding sector operating in Australia, Hong Kong and Singapore. Credit Intelligence's business models include debt solution services, Buy Now Pay Later (BNPL) services, provision of bankruptcy administration services, Individual Voluntary Arrangement proposal consultancy and implementation services and credit funding for corporates and individuals.

Results for the half-year ended 31 December 2021 were as follows:

	31 December 2021	31 December 2020	%
	\$	\$	
Revenue	7,549,164	7,368,496	2%
Net profit attributable to the members of the parent entity	1,635,970	1,579,997	3%
Basic earnings per share	0.0010	0.0013	(23%)
Diluted earnings per share	0.0010	0.0013	(23%)

Revenue and net profit attributable to the members of the parent entity for the six months ended 31 December 2021 (1HY22) increased by 2% and 3% respectively, compared to the six months ended 31 December 2020 (1HY21).

Basic earnings per share for 1HY22 decreased by 23% compared to 1HY21 as a result of the increase in weighted average number of shares on issue in 1HY22.

The Group has reported a net operating cash inflow for 1HY22 of \$1,496,061 (1HY21: cash outflow \$358,558), reflecting the positive cash generation from the businesses.

The Group's core business (provision of bankruptcy administration services, Individual Voluntary Arrangement proposal consultancy and implementation services) has performed consistently throughout 1HY22.

### Review of operations (continued)

Chapter Two Holdings Pty Ltd (CHT) invested significantly in the business CRM (Salesforce) to build a customer portal and mobile application. This investment allows CHT to collect and disburse clients funds to the clients' creditors monthly. This service allows CHT's clients to make one monthly repayment to CHT which is disbursed monthly to their creditors. The App also provides the client with access to all of their debts in one place, a monthly update of their credit score and an overview of all of their debts in one easy Mobile App. Since launching the App in October 2021, CHT has seen a sharp increase in clients' engaging ChapterTwo and subsequently a rise in revenue. CHT saw an increase in their Mortgage revenue due to a rise in debt consolidation enquiries.

CHT is forecasting month on month growth given the increase in marketing activities. CHT will continue to build the App's capabilities to improve the customer experience. Given the end of Government assistance and the rise of BNPL debt in Australia, CHT is seeing an increase in enquiries each month.

Following the launch of its Yozo Pay (BNPL) to the SME market, Yozo Finance Pty Limited (Yozo) has transacted close to A\$1m to date. The last 6 months have being quite challenging in the SME market in Australia with the government lockdown and restrictions set in place. Yozo was able to quickly adapt and continued to support businesses in certain targeted industries with the minimum impact and while keeping the default rate at nil. Yozo has kept its operating cost to a minimum to be agile whilst increasing revenue at the same time.

Upon follow up conversations amongst its SME client base, Yozo has identified that SME often needs support in other important areas such as technology transformation, marketing and connecting to other complimentary businesses. Yozo has partnered up and is currently working with other strategic partners to expand resources amongst its own networks and SME ecosystem. This will not only strengthen the relationship with SME clients but also diversify Yozo's revenue stream.

On 15 October 2021 OneStep Information Technology Limited (OneStep), a Hong Kong based fintech and AI SME BNPL platform company launched an app that offers BNPL service to its existing client base subscribed to on-going audit matching and UK company registration services through the platform. During the period, OneStep has transacted close to A\$140k funds to its clients. Concurrently, OneStep offers a 3-month transaction free campaign to them. Management will further review the current rate card when full and more comprehensive corporate services are introduced to the platform.

HKBNPL Investments Limited (HKBNPL) was incorporated in Hong Kong on 15 September 2021. It mainly engages in the development of "Financial Technology", especially in the development of advanced individual BNPL platform. HKBNPL operates an advanced e-commerce platform "ekbuy" ([www.ekbuy.com.hk](http://www.ekbuy.com.hk)). It gathers suppliers, customers, payment systems, merchants and logistics providers into one ecosystem.

The contributions from ICS Funding Pte. Ltd (ICS) and Hup Hoe Credit Pte Ltd (HHC) to the Group results for the half-year to 31 December 2021 were positive. Both Singaporean companies are looking to expand their business in a challenging economic climate, but are well supported by the Group.

### 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 period under review.

### Dividends

The Company did not propose a final dividend during the period. The cash generated within the Group will be retained for business development.



### Review of operations (continued)

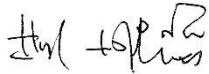
#### Events subsequent to reporting date

On 1 February 2022, Hong Kong Debt Management Services Limited (HKDMS) (major operating subsidiary) entered into a trustee service agreement with Jimmie Wong to compensate his services as bankruptcy trustee. The fee consists of i) HK\$450,000 monthly service fee circa A\$81,000 and ii) 10% earnout which is calculated based on HKDMS's monthly revenue roughly around HK\$300,000 circa A\$54,000.

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 2021.

#### 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 6.




Wong Ka Sek, Jimmie  
Executive Chairman

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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 2021, there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. any applicable code of professional conduct in relation to the review.



SUAN LEE TAN  
PARTNER



MOORE AUSTRALIA AUDIT (WA)  
CHARTERED ACCOUNTANTS

Signed at Perth this 25<sup>th</sup> day of February 2022.

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## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2021

	Notes	Dec 2021 \$	Dec 2020 \$
Revenue	3	7,549,164	7,368,496
Other income	4	182,753	577,774
Bad debt written off and loss allowance		(1,140,726)	(584,811)
Bank charges and interests		(98,898)	(88,059)
Consultancy fee		(3,512)	(168,523)
Directors' fees		(93,246)	(87,012)
Directors' fees (Share-based payments)		(6,496)	-
Amortisation on right-of-use assets		(270,742)	(204,732)
Depreciation expense		(50,866)	(43,466)
Employee benefits expense (including Share-based payments)		(2,197,232)	(1,871,394)
Administration cost		(1,236,139)	(1,356,891)
Finance cost		(155,786)	(633,496)
<b>Profit before income tax</b>		<b>2,478,274</b>	<b>2,907,886</b>
Income tax expense	5	(236,390)	(607,991)
<b>Profit for the half-year</b>		<b>2,241,884</b>	<b>2,299,895</b>
<b>Other comprehensive income</b>			
Exchange differences on translating foreign operations, net of tax		563,781	(1,096,167)
<b>Total comprehensive income for the half-year, net of tax</b>		<b>2,805,665</b>	<b>1,203,728</b>
Net profit attributable to:			
Members of the parent entity		1,635,970	1,579,997
Non-controlling interest		605,914	719,898
		<b>2,241,884</b>	<b>2,299,895</b>
Total comprehensive income attributable to:			
Members of the parent entity		2,187,491	537,414
Non-controlling interest		618,174	666,314
		<b>2,805,665</b>	<b>1,203,728</b>
<b>Earnings per share</b>			
Basic earnings per share		0.0010	0.0013
Diluted earnings per share		0.0010	0.0013

The accompanying notes form part of these consolidated financial statements.

## Consolidated Statement of Financial Position

As at 31 December 2021

	Notes	Dec 2021 \$	Jun 2021 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		3,010,660	2,433,881
Trade and other receivables	6	880,108	642,089
Loan receivables	7	9,863,876	8,721,135
Current tax assets		-	141,060
Other current assets		445,429	283,290
<b>TOTAL CURRENT ASSETS</b>		<b>14,200,073</b>	<b>12,221,455</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		268,797	289,432
Right-of-use assets		931,952	374,870
Trade and other receivables	6	342,042	-
Loan receivables	7	4,688	-
Intangible assets	8	17,361,474	16,617,279
<b>TOTAL NON-CURRENT ASSETS</b>		<b>18,908,953</b>	<b>17,281,581</b>
<b>TOTAL ASSETS</b>		<b>33,109,026</b>	<b>29,503,036</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		986,469	982,918
Lease liabilities		448,191	136,661
Contract liabilities		528,433	445,393
Amounts due to vendors		96,000	508,058
Current tax liabilities		1,137,238	999,486
Other borrowings	9	1,967,751	1,619,905
<b>TOTAL CURRENT LIABILITIES</b>		<b>5,164,082</b>	<b>4,692,421</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		483,243	225,251
Amounts due to vendors		224,000	224,000
Amounts due to related parties		342,690	275,913
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,049,933</b>	<b>725,164</b>
<b>TOTAL LIABILITIES</b>		<b>6,214,015</b>	<b>5,417,585</b>
<b>NET ASSETS</b>		<b>26,895,011</b>	<b>24,085,451</b>
<b>EQUITY</b>			
Issued capital	11	21,705,165	21,705,165
Reserves		142,453	(259,874)
Accumulated profit		2,677,725	937,795
Equity attributable to owners of the parent entity		24,525,343	22,383,086
Non-controlling interest		2,369,668	1,702,365
<b>TOTAL EQUITY</b>		<b>26,895,011</b>	<b>24,085,451</b>

The accompanying notes form part of these consolidated financial statements.

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## Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2021

	Issued Capital	Retained Earnings	Merger Reserve	Foreign Currency Translation Reserve	Option Reserve	Total	Non- controlling Interest	Total Equity
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1.7.2020</b>	8,915,406	801,422	11,037	60,070	-	9,787,935	1,264,201	11,052,136
<b>Comprehensive income:</b>								
Profit after tax for the half-year	-	1,579,997	-	-	-	1,579,997	719,898	2,299,895
Other comprehensive loss for the half-year	-	-	-	(1,042,583)	-	(1,042,583)	(53,584)	(1,096,167)
<b>Total comprehensive income for the half-year</b>	-	1,579,997	-	(1,042,583)	-	537,414	666,314	1,203,728
<b>Transactions with owners, in their capacity as owners, and other transfers</b>								
Allotment of shares	1,611,929	-	-	-	-	1,611,929	-	1,611,929
Acquisition of subsidiary	690,000	-	-	-	-	690,000	(74,398)	615,602
Options expense recognised for the half year	-	-	-	-	27,004	27,004	-	27,004
Derecognition of derivative liabilities for the half-year	1,000,000	-	-	-	-	1,000,000	-	1,000,000
Issued shares for dividend reinvestment plan	29,261	-	-	-	-	29,261	-	29,261
Dividends recognised for the half-year	-	(599,688)	-	-	-	(599,688)	-	(599,688)
<b>Total transactions with owners and other transfers</b>	3,331,190	(599,688)	-	-	27,004	2,758,506	(74,398)	2,684,108
<b>Balance at 31.12.2020</b>	12,246,596	1,781,731	11,037	(982,513)	27,004	13,083,855	1,856,117	14,939,972
<b>Balance at 1.7.2021</b>	21,705,165	937,795	11,037	(433,965)	163,054	22,383,086	1,702,365	24,085,451
<b>Comprehensive income:</b>								
Profit after tax for the half-year	-	1,635,970	-	-	-	1,635,970	605,914	2,241,884
Other comprehensive income for the half-year	-	103,960	-	447,561	-	551,521	12,260	563,781
<b>Total comprehensive income for the half-year</b>	-	1,739,930	-	447,561	-	2,187,491	618,174	2,805,665
<b>Transactions with owners, in their capacity as owners, and other transfers</b>								
Capital injection from non-controlling Interest	-	-	-	-	-	-	49,129	49,129
Options expense recognised for the half-year	-	-	-	-	58,726	58,726	-	58,726
Options expense derecognised for the half-year	-	-	-	-	(103,960)	(103,960)	-	(103,960)
<b>Total transactions with owners and other transfers</b>	-	-	-	-	(45,234)	(45,234)	49,129	3,895
<b>Balance at 31.12.21</b>	21,705,165	2,677,725	11,037	13,596	117,820	24,525,343	2,369,668	26,895,011

## Consolidated Statement of Cash Flows

For the half-year ended 31 December 2021

	Notes	Dec 2021 \$	Dec 2020 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		3,863,850	4,133,123
Payments to suppliers and employees		(3,668,275)	(3,451,488)
Interest received		10	10
Bank charges and interest		(98,898)	(88,059)
Income tax refund / (paid)		14,641	(89,052)
		<u>111,328</u>	<u>504,534</u>
Changes in operating assets arising from cash flow movements:			
Net funding of customer loans		1,318,397	1,513,152
Receipt / (payment) of loans (related parties)		66,336	(2,376,244)
<b>Net cash provided by / (used in) operating activities</b>	10	<u>1,496,061</u>	<u>(358,558)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(23,397)	(23,535)
Purchase of intangible assets		(352,484)	-
Investment in subsidiaries		(418,224)	(1,072,611)
Capital injection from non-controlling Interest		49,129	-
Payment to vendors		-	(408,009)
<b>Net cash used in investing activities</b>		<u>(744,976)</u>	<u>(1,504,155)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of lease liabilities		(257,937)	(207,012)
Repayment of dividend payable prior to the acquisition of subsidiaries		-	(1,144,038)
Net proceeds from convertible notes		-	1,269,000
Net proceeds from other borrowings		172,105	1,517,004
Net proceeds from debt for equity funding		-	211,755
Payment of dividends		-	(570,427)
<b>Net cash (used in) / provided by financing activities</b>		<u>(85,832)</u>	<u>1,076,282</u>
Net increase / (decrease) in cash held		665,253	(786,431)
Cash at beginning of the period		2,433,881	3,060,459
Effect of foreign currency translation		(88,474)	93,483
<b>Cash at the end of the period</b>		<u>3,010,660</u>	<u>2,367,511</u>

The accompanying notes form part of these financial statements.

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## Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2021

### 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” or the “consolidated entity”).

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 25 February 2022 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 2021 and any public announcements made by the Group 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.

Unless stated otherwise, 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 2021 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 Group or the “Consolidated entity”.

## Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2021

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### 1 Summary of significant accounting policies (continued)

#### (b) Principles of consolidation (continued)

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.

#### Group companies

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.

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.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests 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.



## Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2021

### 1 Summary of significant accounting policies (continued)

#### (b) Principles of consolidation (continued)

The financial results for the half-year ended 31 December 2021 and the comparative figures for the previous half-year to 31 December 2020 relate to Credit Intelligence Limited and its subsidiaries.

- The consolidated statement of profit or loss and comprehensive income and consolidated statement of cash flow:
  - for the period between 1 July 2021 to 31 December 2021 comprises 6 months of CIL, Credit Intelligence Holding Limited and subsidiaries (CIH), ICS, HHC, CHT, Yozo, Onestep and HKBNPL and
  - for the period between 1 July 2020 to 31 December 2020 comprises 6 months of CIL, Credit Intelligence Holding Limited and subsidiaries (CIH), ICS, HHC and CHT.
- The consolidated statement of financial position:
  - as at 31 December 2021 represents both CIL, CIH, ICS, HHC, CHT, Yozo, OneStep and HKBNPL as at that date; and
  - as at 30 June 2021 represents both CIL, CIH, ICS, HHC, CHT and Yozo as at that date.
- The consolidated statement of changes in equity:
  - for the period between 1 July 2021 to 31 December 2021, CIL, CIH, ICS, HHC, CHT, Yozo, OneStep and HKBNPL's balance at 1 July 2021, its profit or loss for the period and transactions with equity holders for 6 months. It also comprises the equity value of CIL, CIH, ICS, HHC, CHT, Yozo, OneStep and HKBNPL at 31 December 2021. The number of shares on issue at period end represent those of CIL only; and
  - for the period between 1 July 2020 to 31 December 2020, CIL, CIH, ICS, HHC and CHT's balance at 1 July 2020, its profit or loss for the period and transactions with equity holders for 6 months. It also comprises the equity value of CIL, CIH, ICS, HHC, CHT and Yozo at 31 December 2020. The number of shares on issue at period end represent those of CIL only.

#### (c) Accounting Policies, Estimates and Judgements

The same accounting policies, estimates, judgements and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

The Group has considered the implications of new or amended Accounting Standards, but determined that their application to the financial statements is either not relevant or not material.

### 2 Segment information

Credit Intelligence Limited is one of the leading diversified debt restructuring and personal insolvency management businesses, BNPL services operating in Australia, Hong Kong and Singapore. For management purposes, the Group is organised into three main operating segments which involves debt solution services, finance service (BNPL), provision of bankruptcy administration services, Individual Voluntary Arrangement proposal consultancy and implementation services and credit funding for corporates and individuals. All of the Group's activities are interrelated and financial information is reported to the Board as three single segments. Accordingly, all significant operating decisions are based upon analysis of the Group as three segments. Segment revenue from other segments represent the sales of SME and individuals BNPL services in Hong Kong. The financial results from these segments are equivalent to the financial statements of the Group as a whole.

## Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2021

### 2 Segment information (continued)

During the half-year ended 31 December 2021 the Group operated in the Australia, Hong Kong and Singapore markets.

#### (i) Revenue by operating segment

	Debt solution and finance service		Debt restructuring, personal insolvency and BNPL service		Credit financing		Total	
	\$ Dec 2021	\$ Dec 2020	\$ Dec 2021	\$ Dec 2020	\$ Dec 2021	\$ Dec 2020	\$ Dec 2021	\$ Dec 2020
<b>Revenue</b>								
External sales	808,959	295,058	3,570,343	3,328,462	3,169,862	3,744,976	7,549,164	7,368,496
Inter-segment sales	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-
<b>Total segment revenue</b>	<b>808,959</b>	<b>295,058</b>	<b>3,570,343</b>	<b>3,328,462</b>	<b>3,169,862</b>	<b>3,744,976</b>	<b>7,549,164</b>	<b>7,368,496</b>
<b>Reconciliation of segment revenue to Group revenue</b>								
Unallocated revenue	-	-	-	-	-	-	-	-
<b>Total group revenue</b>							<b>7,549,164</b>	<b>7,368,496</b>
Segment net profit before tax	334,936	(50,060)	1,244,518	1,543,604	1,198,029	2,191,242	2,777,483	3,684,786
<b>Reconciliation of segment result to Group net profit(loss) before tax</b>								
Amounts not included in segment result but reviewed by the Board:								
Unallocated items:								
- Corporate charges							(299,209)	(776,900)
- Finance costs							-	-
- Other							-	-
Net profit before tax from continuing operations							<b>2,478,274</b>	<b>2,907,886</b>
Net profit before tax from discontinuing operations							-	-

#### (ii) Revenue by geographical region

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

	Dec 2021	Dec 2020
	\$	\$
Australia	808,959	295,058
Hong Kong	3,570,343	3,328,462
Singapore	3,169,862	3,744,976
<b>Total revenue</b>	<b>7,549,164</b>	<b>7,368,496</b>

## Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2021

### 2 Segment information (continued)

	Dec 2021	Dec 2020
	\$	\$
(iii) <i>Timing of revenue recognition</i>		
At point in time	764,337	295,058
Over time	6,784,827	7,073,438
<b>Total revenue</b>	<b>7,549,164</b>	<b>7,368,496</b>

#### (iv) *Assets by geographical region*

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

	Dec 2021	Jun 2021
	\$	\$
Australia	6,231,272	5,593,797
Hong Kong	3,230,219	1,606,692
Singapore	23,647,535	22,302,547
<b>Total assets</b>	<b>33,109,026</b>	<b>29,503,036</b>

### 3 Revenue

	Dec 2021	Dec 2020
	\$	\$
Debt solution service income of CHT	753,794	295,058
Finance service income of Yozo	55,165	-
Bankruptcy administration service income	3,531,364	3,291,674
IVA service income	28,436	36,788
Service income of ICS	806,395	1,151,482
Service income of HHC	2,363,467	2,593,494
SME and individuals BNPL service income	10,543	-
	<b>7,549,164</b>	<b>7,368,496</b>

### 4 Other income

Bank interest income	10	10
Administrative charges	67,418	65,679
Other income	115,325	512,085
	<b>182,753</b>	<b>577,774</b>

## Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2021

### 5 Income tax expense

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.

The Company, CHT and Yozo are subject to Australia tax. At the date of this report, the Group does not expect to have any Australian income tax liability.

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. Singapore profits tax is calculated at 17% of estimated assessable profit. At the date of this report, HHC has income tax refund receivable.

	Dec 2021	Dec 2020
	\$	\$
<b>The components of tax expense comprise:</b>		
Current tax – Hong Kong	316,501	261,614
Current tax – Singapore	(80,111)	346,377
Income tax reported in statement of comprehensive income	<b>236,390</b>	<b>607,991</b>

### 6 Trade and other receivables

	Dec 2021	Jun 2021
	\$	\$
Trade debtors	1,247,750	648,607
Allowance for impairment	(25,600)	(6,518)
	<b>1,222,150</b>	<b>642,089</b>
Current portion	880,108	642,089
Non-current portion	342,042	-
	<b>1,222,150</b>	<b>642,089</b>

Account receivables from debt negotiation service normally span over 6-12 months from the date of billing. They are paid when the settlements are negotiated or if they are part of a refinance they are paid when the loan settled. Account receivables from debt arrangement services span over 60 months from the date of billing. They are paid in equal monthly instalments.

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, Jimmie Wong and King Wong. 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 31 December 2021 and 30 June 2021 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 31 December 2021 and 30 June 2021 as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

## Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2021

### 6 Trade and other receivables (continued)

Account receivables from SME and individuals BNPL services normally span over 3-12 months from the date of billing.

The Group does not hold any collateral over these balances as at 31 December 2021 and 30 June 2021.

### 7 Loan receivables

	Dec 2021	Jun 2021
	\$	\$
Loan receivables – Third parties	11,315,465	10,833,170
Allowance for impairment	(1,446,901)	(2,112,035)
	<b>9,868,564</b>	<b>8,721,135</b>
Current portion	9,863,876	8,721,135
Non-current portion	4,688	-
	<b>9,868,564</b>	<b>8,721,135</b>

The maturity date of the loans ranges from 3 months to 24 months. They are due within 5 business days from the maturity date.

The loan receivables are bearing interest rate at 1% to 8% per month to corporates and not more than 4% per month to individuals. All the loan receivables to corporates are guaranteed by the shareholders and directors of these borrowers.

There has been no change in the estimation techniques or significant assumptions made during the reporting period.

A loan receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

There is no other class of financial assets that is past due and/or impaired except for loan receivables.

The parent entity did not have any loan receivable as at reporting date.

### 8 Intangible assets

	Goodwill
	\$
Balance at 1 July 2021	16,373,019
Foreign exchange adjustment	386,841
Balance at 31 December 2021	<b>16,759,860</b>

Intangible assets comprise of software under development and improvement. As at 31 December 2021, the software under development is not available for use. Therefore, no amortisation was incurred during the reporting period.

## Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2021

### 8 Intangible assets (continued)

	<u>Software under development</u>
	\$
Balance at 1 July 2021	244,260
Additions	352,484
Foreign exchange adjustment	4,870
Balance at 31 December 2021	<u>601,614</u>
Total intangible assets	<u>17,361,474</u>

### Goodwill impairment test and disclosures

Goodwill is allocated to cash-generating units which are based on the Group's reporting segments:

	Dec 2021	Jun 2021
	\$	\$
ICS	4,620,319	4,949,293
HHC	7,724,539	8,377,410
CHT	691,396	691,396
Yozo	1,520,202	1,520,202
OneStep	1,816,563	1,751,958
Foreign exchange adjustment	386,841	(917,240)
	<u>16,759,860</u>	<u>16,373,019</u>

The Group monitors market conditions for indicators of impairment of its operating assets. Where a trigger event occurs which indicates an impairment may have occurred, a formal impairment assessment is performed. The following trigger events have occurred at 31 December 2021:

- The carrying amount of the Group's net assets (\$26.89m) exceeded the Company's market capitalisation as at 31 December 2021 (\$19.23m)

As a result, an assessment has been made of the recoverable amounts of each of the reporting segments' cash generating units.

The recoverable amount of each cash-generating unit above is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a 5 year period with the period extending beyond 5 years extrapolated using an estimated long term growth rate. The cash flows are discounted using the yield of a 5-year weighted average cost of capital (WACC) at the beginning of the budget period.

The following key assumptions were used in the value-in-use calculations:

	Long Term Growth Rate	Discount Rate
ICS	5.4%	8.4%
HHC	5.4%	8.1%
CHT	1.1%	19.0%
Yozo	1.1%	11.2%
OneStep	4.0%	19.5%

## Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2021

### 8 Intangible assets (continued)

Management has based the value-in-use calculations on budgets for each reporting segment. These budgets use historical weighted average growth rates to project revenue. Costs are calculated taking into account historical gross margins as well as estimated weighted average inflation rates over the period, which are consistent with inflation rates applicable to the locations in which the segments operate. Discount rates are pre-tax and are adjusted to incorporate risks associated with a particular segment. Based on the above value-in-use calculations, no impairment has been recognised.

**Dec 2021**  
\$ **Jun 2021**  
\$

### 9 Other borrowings

Bond	<b>1,967,751</b>	<b>1,619,905</b>
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The Group entered into short term bond subscription agreements with several individuals on 31 July 2021. The bond is unsecured, carrying at 15% interest per annum and repayable on 31 July 2022 (a year from the effective date of 31 July 2021). Previous year borrowings of \$1.62m were either fully settled during the period or rolled over to the new bonds.

### 10 Cash flow information

**Dec 2021**  
\$ **Dec 2020**  
\$

Reconciliation of cash flow from operations with operating profit from ordinary activities after income tax:

Profit from ordinary activities after income tax	2,241,884	2,299,895
Bad debt written off and loss allowance	1,140,726	584,811
Depreciation	50,866	43,466
Amortisation on right-of-use assets	270,742	204,732
Finance costs	130,176	379,851
Interest expense on advance from shareholders	-	250,038
Share-based payment	58,726	27,004
Exchange loss	6,165	-
Effect of foreign currency translation	194,423	(623,217)
<b>Movements in working capital</b>		
Increase in trade and other receivables	(579,531)	(7,355)
Increase in loan receivables	(2,288,155)	(915,314)
Increase in other current assets	(162,135)	(2,840,121)
Decrease in loan from related parties	66,777	381,313
Increase) / (Decrease) in trade and other payables	3,545	(544,667)
Increase in contract liabilities	83,040	-
Increase in income tax payable	278,812	401,006
<b>Cash flow from / (used in) operations</b>	<b>1,496,061</b>	<b>(358,558)</b>



## Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2021

### 11 Issued capital

The current period reflects the movements in the legal parent's capital structure for the half-year to 31 December 2021.

<b>(a) Ordinary issued and paid up share capital</b>	<b>Dec 2021 No.</b>	<b>Jun 2021 No.</b>	<b>Dec 2021 \$</b>	<b>Jun 2021 \$</b>
At the beginning of the reporting year	1,602,723,518	1,114,952,542	21,705,165	8,915,406
Allotment of shares	-	98,593,942	-	3,000,000
Shares issued to vendors	-	339,825,485	-	8,350,184
Convert share-based payment reserve on vesting of performance shares/rights	-	-	-	-
Shares issued to consultant	-	-	-	-
Exercise convertible notes	-	45,000,009	-	1,269,000
Convert option reserve on exercise of share options	-	3,320,000	-	141,314
Shares issued for dividend reinvestment plan	-	1,031,540	-	29,261
Classified to derivative liabilities	-	-	-	-
<b>Total ordinary share capital at the end of the reporting period</b>	<b>1,602,723,518</b>	<b>1,602,723,518</b>	<b>21,705,165</b>	<b>21,705,165</b>
<b>(b) Option reserve</b>				
At the beginning of the reporting year	21,480,000	-	163,054	-
Issued share option to directors and employees (amortised over 24 months)	36,200,000	-	58,726	-
Issued share option to service provider	-	24,800,000	-	191,568
Convert option reserve on exercise of share option	-	(3,320,000)	-	(28,514)
Expiry of options without exercise or conversion	(14,880,000)	-	(103,960)	-
<b>Total option at the end of the reporting period</b>	<b>42,800,000</b>	<b>21,480,000</b>	<b>117,820</b>	<b>163,054</b>

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.

Following shareholder approval at a general meeting of the Company held on 2 July 2021, the Company has granted 36,200,000 options to directors and employees on 23 July 2021. Each option will expire at 5:00 pm (WST) on the date that is three years following its date of issue (Expiry Date). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date. The Options are exercisable at any time after the date that is two years following its date of issue; and on or prior to the Expiry Date (Exercise Period) (Details please read the announcement on 28 May 2021).

The Company has cancelled 14,880,000 options to service provider which have expired on 30 October 2021. Remaining 6,600,000 options will expire on 30 October 2022.



## Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2021

### 12 Capital commitments and contingent liabilities

#### Capital expenditure commitments

The Group had the following capital commitments at the end of the reporting period:-

	Dec 2021	Jun 2021
	\$	\$
<b>Contracted for, but not provided for:</b>		
Property, plant and equipment	22,048	-
Intangible assets	-	66,405
	<u>22,048</u>	<u>66,405</u>

#### Contingent liabilities

As at 31 December 2021, the Group had no contingent liabilities (30 June 2021: nil).

### 13 Events subsequent to the end of the reporting period

On 1 February 2022, Hong Kong Debt Management Services Limited (HKDMS) (major operating subsidiary) entered into a trustee service agreement with Jimmie Wong to compensate his services as bankruptcy trustee. The fee consists of i) HK\$450,000 monthly service fee circa A\$81,000 and ii) 10% earnout which is calculated based on HKDMS's monthly revenue roughly around HK\$300,000 circa A\$54,000.

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 2021.

### 14 Dividends

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

No dividend has been paid or declared during the reporting period.

Previous half-year period

Final ordinary dividend of \$0.0005 per share paid on 20 November 2020 out of retained profits at 30 June 2020.	\$599,688
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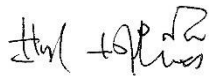
## Directors' Declaration

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In the Directors' opinion:

- (a) the financial statements comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and accompanying notes set out on pages 7 to 21 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 2021 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;

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



Wong Ka Sek, Jimmie  
Executive Chairman

25 February 2022

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**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 (Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of 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:

- i. giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- ii. complying with Accounting Standard *AASB 134: Interim Financial Reporting and the Corporations Regulations 2001*.

**Basis for Conclusion**

We conducted our review in accordance with Auditing Standards on Review Engagements *ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

**Responsibility of the Directors 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.

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**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF CREDIT INTELLIGENCE LIMITED (CONTINUED)**

**Auditor's Responsibility for the Review of the Financial Report**

Our responsibility is to express a conclusion on the financial report based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial report is not in accordance with the *Corporations Act 2001* including:

- i. giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date; and
- ii. complying with *Accounting Standard AASB 134: Interim Financial Reporting* and the *Corporations Regulations 2001*.

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.



SUAN LEE TAN  
PARTNER



MOORE AUSTRALIA AUDIT (WA)  
CHARTERED ACCOUNTANTS

Signed at Perth this 25<sup>th</sup> day of February 2022.