

International Equities Corporation Ltd

and controlled entities

ABN 97 009 089 696

1. Activity Report

2. Appendix 4C Cash flow Report for Quarter ended 31 March 2021

Activity Report

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 (Mac 2020: \$12,925k)	Down	62.45%	to	A\$'000 4,853
Profit (loss) from ordinary activities after tax attributable to members (Mac 2020: Loss of \$604k)	Down	73.01%	to	(1,045)
Net profit (loss) for the period attributable to members (Mac 2020: Loss of \$604k)	Down	73.01%	to	(1,045)
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			
Please refer to interim financial report for the half year ended 31 st December 2020 and the 2020 Annual Report.				

NTA backing

	Current period March 2021	Previous corresponding Period March 2020
Net tangible asset backing per +ordinary security	\$0.0582	\$0.0733

(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)

Review of Operations

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

	Segment Revenue		Segment Results	
	31 March		31 March	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Property Development	34	654	(461)	(722)
Tourism	3,428	11,581	(1,533)	(220)
Leasing/Rental Property	469	690	27	338
Government Grants	922	-	922	-
	<u>4,853</u>	<u>12,925</u>	<u>(1,045)</u>	<u>(604)</u>

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

The impact of COVID 19 has significantly adversely affected the financial performance and financial position of the Company for the 9 months ended 31 March 2021 and continues to do so subsequent to year end, 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 2020, the Victorian government re-imposed restrictions, Stage 4 lockdown and curfew. Between December 2020 and February 2021 various states have reimposed staged restrictions resulting in border closures. This remains a strategy by the government.
- Closure of international borders to tourism remain in place at the date of this report.
- Revenue and profitability of Tourism (hotels) related assets have fallen significantly in the last 3 quarters of the financial year as a result of border closures and lockdowns referred to above.

The COVID 19 pandemic and, more specifically government responses to it, have created a significant downturn in the operations of the Group's hotels and service apartments, which is likely to continue until at least the end of calendar year 2021. 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 9 months ended 31 March 2021, International Equities Corporations Limited (IEQ) generated revenues of \$4.853 million mostly from hotel operations and government grants. Revenues were down by 62.45% as compared to period ended 31 March 2020 due to the impacts of COVID 19, as explained above.

For the same period, unaudited consolidated post tax loss was \$1.045 million down 73.01% as compared to period ended 31 March 2020 mainly due to the impacts of COVID 19, as explained above. The decline in trading performance was mitigated to some degree by grants and JobKeeper payments totalling \$922,000 received from local and federal governments.

For the remaining of the 2021 calendar year, 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.

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 MARCH 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,012	3,041
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(516)	(1,612)
(f) administration and corporate costs	(567)	(2,541)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(189)	(503)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	168	922
1.8 Other (provide details if material)	19	998
1.9 Net cash from / (used in) operating activities	(73)	305

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(17)	(100)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
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	(17)	(100)

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	-	-
3.6 Repayment of borrowings	(11)	(648)
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	(11)	(648)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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	955	1,297
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(73)	305
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(17)	(100)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(11)	(648)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	854	854

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	854	955
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)	854	955

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
-
-

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

7. Financing facilities

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.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	19,182	17,971
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	19,182	17,971

7.5 **Unused financing facilities available at quarter end** 1,211

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.

- 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.
- 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.
- c) \$12.968 million is a bank bill business loan facility provided by Bank of Melbourne. A letter of renewal was issued in Sept 2020 and is subject to conditions. Interest rate range from 5.40% - 5.60%. Loan is secured.
- 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.
- e)

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	305
8.2 Cash and cash equivalents at quarter end (Item 4.6)	854
8.3 Unused finance facilities available at quarter end (Item 7.5)	1,211
8.4 Total available funding (Item 8.2 + Item 8.3)	2,065
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	N/A

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

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

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

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

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: 30th April 2021

Print name: AUBREY MENEZES

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.