

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 2014

For announcement to the market

Extracts from this report for announcement to the market.

\$A'000

Revenues from ordinary activities	Down	8.68%	to	12,631
Profit (loss) from ordinary activities after tax attributable to members (2013: Profit of \$1,103k)	Down	109.61%	to	(106)
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 (2013: Profit of \$1,103k)	Down	109.61%	to	(106)
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 31 st December 2014 as attached.				

NTA backing

	Current period	Previous corresponding Period
Net tangible asset backing per ⁺ ordinary security	\$0.156	\$0.157

+ 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
	<i>\$A'000</i>
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.

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 2014

INTERIM FINANCIAL REPORT

DIRECTORS' REPORT

Your Directors submit the consolidated financial report of International Equities Corporation Limited for the half year ended 31 December 2014.

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		Segment Results	
	31 December		31 December	
	2014	2013	2014	2013
	\$000	\$000	\$000	\$000
Property Development	1,829	2,219	(642)	(599)
Tourism	10,368	11,216	318	1,483
Leasing/Rental Property	434	397	218	219
	<u>12,631</u>	<u>13,832</u>	<u>(106)</u>	<u>1,103</u>

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

For the half year ended 31 December 2014, International Equities Corporations Limited (IEC) generated revenues of \$12.631 million mostly from hotel operations and sale of properties, albeit down by 8.68%.

Sales in service apartment type investments have declined due to an increase in number of apartments for sale in Melbourne. Additionally, falling confidence in the economy and the fallout of a slowing mining sector has greatly reduced hotel revenues, especially hotel revenues in Perth.

This resulted in a consolidated post tax loss of \$0.106 million due mostly from the tourism sector. Lower room yields, to drive occupancy, has increased operational cost within the tourism sector.

During the half year, IEC successfully renewed its loans with the Bank of Melbourne in a timely effort to benefit from lower interest rates and improved terms and covenant requirements.

Property development, management and hotels continue to be IEC's main core business. In 2015, the sale of residential apartments will continue to be a priority to reduce debt whilst the serviced apartment operations will provide a steady income stream.

DIRECTORS' REPORT

Events 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 27th day of February 2015

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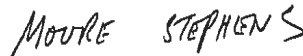
AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF INTERNATIONAL EQUITIES CORPORATION LIMITED

As lead auditor for the review of International Equities Corporation Limited and its controlled entities for the half year ended 31 December 2014, 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 27th day of February 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Note	Consolidated entity 31 December 2014 \$000	31 December 2013 \$000
Revenues from continuing operations	2	12,631	13,832
Property development costs		(1,749)	(2,141)
Hotel cost of goods sold & Administrative expenses		(9,956)	(9,438)
Sales commission		(66)	(81)
Borrowing costs expense	2	(717)	(783)
Depreciation and amortisation expenses		(249)	(286)
Profit/(loss) from continuing operations before income tax expense		(106)	1,103
Income tax expense		-	-
Profit/(loss) from continuing operations after tax		(106)	1,103
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:		-	-
		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		(106)	1,103
Net Gain from continuing operations attributable to the members of the parent entity		(106)	1,103
Total comprehensive income attributable to members of the parent entity		(106)	1,103
Basic earnings per share		(0.08)c	0.86c
Diluted earnings per share		(0.08)c	0.86c

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Consolidated Entity	
	31 December	30 June
	2014	2014
	\$000	\$000
CURRENT ASSETS		
Cash assets	5,001	4,349
Receivables	1,378	1,914
Inventories	5,974	6,607
Other	289	259
TOTAL CURRENT ASSETS	12,642	13,129
NON CURRENT ASSETS		
Property, plant and equipment	38,790	39,902
Intangible assets	272	316
TOTAL NON CURRENT ASSETS	39,062	40,218
TOTAL ASSETS	51,705	53,347
CURRENT LIABILITIES		
Payables	2,526	1,599
Interest-bearing liabilities	2,864	4,652
Provisions	379	381
TOTAL CURRENT LIABILITIES	5,769	6,632
NON CURRENT LIABILITIES		
Interest-bearing liabilities	25,606	26,279
TOTAL NON CURRENT LIABILITIES	25,606	26,279
TOTAL LIABILITIES	31,375	32,911
NET ASSETS	20,330	20,436
EQUITY		
Contributed equity	12,093	12,093
Reserves	16,746	16,746
Retained earnings / (accumulated losses)	(8,509)	(8,403)
TOTAL EQUITY	20,330	20,436

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED
31 DECEMBER 2014**

	Share capital	Other reserves	Retained earnings	Total	Total equity
Balance at 1 July 2014	12,093	16,746	(8,403)	20,436	20,436
Net loss for the half year	-	-	(106)	(106)	(106)
Total recognised income & expense for the period	12,093	16,746	(8,509)	20,330	20,330
Dividends paid or declared	-	-	-	-	-
Balance at 31 December 2014	12,093	16,746	(8,509)	20,330	20,330

	Share capital	Other reserves	Retained earnings	Total	Total Equity
Balance at 1 July 2013	12,093	16,746	(9,814)	19,025	19,025
Net profit for the half year	-	-	1,103	1,103	1,103
Total recognised income & expense for the period	12,093	16,746	(8,711)	20,128	20,128
Dividends paid or declared	-	-	-	-	-
Balance at 31 December 2013	12,093	16,746	(8,711)	20,128	20,128

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 2014**

	Consolidated entity	
	31 December 2014 \$000	31 December 2013 \$000
Cash flows from operating activities		
Receipts from customers	12,987	14,044
Payments to suppliers and employees	(9,097)	(9,434)
Interest received	50	16
Borrowing costs paid	(717)	(783)
Other Income	44	44
Net cash used in operating activities	<u>3,267</u>	<u>3,887</u>
Cash flows from investing activities		
Purchase of property, plant & equipment	(154)	(39)
Purchase of investments	-	-
Net cash used in investing activities	<u>(154)</u>	<u>(39)</u>
Cash flows from financing activities		
Proceeds from borrowings	-	-
Repayment of borrowings	(2,461)	(3,159)
Net cash provided by financing activities	<u>(2,461)</u>	<u>(3,159)</u>
Net increase/(decrease) in cash held	652	688
Cash at start of period	4,349	2,068
Cash at end of period	<u>5,001</u>	<u>2,756</u>

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

NOTE 1: BASIS OF PREPARATION

These general purpose interim financial statements for half year reporting period ended 31 December 2014 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 year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the 30 June 2014 annual report.

This report does not include full disclosures of the type normally included in an annual financial report.

New and revised accounting requirements applicable to the current interim period

The Group has considered the implications of the new or amended Accounting Standards applicable to the Group for the first time in the current half-year reporting period 1 July 2014 to 31 December 2014 but determined that their application to the financial statements is either not relevant or not material.

NOTE 2 (I): PROFIT OR LOSS FOR THE PERIOD

	Consolidated Group	
	31 December 2014	31 December 2013
Operating Activities		
Sales of Apartments	1,765	2,191
Property Management fees	390	355
Sales of Services and Accommodation	10,229	11,071
Rental Revenue	154	155
Interest Received	50	16
Other Revenue	43	44
	<hr/>	<hr/>
	12,631	13,832

NOTE 2 (II): FINANCIAL COST EXPENSES

	Consolidated Group	
	31 December 2014	31 December 2013
Borrowing Costs	(717)	(783)
	<hr/>	<hr/>
	(717)	(783)

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.

Tourism

Tourism relates to the Group's own hotel operations and to leasing and operating a hotel cum serviced apartment for a fee.

Leasing Rental Property

This relates to the operations of a licensed real estate agency which includes sale and/or leasing of apartments for a management fee.

(i) Segment performance

	Property Development	Tourism	Leasing	Total
	\$000	\$000	\$000	\$000
Six months ended 31 December 2014				
Revenue				
Total segment revenue	2,001	10,819	454	13,274
Interest income	43	7	-	50
Less: intersegment elimination	(215)	(458)	(20)	(693)
Total segment revenue	1,829	10,368	434	12,631
Segment results	(642)	318	218	(106)
Profit from operations before income tax expense				(106)

NOTE 3: OPERATING SEGMENTS (CONTINUED)

	Property Development	Tourism	Leasing	Total
	\$000	\$000	\$000	\$000
Six months ended 31 December 2013				
Revenue				
Total segment revenue	2,568	11,648	406	14,622
Interest income	6	10	-	16
Less: intersegment elimination	(355)	(442)	(9)	(806)
Total segment revenue	2,219	11,216	397	13,832
Segment results	(599)	1,483	219	1,103
Profit from operations before income tax expense				1,103

(ii) Segment assets

	Property Development	Tourism	Leasing	Total
	\$000	\$000	\$000	\$000
Opening balance 1 July 2014	19,131	34,076	140	53,347
Additions	-	-	253	253
Disposals	(1,751)	(144)	-	(1,895)
Closing balance 31 December 2014	17,380	33,932	393	51,705

(iii) Revenues & Assets by Geographic Region

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

(iv) Major customers

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

NOTE 4: CONTINGENT LIABILITIES

The Group has no contingent liabilities aside from Seasons Harbour Plaza Pty Ltd, a wholly owned subsidiary of the parent company, has provided a bank guarantee of up to \$775,000 as a rental bond to Landlords of the Seasons Harbour Plaza Hotel.

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

There has not arisen, in the interval between the end of the financial half year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to significantly affect the operations of the company, the results of those operations, or the state of affairs of the Company 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 2014 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 27th day of February 2015

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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 consolidated statement of financial position as at 31 December 2014, 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 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 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 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 2014 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.

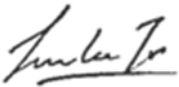
Independence

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

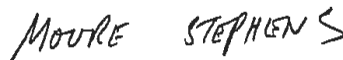
Conclusion

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 its controlled entities is not in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 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



Suan – Lee Tan
Partner



Moore Stephens
Chartered Accountants

Dated in Perth, this 27th day of February 2015