

APAC Coal Limited (to be renamed Credit Intelligence Limited)

ACN 126 296 295

Supplementary Prospectus

IMPORTANT INFORMATION

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 21 December 2017 (**Prospectus**), issued by APAC Coal Limited ACN 126 296 295 (**Company**) in respect of the offer of up to 250,000,000 Shares at an issue price of \$0.02 each to raise up to \$5,000,000 before costs, with a minimum subscription requirement to raise at least \$3,500,000 before costs (**Offer**).

This Supplementary Prospectus is dated 22 February 2018 and was lodged with ASIC on that date. Neither ASIC nor ASX take any responsibility as to the contents of this Supplementary Prospectus.

This Supplementary Prospectus should be read together with the Prospectus. Other than the changes set out in this Supplementary Prospectus, all other details in relation to the Prospectus remain unchanged. To the extent of any inconsistency between this Supplementary Prospectus and the Prospectus, the provisions of this Supplementary Prospectus will prevail. Unless otherwise indicated, terms defined and used in the Prospectus have the same meaning in this Supplementary Prospectus.

The Company has issued a printed and electronic version of this Supplementary Prospectus and the Prospectus. Any person may obtain an electronic version of this Supplementary Prospectus and the Prospectus from the Company's website at www.apaccoal.com or a hard copy of these documents free of charge by contacting the Company on +612 9233 3308.

This Supplementary Prospectus and the Prospectus are important documents that should be read in their entirety. If you are in any doubt as to the contents of this Supplementary Prospectus or the Prospectus, you should consult your stockbroker, lawyer, accountant or other professional adviser without delay.

1. BACKGROUND

This Supplementary Prospectus is a 'refresh document' for the purposes of ASIC Corporations (Minimum Subscription and Quotation Conditions) Instrument 2016/70 (**LI 2016/70**) and, accordingly, has been prepared to:

- extend the period for admission to quotation of Shares offered under the Prospectus from 3 months from the date of the Prospectus to 3 months from the date of this Supplementary Prospectus (**Quotation Condition**); and
- extend the period for the Minimum Subscription to be satisfied from 4 months from the date of the Prospectus to 4 months from the date of this Supplementary Prospectus (**Minimum Subscription Condition**).

2. APPLICATIONS

2.1 Applications received

As at the date of this Supplementary Prospectus, the Company has received applications for 29,250,000 Shares.

The Company notes, however, that no applications have been processed as at the date of this Supplementary Prospectus.

2.2 Withdrawal rights

In accordance with the Corporations Act, the Company will allow applicants who have lodged Application Forms prior to the date of this Supplementary Prospectus a period of 1 month to withdraw their applications and obtain a refund of their Application Monies (without interest), if they do not wish to proceed with their applications. The Offers will remain open for the duration of the withdrawal period.

Any applicant who wishes to withdraw its application and obtain a refund of its Application Monies, should submit a written request to the Company's Share Registry at the following addresses by 5:00 pm, on 22 March 2018:

Mail

Credit Intelligence Limited
c/- Advanced Share Registry Ltd
PO Box 1156
Nedlands WA 6909

By Hand

Credit Intelligence Limited
c/- Advanced Share Registry Ltd
110 Stirling Highway
Nedlands WA 6009

If you do not wish to withdraw your application then you do not need to take any action.

2.3 New applications

Investors who wish to apply for Shares under the Offer must complete and return the Supplementary Application Form which is attached to this Supplementary Prospectus – regardless of whether or not the investor has previously returned an Application Form and Application Monies to the Company. In all other respects, the procedure for applying for securities under the Offer is set out in section 1.2 of the Prospectus.

Investors who wish to apply for Shares under an Additional Offer and have not yet completed the relevant Application Form must complete and return the relevant Supplementary Application Form which is attached to this Supplementary Prospectus.

Supplementary Application Forms must be received by 5:00 pm, on 23 March 2018 and must be completed in accordance with the relevant instructions in the Prospectus and the relevant Supplementary Application Form.

New applications **must not** be made on an Application Form attached to or accompanying the Prospectus.

3. REFRESH DOCUMENT

Under the Corporation Act, if a company offers securities under a prospectus which states that a minimum subscription amount must be raised before the securities will be issued, then the minimum subscription must be satisfied within 4 months after the date of the prospectus, otherwise any amounts received must be returned to applicants or applicants must be given 1 month to withdraw their applications.

Further, under the Corporation Act, if a company offers securities under a prospectus which states or implies that the securities are to be quoted on a financial market such as the ASX, and the securities are not admitted to quotation within 3 months after the date of the prospectus, then any amounts received must be returned to applicants and any issue of securities is void.

Subject to certain disclosure requirements, LI 2016/70 enables a company to refresh the time periods in which the company must satisfy the Minimum Subscription Condition and the Quotation Condition so that they effectively recommence from the date of a refresh document such as this Supplementary Prospectus. The disclosures in this section 3 are made for the purposes of satisfying the disclosure requirements of LI 2016/70.

3.1 Minimum Subscription Condition

The Company makes the following statements regarding the Minimum Subscription Condition for the purposes of LI 2016/70:

- as at the date of this Supplementary Prospectus, the number of Shares for which the Company has received applications is set out in section 2.1; and
- the date by which the Minimum Subscription Condition must be satisfied is extended to the date that is 4 months after the date of this Supplementary Prospects, being 23 June 2018.

3.2 Quotation Condition

The Company makes the following statements regarding the Quotation Condition for the purposes of LI 2016/70:

- an application for admission to quotation of the Shares offered under the Prospectus was made within 7 days after the date of the Prospectus;
- the Shares offered under the Prospectus have not been admitted to quotation as at the date of this Supplementary Prospectus;
- ASX has not indicated that the Shares offered under the Prospectus will not be admitted to quotation, or that the Shares will be admitted to quotation subject to certain conditions being satisfied;
- the Quotation Condition is unchanged except that the date by which it must be satisfied is extended as set out below;
- the date by which the Quotation Condition must be satisfied is extended to the date that is 3 months after the date of this Supplementary Prospects, being 23 May 2018; and
- as at the date of this Supplementary Prospectus, the number of Shares for which the Company has received applications is set out in section 2.1.

4. AMENDMENTS TO THE PROSPECTUS

The indicative timetable set out under the 'Key Offer Details' and 'Investment Overview' sections is deleted and replaced with the following:

Important dates	
Lodgement of the Prospectus with ASIC	21 December 2017
Opening Date	10 January 2018
Closing Date	23 March 2018
Issue of new Shares	30 March 2018
Holding statements sent to Shareholders	2 April 2018
Expected date for Shares to commence trading on ASX	6 April 2018

5. DIRECTORS' AUTHORISATION

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors. The Directors believe that the Prospectus when read together with this

Supplementary Prospectus contains all the information that would be required by sections 710 and 711 of the Corporations Act and does not contain any material statement that is misleading or deceptive.

In accordance with section 720 of the Corporations Act, each Director and Proposed Director has consented to the lodgement of this Supplementary Prospectus with ASIC and has not withdrawn that consent prior to lodgement.

Signed for and on behalf of the Company on 22 February 2018

Brett Crowley
Director

APAC Coal Limited
(to be renamed Credit Intelligence Limited)

Fill out this Application Form if you wish to apply for securities in APAC Coal Limited (to be renamed Credit Intelligence Limited).

- x Please read the Prospectus dated 21 December 2017 and the Supplementary Prospectus dated 22 February.
- x Follow the instructions to complete this Supplementary Application Form (see reverse).
- x Print clearly in capital letters using black or blue pen.

A Number of Shares you are applying for

B Total amount

C Write the name(s) you wish to register the securities in (see reverse for instructions)

Applicant 1

[illegible]

Name of Applicant 2 or < Account Designation >

[illegible]

Name of Applicant 3 or < Account Designation >

[illegible]

D Write your postal address here

Number / Street

[illegible]

Suburb/Town

[illegible]

State

--	--	--

Postcode

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E CHESS participant – Holder Identification Number (HIN)[illegible]

Important please note if the name & address details above in sections C & D do not match exactly with your registration details held at CHESS, any securities issued as a result of your application will be held on the Issuer Sponsored subregister.

F Enter your Tax File Number(s), ABN, or exemption category

Applicant #1

[illegible]

Applicant #2

[illegible]

Applicant #3

[illegible]

G Cheque payment details – PIN Cheque(s) Here

Please enter details of the cheque(s) that accompany this Supplementary Application Form. Make your cheque or bank draft payable to 'Credit Intelligence Limited – Subscription Account'.

H Contact telephone number (daytime/work/mobile)

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By submitting this Supplementary Application Form, I/We declare that this application is completed and lodged according to the Prospectus and the Supplementary Prospectus and the instructions on the reverse of the Supplementary Application Form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the Constitution of APAC Coal Limited (to be renamed Credit Intelligence Limited) (Company). I/We was/were given access to the Prospectus and the Supplementary Prospectus together with the Supplementary Application Form. I/We represent, warrant and undertake to the Company that our subscription for the above securities will not cause the Company or me/us to violate the laws of Australia or any other jurisdiction which may be applicable to this subscription for securities in the Company.

This is a Supplementary Prospectus intended to be read with the Prospectus dated 21 December 2017 issued by APAC Coal Limited (to be renamed Credit Intelligence Limited).

Guide to the Supplementary Application Form

YOU SHOULD READ THE PROSPECTUS AND THE SUPPLEMENTARY PROSPECTUS CAREFULLY BEFORE COMPLETING THIS SUPPLEMENTARY APPLICATION FORM.

Please complete all relevant sections of the appropriate Supplementary Application Form using BLOCK LETTERS. These instructions are cross-referenced to each section of the Supplementary Application Form.

Instructions

- A. If applying for Shares insert the number of Shares for which you wish to subscribe at Item A (not less than 100,000). Multiply by \$0.02 to calculate the total for Shares and enter the dollar amount at B.
- C. Write your full name. Initials are not acceptable for first names.
- D. Enter your postal address for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint applicants, only one address can be entered.
- E. If you are sponsored in CHES by a stockbroker or other CHES participant, you may enter your CHES HIN if you would like the allocation to be directed to your HIN.
- F. Enter your Australian tax file number (TFN) or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN / ABN of each joint applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Supplementary Application Form.
- G. Complete cheque details as requested. Make your cheque payable to 'Credit Intelligence Limited – Subscription Account', cross it and mark it 'Not negotiable'. Cheques must be made in Australian currency, and cheques must be drawn on an Australian Bank.
- H. Enter your contact details so we may contact you regarding your Supplementary Application Form or Application Monies.

NB: Your registration details provided must match your CHES account exactly.

Correct form of Registrable Title

Note that ONLY legal entities can hold securities. The application must be in the name of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person.

Examples of the correct form of registrable title are set out below:

Type of Investor	Correct form of Registrable Title	Incorrect form of Registrable Title
Individual	Mr John David Smith	J D Smith
Company	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings	Mr John David Smith & Mrs Mary Jane Smith	John David & Mary Jane Smith
Trusts	Mr John David Smith	John Smith Family Trust
Deceased Estates	<J D Smith Family A/C>	John Smith (deceased)
Partnerships	Mr Michael Peter Smith	John Smith & Son
Clubs/Unincorporated Bodies	<Est Lte John Smith A/C>	Smith Investment Club
Superannuation Funds	Mr John David Smith & Mr Ian Lee Smith	John Smith Superannuation Fund

Lodgement

Post or deliver your completed Supplementary Application Form with cheque(s) attached to the following address:

Mail

Credit Intelligence Limited
c/- Advanced Share Registry Ltd
PO Box 1156
Nedlands WA 6909

By Hand

Credit Intelligence Limited
c/- Advanced Share Registry Ltd
110 Stirling Highway
Nedlands WA 6009

It is not necessary to sign or otherwise execute the Supplementary Application Form. For questions on how to complete the Supplementary Application Form, please contact Advanced Share Registry Ltd on +618 9389 8033.

Privacy Statement

Chapter 2C of the *Corporations Act 2001* (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your shareholding and if some or all of the information is not collected then it might not be possible to administer your shareholding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting Advanced Share Registry Ltd on +618 9389 8033. Our privacy policy is available online at www.apaccoal.com.

This is a Supplementary Prospectus intended to be read with the Prospectus dated 21 December 2017 issued by APAC Coal Limited (to be renamed Credit Intelligence Limited).



APAC Coal Limited
(to be renamed Credit Intelligence Limited)

ACN 126 296 295

Prospectus

Offer

For an offer of 250,000,000 Shares at an issue price of \$0.02 each to raise up to \$5,000,000 before costs, with a minimum subscription requirement to raise at least \$3,500,000 before costs.

Re-compliance with Chapters 1 and 2

In addition to the purpose of making the Offer, this Prospectus is issued for the purpose of re-complying with the admission requirements under Chapters 1 and 2 of the Listing Rules following a change to the nature and scale of the Company's activities.

Conditional Offer

The Offer is conditional upon certain events occurring. Please refer to Section 1.3 for further information.

Important notice

This Prospectus is issued by APAC Coal Limited ACN 126 296 295, which will be renamed Credit Intelligence Limited, upon, and subject to, completion of the Proposed Transaction. This Prospectus is important and it should be read in its entirety. If you are in any doubt as to the contents of this Prospectus, you should consult your stockbroker, lawyer, accountant or other professional adviser without delay. The Shares offered by this Prospectus should be considered highly speculative.

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IMPORTANT INFORMATION

NOTICE

This Prospectus is dated 21 December 2017 and a copy of this Prospectus was lodged with ASIC on that date. Neither ASIC nor ASX take responsibility for the contents of this Prospectus.

Within 7 days of the date of this Prospectus, the Company will make an application to ASX for the Shares offered pursuant to this Prospectus to be admitted for quotation on ASX.

No Shares will be issued pursuant to this Prospectus later than 13 months after the date of this Prospectus.

Persons wishing to apply for Shares pursuant to the Offer must do so using the Application Form attached to or accompanying this Prospectus. Before applying for Shares investors should carefully read this Prospectus so that they can make an informed assessment of the rights and liabilities attaching to the Shares, the assets and liabilities of the Company, its financial position and performance, profits and losses, and prospects.

Any investments in the Company should be considered highly speculative. Applicants should read this Prospectus in its entirety and persons considering applying for Shares pursuant to this Prospectus should obtain professional advice.

No person is authorised to give any information or to make any representation in relation to the Offer which is not contained in this Prospectus. Any such information or representations may not be relied upon as having been authorised by the Directors.

FOREIGN INVESTOR RESTRICTIONS

The offer of Shares under this Prospectus does not constitute an offer in any jurisdiction outside Australia. The Offer is not made to persons or places to which, or in which, it would not be lawful to make such an offer of securities. Any persons in such places who come into possession of this Prospectus should seek advice on and comply with any legal restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any regulatory or other consents are required or whether any other formalities need to be considered and followed. For information on selling restrictions that apply to the Shares in certain jurisdictions outside of Australia, see Section 11.11.

ELECTRONIC PROSPECTUS

A copy of this Prospectus can be downloaded from the Company's website at www.apaccoal.com. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company on (02) 9233 3308. For further information, see Sections 1.20 and 11.8.

EXPOSURE PERIOD

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Investors should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act.

Applications for Shares under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on persons who

lodge applications prior to the expiry of the Exposure Period.

NO COOLING OFF RIGHTS

Applicants have no cooling off rights in relation to Shares for which they apply. This means that an applicant is not permitted or entitled to withdraw its application once submitted, other than in certain specified circumstances as detailed in the Corporations Act.

RISKS

Before deciding to invest in the Company, investors should read the entire Prospectus and in particular, in considering the prospects of the Company, investors should consider the risk factors that could affect the financial performance and assets of the Company. Investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues). The Shares offered by this Prospectus should be considered highly speculative. Refer to Section 8 for details relating to risk factors.

DISCLAIMER

This Prospectus includes information regarding the past performance of the Company. Investors should be aware that past performance is not indicative of future performance.

Certain statements in this Prospectus constitute forward looking statements. These forward looking statements are identified by words such as “may”, “could”, “believes”, “expects”, “intends”, and other similar words that involve risks and uncertainties. Investors should note that these statements are inherently subject to uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors which could cause actual values or results, performance or achievements to differ materially from anticipated results, implied values, performance or achievements expressed, projected or implied in the statements.

This Prospectus, including the industry overviews in Sections 3 and 4, uses market data and third party estimates and projections. There is no assurance that any of the third party estimates or projections contained in this

information will be achieved. The Company has not independently verified this information. Estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed in the risk factors set out in Section 8.

FINANCIAL AMOUNTS

All references in this Prospectus to “\$”, “AUD”, “dollars” or “cents” are references to Australian currency unless otherwise stated.

All references in this Prospectus to “HK\$” are references to Hong Kong currency unless otherwise stated.

All references to “HK\$” or “Hong Kong dollar” are references to Hong Kong currency.

Any discrepancies between the totals and sums of components in tables contained in this Prospectus are due to rounding.

EXCHANGE RATE

Unless otherwise stated, all amounts in HK\$ that have been converted to AUD in this Prospectus have been converted using the Reserve Bank of Australia’s foreign currency exchange rate on 30 June 2017 of A\$1 = HK\$5.981. The Company notes that exchange rates are subject to change. Investors are advised to take this into consideration when considering historical figures in HK\$ that have been converted into AUD using the exchange rate as at 30 June 2017.

DEFINITIONS AND TIME

A number of terms and abbreviations used in this Prospectus have defined meanings which appear in Section 13.

All references to time relate to the time in Perth, Western Australia unless otherwise stated or implied.

GOVERNING LAW

This Prospectus and the contracts that arise from the acceptance of the applications under this Prospectus are governed by the law applicable in Western Australia and each applicant submits to the exclusive jurisdiction of the courts of Western Australia.

CORPORATE DIRECTORY

DIRECTORS

Luke Ho Khee Yong
Executive Director

Quah Boon Ban
Non – Executive Director

Brett Crowley
Non – Executive Director

COMPANY SECRETARY

Brett Crowley

PROPOSED DIRECTORS

Jimmie Wong
CEO and Managing Director

King Wong
Executive Director

Mel Ashton
Non-Executive Chairman

Krista Bates
Non-Executive Director

Vincent Lai
Non-Executive Director

PROPOSED COMPANY SECRETARY

Dennis Wilkins

REGISTERED OFFICE

Level 33, 50 Bridge Street
Sydney, NSW 2000

Telephone: (02) 9233 3308
Facsimile: (02) 9233 3307

WEBSITE

www.apaccoal.com

ASX CODE

Existing: AAL

Proposed: CI1

SHARE REGISTRY

Advanced Share Registry Ltd
110 Stirling Highway
Nedlands WA 6009

LEAD MANAGER & CORPORATE ADVISER

Patersons Securities Limited
Level 23, Exchange Tower, 2 The Esplanade
Perth, WA 6000

AUDITOR

Moore Stephens
Level 15, Exchange Tower, 2 The Esplanade
Perth, WA 6000

INVESTIGATING ACCOUNTANT

Moore Stephens Perth Corporate Services Pty
Ltd
Level 15, Exchange Tower, 2 The Esplanade
Perth, WA 6000

AUSTRALIAN LEGAL ADVISER

Price Sierakowski Corporate
Level 24, 44 St Georges Terrace
Perth, WA 6000

FOREIGN LEGAL ADVISER

King & Wood Mallesons
13/F Gloucester Tower, The Landmark
15 Queen's Road, Central, Hong Kong

LETTER FROM THE COMPANY

Dear Investor,

On behalf of the proposed Board of Directors, I am delighted to present this Prospectus to you and offer you the opportunity to become a Shareholder of APAC Coal Limited (to be renamed Credit Intelligence Limited) (**Company**).

Since its initial admission to quotation on the ASX in 2008, the Company has been involved in the production of coal in Indonesia and has encountered tremendous challenges to grow the value of its coal activities for the benefit of its shareholders. Amidst these challenges, the Board has been actively exploring new avenues to unlock greater value for its stakeholders and opportunities to diversify into various other business opportunities to turn the operational and financial performance of the Company around.

In October 2017, the Company entered into a conditional sale and purchase agreement to acquire a 100% equity interest in Credit Intelligence Holding Ltd, the ultimate parent company of the Credit Intelligence Group (**Credit Intelligence**). Credit Intelligence is a profitable and leading debt restructuring group operating out of Hong Kong with a focus on individual bankruptcy and debt arrangement services.

Following the acquisition of Credit Intelligence, the Company will initiate the process of entering the Australian insolvency market with a view to providing debt agreement administrator services and act as a registered trustee in relation to personal insolvency agreements and bankruptcies. To do this, Credit Intelligence plans to progressively establish local offices throughout Australia either by acquiring existing insolvency businesses, employing experienced Australian insolvency practitioners or a combination of both.

This Prospectus contains an offer to the public of up to 250,000,000 Shares at an issue price of \$0.02 each to raise up to \$5,000,000 before costs, with a minimum subscription requirement to raise at least \$3,500,000 before costs. The proceeds from the Offer will primarily be used to establish Credit Intelligence's Australian operations and grow its brand and market reputation.

The ASX offers a sophisticated capital market and an internationally recognised corporate governance environment, which the Directors and Proposed Directors of Credit Intelligence believe will provide a suitable platform for the Company's growth into Western markets.

An investment in the Company is subject to risks, including company specific risks and general risks. In particular, investors should note Credit Intelligence's reliance of key management personnel, debtor repayment risk and future funding needs of the Company.

On behalf of the Board, I would like to thank all our shareholders, business partners, associates and staff for your support and contribution to the Company through the years. As the Group undergoes a transitional period, we seek your kind understanding and support to stand by us as we continue to pursue various viable business opportunities to bring us back to growth.

We look forward to the challenges and opportunities of the next chapter and strive to achieve betterment for all our stakeholders.

Yours faithfully,



Luke Ho
Executive Director

KEY OFFER DETAILS

Key financial information	Minimum subscription	Full subscription
Existing Shares on issue	72,000,000	72,000,000
Issue price per Share	\$0.02	\$0.02
Shares being offered under the Offer	175,000,000	250,000,000
Amount to be raised under the Offer (before costs)	\$3,500,000	\$5,000,000
Shares to be issued to Sellers	532,852,564	532,852,564
Shares to be issued to Advisers	37,299,679	37,299,679
Total number of Shares on issue upon completion of the Offer	817,152,243	892,152,243
Indicative market capitalisation upon completion of the Offer ¹	\$16,343,045	\$17,843,045

Notes:

1. Market capitalisation is determined by multiplying the total number of Shares on issue by the price at which the Shares trade on the ASX from time to time. In the case above, the market capitalisation is calculated at the issue price of each Share under the Offer, being \$0.02. Please note that there is no guarantee that the Shares will be trading at \$0.02 upon the Company listing.
2. Please refer to Section 1.8 for further details relating to the proposed capital structure of the Company.

Important dates	
Lodgement of this Prospectus with ASIC	21 December 2017
Opening Date for the Offer	10 January 2018
General Meeting	23 January 2018
Closing Date for the Offer	30 January 2018
Issue of new Shares under the Offer	7 February 2018
Holding statements sent to Shareholders	12 February 2018
Expected date for Shares to commence trading on ASX	15 February 2018

Note: The dates shown in the table above are indicative only and may vary subject to the Corporations Act, the Listing Rules and other applicable laws. In particular, the Company reserves the right to vary the Opening Date and the Closing Date without prior notice, which may have a consequential effect on the other dates. Applicants are therefore encouraged to lodge their Application Form as soon as possible after the Opening Date if they wish to invest in the Company.

INVESTMENT OVERVIEW

This Section is not intended to provide full information for investors intending to apply for Shares offered under this Prospectus. This Prospectus should be read and considered in its entirety. The Shares offered pursuant to this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Shares.

Topic	Summary	More information
The Company		
Who is the issuer of this Prospectus?	APAC Coal Limited ACN 126 296 295 (to be renamed Credit Intelligence Limited) (Company)	Section 2.1
Who is the Company and what does it do?	The Company was registered on 29 June 2007 and listed on the ASX on 10 July 2008. Since its incorporation the Company has primarily operated as a coal company, engaged in the production of coal in Indonesia. Although the Company remains listed on the ASX, it has been suspended from trading since 30 June 2016.	Section 2.1
What are the Company's key assets and liabilities	The Company holds 99.7% of the issued capital in Pt Deefu Chemical Indonesia, which was the beneficial holder of an Indonesian tenement. The tenement has been expropriated by the Indonesian government and therefore the Company's shareholding in Pt Deefu has been written down to \$1.00. Other than its interest in Pt Deefu, the Company currently has no other key assets or liabilities.	Section 2.1
What are the Company's key business strategies?	The Company has entered into an agreement to acquire 100% of the issued capital of Credit Intelligence Holding Limited (Cayman Company No. 0021770) (CIH), which is inter-conditional with completion of the Offer (Proposed Transaction). Upon completion of the Proposed Transaction, the Company's focus will become that of Credit Intelligence's, being debt restructuring.	Section 2.2 and 5.6
Credit Intelligence		
Who is Credit Intelligence and what does it do?	Credit Intelligence is in the business of debt restructuring. Operating in Hong Kong, Credit Intelligence's main business model includes the provision of bankruptcy administration services and individual voluntary arrangement proposal consultancy and implementation services.	Section 5.1
How does the Credit Intelligence generate income?	Credit Intelligence provides qualified employees to act as outside trustees in bankruptcy cases. The remuneration received for these services is generally based on a fixed percentage on the contributions from the bankrupt estate and proceeds from the realisation	Section 5.3

Topic	Summary	More information
	of assets. Credit Intelligence's insolvency practitioners assist debtors in forming and implementing individual voluntary arrangements. The debtor will pay HKIVA a pre-determined service fee by instalments in different stages of the application.	
What are the Credit Intelligence's key strengths?	Credit Intelligence's competitive strengths include: • talented and experienced workforce; • the Insolvency Management System; • first mover advantage; and • Hong Kong market share.	Section 5.5
What are Credit Intelligence's key objectives	Credit Intelligence's key objectives are to: • increase its market share in Hong Kong for providing debt restructuring services; • enter the Australian market for debt restructuring services; • use Shareholder funds effectively with the goal of returning significant value to Shareholders; and • build and maintain long-term collaborative relationships with banks and financial institutions.	Section 5.5 and 5.6
What is the financial position of Credit Intelligence?	As at 30 June 2017, Credit Intelligence had: • a cash balance of \$350,746; • total assets of \$686,939; • total liabilities of \$125,916; • net assets of \$561,023; and • total equity of \$561,023. Credit Intelligence's net profits for the following periods are as follows: • \$510,374 for the 3 months ended 30 June 2017; • \$1,666,872 for the year ended 31 March 2017; • \$4,330,605 for the year ended 31 March 2016; and • \$1,472,430 for the year ended 31 March 2015. Further financial information regarding the Company and Credit Intelligence is set out in section 6 and in the Investigating Accountants Report at section 7. Applicants should note that past performance is not a reliable indicator of future performance.	Section 6 and 7

Topic	Summary	More information
Proposed Transaction		
What is the Proposed Transaction?	Under the Proposed Transaction, the Company will acquire 100% of the issued share capital in CIH from the Sellers, and undertake associated transactions such as the Offer.	Section 2.2
What are the key terms of the Share Purchase Agreement	Under the Share Purchase Agreement, the Company will obtain all of the issued share capital in CIH in consideration of issuing 532,852,564 Shares to the Sellers. Completion of the Share Purchase Agreement is subject to, among other things, the Company obtaining the approval of Shareholders at the General Meeting, the Company raising at least the Minimum Subscription and the Company being able to satisfy ASX's conditions to re-quotations. In addition, the Proposed Directors will replace the current Directors as the directors of the Company, and the Company will change its name to "Credit Intelligence Limited".	Section 10.1
Have Shareholders approved the Proposed Transaction?	The Company will seek Shareholder approval of the Proposed Transaction at the General Meeting to be held on 23 January 2018.	Section 2.3
Why is the Company required to re-comply with Chapters 1 and 2 of the Listing Rules?	Completion of the Proposed Transaction will constitute a significant change to the nature (from coal production to providing bankruptcy and debt arrangement services) and scale of the Company's activities and, accordingly, the Company is required to re-comply with Chapters 1 and 2 of the Listing Rules in order to complete the Proposed Transaction.	Section 2.3
The Offer		
What is the Offer?	The Company is offering up to 250,000,000 Shares to the general public at an issue price of \$0.02 each to raise up to \$5,000,000 before costs (Offer). There is no allowance for oversubscriptions.	Section 1.1
What are the Seller and Adviser Offers and why are they being undertaken?	In addition, the Company is offering: • 532,852,564 Shares to the Sellers under the Seller Offer; and • 37,299,679 Shares to the Advisers under the Adviser Offer. The Seller and Adviser Offers are being made under this Prospectus to remove any on-sale restrictions that might otherwise apply to the Shares to be issued to the Sellers and Advisers.	Section 1.1
What is the Minimum	The minimum subscription requirement for the Offer is \$3,500,000 representing the subscription of	Section 1.4

Topic	Summary	More information
Subscription?	175,000,000 Shares at an issue price of \$0.02 each (Minimum Subscription) .	
What are the conditions to the Offer?	The Offer is conditional on: - the Company achieving the Minimum Subscription; - Shareholders approving the Proposed Transaction at the General Meeting; - completion of the Proposed Transaction; and - the Company being able to re-comply with the admission requirements under Chapters 1 and 2 of the Listing Rules. If these conditions are not satisfied then the Offers will not proceed and the Company will repay all Application Monies without interest in accordance with the Corporations Act.	Section 1.3
Why is the Offer being conducted?	The principal purposes of the Offer are to: - re-comply with Chapters 1 and 2 of the Listing Rules; - complete the Proposed Transaction; - enhance the public and financial profile of Credit Intelligence to facilitate its growth; - provide funds for the purposes set out in Section 1.7; and - provide Credit Intelligence with access to equity capital markets for future funding needs.	Section 1.6
How will funds raised under the Offer be used?	Funds raised under the Offer are proposed to be applied towards: - expenses of the Offer; - establishment of Australian operations; - marketing and promotion; and - general working capital.	Section 1.7
What is the effect of the Offer on the capital structure of the Company?	The effect of the Offer on the capital structure of the Company will depend on the amount raised under the Offer. For example, the Company's Share capital will enlarge by the following percentages based on the following levels of subscription under the Offer: - Minimum Subscription – 1,035%; and - Full Subscription – 1,139%.	Sections 1.8

Topic	Summary	More information
Key risk factors		
Investors should be aware that subscribing for Shares in the Company involves a number of risks. The risk factors set out in Section 8, and other general risks applicable to all investments in listed shares, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. This Section summarises only some of the risks which apply to an investment in the Company and investors should refer to Section 8 for a more detailed summary of the risks.		
Change in the nature and scale of the Company's activities	As part of the Company's change in nature and scale of activities, ASX will require the Company to re-comply with Chapters 1 and 2 of the Listing Rules. There is a risk that the Company may not be able to meet the requirements of ASX for re-quotation on the ASX and that its securities will consequently remain suspended from quotation.	Section 8.1(a)
Reliance on key personnel	Credit Intelligence's success is highly dependent upon the retention of key personnel, in particular its founder Jimmie Wong as well as other members of the senior management team such as King Wong. There is no assurance that engagement contracts for such personnel will not be terminated or will be renewed on their expiry. The loss of key personnel may negatively impact Credit Intelligence's operational and financial performance.	Section 8.1(b)
Debtor repayment risk	The success of Credit Intelligence's bankruptcy administration services is dependent on the repayment of debt under each bankruptcy case. Debt repayment failure may reduce the revenue generated from Credit Intelligence's bankruptcy administration services, which may negatively impact on Credit Intelligence's operational and financial performance.	Section 8.1(c)
Loss of key business relationships	The business operations of Credit Intelligence are dependent on Credit Intelligence being referred bankruptcy cases from creditors. If Credit Intelligence was to cease being referred bankruptcy cases from creditors then this may negatively impact the business operations and revenues, and therefore profitability, of Credit Intelligence.	Section 8.1(d)
Future funding needs	The funds raised under the Offer are considered sufficient to meet the immediate objectives of the Company. Further funding may be required by the Company in the event costs exceed estimates or revenues do not meet estimates, to support its ongoing operations and implement its strategies.	Section 8.1(f)
Liquidity and expiry of escrow	The Company will enter into a voluntary escrow agreement with its proposed managing Director and major Shareholder, Jimmie Wong. Following the end of these escrow periods a significant portion of Shares will become tradable on ASX. This may result in an	Section 8.1(g)

Topic	Summary	More information
	increase in the number of Shares being offered for sale on market which may in turn put downward pressure on the Company's Share price.	
Other key Offer details		
What are the important dates of the Offer?	Important dates	Key Offer Details
	Prospectus lodged 21 December 2017	
	Opening Date 10 January 2018	
	General Meeting 23 January 2018	
	Closing Date 30 January 2018	
	New Shares issued 7 February 2018	
	Holding statements sent 12 February 2018	
	Trading commences 15 February 2018	
	The above dates are indicative only and may change without notice.	
What rights and liabilities attach to the Shares being offered?	The rights and liabilities attaching to the Shares are described in Section 11.1.	Section 11.1
Is the Offer underwritten?	No, the Offer is not underwritten.	Section 1.10
Will any capital raising fees be payable in respect of the Offer?	Patersons Securities Limited has been engaged to provide broking services in connection with the Offer. Patersons will receive a capital raising fee of 5.5% (plus GST) and a lead manager fee of 1.5% (plus GST) in respect of funds it raises under the Offer as well as other benefits.	Section 10.5
Will the Shares issued under the Offer be quoted?	The Company will apply to ASX no later than 7 days after the date of this Prospectus for official quotation of the Shares on the ASX under the proposed code, "CI1".	Section 1.14
How do I apply for Shares under the Offer?	All Application Forms must be completed in accordance with the instructions accompanying the Application Form and must be accompanied by a cheque in Australian dollars for the full amount of the application being \$0.02 per Share. Cheques must be made payable to "Credit Intelligence Limited – Subscription Account" and should be crossed "Not Negotiable". Applications under the Offer must be for a minimum of 100,000 Shares (\$2,000).	Section 1.2

Topic	Summary	More information
When will I know if my application was successful?	Holding statements confirming allocations under the Offer will be sent to successful applicants as required by ASX. Holding statements are expected to be issued to Shareholders on or about 5 February 2018.	Section 1.17
Can I speak to a representative about the Offer?	Questions relating to the Offer and completion of Application Forms can be directed to the Company on +61 2 9233 3308.	Section 1.23
Key persons		
Who are the Company's Directors?	The Directors of the Company are: • Luke Ho Khee Yong – Executive Director; • Quah Boon Ban – Non-Executive Chairman; • Brett Crowley – Non-Executive Director; and Upon completion of the Proposed Transaction, the Directors of the Company will be: • Jimmie Wong – CEO and Managing Director; • King Wong – Executive Director; • Mel Ashton – Non-Executive Chairman; • Krista Bates – Non-Executive Director; and • Vincent Lai – Non-Executive Director.	Sections 9.2 and 9.3
Who comprises the senior management team of the Company?	The Company's senior management team is comprised of: • Jimmie Wong – CEO and Managing Director; • King Wong – Head of Operations and Executive Director; and • Arthur Ma – Financial Manager.	Section 5.4
What are the significant interests of the Directors?	Upon the Company listing on the ASX, the Directors will be remunerated as follows: • Jimmie Wong – \$200,000 per annum; • King Wong – \$150,000 per annum; • Mel Ashton – \$70,000 per annum; • Krista Bates – \$40,000 per annum; and • Vincent Lai – \$40,000 per annum. More information on the security holdings, interests and remuneration of the Directors is set out in Section 9.7.	Section 9.7

Topic	Summary	More information
Miscellaneous matters		
What material contracts is the Company a party to?	The material contracts of the Company include: • the Share Purchase Agreement with the Sellers; • the employment and bankruptcy trustee arrangement agreements with Jimmie Wong and King Wong; • the advisory agreement with the Advisers; • the lead manager mandate with Patersons; • deeds of access, indemnity and insurance for each Director; and • the escrow agreement to be entered into prior to listing.	Section 10
Will any Shares be subject to escrow?	No Shares issued under the Offer will be subject to escrow. The Company will enter into a voluntary escrow agreement with its proposed managing Director and major Shareholder, Jimmie Wong.	Section 1.9
Will the Company pay dividends?	The Board can provide no guarantee as to the extent of future dividends, as these will depend on, among other things, the actual levels of profitability and the financial and taxation position of the Company at the time.	Section 1.22 .
What are the tax implications of investing in Shares under the Offer?	The tax consequences of any investment in Shares will depend upon each applicant's particular circumstances. Investors should obtain their own tax advice before deciding to invest.	Sections 11.10

1. DETAILS OF THE OFFER

1.1 OVERVIEW

Under this Prospectus, the Company is offering up to 250,000,000 Shares at an issue price of \$0.02 each to raise up to \$5,000,000 before costs (**Offer**). The Offer has a minimum subscription requirement of \$3,500,000. There is no allowance for oversubscriptions.

The Offer is open to the general public however non-Australian resident investors should consider the statements and restrictions set out in Sections 1.12 and 11.11 before applying for Shares.

The Shares to be issued under the Offer are of the same class and will rank equally in all respects with existing Shares on issue. A summary of the rights and liabilities attaching to Shares can be found in Section 11.

Applications for Shares must be made on the Application Form accompanying this Prospectus and received by the Company on or before the Closing Date. Persons wishing to apply for Shares should refer to Section 1.2 and the Application Form for further details and instructions.

In addition, the Company is offering:

- 532,852,564 Shares to the Sellers under the Seller Offer in accordance with the Share Purchase Agreement summarised in section 10.1; and
- 37,299,679 Shares to the Advisers under the Adviser Offer in accordance with the Advisory Agreement summarised in section 10.4.

The reason for issuing the Shares under this Prospectus is so that they are issued under a disclosure document and are therefore not subject to the 12 month on-sale restrictions in section 707(3) of the Corporations Act. The Company notes, however, that some of these Shares will be subject to escrow for 12 or 24 months from re-admission. See section 1.9 for further details on escrow arrangements.

The Company is not offering Shares under the Seller Offer and Adviser Offer for the purpose of the Sellers and Advisers selling or transferring their Shares. However, the Company considers that the Sellers and Advisers should be entitled, if they wish, to on-sell their Shares prior to the expiry of 12 months, subject to any escrow restrictions.

The Shares to be issued under the Seller Offer and Adviser Offer are of the same class and will rank equally in all respects with existing Shares on issue. A summary of the rights and liabilities attaching to Shares can be found in section 11.1. Shares will be issued under the Seller Offer and Advisers Offer at the same time as Shares are issued under the Offer.

Applications for Shares under the Seller Offer and Adviser Offer must be made using the relevant Application Form accompanying this Prospectus and received by the Company on or before the Closing Date. Applications may only be made by the Sellers (and/or their respective nominees) and Advisers (and/or their respective nominees) for the relevant number of Shares that are due to receive in accordance with the Share Purchase Agreement and Advisory Agreement. Persons wishing to apply for Shares should refer to the relevant Application Form for further details and instructions. No additional funds or consideration are payable by the Sellers or Advisers under the Seller Offer and Adviser Offer.

1.2 APPLICATIONS AND PAYMENT

Applications for Shares under the Offer can only be made using the Application Form accompanying this Prospectus. The Application Form must be completed in accordance with the instructions set out on the back of the form.

Applications under the Offer must be for a minimum of 100,000 Shares (\$2,000). No brokerage, stamp duty or other costs are payable by applicants. Cheques must be made payable to "Credit Intelligence Limited – Subscription Account" and should be crossed "Not Negotiable". All Application Monies will be paid into a trust account.

Completed Application Forms and accompanying cheques must be received by the Company before 5.00pm WST on the Closing Date by being posted or delivered to the following addresses

Mail

Credit Intelligence Limited – Subscription Account
c/- Advanced Share Registry Ltd
PO Box 1156
Nedlands WA 6909

By Hand

Credit Intelligence Limited – Subscription Account
c/- Advanced Share Registry Ltd
110 Stirling Highway
Nedlands WA 6009

Applicants are urged to lodge their Application Forms as soon as possible as the Offer may close early without notice.

An original, completed and lodged Application Form together with a cheque for the Application Monies constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form. The Application Form does not need to be signed to be valid. If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may still be treated by the Company as valid. The Board's decision as to whether to treat an application as valid and how to construe, amend or complete the Application Form is final however an applicant will not be treated as having applied for more Shares than is indicated by the amount of the cheque accompanying the Application Form.

It is the responsibility of applicants outside Australia to obtain all necessary approvals in order to be issued Shares under the Offer. The return of an Application Form will be taken by the Company to constitute a representation and warranty by the applicant that all necessary approvals have been obtained, or that the applicant is otherwise eligible to apply for and receive Shares under the Offer for the purposes of all applicable securities laws.

1.3 **CONDITIONAL OFFER**

The Offer under this Prospectus is conditional upon the following events occurring:

- the Company raising the minimum subscription amount of \$3,500,000 under the Offer (refer to section 1.4 for further information);
- Shareholders approving the Specified Resolutions to be considered at the General Meeting to be held on 23 January 2018 (refer to Section 2.3 for further information);
- completion of the Proposed Transaction (refer to Section 2.2 for further information);
- the Board being reasonably satisfied of the Company's ability to re-comply with the admission requirements under Chapters 1 and 2 of the Listing Rules (refer to Section 1.5 for further information).

If these conditions are not satisfied then the Offer will not proceed and the Company will repay all Application Monies without interest in accordance with the Corporations Act.

1.4 **MINIMUM SUBSCRIPTION**

The minimum subscription requirement for the Offer is \$3,500,000, representing the subscription of Shares at an issue price of \$0.02 each (**Minimum Subscription**). No Shares will be issued until the Offer has reached the Minimum Subscription. If the Minimum Subscription has not been achieved within 4 months of the date of this Prospectus, all Application Monies will be refunded without interest in accordance with the Corporations Act.

1.5 RE-COMPLIANCE WITH CHAPTERS 1 AND 2 OF THE LISTING RULES

ASX has determined that completion of the Proposed Transaction would constitute a significant change to the nature and scale of the Company's activities and it has exercised its discretion under Listing Rule 11.1.3 to require the Company to re-comply with Chapters 1 and 2 of the Listing Rules in order to complete the Proposed Transaction. Accordingly, the Company will seek Shareholder approval for the change in nature and scale at the General Meeting under Listing Rule 11.1.2, and it will take all other necessary steps to meet the requirements of Chapters 1 and 2 as if the Company were applying for admission to the official list of ASX. Among other reasons, this Prospectus is issued to assist the Company with satisfying certain of these requirements.

There is a risk that the Company may not be able to meet the requirements of Chapters 1 and 2. In the event the conditions to the Offer are not satisfied or ASX does not otherwise approve the Company's re-admission to the official list of ASX then the Company will not proceed with the Offer, and all Application Monies will be refunded without interest and any Shares issued will be deemed void in accordance with the Corporations Act.

1.6 PURPOSES OF THE OFFER

The principal purposes of the Offer are to:

- (a) comply with ASX's requirements for listing the Company on the ASX;
- (b) enhance the public and financial profile of the Company to facilitate further growth of the Company's business;
- (c) provide funds for the purposes set out in Section 1.7; and
- (d) provide the Company with access to equity capital markets for future funding needs.

1.7 PROPOSED USE OF FUNDS

The Company intends to use the funds raised under the Offer as follows:

Use of funds	Minimum Subscription		Full Subscription	
	Amount	%	Amount	%
Establishment of Australian operations	\$1,750,000	50%	\$2,500,000	50%
Marketing and advertising	\$525,000	15%	\$1,000,000	20%
Expenses of the Offer	\$576,000	16.46%	\$681,000	13.62%
ASX Fees other miscellaneous	\$80,000	2.29%	\$85,000	1.70%
General working capital	\$569,000	16.26%	\$734,000	14.68%
Total	\$3,500,000	100%	\$5,000,000	100%

Notes:

1. Working capital may include wages, payments to contractors, rent and outgoings, insurance, accounting, audit, legal and listing fees, other items of a general administrative nature and cash reserves which may be used in connection with any project, investment or acquisition, as determined by the Board at the relevant time.

The above table is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors including, but not limited to, the economic climate in which the Company operates. In light of this, the Board reserves the right to alter the manner in which the funds are applied.

If Full subscription is not achieved then this may affect the rate at which any business plans are undertaken by the Company. Additional funding through debt/equity may be considered by the Board where it is appropriate to accelerate a specific project or transactions.

If the Company decides to make any significant acquisitions such as competitor or complementary businesses or other assets, then it is possible that such acquisitions will be funded through additional financing through debt or equity (subject to necessary Shareholder approvals).

The Board is satisfied that upon completion of the Offer, the Company will have sufficient capital to meet its stated objectives.

1.8 CAPITAL STRUCTURE

The table below provides a summary of the capital structure of the Company at the date of this Prospectus and upon completion of the Offer.

Capital structure	Existing ¹	Completion	
		Minimum Subscription	Full Subscription
Existing Shares (pre-Consolidation)	249,705,637	249,705,637	249,705,637
Existing Shares (post-Consolidation)	72,000,000	72,000,000	72,000,000
Consideration Shares to Sellers ²	-	532,852,564	532,852,564
Shares to Advisers ³	-	37,299,679	37,299,679
Shares under Public Offer	-	175,000,000	250,000,000
Total Shares	72,000,000	817,152,243	892,152,243
Class A Performance Shares ⁴	-	18,500,000	18,500,000
Class B Performance Shares ⁵	-	21,500,000	21,500,000
Fully diluted share capital	72,000,000	857,152,243	932,152,243

Notes:

1. Assumes completion of the Consolidation of securities on a 1 for 3.4681 basis.
2. Shares to be issued to the Sellers under the Share Purchase Agreement in consideration for their shares in CIH. See Section 10.1 for further information.
3. Shares to be issued to Rung Capital International Ltd, Henry Chow and Mark Ng in consideration of services provided to the Company in connection with the Proposed Transaction. See Section 10.4 for further information.
4. Class A Performance Shares will be issued to the Proposed Directors. Full terms of the Class A Performance Shares are set out in Section 11.2.
5. Class B Performance Shares will be issued to the Proposed Directors. Full terms of the Class B Performance Shares are set out in Section 11.2.
6. The Company has no other securities on issue.

1.9 ESCROW ARRANGEMENTS

If ASX determines that mandatory escrow applies to the Company's proposed ASX listing, then the Company will likely be required to enter into escrow agreement with all of the existing Shareholders. If mandatory escrow does not apply, then further to the Share Purchase Agreement, the Company will only enter into a voluntary escrow agreement with its major Shareholder, Beta Field (China) Financial Information Services Ltd (an entity wholly owned by proposed director, Jimmie Wong), under which 40% of his shareholding in the Company will be escrowed for 12 months, and 40% of his shareholding in the Company will be escrowed for 24 months (see Section 10.7 for further information). The escrow agreements will be on ASX's standard terms and conditions set out in Appendix 9A of the Listing Rules.

1.10 UNDERWRITING

The Offer is not underwritten.

1.11 CAPITAL RAISING FEES

The Company has engaged Patersons Securities Limited (**Patersons**) as its corporate adviser and lead manager to, among other things, assist with raising funds under the Offer. Patersons will receive a capital raising fee of 5.5% (plus GST) in respect of funds raised under the Offer, a lead manager fee of 1.5% (plus GST) in respect of funds raised under the Offer, a \$100,000 success fee on the completion of the Offer, and a corporate advisory fee of \$20,000 per month commencing on 1 August 2017 until the earlier of 1 December 2017 or the lodgement of the Prospectus. See section 10.5 for a summary of the Company's agreement with Patersons.

Further, the Company reserves the right to pay a fee of up to 5% (excl. GST) of amounts subscribed to any licensed securities dealer or Australian Financial Services licensee who has procured investment under the Offer. Payments will be subject to the receipt of a valid tax invoice from the licensed securities dealer or Australian Financial Services licensee.

1.12 FOREIGN INVESTOR RESTRICTIONS

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or to extend such an invitation. No action has been taken to register this Prospectus or otherwise to permit a public offering of Shares in any jurisdiction outside Australia. It is the responsibility of non-Australian resident investors to obtain all necessary approvals for the issue to them of Shares offered pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the applicant that all relevant approvals have been obtained. See Section 11.11, for information on selling restrictions that apply to the Shares in certain jurisdictions outside Australia.

1.13 RISK FACTORS

As with any share investment, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in Section 8 of this Prospectus. The Shares on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, applicants should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

1.14 ASX LISTING AND QUOTATION

The Company will apply to ASX no later than 7 days from the date of this Prospectus for re-admission of the Company to the official list of ASX, and official quotation of the Shares offered under the Offer. If the Shares are not admitted to quotation within 3 months of the date of this Prospectus, no Shares will be issued and Application Monies will be refunded in full without interest in accordance with the Corporations Act.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant re-admission of the Company to the official list and official quotation of the Shares being offered is not to be taken in any way as an indication by ASX as to the merits of the Company or the Shares.

1.15 EXPOSURE PERIOD

In accordance with Chapter 6D of the Corporations Act, this Prospectus is subject to an Exposure Period of 7 days from the date of lodgement with ASIC. The Exposure Period may be extended by ASIC by a further period of up to 7 days.

The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus. If deficiencies are detected, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. During the Exposure Period, this Prospectus can be viewed online on the Company's website at www.apaccoal.com, and hard copies of this Prospectus will be made available upon request to the Company. Applications received during the Exposure Period will not be processed until after expiration of the Exposure Period. No preference will be conferred on applications received during the Exposure Period and all such applications will be treated as if they were simultaneously received on the Opening Date.

1.16 APPLICATION MONIES HELD IN TRUST

All Application Monies will be held in a separate subscription account on behalf of applicants until the Shares are issued pursuant to the Offer. If the Minimum Subscription is not achieved within a period of 4 months of the date of this Prospectus, all Application Monies will be refunded in full without interest, and no Shares will be issued under the Offer. Any interest earned on Application Monies (including those which do not result in the issue of Shares) will be retained by the Company.

1.17 ALLOCATION AND ISSUE OF SHARES

The Board reserves the right to reject any application or to issue a lesser number of Shares than that applied for. If the number of Shares allocated is less than that applied for, or no issue is made, the surplus Application Monies will be promptly refunded without interest.

Subject to ASX granting approval for quotation of the Shares, the issue of Shares will occur as soon as practicable after the Offer closes. All Shares issued under the Offer will rank equally in all respects with existing Shares on issue. Holding statements will be sent to successful

applicants as required by ASX. It is the responsibility of applicants to determine their allocation prior to trading in the Shares. Applicants who sell Shares before they receive their holding statement will do so at their own risk.

1.18 CHESS AND ISSUER SPONSORSHIP

The Company will apply to CHESS. All trading on the ASX in existing Shares will be settled through CHESS. ASX Settlement, a wholly-owned subsidiary of the ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules. On behalf of the Company, the Share Registry will operate an electronic issuer sponsored sub-register and an electronic CHESS sub-register. The 2 sub-registers together make up the Company's principal register of securities.

Under CHESS, the Company does not issue certificates to Shareholders. Rather, holding statements (similar to bank statements) will be sent to Shareholders as soon as practicable after Shares are issued. Holding statements will be sent either by CHESS (for Shareholders who elect to hold Shares on the CHESS sub-register) or by the Company's Share Registry (for Shareholders who elect to hold their Shares on the issuer sponsored sub-register). The statements will set out the number of existing Shares (where applicable) and the number of new Shares issued under this Prospectus and provide details of a Shareholder's Holder Identification Number (for Shareholders who elect to hold Shares on the CHESS sub-register) or Shareholder Reference Number (for Shareholders who elect to hold their Shares on the issuer sponsored sub-register). Updated holding statements will also be sent to each Shareholder at the end of each month in which there is a transaction on their holding, as required by the Listing Rules.

1.19 PRIVACY DISCLOSURE

Persons who apply for Shares pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess applications for Shares, to provide facilities and services to shareholders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If the information requested is not supplied, applications for Shares will not be processed. In accordance with privacy laws, information collected in relation to specific shareholders can be obtained by that shareholder through contacting the Company on +61 2 9233 3308, or the Share Registry on +61 8 9389 8033.

1.20 ELECTRONIC PROSPECTUS

In addition to issuing this Prospectus in printed form, a read-only version of this Prospectus is also available on the Company's website, www.apaccoal.com. There is no facility for online applications. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access this Prospectus from within Australia. The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered electronic version of this Prospectus. See Section 11.8 for further information.

1.21 FINANCIAL FORECASTS

After considering *ASIC Regulatory Guide 170*, the Directors do not believe that they have a reasonable basis to reliably forecast future earnings of the Company and, accordingly, financial forecasts are not included in this Prospectus.

1.22 DIVIDENDS

The Board can provide no guarantee as to the extent of future dividends, as these will depend on, among other things, the actual levels of profitability and the financial and taxation position of the Company at the relevant time.

1.23 ENQUIRIES

This Prospectus is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, lawyer, accountant or other professional adviser without delay.

Questions relating to the Offer and completion of Application Forms can be directed to the Share Registry on + 61 8 9389 8033 or the Company on +61 2 9233 3308.

2. OVERVIEW OF THE COMPANY AND PROPOSED TRANSACTION

2.1 COMPANY

The Company was registered on 29 June 2007 and listed on the ASX on 10 July 2008. Since its incorporation, the Company has primarily operated as a coal company, engaged in the production of coal in Indonesia. The Company was suspended from trading on the ASX on 30 June 2016.

The Company holds 99.7% of the issued capital in Pt Deefu Chemical Indonesia. Through its holding in Pt Deefu Chemical Indonesia, the Company was the beneficial holder of an Indonesian tenement (No. 45.K/30DJB/2008) located in the Pasir district of East Kalimantan (**Tenement**). The Tenement was however expropriated in 2009 by the Indonesian government, which resulted in the Company writing down the value of the Tenement, and therefore its shareholding in Pt Deefu Chemical Indonesia to \$1.00. Upon completion of the Proposed Transaction, the Company will attempt to dispose of its interest in Pt Deefu Chemical Indonesia for nominal consideration. Other than its interest in Pt Deefu, the Company currently has no other key assets or liabilities.

On 23 October 2017, the Company entered into a share purchase agreement (**Share Purchase Agreement**) with Credit Intelligence and the Sellers to acquire 100% of the issued share capital of Credit Intelligence (together with the matters described in Section 2.2, the **Proposed Transaction**).

2.2 PROPOSED TRANSACTION

Under the Proposed Transaction, and subject to Shareholders approving the Specified Resolutions at the General Meeting, the Company will:

- consolidate its existing securities on a 1 for 3.46813384733847 basis;
- issue up to 250,000,000 Shares under this Prospectus at an issue price of \$0.02 each to raise up to \$5,000,000, with a minimum subscription requirement to raise at least \$3,500,000;
- acquire 100% of the issued share capital of CIH;
- issue 532,852,564 Shares to the Sellers;
- issue 37,299,679 Shares to Rung Capital International Ltd, Henry Chow and Mark Ng (and/or their nominees) in consideration of services provided to the Company in connection with the Proposed Transaction;
- change its name to “Credit Intelligence Limited”;
- dispose of its interest in the share capital of PT Deefu Chemical Indonesia;
- restructure its Board, with the existing Directors (Luke Ho Khee Yong, Quah Boon Ban and Brett Crowley) stepping down, and Jimmie Wong, Mel Ashton, King Wong, Krista Bates and Vincent Lai (**Proposed Directors**) replacing the existing Directors from completion of the Share Purchase Agreement;
- issue 18,500,000 Class A Performance Shares and 21,500,000 Class B Performance Shares to the Proposed Directors; and
- re-commence trading on the ASX.

Further information on Credit Intelligence and its business is set out in Section 5.

2.3 GENERAL MEETING

The General Meeting will be held on 23 January 2018 to seek Shareholder approval to the following resolutions (**Specified Resolutions**):

- **Consolidation of securities:** The Company will consolidate its securities on a 1 for 3.468133847 basis so that 72,000,00 Shares are on issue post-consolidation.
- **Change to nature and scale of activities:** A significant change to the nature and scale of the Company's activities as a result of the Proposed Transaction. Upon completion of the Proposed Transaction, the Company will effectively change from a coal exploration company to a debt restructuring company, and will have a significantly enlarged capital structure.
- **Approval of Performance Shares:** The creation of the Performance Shares to be issued to the Proposed Directors as a new class of share in the capital of the Company. Please refer to Section 11.2 for the terms of the Performance Shares.
- **Issue of Shares to the Sellers:** The issue of up to 532,852,564 Shares to the Sellers in consideration of the Company acquiring 100% of the issued share capital in Credit Intelligence. Takeover approval is being sought as the Sellers will hold more than 20% of the voting power in the Company upon completion of the Proposed Transaction.
- **Appointment of the Proposed Directors:** The appointment of Jimmie, Wong, Mel Ashton, King Wong, Krista Bates and Vincent Lai as Directors with effect from completion of the Share Purchase Agreement. Please see Section 9.3 for details on the Proposed Directors.
- **Issue of Performance Shares to the Proposed Directors:** The issue of 18,500,000 Class A Performance Shares and 21,500,000 Class B Performance Shares to the Proposed Directors as partial consideration of the services to be provided by the Proposed Directors as directors of the Company.
- **Issue of Shares under this Prospectus:** The issue of up to 250,000,000 Shares to the public under this Prospectus at an issue price of \$0.02 each to raise up to \$5,000,000 before costs.
- **Issue of Shares to Advisers:** The issue of 37,299,679 Shares to Rung Capital International Ltd, Henry Chow and Mark Ng in consideration of services provided to the Company in connection with the Proposed Transaction.

The Specified Resolutions are inter-conditional and must be passed by Shareholders in order for the Offer to proceed.

2.4 CHANGE OF NAME

At the General Meeting, the Company will also seek Shareholder approval to change its name from 'APAC Coal Limited' to 'Credit Intelligence Limited'. The new name will take effect upon a new certificate of registration being issued by ASIC for the Company. The Company will not change its name if completion of the Share Purchase Agreement does not occur.

Unlike the Specified Resolutions, the Offer is not conditional on Shareholders approving the name change as it is a special resolution which requires at least 75% of votes to be cast in favour of it.

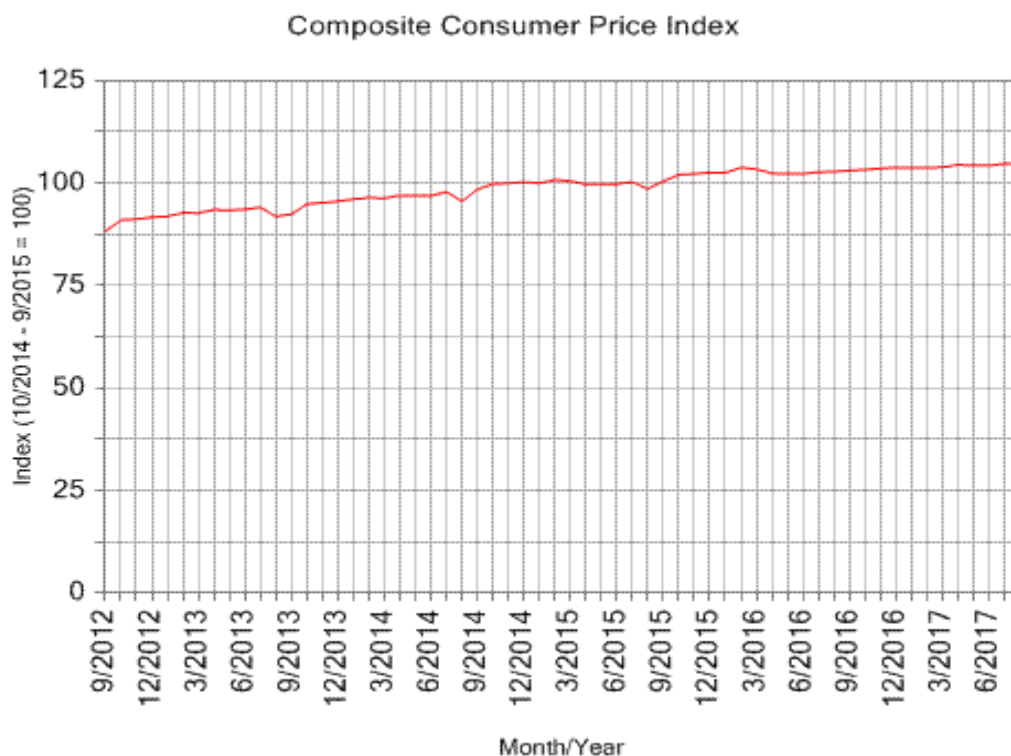
3. HONG KONG INDUSTRY OVERVIEW

Information contained in this Section 3 reflects estimates of market conditions based on publicly available sources. The Directors believe that the sources of information contained in this Section 3 are appropriate sources for such information and have taken reasonable care in reproducing such information. The Directors have no reason to believe that such information is false or misleading or that any material fact has been omitted that would render such information false or misleading.

3.1 OVERVIEW OF THE ECONOMIC ENVIRONMENT IN HONG KONG

Affected by an unstable global economy and weaker domestic demand in China, Hong Kong has experienced a period of stagnancy in its economy in the past few years and a similar economic environment is expected to continue in coming years.

While there has still been a steady growth in the household income in Hong Kong, this growth has been outpaced by the inflation of consumer expenses, in particular housing expenses.



Source: HKSAR Census and Statistic Department

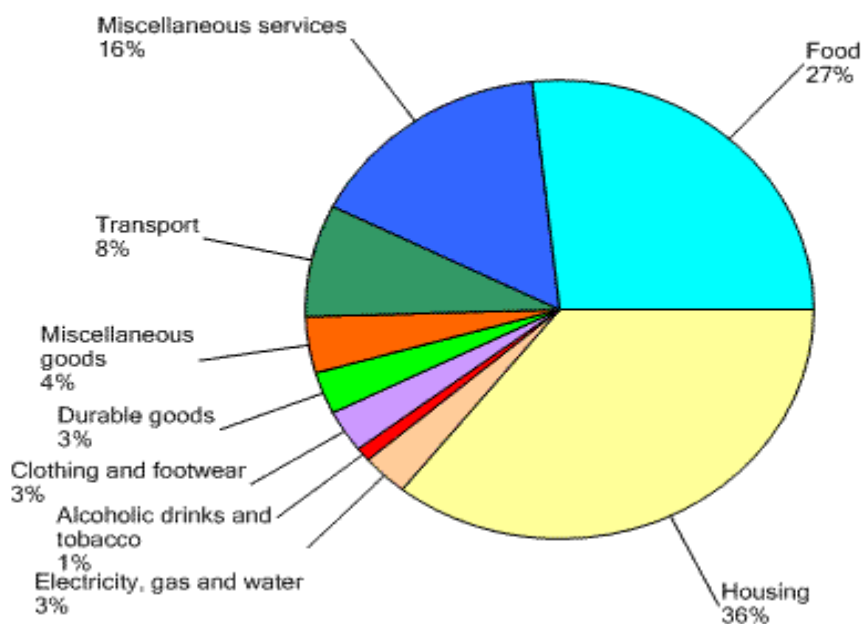
Due to continuous inflation, household debt has also increased. There are 3 main types of household debt in Hong Kong:

- mortgage loan (approximately 67~70% of household debt);
- personal loan (23~25%); and
- credit card loan (7~8%).

With Hong Kong housing affordability ranked as the most expensive in the world and under the pressure of an increase to the US Federal interest rate, the ratio of mortgage repayment to

household income has been increasing. Inflation of household expenses also drives the strong reliance on personal loans and credit card loans in Hong Kong.

2014/15 Household Expenditure Survey
Average monthly household expenditure by commodity/service section



Source: HKSAR Census and Statistic Department
(The government conducts the survey every 5 years.)

As a result, there is an upward trend for personal debt and in turn personal insolvency, which has resulted in increasing demand for debt management service in Hong Kong.

3.2 OVERVIEW OF THE INDUSTRY

3.2.1 BANKRUPTCY ADMINISTRATION SERVICE

Under the Bankruptcy Ordinance (Chapter 6 of the Laws of Hong Kong) (**Bankruptcy Ordinance**), where an individual is unable to pay their debts, they or their creditors may present a petition to court for a bankruptcy order against him. Upon the making of the bankruptcy order, a trustee will be appointed to administer the bankruptcy estate. The duty of the trustee includes the realisation of assets, monitoring income and expenses, and the making of distributions. This duty is known as a bankruptcy administration service.

The bankruptcy administration service has two sectors, one is the Official Receiver's Office of the Hong Kong Government (**ORO**) and the other is service providers in the market. For cases with assets not likely to exceed HK\$200,000, the ORO will administer the cases themselves or they will appoint their tender contractors to act. For cases with assets likely to exceed HK\$200,000, the creditors can appoint service providers in the market to act as outside trustee (**OT**). Although there is no specific qualification requirement for OT, the market norm is that only professionals such as solicitors or certified public accountants will be appointed.

3.2.2 INDIVIDUAL VOLUNTARY ARRANGEMENT SERVICE

As an alternative to bankruptcy, an individual may seek to enter into an individual voluntary arrangement (**IVA**) with their creditors by making a proposal for repayment of their debts (usually

by monthly instalments and in full) to them under the Bankruptcy Ordinance. The proposal will be firstly approved by the court and then by a special majority (75%) of the creditors voting at a creditors' meeting. After the proposal is approved, a nominee will be appointed to implement the proposal. The duty of the nominee includes collecting payment from the individual and making distributions to the creditors monthly.

An IVA service includes the consultancy services from early stage to implementation service after the proposal is approved.

Current market players include traditional law firms and accounting firms with broad business lines and consultancy firms specialised in debt related matters.

3.3 REGULATORY ENVIRONMENT

The Bankruptcy Ordinance and the Bankruptcy Rules (Chapter 6A of the Laws of Hong Kong) (**Bankruptcy Rules**) are the principal legislation regulating the debt management service industry in Hong Kong and provide the legal framework for:

- a creditor to file a bankruptcy against an individual, a firm or a partner of a firm who owes money to the creditor;
- a debtor who is unable to repay his or her debt to file a bankruptcy petition against him or herself with the court; and
- IVAs.

3.3.1 BANKRUPTCY ADMINISTRATION SERVICE

Pursuant to section 12 of the Bankruptcy Ordinance, when a bankruptcy petition is filed or the court makes a bankruptcy order, no proceedings can be taken against or continued against the bankrupt or the bankrupt's assets without the leave of the court.

Upon the making of a bankruptcy order, the ORO will become the provisional trustee and any creditor of the bankrupt may request the provisional trustee to summon a general meeting of the bankrupt's creditors for the purpose of appointing an OT under section 17B of the Bankruptcy Ordinance.

Section 85 of the Bankruptcy Ordinance and Rule 167 of the Bankruptcy Rules govern the remuneration of the OT and require that the remuneration of the OT be fixed by an ordinary resolution of the bankrupt's creditors.

Upon its appointment as a trustee, an OT is empowered by the Bankruptcy Ordinance and Bankruptcy Rules to carry out certain duties and responsibilities. Upon appointment, the OT shall immediately take possession of the deeds, books and documents and all other parts of property capable of manual delivery of the bankrupt as soon as possible to ascertain the statement of the bankrupt's affairs is accurate pursuant to section 53(1) of the Bankruptcy Ordinance. Section 34(7A) of the Bankruptcy Ordinance permits the OT to determine whether to accept or reject in whole or in part a debt claimed to be owed to a creditor. The OT must examine whether there is satisfactory evidence to prove the existence of the debt when exercising this duty.

Pursuant to section 60 of the Bankruptcy Ordinance, the OT may exercise certain powers without the sanction of the creditors of the bankrupt, including the power to sell or take into its control any part of the property to which the bankrupt is or appears to be entitled. The powers exercised by the OT pursuant to section 60 of the Bankruptcy Ordinance must be exercised without prejudice to the bankrupt or the creditors. Section 61 of the Bankruptcy Ordinance lists the powers that the trustee may exercise with the permission of the creditors.

Any person aggrieved by any act or decision of the OT may rely on section 83 of the Bankruptcy Ordinance to apply to the court, and the court may confirm, reverse or modify the act or decision complained of, and in its place make such order as it thinks just.

Section 30A of the Bankruptcy Ordinance deals with the automatic discharge of a bankruptcy order. A bankruptee is discharged from bankruptcy after:

- (a) 4 years from the commencement of bankruptcy, where the bankruptee has not previously been adjudged bankrupt; or
- (b) 5 years from the commencement of bankruptcy, where the bankrupt has been previously adjudged bankrupt.

The OT must notify and advise the creditors that the bankruptee will be discharged unless there is an objection not less than three months before the end of the expiration of the bankruptcy. The OT or any creditor may apply to the court to extend the bankruptcy period if the bankruptee is adjudged to have offended a ground of the bankruptcy application pursuant to section 30(A) of the Bankruptcy Ordinance. The OT has a duty under section 86A(1) of the Bankruptcy Ordinance to investigate the conduct of the bankruptee and to report to the court on any conduct that may assist the court in refusing, suspending, or qualifying an order for the bankruptee's discharge.

3.3.2 INDIVIDUAL VOLUNTARY ARRANGEMENT SERVICE

Under the voluntary arrangement stipulated in sections 20 and 20A of the Bankruptcy Ordinance, a debtor, whether or not they are bankrupt, may make a repayment proposal to the court and the creditors. If such repayment proposal is approved, it will be legally binding on all creditors. The repayment proposal must provide for a nominee to act in relation to the voluntary arrangement either as trustee or otherwise for the purpose of supervising its implementation.

The nominee can be the ORO or some person who by reason of his experience and qualifications is, in the opinion of the court, a suitable person to perform the duties of the nominee pursuant to the Bankruptcy Ordinance.

3.4 HONG KONG INDUSTRY OUTLOOK

In the last decade, the number of bankruptcy cases per year reached its peak in 2009 after the global financial crisis. Thereafter, the number has remained stable in the range of 8,000 to 10,000 per annum. It is expected that the number of bankruptcy cases each year will continue to be within this range until the outbreak of the next financial crisis.

Statistics on Bankruptcy Petitions & Order for the period 1-2006 to 8-2017						
Year	Petitions presented by			Receiving/Bankruptcy Orders made on		
	Debtors	Creditors	Total	Debtors' Petitions	Creditors' Petitions	Total
2006	9647	1038	10685	9226	1098	10324
2007	10174	744	10918	10403	660	11063
2008	10754	866	11620	10116	663	10779
2009	14907	877	15784	15366	791	16157
2010	8353	749	9102	8531	632	9163
2011	7440	637	8077	7422	559	7981
2012	8118	567	8685	7735	443	8178
2013	8919	530	9449	8959	412	9371

2014	9550	477	10027	9293	381	9674
2015	9343	532	9875	9353	397	9750
2016	8543	508	9051	8532	387	8919
Aug 2017	4965	413	5378	4944	299	5243

Source: HKSAR Official Receiver's Office

During the same period the number of IVA cases per year has decreased, reflecting that the ability or willingness of debtors to settle their debts in full is decreasing.

Statistics on Approved Individual Voluntary Arrangement Cases			
Year	Number of Approved Individual Voluntary Arrangement cases with Official Receiver as Nominee	Nominee Number of Approved Individual Voluntary Arrangement cases with Outside Nominees	Total
2006	1	1523	1524
2007	0	1949	1949
2008	0	2020	2020
2009	0	3046	3046
2010	0	1389	1389
2011	0	822	822
2012	0	799	799
2013	0	810	810
2014	0	782	782
2015	0	684	684
2016	0	589	589
Aug 2017	0	407	407

Source: HKSAR Official Receiver's Office

4. KPMG PERSONAL INSOLVENCY INDUSTRY REPORT FOR AUSTRALIA



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Mr Luke Ho
APAC Coal Limited
Suite 904
37 Blight Street
Sydney NSW 2000

Our ref APAC - Personal insolvency
industry report 2017.11.06

6 November 2017

Dear Sirs

Personal Insolvency Industry Report

We refer to our engagement letter dated 10 October 2017 to provide an industry report containing data with respect to the personal insolvency industry in Australia to be included in the proposed Prospectus of APAC Coal Limited ("APAC") to be issued in connection with your proposed transaction with Credit Intelligence Holding Limited.

The scope of work, in summary, is to prepare this report (using publicly available data), including:

- An overview of the Australia personal insolvency industry
- An explanation of how the industry is regulated in Australia
- Outline industry trends and demands

1 Overview of the Australian personal insolvency industry

1.1 Background and nature of the industry

The history of individuals unable to repay their personal debts spans longer than records exist. Bankruptcy law in Australia was regulated by each state and territory separately until the Bankruptcy Act 1924 (Cth) was enacted¹.

The Bankruptcy Act 1924 was amended a number of times before bankruptcy legislation was overhauled and the Bankruptcy Act 1966 (Cth) ("the Act") was enacted, which remains current law in Australia.

The Act prescribes the rules and regulations in bankruptcy proceedings from pre-bankruptcy activity/actions to the discharge of the bankrupt. A registered bankruptcy Trustee ("Trustee") is empowered to govern the bankrupt estate (Part IV of the Act), ensuring that the bankrupt's

¹ Bankruptcy Act 1898 (NSW); Bankruptcy Act 1874 (Qld); Insolvent Act 1886 (SA); Bankruptcy Act 1870 (Tas); Insolvency Act 1915 (Vic); Bankruptcy Act 1892 (WA); Bankruptcy Act 1924 (Cth)

assets are recovered and distributed to creditors of the bankrupt estate in accordance with the statutory provisions/priorities set out in the Act.

The Act also prescribes rules governing:

- deceased estates in bankruptcy (Part XI of the Act)
- debt agreement administrations (Part IX of the Act)
- personal insolvency agreements ("PIA") (Part X of the Act)

1.2

Types of personal insolvency arrangements

There are three primary types of compulsory or voluntary personal insolvency arrangements in Australia:

- Bankruptcy:
 - Voluntary – a debtor may choose to file for bankruptcy voluntarily, which is the most common method of declaring bankruptcy. An individual may file for bankruptcy on the basis they are unable to pay their debts and intend to release creditor pressure
 - Compulsory – a creditor may choose to commence recovery proceedings against a debtor by obtaining a judgment for a debt in a Local Court, and subsequently presenting a petition to bankrupt the debtor if the judgment is not satisfied. The Local Court may then make a sequestration order against the debtor. Due to the time and costs associated with this action, it is less common for debtors to be compulsorily bankrupted
- Personal insolvency agreements – PIAs are agreed between a debtor and their creditors where, generally, the debtor has a high income, but limited assets to distribute to their creditors, or a low income and significant assets (ie breaching the indexed assets, debts or income thresholds (see below)). A PIA must be agreed by 50% of creditors in number and 75% in value. A PIA is considered beneficial for the debtor to discharge their liabilities and return to ordinary responsibilities faster, and beneficial for creditors to agree to commercial, reasonable terms with the debtor.

A PIA involves the appointment of a Trustee, registered with the Australian Financial Security Authority ("AFSA"), who takes control of the debtor's property and assists in the process of offering an arrangement to creditors.
- Debt agreements – debtors with relatively low incomes, low value assets and limited (or no) property, may agree to a less formal bankruptcy arrangement, administered by a

practising (approved by AFSA) debt agreement administrator. The indexed thresholds² for debt agreements are:

- Unsecured debts: less than \$111,675.20
- Unsecured assets: less than \$111,675.20
- Annual income: less than \$83,756.40

Debt agreements are similar to PIAs in their informal nature, however, require income contributions to be made to creditors and are administered under semi-formal regulations similar to bankruptcy

The difference between the three formal personal insolvency options are summarised below:

² AFSA website, accessed on 24 October 2017: <https://www.afsa.gov.au/insolvency/how-we-can-help/indexed-amounts-0>

Formal personal insolvencies comparison			
	Bankruptcy	Debt agreements	Personal insolvency agreements ("PIA")
Part of the Act	Part IV and XI	Part IX	Part X
General timeframe	3 years, unless extended	3 to 5 years	1 or more years
Administrator	Registered Trustee	AFSA-approved debt agreement administrator	Registered Trustee
Eligibility			
Previous insolvency	Eligible, but may not be acceptable	Not eligible	Eligible, if no PIA has been proposed in the past six months
Income threshold	No	Yes, \$111,675.20	No
Asset threshold	No	Yes, \$111,675.20	No
Debt threshold	No	Yes, \$83,756.40	No
Income/employment			
Payments from income	Yes, mandatory	Yes, generally	No
Ability to continue business	Yes, if disclosed	Yes, if disclosed	Yes, if agreed
Ability to be a director	No	Yes	No
Assets			
Ability to retain assets	No	Yes	Yes
Ability to recover assets sold/transferred under value?	Yes	No	No
Ability to recover voidable transactions?	Yes	No	No
Debts			
Unsecured debts	Receive pro-rata payments from recoveries after costs, subject to statutory priorities	All creditors receive pro-rata payments	Depends on the agreement with creditors
Secured debts	Rights of secured creditors are not affected	Rights of secured creditors are not affected	Rights of secured creditors are not affected
Release from debts	Upon discharge from bankruptcy	Upon completing terms of agreement	As per terms of the agreement
Restrictions			
Travel overseas	Consent required	No restriction	No restriction
Travel within Australia	No restriction	No restriction	No restriction
Incurring further debt	Threshold and disclosures required	Threshold and disclosures required	No restriction
Fees			
Fees for administration of the estate	Subject to creditor approval	Subject to creditor approval	Subject to creditor approval

Source: AFSA website, accessed on 17 October 2017: <https://www.afsa.gov.au/insolvency/i-cant-pay-my-debts/compare-formal-options>

1.3

Industry size

As at 16 October 2017, there were 219 registered bankruptcy Trustees in Australia, split between each State/Territory as follows:

Number of registered Trustees in Australia	
State/territory	Number
Australian Capital Territory	6
New South Wales	68
Northern Territory	1
Queensland	57
South Australia	12
Tasmania	7
Victoria	49
Western Australia	19
Total	219

Source: AFSA website, accessed on 16 October 2017: <https://www.afsa.gov.au/practitioners/registered-trustee>

As at 16 October 2017, there were 38 practising registered debt agreement Administrators in Australia, split between each State/Territory as follows:

Number of practising Administrators in Australia	
State/territory	Number
Australian Capital Territory	0
New South Wales	10
Northern Territory	0
Queensland	15
South Australia	3
Tasmania	2
Victoria	5
Western Australia	3
Total	38

Source: AFSA website, accessed on 16 October 2017: <https://www.afsa.gov.au/practitioners/practicing-registered-debt-agreement-administrators>

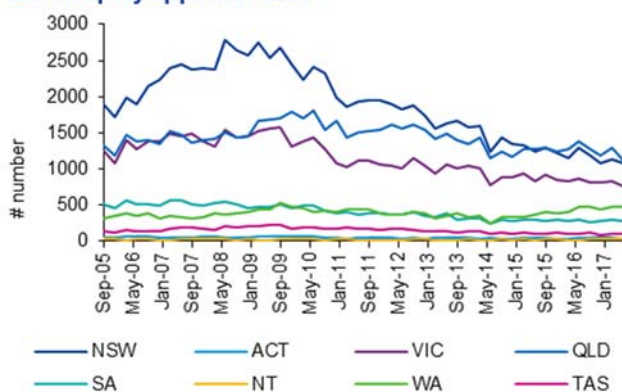
There is limited information collected and published with regard to the monetary size of the industry, only the number of appointments, as published on the AFSA website each quarter (see section 1.4 below).

1.4

Industry trends

The following graph displays the number of bankruptcy appointments by State/Territory and by quarter between 1 July 2005 and 30 June 2017.

Bankruptcy appointments

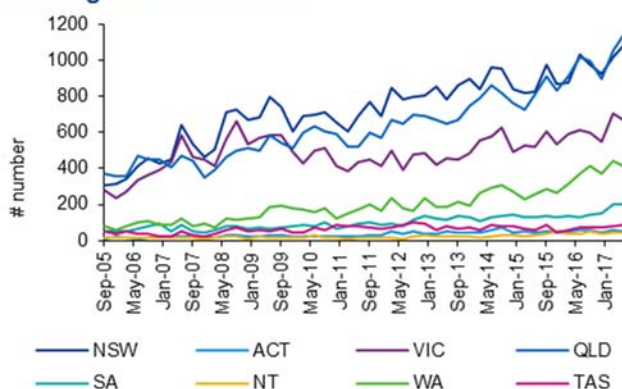


Source: AFSA website, accessed on 17 October 2017: <https://www.afsa.gov.au/professionals/about-insolvency-law-reform-act-ilra>

AFSA provides commentary with respect to personal insolvency statistics for each quarter. For the June 2017 quarter, AFSA stated that “bankruptcies as a proportion of total personal insolvencies reached a record low of 51.1% in the June 2017 quarter”³.

The following graph displays the number of debt agreements entered into by State/Territory and by quarter between 1 July 2005 and 30 June 2017.

Debt agreements entered



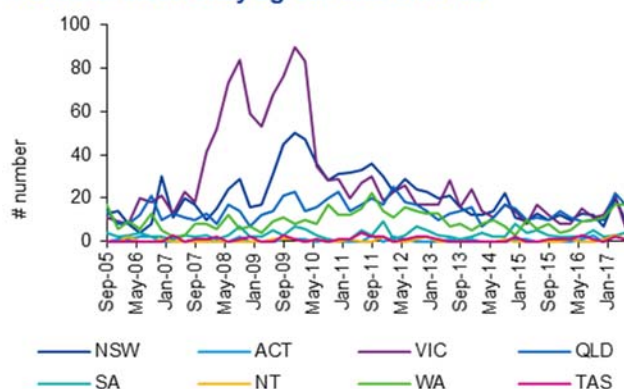
Source: AFSA website, accessed on 16 October 2017: <https://www.afsa.gov.au/statistics/personal-insolvency-statistics-0>

³ AFSA website, accessed on 16 October 2017: <https://www.afsa.gov.au/statistics/quarterly-statistics-commentary>

For the June 2017 quarter, AFSA stated that “debt agreements in the June 2017 quarter are the highest on record both by number and proportion of total personal insolvencies (48.2%)”⁴.

The following graph displays the number of personal insolvency agreements entered into by State/Territory and by quarter between 1 July 2005 and 30 June 2017.

Personal insolvency agreements entered



Source: AFSA website, accessed on 16 October 2017: <https://www.afsa.gov.au/statistics/personal-insolvency-statistics-0>

AFSA states that “quarterly personal insolvency agreement levels fluctuate proportionally more than those of bankruptcies and debt agreements as levels are relatively small”⁵. AFSA further states that “this is the fourth consecutive quarter in which personal insolvency agreements have increased in year-on-year terms”⁶.

One of the primary drivers of personal insolvency activity is the level of household debt, and the ratio between housing and personal debts, as a proportion of household income (annualised), described below:

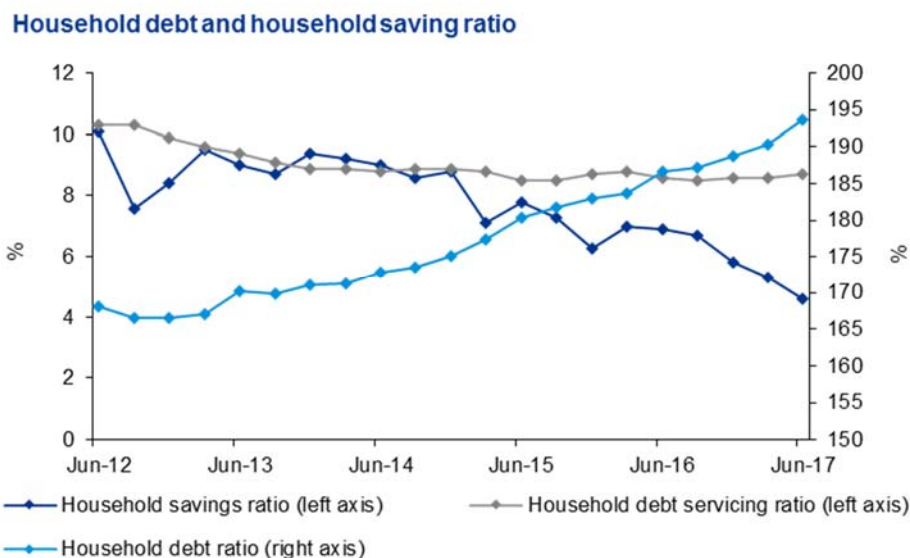
- *Household saving ratio*: the proportion of household savings against household income after tax
- *Household debt servicing ratio*: the proportion of interest on household and personal debt against quarterly household income
- *Household debt ratio*: the proportion of household debt against the value of household assets

⁴ AFSA website, accessed on 16 October 2017: <https://www.afsa.gov.au/statistics/quarterly-statistics-commentary>

⁵ AFSA website, accessed on 16 October 2017: <https://www.afsa.gov.au/statistics/quarterly-statistics-commentary>

⁶ AFSA website, accessed on 16 October 2017: <https://www.afsa.gov.au/statistics/quarterly-statistics-commentary>

These are displayed in the following table:



Source: RBA website: Household Finances – Selected Ratios – E2, accessed on 25 October 2017: <https://www.rba.gov.au/statistics/tables/> and ABS website: National Income, Expenditure and Product, accessed on 25 October 2017: <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/5206.0Jun%202017?OpenDocument>

2 Regulation

2.1 AFSA governance

The AFSA⁷ possesses powers in accordance with the Bankruptcy Act 1966 (“the Act”) and fulfils the following roles (as set out on AFSA’s website⁷):

- Inspector-General in Bankruptcy – “AFSA’s Chief Executive is also appointed as Inspector-General in Bankruptcy. The Inspector-General responsible for the general administration of the Bankruptcy Act and has powers to regulate bankruptcy trustees and debt agreement administrators, review decisions of trustees and investigate allegations of offences under the Bankruptcy Act.”
- Official Receiver – “on behalf of the Official Receiver, AFSA operates a public bankruptcy registry service with compliance and coercive powers to assist bankruptcy trustees to discharge their responsibilities.”
- Official Trustee in Bankruptcy – “The Official Trustee in Bankruptcy, a body corporate created under the Bankruptcy Act, administers bankruptcies and other personal insolvency arrangements when a private trustee or other administrator is not appointed.

⁷ AFSA website, accessed on 17 October 2017: <https://www.afsa.gov.au/about-us/agency-overview/our-roles>

AFSA provides personnel and resources to ensure that the Official Trustee can fulfil its responsibilities. The Official Trustee also has responsibilities under the Proceeds of Crime Act 2002 and the Customs Act 1901 to control and deal with property under court orders made under those statutes."

AFSA, in these capacities, is an overarching governor of the bankruptcy and debt agreement administration processes, its registered Bankruptcy Trustees ("Trustees") and Debt Agreement Administrators ("Administrators") and protects the interests of and prosecutes on behalf of the public and stakeholders of personal insolvency.

AFSA, in these capacities, also carries out the following duties:

- handles complaints against Trustees and Administrators
- manages the registrations, returns and cancellation of Trustees and Administrators' registrations
- monitors, inspects and reviews Trustees' decisions under the Act
- reviews and may determine Trustees' remuneration
- issues and may refer infringements for offences against Trustees

2.2 *Bankruptcy Act 1966*

The Act is the primary standing Commonwealth legislation governing all bankruptcy matters. The Act, and its subsequent revisions, covers all key matters pertaining to personal insolvency, including:

- administration of bankruptcies and debt agreement administrations
- dealing with assets and liabilities in the context of personal insolvency
- processes and procedures of those appointments
- enforcement against individuals
- rights of stakeholders to personal insolvencies
- powers, responsibilities and obligations of Trustees and Administrators
- powers, responsibilities and obligations of AFSA (and its affiliated roles)

2.3 *Insolvency Law Reform Act 2016*

In 2011, it was proposed that the insolvency industry (both corporate and personal) in Australia required significant regulatory reform. The Insolvency Law Reform Act 2016 ("ILRA") was

sworn, containing the key areas of reform and proposed to simplify the Act and the Corporations Act 2001 (Cth). Key amendments, listed on AFSA's website⁸, include:

- *"remove unnecessary costs and increase efficiency in insolvency administrations*
- *align the registration and disciplinary frameworks that apply to registered liquidators and registered trustees*
- *align a range of specific rules relating to the handling of personal bankruptcies and corporate external administrations*
- *enhance communication and transparency between stakeholders*
- *promote market competition on price and quality*
- *improve the powers available to the regulator to regulate the corporate and personal insolvency market and the ability for both regulators to communicate in relation to insolvency practitioners operating in both the personal and corporate insolvency markets*
- *improve overall confidence in the professionalism and competence of insolvency practitioners."*

The ILRA was rolled out in two stages:

- Parts 1 and 2 of the Insolvency Practice Schedule (Bankruptcy) ("IPS"), encompassing registration, governance and disciplinary provisions, commenced on 1 March 2017
- Part 3 of the IPS, encompassing bankruptcy administration procedures, commenced on 1 September 2017

3 KPMG Disclaimers

3.1 Inherent limitations

This report has been prepared from publicly available data and as outlined in the Scope Section. The services provided in connection with this engagement comprise an advisory engagement, which is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standards Board and, consequently no opinions or conclusions intended to convey assurances have been expressed. The scope of work is to provide a factual overview of the Australian personal insolvency industry from public sources and as such no advice, financial or otherwise, shall be included in the Report.

KPMG have indicated within this report the sources of the information provided. We have not sought to independently verify those sources unless otherwise noted within the report.

⁸ AFSA website, accessed on 17 October 2017: <https://www.afsa.gov.au/professionals/about-insolvency-law-reform-act-ilra>

KPMG is under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form.

The findings in this report have been formed on the above basis.

3.2 *Third Party Reliance*

This report is solely for the purpose set out in the Scope Section and for APAC's information, and is not to be used for any other purpose or distributed to any other party without KPMG's prior written consent.

This report has been prepared at the request of APAC in accordance with the terms of KPMG's engagement letter/contract dated 10 October 2017. KPMG consents to the inclusion of this report in the proposed Prospectus.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

4 **Closing**

Any queries with respect to this report should be directed to the relevant stakeholder liaison at APAC.

Yours faithfully



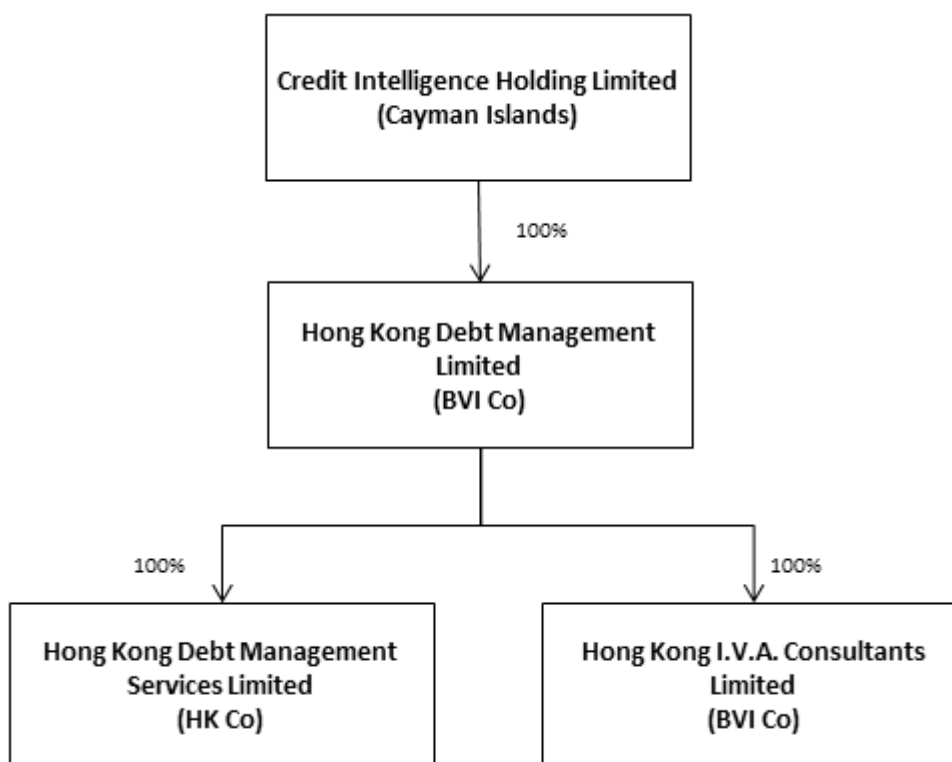
Hayden White
Partner

5. CREDIT INTELLIGENCE BUSINESS OVERVIEW

Credit Intelligence is one of the leading diversified debt restructuring businesses operating in Hong Kong. Credit Intelligence's main business model includes the provision of bankruptcy administration services and Individual Voluntary Arrangement (IVA) proposal consultancy and implementation services. Credit Intelligence employs approximately 25 staff including accountants and legal practitioners who work with financial institutions to provide creditors and debtors with customised and cost-effective debt solutions. Credit Intelligence has worked with over 30 banks in Hong Kong including HSBC, Standard Chartered Bank, Bank of China and Citibank and has played central role in shaping the IVA process in Hong Kong.

5.1 CORPORATE STRUCTURE

The current corporate group structure of Credit Intelligence is set out below. If the Proposed Transaction completes, CIH will become a wholly owned subsidiary of the Company and the Company will become the ultimate parent company of Credit Intelligence.



Credit Intelligence Holding Limited (Registration Number 303221) (**CIH**) was registered in the Cayman Islands on 17 August 2015 for the purposes of Credit Intelligence's proposed listing on the ASX. Other than in its capacity as the holding parent company of the Group, CIH is not currently involved in any material business activities and does not have any material assets or liabilities.

Hong King Debt Management Limited (Registration Number 536525) (**HKDM**) was registered in the British Virgin Islands on 6 March 2003. Other than in its capacity as a holding company, HKDM is not involved in any material business activities and does not have any material assets or liabilities.

Hong Kong Debt Management Services Limited (Company Number 846195) (**HKDMS**) was registered in Hong Kong on 28 April 2003. HKDMS is the main operating entity of Credit Intelligence and provides bankruptcy administration services (see Section 5.3 for further information).

Hong Kong IVA Consultants Limited (Registration Number 510394) (**HKIVA**) was registered in the British Virgin Islands on 23 August 2002. HKIVA is an operating entity of Credit Intelligence and provides the Group's individual voluntary arrangement services in Hong Kong.

5.2 KEY MILESTONES OF CREDIT INTELLIGENCE

A brief description of the key milestones that Credit Intelligence has achieved over the years is set out below.

Year	Event
2002	Hong Kong I.V.A. Consultants Limited is incorporated
2003	Hong Kong Debt Management Limited is incorporated
2003	Hong Kong Debt Management Services Limited is incorporated
2003	Group achieves first revenue
2003	Group achieves first profit
2003	Group implements proprietary IVA service platform
2004	Group achieves profit milestone of \$HK1,000,000
2009	Group implements proprietary bankruptcy service platform
2010	Group commences the provision of bankruptcy administration services
2010-2012	Group distributes approximately HK\$150,000,000 to creditors
2013	Group achieves profit milestone of \$HK10,000,000
2015	Credit Intelligence Holding Limited incorporated for the purpose of enabling the listing
2015	Credit Intelligence commences providing IVA proposal consultancy services
2017	Credit Intelligence Holding Limited becomes ultimate parent company of the Group

5.3 KEY SERVICES

5.3.1 BANKRUPTCY ADMINISTRATION SERVICES

Credit Intelligence, through its wholly owned subsidiary, HKDMS, provides bankruptcy administration services to creditors in relation to bankruptees where the value of the bankruptee's assets being likely to exceed HK\$200,000.

Under the Bankruptcy Ordinance, where an individual is unable to pay their debts, they or their creditors may present a petition to court for a bankruptcy order against him. For cases where the value of assets is likely to exceed HK\$200,000, an OT will be appointed to administer the bankruptcy estate upon a bankruptcy order being made. The duty of an OT includes the realisation of assets, monitoring income and expenses of the bankrupt to ensure that they make reasonable contributions and making distributions to creditors when there are sufficient funds in the bankruptcy estate.

HKDMS provides qualified employees to take up the appointment of OT in bankruptcy cases at the general meetings of creditors and thereafter negotiate with creditors and ensure smooth administration of the bankruptcy estates pursuant to the requirements of the Bankruptcy Ordinance.

The remuneration received for OT services provided by HKDMS is generally based on a fixed percentage on the amount of contributions from the bankrupt estate and proceeds from the realisation of assets, which since 2010 has been fixed at 16% for HKDMS. HKDMS also receives a fixed percentage of the bankruptcy distributions, which since 2010 has been set at 1%, and any remaining balance in the bankrupt estate (if any) upon the expiration of the relevant bankruptcy period.

According to the ORO, the total number of bankruptcy cases in Hong Kong was 9,750 in 2015. During the same period, Credit Intelligence was engaged in 1,136 new cases for its bankruptcy administration services amounting to 11.65% of the total number of bankruptcy cases of that year. In 2016, the total number of bankruptcy cases in Hong Kong was 8,919 while Credit Intelligence was engaged in 1,089 new cases amounting to 12.21%.

Credit Intelligence has seen substantial growth in its Bankruptcy Administration Business in 2017. For the first eight months of 2017, the total number of bankruptcy cases in Hong Kong was 5,243 and Credit Intelligence was engaged in 908 new cases (17.32%). It is estimated that Credit Intelligence will be engaged in 1,400 cases for the whole year of 2017 amounting to over 17.8% of the total number of cases. It is believed that the market share of the group in 2017 is the largest in Hong Kong.

5.3.2 IVA PROPOSAL CONSULTANCY SERVICES

An IVA is in essence an agreement between a debtor and creditors whereby the debtor agrees to pay all or part of its debts by agreeing to make regular payments to an insolvency practitioner known as a nominee. The nominee distributes the funds received from the debtor between the various creditors.

Credit Intelligence, through its wholly owned subsidiary, HKIVA, provides IVA consultancy services to debtors who wish to avoid bankruptcy and proposal implementation services to the nominees.

An IVA not only helps debtors avoid bankruptcy but also provides relief from the constant demands of creditors. For a creditor, an IVA provides an end to costly enforcement proceedings whilst providing certainty as to what final amount of a debt will actually be received.

HKIVA's insolvency practitioners evaluate a debtor's financial position and then provide practical advice to the debtor. Once the debtor has agreed to proceed, HKIVA arranges the debtor to commence the formal legal process which includes drafting of the IVA proposal, liaising with the relevant creditors and processing the court application. After the proposal has been approved, the nominee will be appointed to implement the proposal. HKIVA provides supporting services to the nominees during the implementation period which includes administrative support and liaison support when communicating with the creditors.

The debtor will pay HKIVA a pre-determined service fee by instalments in different stages of the application.

The market share of Credit Intelligence for IVA services remains stable at around 2~3% during the period from 2015 to the first eight months of 2017.

5.4 KEY PERSONNEL

Jimmie Wong
CEO and Managing Director

See Section 9.3.

King Wong
Head of Operations

See Section 9.3.

Arthur Ma
Financial Manager

Arthur Ma is the financial manager of Credit Intelligence and is primarily responsible for managing the accounting and financial matters of the Group. He also manages the Group's administration, operations and human resources teams.

Arthur Ma obtained a bachelor of commerce from Hong Kong Shue Yan University in October 2010 and has been working at HKDMS since April 2010.

5.5 COMPETITIVE STRENGTHS

Credit Intelligence's competitive strengths include:

- talented and experienced workforce;
- the Insolvency Management System;
- first mover advantage; and
- Hong Kong market share.

5.5.1 TALENTED AND EXPERIENCED WORKFORCE

Credit Intelligence has been working in the insolvency industry since 2002 specializing in bankruptcy administration and IVA services with bankrupt administration services being its main business line in the recent years. Credit Intelligence's long standing position in the insolvency industry is supported by its highly skilled and experienced management team and employees, including Jimmie Wong and King Wong (see Section 9.3 for background information).

The vision of the management team has been fundamental to the Group's success. The extensive experience of the management team, their industry knowledge and in-depth understanding of the market enables the Group to assess market trends, understand the needs of clients and ensure quality of service. In addition, with the guidance of the management team, the Group expects that the services provided by the Group will meet the increasing needs of the market demand, and thus reinforce the market focus of the Group and further strengthen the Group's market position in the industry, which as a result will allow the Group to capture more business opportunities.

The Group provides on-job training to its employees to assist them in adapting to work culture, while equipping them with the necessary job specific skills in order to enhance the overall efficiency and team cohesiveness. The Group has also formulated and adopted internal policies which set out various guidelines, instructions and operational rules regarding its business to guide its employees and ensure the quality of services.

5.5.2 INSOLVENCY MANAGEMENT SYSTEM

Credit Intelligence has invested in the development of 2 software systems specifically designed to handle the large data quantity that Credit Intelligence is exposed to in conducting its bankruptcy administration and IVA services (**Insolvency Management System**). The Insolvency Management System is currently used by the Group and complements the Group' bankruptcy administration and IVA services by automatically processing large amounts of data that would otherwise have to be processed manually by employees.

Upon Credit Intelligence being engaged to provide its bankruptcy administration and IVA services, the personal information and details of the debtor and each of its creditors is inputted into the Insolvency Management System. The Insolvency Management System is then used to automatically calculate the distributions to be paid to each creditor every month. Where a creditor has multiple debtors that have engaged Credit Intelligence, the Insolvency Management System automatically consolidates the distributions from each debtor into one distribution payment to the creditor, thereby reducing administration costs for the creditor as well as Credit Intelligence.

Additionally, the Insolvency Management System automatically produces a bi-annual report to update each debtor, creditor and the court on the recovered amount of the debtor's estate, the distributions that have been made and the fees charged by Credit Intelligence. Creditors can also access the records of this information anytime online. The Insolvency Management System also serves as the Group's information record on all debtors and creditors, which the Group stores and backs up on a daily basis.

Using the Insolvency Management System enables the Group to enhance internal control, risk management and efficiency in many aspects of its operation. Accordingly, efficiency of the employees is also improved and monitoring of business operations is facilitated. Operations are streamlined and the Insolvency Management System allows the Group to enjoy optimal economies of scale, thereby providing the Group with competitive advantage over its competitors. The standardisation and the computerisation of the Group's operations are highly scalable, enable the Group to handle a greater workload without employing additional staff members, and provide a platform for further expansion.

5.5.3 FIRST MOVER ADVANTAGE

Credit Intelligence enjoyed first mover advantage in the Hong Kong insolvency industry and because of this has been able to build and maintain long-term collaborative relationships with banks and financial institutions, which are key to the supply of work for Credit Intelligence's bankruptcy administration and IVA services.

The Group commenced its Hong Kong operations in 2002 and has since built a strong reputation in the market due to its quality of services. The Group's established position in the industry facilitates further cooperative opportunities with other well-established financial institutions, organisations and government authorities, which in turn allows the Group to maintain its recognition and visibility in the market.

5.5.4 HONG KONG MARKET SHARE

Currently, the Hong Kong insolvency market for bankruptee's having assets greater than HK\$200,000 has only 2 active service providers, including Credit Intelligence, which together combine for a 90% market share. Credit Intelligence's strong market share, together with its long-term collaborative relationships with banks and financial institutions create a significant barrier to entry for new market participants.

5.6 AUSTRALIAN BUSINESS STRATEGY

Credit Intelligence believes that a business opportunity exists for it to enter the Australian debt management services market. This opportunity is due to Australia's record household debt to income ratio and historically low level of wages growth. It has also been reported that homeowners, consumers and property investors around Australia are making more calls to financial helplines, creating a need for more debt management services to be accessible by the Australian public.

Following the Company's re-admission to the official list of ASX, Credit Intelligence will initiate the process of entering the Australian insolvency market with a view to providing debt agreement administrator services and act as a registered trustee in relation to personal insolvency agreements and bankruptcies. To do this, Credit Intelligence plans to progressively establish local offices throughout Australia either by acquiring existing insolvency businesses, employing experienced Australian insolvency practitioners or a combination of both. As its Australian

operations grow in size, Credit Intelligence intends to appoint a country manager who will be responsible for recruiting qualified insolvency practitioners and support staff, compliance with Australian regulations, developing Credit Intelligence's brand locally and implementing marketing and business strategies.

In order to operate in Australia, Credit Intelligence's staff will need to be registered as bankruptcy trustees and/or registered debt agreement administrators with the Australian Financial Security Authority. Credit Intelligence intends to attract suitable staff through the contacts in the Australian personal insolvency industry its senior management team has, led by its non-Executive Chairman, Mel Ashton, who has over 25 years' experience in the industry.

Credit Intelligence intends to rely upon its strong and profitable Hong Kong operations to financially support its Australian operations during the initial start-up phase and provide future capital to continue the Group's growth and expansion into the Australian market.

The Group believes that its competitive strengths (see Section 5.5 for further information) will assist it to carry out its Australian business strategy. In particular, Credit Intelligence's strong reputation, experience and brand image in Hong Kong will assist in the creation of the Group's brand reputation in Australia. This will help establish strategic relationships in Australia with other industry professionals. The Insolvency Management System will also be beneficial to the intended expansion into Australia by providing a platform to streamline the operations of any acquired insolvency businesses and allow Credit Intelligence to benefit from its efficient operations and economies of scale in the Australian marketplace.

6. FINANCIAL INFORMATION

This Section contains a summary of the historical financial information and pro-forma financial information of APAC and CIH (collectively, the **Financial Information**).

The Financial Information comprises:

- The consolidated profit and loss statements of APAC for the years ended 30 June 2016 and 2017 (**Historical Results – APAC**)
- The notional consolidated profit and loss statements of CIH for the three years ended 31 March 2015, 2016 and 2017, and the three months ended 30 June 2017 (**Notional Historical Results – CIH**)
- The actual and pro-forma statements of financial position of APAC as at 30 June 2017 (**Actual and Pro Forma Statements of Financial Position**)
- The notional consolidated statements of cashflows of CIH for the three years ended 31 March 2015, 2016 and 2017, and the three months ended 30 June 2017 (**Notional Historical Cash Flow Statements – CIH**)

Pro-forma or combined consolidated profit and loss statements or statements of cashflows have not been prepared as the historical results of APAC are not relevant to its future operations, being those of CIH.

Also, summarised in this Section are the basis of preparation and presentation of the Financial Information (Section 6.1).

All amounts disclosed in the tables are presented in Australian dollars (A\$).

The full audited financial statements for APAC for its financial years 30 June 2016 and 2017, which include the notes to the financial statements, can be found on the ASX announcements platform on www.asx.com.au.

No Prospective Financial Information or Forecasts

The Directors have considered the matters in *ASIC Regulatory Guide 170*. The Directors believe that they do not have a reasonable basis to forecast future earnings due to uncertainty as to the timing and outcome of the Company's growth strategies. Accordingly, any forecast or prospective information would contain a broad range of potential outcomes and possibilities hence it is not considered possible to prepare a reliable best estimate forecast or projection. Accordingly, financial forecasts have not been included in this Prospectus.

6.1 BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL INFORMATION

The Directors of the Company are responsible for the preparation of the Financial Information. Moore Stephens Perth Corporate Services Pty Ltd has prepared an Investigating Accountant's Report in respect of the financial information. A copy of the report, together with an explanation of the scope of the work performed by Moore Stephens Perth Corporate Services Pty Ltd, is set out in Section 7.

The Financial Information has been prepared and presented in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS) and interpretations issued by the International Accounting Standards Board (IASB) and the significant accounting policies detailed in Note 1 of Appendix 4 of the Investigating Accountant's Report in Section 7, which are consistent with Australia Accounting Standards and interpretations issued by the Australian Accounting Standards Board.

The Financial Information is presented in an abbreviated format and does not contain all of the disclosures required by the International Financial Reporting Standards or Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act*.

The financial information should be read in conjunction with the Investigating Accountant's Report.

The information in this Section should also be read in conjunction with the risk factors set out in Section 8 and other information contained in this Prospectus.

The Financial Information set out below is based on past performance and is not a guide to future performance.

Financial statements prepared in future periods will be prepared in accordance with Australian Equivalents of International Financial Reporting Standards whilst the audits of those financial statements will be conducted in accordance with Australian Auditing Standards (equivalent to International Standards on Auditing).

6.2 PREPARATION OF PRO-FORMA STATEMENTS OF FINANCIAL POSITION

The pro-forma statements of financial position have been prepared for the purpose of inclusion in this Prospectus. The pro-forma statements of financial position have been derived from the audited consolidated financial statements of APAC for the year ended 30 June 2017 with pro-forma adjustments being made to reflect the Group's operating and capital structure that will be in place following completion of the acquisition of CIH and the offer as set out in the Prospectus.

Refer to Section 6.4 for an explanation between the actual statement of financial position and the pro-forma statements of financial position.

6.3 CONSOLIDATED PROFIT AND LOSS STATEMENTS

6.3.1 HISTORICAL RESULTS – APAC

The table below sets out the actual historical results of APAC (without adjustments) for the years ended 30 June 2016 and 2017.

Year ending	Historical Results	
	FY 2017 A\$	FY2016 A\$
Continuing Operations		
Revenue	10,766	49,072
Admin/management expenses	(555,637)	(398,099)
Reversal of / (provision for) doubtful debts	372,118	(323,118)
Loss from continuing operations	(172,753)	(672,145)
Discontinued Operations		
Less: loss from discontinued operations	(62,782)	(535,695)
	(235,535)	(1,207,840)
Net loss	(235,535)	(1,207,840)
EPS		
Loss per share from continuing operations (cents per share)	(0.07)c	(0.27)c
Loss per share from discontinuing operations (cents per share)	(0.02)c	(0.21)c
Total loss per share	(0.09)c	(0.48)c

6.3.2 Notional Historical Results - CIH

The table below sets out the Notional Historical Results of CIH for the three years ended 31 March 2015, 2016 and 2017, and the three months ended 30 June 2017. On 24 October 2017, CIH completed a restructuring exercise ("**Restructuring**") whereby CIH became the owner of 100% equity in Hong Kong Debt Management Limited, Hong Kong IVA Consultants Limited and Hong Kong Debt Management Services Limited. The notional results below illustrate what the financial performance of CIH would have been had the Restructuring taken place on 1 April 2014.

Period ending	Notional Historical Results			
	3 months	Year ended	Year ended	Year ended
	ended 30 June	31 March	31 March	31 March
	2017	2017	2016	2015
	A\$	A\$	A\$	A\$
Revenue	1,000,928	3,588,290	3,552,371	2,713,607
Other income	23,662	101,105	78,672	50,520
Gain on change in shareholding of subsidiary	-	-	2,521,165	-
Expenses				
Minimum lease payments	(47,210)	(189,067)	(186,987)	(141,404)
Employee benefits expenses	(264,934)	(1,058,908)	(787,497)	(609,828)
Other operating expenses	(99,070)	(443,061)	(483,421)	(238,537)
EBITDA	613,376	1,998,359	4,694,303	1,774,358
Depreciation	(1,967)	(6,719)	(2,279)	(5,525)
EBIT	611,409	1,991,640	4,692,024	1,768,833
Finance costs	-	-	(10,833)	(6,689)
Profit before tax	611,409	1,991,640	4,681,191	1,762,144
Income tax expense	(101,034)	(324,768)	(350,586)	(289,714)
Profit after tax	510,374	1,666,872	4,330,605	1,472,430

6.4 ACTUAL AND PRO-FORMA STATEMENTS OF FINANCIAL POSITION OF APAC

The actual and pro-forma statements of financial position of APAC are set out below. The pro-forma statements of financial position have been prepared to illustrate the effect of completion of the acquisition of CIH and the offer as set out in the Prospectus, and assumes completion of certain other pro-forma transactions as it they had occurred as at 30 June 2017.

	Actual Year end 30 June 2017 A\$	Capital Raised A\$3.5 million unaudited pro-forma as at 30 June 2017 A\$	Capital Raised A\$5 million unaudited pro-forma as at 30 June 2017 A\$
Current assets			
Cash and cash equivalents	11,198	3,332,815	4,727,815
Trade and other receivables	451	192,436	192,436
Prepayments, deposits and other receivables	-	112,786	112,786
Assets held for sale	1	-	-
	11,650	3,638,037	5,033,037

Non-current assets			
Property, plant and equipment	-	31,422	31,422
	-	31,422	31,422
Total assets	11,650	3,669,458	5,064,458
Current liabilities			
Trade and other payables	48,530	83,117	83,117
Loan payable to ultimate parent company	19,404	-	-
Borrowings	99,000	-	-
Current tax payable	-	91,329	91,329
	166,934	174,447	174,447
Non-current liabilities	-	-	-
	-	-	-
Total liabilities	166,394	174,447	174,447
Net assets	(155,284)	3,495,012	4,890,012
Equity			
Share capital	6,394,067	5,289,033	6,684,033
Merger reserves	-	(1,823)	(1,823)
Accumulated losses	(6,549,351)	(1,792,198)	(1,792,198)
Total equity	(155,284)	3,495,012	4,890,012

The preparation of the consolidated pro-forma statements of financial position

The consolidated pro-forma statements of financial position have been prepared to demonstrate the impact of a capital raising pursuant to this Prospectus of A\$3.5 million and A\$5 million respectively (presented in two separate columns).

Under each of the scenarios above, the 30 June 2017 statement of financial position of APAC has been adjusted to reflect the impact of a number of proposed transactions and actual transactions which have taken place subsequent to 30 June 2017.

These pro-forma adjustments are explained in Note 3 of Appendix 4 of the Investigating Accountant's Report in Section 7.

6.5 HISTORICAL CASH FLOW STATEMENTS

The table below sets out the Notional Historical Cash Flow Statements for CIH for the three years ended 31 March 2015, 2016 and 2017, and the three months ended 30 June 2017. On 24 October 2017, CIH completed a restructuring exercise ("**Restructuring**") whereby CIH became the owner of 100% equity in Hong Kong Debt Management Limited, Hong Kong IVA Consultants Limited and Hong Kong Debt Management Services Limited. The notional results below illustrate what the financial performance of CIH would have been had the Restructuring taken place on 1 April 2014.

Notional Historical Results

Period ending	3 months ended 30 June 2017 A\$	Year ended 31 March 2017 A\$	Year ended 31 March 2016 A\$	Year ended 31 March 2015 A\$
Cash flows from operating activities	626,977	1,800,294	1,747,889	1,086,812
Cash flows used in investing activities	(446,727)	(996,117)	(1,801,410)	(1,515,119)
Cash flows provided by / (used in) financing activities	(38,613)	(1,720,898)	1,107,978	480,973
Net increase/decrease in cash for the period	141,637	(916,721)	1,054,457	52,666

7. INVESTIGATING ACCOUNTANT'S REPORT

21 December 2017

MOORE STEPHENS

The Directors
APAC Coal Limited
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Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT

1. Introduction

This report has been prepared at the request of the Directors' of APAC Coal Limited ("APAC" or "the Company") for inclusion in the Prospectus.

On 23 October 2017, the Company announced it had signed an agreement to acquire 100% of the issued share capital of Credit Intelligence Holding Limited and its subsidiaries ("CIH") (the "acquisition"). CIH carries on business under the name of Hong Kong Debt Management Services Limited in Hong Kong.

Amongst other things, shareholder approval of the acquisition and the significant change to the nature and scale of the Company's activities that will result from the acquisition, will be required at an upcoming general meeting of shareholders. In addition, the Company will need to apply for re-admission to the Official List of the Australian Securities Exchange Limited ("ASX").

Pursuant to the Prospectus, the Company is offering a minimum of 175,000,000 fully paid ordinary shares (on a post-consolidation basis) at an issue price of A\$0.02 (2 cents per share), payable in full on application to raise a minimum of A\$3,500,000 ("Capital Raising" or the "Offer"). Subscriptions for up to a further 75,000,000 fully paid ordinary shares at an issue price of A\$0.02 (2 cents per share), payable in full on application, to raise up to a further A\$1,500,000 may be accepted.

Expressions defined in the Prospectus have the same meaning in this report.

2. Basis of Preparation

This report has been prepared to provide investors with information in relation to historical and pro-forma financial information of APAC and CIH as at 30 June 2017 and for the periods ended 30 June 2017, 31 March 2017, 31 March 2016 and 31 March 2015 in respect of CIH.

The historical and pro-forma financial information is presented in an abbreviated form insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to financial reports in accordance with the *Corporations Act 2001*.

The report does not address the rights attaching to the shares to be issued in accordance with the Offer, nor the risks associated with accepting the Offer. Moore Stephens Perth Corporate Services Pty Ltd ("MSPCS") has not been requested to consider the prospects for APAC nor the merits and risks associated with becoming a shareholder, and accordingly has not done so, nor purports to do so.

Consequently, MPSCS has not made, and will not make any recommendation, through the issue of this report, to potential investors of the Company, as to the merits of the Offer and takes no responsibility for any matter or omission in the Prospectus, other than responsibility for this report.

3. Background

APAC is a public company which is incorporated in Australia and was listed on the Australian Securities Exchange (ASX: AAL) on 10 July 2008. The Company's shares have been suspended on the ASX since 29 June 2016. APAC's principal activities at present are focused on care and maintenance of a coal resource within a disputed mining lease located in Indonesia and the ongoing review of alternative investment opportunities.

On 23 October 2017, the Company announced an agreement to acquire 100% of the issued share capital of CIH. The Share Purchase Agreement is subject to a number of conditions including APAC receiving shareholder approval, all necessary approvals required by law and the consolidation of its capital on the basis that every 3.4681 shares be consolidated into 1 share.

The consideration for the acquisition of CIH is A\$10,657,051 to be satisfied by APAC issuing 532,852,564 ordinary shares, on a post consolidation basis, on completion.

The Company is also proposing to issue 37,299,679 ordinary shares, on a post consolidation basis, pursuant to the Share Purchase Agreement, to promoters of the proposed transaction.

The acquisition of CIH will result in a significant change to the nature and scale of the Company's operations.

CIH is a private unlisted company incorporated in the British Virgin Islands on 17 August 2015. CIH was incorporated as part of an internal group restructuring exercise such that the underlying group being acquired by APAC has in effect been in existence since prior to that date.

As part of an internal group restructuring exercise completed on 24 October 2017, CIH acquired 100% of the equity in Hong Kong Debt Management Limited, Hong Kong IVA Consultants Limited, and Hong Kong Debt Management Services Limited ("Hong Kong Debt Management Services Group").

For accounting purposes, the acquisition of CIH will be accounted for as a reverse acquisition and CIH deemed to be the accounting acquirer in the business combination. The pro-forma financial information has therefore been prepared as a continuation of the business and operations of CIH including its Hong Kong based subsidiaries. Accordingly, the pro-forma condensed consolidated statement of financial position of APAC as at 30 June 2017 incorporates the net assets of APAC and CIH as if the group was headed by CIH. At the acquisition date, the net assets of CIH are recorded at their book values and the net assets of APAC are recorded at their fair values.

Further information about the acquisition of CIH and its future plans can be found in other sections of the Prospectus.

4. Scope of Report

You have requested MSPCS prepare an Investigating Accountant's Report on:

- a) The notional consolidated statement of profit or loss and other comprehensive income of CIH for the three years ended 31 March 2017, and the three months ended 30 June 2017;
- b) The notional consolidated statement of cashflows of CIH for the three years ended 31 March 2017, and the three months ended 30 June 2017;
- c) The consolidated statement of financial position of APAC as at 30 June 2017; and
- d) The consolidated pro-forma statement of financial position of APAC as at 30 June 2017 adjusted on the basis of the acquisition of 100% of the share capital of CIH (using 30 June 2017 consolidated statement of financial position of CIH) and the completion of certain other transactions as disclosed in this report.

The scope of our report did not include the consolidated statement of profit or loss and other comprehensive income of APAC for the three years ended 30 June 2017 (which are publicly available in any event), but rather included the consolidated statement of profit or loss and other comprehensive income of CIH for the three years ended 31 March 2017, and the three months ended 30 June 2017 because post completion of the acquisition, the accounts of the group will be treated as a continuation of the business and operations of CIH.

4. Scope of Report (continued)

The financial results and cashflow information presented in our report has been notionally consolidated for the three years ended 31 March 2017, and for the three months ended 30 June 2017 because CIH did not acquire the Hong Kong Debt Management Services Group until 24 October 2017. The acquisition by CIH of the Hong Kong Debt Management Services Group resulted in no substantive change to the operations of the Hong Kong Debt Management Services Group, or its assets and liabilities, hence presentation of notionally consolidated financial information reflects the historical financial performance and cash flows of the newly acquired group of companies.

5. Scope of Review

Sources of information

The historical financial information for APAC has been extracted from the audited consolidated financial statements of APAC for the year ended 30 June 2017. These financial statements were subject to audit by Moore Stephens Perth (the Company auditor) in accordance with Australian Auditing Standards.

CIH's historical financial information has been extracted from the audited consolidated financial statements of Hong Kong Debt Management Limited and CIH for the three years ended 31 March 2017, and the three months ended 30 June 2017. This historical financial information was subject to audit by Moore Stephens Hong Kong in accordance with International Standards on Auditing.

Management's Responsibilities

The Directors of APAC are responsible for the preparation and presentation of the historical and pro-forma financial information, including the determination of the pro-forma transactions.

Our Responsibilities

We have conducted our review of the historical financial information in accordance with Australian Auditing Standard ASRE 2405 *Review of Historical Financial Information Other than a Financial Report*. We have also considered the requirements of ASAE 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Historical Financial Information included in a Prospectus or other Document*.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used to compile the pro-forma financial information, nor have we, in the course of this engagement, performed an audit of the financial information used in compiling the pro-forma financial information, or the pro-forma information itself.

The purpose of the compilation of the pro-forma information is solely to illustrate the impact of the proposed acquisition on unadjusted financial information of the Company as if the event had occurred at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the proposed Capital Raising and related transactions would be as presented.

We made such inquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances including:

- a) a review of contractual arrangements;
- b) a review of financial statements, management accounts, work papers, accounting records and other documents, to the extent considered necessary;
- c) a review of work papers of the auditors of APAC and making enquiries of the auditors of Hong Kong Debt Management Limited and CIH to the extent considered necessary.
- d) a comparison of consistency in application of the recognition and measurement principles in Accounting Standards and other mandatory professional reporting requirements in Australia, with the accounting policies adopted by APAC and CIH;
- e) a review of the assumptions used to compile the condensed consolidated pro-forma statement of financial position; and
- f) enquiry of directors, management and advisors of APAC and CIH.

5. Scope of Review (continued)

Our Responsibilities (continued)

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

These procedures have been undertaken to form a conclusion as to whether we have become aware, in all material respects, that the historical financial information set out in Appendix 1 to 4 does not present fairly, in accordance with Australian Accounting Standards (which are equivalent to International Financial Reporting Standards) and the accounting policies adopted by the Company, a view which is consistent with our understanding of the actual financial position and consolidated pro-forma financial position of the Company and its controlled entities (pro-forma) as at 30 June 2017 and of the notional consolidated financial results and statements of cashflows of CIH for the three years ended 30 March 2017, and the three months ended 30 June 2017.

Historical and Pro-Forma Financial Information

The notional consolidated statements of profit or loss and other comprehensive income of CIH for the three years ended 31 March 2017, and the three months ended 30 June 2017 are included at Appendix 1. These comprise the actual profit or loss and other comprehensive income of CIH and the entities it acquired on 24 October 2017 for the three years ended 31 March 2017, and the three months ended 30 June 2017 without adjustment.

The consolidated statement of financial position as at 30 June 2017 of APAC is included in Appendix 2.

Also, included in Appendix 2 is the consolidated pro-forma statement of financial position of the Company which incorporates the consolidated statement of financial position as at 30 June 2017, adjusted on the basis of the completion of the minimum Capital Raising of \$3,500,000 and the completion of certain other transactions, including the acquisition of CIH (using the 30 June 2017 statement of financial position of CIH), as disclosed in this report. Details of these transactions are set out in Note 3 of Appendix 4.

The notional consolidated statements of cashflows of CIH for the three years ended 31 March 2017, and the three months ended 30 June 2017 are included at Appendix 3. These comprise the actual cash flows of the entities comprising CIH and the entities it acquired on 24 October 2017, for the three years ended 31 March 2017, and the three months ended 30 June 2017 without adjustment.

6. Measurement of assets and liabilities acquired

The acquisition of APAC (for accounting purposes APAC is treated as the acquiree) as recorded in the condensed consolidated pro-forma statement of financial position reflects provisional amounts allocated to the assets and liabilities acquired.

The assets and liabilities acquired will be remeasured after completion of the acquisition. Whilst the total net assets acquired are not expected to change significantly, the allocation between the different types of assets acquired may change somewhat as a result of this re-measurement.

7. Conclusion

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that:

- The notional consolidated statements of profit or loss and other comprehensive income of CIH for the three years ended 31 March 2017, and the three months ended 30 June 2017, as set out in Appendix 1, do not present fairly the results for the period then ended in accordance with the accounting methodologies required by Australian Accounting Standards;

7. Conclusion (continued)

- The notional consolidated statements of cashflows of CIH for the three years ended 31 March 2017, and the three months ended 30 June 2017, as set out in Appendix 3, do not present fairly the cashflows for the period then ended in accordance with accounting methodologies required by Australian Accounting Standards;
- The consolidated statement of financial position of the Company, as set out in Appendix 2, does not present fairly the assets and liabilities of the Company and its controlled entities as at 30 June 2017 in accordance with the accounting methodologies required by Australian Accounting Standards;
- The consolidated pro-forma statement of financial position of the Company, as set out in Appendix 2, does not present fairly the assets and liabilities of the Company and its controlled entities as at 30 June 2017 in accordance with the accounting methodologies required by Australian Accounting Standards and on the basis of assumptions and transactions set out in Note 3 of Appendix 4;
- The assumptions and applicable criteria used in the preparation of the consolidated pro-forma statement of financial position of the Company as at 30 June 2017 do not provide a reasonable basis for presenting the significant effects directly attributable to the acquisition and do not reflect proper application of those adjustments to the unadjusted financial information.

8. Subsequent Events

To the best of our knowledge and belief, there have been no other material items, transactions or events subsequent to 30 June 2017 not otherwise disclosed in this report or the Prospectus, that have come to our attention during the course of our review which would cause the information included in this report to be misleading.

9. Other Matters

Moore Stephens Perth Corporate Services Pty Ltd does not have any pecuniary interest that could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion on this matter.

Moore Stephens Perth Corporate Services Pty Ltd will receive a professional fee for the preparation of this Investigating Accountant's Report.

Moore Stephens Perth Corporate Services Pty Ltd has prepared an Independent Experts Report for APAC to accompany a Notice of Meeting to shareholders in relation to the Potential acquisition of CIH, and will receive a fee for this service.

Moore Stephens Perth, a related practice entity, currently acts as auditor of the Company.

Moore Stephens Perth Corporate Services Pty Ltd were not involved in the preparation of any other part of the Prospectus and accordingly makes no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus.

Yours faithfully



Neil Pace
Director

Moore Stephens Perth Corporate Services Pty Ltd

APPENDIX 1

APAC COAL LIMITED AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Summarised below is CIH's actual notionally consolidated statement of profit or loss and other comprehensive income for the three years ended 31 March 2017, and the three months ended 30 June 2017 which illustrates what the financial performance of CIH would have been had it owned the Hong Kong Debt Management Services Group from 1 April 2014. The results of APAC have not been included, and the statement does not incorporate the pro-forma adjustments set out in Appendix 4.

	Note	Actual 3 months ended 30 June 2017 A\$	Actual Year end 31 March 2017 A\$	Actual Year end 31 March 2016 A\$	Actual Year end 31 March 2015 A\$
Revenue	5	1,000,928	3,588,290	3,552,371	2,713,607
Other income	6	23,662	101,105	78,675	50,520
Gain on change in shareholding of subsidiary	7	-	-	2,521,165	-
Expenses					
Minimum lease payments	8	47,210	189,067	186,987	141,404
Employee benefit expenses	8	264,934	1,058,908	787,497	609,828
Other operating expenses		101,038	449,781	485,704	244,062
Finance costs		-	-	10,833	6,689
Profit before tax expense	8	611,409	1,991,640	4,681,191	1,762,144
Income tax expense	9	(101,034)	(324,768)	(350,586)	(289,714)
Profit after tax expense		510,374	1,666,872	4,330,605	1,472,430
Other comprehensive income		-	-	-	-
Total comprehensive income		510,374	1,666,872	4,330,605	1,472,430

The financial information in the historical statements of profit or loss and other comprehensive income have been translated from Hong Kong dollars (HK\$) to Australian dollars (A\$) at the average exchange rate during the period reported as follows:

31 March 2015: \$HK1 = A\$0.1473

31 March 2016: HK\$1 = A\$0.1751

31 March 2017: HK\$1 = A\$0.1713

30 June 2017: HK\$1 = A\$0.1711

Investors should note that past results are not a guarantee of past performance.

APPENDIX 2

APAC COAL LIMITED AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The pro-forma statement of financial position represents the audited statement of financial position of the Company as at 30 June 2017 adjusted for subsequent events and pro-forma transactions outlined in note 3 of appendix 4. It should be read in conjunction with the notes to the historical and pro-forma financial information.

		Actual 30 June 2017 A\$	Unaudited Pro-Forma 30 June 2017 A\$
	Note		
Current assets			
Cash & bank balances	10	11,198	3,332,815
Trade & other receivables	11	451	192,436
Prepayments, deposits and other receivables	12	-	112,786
Assets held for sale	14	1	-
		11,650	3,638,037
Non-current assets			
Property, plant & equipment	15	-	31,422
		-	31,422
Total assets		11,650	3,669,458
Current liabilities			
Trade & other payables	16	48,530	83,117
Loan payable to ultimate parent company	17	19,404	-
Borrowings	18	99,000	-
Current tax payable		-	91,329
		166,934	174,447
Non-current liabilities			
		-	-
Total liabilities		166,934	174,447
Net assets/(liabilities)		(155,284)	3,495,012
Equity			
Share capital	19	6,394,067	5,289,033
Merger reserve	20	-	(1,823)
Accumulated losses		(6,549,351)	(1,792,198)
Total Equity		(155,284)	3,495,012

The financial information in the historical Statements of Financial Position for CIH for the year ended 30 June 2017 has been translated from Hong Kong dollars (HK\$) to Australian dollars (A\$) at the exchange rate prevailing at the balance sheet date as follows: HK\$1 = A\$0.1672

APPENDIX 3

APAC COAL LIMITED AND ITS SUBSIDIARIES AUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

Summarised below is CIH's actual notional consolidated statement of cash flows for the three years ended 31 March 2017, and the three months ended 30 June 2017 which illustrates what the cash flows of CIH would have been had it owned the Hong Kong Debt Management Services Group from 1 April 2014. The results of APAC have not been included and the statement does not incorporate the pro-forma adjustments set out in Appendix 4.

	Actual 3 months end 30 June 2017 A\$	Actual Year end 31 March 2017 A\$	Actual Year end 31 March 2016 A\$	Actual Year end 31 March 2015 A\$
Cash flows from operating activities				
Profit before income tax expense	611,409	1,991,640	4,681,191	1,762,144
Adjustments for:				
Gain on change in shareholding of subsidiary	-	-	(2,521,165)	-
Depreciation of plant and equipment	1,968	6,717	2,279	5,525
Interest expense	-	-	10,833	6,689
Operating profit before working capital changes	613,377	1,998,357	2,173,138	1,774,358
Decrease/(Increase) in trade and other receivables	(22,696)	159,302	(185,987)	(33,266)
Increase/(Decrease) in trade and other payables	(4,058)	14,636	19,179	(3,544)
Cash generated from operations	586,622	2,172,295	2,006,330	1,737,548
Income taxes received/(paid)	40,354	(372,001)	(258,441)	(650,736)
Net cash generated from operating activities	626,977	1,800,294	1,747,889	1,086,812
Cash flows from investing activities				
Advances to controlling shareholder	(440,398)	(985,637)	(1,777,386)	(1,512,258)
Acquisition of property, plant and equipment	(6,329)	(10,480)	(24,025)	(2,860)
Net cash used in investing activities	(446,727)	(996,117)	(1,801,410)	(1,515,119)
Cash flows from financing activities				
Proceeds from borrowings	-	-	1,750,810	650,736
Repayment of borrowings	-	(1,712,560)	(615,917)	(181,503)
Advance from/(repayment to) controlling shareholder	(38,613)	(8,338)	(16,082)	18,429
Interest paid	-	-	(10,833)	(6,689)
Net cash provided by/(used in) financing activities	(38,613)	(1,720,898)	1,107,978	480,973

APPENDIX 3

APAC COAL LIMITED AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

	Actual 3 months end 30 June 2017 A\$	Actual Year end 31 March 2017 A\$	Actual Year end 31 March 2016 A\$	Actual Year end 31 March 2015 A\$
Cash and cash equivalents at beginning of period	213,238	1,115,716	100,661	35,763
Foreign exchange differences	(4,128)	14,243	(39,402)	12,232
Cash and cash equivalents at end of period	350,746	213,238	1,115,716	100,661

The financial information in the historical statements of cash flows have been translated from Hong Kong dollars (HK\$) to Australian dollars (A\$) at the average exchange rate during the period reported as follows:

31 March 2015: \$HK1 = A\$0.1473

31 March 2016: HK\$1 = A\$0.1751

31 March 2017: HK\$1 = A\$0.1713

30 June 2017: HK\$1 = A\$0.1711

Investors should note that past results are not a guarantee of past performance.

APPENDIX 4

APAC COAL LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. Basis of Preparation

The consolidated financial information of APAC and CIH for the period ended 30 June 2017 has been prepared on a condensed basis in accordance with the Australian Accounting Standard 134 *Interim Financial Reporting*. The consolidated financial information does not include all the information and disclosures required in annual financial statements and should be read in conjunction with APAC's audited annual report for the year ended 30 June 2017 and the Company's announcements made during the last 6 months which are available on the Company's and ASX websites.

The notional consolidated financial information represents that of CIH and the entities it acquired on 24 October 2017, being wholly owned subsidiaries subsequent to 30 June 2017.

The actual and notional financial information has been prepared in accordance with applicable Accounting Standards including the Australian Equivalents of International Financial Reporting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Material accounting policies and other considerations adopted in the preparation of this financial information are presented below and are consistent with those applied in the Company's audited financial statements for the year ended 30 June 2017.

The financial information has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Acquisition of CIH

The Company has agreed to acquire 100% of the issued share capital of CIH. Under the terms of AASB 3 "*Business Combinations*", CIH is deemed to be the accounting acquirer in the business combination. Consequently, the transaction has been accounted for as a reverse acquisition.

The pro-forma financial report has been prepared as a continuation of the business and operations of CIH.

Through a Restructuring Exercise, CIH became the holding company of the companies now comprising the CIH Group on 24 October 2017. CIH and its subsidiaries now comprising the Group have been, prior to and immediately after the Restructuring Exercise, under the common control of the ultimate shareholder.

There has been a continuation of the risks and benefits to the ultimate shareholder before and immediately after the Restructuring Exercise. Accordingly, the consolidated financial statements of the Company and its subsidiaries now comprising the Group for the years ended 31 March 2015, 2016 and 2017, and the three months ended 30 June 2017 have been prepared using the principles of merger accounting as if the current group structure had been in existence throughout the period.

Going concern

This financial information has been prepared on the going concern basis, which contemplates the continuation of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The ability of the Company to meet its existing and future obligations will depend on its ability to raise funds pursuant to the Prospectus or from other sources and to complete the acquisition of CIH. In the meantime, the ultimate holding company, Magnus Energy Group Ltd, has undertaken to provide ongoing financial support to ensure the Company remains a going concern.

The Restructuring Exercise

As part of an internal group restructuring exercise completed on 24 October 2017, CIH acquired 100% of the equity in Hong Kong Debt Management Limited, Hong Kong IVA Consultants Limited, and Hong Kong Debt Management Services Limited ("Hong Kong Debt Management Services Group").

APPENDIX 4**APAC COAL LIMITED AND ITS SUBSIDIARIES****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION****2. Significant Accounting Policies****a) Principles of consolidation**

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The financial statements of subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without loss of control, is accounted for an equity transaction.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any investment retained and (ii) the previous carrying amounts of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. The Group's share of components previously recognised in other comprehensive income is reclassified to income statement or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Reverse acquisition

A reverse acquisition occurs when the acquirer is the entity whose equity interests have been acquired and the issuing entity is the acquiree. This might be the case when a private entity arranges to have itself 'acquired' by a smaller public entity as a means of obtaining a stock exchange listing. Although legally the issuing entity is regarded as the parent and the private entity is regarded as the subsidiary, the legal subsidiary is the acquirer if it has the power to govern the financial and operating policies of the legal parent so as to obtain benefits from its activities.

b) Property, plant and equipment

Property, plant and equipment are stated at cost, less provisions for depreciation and impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the item has been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the consolidated statement of comprehensive income in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in future economic benefits expected to be obtained from the use of the item, the expenditure is capitalised as an additional cost of the item.

Depreciation is provided on the straight-line method, based on the estimated economic useful life of the individual assets, as follows:-

Furniture, fixtures and equipment	20% per annum
Motor vehicles	30% per annum

APPENDIX 4

APAC COAL LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

2. Significant Accounting Policies (continued)**b) Property, plant and equipment (continued)**

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the consolidated statement of comprehensive income in the period the asset is derecognised is the difference between the net sales proceeds and the carrying amounts of the relevant asset.

c) Impairment of non-financial assets

Where an indication of impairment exists, the recoverable amount of the asset is estimated. An asset's recoverable amount is the higher of the value in use of the asset or cash-generating unit to which it belongs and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the consolidated statement of comprehensive income in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An impairment loss is charged to the consolidated statement of comprehensive income in the period in which it arises, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation), had no impairment loss been recognised for the asset in prior years. A reversal of such impairment loss is credited to the consolidated statement of comprehensive income in the period in which it arises.

d) Financial assets

The Group's financial assets are classified, at initial recognition, into loans and receivables. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, such assets are carried at amortised cost using the effective interest method, less any identified impairment losses.

All regular way purchases or sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

APPENDIX 4

APAC COAL LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

2. Significant Accounting Policies (continued)**d) Financial assets (continued)****Effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the consolidated statement of comprehensive income. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other income in the consolidated statement of comprehensive income.

e) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at loans and borrowings.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include accruals.

APPENDIX 4

APAC COAL LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

2. Significant Accounting Policies (continued)**e) Financial liabilities (continued)**

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the consolidated statement of comprehensive income.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the consolidated statement of comprehensive income.

f) Leases

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

i. Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

ii. Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to the consolidated statement of comprehensive income in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in the consolidated statement of comprehensive income as an integral part of the aggregate net lease payments made. Contingent rentals, if any, are charged to the consolidated statement of comprehensive income in the accounting period in which they are incurred.

g) Provisions and contingent liabilities

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the consolidated statement of comprehensive income.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

APPENDIX 4

APAC COAL LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

2. Significant Accounting Policies (continued)**h) Functional currencies and foreign currency translation**

The financial statements of CIH are presented in Hong Kong dollars, which is CIH's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions are initially recorded using the functional currency rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of comprehensive income with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

For the purposes of this report the consolidated financial information has been translated to Australian dollars using the principles applicable to translating group entities.

i) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

i. Bankruptcy Administration Service

Revenue from payment collection and assets realisation services represents service fee charged by the Group to the creditors of the bankrupts on the monetary value of the payments paid to their bankruptcy estate bank accounts at an agreed rate. Revenue is recognised when the above transactions take place.

Revenue from dividend distribution services represents service fee charged by the Group to the creditors of the bankrupts on the monetary value of the dividend distributed to the creditors of the bankrupts at an agreed rate. Revenue from provision of dividend distribution services are recognised when the above transactions take place.

Upon the discharge of a bankrupt, in the event that the total aggregate revenue from payment collection and assets realisation services is less than an agreed amount, the remaining funds in the bankruptcy estate bank account will be charged as discharge minimum fee up to a ceiling which makes the revenue up to the agreed amount if sufficient funds are available. The minimum fee is recognised when the bankrupt was discharged.

ii. Individual Voluntary Arrangement ("IVA") Service

Revenue from sharing of service fee from the IVA nominees is recognised when the debtors deposit their IVA contributions into bank accounts designated by the nominee to the debtors.

Revenue from rendering of IVA proposal consultancy services is recognised when the services are rendered.

j) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and short-term highly liquid investments which are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired.

APPENDIX 4

APAC COAL LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

2. Significant Accounting Policies (continued)**k) Employee benefits****i. Short term employee benefits**

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised in the period when the employees render the related service.

ii. Retirement benefit plans

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the consolidated statement of comprehensive income as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. No forfeited contribution was available to reduce the contribution payable in the future years.

Payments to MPF Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

l) Income tax

Income tax represents the sum of current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:-

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

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APAC COAL LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

2. Significant Accounting Policies (continued)**l) Income tax (continued)**

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax is calculated, without discounting, at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

m) Critical accounting estimated and judgements

In the application of the Company's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors have considered the development, selection and disclosure of the Group's critical accounting judgements and estimates.

i. Current taxation

Judgement is required in determining the amount of the provision for taxation and the timing of payment of the related taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the periods in which such determination are made.

ii. Estimated impairment of account receivables

The Group determines impairment losses for bad and doubtful debts resulting from the inability of the customers/debtors to make the required payments. A considerable amount of estimate and judgement is required in assessing the ultimate realisation of these receivables which is based on the ageing of the receivable balance, customer credit-worthiness, and historical write-off experience. If the financial conditions of customers/debtors deteriorate, additional allowance for bad and doubtful debts may be required. Further details are set out in Note 11.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

3. The Preparation of the Unaudited Consolidated Pro-Forma Statement of Financial Position

The 30 June 2017 audited consolidated statement of financial position of APAC has been adjusted to reflect the impact of the following proposed transactions or actual transactions which have taken place subsequent to 30 June 2017:

- The acquisition by APAC of 100% of the issued share capital of CIH, satisfied by the issue of 532,852,564 APAC shares at A\$0.02 per share (on a post-consolidation basis). As the acquisition is required to be accounted for as a reverse acquisition the pro-forma financial information has therefore been prepared as a continuation of the business and operations of CIH.
- The consolidation of the Company's capital on the basis that every 3.4681 shares be consolidated into 1 share.
- Pursuant to this Prospectus, a capital raising of a minimum of A\$3,500,000 with the ability to accept additional subscriptions to raise up to a further A\$1,500,000. For the purposes of the pro forma, we have assumed A\$3,500,000 will be raised via the issue of 175,000,000 ordinary shares for A\$0.02 per share (on a post consolidation basis). If more capital was to be raised then the impact would be to increase cash and cash equivalents and issued capital by the amount of the additional cash raised, net of additional costs incurred in raising this additional capital.
- The issue of 37,299,679 ordinary shares, on a post consolidation basis, to promoters of the proposed transaction and the subsequent write off this expense (A\$745,994) to retained earnings.
- Magnus Energy Group Ltd's ("Magnus" or ultimate parent company of APAC) repayment of A\$99,000 of borrowings on behalf of APAC, and the increase in the loan payable by APAC following 30 June 2017. Subsequent reassignment of the loan due to Magnus to APAC's subsidiary, PT Deefu Chemical Indonesia on 31 October 2017.
- Sale of shares in subsidiary, PT Deefu Chemical Indonesia, for US\$2.
- Costs of A\$575,000 payable by the Company in relation to the proposed acquisition and proposed capital raising, and the subsequent write off of these costs against issued capital (A\$410,000) and accumulated losses (A\$165,000).
- Costs of the audit of the financial statements of CIH for the three years ended 31 March 2017, and the three months ended 30 June 2017 of A\$200,000.
- Pre-completion dividend declared by CIH, distributed to the shareholders of CIH in the amount of A\$899,000.
- Earnings in CIH for the three months ended 30 September 2017 of A\$430,000 (being HK\$2,600,932 translated at the average exchange rate for the three months being HK\$1: A\$0.1621). All transactions have been assumed to be cash.
- Withdrawals from Directors loan account for the three months to 30 September 2017 of A\$545,000 (being HK\$3,360,742 translated at the average exchange rate for the three months being HK\$1: A\$0.1621). All transactions have been assumed to be cash.
- Repayment in full of the loan owed by the Director Mr Wong Ka Sek, to CIH through the payment of part of the costs of the Proposed Transaction privately.
- The statement of financial position of CIH as at 30 June 2017 has been translated to Australian Dollars (A\$) from Hong Kong Dollars (HK\$) at an exchange rate of HK\$1 equates to A\$0.1672, which is the exchange rate prevailing at that date.

APPENDIX 4

APAC COAL LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

3. The Preparation of the Unaudited Consolidated Pro-Forma Statement of Financial Position (continued)

- The statements of profit and loss and other comprehensive income, as set out in Appendix 1, and the statements of cashflow, as set out in Appendix 3, have been translated to Australian Dollars (A\$) from Hong Kong Dollars (HK\$) at the following exchange rates;
 - Year ended 31 March 2015 – HK\$1 equates to A\$0.1473, which is the average exchange rate for that year;
 - Year ended 31 March 2016 – HK\$1 equates to A\$0.1751, which is the average exchange rate for that year;
 - Year ended 31 March 2017 – HK\$1 equates to A\$0.1713, which is the average exchange rate for that year; and
 - Three months ended 30 June 2017 – HK\$1 equates to A\$0.1711, which is the average exchange rate for that period.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

4. Business Combination

Reverse acquisition of APAC by CIH

Under the terms of AASB 3 “Business Combinations”, CIH is deemed to be the accounting acquirer in the business combination. Consequently, the transaction has been accounted for as a reverse acquisition.

CIH, as the deemed acquirer, will account for the acquisition of APAC. Accordingly, the pro-forma consolidated statement of financial position of APAC as at 30 June 2017 incorporates the net assets of APAC and CIH as if the group was headed by CIH. 30 June 2017 has been deemed as the acquisition date for the purposes of the pro-forma, with the net assets of CIH as at 30 June 2017 being recorded at their book value and the net assets of APAC as at 30 June 2017 being recorded at their fair value.

Details of the fair value of assets and liabilities acquired and excess consideration are as follows:

Purchase consideration:	A\$
Being the deemed fair value of consideration paid for APAC	1,440,000
Add: fair value of net identifiable liabilities acquired (see below)	155,284
Premium paid	1,595,284

The premium paid has been expensed in the statement of profit or loss and other comprehensive income as a cost of listing.

Details of the fair value of identifiable assets and liabilities of APAC as at 30 June 2017 (deemed acquisition date) are as follows:

	Book carrying value Actual 30 June 2017 A\$	Fair value Pro-forma 30 June 2017 A\$
Assets		
Cash and cash equivalents	11,198	11,198
Other receivables	451	451
Assets held for sale	1	1
Liabilities		
Trade and other payables	67,934	67,934
Borrowings	99,000	99,000
Net liabilities	(155,284)	(155,284)

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

	Actual 3 months ended 30 June 2017 A\$	Actual Year end 31 March 2017 A\$	Actual Year end 31 March 2016 A\$	Actual Year end 31 March 2015 A\$
5. Revenue				
The Group is principally engaged in the business of provision of debt management services which comprise of bankruptcy administration services and IVA services. An analysis of the Group's revenue for the period is as follows:				
Provision of bankruptcy administration services	949,155	3,335,195	3,184,562	2,315,506
Provision of IVA services	51,773	253,095	367,809	398,101
	1,000,928	3,588,290	3,552,371	2,713,607
6. Other Income				
Reimbursement of expenses	23,662	101,105	78,655	46,676
Other	-	-	20	3,844
	23,662	101,105	78,675	50,520
7. Gain on Change in Shareholding of Subsidiary				
On 14 May 2015, CIH disposed of an aggregate 9% equity interest in its subsidiary Honk Kong Debt Management Services Limited. A gain on change in the shareholding of Honk Kong Debt Management Services Limited of A\$2,521,165 (HK\$14,399,991) was recognized in the consolidated statements of comprehensive income during the year ended 31 March 2016.				
8. Profit Before Tax				
Profit before tax has been arrived at after charging:				
Depreciation of property, plant and equipment	1,968	6,717	2,279	5,525
Operating lease expenses	47,210	189,067	186,987	141,404
Employee benefits expenses:				
Salaries, wages and other benefits	253,603	1,014,453	750,975	583,288
Contributions to defined contribution plans	11,331	44,456	36,522	26,540
	264,934	1,058,908	787,497	609,828

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

	Actual 3 months ended 30 June 2017 A\$	Actual Year end 31 March 2017 A\$	Actual Year end 31 March 2016 A\$	Actual Year end 31 March 2015 A\$
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9. Income Tax Expense

Current tax expense (Hong Kong Profits Tax)

101,034	324,768	350,586	289,714
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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 British Virgin Islands ("BVI"), the Group is not subject to any income tax under this jurisdiction during the periods presented. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit derived in Hong Kong for all periods presented.

Reconciliation between income tax expense and accounting profit before taxation at the applicable tax rate:

Profit before income tax expense	611,409	1,991,640	4,681,191	1,762,144
Tax at statutory rate of 16.5%	100,882	328,621	772,398	290,754
Tax effect on non-deductible expenses	152	2,878	3,760	4,618
Tax effect on non-taxable income	-	858	(415,015)	(2)
Tax effect of temporary differences not recognised	-	(738)	(3,552)	236
Others	-	(6,850)	(7,003)	(5,892)
Income tax expense	101,034	324,768	350,586	289,714

There were no material unrecognised deferred tax assets and liabilities as at 30 June 2017.

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APAC COAL LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

	Actual 30 June 2017 A\$	Pro-Forma Consolidated 30 June 2017 A\$
10. Cash and Cash Equivalents		
CURRENT		
Cash at bank and on hand	11,198	3,332,815

The movements in cash at bank are as follows:

Actual – APAC holding as at 30 June 2017	11,198
Actual – CIH holding as at 30 June 2017	350,746
Issue of shares by APAC pursuant to Prospectus before costs (assuming minimum is raised)	3,500,000
Costs of the offer and the acquisition less amounts paid privately by Mr. Wong Ka Sek	(214,130)
Costs of audit of the financial statements of CIH	(200,000)
Earnings of CIH for the three months to 30 September 2017	430,000
Directors loan account withdrawals in CIH from 1 July 2017 to 30 September 2017	(545,000)
	3,332,815

11. Trade and Other Receivables**CURRENT**

Trade and other receivables	451	192,436
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The movements in trade and other receivables are as follows:

Actual – APAC holding as at 30 June 2017	451
Actual – CIH holding as at 30 June 2017 (creditors of bankrupts)	191,985
	192,436

All of the accounts receivable are expected to be recovered within one year.

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, Mr. Wong Ka Sek and Mr. Wong Ka Lam King, who are also the directors. 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 directors believe that no provision for impairment is necessary as at 30 June 2017 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.

All account receivables are neither past due nor impaired. Receivables that were neither past due nor impaired relate to customers for whom there was no recent history of default.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

	Actual 30 June 2017 A\$	Pro-Forma Consolidated 30 June 2017 A\$
12. Prepayments, Deposits and Other Receivables		
CURRENT		
Prepayments	-	3,454
Deposits	-	32,938
Other receivables	-	76,394
	-	112,786

The movements in prepayments, deposits and other receivables are as follows:

Actual – APAC holding as at 30 June 2017	-
Actual – CIH holding as at 30 June 2017	112,786
	112,786

All of the prepayments, deposits and other receivables are expected to be recovered or recognised as expense within one year.

13. Directors' Loan Accounts

CURRENT

Directors loan account – Mr. Wong Ka Sek	-	-
	-	-

The movements in Directors' loan accounts are as follows:

Actual – APAC holding as at 30 June 2017	-
Actual – CIH holding as at 30 June 2017	714,869
Withdrawals from loan account during the three months to 30 September 2017	545,000
Costs of the offer paid privately	(360,870)
Pre-completion dividend declared in CIH	(899,000)
	-

The amounts due from Mr. Wong Ka Sek are unsecured, interest-free and repayable on demand.

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APAC COAL LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

	Actual 30 June 2017 A\$	Pro-Forma Consolidated 30 June 2017 A\$
14. Asset Held for Sale		
Interest in Indonesian subsidiary	1	-

The movements in assets held for sale are as follows:

Actual – APAC as at 30 June 2017	1
Actual – CIH as at 30 June 2017	-
Disposal of interest in subsidiary	(1)
	-

The net assets of these Indonesian subsidiaries, including any capitalised exploration assets, have been impaired to A\$1 as at 30 June 2017 given the current and ongoing ownership dispute, and the intention of the Directors to dispose of the subsidiary via sale of the shares for consideration of US\$2 if the Proposed Transaction proceeds.

15. Property, Plant and Equipment

	Furniture, fixtures and equipment A\$	Motor vehicles A\$	Total A\$
Cost			
At 30 June 2017	168,325	321,167	489,492
Accumulated depreciation			
At 30 June 2017	(136,903)	(321,167)	(458,070)
Net book value			
Pro-forma at 30 June 2017	31,422	-	31,422
Actual at 30 June 2017	-	-	-

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

	Actual 30 June 2017 A\$	Pro-Forma Consolidated 30 June 2017 A\$
16. Trade and Other Payables		
CURRENT		
Trade and other payables	48,530	83,117
The movements in trade and other payables are as follows:		
Actual – APAC holding as at 30 June 2017		48,530
Actual – CIH holding as at 30 June 2017		34,587
		83,117
17. Loan Payable to Magnus		
Loan payable to ultimate parent company of APAC (Magnus)	19,404	-
The movements in the loan payable to Magnus are as follows:		
Actual – APAC as at 30 June 2017		19,404
Actual – CIH as at 30 June 2017		-
Increase in Magnus loan subsequent to 30 June 2017		127,000
Magnus repayment of borrowings on behalf of APAC (note 18)		99,000
Reassignment of loan to Indonesian subsidiary and subsequent sale of subsidiary		(245,404)
		-
18. Borrowings		
Loan payable to Rung Capital	99,000	-
The movements in borrowings are as follows:		
Actual – APAC as at 30 June 2017		99,000
Actual – CIH as at 30 June 2017		-
Magnus repayment of borrowings on behalf of APAC (note 17)		(99,000)
		-

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APAC COAL LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

19. Share Capital

Movements in ordinary share capital

	No. of shares Legal parent (APAC)	A\$ Legal parent (APAC)
Ordinary issued and paid up share capital		
Actual balance as at 30 June 2017	249,705,637	6,394,067
Consolidation on a 3.4681 for 1 basis	(177,705,637)	-
Balance as at 30.06.2017 on a post consolidation basis	72,000,000	6,394,067
Pro-forma adjustments:		
Reverse acquisition adjustment to reverse opening share capital value in APAC	-	(6,394,067)
Reverse acquisition adjustment to recognise opening share capital value in CIH	-	13,039
Deemed consideration for the issue of ordinary shares by APAC as purchase consideration for CIH	532,852,564	1,440,000
Shares issued pursuant to current prospectus to raise a minimum of A\$3,500,000 at \$0.02 per share on a post consolidation basis	175,000,000	3,500,000
Shares issued to Promoters at \$0.02 per share on a post consolidation basis	37,299,679	745,994
Transaction costs relating to minimum capital raising	-	(410,000)
Pro-forma balance as at 30 June 2017	817,152,243	5,289,033

20. Reserves

Merger reserve

The merger reserve represents:

- the difference between the nominal value of share capital of the Company held by the non-controlling interest holders and the nominal value of share capital of HKDMS held by the non-controlling interest holders upon completion of the Reorganisation; and
- the nominal value of share capital held by the non-controlling interest holders prior to the Reorganisation.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

21. Financial Risk Management Objectives and Policies

The Group has exposure to the credit risk and liquidity risk arising from financial instruments. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

i. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

The Group's credit risk is primarily attributable to account receivables, deposits and other receivables, and amounts due from related parties. In order to minimise risk, the management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. Credit evaluations of its debtors' financial position and condition are performed on each and every major debtor periodically. These evaluations focus on the debtor's past history of making payments when due and current ability to pay, and take into account information specific to the debtor as well as pertaining to the economic environment in which the debtor operates. Debtors with overdue balances, which will be reviewed on a case-by-case basis, are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each debtor. The default risk of the industry in which debtors operate also has an influence on credit risk. At the end of the reporting period, the Group has no concentration of credit risk of the total account receivables due from the Group's largest customer and five largest customers.

With respect to credit risk arising from amounts due from the controlling shareholder and a related party, the Group's exposure to credit risk arising from default of the counterparties is limited as the counterparties have good history of repayment and the Group does not expect to incur a significant loss for uncollected amounts due from the controlling shareholder and a related party.

The credit risk on balances of cash and cash equivalents is low as these balances are placed with reputable financial institutions.

ii. Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the raising of loans to cover expected cash demands, subject to approval of the directors. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient amount of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term. The Group relies on its liquid funds as significant sources of liquidity.

All financial liabilities as at 30 June 2017 were repayable on demand.

iii. Capital management

The Group's objectives when managing capital are to ensure that entities in the Group will be able to continue as a going concern while maximising the return to the owners through the optimisation of the debt and equity balance. The management reviews the capital structure by considering the cost of capital and the risks associated with each class of capital. In view of this, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt as it sees fit and appropriate.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

21. Financial Risk Management Objectives and Policies (continued)

iii. Capital management (continued)

The Group monitors capital on the basis of the net gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as “equity” as shown in the consolidated statement of financial position plus net debt, if any.

iv. Fair value

The carrying amounts of the Group’s financial instruments carried at cost or amortised cost are not materially different from their fair value as at 30 June 2017.

v. Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

CIH Group has exposures arising from transactions that are denominated in Hong Kong Dollars (“HK\$”). The Group holds cash and bank balances denominated in HK\$ for working capital purposes. Post completion of the Proposed Transaction APAC, being the parent company for legal purposes, will have significant exposure to HK\$ currency fluctuations.

Consequently, the Group is exposed to movements in foreign currency exchange rates. However, the Group does not use any financial derivatives such as foreign currency forward contracts, foreign currency options or swaps for hedging purposes.

22. Events After the Reporting Date

Pursuant to the Share Purchase Agreement with CIH, the shareholders of CIH are entitled to a pre-completion dividend of A\$899,000. This interim dividend has been included as an adjustment in the pro-forma balance sheet in appendix 2.

On 24 October 2017, CIH completed an internal restructuring exercise whereby CIH became the owner of 100% of the equity in Hong Kong Debt Management Limited, Hong Kong IVA Consultants Limited and Hong Kong Debt Management Services Limited. The notional consolidated statement of profit or loss and other comprehensive income for CIH, and the notional consolidated statements of cash flows for CIH included in appendices 1 and 3 respectively, have been prepared based on the assumption that the restructuring exercise took place on 1 April 2014.

On 31 October 2017, the Company reassigned its loan from its ultimate parent company, Magnus Energy Ltd, to its subsidiary, PT Deefu Chemical Indonesia. This debt reassignment has been included as an adjustment in the pro-forma balance sheet in appendix 2.

We are not aware of any other significant events subsequent to 30 June 2017 other than those mentioned in note 3.

8. RISK FACTORS

As with any share investment, there are risks involved. This section identifies the major areas of risk associated with an investment in the Company, but should not be taken as an exhaustive list of the risk factors to which the Company and its shareholders are exposed. Investors should read the entire Prospectus and consult their professional adviser before deciding whether to apply for Shares.

8.1 SPECIFIC RISKS

(a) **Change in the nature and scale of activities**

As part of the Company's change in nature and scale of activities, ASX will require the Company to re-comply with Chapters 1 and 2 of the Listing Rules. There is a risk that the Company may not be able to meet the requirements of ASX for re-quotation on the ASX and that its securities will consequently remain suspended from quotation.

(b) **Reliance on key personnel**

The Company's success is highly dependent upon the retention of key personnel of Credit Intelligence, in particular its founder and the proposed managing director of the Company, Jimmie Wong, as well as other members of the senior management team such as King Wong.

As the face of Credit Intelligence, Jimmie Wong, King Wong and the senior management team of Credit Intelligence is integral to Credit Intelligence's Hong Kong operational success. The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. The Company may be detrimentally affected if one or more of the key management or other personnel cease their engagement with the Company.

There is no assurance that engagement contracts for such personnel will not be terminated or will be renewed on their expiry. If such contracts were terminated, or if members of the senior management team were otherwise no longer able to continue in their role, the Company would need to replace them which may not be possible if suitable candidates who hold the requisite accreditations and licences for Credit Intelligence's business are not available. As a result, the Company's operations and financial performance would likely be adversely affected.

(c) **Debtor repayment risk**

The success of Credit Intelligence's bankruptcy administration services is dependent on the repayment of debt under each bankruptcy case. The circumstances surrounding the bankruptcy, the formulation of the bankruptcy repayment plan and proper implementation of the bankruptcy repayment plan vary on a case by case basis, and there is no assurance that each debt will be repaid correctly and timely. Debt repayment failure may reduce the revenue generated from Credit Intelligence's bankruptcy administration services, which may negatively impact Credit Intelligence's operational and financial performance.

(d) **Loss of key business relationships**

The business operations of Credit Intelligence are dependent on Credit Intelligence being referred bankruptcy cases from creditors. There is no assurance that Credit Intelligence's relationships with creditors will continue in the future. If Credit Intelligence was to cease being referred bankruptcy cases from creditors, or failed to retain these creditors as clients, then this may negatively impact the business operations and revenues, and therefore profitability, of Credit Intelligence.

(e) **Competition risk**

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(f) **Future funding needs**

The funds to be raised under the Offer are considered sufficient to meet the immediate objectives of the Company. Further funding may be required by the Company in the event costs exceed estimates or revenues do not meet estimates, to support its ongoing operations and implement its strategies. For example, funding may be needed to acquire complementary assets.

Accordingly, the Company may need to engage in equity or debt financings to secure additional funds. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the Offer price or may involve restrictive covenants that limit the Company's operations and business strategy.

There can be no assurance that such funding will be available on satisfactory terms or at all at the relevant time. Any inability to obtain sufficient financing for the Company's operations and business plan may adversely affect the potential growth of the Company.

(g) **Liquidity and expiry of escrow**

Pursuant to the Share Purchase Agreement, the Company is to enter into a voluntary escrow agreement with its proposed managing Director and major Shareholder, Jimmie Wong, under which 366,602,564 Shares (representing 44.86% of the total number of Shares on issue upon completion of the Offer assuming Minimum Subscription) held by him will be subject to escrow for a period of 12 or 24 months and will not be tradeable for those periods. This may reduce the volume of trading in the Company's Shares on the ASX, which may in turn negatively impact a Shareholder's ability to sell Shares.

Following the end of these escrow periods, a significant portion of Shares will become tradable on ASX. This may result in an increase in the number of Shares being offered for sale on market which may in turn put downward pressure on the Company's Share price. Please see in section 1.9 for further information on anticipated escrow arrangements.

(h) **Acquisitions**

The Company may make acquisitions of, or significant investments in, companies or assets that are complementary to its business. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies or assets, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving mineral exploration success and retaining key staff.

(i) **Litigation**

The Company may in the ordinary course of business become involved in litigation and disputes, for example with service providers, customers or third parties infringing the Company's intellectual property rights. Any such litigation or dispute could involve significant economic costs and damage to relationships with contractors, customers or other stakeholders. Such outcomes may have an adverse impact on the Company's business, reputation and financial performance.

(j) **Insurance coverage**

The Company intends to maintain adequate insurance over its operations within the ranges that the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. However, the Company may not be insured against all risks either because appropriate cover is not available or because the Directors consider the required premiums to be excessive having regard to the benefits that would accrue.

(k) **Key management**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. The Company may be detrimentally affected if one or more of the key management or other personnel cease their engagement with the Company.

(l) **Foreign exchange risks**

The Company's costs and expenses in Hong Kong are denominated in Hong Kong dollars. Accordingly, the depreciation of the Australian dollar, or the appreciation of the Hong Kong dollar relative to the Australian dollar, may result in a translation loss on consolidation which is taken directly to shareholder equity. Any depreciation of the Hong Kong dollar relative to the Australian dollar may result in lower than anticipated revenues of profits.

The Company will be exposed to foreign exchange risks between the Australian and Hong Kong dollars on an ongoing basis and, accordingly, it will have to continuously monitor this risk. Any change in the ability to convert Hong Kong dollars to Australian dollars due to currency control may have an adverse effect on the financial position of the Company from time to time.

(m) **Liquidity risk**

Liquidity risk is the risk that the Company may encounter difficulties raising funds to meet commitments and financial obligations as and when they fall due. It is the Company's aim in managing its liquidity to ensure that there are sufficient funds to meet its liabilities as and when they fall due. The Company manages liquidity risk by continuously monitoring its actual cash flows and forecast cash flows.

There is no guarantee that there will be an ongoing liquid market for Shares. Accordingly, there is a risk that, should the market for Shares become illiquid, Shareholders will be unable to realise their investment in the Company.

8.2 GENERAL RISKS

(a) **Changes to Laws and Regulations**

The Company may be affected by changes to laws and regulations (in Australia and other countries in which the Company may operate) concerning bankruptcy, property, the environment, superannuation, taxation trade practices and competition, government grants, incentive schemes, accounting standards and other matters. Such changes could have adverse impacts on the Company from a financial and operational perspective.

(b) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation point of view and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to the taxation consequences of applying for Shares under this Prospectus.

(c) **Share Market**

Share market conditions may affect the value of the Company's securities regardless of the Company's operating performance. Share market conditions may cause the Shares to trade at prices below the price at which the Shares are being offered under this Prospectus. There is no assurance that the price of the Shares will increase following quotation on the ASX, even if the Company's earnings increase. Some factors include, but are not limited to, the following:

- general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital;
- terrorism or other hostilities; and
- other factors beyond the control of the Company.

(d) **Force Majeure**

Events may occur within or outside the markets in which the Company operates that could impact upon the global and Australian economies, the operations of the Company and the market price of its Shares. These events include acts of terrorism, outbreaks of international hostilities, fires, pandemics, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease, and other man-made or natural events or occurrences that can have an adverse effect on the demand for the Company's services and its ability to conduct business. Given the Company has only a limited ability to insure against some of these risks, its business, financial performance and operations may be materially and adversely affected if any of the events described above occur.

8.3 OTHER RISKS

The risk factors outlined in Section 8 ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider that an investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

9. KEY PERSONS AND CORPORATE GOVERNANCE

9.1 BOARD OF DIRECTORS

The Board is responsible for:

- setting and reviewing strategic direction and planning;
- reviewing financial and operational performance;
- identifying principal risks and reviewing risk management strategies; and
- considering and reviewing significant capital investments and material transactions.

In accordance with the terms of the Share Purchase Agreement and with effect from completion of the Proposed Transaction, the current Directors will retire as Directors of the Company and the Proposed Directors will be appointed to the Board of the Company.

Collectively, the Directors have significant experience in the insolvency industry. Brief profiles of the current Directors and Proposed Directors are set out in Sections 9.2 and 9.3 respectively.

9.2 DIRECTOR PROFILES

Luke Ho Khee Yong
Executive Director

Mr Ho was appointed as Executive Director on 3 September 2015. Mr Ho is also currently the Chief Executive Officer of APAC's parent, Magnus Energy Group Ltd.

Mr Ho holds a Master Degree in Strategic Business Management and the CIMA Professional Qualification with the Chartered Institute of Management Accountants of the United Kingdom (the "CIMA"). He is an associate member of the CIMA and also a non-practicing member of Institute of Singapore Chartered Accountants.

Quah Boon Ban
Non - Executive Director

Mr Quah has over ten years of experience in a variety of roles across diversified industry sectors including, engineering, I.T, insurance, real estate and the resource sector.

Brett Crowley
Non-Executive Director

Mr Crowley is a practicing solicitor and is an experienced chairman, finance director and company secretary of ASX-listed companies. He currently practices as a solicitor and is a former Senior Legal Member of the NSW Civil and Administrative Tribunal. He is currently a director of two ASX listed companies and company secretary of five ASX listed companies. Mr Crowley is also the Company Secretary.

9.3 PROPOSED DIRECTOR PROFILES

Jimmie Wong
CEO and Managing Director

Mr Jimmie Wong is the founder of Credit Intelligence. Mr Wong obtained a bachelor of laws from the University of Hong Kong. Mr Wong has over 20 years' experience as a leading insolvency lawyer having served as legal adviser to numerous financial institutions and groups, and has also provided legal advice in relation to cross-border takeovers and mergers, corporate finance, IPOs

and foreign direct investment. In 2008 Mr Wong was awarded the Hong Kong Innovative Entrepreneur of the Year Award.

King Wong

Executive Director

Mr King Wong is currently the CEO and Executive Director of HKDMS. Mr King Wong joined the Group in 2002 and is primarily responsible for overseeing the overall business operations of the Group. Mr King Wong graduated with a bachelor of laws degree (Honours) from the City University of Hong Kong in 1998. He is a practicing solicitor and was admitted as a solicitor in Hong Kong in 2001. Mr King Wong has extensive professional experience in handling insolvency matters. He was first appointed as a bankruptcy trustee in Hong Kong in 2004 and has been a member of the Insolvency Law Committee of the Law Society of Hong Kong since June 2015, where he is primarily responsible for reporting on developments and possible reforms relating to the law and practice of insolvency in Hong Kong.

Mel Ashton

Non-Executive Chairman

Mr Ashton has over 37 years' experience as a chartered accountant, 25 years as an insolvency practitioner and turnaround specialist and 12 years' experience as a chairman of ASX listed and large private companies.

Mr Ashton has experience in many capital raisings (over A\$400 Million) and more than 12 mergers and acquisitions. Mr Ashton's diversified experience is complimented by his strategic approach and considerable business network. He is currently a director of Hawaiian Group and the non-executive chairman of ASX listed company, Venture Minerals Ltd and was formerly the Vice President of Fremantle Football Club.

Krista Bates

Non-Executive Director

Ms Bates has over 15 years as a legal practitioner, being admitted as a solicitor in England and Wales in 2001. In this role, Ms Bates has been involved in the restructuring and strategy for the roll-out of commercial initiatives in multiple jurisdictions, and has extensive experience in advising corporate matters such as acquisitions, disposals, joint ventures, takeovers and corporate governance. Ms Bates also has extensive experience with insolvency matters. Ms Bates has also acted as legal counsel and director of Fastjet Plc, a company listed on the London Stock Exchange.

Vincent Lai

Non-Executive Director

Formerly the senior executive at the PRC Office of Bank of America, Mr. Lai is the Chairman & Executive Director of a public company listed in Hong Kong and Singapore as well as a Non-executive Director of a listed company in Hong Kong. He has extensive experience in international banking, corporate finance, and corporate management. He is also well versed in the Chinese market, being the first branch manager for the Shanghai and Guangzhou Branches of the Bank of America. He has conducted and organised many training programs for banks, non-bank financial institutions and corporations in China in areas of credit & portfolio risk management, client relationship management, and corporate finance. Mr. Lai graduated from the University of Hong Kong with a Bachelor's Degree in Social Sciences majoring in Economics and Management Studies.

9.4 PROPOSED COMPANY SECRETARY PROFILE

Dennis Wilkins

Company Secretary

Mr Wilkins is the founder and principal of DWCorporate, a privately held corporate advisory firm. Since 1994 he has been a director of, and involved in the executive management of, several

publicly listed companies with operations in Australia, PNG, Scandinavia and Africa. From 1995 to 2001 he was the Finance Director of Lynas Corporation Ltd during the period when the Mt Weld Rare Earths project was acquired by the group. He was also founding director and adviser to Atlas Iron Limited at the time of Atlas' initial public offering in 2006.

9.5 COMPOSITION OF THE BOARD

9.5.1 Current Composition

The Board currently comprises of three members, including two Non-Executive Directors and one Executive Director.

The Board considers an independent Director to be a Non-Executive Director who is not a member of management and who is free of any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the independent exercise of that Director's judgment. The Company considers Quah Boon Bah and Brett Crowley to be independent. As such, the composition of the Company's Board is in line with the recommendations of the ASX Corporate Governance Council in that a majority of its members are independent Directors, including the Chairman.

9.5.2 Proposed Composition

Upon completion of the Proposed Transaction, the board will comprise five members, including three Non-Executive Directors and two executive Directors. The Company considers Mel Ashton, Krista Bates and Vincent Lai to be independent. As such the composition of the Company's Board is in line with the recommendations of the ASX Corporate Governance Council in that a majority of its members are independent Directors, including the Chairman.

9.6 SENIOR MANAGEMENT TEAM

The Board has delegated responsibility for the business operations of the Company to the senior management team. The senior management team, led by the Chief Executive Officer, is accountable to the Board. Brief profiles of the persons comprising the senior management team are set out below.

Jimmie Wong
CEO and Managing Director

See Section 9.3.

King Wong
Head of Operations

See Section 9.3.

9.7 INTERESTS OF DIRECTORS

Other than as disclosed in this Prospectus, no Director holds at the date of this Prospectus or held at any time during the last 2 years, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offer; or
- the Offer.

Further, other than as disclosed in this Prospectus, the Company has not paid any amount or provided any benefit, or agreed to do so, to any Director, either to induce that Director to become,

or to qualify them as a Director, or otherwise, for services rendered by them in connection with the formation or promotion of the Company or the Offer.

9.7.1 SHAREHOLDING REQUIREMENTS

The Directors are not required to hold any Shares under the Constitution of the Company.

9.7.2 DIRECTORS' SECURITY HOLDINGS

Assuming that Full Subscription is achieved under the Offer, set out below are the Directors' relevant interests in the securities of the Company.

Director		Shares	Voting power at completion of Offer	
			Minimum Subscription	Full Subscription
Directors				
Luke Ho Khee Yong	288,340	0.004%	0.003%	
Quah Boon Ban	-	-	-	
Brett Crowley	-	-	-	
Total	288,340	0.004%	0.003%	
Proposed Directors				
Jimmie Wong ¹	458,253,206	56.08%	51.36%	
King Wong	26,642,628	3.26%	2.99%	
Mel Ashton	-	-	-	
Krista Bates	-	-	-	
Vincent Lai	-	-	-	
Total	506,209,936	61.95%	56.74%	

Notes:

1. Jimmie Wong's interest is held via his wholly owned entity, Beta Field (China) Financial Information Services Ltd.
2. The table assumes that no Directors apply for Shares under the Offer.
3. The Company does not have any class of security on issue other than its Shares.
4. Subject to shareholder approval, the Proposed Directors will each be issued Performance Shares (see Section 9.7.3).

9.7.3 DIRECTORS' REMUNERATION

The Constitution provides that each Director is entitled to such remuneration from the Company as the Directors decide, but the total amount provided to all non-executive directors must not exceed in aggregate the amount fixed by the Directors prior to the first annual general meeting. The aggregate remuneration for all non-executive directors has been set at an amount of \$250,000 per annum by the Directors. The remuneration of the Directors must not be increased

except pursuant to a resolution passed at a general meeting of the Company where notice of the proposed increase has been given to Shareholders in the notice convening the meeting.

Director	Annual salary (plus superannuation)	Class A Performance Shares	Class B Performance Shares
Directors			
Luke Ho Khee Yong	\$30,000	-	-
Quah Boon Ban	\$20,000	-	-
Brett Crowley	\$30,000	-	-
Proposed Directors			
Jimmie Wong	\$200,000	5,000,000	10,000,000
King Wong	\$150,000	5,000,000	7,500,000
Mel Ashton	\$70,000	5,000,000	2,500,000
Krista Bates	\$40,000	1,750,000	750,000
Vincent Lai	\$40,000	1,750,000	750,000

Note:

1. See Section 11.2 for the terms of the Performance Shares.

9.8 CORPORATE GOVERNANCE

The Board recognises the importance of good corporate governance and establishing the accountability of the Board and management. To the extent relevant and practical, the Company has adopted a corporate governance framework that is consistent with the *Corporate Governance Principles and Recommendations (3rd Edition)* published by ASX Corporate Governance Council (**Recommendations**).

The Board has adopted the following suite of corporate governance policies which are available on the Company's website at www.apaccoal.com:

- Board Charter
- Board Performance Evaluation Policy
- Code of Conduct
- Audit and Risk Management Committee Charter
- Remuneration and Nomination Committee Charter
- Continuous Disclosure Policy
- Security Trading Policy
- Diversity Policy
- Shareholder Communications Strategy

The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

As the Company's activities develop in size, nature and scope the implementation of additional corporate governance structures will be given further consideration.

Following re-admission to the official list of ASX, the Company will be required to report any departures from the Recommendations in its annual financial report. As at the date of this Prospectus the Company complies with the Recommendations.

10. MATERIAL CONTRACTS

10.1 SHARE PURCHASE AGREEMENT

The Company has entered into a share purchase agreement and subsequent accession deed (**Share Purchase Agreement**) with CIH and the Sellers to acquire 100% of the issued share capital in CIH. The key terms of the Share Purchase Agreement are set out below.

- (a) In consideration of acquiring 100% of the issued capital of CIH, the Company will issue 532,852,564 Shares to the Sellers (pro rata to their respective shareholdings).
- (b) Completion is subject to the following conditions:
 - (i) each party obtaining all necessary regulatory and shareholder approvals;
 - (ii) the Company being satisfied with its due diligence inquiries into CIH;
 - (iii) the Company completing the Public Offer;
 - (iv) the Company being reasonably satisfied of its ability to re-comply with Chapters 1 and 2 of the Listing Rules;
 - (v) CIH becoming the ultimate parent company of Credit Intelligence;
 - (vi) the Company disposing of its interest in the share capital of PT Deefu Chemical Indonesia;
 - (vii) the Company completing the Consolidation; and
 - (viii) no material adverse change having occurred.
- (c) On completion, the Board will be replaced with the Proposed Directors.
- (d) The consideration shares issued to Beta Field (China) Financial Information Services Ltd will, in the event mandatory escrow does not apply, be subject to voluntary escrow whereby 40% of the consideration shares received by Beta Field (China) Financial Information Services Ltd will be subject to 12 months escrow and 40% of the consideration shares received by Beta Field (China) Financial Information Services Ltd will be subject to 24 months escrow.
- (e) As soon as practicable following completion, the Company will change its name to 'Credit Intelligence Limited'.

The Share Purchase Agreement is otherwise on terms and conditions considered standard for agreements of this nature.

10.2 EMPLOYMENT AGREEMENTS

Jimmie Wong
CEO and Managing Director

Jimmie Wong is engaged as the Company's proposed Managing Director and Chief Executive Officer pursuant to an employment agreement with the Company.

As the Managing Director, Mr Wong will not be subject to the usual requirement of directors to stand for re-election in accordance with the rotation of directors requirements.

The employment agreement will commence on the date the Company is listed on the ASX and continue until the earlier of 3 years from the date the Company is listed on the ASX or the date it is terminated in accordance with its terms.

His annual remuneration package is made up of an annual salary of \$200,000 plus any statutory superannuation. Mr Wong will also receive an initial issue of 5,000,000 Class A Performance Shares and 10,000,000 Class B Performance Shares.

As Managing Director, Mr Wong will, among other things:

- report to the Board;
- be engaged as a full-time employee of the Company and must donate the whole of his time, attention and skill to the duties of his position and the business of the Company;
- be responsible for effectively managing the Company including organisation, planning, leading, motivating and coordinating the activities of the Company to reach pre-set objectives which are determined from time to time by the Board;
- perform his duties in a proper and reasonable manner, with the standard of diligence normally exercised by a person bearing comparable qualifications in the performance of comparable duties, and in accordance with generally accepted practices and standards appropriate to those duties and that industry; and
- obey all reasonable and lawful directions given to him by or under the authority of the Board, and use his best endeavours to promote interests of the Company.

Either party may terminate the agreement without cause by providing the other party with no less than 6 months' notice in writing.

The Company may terminate the agreement by summary notice to Mr Wong with cause in circumstances considered standard for agreements of this nature in Australia.

Mr Wong is subject to restrictions in relation to the solicitation of employees and customers, the use of confidential information (including know-how) and being directly or indirectly involved in competing businesses for a period of 4 years from termination of the agreement.

The agreement is otherwise on terms and conditions considered standard for agreements of this nature in Australia.

King Wong

Executive Director

King Wong is engaged as a proposed Executive Director and Head of Operations pursuant to an employment agreement with the Company.

The employment agreement will commence on the date the Company is listed on the ASX and continue until the earlier of 3 years from the date the Company is listed on the ASX or the date it is terminated in accordance with its terms.

His annual remuneration package is made up of an annual salary of \$150,000 plus any statutory superannuation. Mr Wong will also receive an initial issue of 5,000,000 Class A Performance Shares and 7,500,000 Class B Performance Shares.

As Managing Director, Mr Wong will, among other things:

- report to the Board and Chief Executive Officer;

- be engaged as a full-time employee of the Company and must donate the whole of his time, attention and skill to the duties of his position and the business of the Company;
- be responsible for effectively monitoring and coordinating the day-to-day activities of the Company to reach pre-set objectives determined from time to time by the Board and Chief Executive Officer;
- perform his duties in a proper and reasonable manner, with the standard of diligence normally exercised by a person bearing comparable qualifications in the performance of comparable duties, and in accordance with generally accepted practices and standards appropriate to those duties and that industry; and
- obey all reasonable and lawful directions given to him by or under the authority of the Board or Chief Executive Officer, and use his best endeavours to promote interests of the Company.

Either party may terminate the agreement without cause by providing the other party with no less than 6 months' notice in writing.

The Company may terminate the agreement by summary notice to Mr Wong with cause in circumstances considered standard for agreements of this nature in Australia.

Mr Wong is subject to restrictions in relation to the solicitation of employees and customers, the use of confidential information (including know-how) and being directly or indirectly involved in competing businesses for a period of 4 years from termination of the agreement.

The agreement is otherwise on terms and conditions considered standard for agreements of this nature in Australia.

10.3 BANKRUPTCY TRUSTEE ARRANGEMENT AGREEMENTS

On 2 November 2017 the Company entered into two separate agreements which appointed Jimmie Wong and King Wong (**Trustees**) as the Company's bankruptcy trustees from that date.

The Trustees' duties include:

- performing the duties and exercising the powers of a bankruptcy trustee from time to time in line with standard industry practice and the Bankruptcy Ordinance and the Bankruptcy Rules;
- carrying out their duties jointly with any other trustee appointed from time to time; and
- serving the Company as a director.

The Company must, at its cost:

- provide the Trustees with personnel support, office facilities and any other assistance that is necessary; and
- effect and maintain sufficient liability insurance for the Trustees.

The Trustees must carry out their duties as independent trustees, and the Company has undertaken not to interfere with the Trustees' performance of their duties.

The Trustees cannot terminate the agreements within the first 24 months. Thereafter, they may terminate the agreements by giving the Company at least 3 months' notice in writing.

The Company may terminate the agreements by giving the Trustees 3 months' notice in writing at any time.

The Company can terminate the agreements at any time without any notice or payment in lieu if the Trustees commit a material breach of the agreements, including any act of grave misconduct in the discharge of their duties.

The agreements are otherwise on terms and conditions considered standard for agreements of this nature, including undertakings and warranties given by the parties in favour of each other and indemnities given by the Company in favour of the Trustees.

10.4 ADVISORY AGREEMENT

On 5 July 2017, the Company entered into an advisory agreement (**Advisory Agreement**) with Rung Capital International Ltd, Henry Chow and Mark Ng (together, **Advisers**).

Under the Advisory Agreement, the Advisers were engaged by the Company to identify private company targets interested in entering into a merger and acquisition transaction with the Company, which ultimately lead to the Company and Credit Intelligence entering into the Proposed Transaction.

As consideration for their services, the Company will issue the Advisers 37,299,679 Shares on the condition that the Proposed Transaction is completed before 4 July 2019.

In the event of breach of the Advisory Agreement by the Company, the Advisers shall be entitled to liquidated monetary damages equal to the 37,299,679 Shares the Advisers would have otherwise been entitled to.

10.5 LEAD MANAGER MANDATE

The Company has engaged Patersons as its corporate adviser and lead manager under a corporate advisory agreement, which commenced on 18 July 2017.

Among other things, Patersons will provide the following services:

- assist the Company to develop a corporate structure which meets ASX's regulatory requirements;
- assist with the due diligence process;
- advise on share allocation policy;
- provide strategic market advice as required; and
- establish and facilitate demand for the Offer.

Patersons will receive a capital raising fee of 5.5% (plus GST) in respect of funds raised under the Offer, a lead manager fee of 1.5% (plus GST) in respect of funds raised under the Offer, a \$100,000 success fee on the completion of the Offer, and a corporate advisory fee of \$20,000 per month commencing on 1 August 2017 until the earlier of 1 December 2017 or the lodgement of the Prospectus.

The Company agrees to indemnify Patersons against any and all liabilities, losses, demands, damages, penalties, proceedings, judgements, costs, fees or expenses of any kind whatsoever which may be incurred, suffered, paid or liable to be paid by Patersons in any jurisdiction directly or indirectly arising out the Offer or the engagement.

The Company acknowledges and agrees that Patersons does not accept any liability or responsibility in the event that the Offer does not proceed or the desired quantum of capital is not raised. In addition, the Company acknowledges that Patersons will not be liable for any failure or

delay in performing the services detailed in the engagement if that failure or delay arises from anything beyond its control.

The Company may terminate the engagement at any time before Patersons has extended any firm commitment offer to any investor to subscribe for any shares under the Offer if:

- Patersons fails to rectify any material breach of the engagement having been given 10 business days' notice in writing by the Company; or
- on a no fault basis, with 10 business days' notice in writing, in circumstances where the Company is dissatisfied with the execution of the engagement by Patersons.

Patersons may terminate the engagement any time prior to allotment if, among other things, the following events occur:

- there is a material adverse effect including any adverse change in the assets, liabilities, financial position or prospects of the Company;
- ASX gives notice that the securities of the Company will not be admitted to trading on the Official List of the ASX; or
- default by the Company of any term of the engagement.

The engagement is otherwise on terms and conditions considered standard for agreements of this nature in Australia.

10.6 DEEDS OF ACCESS, INDEMNITY AND INSURANCE

The Company has entered into deeds of access, indemnity and insurance with each Director which confirm each person's right of access to certain books and records of the Company for a period of 7 years after the Director ceases to hold office. This 7 year period can be extended where certain proceedings or investigations commence before the 7 years expires. The deeds also require the Company to provide an indemnity for liability incurred as an officer of the Company, to the maximum extent permitted by law.

Under the deeds, the Company must arrange and maintain Directors' and Officers' insurance during each Director's period of office and for a period of 7 years after a Director ceases to hold office. This 7 year period can be extended where certain proceedings or investigations commence before the 7 years expires.

The deeds are otherwise on terms and conditions considered standard for deeds of this nature in Australia.

10.7 ESCROW AGREEMENT

Pursuant to the Share Purchase Agreement (see Section 10.1 for further information), the Company's proposed CEO, Jimmie Wong, will enter into a voluntary escrow agreement (**Escrow Agreement**). Under the Escrow Agreement the following percentages of the shares issued to Jimmie Wong under the Share Purchase Agreement will be held in escrow:

- 40% for 12 months; and
- 40% for 24 months.

The Escrow Agreement will be on ASX's standard terms and conditions as set out in Appendix 9A of the Listing Rules.

Please see Section 1.9 for details of the further escrow agreements to be entered into by the Company prior to re-admission to the official list of ASX. The escrow agreements will be on ASX's standard terms and conditions as set out in Appendix 9A of the Listing Rules.

11. ADDITIONAL INFORMATION

11.1 RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a general description of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive. Full details of provisions relating to rights attaching to the Shares are contained in the Corporations Act, Listing Rules and the Company's Constitution. A copy of the Company's Constitution is available upon request by contacting the Company on +61 2 9233 3308.

Ranking of Shares

At the date of this Prospectus, all shares are of the same class and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with Existing Shares.

Voting rights

Subject to any special rights or restrictions (at present there are none), at any meeting each member present in person or by proxy has one vote on a show of hands, and on a poll has one vote for each share held.

Dividend rights

Subject to any special rights (at present there are none), any dividends that may be declared by the Company are payable on all Shares in proportion to the amount paid up.

Variation of rights

The rights attaching to the Shares may only be varied by the consent in writing of the holders of 75% of the Shares, or with the sanction of a special resolution passed at a general meeting.

Transfer of Shares

Subject to the Company's Constitution, the Corporations Act or any other applicable laws of Australia and the Listing Rules, the Shares are freely transferable. The Directors may refuse to register a transfer of Shares only in limited circumstances, such as where the Listing Rules require or permit the Company to do so.

General meetings

Each shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to shareholders under the Company's Constitution, the Corporations Act and Listing Rules.

Rights on winding up

If the Company is wound up, the liquidator may, with the sanction of a special resolution;

- divide among the shareholders the whole or any part of the Company's property; and
- decide how the division is to be carried out between the Shareholders.

Subject to any special rights (at present there are none), any surplus assets on a winding up are to be distributed to Shareholders in proportion to the number of Shares held by them irrespective of the amounts paid or credited as paid.

11.2 TERMS OF PERFORMANCE SHARES

The performance shares entitle the holder to Shares on the terms and conditions set out below.

1. Issue price

Each performance share (**Performance Share**) will be issued for nil cash consideration.

2. Rights

- (a) The Performance Shares do not carry any voting rights in the Company.
- (b) The Performance Shares confer on the holder the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to shareholders. Holders of Performance Shares have the right to attend general meetings of shareholders.
- (c) The Performance Shares do not entitle the holder to any dividends.
- (d) The Performance Shares do not confer any right to participate in the surplus profits or assets of the Company upon winding up of the Company.
- (e) The Performance Shares do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (f) The Performance Shares do not confer the right to participate in new issues of securities such as entitlement issues. If the Company makes a bonus issue of Shares or other securities to existing shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of Shares which must be issued on the conversion of a Performance Share will be increased by the number of Shares which the holder would have received if the relevant Performance Share had converted before the record date for the bonus issue.
- (g) If at any time the issued capital of the Company is reorganised, the Performance Shares are to be treated in the manner set out in Listing Rule 7.21 (or other applicable Listing Rule), being that the number of Performance Shares or the conversion ratio or both will be reorganised so that the holder of the Performance Shares will not receive a benefit that holders of ordinary shares do not receive and so that the holders of ordinary shares will not receive a benefit that the holder of the Performance Shares does not receive.
- (h) The Performance Shares give the holder no rights other than those expressly provided by these terms and conditions and those provided at law where such rights at law cannot be excluded by these terms and conditions.

3. Conversion

- (a) Subject to clause 3(b) each Performance Share is convertible into a fully paid ordinary share in the capital of the Company (**Conversion Share**) subject to the Company achieving the following applicable milestone (**Milestone**):

Performance Share	Milestone	Expiry date
Class A	On the Company's 30 day volume weighted average share price reaching at least \$0.025.	2 years from the date the Company recommences trading on the ASX.

Class B	On the Company's 30 day volume weighted average share price reaching at least \$0.03.	3 years from the date the Company recommences trading on the ASX.
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- (b) Despite anything else contained in these terms and conditions, the conversion of any Performance Shares is subject to the Company obtaining all required (if any) shareholder or regulatory approval for the purpose of issuing the Conversion Shares. If conversion of all or part of the Performance Shares would result in any person being in contravention of section 606(1) of the Corporations Act then the conversion of each Performance Share that would cause the contravention will be deferred until such time or times that the conversion would not at a later date result in a contravention of section 606(1) of the Corporations Act. The holder must give prior notification to the Company in writing if it considers that the conversion of all or part of its Performance Shares may result in the contravention of section 606(1) of the Corporations Act, failing which the Company will be entitled to assume that the conversion of the Performance Shares under these terms and conditions will not result in any person being in contravention of section 606(1) of the Corporations Act.
- (c) The Company must issue any Conversion Shares in the name of the holder (or its nominee) within 7 days of the relevant Performance Shares becoming convertible into Conversion Shares under these terms and conditions.
- (d) Each Conversion Share will rank equally with a fully paid ordinary share in the capital of the Company.
- (e) The Performance Shares will not be quoted on any securities exchange and the Company will not make an application for quotation in respect of them. However, if the Company is listed on the ASX at the relevant time, upon conversion of any Performance Shares into Conversion Shares, the Company must within 7 days after the conversion apply for quotation of the Conversion Shares on the ASX, subject always to the requirements of the Listing Rules, including those relating to escrow.
- (f) If the Milestone is not satisfied on or before the expiry date, the relevant Performance Shares will immediately be redeemed by the Company for nil cash consideration.

4. Transferability

The Performance Shares are not transferable.

5. Compliance with Corporations Act, Listing Rules and Constitution

- (a) Despite anything else contained in these terms and conditions, if the Corporations Act, Listing Rules or Constitution prohibits an act being done, that act must not be done.
- (b) Nothing contained in these terms and conditions prevents an act being done that the Corporations Act, Listing Rules or Constitution require to be done.
- (c) If the Corporations Act, Listing Rules or Constitution conflict with these terms and conditions, or these terms and conditions do not comply with the Corporations Act, Listing Rules or the Constitution, the holder authorises the Company to do anything necessary to rectify such conflict or non-compliance, including but not limited to unilaterally amending these terms and conditions.
- (d) The terms of the Performance Shares may be amended as necessary by the directors of the Company in order to comply with the Listing Rules, or any directions of ASX regarding the terms.

6. Change of Control Event

- (a) A change of control event (**Change of Control Event**) occurs where:
- (i) an offer is made for Shares pursuant to a takeover bid under Chapter 6 of the Corporations Act and is, or is declared, unconditional; or
 - (ii) the Court sanctions under Part 5.1 of the Corporations Act a compromise or arrangement relating to the Company or a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies.
- (b) If a Change of Control Event occurs, unconverted Performance Shares will, subject to the Listing Rules and 6(c) below, become immediately convertible into Conversion Shares with such conversion deemed to have taken place immediately prior to the effective date of the Change of Control Event.
- (c) The total number of Conversion Shares issued under 6(b) above shall not exceed 10% of the issued ordinary capital of the Company as at the date of conversion.
- (d) Whether or not the Board determines to accelerate the conversion of any Performance Shares, the Company shall give written notice of any proposed Change of Control Event to each holder of Performance Shares.

11.3 CONTINUOUS DISCLOSURE

The Company will be a “disclosing entity” for the purposes of Part 1.2A of the Corporations Act. As such, it will be subject to regular reporting and disclosure obligations which will require it to disclose to ASX any information which it is or becomes aware of concerning the Company and which a reasonable person would expect to have a material effect on the price or value of the securities of the Company.

11.4 SUBSTANTIAL HOLDERS

Assuming that no other existing Shareholders apply for Shares under the Offer, the only existing Shareholder who will hold 5% or more of the total Shares on issue upon completion of the Offer is Beta Field (China) Financial Information Services Ltd, whose voting power will be as follows:

Shareholder	Shares	Voting power at completion of Offer	
		Minimum Subscription	Full Subscription
Beta Field (China) Financial Information Services Ltd	458,253,206	56.08%	51.36%
Total	458,253,206	56.08%	51.36%

Notes:

1. Beta Field (China) Financial Information Services Ltd is wholly owned by proposed director, Jimmie Wong.

Following completion of the Offer but prior to Shares commencing trading on ASX, the Company will announce to ASX details of its top 20 Shareholders by number of Shares.

11.5 INTERESTS OF EXPERTS AND ADVISERS

Other than as set out below or elsewhere in this Prospectus, no expert, promoter, or any other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, within 2 years before lodgement of this Prospectus with ASIC, has:

- had any interest in the formation or promotion of the Company or in any property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Offer, or in the Offer; and
- received any amounts or benefits or has agreed to be paid benefits for services rendered by such persons in connection with the formation or promotion of the Company or the Offer.

Patersons Securities Limited has acted as the lead manager to the Company in relation to the Offer. Total fees payable to Patersons Securities Limited for these services are approximately A\$345,000 plus GST.

Moore Stephens Perth Corporate Services Pty Ltd has prepared the financial information in Section 6, the Investigating Accountant's Report which is included in Section 7 of this Prospectus and the independent expert's report for the Proposed Transaction. Total fees payable to Moore Stephens Perth Corporate Services Pty Ltd for these services are approximately A\$57,000 plus GST.

Price Sierakowski Corporate has acted as the Australian legal adviser to the Company in relation to the Offer. Total fees payable to Price Sierakowski Corporate for these services are approximately A\$125,000 plus GST.

King & Wood Mallesons has acted as the Hong Kong legal adviser to the Company in relation to the Offer. Total fees payable to King & Wood Mallesons for these services are approximately A\$25,000.

KPMG has prepared the Personal Insolvency Industry Report which is included in Section 4 of this Prospectus. Total fees payable to KPMG for this report are A\$11,275 including GST.

11.6 CONSENTS

Each of the parties referred to below:

- does not make the Offer;
- does not make, or purport to make, any statement that is included in this Prospectus, or a statement on which a statement made in this Prospectus is based, other than as specified below or elsewhere in this Prospectus;
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with the consent of that party as specified below; and
- has given and has not, prior to the lodgement of this Prospectus with ASIC, withdrawn its consent to the inclusion of the statement in this Prospectus that are specified below in the form and context in which the statements appear.

Patersons Securities Limited has given and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus as corporate adviser and lead manager in the form and context in which it is named. Patersons Securities Limited has not

authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name.

Moore Stephens has given and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus as the auditor of the Company. Moore Stephens has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name.

Moore Stephens Perth Corporate Services Pty Ltd has given and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus as the investigating accountant in the form and context in which it is named and to the inclusion of the financial information in Section 6 in the form and context in which it is included and to the inclusion of the Investigating Accountant's Report in the form and context in which it is included. Moore Stephens Perth Corporate Services Pty Ltd has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name the financial information in Section 6 and the Investigating Accountant's Report.

Price Sierakowski Corporate has given and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus as the Australian legal adviser to the Company in the form and context in which it is named. Price Sierakowski Corporate has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name.

King & Wood Mallesons has given and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus as the Hong Kong legal adviser in the form and context in which it is named. King & Wood Mallesons has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name.

Advanced Share Registry Ltd has given and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus as the Share Registry in the form and context in which it is named. Advanced Share Registry Ltd has had no involvement in the preparation of any part of this Prospectus other than being named as the Share Registry. Advanced Share Registry Ltd has not authorised or caused the issue of the Prospectus and takes no responsibility for any part of this Prospectus other than references to its name.

KPMG has given and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus and to the inclusion of the Personal Insolvency Industry Report in Section 4 in the form and context in which it is included. KPMG has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name and the Personal Insolvency Industry Report.

There are a number of persons referred to elsewhere in this Prospectus who have not made statements included in this Prospectus and there are no statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in this Prospectus and did not authorise or cause the issue of this Prospectus.

11.7 EXPENSES OF THE OFFER

The expenses of the Offer are expected to comprise the following amounts which are exclusive of any GST payable by the Company.

Expense	Minimum Subscription	Full Subscription
Adviser fees (corporate, accounting, legal, other)	\$576,000	\$681,000
ASX and ASIC fees	\$78,743	\$80,243
Printing, design and miscellaneous	\$1,257	\$4,757
Total	\$646,000	\$756,000

11.8 ELECTRONIC PROSPECTUS

ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, you may obtain a copy of this Prospectus from the Company's website at www.apaccoal.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

11.9 LITIGATION

Neither the Company nor any of its Subsidiaries is involved in any litigation that is material for the purposes of this Prospectus, and the Directors are not aware of any circumstances that might reasonably be expected to give rise to such litigation.

11.10 TAXATION

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offer, by consulting their own professional tax advisers. Neither the Company nor any of its Directors or officers accepts any liability or responsibility in respect of the taxation consequences of the matters referred to above.

11.11 FOREIGN INVESTOR RESTRICTIONS

This Prospectus does not constitute an offer of Shares in any jurisdiction in which it would be unlawful. No action has been taken to register or qualify Shares that are subject to the Offer or otherwise permit a public offering of the Shares in any jurisdiction outside Australia.

11.11.1 HONG KONG

This Prospectus has not been, and will not be, registered as a prospectus by the Registrar of Companies in Hong Kong pursuant to the Companies Ordinance (Winding Up and Miscellaneous

Provisions) (Cap. 32) of the Laws of Hong Kong (**Companies Ordinance**), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (**SFO**). No action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of this Prospectus or any documents issued in connection with it. Accordingly, the Shares have not been and will not be offered or sold in Hong Kong by means of any document, other than:

- (a) to 'professional investors' (as defined in the SFO and any rules made under thereunder); or
- (b) in other circumstances that do not result in this Prospectus being a 'prospectus' (as defined in the Companies Ordinance) or that do not constitute an offer to the public within the meaning of that ordinance.

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person that acquires Shares may sell, or offer to sell, such Shares in circumstances that amount to an offer to the public in Hong Kong within 6 months following the date of issue of such Shares.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

11.11.2 SINGAPORE

This document and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (**SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

12. DIRECTORS' AUTHORISATION

21 December 2017

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Signed for and on behalf of APAC Coal Limited (to be renamed Credit Intelligence Limited) ACN 126 296 295.



Luke Ho
Director

13. DEFINITIONS

Advisory Agreement means the advisory agreement set out in Section 10.4.

Adviser Offer means the offer of up to 37,299,679 Shares to the Advisers (and/or their nominees) as consideration for service provided in connection with the Proposed Transaction pursuant to the Advisory Agreement.

Adviser Offer Application Form means an “Adviser Offer Application Form” in the form accompanying this Prospectus pursuant to which Advisers may apply for Shares under the Adviser Offer.

Advisers mean Rung Capital International Ltd, Mark Ng and Henry Chow.

Application Form means an Offer Application Form, Seller Offer Application Form and/or Adviser Offer Application Form as the context requires or as applicable.

Application Monies means the amount of money in dollars and cents payable for Shares at \$0.02 each pursuant to this Prospectus.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691, or the Australian Securities Exchange, as the context requires.

ASX Settlement means ASX Settlement Pty Limited ABN 49 008 504 532.

ASX Settlement Operating Rules means the settlement and operating rules of ASX Settlement.

Bankruptcy Ordinance means the Bankruptcy Ordinance (Chapter 6 of the Laws of Hong Kong).

Bankruptcy Rules means the Bankruptcy Rules (Chapter 6A of the Laws of Hong Kong).

Board means the board of Directors, from time to time.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement.

CIH means Credit Intelligence Holding Limited Registration No. 303221, a company registered in the Cayman Islands.

Class A Performance Shares means a performance share on the terms set out in Section 11.2.

Class B Performance Shares means a performance share on the terms set out in Section 11.2.

Closing Date means the date that the Offer closes which is 5.00pm (WST) on 30 January 2018 or such other time and date as the Board determines.

Company or **APAC** means APAC Coal Limited (to be renamed Credit Intelligence Limited) ACN 126 296 295.

Consolidation means the consolidation of the Company’s securities on a 1 for 3.46813384733847 basis.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Credit Intelligence or **Group** means CIH and its wholly owned subsidiaries HKDM, HKIVA and HKDMS.

Director means a director of the Company.

Escrow Agreement means the escrow agreement between the Company and Jimmie Wong as set out in Section 10.7.

Exposure Period means the period of 7 days after the date of lodgement of this prospectus which period may be extended by ASIC by up to a further 7 days pursuant to section 727(3) of the Corporations Act.

Full Subscription means the subscription of 250,000,000 Shares at an issue price of \$0.02 each to raise \$5,000,000 under the Offer.

GDP means gross domestic product.

General Meeting means the general meeting of Shareholders to be held on 23 January 2018.

GST means the goods and services tax.

HKDM means Hong King Debt Management Limited Registration Number 536525, a company registered in the British Virgin Islands.

HKDMS means Hong Kong Debt Management Services Limited Company Number 846195, a company registered in Hong Kong.

HKIVA means Hong Kong IVA Consultants Limited Registration Number 510394, a company registered in the British Virgin Islands.

Industry Report means the Industry Report prepared by KPMG in relation to the Australian personal insolvency industry, extracts of which have been reproduced in this Prospectus.

Insolvency Management System means the software described in Section 5.5.2.

IVA means individual voluntary agreement.

Listing Rules means the official listing rules of ASX.

Minimum Subscription means the subscription of 175,000,000 Shares at an issue price of \$0.02 each to raise \$3,500,000 under the Offer.

Offer means the offer of up to 250,000,000 Shares under this Prospectus at an issue price of \$0.02 each to raise up to \$5,000,000 before costs.

Offer Application Form means an "Offer Application Form" in the form accompanying this Prospectus pursuant to which investors may apply for Shares under the Offer.

Opening Date means the date that the Offer opens which is 9:00am WST on 10 January 2018, subject to any extension of the Exposure Period by ASIC.

ORO means the Official Receiver's Office of the Hong Kong Government.

OT means outside trustee.

Patersons means Patersons Securities Limited ACN 008 896 311.

Performance Shares means Class A Performance Shares and Class B Performance Shares.

Proposed Directors means Jimmie Wong, Mel Ashton, King Wong, Krista Bates and Vincent Lai.

Proposed Transaction means the proposed transaction set out in Section 2.2.

Prospectus means this prospectus dated 21 December 2017.

Recommendations mean the Corporate Governance Principles and Recommendations (3rd Edition) published by ASX.

Seller Offer means the offer of up to 532,852,564 Shares to the Sellers (and/or their nominees) as consideration for their shares in CIH pursuant to the Share Purchase Agreement.

Seller Offer Application Form means a "Seller Offer Application Form" in the form accompanying this Prospectus pursuant to which Sellers may apply for Shares under the Seller Offer.

Sellers means the shareholders of CIH.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of one or more Shares.

Share Purchase Agreement means the share purchase agreement to be entered into between the Company, the Sellers and CIH in relation to the sale and purchase of all the issued capital of CIH.

Share Registry means Advanced Share Registry Ltd ACN 127 175 946.

Specified Resolutions has the meaning given in Section 2.3.

WST means Western Standard Time, being the time in Perth, Western Australia.

APAC COAL LIMITED (TO BE RENAMED CREDIT INTELLIGENCE LIMITED)

ACN 126 296 295

Please read the Prospectus dated 21 December 2017.
Follow the instructions to complete this Application Form (see reverse).
Print clearly in capital letters using black or blue pen.

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A Number of Shares you are applying for

B Total amount

[illegible][illegible]

E	CHESS participant – Holder Identification Number (HIN)	<i>Important please note if the name & address details above in sections C & D do not match exactly with your registration details held at CHESS, any Shares issued as a result of your application will be held on the Issuer Sponsored subregister.</i>								
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F Enter your Tax File Number(s), ABN, or exemption category

Applicant #1	Applicant #2
Applicant #3	

G Cheque payment details – PIN Cheque(s) Here
 Please enter details of the cheque(s) that accompany this Application Form. Make your cheque or bank draft payable to
 “Credit Intelligence Limited – Subscription Account”.

Name of drawer of cheque	Cheque No.	Cheque Amount A\$

H Contact telephone number (daytime/work/mobile)

By submitting this Application Form, I/We declare that this application is completed and lodged according to the Prospectus and the instructions on the reverse of the Application Form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the Constitution of APAC Coal Limited (to be renamed Credit Intelligence Limited) (Company). I/We was/were given access to the Prospectus together with the Application Form. I/We represent, warrant and undertake to the Company that our subscription for the above Shares will not cause the Company or me/us to violate the laws of Australia or any other jurisdiction which may be applicable to this subscription for Shares in the Company.

Guide to the Application Form

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

Please complete all relevant sections of the appropriate Application Form using BLOCK LETTERS. These instructions are cross-referenced to each section of the Application Form.

Instructions

- A. If applying for Shares insert the number of Shares for which you wish to subscribe at Item A (not less than 100,000). Multiply by \$0.02 to calculate the total for Shares and enter the dollar amount at B.
- C. Write your full name. Initials are not acceptable for first names.
- D. Enter your postal address for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint applicants, only one address can be entered.
- E. If you are sponsored in CHESS by a stockbroker or other CHESS participant, you may enter your CHESS HIN if you would like the allocation to be directed to your HIN.
- F. Enter your Australian tax file number (TFN) or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN /ABN of each joint applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form.
- G. Complete cheque details as requested. Make your cheque payable to "Credit Intelligence Limited – Subscription Account", cross it and mark it "Not negotiable". Cheques must be made in Australian currency, and cheques must be drawn on an Australian Bank.
- H. Enter your contact details so we may contact you regarding your Application Form or Application Monies.
- I. Enter your email address so we may contact you regarding your Application Form or Application Monies or other correspondence.

NB: Your registration details provided must match your CHESS account exactly.

Correct form of Registrable Title

Note that ONLY legal entities can hold Shares. The application must be in the name of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person.

Examples of the correct form of registrable title are set out below:

Type of Investor	Correct form of Registrable Title	Incorrect form of Registrable Title
Individual	Mr John David Smith	J D Smith
Company	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings	Mr John David Smith & Mrs Mary Jane Smith	John David & Mary Jane Smith
Trusts	Mr John David Smith	John Smith Family Trust
Deceased Estates	<J D Smith Family A/C>	John Smith (deceased)
Partnerships	Mr Michael Peter Smith	John Smith & Son
Clubs/Unincorporated Bodies	<Est Lte John Smith A/C>	Smith Investment Club
Superannuation Funds	Mr John David Smith & Mr Ian Lee Smith	John Smith Superannuation Fund

Lodgement

Post or deliver your completed Application Form with cheque(s) attached to the following addresses:

Mail

Credit Intelligence Limited
c/- Advanced Share Registry Ltd
PO Box 1156
Nedlands WA 6909

By Hand

Credit Intelligence Limited
c/- Advanced Share Registry Ltd
110 Stirling Highway
Nedlands WA 6009

It is not necessary to sign or otherwise execute the Application Form. For questions on how to complete the Application Form, please contact Advanced Share Registry Ltd on +61 8 9389 8033.

Privacy Statement

Chapter 2C of the *Corporations Act 2001* (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your shareholding and if some or all of the information is not collected then it might not be possible to administer your shareholding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting Advanced Share Registry Ltd on +61 8 9389 8033. Our privacy policy is available online at www.apaccoal.com.

APAC COAL LIMITED (TO BE RENAMED CREDIT INTELLIGENCE LIMITED)

ACN 126 296 295

Print clearly in capital letters using black or blue pen.

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By submitting this Application Form, I/We declare that this application is completed and lodged according to the Prospectus and the instructions on the reverse of the Application Form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the Constitution of APAC Coal Limited (to be renamed Credit Intelligence Limited) (Company). I/We was/were given access to the Prospectus together with the Application Form. I/We represent, warrant and undertake to the Company that our subscription for the above Shares will not cause the Company or me/us to violate the laws of Australia or any other jurisdiction which may be applicable to this subscription for Shares in the Company.

Guide to the Application Form

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

Please complete all relevant sections of the appropriate Application Form using BLOCK LETTERS. These instructions are cross-referenced to each section of the Application Form.

Instructions

- A. If applying for Shares insert the number of Shares for which you wish to subscribe at Item A (not less than 100,000). Multiply by \$0.02 to calculate the total for Shares and enter the dollar amount at B.
- B. Write your full name. Initials are not acceptable for first names.
- C. Enter your postal address for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint applicants, only one address can be entered.
- D. If you are sponsored in CHESS by a stockbroker or other CHESS participant, you may enter your CHESS HIN if you would like the allocation to be directed to your HIN.
- E. Enter your Australian tax file number (TFN) or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN /ABN of each joint applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form.
- F. Enter your contact details so we may contact you regarding your Application Form or Application Monies.

NB: Your registration details provided must match your CHESS account exactly.

Correct form of Registrable Title

Note that ONLY legal entities can hold Shares. The application must be in the name of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person.

Examples of the correct form of registrable title are set out below:

Type of Investor	Correct form of Registrable Title	Incorrect form of Registrable Title
Individual	Mr John David Smith	J D Smith
Company	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings	Mr John David Smith & Mrs Mary Jane Smith	John David & Mary Jane Smith
Trusts	Mr John David Smith	John Smith Family Trust
Deceased Estates	<J D Smith Family A/C>	John Smith (deceased)
Partnerships	Mr Michael Peter Smith	John Smith & Son
Clubs/Unincorporated Bodies	<Est Lte John Smith A/C>	Smith Investment Club
Superannuation Funds	Mr John David Smith & Mr Ian Lee Smith	John Smith Superannuation Fund

Lodgement

Post or deliver your completed Application Form to the following addresses:

Mail

Credit Intelligence Limited
c/- Advanced Share Registry Ltd
PO Box 1156
Nedlands WA 6909

By Hand

Credit Intelligence Limited
c/- Advanced Share Registry Ltd
110 Stirling Highway
Nedlands WA 6009

It is not necessary to sign or otherwise execute the Application Form. For questions on how to complete the Application Form, please contact Advanced Share Registry Ltd on +61 8 9389 8033.

Privacy Statement

Chapter 2C of the *Corporations Act 2001* (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your shareholding and if some or all of the information is not collected then it might not be possible to administer your shareholding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting Advanced Share Registry Ltd on +61 8 9389 8033. Our privacy policy is available online at www.apaccoal.com.

APAC COAL LIMITED (TO BE RENAMED CREDIT INTELLIGENCE LIMITED)

ACN 126 296 295

x You must be an Adviser to apply under the Adviser Offer.

Please read the Prospectus dated 21 December 2017.

Follow the instructions to complete this Application Form (see reverse).

Print clearly in capital letters using black or blue pen.

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[illegible]

Applicant 1

[illegible]

Name of Applicant 2 or < Account Designation >

[illegible]

Name of Applicant 3 or < Account Designation >

[illegible]

Number / Street

[illegible]

Suburb/Town

[illegible]

State

--	--	--

Postcode

--	--	--	--

X

[illegible]

Important please note if the name & address details above in sections C & D do not match exactly with your registration details held at CHES, any Shares issued as a result of your application will be held on the Issuer Sponsored subregister.

Applicant #1

[illegible]

Applicant #2

[illegible]

Applicant #3

[illegible]

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[illegible]

By submitting this Application Form, I/We declare that this application is completed and lodged according to the Prospectus and the instructions on the reverse of the Application Form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the Constitution of APAC Coal Limited (to be renamed Credit Intelligence Limited) (Company). I/We was/were given access to the Prospectus together with the Application Form. I/We represent, warrant and undertake to the Company that our subscription for the above Shares will not cause the Company or me/us to violate the laws of Australia or any other jurisdiction which may be applicable to this subscription for Shares in the Company.

Guide to the Application Form

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

Please complete all relevant sections of the appropriate Application Form using BLOCK LETTERS. These instructions are cross-referenced to each section of the Application Form.

Instructions

- A. If applying for Shares insert the number of Shares for which you wish to subscribe at Item A (not less than 100,000). Multiply by \$0.02 to calculate the total for Shares and enter the dollar amount at B.
- B. Write your full name. Initials are not acceptable for first names.
- C. Enter your postal address for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint applicants, only one address can be entered.
- D. If you are sponsored in CHESS by a stockbroker or other CHESS participant, you may enter your CHESS HIN if you would like the allocation to be directed to your HIN.
- E. Enter your Australian tax file number (TFN) or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN /ABN of each joint applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form.
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