

International Equities Corporation Ltd

and controlled entities ABN 97 009 089 696

- 1. Activity Report for Quarter ended 31 December 2021**
- 2. Appendix 4C Cash flow Report for Quarter ended 31 December 2021**

Activity Report for period ended 31 December 2021

It is recommended that this unaudited 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.

Revenues from ordinary activities (Dec 2020: \$2,683k)	Down	14.57%	to	A\$'000 2,292	
Profit (loss) from ordinary activities after tax attributable to members (Dec 2020: Loss of \$373k)	Down	171.31%	to	(1,012)	
Net profit (loss) for the period attributable to members (Dec 2020: Loss of \$373k)	Down	171.31%	to	(1,012)	
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	<table border="1" style="margin: auto;"> <tr> <td style="padding: 5px;">N/A</td> </tr> </table>				N/A
N/A					
The Information provided should be read in conjunction with the full year audited results ended 30 June 2021 and the Annual Report 2021.					

NTA backing

	Current period	Previous corresponding Period
	Dec 2021	Dec 2020
Net tangible asset backing per †ordinary security	\$0.0535	\$0.0634

(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)

Listing rule 4.7C.1 - Review of Operations for Quarter ended 31 December 2021

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

	Quarter ending Oct - Dec 2021				
	\$000				
Revenue		Property	Tourism	Leasing	Gov't Grants
- sales of apartments	-	-	-	-	-
- property management fees	190	-	58	132	-
- sale services and accommodation	907	-	907	-	-
- rental revenue	85	-	-	85	-
- interest received	0	-	-	-	-
- other revenue	38	3	14	-	21
	<u>1,220</u>	<u>3</u>	<u>978</u>	<u>217</u>	<u>21</u>
Expenses:					
- Borrowing costs	189	27	162	-	-
- Administration costs	374	167	110	97	-
- Hotel costs and cost of goods sold	1,081	-	1,081	-	-
- Depreciation of non-current assets (plant&equip.)	64	0	57	7	-
- Commissions	1	-	-	1	-
- Other costs	16	16	-	-	-
	<u>1,725</u>	<u>210</u>	<u>1,410</u>	<u>105</u>	<u>-</u>
Profit/(loss) from operating activities	(505)	(207)	(432)	112	21

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

The impacts of COVID 19 have significantly affected the financial position of the Company as at the date of this report, and the financial results for the quarter ended 31 December 2021 and continue to do so subsequent to 31 December 2021. The COVID 19 pandemic has created unprecedented uncertainty in terms of the overall economic environment such that economic events and conditions in future may be materially different from those experienced by the Company as at the date of this report. At this time, it is not possible for the Company to estimate fully the future effects of COVID 19 on its operations as any impact will depend on the magnitude and duration of the downturn in the tourism and hospitality industry as well as restrictions and lockdowns imposed by governments, with the full range of possible effects unknown.

Subsequent to quarter ended 31 December 2021 the following events occurred

- In the states of Victoria and New South Wales border controls, restrictions and lockdowns have eased in line with their respective state roadmaps. The state of Western Australia has now deferred lifting border controls until its residents are adequately vaccinated.
- On 1 November 2021, restrictions on international travel were lifted. However, international tourist arrivals remain prohibited.

There has not been any other matters 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 for the remainder of the financial year after quarter ended 31 December 2021.

For the quarter ended 31 December 2021, International Equities Corporation Limited (IEQ) generated revenues of \$1.220 million mostly from Hospitality and Tourism and Real Estate management activities as indicated in the table above. Included as receipts were \$21,000 in government assistance. Revenues

were down by 3.79% as compared to quarter ended 31 December 2020 due to continuing impacts of COVID 19, as explained above.

For the same quarter ended 31 December 2021, expenses from normal operating activities were \$1.725 million mostly from Hospitality and Tourism and holding cost of properties held for investment as indicated in the table above.

For the quarter ended 31 December 2021, unaudited consolidated post tax loss was \$0.505 million an increase of 234.44% as compared to quarter ended 31 December 2020 mainly due to the impacts of COVID 19, as explained above. The trading performance was mitigated to some degree by grants and received from state governments.

For the rest of financial year 2022, IEQ will continue its sale of apartments to reduce our exposure to loans. In the hotel and tourism sector, efforts are being made to encourage long stay tenancies where possible to mitigate against low occupancies until such time borders are re-opened. Leasing will remain our focus.

Listing rule 4.7C.2 - Review of 'Use of Funds' for Quarter ended 31 December 2021

International Equities Corporations Ltd (IEQ) has not raised funds from a prospectus, PDS or memorandum of information recently. No comparison between actual and proposed is applicable here.

Listing rule 4.7C.3 – Related Party Transactions for Quarter ended 31 December 2021

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties:

- (i) Details of all equity transactions between directors and director related entities in the company are as noted in the Directors Report of the Annual Report 2021. There was no change for the quarter ended 31 December 2021.
- (ii) MPF Tow who is a director of International Equities Corporation Limited (IEQ) has an interest in Renaissance Assets Pty Ltd arising from his directorship in this entity. Transactions with this entity are as note below:

For Quarter ended	31-Dec-21 000
Trade Receivables for the Quarter due from: Renaissance Assets Pty Ltd	(9)
Trade Payables for the Quarter due to: Renaissance Assets Pty Ltd	1
Loans Payable for the Quarter due to: Renaissance Assets Pty Ltd - Current Renaissance Assets Pty Ltd - Non - Current	- 7
<i>(Note: these amounts are unsecured and interest free with no fixed terms of payment)</i>	
Revenue Received during the Quarter from : Renaissance Assets Pty Ltd	37

Explanation

1. Trade Receivables are for a share of cost and expenses incurred by International Equities Corporation Limited group of companies which are on charged to Renaissance Assets Pty Ltd in the ordinary course of managing hotel accommodation. Conversely, Trade Payables are for a share of cost and expenses incurred by Renaissance Assets Pty Ltd which are on charged to International Equities Corporation Limited group of companies in the ordinary course of managing hotel accommodation.
2. Revenue Received from Renaissance Assets Pty Ltd is for fees associated with managing hotel accommodation on their behalf.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

INTERNATIONAL EQUITIES CORPORATION LIMITED

ABN

97 009 089 696

Quarter ended ("current quarter")

31 DECEMBER 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,301	2,133
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(405)	(786)
(f) administration and corporate costs	(1,105)	(1,560)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(188)	(377)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	15	60
1.8 Other (provide details if material)	23	38
1.9 Net cash from / (used in) operating activities	(359)	(492)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(9)	(18)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	(24)	(24)
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(33)	(42)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	7	7
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	7	7

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
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4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	495	637
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(359)	(492)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(33)	(42)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	7	7
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	110	110

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	110	495
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	110	495

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	36
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Quarterly cash flow report for entities subject to Listing Rule 4.7B

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	19,182	17,977
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	19,182	17,977
7.5	Unused financing facilities available at quarter end		1,204
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	<p>a) \$3.50 million is a zero-rate loan facility provided by Renaissance Assets Pty Ltd, a related party, with no fixed terms of repayment. No security was given.</p> <p>b) \$1.964 million is a bank bill variable rate facility with a 5 year term expiring August 2023, provided by Bank of Queensland. Interest rates range from 3.3 – 3.5%. Loan is secured.</p> <p>c) \$12.968 million is a bank bill business loan facility provided by Bank of Melbourne. A Deed of Forbearance was issued 23 August 2021 extending the facility subject to conditions. Interest rate range from 5.40% - 5.60%. Loan is secured.</p> <p>d) \$0.75 million is a commercial variable rate loan facility with a 20 year term, provided by ING Direct. Interest rates range from 4.30% – 4.50%. Loan is secured.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(492)
8.2	Cash and cash equivalents at quarter end (item 4.6)	110
8.3	Unused finance facilities available at quarter end (item 7.5)	1,204
8.4	Total available funding (item 8.2 + item 8.3)	1,314
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	2.67
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
	8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
	Answer: Not Applicable	
	8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
	Answer: Not Applicable	
	8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
	Answer: Not Applicable	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: _____
(Director/Company secretary)

Date: 31st January 2022

Print name: AUBREY MENEZES
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.