Appendix 4D

Half yearly report

Name of entity

INTERNATIONAL EQUITIES CORPORATION LTD

ABN or equivalent company reference

97 009 089 696

Half year ended ('current period')

31 DECEMBER 2019

For announcement to the market

Extracts from this report for announcement to the market. $A'000

Revenues from ordinary activities (Dec 2018: $9,653k)	Down	3.97%	to	9,270
Profit (loss) from ordinary activities after tax attributable to members (Dec 2018: Loss of $299k)	Up	153.85%	to	161
Net profit (loss) for the period attributable to members (Dec 2018: Loss of $299k)	Up	153.85%	to	161

Dividends	Amount per security	Franked amount per security
Interim dividend	N/A	N/A
Previous corresponding period	N/A	N/A

+Record date for determining entitlements to the dividend: N/A

Brief explanation of any of the figures reported above and short details of any other item(s) of importance not previously released to the market:

Please refer to interim financial report for the half year ended 31st December 2019 as attached.

NTA backing	Current period	Previous corresponding Period
Net tangible asset backing per +ordinary security	$0.0792	$0.0818

(Note: Net tangible asset per ordinary security has been calculated to include Right of Use Assets and Lease Liabilities but excludes all Goodwill and Intangibles)

+ See chapter 19 for defined terms.

Control gained over entities having material effect

Name of entity (or group of entities)	N/A
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was +acquired	N/A
Date from which such profit has been calculated	N/A
Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	N/A

Loss of control of entities having material effect

Name of entity (or group of entities)	N/A
	$A'000
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	N/A
Date to which the profit (loss) in item 14.2 has been calculated	N/A
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	N/A
Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	N/A

Dividends (in the case of a trust, distributions)

Date the dividend (distribution) is payable	N/A
+Record date to determine entitlements to the dividend (distribution) (i.e., on the basis of proper instruments of transfer received by 5.00 pm if +securities are not +CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if +securities are +CHESS approved)	N/A

Amount per security

		Amount per security	Franked amount per security at % tax	Amount per security of foreign source dividend
Interim dividend:	Current year	N/A	N/A	N/A
	Previous year	N/A	N/A	N/A

+ See chapter 19 for defined terms.

Interim dividend (distribution) on all securities

	Current period $A'000	Previous corresponding period - $A'000
+Ordinary securities *(each class separately)*	N/A	N/A
Preference +securities *(each class separately)*	N/A	N/A
Other equity instruments *(each class separately)*	N/A	N/A
Total	N/A	N/A

The +dividend or distribution plans shown below are in operation.

N/A

The last date(s) for receipt of election notices for the +dividend or distribution plans	N/A

Any other disclosures in relation to dividends (distributions). *(For half yearly reports, provide details in accordance with paragraph 7.5(d) of AASB 1029 Interim Financial Reporting)*

Details of aggregate share of profits (losses) of associates and joint venture entities

Group's share of associates' and joint venture entities':	Current period $A'000	Previous corresponding period - $A'000
Profit (loss) from ordinary activities before tax	N/A	N/A
Income tax on ordinary activities	N/A	N/A
Profit (loss) from ordinary activities after tax	N/A	N/A
Extraordinary items net of tax	N/A	N/A
Net profit (loss)	N/A	N/A
Adjustments	N/A	N/A
Share of net profit (loss) of associates and joint venture entities	N/A	N/A

+ See chapter 19 for defined terms.

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities. *(If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ("from dd/mm/yy") or disposal ("to dd/mm/yy").)*

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss)	
Equity accounted associates and joint venture entities	Current Period	Previous corresponding period	Current period $A'000	Previous corresponding period - $A'000
Total	N/A	N/A	N/A	N/A
Other material interests	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A

Foreign Entities

For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Accounting Standards)

N/A

Audit Dispute or Qualification

For all entities, if the +accounts are subject to audit dispute or qualification, a description of the dispute or qualification should follow:

N/A

+ See chapter 19 for defined terms.

International Equities Corporation Ltd

and controlled entities **ABN 97 009 089 696**

Financial report for the half year ended 31 December 2019

INTERIM FINANCIAL REPORT

DIRECTORS' REPORT

Your Directors submit the consolidated financial report of International Equities Corporation Limited for the half year ended 31 December 2019.

Directors
The directors in office during or since the end of the half year are:

Marcus Peng Fye Tow (Chairman / Chief Executive Officer)
Tow Kong Liang
Aubrey George Menezes (Chief Financial Officer / Company Secretary)
Krishna Ambalavanar

The company secretary in office during or since the end of the half year is:

Aubrey George Menezes

Review of Operations
A summary of the consolidated revenues and results by industry segments is set out below:

	Segment Revenue 31 December		**Segment Results 31 December**	
	2019 $000	**2018 $000**	**2019 $000**	**2018 $000**
Property Development	374	910	(442)	(149)
Tourism	8,473	8,324	412	(304)
Leasing/Rental Property	423	419	191	154
	9,270	9,653	161	(299)

Comments on the operations and the results of those operations are set out below:

For the half year ended 31 December 2019, International Equities Corporations Limited (IEQ) generated revenues of $9.27 million mostly from hotel operations. Revenues were down by 3.97% due to slower sales of apartments albeit a slight improvement in tourism and leasing revenues.

During the year, IEQ sold certain serviced and residential apartments to meet borrowing obligations as set out in Note 8 below. The company will continue its selling program to reduce debt going forward.

For the period, consolidated post tax profits were $161,000, a rise of 153.85% which was due to favourable terms of trade and improved yields within the tourism sector. It was mitigated by sale of less saleable apartments to retire loans.

Property development, management and tourism continue to be IEQ's main core business. In 2020, sale of apartments and poorer trading assets including as highlighted in Note 7 will continue to be a priority to reduce debt whilst the serviced apartment operations will provide a steady income stream.

DIRECTORS' REPORT

Events Occurring after Balance Date

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial year, other than those matters disclosed in Note 7 of the financial report.

Auditor's Independence Declaration

The auditor's independence declaration under section 307C of the Corporations Act 2001 is included on page 3.

Rounding of amounts

The consolidated entity has applied the relief available to it in ASIC CI 2016/191 and accordingly certain amounts in the financial report and the directors' report have been rounded off to the nearest $1,000.

This report is signed in accordance with a resolution of the Board of Directors.

Aubrey George Menezes
Director

Dated this 28th day of February 2020

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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307c OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF INTERNATIONAL EQUITIES CORPORATION LIMITED

As lead auditor for the review of International Equities Corporation Limited and its controlled entities for the half year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

Neil Pace

Neil Pace
Partner

MOORE STEPHENS

Moore Stephens
Chartered Accountants

Signed at Perth this 28th day of February 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Note	Consolidated entity 31 December 2019 $000	31 December 2018 $000
Revenues from continuing operations	**2(i)**	9,270	9,653
Property development costs		(327)	(504)
Hotel cost of goods sold & Administration		(6,950)	(8,850)
Sales commission		(18)	(18)
Lease Interest	**2(i)**	(577)	-
Borrowing costs	**2(ii)**	(335)	(440)
Depreciation and amortisation	**2(i)**	(902)	(140)
Profit/(loss) from continuing operations before income tax expense		161	(299)
Income tax expense		-	-
Profit/(loss) from continuing operations after tax		**161**	**(299)**
Other Comprehensive Income		-	-
		-	-
Other comprehensive profit/(loss) for the period, net of tax		-	-
Total comprehensive profit/(loss) for the period		**161**	**(299)**
Net gain/(loss) from continuing operations attributable to the members of the parent entity		**161**	**(299)**
Total comprehensive profit/(loss) attributable to members of the parent entity		**161**	**(299)**
Basic earnings per share		0.125 c	(0.234) c
Diluted earnings per share		0.125 c	(0.234) c

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Note	Consolidated Entity 31 December 2019 $000	30 June 2019 $000
CURRENT ASSETS			
Cash assets		1,330	1,162
Receivables		965	719
Inventories		1,095	1,098
Other		91	152
TOTAL CURRENT ASSETS		3,481	3,131
NON CURRENT ASSETS			
Property, plant and equipment		29,441	29,801
Right of Use Assets	**4**	17,496	-
Intangible assets		89	124
TOTAL NON CURRENT ASSETS		47,026	29,925
TOTAL ASSETS		50,507	33,056
CURRENT LIABILITIES			
Payables		4,058	3,891
Interest-bearing liabilities		15,002	15,147
Lease Liabilities	**5**	1,391	-
Provisions		400	432
TOTAL CURRENT LIABILITIES		20,851	19,470
NON CURRENT LIABILITIES			
Lease Liabilities	**5**	16,192	-
Interest-bearing liabilities		3,226	3,509
TOTAL NON CURRENT LIABILITIES		19,418	3,509
TOTAL LIABILITIES		40,269	22,979
NET ASSETS		**10,238**	**10,077**
EQUITY			
Contributed equity		12,093	12,093
Reserves		6,746	6,746
Retained earnings / (accumulated losses)		(8,601)	(8,762)
TOTAL EQUITY		**10,238**	**10,077**

The above should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Share capital	Other reserves	Retained earnings	Total Equity
Balance at 1 July 2019	**12,093**	**6,746**	**(8,762)**	**10,077**
Net loss for the period	-	-	161	161
Other comprehensive loss for the period	-	-	-	-
Total comprehensive income for the period	12,093	6,746	(8,601)	10,238
Dividends paid or declared	-	-	-	-
Balance at 31 December 2019	**12,093**	**6,746**	**(8,601)**	**10,238**

	Share capital	Other reserves	Retained earnings	Total
Balance at 1 July 2018	**12,093**	**6,746**	**(7,887)**	**10,952**
Net loss for the period	-	-	(299)	(299)
Other comprehensive loss for the period -	-	-	-	-
Total comprehensive income for the period	12,093	6,746	(299)	(299)
Dividends paid or declared	-	-	-	-
Balance at 31 December 2018	**12,093**	**6,746**	**(8,186)**	**10,653**

The above statement of equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Consolidated entity	
	31 December 2019 $000	31 December 2018 $000
Cash flows from operating activities		
Receipts from customers	9,026	9,502
Payments to suppliers and employees	(7,411)	(8,221)
Interest received	1	3
Borrowing costs paid	(335)	(440)
Other Income	61	29
Net cash provided by operating activities	1,342	873
Cash flows from investing activities		
Purchase of property, plant & equipment	(50)	(556)
Net cash used in investing activities	(50)	(556)
Cash flows from financing activities		
Proceeds from borrowings	212	700
Repayment of borrowings	(1,336)	(1,237)
Net cash used in financing activities	(1,124)	(537)
Net increase/(decrease) in cash held	168	(220)
Cash at start of period	1,162	1,832
Cash at end of period	**1,330**	**1,612**

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTE 1: BASIS OF PREPARATION

(a) These general purpose interim financial statements for half year reporting period ended 31 December 2019 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: Interim Financial Reporting.

It is recommended that this financial report be read in conjunction with any public announcements made by International Equities Corporation Limited and its controlled entities during the year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001.*

This report does not include full disclosures of the type normally included in an annual financial report.

The accounting policies and methods of computation adopted in the preparation of the half-year financial statements are consistent with those adopted and disclosed in the Company's 2019 annual financial report for the financial year ended 30 June 2019, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Adoption of new and revised accounting standards

The Company has considered the implications of new or amended Accounting Standards which have become applicable for the current financial reporting period and had to change its accounting policies as a result of adopting the following standards:

- *AASB 16: Leases*

The impact of the adoption of these standards and the respective accounting policies is discussed below.

AASB 16: Leases

The Group as lessee

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (ie a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

NOTE 1: BASIS OF PRESENTATION (CONTINUED)

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Initial Application of AASB 16: Leases

The Group has adopted AASB 16: Leases retrospectively with the cumulative effect of initially applying AASB 16 recognised at 1 July 2019. AASB 16 was adopted using the modified retrospective approach, whereby the right of use asset recognised as at 1 July 2019 was at an amount equal to the lease liability at that date and the comparatives for the 2018 reporting period have not been restated.

The Group has recognised a lease liability and right-of-use asset for all leases (with the exception of short-term and low-value leases) recognised as operating leases under AASB 117: Leases where the Group is the lessee.

Lease liabilities are measured at the present value of the remaining lease payments. The Group's incremental borrowing rate as at 1 July 2019 was used to discount the lease payments.

The following practical expedients have been used by the Group in applying AASB 16 for the first time:

- leases that have remaining lease term of less than 12 months as at 1 July 2019 have been accounted for in the same was as short-term leases.
- the use of hindsight to determine lease terms on contracts that have options to extend or terminate.
- applying AASB 16 to leases previously identified as leases under AASB 117: Leases and Interpretation 4: Determining whether an arrangement contains a lease without reassessing whether they are, or contain, a lease at the date of initial application.
- not applying AASB 16 to leases previously not identified as containing a lease under AASB 117 and Interpretation 4.

The Group’s weighted average incremental borrowing rate on 1 July 2019 applied to the lease liabilities was 6.07%.

Impact of Standards issued but not yet applied by the Company

There are no accounting standards issued but not yet applied by the Company which are expected to have a significant impact on the future results or financial position of the Company.

NOTE 2 (I): PROFIT OR LOSS FOR THE PERIOD

	Consolidated Group	
	31 December 2019	**31 December 2018**
Operating Activities		
Sales of Apartments	340	513
Property Management fees	457	423
Sales of Services and Accommodation	8,227	8,519
Rental Revenue	185	167
Interest Received	-	3
Other Revenue	61	29
	9,270	9,653

Lease Expenses		
Sales of Apartments	577	-
Property Management fees	783	-

NOTE 2 (II): BORROWING COSTS

	Consolidated Group	
	31 December 2019	**31 December 2018**
Borrowing Costs – interest on bank loans	(335)	(440)
	(335)	(440)

NOTE 3: OPERATING SEGMENTS

Segment Information

Identification of reportable segments

The group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of product category and service offerings since the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- the products sold and/or services provided by the segment;
- the type or class of customer for the products or service;
- the distribution method; and
- external regulatory requirements.

Types of products and services by segment

Property Development

The property development and re-sale segment is responsible for identifying, costing and financing potential development opportunities, developing acquisitions and finding buyers for completed developments.

Tourism

Tourism relates to the Group's own hotel operations and to leasing and operating a hotel cum serviced apartment for a fee.

Leasing Rental Property

This relates to the operations of a licensed real estate agency which includes sale and/or leasing of apartments for a management fee.

(i) Segment performance

	Property Development	Tourism	Leasing	Total
	$000	$000	$000	$000
Six months ended 31 December 2019				
Revenue				
Total segment revenue	374	9,157	465	9,996
Interest income	1	-	-	1
Less: intersegment elimination	(1)	(684)	(42)	(727)
Total segment revenue	374	8,473	423	9,270
Segment results	(442)	412	191	161
Profit/(loss) from operations before income tax expense				161

NOTE 3: OPERATING SEGMENTS (CONTINUED)

	Property Development	Tourism	Leasing	Total
	$000	$000	$000	$000
Six months ended 31 December 2018				
Revenue				
Total segment revenue	989	8,898	431	10,318
Interest income	2	1	-	3
Less: intersegment elimination	(81)	(575)	(12)	(668)
Total segment revenue	910	8,324	419	9,653
Segment results	(149)	(304)	154	(299)
Profit from operations before income tax expense				(299)

(ii) Segment assets

	Property Development	Tourism	Leasing	Total
	$000	$000	$000	$000
Opening balance 1 July 2019	10,465	22,341	250	33,056
Additions	39	18,848	62	18,949
Disposals	(377)	(1,095)	(26)	(1,498)
Closing balance 31 December 2019	10,127	40,094	286	50,507

(iii) Revenues & Assets by Geographic Region

The consolidated entity's revenues and assets are based in Australia.

(iv) Major customers

The Group has no external customers in any of its segments which accounts for more than 10% of external segment revenue.

NOTE 4: RIGHT-OF-USE ASSETS

The Group's lease portfolio currently includes apartments managed by he Group. These leases run for a period between 1 and 6 years with an option to renew for a further period between 2 and 10 years. The extension option where management are reasonably certain to be exercised have been included in the calculation of the lease liability. Previously, these leases were classified as operating leases under AASB 17.

The Group has elected not to recognise right-of-use assets for low value items and any short-term leases.

	31 December 2019
(i) AASB 16 related amounts recognised in the balance sheet	**$000**
Right-of-use assets	
Leased apartments (1)	18,279
Accumulated depreciation	(783)
	17,496
Recognised on initial application of AASB 16 (previously classified as operating leases under AASB 117)	**18,279**
Depreciation expense for the half-year ended	(783)
Net carrying amount	17,496

(1) The new owners of Seasons Harbour Plaza have exercise their right under the lease agreement to terminate all leases with the Group effective 31 March 2020. Therefore these leases will no longer be for more than 12 months and do not qualify to be recognised under AASB 16: Leases, thus have not been included in the Right-of-Use assets of the Group. The associated lease expenditure of $1,447,000 has been expensed to profit and loss.

NOTE 5: LEASES LIABILITIES

(a) Current	
Lease Liability - Right of Use Asset	1,391
Total current	**1,391**
(b) Non-Current	
Lease Liability - Right of Use Asset	16,192
Total current	**16,192**

The measurement principles of AASB 16 are only applied from 1 July 2019. At the date of initial application, the right-of-use assets equals to the lease liabilities and there was no adjustment to retained earnings.

NOTE 6: CONTINGENT LIABILITIES

The Company had the following contingent liabilities and guarantees as at 31 December 2019:

- The group has provided an unlimited corporate guarantee and indemnity as security for all loans held by the group.

Other than the above, the directors are not aware of any event or occurrence that would result in any contingent liability becoming enforceable as at 31 December 2019.

NOTE 7: EVENTS OCCURRING AFTER THE END OF THE INTERIM PERIOD

Subsequent to 31 December 2019:

- the Bank of Melbourne continues to extend the current loan facility on a month to month basis in order to complete their review of the facility
- the Board of Directors have decided to sell Seasons of Perth and it is now on the market for sale; and
- the new owners of Seasons Harbour Plaza have exercised their right under the lease agreement to terminate all leases with the Group effective 31 March 2020.

There has not been any other matter or circumstance that has significantly affected, or may significantly affect, the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in the financial year after the interim period ended 31 December 2019.

NOTE 8: GOING CONCERN & OBLIGATIONS UNDER BANK BORROWINGS

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

The Group has certain obligations under its existing loan facilities, and these include the requirement to meet certain financial covenants. As at 31 December 2019, these financial covenants have not been met.

At the time of this report, the breach of these covenants have been waived by Bank of Melbourne ("BOM") who retain their rights in respect of any other past, present or future breaches of the conditions contained in their facility offer.

Given the covenant breach and the 1 November 2018 maturity date of BOM's current facility, the borrowings payable to BOM have been classified as a current liability. As a result, the Group's current liabilities exceed its current assets by $17.37 million at balance date.

In November 2019 BOM provided renewal terms. The directors are currently in discussions with BOM to agree an acceptable term extension and conditions precedent.
Notwithstanding this, the directors are confident of the Group's ability to continue as a going concern for the following reasons:

- The demonstrated ability to obtain refinancing for existing loans;
- The demonstrated ability to sell down existing stocks of apartments located in Melbourne to reduce debt. The property market in Melbourne, in particular, remains stable;
- The ability to dispose of certain non-current assets to extinguish the loans in their entirety;
- The ability to raise capital or loans from shareholders or related parties.

Based on the above conditions, the Directors consider the going concern basis of preparation to be appropriate for this financial report. However, in the unlikely event the above outcomes are not achievable, the Group may not be able to realise its assets and extinguish its liabilities at the amounts stated in the financial statements.

DIRECTOR'S DECLARATION

In accordance with a resolution of the Directors of International Equities Corporation Ltd, the Directors of the Company declare that:

1. The financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:

    a. complying with Accounting Standard AASB 134: Interim Financial Reporting; and

    b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half year ended on that date.

2. In the Directors opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

AG Menezes
Director

Perth, Western Australia
Dated this 28th day of February 2020

INDEPENDENT REVIEW REPORT TO THE MEMBERS OF INTERNATIONAL EQUITIES CORPORATION LIMITED

REPORT ON THE HALF-YEAR FINANCIAL REPORT

We have reviewed the accompanying half-year financial report of International Equities Corporation Limited and its controlled entities ("the consolidated entity"), which comprises the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the half-year ended on that date, a summary of significant accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at half year's end or from time to time during the half year.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of International Equities Corporation Limited and its controlled entities is not in accordance with:

(a) the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and

(ii) complying with Accounting Standard AASB 134: *"Interim Financial Reporting"* and the *Corporations Regulations 2001*; and

Emphasis of Matter

Without qualification to the conclusion expressed above, we draw attention to note 8 of the financial statements which describes the principal conditions that raise doubt about the consolidated entity's ability to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast doubt about the consolidated entity's ability to continue as a going concern. If the consolidated entity was unable to continue as a going concern then it may be unable to realise its assets and discharge its liabilities in the normal course of business and at amounts stated in the financial report.

Directors' Responsibility for the Half-Year Financial Report

The directors of the consolidated entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that it is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

MOORE STEPHENS

INDEPENDENT REVIEW REPORT TO THE MEMBERS OF INTERNATIONAL EQUITIES CORPORATION LIMITED (CONTINUED)

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: "Review of a Financial Report Performed by the Independent Auditor of the Entity", in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporation Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: *"Interim Financial Reporting"* and the *Corporations Regulations 2001*. As the auditor of International Equities Corporation Limited and its controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the financial report.

A review of the half-year financial report consists of making enquiries, primarily of persons responsible for the financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the applicable independence requirements of the *Corporations Act 2001*.

Neil Pace

Moore Stephens

Neil Pace
Partner

Moore Stephens
Chartered Accountants

Dated in Perth, this 28th day of February 2020