

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 2015

For announcement to the market

Extracts from this report for announcement to the market.

\$A'000

Revenues from ordinary activities	Down	12.75%	to	11,021
Profit (loss) from ordinary activities after tax attributable to members (2014: Loss of \$106k)	Up	507.55%	to	432
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 (2014: Loss of \$106k)	Up	507.55%	to	432

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 2015 as attached.

NTA backing

	Current period	Previous corresponding Period
Net tangible asset backing per ⁺ ordinary security	\$0.161	\$0.156

+ 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

	Current period \$A'000	Previous corresponding period - \$A'000
Group's share of associates' and joint venture entities':		
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 2015

INTERIM FINANCIAL REPORT

DIRECTORS' REPORT

Your Directors submit the consolidated financial report of International Equities Corporation Limited for the half year ended 31 December 2015.

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	
	2015	2014	2015	2014
	\$000	\$000	\$000	\$000
Property Development	879	1,829	(272)	(642)
Tourism	9,672	10,368	466	318
Leasing/Rental Property	470	434	238	218
	<u>11,021</u>	<u>12,631</u>	<u>432</u>	<u>(106)</u>

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

For the half year ended 31 December 2015, International Equities Corporations Limited (IEC) generated revenues of \$11.021 million mostly from hotel operations and the sale of properties, albeit down by 12.75%.

Due to an increase in supply of residential apartments across Melbourne and changes to lending arrangements, sales of serviced apartments stock as an investment have declined. Additionally, falling confidence in the economy in particular a slowing mining sector has greatly reduced hotel revenues, especially hotel revenues in Perth.

This resulted in a consolidated post tax profit of \$0.432 million due mostly from the tourism sector. Lower operating costs, efficiencies from renegotiated contracts and improved yields have driven up profitability.

During the half year, IEQ 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 tourism continue to be IEC's main core business. In 2016, 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 26th day of February 2016

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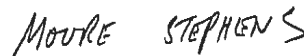
AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF INTERNATIONAL EQUITIES CORPORATION LIMITED

As lead auditor for the review of International Equities Corporation Limited and its controlled entities for the half year ended 31 December 2015, 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 26th day of February 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Note	Consolidated entity	
		31 December 2015 \$000	31 December 2014 \$000
Revenues from continuing operations	2	11,021	12,631
Property development costs		(762)	(1,749)
Hotel cost of goods sold & Administrative expenses		(9,016)	(9,956)
Sales commission		(18)	(66)
Borrowing costs expense	2	(604)	(717)
Depreciation and amortisation expenses		(189)	(249)
Profit/(loss) from continuing operations before income tax expense		432	(106)
Income tax expense		-	-
Profit/(loss) from continuing operations after tax		432	(106)
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		432	(106)
Net Gain from continuing operations attributable to the members of the parent entity		432	(106)
Total comprehensive income attributable to members of the parent entity		432	(106)
Basic earnings per share		0.34c	(0.08)c
Diluted earnings per share		0.34c	(0.08)c

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	Consolidated Entity	
	31 December	30 June
	2015	2015
	\$000	\$000
CURRENT ASSETS		
Cash assets	3,633	3,664
Receivables	1,591	642
Inventories	5,696	5,731
Other	319	271
TOTAL CURRENT ASSETS	11,239	10,308
NON CURRENT ASSETS		
Property, plant and equipment	37,744	38,611
Intangible assets	211	236
TOTAL NON CURRENT ASSETS	37,955	38,847
TOTAL ASSETS	49,194	49,155
CURRENT LIABILITIES		
Payables	2,532	1,721
Interest-bearing liabilities	2,064	3,122
Provisions	350	180
TOTAL CURRENT LIABILITIES	4,946	5,023
NON CURRENT LIABILITIES		
Interest-bearing liabilities	23,432	23,748
TOTAL NON CURRENT LIABILITIES	23,432	23,748
TOTAL LIABILITIES	28,378	28,771
NET ASSETS	20,816	20,384
EQUITY		
Contributed equity	12,093	12,093
Reserves	16,746	16,746
Retained earnings / (accumulated losses)	(8,023)	(8,455)
TOTAL EQUITY	20,816	20,384

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED
31 DECEMBER 2015**

	Share capital	Other reserves	Retained earnings	Total	Total equity
Balance at 1 July 2015	12,093	16,746	(8,455)	20,384	20,436
Net profit for the half year	-	-	432	432	432
Total recognised income & expense for the period	12,093	16,746	(8,023)	20,816	20,816
Dividends paid or declared	-	-	-	-	-
Balance at 31 December 2015	12,093	16,746	(8,023)	20,816	20,816

	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

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 2015**

	Consolidated entity	
	31 December 2015 \$000	31 December 2014 \$000
Cash flows from operating activities		
Receipts from customers	9,960	12,987
Payments to suppliers and employees	(8,053)	(9,097)
Interest received	22	50
Borrowing costs paid	(604)	(717)
Other Income	76	44
Net cash provided by operating activities	<u>1,402</u>	<u>3,267</u>
Cash flows from investing activities		
Purchase of property, plant & equipment	(59)	(154)
Net cash used in investing activities	<u>(59)</u>	<u>(154)</u>
Cash flows from financing activities		
Proceeds from borrowings	-	-
Repayment of borrowings	(1,375)	(2,461)
Net cash provided by financing activities	<u>(1,375)</u>	<u>(2,461)</u>
Net increase/(decrease) in cash held	(32)	652
Cash at start of period	3,665	4,349
Cash at end of period	<u>3,633</u>	<u>5,001</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 2015 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 2015 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 2015 to 31 December 2015 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 2015	31 December 2014
Operating Activities		
Sales of Apartments	807	1,765
Property Management fees	404	390
Sales of Services and Accommodation	9,538	10,229
Rental Revenue	174	154
Interest Received	22	50
Other Revenue	76	43
	<hr/>	<hr/>
	11,021	12,631

NOTE 2 (II): FINANCIAL COST EXPENSES

	Consolidated Group	
	31 December 2015	31 December 2014
Borrowing Costs	(604)	(717)
	<hr/>	<hr/>
	(604)	(717)

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 2015				
Revenue				
Total segment revenue	1,067	10,018	492	11,577
Interest income	18	4	-	22
Less: intersegment elimination	(206)	(350)	(22)	(578)
Total segment revenue	879	9,672	470	11,021
Segment results	(272)	466	238	432
Profit from operations before income tax expense				432

NOTE 3: OPERATING SEGMENTS (CONTINUED)

	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)

(ii) Segment assets

	Property Development	Tourism	Leasing	Total
	\$000	\$000	\$000	\$000
Opening balance 1 July 2015	16,454	32,382	319	49,155
Additions	28	1,987	-	2,015
Disposals	(999)	(867)	(111)	(1,977)
Closing balance 31 December 2015	15,483	33,502	208	49,194

(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 2015 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 26th day of February 2016

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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 2015, 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 2015 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.

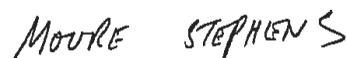
Conclusion

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 2015 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 26th day of February 2016