

**The Companies Announcements Office
The Australian Securities Exchange Limited**

Date: 29 August 2022

APPENDIX 4E - PRELIMINARY FINAL REPORT

The results for the announcement to the market are as follows: -

1. The current reporting period is 12 months ended 30 June 2022 (FY22). For comparative purpose, the previous reporting period was 12 months ended 30 June 2021 (FY21).

2. Results for announcement to the market

Key information relating to the above reporting periods is as follows: -

	FY22 \$	FY21 \$	% change
Revenue from ordinary activities	15,714,147	12,698,718	23%
(Loss) / Profit after tax from ordinary activities attributable to members	(842,421)	736,062	-214%
Net (Loss) / Profit attributable to members	(842,421)	736,062	-214%
Net tangible assets per issued security	0.1296	0.0932	39%
Final dividend			
- Amount per issued security	Nil	Nil	N/A
- Franked amount per issued security	Nil	Nil	N/A
Final dividend dates			
- Record date	N/A	N/A	N/A
- Payment date	N/A	N/A	N/A

Normalised profit	30 June 2022 \$
Net loss attributable to the members of the parent entity	(842,421)
Add: One-off expenses, non-recurring in nature	
Impairment losses recognised during the year (note)	3,105,656
	<u>2,263,235</u>

Note: The Board regularly review the carrying amount of non-financial assets. During FY22 impairment losses were recognised in the consolidated statement of profit or loss and other comprehensive income as the related assets' carrying amount was lower than its recoverable amount according to their discounted net present value (value in use).

Impairment losses recognised during the year are as follow:	\$
Goodwill	
Yozo	538,930
OneStep	<u>1,949,897</u>
	<u>2,488,827</u>
Intangible assets (Software)	
OneStep	151,470
HKBNPL	<u>348,682</u>
	<u>500,152</u>
Right-of-use assets	
HKBNPL	<u>72,083</u>
Property, plant and equipment	
HKBNPL	<u>44,594</u>
	<u>3,105,656</u>

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3 to 9. Please refer to the attached financial statements prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

The financial results for FY22 and the comparative figures are as follows:

- The consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flow:
 - for the period between 1 July 2021 to 30 June 2022 comprises 12 months of Credit Intelligence Ltd (CIL), Credit Intelligence Holding Limited and subsidiaries (CIH), ICS Funding Pte. Ltd (ICS), Hup Hoe Credit Pte Ltd (HHC), Chapter Two Holdings Pty Ltd (CHT), Yozo Finance Pty Limited (YOZO), OneStep Information Technology Limited (OneStep) and HKBNPL Investments Limited (HKBNPL) and
 - for the period between 1 July 2020 to 30 June 2021 comprises 12 months of CIL, CIH, ICS, HHC, CHT and 6 months of Yozo.
- The consolidated statement of financial position:
 - as at 30 June 2022 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, Yozo and OneStep as at that date.
- The consolidated statement of changes in equity:
 - for the period between 1 July 2021 to 30 June 2022, 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 12 months. It also comprises the equity value of CIL, CIH, ICS, HHC, CHT, Yozo, OneStep and HKBNPL at 30 June 2022. The number of shares on issue at period end represent those of CIL only; and
 - for the period between 1 July 2020 to 30 June 2021, 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 12 months and 6 months of Yozo. It also comprises the equity value of CIL, CIH, ICS, HHC, CHT, Yozo and OneStep at 30 June 2021. The number of shares on issue at period end represent those of CIL only.

Dividend reinvestment plan

There was no dividend reinvestment plan in operation during the year.

10. No entity has been acquired during the year.

The Company incorporated/established the following entity on 15 September 2021.

Name of Entity	Country of Incorporation	Ownership Interest 2022 %	Ownership Interest 2021 %	Principal Activities
HKBNPL Investments Limited	Hong Kong	70%	Nil	Buy Now Pay Later Services for individuals

No entity has been disposed during the year.

- 11.** There are no associates or joint venture entities.
- 12.** The Company is not a foreign entity.
- 13.** See commentary and the attached financial statements.
- 14.** The full financial statements are in the process of being audited.

Commentary

The normalised profit of Credit Intelligence was positive in this financial year as a conglomerate fintech financial servicing group in Australia, Hong Kong and Singapore.

Australia

CHT launched its new mobile app and portal to the market in July 2021. It increased marketing spending to notify the market about new technology and debt management offering. This was well received early, with an increase in customer onboarding over the year. The app allows customers to manage all debts in one place whilst CHT's team negotiates affordable payment plans with their creditors, allowing clients to make one payment each month, which disburses to the creditors.

CHT's mortgage division had its biggest year, with clients taking advantage of lower rates to consolidate debts. Given the rise in property prices across Australia over the last few years, it has not seen an issue with refinances as the rates have increased as clients have built enough equity over time to consolidate their debts.

In June 2022, CHT was issued an Australian Credit License for debt management services which was a significant milestone for the business and ensured CHT is licensed to operate services under ASIC's guidelines. CHT has grown our team in size to accommodate the rise of debt assistance enquiries and provide a quality service.

Yozo has increased revenue, kept minimum operation costs and achieved net profit. These were mainly due to the diversified loan risk portfolio and could keep the default rate to zero to date.

Hong Kong

The Group's core business in Hong Kong (provision of bankruptcy administration services, Individual Voluntary Arrangement proposal consultancy and implementation services) has performed well throughout the year.

OneStep launched SMEs "Buy Now and Pay Later" (BNPL) service" as a beginning stage during the year. The App initially offers service to clients who subscribed ongoing audit matching service through iProEx under OneStep online platform. The auditing matching service was the first online corporate service provided by OneStep. Further, the platform has extended UK company registration to OneStep current clients; database of the said companies will be updated in the platform and App simultaneously.

HKBNPL is mainly engaged in developing "Financial Technology", especially in developing advanced individuals BNPL platform. The platform is now operating both online and in-store.

Singapore

ICS and HHC have performed consistently and contributed positively to the Group results for FY22. Both Singaporean companies are under proper management in a challenging economic climate.

REVENUE

Revenue for FY22 increased by 23% year on year. Total revenue was \$15,714,147 (2021: \$12,698,718). It included the results of Australia, Hong Kong and Singapore businesses. CHT's revenue for FY22 increased by 320% to approximately 2m compared to FY21. The increment is due to the new mobile app. Yozo also increased revenue compared to FY21. The revenue to the group from Hong Kong and Singapore increased by 9% and 12% compared to FY21 respectively.

EXPENDITURE

Expenditure increased over the prior year from \$11,159,894 to \$15,695,111. The increase in cost was mainly attributable to the impairment losses on intangible assets amounting to \$3,105,656. The primary indicator of impairment was the carrying amount of goodwill, software assets, right-of-use assets and property, plant and equipment of Yozo, OneStep and HKBNPL being lower than their recoverable amount. Other than that, the expenses increased by 12% which are mainly attributable to the employee benefits expense and bad debt written off and loss allowance.

BALANCE SHEET

The net assets of the Group grew to \$25,745,760 as at 30 June 2022 (2021: \$24,085,451) due to an increase in trade and loan receivables. As of 30 June 2022, the Group has \$3,589,354 cash on hand, which will fund the planned operation of the Group's business into Australia, Hong Kong and Singapore.

CASHFLOW

The Group reported an operating cash outflow before changes in movements of operating assets for the year of \$406,351 (2021 cash outflow: \$125,728), reflecting the increase in payment to suppliers and employees. No major capital expenditure is expected for the Group's business activity in the foreseeable future.

Dividend declared subsequent to year end

The Group has identified an increase in expenses for business operations and development and advised that the Company will not declare a final dividend subsequent to year end.

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2022

	Notes	2022 \$	2021 \$
Revenue	1	15,714,147	12,698,718
Other income		603,878	767,597
Bad debt written off and loss allowance		(2,656,466)	(1,490,851)
Employee benefits expense		(5,886,413)	(4,260,091)
Administrative expenses		(3,721,283)	(4,114,113)
Impairment losses		(3,105,656)	-
Finance costs		(325,293)	(1,294,839)
Profit before income tax		622,914	2,306,421
Income tax expense	2	(606,207)	(1,027,873)
Profit for the year		16,707	1,278,548
Other comprehensive income			
Exchange differences on translating foreign operations, net of tax		1,413,949	(523,262)
Total comprehensive income for the year, net of tax		1,430,656	755,286
Net loss/profit attributable to:			
Members of the parent entity		(842,421)	736,062
Non-controlling interest		859,128	542,486
		16,707	1,278,548
Total comprehensive income attributable to:			
Members of the parent entity		495,709	242,027
Non-controlling interest		934,947	513,259
		1,430,656	755,286
Earnings per share			
Basic (loss)/earnings per share	10	(0.0105)	0.0111
Diluted (loss)/earnings per share	10	(0.0105)	0.0109

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 30 June 2022

	Notes	2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents		3,589,354	2,433,881
Trade and other receivables	3	783,762	642,089
Loan receivables	4	9,803,266	8,721,135
Current tax assets		-	141,060
Other current assets		275,298	283,290
TOTAL CURRENT ASSETS		14,451,680	12,221,455
NON-CURRENT ASSETS			
Property, plant and equipment		298,081	289,432
Right-of-use assets		792,234	374,870
Trade and other receivables	3	1,393,175	-
Deferred tax assets		293,292	-
Intangible assets	5	15,356,252	16,617,279
TOTAL NON-CURRENT ASSETS		18,133,034	17,281,581
TOTAL ASSETS		32,584,714	29,503,036
CURRENT LIABILITIES			
Trade and other payables		1,205,753	982,918
Lease liabilities		704,244	136,661
Contract liabilities		644,296	445,393
Amounts due to vendors		370,449	508,058
Current tax liabilities		659,234	999,486
Other borrowings	6	2,201,150	1,619,905
TOTAL CURRENT LIABILITIES		5,785,126	4,692,421
NON-CURRENT LIABILITIES			
Lease liabilities		176,723	225,251
Deferred tax liabilities		405,581	-
Amounts due to vendors		128,000	224,000
Amounts due to related party		343,524	275,913
TOTAL NON-CURRENT LIABILITIES		1,053,828	725,164
TOTAL LIABILITIES		6,838,954	5,417,585
NET ASSETS		25,745,760	24,085,451
EQUITY			
Issued capital	7	21,705,165	21,705,165
Reserves		1,151,291	(259,874)
Accumulated profit		199,334	937,795
Equity attributable to owners of the parent entity		23,055,790	22,383,086
Non-controlling interest		2,689,970	1,702,365
TOTAL EQUITY		25,745,760	24,085,451

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2022

	Issued Capital	Retained Earnings	Merger Reserve	Foreign Currency Translation Reserve	Option Reserve	Total	Non- controlling Interest	Total Equity
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1.7.2020	8,915,406	801,422	11,037	60,070	-	9,787,935	1,264,201	11,052,136
Comprehensive income:								
Profit after tax for the year	-	736,062	-	-	-	736,062	542,486	1,278,548
Other comprehensive loss for the year	-	-	-	(494,035)	-	(494,035)	(29,227)	(523,262)
Total comprehensive income for the year	-	736,062	-	(494,035)	-	242,027	513,259	755,286
Transactions with owners, in their capacity as owners, and other transfers								
Allotment of shares	7,300,184	-	-	-	-	7,300,184	-	7,300,184
Acquisition of subsidiary	1,050,000	-	-	-	-	1,050,000	(75,095)	974,905
Option expense recognised in the year	-	-	-	-	191,568	191,568	-	191,568
Derecognition of derivative liabilities	3,000,000	-	-	-	-	3,000,000	-	3,000,000
Exercise convertible notes	1,269,000	-	-	-	-	1,269,000	-	1,269,000
Convert option reserve on exercise of share option	141,314	-	-	-	(28,514)	112,800	-	112,800
Issued shares for dividend reinvestment plan	29,261	-	-	-	-	29,261	-	29,261
Dividends recognised for the period	-	(599,689)	-	-	-	(599,689)	-	(599,689)
Total transactions with owners and other transfers	12,789,759	(599,689)	-	-	163,054	12,353,124	(75,095)	12,278,029
Balance at 30.6.2021	21,705,165	937,795	11,037	(433,965)	163,054	22,383,086	1,702,365	24,085,451
Balance at 1.7.2021	21,705,165	937,795	11,037	(433,965)	163,054	22,383,086	1,702,365	24,085,451
Comprehensive income:								
Loss after tax for the year	-	(842,421)	-	-	-	(842,421)	859,128	16,707
Other comprehensive income for the year	-	-	-	1,338,130	-	1,338,130	75,819	1,413,949
Total comprehensive income for the year	-	(842,421)	-	1,338,130	-	495,709	934,947	1,430,656
Transactions with owners, in their capacity as owners, and other transfers								
Capital injection from non-controlling Interest	-	-	-	-	-	-	52,658	52,658
Option expense recognised in the year	-	-	-	-	176,995	176,995	-	176,995
Expiry of option derecognised in the year	-	103,960	-	-	(103,960)	-	-	-
Total transactions with owners and other transfers	-	103,960	-	-	73,035	176,995	52,658	229,653
Balance at 30.6.2022	21,705,165	199,334	11,037	904,165	236,089	23,055,790	2,689,970	25,745,760

The accompanying notes form part of these consolidated financial statements.

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Consolidated Statement of Cash Flows

For the year ended 30 June 2022

	Notes	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		8,610,417	7,999,005
Payments to suppliers and employees		(8,073,386)	(7,052,737)
Interest received		20	19
Bank charges and interest		(194,045)	(163,632)
Income tax paid		(749,357)	(908,383)
		<u>(406,351)</u>	<u>(125,728)</u>
Changes in operating assets arising from cash flow movements:			
Net funding of customer loans		3,174,715	6,164,981
Receipt/(Payment) of loan – related party		63,213	(5,432,911)
Net cash provided by operating activities	8	<u>2,831,577</u>	<u>606,342</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(146,202)	(101,242)
Expenditure on intangible assets		(739,131)	(245,188)
Investment in subsidiaries		(418,224)	(2,066,121)
Capital injection from non-controlling Interest		49,129	-
Payment to vendors		-	(693,109)
Net cash used in investing activities		<u>(1,254,428)</u>	<u>(3,105,660)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liabilities		(533,954)	(396,458)
Repayment of dividend payable prior to the acquisition of subsidiary		-	(1,864,715)
Proceeds from issuance of shares upon exercise of share options		-	112,800
Net proceeds from convertible notes		-	1,269,000
Net proceeds from other borrowings		173,133	1,469,132
Net proceeds from debt for equity funding		-	1,670,659
Payment of dividends		-	(570,428)
Net cash (used in)/provided by financing activities		<u>(360,821)</u>	<u>1,689,990</u>
Net increase/(decrease) in cash held		1,216,328	(809,328)
Cash and cash equivalents at beginning of the year		2,433,881	3,060,459
Effect of foreign currency translation		(60,855)	182,750
Cash and cash equivalents at the end of the year		<u>3,589,354</u>	<u>2,433,881</u>

The accompanying notes form part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

1 Operating segment

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, the sale of SME and individual BNPL 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. The financial results from these segments are equivalent to the financial statements of the Group as a whole.

During the year, 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	
	2022 \$	2021 \$	2022 \$	2021 \$	2022 \$	2021 \$	2022 \$	2021 \$
Revenue								
External sales	2,235,842	492,945	7,208,093	6,609,624	6,270,212	5,596,149	15,714,147	12,698,718
Inter-segment sales	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-
Total segment revenue	2,235,842	492,945	7,208,093	6,609,624	6,270,212	5,596,149	15,714,147	12,698,718
Reconciliation of segment revenue to Group revenue								
Unallocated revenue	-	-	-	-	-	-	-	-
Total group revenue							15,714,147	12,698,718
Segment net profit before tax	1,117,237	(416,477)	1,507,516	2,933,137	1,976,510	2,304,700	4,601,263	4,821,360
Reconciliation of segment result to Group net profit/(loss) before tax								
Amounts not included in segment result but reviewed by the Board:								
Unallocated items:								
- Corporate charges							(1,489,522)	(2,514,939)
- Impairment loss on intangible assets							(2,488,827)	-
- Finance costs							-	-
- Other							-	-
Net profit before tax from continuing operations							622,914	2,306,421
Net profit before tax from discontinuing operations							-	-

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

(ii) Revenue by geographical region

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

	2022	2021
	\$	\$
Australia	2,235,842	492,945
Hong Kong	7,208,093	6,609,624
Singapore	6,270,212	5,596,149
	15,714,147	12,698,718

(iii) Timing of revenue recognition

At point in time	2,064,837	487,359
Over time	13,649,310	12,211,359
	15,714,147	12,698,718

(iv) Assets by geographical region

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

Australia	18,697,847	17,938,656
Hong Kong	2,590,386	1,606,692
Singapore	11,296,481	9,957,688
	32,584,714	29,503,036

2 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 years.

The Company, CHT and Yozo are subject to Australia tax. 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 years ended 30 June 2022. Singapore Profits Tax is calculated at 17% of estimated assessable profit.

	2022	2021
	\$	\$
The components of tax expense comprise:		
Current tax – Australia	112,289	27,122
Current tax – Hong Kong	445,875	463,959
Current tax – Singapore	48,043	536,792
Income tax reported in statement of comprehensive income	606,207	1,027,873

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

3 Trade and other receivables

	2022	2021
	\$	\$
Current	783,762	642,089
Non-current	1,393,175	-
Trade debtors	2,176,937	642,089

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..

Account receivables from nominees of IVA services are normally due within 30 days from the date of billing.

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

4 Loan receivables

	2022	2021
	\$	\$
Current	9,803,296	8,721,135
Non-current	-	-
Loan receivables – third parties	9,803,296	8,721,135

The maturity date of the loans ranges from 3 months to 12 months. Unsecured loans to customers in the moneylending segment are loans which are interest-bearing.

5 Intangible assets

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

- (i) the consideration transferred;
- (ii) any non-controlling interest (determined under either the full goodwill or proportionate interest method);
- (iii) the acquisition date fair value of any previously held equity interest; and
- (iv) less the acquisition date fair value of any identifiable assets acquired and liabilities assumed.

	2022	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
Impairment loss	(2,488,827)	-
Foreign exchange adjustment	1,039,439	(917,240)
	14,923,631	16,373,019

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

5 Intangible assets (continued)

Intangible assets comprise of software. As at 30 June 2021, the software previously under development was not available for use. Therefore, no amortisation was incurred during the previous financial year.

	2022 \$	2021 \$
Balance at 1 July	244,260	-
Additions	739,131	245,188
Amortisation	(63,557)	-
Impairment loss	(500,152)	-
Foreign exchange adjustment	12,939	(928)
Balance at 30 June	<u>432,621</u>	<u>244,260</u>
 Total Intangible Assets	 <u>15,356,252</u>	 <u>16,617,279</u>

Goodwill impairment test

Goodwill is allocated to the Company's cash generating units "CGUs" which are based on the Group's reporting segments. The Company tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

In accordance with Australian Accounting Standard AASB 136, "Impairment of Assets", the Company performed its goodwill impairment test by comparing the recoverable amount of each CGU with its carrying amount. 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:

CGU	Long Term Growth Rate	Discount Rate
ICS	5.01%	8.53%
HHC	5.01%	8.77%
CHT	2.8%	12.33%
Yozo	2.8%	13.63%
OneStep	3.3%	20.33%

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.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

5 Intangible assets (continued)

	2022 \$	2021 \$
Impairment loss		
Goodwill (Yozo)	538,930	-
Goodwill (OneStep)	1,949,897	-
	<u>2,488,827</u>	<u>-</u>
Intangible assets (OneStep)	151,470	-
Intangible assets (HKBNPL)	348,682	-
	<u>500,152</u>	<u>-</u>
Total impairment loss	<u>2,988,979</u>	<u>-</u>

There was no goodwill impairment loss for ICS, HHC and CHT as the businesses continue to be profitable.

Based on the goodwill impairment assessment of Yozo and OneStep, the goodwill allocated to the CGU's was determined to be impaired. As a result, an impairment loss of \$2,488,827 was recognised in the consolidated statement of profit or loss in the current year.

It was also noted that the carrying amount of software developed by OneStep and HKBNPL was lower than its recoverable amount. Therefore, an impairment loss of \$500,152 was recognised in the consolidated statement of profit or loss in the current year.

6 Other borrowings

	2022 \$	2021 \$
Bond	<u>2,201,150</u>	<u>1,619,905</u>

On 15 July 2022, the Group entered into bond subscription agreements with several individuals, which are independent third parties, to borrow an aggregate amount of \$1.2 million (including extension of part of the existing other borrowing amounting to \$740k). These new and/or extended borrowings are unsecured, interest-bearing at 15% per annum, repayable on 31 July 2023 and guaranteed by the ultimate holding company (Credit Intelligence Limited).

7 Issued capital

	2022 \$	2021 \$
80,137,020* (2021: 1,602,723,518) fully paid ordinary shares	<u>21,705,165</u>	<u>21,705,165</u>

*Following shareholders' approval at the General Meeting held on 27 April 2022, the consolidation of the issued capital of the Company on the basis of one (1) share for every twenty (20) shares was completed.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

8 Cash flow information

	2022 \$	2021 \$
Reconciliation of cash flow from operations with operating profit after tax from ordinary activities:		
Profit after income tax from ordinary activities	16,707	1,278,548
Non-cash flows in profit from ordinary activities:		
Bad debt written off	2,656,466	1,490,851
Depreciation	111,510	89,760
Amortisation on right-of-use assets	560,534	378,142
Amortisation on software	63,557	-
Impairment loss on goodwill	2,488,827	-
Impairment loss on assets	616,829	-
Finance cost	270,080	990,945
Exchange loss	6,165	14,654
Interest expense on advance from shareholders	-	289,908
Share-based payment	355,444	191,568
Movements in working capital		
Effect of foreign currency translation	548,456	(304,082)
Increase in trade and other receivables	(1,534,847)	(14,549)
(Increase)/decrease in loan receivables	(3,738,599)	1,235,221
Decrease in other current assets	8,002	524,063
Increase/(Decrease) in loan from related party	67,611	(5,865,634)
Increase/(Decrease) in trade and other payables	222,835	(189,162)
Increase in contract liabilities	198,903	445,393
(Decrease)/Increase in income tax payable	(86,903)	50,716
Cash flow from operations	2,831,577	606,342

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

9 Interests in other entities

The Group's subsidiaries at 30 June 2022 are set out below. The subsidiaries have share capital consisting solely of ordinary shares, which are held directly by the Group and the proportion of ownership interests held equals the voting rights held by the Group.

Name of Entity	Country of Incorporation	Principal Place of Business	Ownership Interest 2021 %	Ownership Interest 2021 %
Credit Intelligence Holding Limited	Cayman Islands	Hong Kong	100	100
Hong Kong Debt Management Limited	British Virgin Island	Hong Kong	100	100
Hong Kong Debt Management Services Limited	Hong Kong	Hong Kong	100	100
Hong Kong I.V.A. Consultants Limited	British Virgin Island	Hong Kong	100	100
Credit Intelligence Finance (Hong Kong) Limited	Hong Kong	Hong Kong	100	100
Credit Intelligence (Singapore) Holdings Limited	Cayman Islands	Hong Kong	100	100
ICS Funding Pte Ltd	Singapore	Singapore	60	60
Hup Hoe Credit Pte Ltd	Singapore	Singapore	60	60
Chapter Two Holdings Pty Ltd	Australia	Australia	60	60
BNPL International Limited formerly known as BIBO Investment Holdings Ltd	British Virgin Island	Hong Kong	100	100
HKBNPL Investments Limited	Hong Kong	Hong Kong	70	Nil
Yozo Finance Pty Ltd	Australia	Australia	60	60
OneStep Information Technology Limited	British Virgin Island	Hong Kong	60	60
Hong Kong BNPL Limited	Hong Kong	Hong Kong	60	60

10 Earnings per share

	2022 \$	2021 \$ (Represented)
Basic (Loss)/Earnings per share	(0.0105)	0.0111
Diluted (Loss)/Earnings per share**	(0.0105)	0.0109

*Weighted average number of shares used in

Basic earnings per share calculation*	80,137,020	66,473,088
Diluted earnings per share calculation* ¹	83,149,266	67,827,207

*The weighted average number of ordinary shares used to calculate the basic and diluted loss per share for both years have been adjusted to reflect the Share Consolidation during the year ended 30 June 2022. Accordingly, the basic and diluted loss per share for the year ended 30 June 2021 are represented.

**Potential shares relating to options have not been included in determining diluted earnings per share because these are anti-dilutive.

(Loss)/Profit for the period used in earnings per share

From continuing operations	(842,421)	736,062
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¹Rights to deferred shares granted to executives and employees, including those granted under the group's performance rights plan, are included in the calculation of diluted earnings per share assuming all rights will vest.