

FINEXIA FINANCIAL GROUP LIMITED
ACN 106 760 418

Appendix 4D - Half Year Report 31 December 2021

1. DETAILS OF THE REPORTING PERIOD AND THE PREVIOUS CORRESPONDING PERIOD

Reporting Period	Half Year Ended 31 December 2021
Previous Corresponding Period	Half Year Ended 31 December 2020

2. RESULTS FOR ANNOUNCEMENT

Revenue from Ordinary Activities	5,973,056
Previous Corresponding Period	2,519,834
Percentage Change from Previous Period	137%

Profit/(loss) from Ordinary Activities after Tax	2,566,652
Previous Corresponding Period	3,528,131
Percentage Change from Previous Period	(27%)

Net Profit/(loss) for the Period attributable to Members	2,566,652
Previous Corresponding Period	3,528,131
Percentage Change from Previous Period	(27%)

The dividend per security	There are no dividends proposed or paid relating to the reporting period.
The record date for determining entitlements	N/A

3. EARNINGS PER SHARE

Earnings/(loss) per share (cents)	
Reporting Period	1.63
Previous Period	2.39


4. NET TANGIBLE ASSETS PER SHARE

Net Tangible Assets per share (cents)	
Reporting Period	3.82
Previous Period	3.92

5. DETAILS OF ENTITIES WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD

Entities where control has been gained or ceased during the year	
Reporting Period	None
Previous Period	Gained – Smart Money Company Pty Ltd (100%) Gained – FNX Finance Group (100%)

Signed on behalf of the Board,


Neil Sheather
Director
 25 February 2022

FINEXIA

ACN 106 760 148

INTERIM FINANCIAL REPORT

**FOR THE HALF YEAR ENDED
31 DECEMBER 2021**

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FINEXIA FINANCIAL GROUP LIMITED
DIRECTORS' REPORT

Your directors submit the half-year financial report of the consolidated entity (the “Group”) consisting of Finexia Financial Group Limited (the “Company”) and the entities it controlled, for the half-year to 31 December 2021.

In order to comply with the provisions of the *Corporations Act 2001*, the directors’ report as follows:

DIRECTORS

The names of the directors who held office during or since the end of the half-year and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated.

DIRECTORS	Neil Sheather (appointed 10 November 2014)
	Jean Marc Li Kam Tin (appointed 23 March 2020)
	Patrick Michael Bell (appointed 1 October 2020)

RESULTS

The profit for the half year after tax was \$2,566,652 (2020: \$3,528,131).

REVIEW OF OPERATIONS

The Directors are pleased with the operational and financial performance of the business over the first half of the year. The Group continued to consolidate and expand its domestically focused financial services offering with the execution of several long-term strategic initiatives culminating in an underlying after-tax net profit for shareholders of A\$2.55M in the six months. The Company’s top line revenue grew to A\$5.97M, a 137% increase on the previous corresponding period, having been driven by growth in the Company’s loan book, its traditional securities dealing operations and fees generated by the Company’s managed funds business.

The satisfying aspect of the profit result is that it has largely been achieved in the absence of any revaluation of the Company’s proprietary investments. Stripping out the investment revaluations in the previous period of \$3,039,544 further highlights the performance of the underlying businesses, best evidenced by NPAT of \$2,566,652, an increase of 408% over the previous corresponding period. This result further validating the Company’s commitment to its strategic objectives. The profit has been driven by the performance of the Company’s core businesses; Finexia Securities and Creative Capital, working together to enable the Company to reach several key milestones in the period. The highlights during the six months, which should be read in conjunction with Note 7 - Segment Information include:

- The launch of the Company’s flagship wholesale fund, Finexia Direct Accommodation Income Fund (FDAIF) in September 2021. The fund invests in a blend of holiday and permanent accommodation letting businesses primarily located in the coastal south-east pocket of Queensland. It is exclusively aimed at wholesale investors with a targeted return of 12% per annum with monthly distributions. Since launch, the Fund’s underlying businesses have exceeded the preliminary forecast and continue to perform beyond expectation. Investors have enjoyed a monthly cash distribution more than the targeted return (12% pa) and the Investment Manager remains confident this will continue for the foreseeable future. The Company has set ambitious growth targets for the Fund and remain vigilant to acquisition opportunities that fit within the Funds strict investment criteria.
- Creative Capital’s private lending operations have continued to expand with growth in the overall size of the loan book. Creative’s deal pipeline into the second half of the year looks strong and the Directors remain confident the business can achieve its internal revenue forecasts.
- Finexia Securities performed to forecast, with the focus remaining on client acquisition and retention. The business launched a number of investment products that were well received by clients and made a meaningful contribution to the business’ performance. The outlook for the securities dealing business looks solid for the remainder of the year, albeit in a more ‘risk-off’ investment environment.

Directors would like to take this opportunity to recognise the key ingredient in this positive operating response being our staff and your ongoing commitment and resolve. Thank you.

The Company is poised to launch a number of exciting complementary investment products in the second half of the year and is intending to provide a market update on these initiatives in the coming weeks. A part of that update will be an earnings guidance for the full year to 30 June 2022.

FINEXIA FINANCIAL GROUP LIMITED
DIRECTORS' REPORT

SUBSEQUENT EVENTS

There was no other matter or circumstance that has arisen since 31 December 2021 that has significantly affected, or may significantly affect:

- (a) the Group's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the Group's state of affairs in future financial years.

LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001*

The lead auditor's independence declaration is set out on page 4 and forms part of the Directors' Report for the half-year ended 31 December 2021.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306 (3) of the *Corporations Act 2001*, and on behalf of the Board by:



NEIL SHEATHER
DIRECTOR

Dated the 25 of February 2022



Level 11, 307 Queen Street
Brisbane Qld 4000

GPO Box 2268
Brisbane Qld 4001
Australia

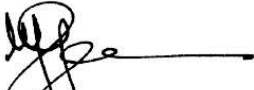
Tel: +61 7 3218 3900
Fax: +61 7 3218 3901
www.mazars.com.au

Auditor's Independence Declaration to the Directors of Finexia Financial Group Limited

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2021, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

MAZARS ASSURANCE LIMITED
Authorised Audit Company: 338599


M. J. Green
Director

Brisbane, 25 February 2022

FINEXIA FINANCIAL GROUP LIMITED

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

	NOTE	31 December 2021 \$	31 December 2020 \$
Continuing operations			
Revenue			
Rendering of services		3,459,259	1,412,894
ATO cash boost and job keeper		-	171,706
Interest income		1,482,304	657,910
Property rental income		72,809	-
Gain on sale of investments		314,173	-
Other income		644,511	276,874
		<u>5,973,056</u>	<u>2,519,834</u>
Change in fair value of investments	4	80,811	3,039,544
Expenses			
Product commissions		(427,146)	(222,976)
Audit fees		(52,273)	(38,224)
Corporate and professional expenses		(825,248)	(650,763)
Depreciation		(78,801)	(60,410)
Amortisation		(74,750)	(9,500)
Employee expenses		(670,156)	(636,384)
Impairment of receivables		38,500	-
Foreign exchange gain/loss		(4,024)	60
Finance expenses		(222,127)	(12,924)
Interest on mortgage loans		(863,437)	(400,126)
Other expenses		-	-
		<u>2,874,405</u>	<u>3,528,131</u>
PROFIT/(LOSS) BEFORE INCOME TAX		2,874,405	3,528,131
Income tax expense		(307,753)	-
PROFIT/(LOSS) FROM CONTINUING OPERATIONS AFTER INCOME TAX		2,566,652	3,528,131
OTHER COMPREHENSIVE INCOME FOR THE PERIOD			
ITEMS THAT MAY BE CLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS		-	-
TOTAL OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		2,566,652	3,528,131
PROFIT/(LOSS) ATTRIBUTABLE TO:			
Owners of the Company		2,566,652	3,528,131
Non-controlling interest		-	-
		<u>2,566,652</u>	<u>3,528,131</u>

The accompanying notes form part of these condensed consolidated interim financial statements.

FINEXIA FINANCIAL GROUP LIMITED

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (CONTINUED)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

	31 December 2021	31 December 2020
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:		
Owners of the Company	2,566,652	3,528,131
Non-controlling interest	-	-
	2,566,652	3,528,131
EARNINGS/(LOSS)/PER SHARE		
Basic and diluted earnings/(loss) per share (cents per share)	1.63	2.39

The accompanying notes form part of these condensed consolidated interim financial statements.

FINEXIA FINANCIAL GROUP LIMITED

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

	NOTE	31 December 2021	30 June 2021
ASSETS		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		4,690,119	1,464,526
Trade and other receivables		1,677,609	2,094,250
Financial assets	4	11,792,774	3,026,182
Mortgage assets – current		12,285,273	14,119,292
Prepayments or other assets		135,886	13,297
TOTAL CURRENT ASSETS		30,581,661	20,717,547
NON-CURRENT ASSETS			
Trade and other receivables		40,500	40,500
Mortgage asset – non-current		4,575,700	-
Goodwill and intangibles		1,916,789	1,991,539
Property, plant and equipment		1,332,678	1,411,480
TOTAL NON - CURRENT ASSETS		7,865,667	3,443,519
TOTAL ASSETS		38,447,328	24,161,066
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		2,748,189	1,134,718
Current tax liabilities		193,085	384,884
Provision for annual leave		38,759	29,336
Leases		125,006	114,793
Contract liabilities		13,997	186,823
Loans and borrowings	8	7,719,174	156,000
Mortgage loan – current	8	11,562,485	11,019,231
TOTAL CURRENT LIABILITIES		22,400,695	13,025,785

FINEXIA FINANCIAL GROUP LIMITED

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

	NOTE	31 December 2021	30 June 2021
LIABILITIES			
NON - CURRENT LIABILITIES			
Mortgage loan – non-current	8	7,498,961	5,735,000
Leases		173,585	238,363
Deferred tax liabilities		119,308	-
Loans and borrowings	8	142,782	-
TOTAL NON-CURRENT LIABILITIES		7,934,636	5,973,363
TOTAL LIABILITIES		30,335,331	18,999,148
NET ASSETS		8,111,997	5,161,918
EQUITY			
Issued capital	6	9,973,368	9,589,941
Accumulated losses		(1,861,371)	(4,428,023)
Total equity attributable to shareholders of the Company		8,111,997	5,161,918
Non-controlling interest		-	-
TOTAL EQUITY		8,111,997	5,161,918

The accompanying notes form part of these condensed consolidated interim financial statements.

FINEXIA FINANCIAL GROUP LIMITED

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

	NOTE	ISSUED CAPITAL	ACCUM- ULATED LOSSES	NON- CONTROLLING INTERESTS	TOTAL EQUITY
		\$	\$	\$	\$
BALANCE AT 1 JULY 2020		8,989,941	(5,416,875)	(242,193)	3,330,873
Total comprehensive income for the period, net of tax		-	1,268,746	-	1,268,746
<i>Transactions with owners of the company, recognised directly in equity</i>					
Issue of shares		600,000	-	-	600,000
Changes in ownership interests in subsidiary		-	(279,894)	242,193	(37,701)
BALANCE AT 30 JUNE 2021		9,589,941	(4,428,023)	-	5,161,918
		ISSUED CAPITAL	ACCUM- ULATED LOSSES	NON- CONTROLLING INTERESTS	TOTAL EQUITY
BALANCE AT 1 JULY 2021		9,589,941	(4,428,023)	-	5,161,918
Total comprehensive income for the period, net of tax		-	2,566,652	-	2,566,652
<i>Transactions with owners of the company, recognised directly in equity</i>					
Issue of shares	6	383,427	-	-	383,427
BALANCE AT 31 DECEMBER 2021		9,973,368	(1,861,371)	-	8,111,997

The accompanying notes form part of these condensed consolidated interim financial statements.

FINEXIA FINANCIAL GROUP LIMITED

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

	31 December 2021	31 December 2020
	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	5,076,513	1,523,452
Payments to suppliers and employees	(2,268,834)	(1,259,664)
Interest income received	1,482,304	1,011,444
Dividends received	174,506	-
Advance of investment mortgage loans assets	(2,741,681)	(6,416,887)
Proceed of investment mortgage loans liabilities	2,493,215	6,507,489
Interest expenses paid	(1,069,032)	(340,511)
Income tax paid	(380,244)	-
Net cash used in operating activities	<u>2,766,747</u>	<u>1,025,323</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Payments for property plant & equipment	-	(4,587)
Payments for direct equity investments	(162,418)	(128,419)
Payments for other investments	(7,501,442)	(37,700)
Payments for subsidiary, net of cash acquired	-	(197,745)
Proceeds from sale of direct equity investments	290,420	633,988
Sale of controlled entity	-	-
Net cash used in investing activities	<u>(7,373,440)</u>	<u>265,537</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of shares	383,427	-
Loans from third parties	7,563,174	-
Repayment of loans	(114,315)	(106,034)
Net cash from financing activities	<u>7,832,286</u>	<u>(106,034)</u>
Net increase in cash held	3,225,593	1,184,826
Cash at beginning of period	<u>1,464,526</u>	<u>373,692</u>
Cash and cash equivalents at end of period	<u>4,690,119</u>	<u>1,558,518</u>

The accompanying notes form part of these condensed consolidated interim financial statements.

1. REPORTING ENTITY

Finexia Financial Group Limited (the 'Company') is a company domiciled in Australia. The condensed consolidated interim financial statements of the Company as at and for the half year ended 31 December 2021 comprises the Company and its subsidiaries (together referred to as the 'Group'). The Group is primarily focused on providing financial services, predominantly in funds management and broker trading.

The consolidated annual financial statements of the Group as at and for the year ended 31 December 2021 are available upon request from the Company's registered office at Level 18, Australia Square Tower Building, 264 George Street, Sydney, NSW 2000 or at www.finexia.com.au.

2. BASIS OF PREPARATION

(A) STATEMENT OF COMPLIANCE

The condensed consolidated interim financial statements are general purpose financial statements prepared in accordance with the requirements of the *Corporations Act 2001*, applicable accounting standards including AASB 134 *Interim Financial Reporting*, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB').

These condensed consolidated interim financial statements do not include full disclosures of the type normally included in annual financial statements. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial statements.

It is recommended that these condensed consolidated interim financial statements be read in conjunction with the annual financial statements for the year ended 30 June 2021 and any public announcements made by Finexia Financial Group Limited during the half-year in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

(B) ESTIMATES

When preparing the condensed consolidated interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the condensed consolidated interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2021.

(C) GOING CONCERN

The financial report has been prepared on a going concern basis. As at 31 December 2021, the Company has cash at bank of \$4,690,119 and liquid investments which can be readily converted to cash of \$3,293,064.

The net asset position as at 31 December 2021 was \$8,111,997.

The Group also has the capacity to raise additional funds at an appropriate time in the future if required.

3. SIGNIFICANT ACCOUNTING POLICIES

The same accounting policies and methods of computation have been followed in these condensed consolidated interim financial statements as were applied in the most recent annual financial statements.

FINEXIA FINANCIAL GROUP LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

4. FINANCIAL ASSETS

Financial assets held at period end include the following:

	CONSOLIDATED	
	31 December 2021	30 June 2021
	\$	\$
Current		
Cash and cash equivalents	4,690,119	1,464,526
Receivables	1,677,609	2,094,250
Mortgage Asset	12,285,273	14,119,292
<i>Financial assets at fair value through profit or loss</i>		
- ASX listed equity securities	485,462	28,952
- International listed equity securities portfolio	2,807,602	2,847,130
- Finexia Direct Accommodation Income Fund	8,499,610	-
- Investment in unlisted company	100	100
<i>Financial assets at cost</i>		
- Convertible notes in unlisted company	-	150,000
	30,445,779	20,704,250
	31 December 2021	30 June 2021
	\$	\$
Non-current		
Trade and other receivables	40,500	40,500
Mortgage asset – non-current	4,575,700	-
	4,616,200	40,500

(i) *Classification of financial assets at fair value through profit or loss*

The Group classifies its equity based financial assets at fair value through profit or loss if they are acquired principally for trading (i.e. selling in short-term). They are presented as current assets as they can be easily converted into cash in less than 12 months.

(ii) *Amounts recognised in profit or loss*

Changes in the fair values of financial assets at fair value have been recorded through profit or loss, representing a net gain of \$80,811 for the period (2020: net gain of \$3,039,544).

5. FAIR VALUE MEASUREMENT

Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three (3) levels of a fair value hierarchy. The three (3) levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis:

FINEXIA FINANCIAL GROUP LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

	LEVEL 1 \$	LEVEL 2 \$	LEVEL 3 \$	TOTAL \$
December 2021				
Listed equity securities	485,462	-	-	485,462
International listed equities portfolio	2,807,602	-	-	2,807,602
Finexia Direct Accommodation Income Fund	-	8,499,610	-	8,499,610
Investment in unlisted entity	-	-	100	100
Fair value at 31 December 2021	<u>3,293,064</u>	<u>8,499,610</u>	<u>100</u>	<u>11,792,774</u>

June 2021				
Listed equity securities	28,952	-	-	28,952
International listed equities portfolio	2,847,130	-	-	2,847,130
Investment in unlisted entity	-	-	100	100
Fair value at 30 June 2021	<u>2,876,082</u>	<u>-</u>	<u>100</u>	<u>2,876,182</u>

- (i) The fair value of financial instruments traded in active markets (such as publicly traded equities and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the last closing price or unit (acquisition) strike price.
- (ii) The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.
- (iii) There have been no transfers between the levels of the fair value hierarchy during the six (6) months to 31 December 2021.

6. SHARE CAPITAL

	CONSOLIDATED			
	31 December 2021		30 June 2021	
	No. of shares.	\$	No. of shares.	\$
(a) Ordinary shares fully paid	<u>162,107,105</u>	<u>9,973,368</u>	<u>153,586,517</u>	<u>9,589,941</u>
(b) Movement in ordinary shares on issue for the period	8,520,588	383,427	13,333,333	600,000

8,520,588 shares were issued at 4.50 cents on the 19 October 2021 for a total value of \$383,427. The issuance of the shares was in conjunction with the acquisition of Creative Capital Group Pty Ltd and its subsidiaries.

FINEXIA FINANCIAL GROUP LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

7. SEGMENT INFORMATION

The directors have considered the requirements of AASB 8 – *Operating Segments* and the internal reports that are reviewed by the chief operating decision maker in allocating resources and have concluded that the Group operated in the financial services industry.

The following summary describes the operations in each of the Group’s reportable segments:

- *Finexia Securities* – includes brokerage and advisory services
- *Finexia Plus* – includes brokerage, SMSF administration and investor education services.
- *Creative Capital* – includes trail and upfront commissions, establishment fees and interest income.

Although the Finexia Securities and Finexia Plus segments both contain brokerage services, these are monitored by the CODM separately in order to make decisions around the allocation of resources and assessing performance.

Information regarding the performance of each reportable segment is included below.

	Finexia Securities		Finexia Plus		Creative Capital		Unallocated		Consolidated	
	Dec 2021	Dec 2020	Dec 2021	Dec 2020	Dec 2021	Dec 2020	Dec 2021	Dec 2020	Dec 2021	Dec 2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Revenue from external customers	3,268,182	1,049,802	88,150	312,257	2,518,882	1,054,973	97,842	102,802	5,973,056	2,519,834
Results										
Reportable segment profit/(loss) before income tax	1,856,566	376,003	(98,930)	167,826	1,363,700	209,834	(246,931)	2,774,468	2,874,405	3,528,131
Income tax benefit								(307,753)		-
Profit/(loss) from continuing operations								2,566,652		3,528,131

8. LOANS AND BORROWINGS

	CONSOLIDATED	
	31 December 2021	30 June 2021
	\$	\$
Current liabilities		
Unsecured loans from third parties ⁽¹⁾	70,000	70,000
Unsecured loans from banking institutions ⁽²⁾	86,000	86,000
Unsecured loans from third parties ⁽³⁾	7,563,174	-
Secured loans – mortgages ⁽⁴⁾	11,562,485	11,019,231
	19,281,659	11,175,231
Non-current liabilities		
Unsecured loans from banking institutions ⁽²⁾	42,782	86,000
Bank Guarantee	100,000	100,000
Secured loans – mortgages ⁽⁴⁾	7,498,961	5,549,000
	7,641,743	5,735,000

- ⁽¹⁾ The unsecured loans are from third parties and were consolidated with the Group on acquisition of Finexia Plus in June 2018.
- ⁽²⁾ On 18 June 2020, the Company obtained a loan from National Australia Bank for \$200,000. The loan is unsecured for a term for three years at 4.50%. The first monthly repayment is on 31 January 2021.
- ⁽³⁾ The unsecured loans are from third parties and were used for the investments in Finexia First Direct Accommodation Fund. The loans are unsecured, with no formal agreement and bearing interest between 2.5% to 4.95% per annum.
- ⁽⁴⁾ Creative Capital Group provides finance solutions to various enterprises. The loan liabilities are matched against the loan assets. Creative Capital receives various fees on establishment and a net margin income. The interest rates are between 8% to 15% and the loans terms are between 12 to 24 months.

9. CONTINGENT LIABILITIES

(a) Contingencies

There were no contingent liabilities as at 31 December 2021 (31 December 2020: nil).

10. EVENTS SUBSEQUENT TO REPORTING DATE

There was no other matter or circumstance that has arisen since 31 December 2021 that has significantly affected, or may significantly affect:

- (a) the Group's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the Group's state of affairs in future financial years.

FINEXIA FINANCIAL GROUP LIMITED
DIRECTORS' DECLARATION

In the opinion of the directors of Finexia Financial Group Limited (“the Company”)

The financial statements and notes, as set out on pages 5 to 16 are in accordance with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the financial position of the Group as at 31 December 2021 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and
- b. Complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and;

There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



NEIL SHEATHER
DIRECTOR

25th February 2022

Independent Auditor's Report to the Members of Finexia Financial Group Limited

Conclusion

We have reviewed the accompanying half-year financial report of Finexia Financial Group Limited ("Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2021, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity, and the condensed consolidated statement of cash flows for the half-year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the Directors' declaration.

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 Finexia Financial Group Limited is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the half -year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.


Auditor's responsibility for the review of the financial report

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 half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Finexia Financial Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for 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.

Mazars

MAZARS ASSURANCE PTY LIMITED
AUTHORISED AUDIT COMPANY: 338599


M. J. Green
Director

Brisbane, 25 February 2022