

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 2007

For announcement to the market

Extracts from this report for announcement to the market.

\$A'000

Revenues from ordinary activities	Up	33%	to	8,152
Profit (loss) from ordinary activities after tax attributable to members	Up	113%	to	52
Profit (loss) from sale of a controlled entity (**see explanation below)		N/A	to	N/A
Net profit (loss) for the period attributable to members	Up	113%	to	52

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 2007 as attached.

NTA backing

	Current period	Previous corresponding Period
Net tangible asset backing per ⁺ ordinary security	\$0.112	\$0.04

+ See chapter 19 for defined terms.

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

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

\$A'000

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
Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control

N/A

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) (ie, 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.

Interim dividend (distribution) on all securities

	Current period \$A'000	Previous corresponding period - \$A'000
⁺ Ordinary securities <i>(each class separately)</i>	N/A	N/A
Preference ⁺ securities <i>(each class separately)</i>	N/A	N/A
Other equity instruments <i>(each class separately)</i>	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	-
Profit (loss) from ordinary activities after tax	N/A	N/A
Extraordinary items net of tax	N/A	-
Net profit (loss)	N/A	N/A
Adjustments	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").)*

<i>Name of entity</i>	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss)	
	Current Period	Previous corresponding period	Current period \$A'000	Previous corresponding period - \$A'000
Equity accounted associates and joint venture entities				
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.

International Equities Corporation Ltd

and controlled entities

ABN 97 009 089 696

Financial report for the half year ended 31 December 2007

INTERIM FINANCIAL REPORT

DIRECTORS' REPORT

Your Directors submit the consolidated financial report of International Equities Corporation Limited for the half year ended 31 December 2007.

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)
Wong Tit Seng

The company secretaries in office during or since the end of the half year are:

Aubrey George Menezes

Review of Operations

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

	Segment Revenue		Segment Results	
	31 December		31 December	
	2007	2006	2007	2006
	\$000	\$000	\$000	\$000
Property Development	4,083	2,743	35	(750)
Tourism	3,144	2,689	476	371
Leasing Rental Property	442	569	(23)	424
Other Revenue	483	132	(436)	(449)
	<u>8,152</u>	<u>6,133</u>	<u>52</u>	<u>(404)</u>

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

For the half year ended 31 December 2007, International Equities Corporations Limited (IEC) generated revenues of \$8.152 million mostly from sale of apartments and hotel operations. This resulted in marginal profit for the group. The consolidated after tax profit stood at \$52,000.

Property development continues to be IEC's main core business though the coming year will see the emergence of hotel management as a second income stream. In 2006, IEC commenced development of 572 St Kilda Road in Melbourne hence forth to be referred to as Seasons Heritage Melbourne. This includes the Tate Luxury Apartments and Penthouses. The total gross development value is approximately \$70 million. By middle of 2008, IEC is expected to complete this development.

Also, the development of 3 Luxury Apartments at No.112 Leopold Street, South Yarra has commenced with a gross development value of \$10 million. Finally, slated for later this year is the development of No. 2 King Williams Street in Adelaide to be known as Seasons of Adelaide and 3 Luxury Apartments at No 318 Walsh Street, South Yarra. The feasibility study to determine the development values are being assessed.

For the half year ended, existing properties, namely Uropa and Seasons Apartments at Swanston Street in Melbourne, generated revenues of \$4.083 million generating an after tax profit of \$0.035 million.

Having successfully managed Seasons of Perth and its sister property Seasons Botanic Gardens in Melbourne, it is IEC's plan to develop the Seasons hospitality brand further. The next property to be managed by the group will be Seasons Heritage Melbourne followed by Season of Adelaide mentioned above. This will give the group approximately 600 rooms generating income and management fees.

DIRECTORS' REPORT

Event Occurring after Balance Date

No matters or circumstances have arisen since the end of the financial 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.

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 Class Order 98/100 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 2008

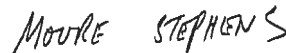
AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF INTERNATIONAL EQUITIES CORPORATION LIMITED

As lead auditor for the review of International Equities Corporation Limited and its controlled entities for the half year ended 31 December 2007, 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 Stephens
Chartered Accountants

Signed at Perth this 28th day of February 2008.

CONSOLIDATED INCOME STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

	Note	Consolidated entity	
		31 December 2007 \$000	31 December 2006 \$000
Revenues from continuing operations	2	8,152	6,133
Property development costs		(3,820)	(2,539)
Hotel cost of goods sold		(927)	(953)
Rental guarantee expenses		-	(26)
Sales commission		(35)	(21)
Borrowing costs expense		(949)	(1,046)
Administrative expenses		(2,335)	(1,918)
Depreciation expenses		(34)	(34)
Profit/(loss) from continuing operations before income tax expense		52	(404)
Income tax expense relating to ordinary activities		-	-
Profit/(loss) from continuing operations after related income tax expense		52	(404)
Profit/(loss) from extraordinary item after related income tax expense/(revenue)		-	-
Net profit/(loss) from continuing operations attributable to the members of the parent entity		52	(404)
Basic earnings per share (cents per share)		0.04c	(0.31c)

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

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2007

	Consolidated Entity	
	31 December 2007 \$000	30 June 2007 \$000
CURRENT ASSETS		
Cash assets	2,922	1,944
Receivables	826	1,479
Inventories	15,041	18,600
Other	187	50
TOTAL CURRENT ASSETS	<u>18,976</u>	<u>22,073</u>
NON CURRENT ASSETS		
Inventories	61,014	39,680
Property, plant and equipment	14,231	15,282
Other financial assets	339	338
Intangible assets	1	1
TOTAL NON CURRENT ASSETS	<u>75,585</u>	<u>55,301</u>
TOTAL ASSETS	<u>94,561</u>	<u>77,374</u>
CURRENT LIABILITIES		
Payables	1,251	3,358
Interest-bearing liabilities	507	862
Provisions	74	70
TOTAL CURRENT LIABILITIES	<u>1,832</u>	<u>4,290</u>
NON CURRENT LIABILITIES		
Interest-bearing liabilities	78,302	58,709
TOTAL NON CURRENT LIABILITIES	<u>78,302</u>	<u>58,709</u>
TOTAL LIABILITIES	<u>80,134</u>	<u>62,999</u>
NET ASSETS	<u>14,427</u>	<u>14,375</u>
EQUITY		
Contributed equity	12,093	12,093
Reserves	2,810	2,810
Retained earnings / (accumulated losses)	(476)	(528)
TOTAL EQUITY	<u>14,427</u>	<u>14,375</u>

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED
31 DECEMBER 2007**

	Share capital	Other reserves	Retained earnings	Total	Total equity
Balance at 1 July 2007	12,093	2,810	(528)	14,375	14,375
Net profit for the year	-	-	52	52	52
Total recognised income & expense for the period	12,093	2,810	(476)	11,657	14,427
Dividends paid or declared	-	-	-	-	-
Issue of share capital	-	-	-	-	-
Equity share options issued	-	-	-	-	-
Balance at 31 December 2007	12,093	2,810	(476)	14,427	14,427

	Share capital	Other reserves	Retained earnings	Total	Total equity
Balance at 1 July 2006	12,093	40	(2,481)	9,652	9,652
Net (loss) for the half year	-	-	(404)	(404)	(404)
Total recognised income & expense for the period	12,093	40	(2,885)	9,248	9,248
Dividends paid or declared	-	-	-	-	-
Issue of share capital	-	-	-	-	-
Equity share options issued	-	-	-	-	-
Balance at 31 December 2006	12,093	40	(2,885)	9,248	9,248

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 2007**

	Consolidated entity	
	31 December 2007 \$000	31 December 2006 \$000
Cash flows from operating activities		
Receipts from customers	8,414	5,603
Payments to suppliers and employees	(5,400)	(3,897)
Interest received	21	21
Borrowing costs paid	(950)	(1,046)
Other - Property development costs	(20,234)	(14,397)
Net cash used in operating activities	<u>(18,149)</u>	<u>(13,716)</u>
Cash flows from investing activities		
Purchase of property, plant & equipment	(82)	(225)
Purchase of investments	-	(45)
Net cash used in investing activities	<u>(82)</u>	<u>(270)</u>
Cash flows from financing activities		
Proceeds from borrowings	23,562	13,573
Repayment of borrowings	(4,352)	(1,419)
Net cash provided by financing activities	<u>19,210</u>	<u>12,154</u>
Net increase/(decrease) in cash held	978	(1,831)
Cash at start of period	<u>1,944</u>	<u>2,750</u>
Cash at end of period	<u>2,922</u>	<u>919</u>

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

NOTES TO THE FINANCIAL STATEMENTS HALF YEAR ENDED 31 DECEMBER 2007

NOTE 1: BASIS OF PREPARATION

The half year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standard AASB 134: Interim Financial Reporting, and other authoritative pronouncements of the Australian Accounting Standards Board (including Australian Accounting Interpretations).

This half-year financial report does not include all the notes of the type normally included in an annual financial report. It is recommended that this half-year financial report be read in conjunction with the 30 June 2007 annual financial report and 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*.

These half year consolidated financial statements were approved by the Board of Directors on 28th February 2008.

This financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated under the option available in ASIC Class Order 98/100.

(a) Significant accounting policies

These consolidated half-year financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2007, except for the adoption of amending mandatory standards for annual reporting periods beginning on or after 1 January 2007, as described in Note 1 (c).

(b) Principles of Consolidation

The consolidated half-year financial statements comprise the financial statements of International Equities Corporation Limited and its controlled entities.

A controlled entity is any entity controlled International Equities Corporation Limited. Control exists where International Equities Corporation Limited has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with International Equities Corporation Limited to achieve the objectives of International Equities Corporation Limited.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Where controlled entities have entered or left the economic entity during the year its operating results have been included from the date control was obtained or until the date control ceased.

(c) Changes in accounting policies

New/revised standards and interpretations applicable for the years commencing 1 July 2007 have been reviewed and it was determined that changes were not required to the existing accounting policies adopted by International Equities Corporation Limited. The major new standards are AASB 7 and AASB 2007-4 which will have an effect on year end disclosures only. Certain Australian Accounting Standards have recently been issued or amended but are not yet effective and have not been adopted by the group for the interim reporting period. The directors have not yet assessed the impact of these new or amended standards (to the extent relevant to the group) and interpretations

NOTES TO THE FINANCIAL STATEMENTS HALF YEAR ENDED 31 DECEMBER 2007

Note 2: Revenues

	Consolidated Entity	
	31 December 2007 \$000	31 December 2006 \$000
Operating Activities		
Sales of apartments	3,820	2,566
Sales of services and accommodation	3,144	2,689
Emerging profit recognised – property development	264	177
Property management fees	205	95
Rental revenue	442	569
Interest received – other persons	21	21
Other revenue	256	16
	<hr/> 8,152 <hr/>	<hr/> 6,133 <hr/>

Note 3: Events Occurring After Balance Date

There have been no significant events subsequent to balance date.

Note 4: Contingent liabilities

There has been no change in contingent liabilities since the last annual reporting date.

DIRECTOR'S DECLARATION

In the opinion of the directors,

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 the Corporations Regulations 2001; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and of its performance for the half year ended on that date.
2. 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.



AG Menezes
Director

Perth, Western Australia
Dated this 28th day of February 2008

INDEPENDENT REVIEW REPORT TO THE MEMBERS OF INTERNATIONAL EQUITIES CORPORATION LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of International Equities Corporation Limited and its controlled entities ("the consolidated entity"), which comprises the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and the cash flow statement for the half-year ended on that date, a summary of significant accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at half year's end or from time to time during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the consolidated entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that it is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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 an Interim 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 financial report is not in accordance with the Corporation Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: "Interim Financial Reporting" and the Corporations Regulations 2001. As the auditor of International Equities Corporation Limited and its controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the financial report.

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

Independence

In conducting our review, we have complied with the applicable independence requirements of the Corporations Act 2001.

Partners

Ray Simpson
Syd Jenkins
Neil Pace

Moore Stephens ABN 75 368 525 284

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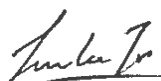
Email: perth@moorestephens.com.au Web: www.moorestephens.com.au

Suan-Lee Tan
Ennio Tavani
Dino Travaglini

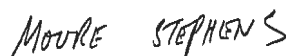
Conclusion

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 International Equities Corporation Limited and controlled entities is not in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the controlled entities' financial position as at 31 December 2006 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; and
- (b) other mandatory professional reporting requirements in Australia.



Suan-Lee Tan
Partner



Moore Stephens
Chartered Accountants

Dated in Perth, this 28th day of February 2008.

Partners

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