

International Equities Corporation Ltd

and controlled entities ABN 97 009 089 696

- 1. Activity Report for Quarter ended 30 June 2022**
- 2. Appendix 4C Cash flow Report for Quarter ended 30 June 2022**

Activity Report for period ended 30 June 2022

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 (June 2021: \$6,592k)	Down	0.46%	to	A\$'000 6,562	
Profit (loss) from ordinary activities after tax attributable to members (June 2021: Loss of \$636k)	Down	52.83%	to	(972)	
Net profit (loss) for the period attributable to members (June 2021: Loss of \$636k)	Down	52.83%	to	(972)	
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="width: 100%;"> <tr> <td style="text-align: center;">N/A</td> </tr> </table>				N/A
N/A					
Please refer to interim financial report for the half year ended 31 st December 2021 and the 2021 Annual Report.					

NTA backing

	Current period June 2022	Previous corresponding Period June 2021
Net tangible asset backing per †ordinary security	\$0.0539	\$0.0615

(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 30 June 2022

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

	Quarter ending Apr - June 2022				
	\$000				
Revenue		Property	Tourism	Leasing	Gov't Grants
- sales of apartments	323	323	-	-	-
- property management fees	199	-	93	106	-
- sale services and accommodation	1,715	-	1,715	-	-
- rental revenue	65	-	-	65	-
- interest received	0	-	-	-	-
- other revenue	20	-	19	-	1
	<u>2,322</u>	<u>323</u>	<u>1,827</u>	<u>171</u>	<u>1</u>
Expenses:					
- Borrowing costs	350	30	320	-	-
- Administration costs	600	44	450	114	-
- Hotel costs and cost of goods sold	1,602	-	1,602	-	-
- Depreciation of non-current assets (plant&equip.)	81	0	73	7	-
- Development costs-apartments	307	307	-	-	-
- Commissions	2	-	-	2	-
- Other costs	(419)	9	203	-	-
	<u>2,523</u>	<u>390</u>	<u>2,242</u>	<u>124</u>	<u>-</u>
Profit/(loss) from operating activities	(200)	(68)	(415)	47	1

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

The impact of COVID 19 remains the most significant reason for the adverse financial performance and financial position of the Company for the 12 months ended 30 June 2022 and is likely to continue to do so, including as at the date of this report. Significant impacts to the Company are summarised as follows

- Recurrence of virus outbreak may lead to restrictions being re-imposed. In July 2022, federal government has heightened its advice on wearing mask and encourage the workforce to work from home where possible.
- Wage increases, a significant rise in Inflation and interest on borrowings has had a direct impact on cost of business operations

The pandemic continues to create unprecedented uncertainty in terms of the overall economic and industry environment, such that economic events and conditions in future remain difficult to forecast and 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 reliably estimate the future effects of COVID 19, or the duration of such, on its operations, other than (as noted above) results are expected to be adversely affected for some time to come.

For the quarter ended 30 June 2022, International Equities Corporation Limited (IEQ) generated revenues of \$2.322 million mostly from Hospitality and Tourism and sale of apartment stock indicated in the table above. For the full financial year ended 30 June 2022, generated revenues were \$6.562 million which included receipts of \$0.061 million in government assistance. Revenues were down by 0.46% as compared to financial year ended 30 June 2021, a marginal difference.

For the same quarter ended 30 June 2022, expenses from normal operating activities were \$2.523 million mostly from Hospitality and Tourism and sale of apartment stock activities as indicated in the table above. For the full financial year expenses incurred totalled \$7.534 million

For the quarter ended 30 June 2022, unaudited consolidated loss post tax loss was \$0.200 million whilst unaudited consolidated post tax loss for the financial year ended 30 June 2022 totalled \$0.972 million down by 52.83% as compared to financial year ended 30 June 2021 mainly due to the impacts of COVID 19, as explained above. The trading performance was mitigated to some degree by grants received from local and federal governments.

For the financial year 2023, 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 30 June 2022

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 30 June 2022

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 30 June 2022.
- (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	30-Jun-22
	000
Trade Receivables for the Quarter due from:	
Renaissance Assets Pty Ltd	15
Trade Payables for the Quarter due to:	
Renaissance Assets Pty Ltd	-
Loans Payable for the Quarter due to:	
Renaissance Assets Pty Ltd - Current	-
Renaissance Assets Pty Ltd - Non - Current	9
(Note: these amounts are unsecured and interest free with no fixed terms of payment)	
Revenue Received during the Quarter from :	
Renaissance Assets Pty Ltd	56
	80

Explanation

1. Trade payable are for share of cost and expenses incurred by Renaissance Assets Pty Ltd and charged to International Equities Corporation Linted 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")

30 JUNE 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,166	5,393
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(528)	(1,615)
(f) administration and corporate costs	(1,208)	(2,991)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(350)	(848)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	15	61
1.8 Other (provide details if material)	16	68
1.9 Net cash from / (used in) operating activities	111	68

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 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	(16)	(37)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	(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	(16)	(61)

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	251	1,118
3.6 Repayment of borrowings	(12)	(666)
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	239	452

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	762	637
4.2	Net cash from / (used in) operating activities (item 1.9 above)	111	68
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(16)	(61)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	239	452
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,096	1,096

5. Reconciliation of cash and cash equivalents	Current quarter \$A'000	Previous quarter \$A'000
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	1,096	762
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)	1,096	762

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	80
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

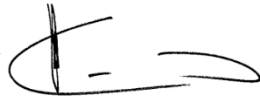
Quarterly cash flow report for entities subject to Listing Rule 4.7B

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	19,963	18,768
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	19,963	18,768
7.5	Unused financing facilities available at quarter end		1,195
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) \$1.663 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 3.7 – 4.0%. Loan is secured.</p> <p>c) \$14.580 million is a licenced non-bank business loan facility provided by Regis Capital Pty Ltd. to retire Bank of Melbourne. Interest is 8.0% to expire in April 2023. 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)	68
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,096
8.3	Unused finance facilities available at quarter end (item 7.5)	1,195
8.4	Total available funding (item 8.2 + item 8.3)	2,395
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	34.69
	<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: 29th July 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.