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# 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 2023**

## For announcement to the market

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

| | | | | |
|---|---|---|---|---|
| Revenues - ordinary activities (continuing operations) | Down | 28% | to | 1,723 |
| Revenues - ordinary activities (discontinuing operations) | Increase | 28% | to | 2,872 |
| Loss from ordinary activities attributable to members (continuing operations) | Increase | 34% | to | (375) |
| Profit from ordinary activities attributable to members (discontinuing operations) | Increase | 1,304% | to | 1,306 |
| Net profit for the period attributable to members (Dec 2022: Loss of $187K) | N/A | N/A | to | 931 |

| **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 2023 as attached.

## NTA backing

| | Current period | Previous corresponding Period |
|---|---|---|
| Net tangible asset backing per +ordinary security | $0.0529 | $0.0492 |

(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.

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## 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.

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## 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.



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# International Equities Corporation Ltd

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

## Financial report for the half year ended 31 December 2023

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## INTERIM FINANCIAL REPORT

## DIRECTORS' REPORT

Your Directors' submit the consolidated financial report of International Equities Corporation Limited for the half year ended 31 December 2023.

**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 | |
|---|---|---|---|---|
| **Combined** | **2023** | **2022** | **2023** | **2022** |
| | **$000** | **$000** | **$000** | **$000** |
| Property Development | 12 | 1 | (365) | (416) |
| Tourism* | 4,134 | 4.247 | 1,086 | 98 |
| Leasing/Rental Property | 449 | 385 | 210 | 131 |
| *including gain on disposal of SOP | 4,595 | 4,633 | 931 | (187) |

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

Post COVID 19 recovery has been slow. Additionally, the cost of doing business has risen substantially due to persistent high inflation and interest rates. It has significantly adversely affected the financial performance and financial position of the Company since March 2020.

The Company has taken the view to retire its larger loans through the sale of Seasons of Perth hotel (SOP) property which settled on 4 October 2023. Consequently, operations at Seasons of Perth ended.

As demand for a higher lease rent at Seasons Darling Harbour ("SDH") became too costly, the Company took the position to cease operations in November 2023 on expiry of leases. The net financial result of SDH for the half year period was not considered material to the Group.

For the half year ended 31 December 2023, International Equities Corporations Limited (IEQ) generated revenues of $4,595 million mostly from hotel operations. The consolidated post tax profit for the same period was $931,000, due to a recognition of profit from the sale of SOP of $1,862 million.

Property development, management and tourism continue to be IEQ's main core business. In 2024, priority will be to remain cash neutral and service debt whilst the Company reorganises its principal activities.

## DIRECTORS' REPORT (Continued)

Further consideration of the impacts of the COVID 19 pandemic are included in the going concern disclosures at Note 1 (c) and property valuations referred to in Note 1 (b).

**Events Occurring after Balance Date**

No matters or circumstances have arisen since the end of the half year 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 5 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 2024**

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**Moore Australia Audit (WA)**

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## AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF *THE CORPORATIONS ACT 2001* TO THE DIRECTORS OF INTERNATIONAL EQUITIES CORPORATION LIMITED & CONTROLLED ENTITIES

As lead auditor for the review of International Equities Corporation Limited and its controlled entities for the half year ended 31 December 2023, 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.

SUAN-LEE TAN
PARTNER

MOORE AUSTRALIA

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 28th day of February 2024.

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## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

| | Note | Consolidated entity | |
|---|---|---|---|
| | | **31 December 2023 $000** | **31 December 2022 $000** |
| **Continuing Operations** | | | |
| Revenue | **2** | 1,723 | 2,396 |
| Hotel cost of goods sold | | (645) | (1,024) |
| Sales commission | | - | (3) |
| Lease interest and expenses | | (127) | (198) |
| Borrowing costs expense | **3** | (98) | (64) |
| Administrative expenses | | (997) | (812) |
| Depreciation and amortisation expenses | | (225) | (575) |
| Other Cost | | (6) | - |
| **Profit/(loss) before income tax expense from continuing operations** | | (375) | (280) |
| Income tax expense | | - | - |
| **Profit/(loss) after income tax expense from continuing operations** | | (375) | (280) |
| Profit/(loss) after income tax expenses from discontinued operations | **4** | 1,306 | 93 |
| **Net Profit/(loss) for the year** | | **931** | **(187)** |
| **Other comprehensive income** | | | |
| Items that may be reclassified to profit and loss | | **-** | - |
| **Other comprehensive income/(loss) for the year** | | **-** | **-** |
| **Total comprehensive income/(loss) for the year** | | **931** | **(187)** |
| **Net profit/(loss) attributable to:** | | | |
| Members of the parent entity | | 931 | (187) |
| Non-controlling interest | | - | - |
| | | **931** | **(187)** |
| **Total comprehensive income attributable to:** | | | |
| Members of the parent entity | | 931 | (187) |
| Non-controlling interest | | - | - |
| | | **931** | **(187)** |

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

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2023 (Continued)

| | Consolidated entity | |
|---|---|---|
| | **31 December 2023 $000** | **31 December 2022 $000** |
| **Earnings Per Share** | | |
| From continuing operations: | | |
| Basic earnings / (loss) per share | (0.29) c | (0.22) c |
| Diluted earnings / (loss) per share | (0.29) c | (0.22) c |
| From discontinued operations: | | |
| Basic earnings / (loss) per share | 1.02 c | 0.07 c |
| Diluted earnings / (loss) per share | 1.02 c | 0.07 c |
| From continuing and discontinued operations: | | |
| Basic earnings / (loss) per share | 0.73 c | (0.15) c |
| Diluted earnings / (loss) per share | 0.73 c | (0.15) c |

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

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## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

| | Consolidated Entity | |
|---|---|---|
| | **31 December 2023 $000** | **30 June 2023 $000** |
| **CURRENT ASSETS** | | |
| Cash assets | 3,722 | 1,536 |
| Receivables | 367 | 1,038 |
| Inventories | 765 | 759 |
| Other | - | 21 |
| | 4,854 | 3,354 |
| Assets classified as held for sale | - | 20,678 |
| **TOTAL CURRENT ASSETS** | 4,854 | 24,032 |
| **NON-CURRENT ASSETS** | | |
| Property, plant and equipment | 7,366 | 7,403 |
| Right of Use Assets | 3,246 | 3,774 |
| Intangible assets | 14 | 17 |
| **TOTAL NON-CURRENT ASSETS** | 10,626 | 11,194 |
| **TOTAL ASSETS** | 15,480 | 35,226 |
| **CURRENT LIABILITIES** | | |
| Payables | 2,496 | 5,808 |
| Interest-bearing liabilities | 1,963 | 1,963 |
| Lease Liabilities | 209 | 472 |
| Provisions | 179 | 304 |
| | 4,847 | 8,547 |
| Liabilities directly associated with assets classified as held for sale | - | 14,580 |
| **TOTAL CURRENT LIABILITIES** | 4,847 | 23,127 |
| **NON-CURRENT LIABILITIES** | | |
| Lease Liabilities | 3,106 | 2,732 |
| Interest-bearing liabilities | 732 | 3,503 |
| **TOTAL NON-CURRENT LIABILITIES** | 3,838 | 6,235 |
| **TOTAL LIABILITIES** | 8,685 | 29,362 |
| **NET ASSETS** | **6,795** | **5,864** |
| **EQUITY** | | |
| Contributed equity | 12,093 | 12,093 |
| Reserves | - | 6,746 |
| Retained earnings / (accumulated losses) | (5,298) | (12,975) |
| **TOTAL EQUITY** | **6,795** | **5,864** |

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

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## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2023

| | Share capital | Other reserves | Retained earnings | Total Equity |
|---|---|---|---|---|
| **Balance at 1 July 2023** | **12,093** | **6,746** | **(12,975)** | **5,864** |
| Net loss for the period | - | - | 931 | 931 |
| Other comprehensive loss for the period | - | - | - | - |
| **Total comprehensive income for the period** | - | - | 931 | 931 |
| Transfer from reserves to retained earnings – sale of SOP | - | (6,746) | 6,746 | - |
| **Balance at 31 December 2023** | **12,093** | **-** | **(5,298)** | **6,795** |

| | Share capital | Other reserves | Retained earnings | Total |
|---|---|---|---|---|
| **Balance at 1 July 2022** | **12,093** | **6,746** | **(12,325)** | **6,514** |
| Net loss for the period | - | - | (187) | (187) |
| Other comprehensive loss for the period | - | - | - | - |
| **Total comprehensive income for the period** | - | - | (187) | (187) |
| Dividends paid or declared | - | - | - | - |
| **Balance at 31 December 2022** | **12,093** | **6,746** | **(12,512)** | **6,327** |

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 2023

| | Consolidated entity | |
|---|---|---|
| | **31 December 2023 $000** | **31 December 2022 $000** |
| **Cash flows from operating activities** | | |
| Receipts from customers | 3,217 | 3,985 |
| Payments to suppliers and employees | (5,404) | (4,487) |
| Interest received | 7 | 1 |
| Borrowing costs paid | (609) | (601) |
| Other Income | 180 | 475 |
| Net cash (used in) / provided by operating activities | (2,609) | (627) |
| **Cash flows from investing activities** | | |
| Proceeds from sale of property, plant & equipment | 21,375 | - |
| Purchase of intangible assets | - | (9) |
| Purchase of property, plant & equipment | - | - |
| Net cash (used in) / provided by investing activities | 21,375 | (9) |
| **Cash flows from financing activities** | | |
| Proceeds from borrowings | - | 542 |
| Repayment of borrowings | (16,580) | (236) |
| Net cash (used in) / provided by financing activities | (16,580) | 306 |
| Net increase/(decrease) in cash held | 2,186 | (330) |
| Cash at start of period | 1,536 | 1,096 |
| **Cash at end of period** | **3,722** | **766** |

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

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## NOTE 1: BASIS OF PREPARATION

### (a) Accounting Policies

These general purpose interim financial statements for the half year reporting period ended 31 December 2023 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 half 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 Group's 2023 annual financial report for the financial year ended 30 June 2023. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

**Adoption of new and revised accounting standards**

The Group has adopted all new or amended Accounting Standards which became applicable during the current financial reporting period. There were no significant changes to accounting policies as a result of adopting new or amended standards.

**Impact of Standards issued but not yet applied by the Company**

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

### (b) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

*Key estimates — Impairment*

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates and assumptions.

*Key estimates -Fair Value of Freehold Land and Buildings*

The Group regularly reassesses the value of freehold land and buildings so as to ensure that they are reflected at fair value based on either independent valuations or directors' assessments incorporating the latest available market information. Such assessments are based on information available and judgements made at the time of preparing these financial statements.

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**NOTE 1: BASIS OF PREPARATION (CONTINUED)**

**(b) Critical Accounting Estimates and Judgements (continued)**

*Key estimates -Fair Value of Inventory*
The Group regularly reassesses the value of inventory to ensure that they are reflected at fair value based on either independent valuations or directors' assessments incorporating the latest available market information. Such assessments are based on information available and judgements made at the time of preparing these financial statements.

*Key estimates -Carrying Value of Right of Use Assets*
The Group carries right of use assets at amortised cost and impairment tests them when there is an indicator of impairment. The impairment testing of assessed values are based on value in use calculations/consideration. Such assessments are based on information available, assumptions and judgements made at the time of preparing these financial statements.

**(c) Going Concern & Obligations under Borrowings**

The Group has prepared an assessment of its ability to continue as a going concern, taking into account all available information for a period of 12 months from the date of issuing the consolidated financial statements.

In addition, the Group has obligations under its existing loan facilities, including the requirement to meet certain financial covenants. No covenants have been breached during the current half year, which continues to the date of this report.

Having considered all of the matters noted above, 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 property assets to extinguish the loans;
- The ability to draw on additional funds from existing approved finance facilities;
- The ability to raise capital or loans from shareholders or related parties.

Based on the above factors, the Directors consider the going concern basis of preparation to be appropriate for this financial report.

**(d) Discontinuing Operations and Assets Held for Sale**

A discontinued operation is a component of the Group that has been disposed of or is held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

Disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of carrying amount and fair value less costs of disposal. For assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

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## 2. REVENUE

| | Consolidated Group | |
|---|---|---|
| | 31 December 2023 $'000 | 31 December 2022 $'000 |
| **FROM CONTINUING OPERATIONS** | | |
| Operating activities | | |
| - Sale services & accommodation[2] | 1,020 | 1,449 |
| - Property management fees[2] | 285 | 288 |
| - Rental revenue[2] | 236 | 183 |
| - Interest received[2] | 1 | 1 |
| - Other revenue, including lease modifications[1] | 181 | 475 |
| | 1,723 | 2,396 |
| **FROM DISCONTINUED OPERATIONS** | | |
| Operating activities | | |
| - Gain on sale of SOP[1] | 1,862 | - |
| - Sale services & accommodation[2] | 983 | 2,237 |
| - Rental revenue[2] | 21 | - |
| - Interest received[2] | 6 | - |
| | 2,872 | 2,237 |
| **Total Revenue** | **4,595** | **4,633** |

[1] revenue recognised at a point in time

[2] revenue recognised over time

## 3. PROFIT/(LOSS) FROM ORDINARY ACTIVITIES

Loss from ordinary activities before income tax has been determined after:

| | | |
|---|---|---|
| **FROM CONTINUING OPERATIONS** | | |
| Borrowing cost | 98 | 64 |
| Administration Costs | 997 | 812 |
| Hotel cost and cost of goods sold | 645 | 1,024 |
| Depreciation and amortisation | 225 | 575 |
| Lease interest | 127 | 198 |
| Commissions | - | 3 |
| Other cost | 6 | - |
| | 2,000 | 2,612 |
| **Total from continuing operations** | **2,098** | **2,676** |
| **FROM DISCONTINUED OPERATIONS** | | |
| Borrowing cost | 511 | 537 |
| Administration Costs | 319 | 57 |
| Hotel cost and cost of goods sold | 695 | 1,477 |
| Depreciation and amortisation | 41 | 73 |
| | 1,055 | 1,607 |
| **Total from discontinued operations** | **1,566** | **2,144** |

## 4. DISCONTINUED OPERATIONS

Renaissance Australia Pty Ltd t/a Seasons of Perth's operations have been classified in this half year report as 'discontinued operations' as settlement for sale of the Seasons of Perth Hotel and Business assets concluded on 4 October 2023.

Financial performance of discontinued operations

| | Consolidated Group | |
|---|---|---|
| | **31 December 2023 $'000** | **31 December 2022 $'000** |
| Gain on sale of SOP | 1,862 | - |
| Revenue | 1,010 | 2,237 |
| Hotel cost of goods sold | (695) | (1,477) |
| Borrowing costs expense | (511) | (537) |
| Administrative expenses | (319) | (57) |
| Depreciation and amortisation expenses | (41) | (73) |
| **Profit before income tax expense from discontinued operations** | 1,306 | 93 |
| Income tax expense | - | - |
| **Net Profit for the year after income tax expense from discontinued operations** | **1,306** | **93** |

Cash Flow information from discontinued operations

| | Consolidated Group |
|---|---|
| | **31 December 2023 $'000** |
| Cash outflows from operating activities | (1,670) |
| Cash inflows from investing activities | 22,500 |
| Cash outflows from financing activities (incl intercompany loans) | (22,022) |
| Net decrease in cash and cash equivalents from discontinued operations | **(1,192)** |

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## 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. Revenues from this segment are recognised at a point in time.

### Tourism

Tourism relates to the Group's own hotel operations and to leasing and operating a hotel cum serviced apartment for a fee. Revenues from this segment are recognised at a point in time.

### Leasing Rental Property

This relates to the lease revenues from the Group's owned property and operations of a licensed real estate agency which includes sale and/or leasing of apartments for a management fee. Revenues from this segment are recognised both over time and at a point in time.

| | Property Development | Tourism | Leasing | Total |
|---|---|---|---|---|
| | $000 | $000 | $000 | $000 |
| **Segment Performance (combined)** | | | | |
| **Six months ended 31 December 2023** | | | | |
| **Revenue** | | | | |
| Total segment revenue | 79 | 4,276 | 460 | 4,815 |
| Interest income | 1 | 6 | - | 7 |
| Less: intersegment elimination | (68) | (148) | (11) | (227) |
| Total segment revenue | 12 | 4,134 | 449 | 4,595 |
| Segment results | (365) | 1,086 | 210 | 931 |
| Profit/(loss) from operations before income tax expense | | | | 931 |

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**NOTE 3: OPERATING SEGMENTS (CONTINUED)**

| | Property Development | Tourism | Leasing | Government Grants | Total |
|---|---|---|---|---|---|
| | **$000** | **$000** | **$000** | **$000** | **$000** |
| **Six months ended 31 December 2022** | | | | | |
| **Revenue** | | | | | |
| Total segment revenue | 1 | 4,399 | 447 | - | 4,847 |
| Interest income | - | - | - | - | - |
| Less: intersegment elimination | - | (152) | (62) | - | (214) |
| Total segment revenue | 1 | 4,247 | 385 | - | 4,633 |
| Segment results | (416) | 98 | 131 | - | (187) |
| Profit/(loss) from operations before income tax expense | | | | | (187) |

**(ii) Segment assets**

| | Property Development | Tourism | Leasing | Total |
|---|---|---|---|---|
| | **$000** | **$000** | **$000** | **$000** |
| Opening balance 1 July 2023 | 8,266 | 26,811 | 149 | 35,226 |
| Additions | 3,167 | - | 96 | 3,263 |
| Disposals | - | (23,009) | - | (23,009) |
| Closing balance 31 December 2023 | 11,433 | 3,802 | 238 | 15,480 |

**(iii) Segment liabilities**

| | Property Development | Tourism | Leasing | Total |
|---|---|---|---|---|
| | **$000** | **$000** | **$000** | **$000** |
| Segment liabilities | 2,803 | 5,721 | 337 | 8,861 |
| Intersegment eliminations | (10) | (46) | (120) | (176) |
| Unallocated liabilities – Other financials liabilities | - | - | - | - |
| Closing balance 31 December 2023 | 2,793 | 5,675 | 217 | 8,685 |

**(iv) Revenues & Assets by Geographic Region**

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

**(v) Major customers**

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

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**NOTE 4: CONTINGENT LIABILITIES**

The Company had the following contingent liabilities and guarantees as at 31 December 2023:

(a) Contractual Commitments

As at 31 December 2023 the parent entity did not have any contractual commitments.

(b) Guarantees and Contingent Liabilities

The parent entity has provided a deed of subordination and an unlimited guarantee and indemnity as security for the group's borrowings.

**NOTE 5: EVENTS OCCURRING AFTER THE END OF THE INTERIM PERIOD**

No other matters or circumstances have arisen since the end of the half year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

**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 2023 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 2024**

MOORE

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## INDEPENDENT AUDITOR'S REVIEW REPORT
## TO THE MEMBERS OF INTERNATIONAL EQUITIES CORPORATION LIMITED

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### Report on the Half-Year Financial Report

### Conclusion

We have reviewed the accompanying half-year financial report of International Equities Corporation Limited ("the Company") and its controlled entities ("the consolidated entity"), which comprises the consolidated statement of financial position as at 31 December 2023, 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 material accounting policies and other selected explanatory notes 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 the company is not in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 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*.

### Basis for Conclusion

We conducted our review in accordance with Auditing Standards on Review Engagements *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 ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the 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.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

### Responsibility of the Directors for the Half-Year 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 (including Australian Accounting Interpretations) and the *Corporations Act* 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.



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## INDEPENDENT AUDITOR'S REVIEW REPORT
## TO THE MEMBERS OF INTERNATIONAL EQUITIES CORPORATION LIMITED
## (CONTINUED)

**Auditor's Responsibility for the Review of the Financial Report**

Our responsibility is to express a conclusion on the financial report based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial report is not in accordance with the *Corporations Act 2001* including:

i. giving a true and fair view of the Company's financial position as at 31 December 2023 and 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.

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 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.

SUAN-LEE TAN
PARTNER

MOORE AUSTRALIA

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 28th day of February 2024.

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