

International Equities Corporation Ltd
and Controlled Entities

ABN 97 009 089 696

PRELIMINARY FINAL REPORT FOR YEAR ENDED 30 JUNE 2015

APPENDIX 4E

APPENDIX 4E

PRELIMINARY FINAL REPORT FOR YEAR ENDED 30 JUNE 2015

Name of entity

INTERNATIONAL EQUITIES CORPORATION LTD

ABN or equivalent company reference

97 009 089 696

Year ended ('current period')

30 JUNE 2015

Results for announcement to the market

				\$A'000
Revenues and other income	Decrease	14.86%	to	23,556
Profit (loss) from ordinary activities after tax attributable to members	Decrease	103.67%	to	(52)
Net profit (loss) for the period attributable to members	Decrease	103.67%	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 the commentary on the results in the following pages. These results should be read in conjunction with the most recent Annual Report 2014.				

PRELIMINARY FINAL REPORT

DIRECTORS' REPORT

Your directors submit the preliminary final report of International Equities Corporation Limited for the year ended 30th June 2015.

Directors

The directors in office during or since the end of the year are:

Marcus Peng Fye Tow (Chairman / Chief Executive Officer)
Tow Kong Liang
Krishna Ambalavanar
Aubrey George Menezes (Chief Financial Officer / Company Secretary)

Company Secretary

The company secretary in office during or since the end of the year is:

Aubrey George Menezes

Review of operations

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

	2015	2014
	Segment Revenue	Segment Revenue
	\$'000	\$'000
Property Development	2,293	5,147
Tourism	20,348	21,379
Leasing	915	1,142
	<u>23,556</u>	<u>27,668</u>

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

Commentary on results

The company's 2015 results are summarised as follows:

	2015	2014
	\$'000	\$'000
Profit (loss) after tax:		
Property development	(918)	(1,029)
Tourism	408	1,678
Leasing	458	762
Earnings per security	(0.04)c	1.10c
Net tangible asset backing	15.71c	15.69c

PRELIMINARY FINAL REPORT

Commentary on results (continued)

For this financial year International Equities Corporation Ltd (IEQ) took advantage lower operational and funding cost to repay borrowing. Operational contracts have been reviewed for value. Whilst hotels in New South Wales and Victoria are starting to generate better revenue streams, Seasons of Perth has seen a slow down due to lower economic activity levels in Western Australia.

Confidence in the property sector is uncertain and greatly dependant on interest rates. Tourism has remained reasonable with the assistance from a lower Australian Dollar.

During the year the Company did clear more of its stock of residential property with no new stock developed for the year. The Company will continue a sell down program for the coming year.

This financial year saw the hotel division contract mainly due to lower accommodation take up in Western Australia. The Company will continue to make its presence felt through advertising and marketing. Confidence in the sector remains stable for the year ahead. This segment resulted in a lower after tax profit of \$0.408 million.

On Sales and Leasing activities the company will continue to activately list new properties for sale or lease. Profit after tax dropped to \$0.458 million from long term leases and commissions. The outlook for the year ahead remains stable.

Last financial year, the Company generated revenues of \$23.556 million from sales of property, hotel accommodation and related activities. This resulted in an after tax loss of \$0.052 million due mainly to lower profits from hotel tourism and leasing activities.

PRELIMINARY FINAL REPORT

DIRECTORS' REPORT

For the financial year ended 30th June 2015 the company continued to focus on sales of residential properties and non – core investments. The full impact of these financials has been included in the 2015 financial report.

Sales of apartment stock have been encouraging, greatly assisted by low interest rates. Our sales team will continue to sell down stock to retire borrowings.

The Company will also continue and develop further our presence in the hospitality and tourism sector and return to property development when conditions improve.

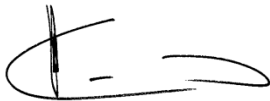
This financial year Loss after tax per security and Net tangible asset backing were 0.04c and 15.71c (2014: Profit after tax per security and Net Tangible Asset backing were 1.10c and 15.69c), respectively.

Rounding of accounts

The consolidated entity is of a kind referred to in class order 98/0100 issued by the Australian Securities & Investments Commission relating to the “rounding off” of amounts in the directors’ report and the financial report. Amounts in the directors’ report and financial report have been rounded off to the nearest thousand dollars in accordance with that class order.

This report is made out in accordance with a resolution of directors:

For and on behalf of the
Board of Directors of
International Equities Corporation Ltd.



Aubrey Menezes
Company Secretary

Perth, Western Australia
28th August 2015

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The preliminary final report attached:
 - (a) complies with accounting standards and the corporations regulations; and
 - (b) gives a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that International Equities Corporation Ltd 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 directors.

For and on behalf of the
Board of Directors of
International Equities Corporation Ltd.



Aubrey Menezes
Company Secretary

Perth, Western Australia
28th August 2015

**INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015**

	Note	Consolidated entity 30 June 2015 \$'000	30 June 2014 \$'000
Continuing Operations			
Revenue	1(i)	23,511	27,566
Other Income	1(i)	45	102
Property development costs	1(i)	(2,167)	(4,920)
Hotel cost of goods sold	1(i)	(13,780)	(13,538)
Sales commission	1(i)	(98)	-
Borrowing costs expense	1(ii)	(1,335)	(1,509)
Administrative expenses	1(i)	(5,762)	(5,750)
Depreciation and amortisation expenses	1(i)	(466)	(540)
Profit/(loss) before income tax expense		(52)	1,411
Income tax expense		-	-
Net Profit/(loss) from continuing operations		(52)	1,411
Discontinued Operations			
Profit/(loss) from discontinued operations after tax		-	-
Net Profit/(loss) for the year		(52)	1,411
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Gain on revaluation of land and buildings		-	-
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(52)	1,411

**INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015**

	Note	Consolidated entity 30 June 2015 \$'000	30 June 2014 \$'000
		\$'000	\$'000
Net profit attributable to:			
Members of the parent entity		(52)	1,411
Non-controlling interest		-	-
		(52)	1,411
Total comprehensive income attributable to:			
Members of the parent entity		(52)	1,411
Non-controlling interest		-	-
		(52)	1,411
 Earnings Per Share			
From continuing and discontinued operations:			
Basic earnings per share		(0.04)c	1.10c
Diluted earnings per share		(0.04)c	1.10c
From continuing operations:			
Basic earnings per share		(0.04)c	1.10c
Diluted earnings per share		(0.04)c	1.10c
From discontinued operations			
Basic earnings per share		-	-
Diluted earnings per share		-	-

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

**INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES**

**NOTES TO AND FORMING PART OF THE CONSOLIDATED STATEMENT OF PROFIT
OR LOSS AND OTHER COMPREHENSIVE INCOME**

		Consolidated Group	
		2015	2014
1(i).	REVENUE FOR THE PERIOD	\$'000	\$'000
	Operating activities		
	-Sale of apartments	2,185	5,040
	-Sales services & accommodation	20,080	21,105
	-Property management fees	818	730
	-Rental revenue	322	641
	-Interest received – other persons	106	50
	-Other revenue	45	102
		<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
		23,556	27,668
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1(ii).	EXPENSES AND OTHER GAINS /(LOSSES)		
	Expenses		
	Borrowing costs		
	- Other persons	1,335	1,509
		<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
	Administration costs	5,762	5,750
	Hotel costs and cost of goods sold	13,780	13,538
	Depreciation and amortisation of non-current assets	466	540
	Development costs – apartments	2,167	4,920
	Commissions	98	-
		<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
		22,273	24,748
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**INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Consolidated Entity	
	30 June 2015	30 June 2014
	\$'000	\$'000
CURRENT ASSETS		
Cash assets	3,664	4,349
Receivables	642	1,914
Inventories	5,731	6,607
Other	271	259
TOTAL CURRENT ASSETS	10,308	13,129
NON CURRENT ASSETS		
Property, plant and equipment	38,611	39,902
Intangible assets	236	316
TOTAL NON CURRENT ASSETS	38,847	40,218
TOTAL ASSETS	49,155	53,347
CURRENT LIABILITIES		
Payables	1,721	1,599
Interest-bearing liabilities	3,122	4,652
Provisions	180	381
TOTAL CURRENT LIABILITIES	5,023	6,632
NON CURRENT LIABILITIES		
Interest-bearing liabilities	23,748	26,279
TOTAL NON CURRENT LIABILITIES	23,748	26,279
TOTAL LIABILITIES	28,771	32,911
NET ASSETS	20,384	20,436
EQUITY		
Contributed equity	12,093	12,093
Reserves	16,746	16,746
Retained earnings / (accumulated losses)	(8,455)	(8,403)
TOTAL EQUITY	20,384	20,436

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

**INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015**

	Share capital \$'000	Asset revaluation \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2014	12,093	16,746	(8,403)	20,436
Net loss for the year	-	-	(52)	(52)
Total recognised income & expense for the period	12,093	16,746	(8,455)	20,384
Revaluation Reserve	-	-	-	-
Total Reserve for the period	12,093	16,746	(8,455)	20,384
Dividends paid or declared	-	-	-	-
Issue of share capital	-	-	-	-
Equity share options issued	-	-	-	-
Balance at 30 June 2015	12,093	16,746	(8,455)	20,384

	Share capital \$000	Asset revaluation \$000	Retained earnings \$000	Total equity \$000
Balance at 1 July 2013	12,093	16,746	(9,814)	19,025
Net loss for the year	-	-	1,411	1,411
Total recognised income & expense for the period	12,093	16,746	(8,403)	20,436
Revaluation Reserve	-	-	-	-
Total Reserve for the period	12,093	16,746	(8,403)	20,436
Dividends paid or declared	-	-	-	-
Issue of share capital	-	-	-	-
Equity share options issued	-	-	-	-
Balance at 30 June 2014	12,093	16,746	(8,403)	20,436

Ratios 2015 2014

Net Tangible Asset Backing

Net tangible asset backing per ordinary security 15.71c 15.69c

Dividends

No dividends were declared or paid during the year - -

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

**INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR
ENDED 30 JUNE 2015**

	Consolidated entity	
	30 June 2015	30 June 2014
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers	24,700	28,094
Payments to suppliers and employees	(19,719)	(20,020)
Interest received	106	50
Borrowing costs paid	(1,335)	(1,509)
Other - Property development costs	-	-
Net cash used in operating activities	<u>3,752</u>	<u>6,615</u>
Cash flows from investing activities		
Proceeds from sale of property, plant & equipment	-	-
Purchase of intangibles	-	-
Purchase of property, plant & equipment	(376)	(158)
Purchase of investments	-	-
Net cash used in investing activities	<u>(376)</u>	<u>(158)</u>
Cash flows from financing activities		
Proceeds from borrowings	-	-
Repayment of borrowings	(4,061)	(4,176)
Net cash provided by financing activities	<u>(4,061)</u>	<u>(4,176)</u>
Net increase/(decrease) in cash held	(685)	2,281
Cash at start of period	<u>4,349</u>	<u>2,068</u>
Cash at end of period	<u>3,664</u>	<u>4,349</u>

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

**INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES**

NOTES TO THE STATEMENTS OF CASH FLOWS

1. CASH FLOW INFORMATION	Consolidated Entity	
	2015 \$'000	2014 \$'000
Reconciliation of Cash flow from Operations with Operating Profit after Income Tax		
Operating Profit/(Loss) after Income Tax	(52)	1,411
Non-cash flows in operating profit/(loss):		
Depreciation and amortisation of non-current assets	466	540
Changes in assets and liabilities		
(Increase)/Decrease in trade debtors	1,271	532
(Increase)/Decrease in prepayments	(11)	-
(Increase)/Decrease in inventories	876	1,805
(Increase)/Decrease in other non-current assets	1,281	3,058
(Decrease)/Increase in accounts payable	(311)	(830)
(Decrease)/Increase in accrued expenses	432	161
Increase/(Decrease) in provisions	(200)	(62)
	3,752	6,615
Net Cash provided by/(used in) operating activities	3,752	6,615

2. CASH	Consolidated Entity	
	2015 \$'000	2014 \$'000
Cash at bank and on hand	3,664	4,349
Short term deposits	-	-
	3,664	4,349

Reconciliation of Cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the balance sheet as follows:

Cash (as above)	3,664	4,349
Bank Overdrafts	-	-
	3,664	4,349

INTERNATIONAL EQUITIES CORPORATION LTD AND CONTROLLED ENTITIES

NOTES TO THE PRELIMINARY FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: BASIS OF PREPARATION

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 financial report as were applied in the 30 June 2014 annual report, unless otherwise stated below.

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

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities

The consolidated entity has applied AASB 2012-3 from 1 July 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement.

AASB 2014-1 Amendments to Australian Accounting Standards (Parts A to C)

The consolidated entity has applied Parts A to C of AASB 2014-1 from 1 July 2014. These amendments affect the following standards: AASB 2 'Share-based Payment': clarifies the definition of 'vesting condition' by separately defining a 'performance condition' and a 'service condition' and amends the definition of 'market condition'; AASB 3 'Business Combinations': clarifies that contingent consideration in a business combination is subsequently measured at fair value with changes in fair value recognised in profit or loss irrespective of whether the contingent consideration is within the scope of AASB 9; AASB 8 'Operating Segments': amended to require disclosures of judgements made in applying the aggregation criteria and clarifies that a reconciliation of the total reportable segment assets to the entity's assets is required only if segment assets are reported regularly to the chief operating decision maker; AASB 13 'Fair Value Measurement': clarifies that the portfolio exemption applies to the valuation of contracts within the scope of AASB 9 and AASB 139; AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets': clarifies that on revaluation, restatement of accumulated depreciation will not necessarily be in the same proportion to the change in the gross carrying value of the asset; AASB 124 'Related Party Disclosures': extends the definition of 'related party' to include a management entity that provides KMP services to the entity or its parent and requires disclosure of the fees paid to the management entity; AASB 140 'Investment Property': clarifies that the acquisition of an investment property may constitute a business combination.

INTERNATIONAL EQUITIES CORPORATION LTD AND CONTROLLED ENTITIES

NOTE 1: BASIS OF PREPARATION (CONTINUED)

AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets

The consolidated entity has applied AASB 2013-3 from 1 July 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed.

NOTE 2: 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 long term leases of apartments for a fixed lease income

**INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES**

NOTES TO THE PRELIMINARY FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

NOTE 2: OPERATING SEGMENTS (Continued)

(i) Segment performance

	Property Development \$'000	Tourism \$'000	Leasing \$'000	Total \$'000
Twelve months ended 30.06.2015				
Revenue				
Total segment revenue	2,589	21,247	959	24,795
Interest income	85	21	-	106
Less: intersegment elimination	(381)	(920)	(44)	(1,345)
Total segment revenue	2,293	20,348	915	23,556
Segment results	(918)	408	458	(52)
Profit/(loss) from operations before income tax expense				(52)
Twelve months ended 30.06.2014				
Revenue				
Total segment revenue	5,919	22,198	1,163	29,280
Interest income	27	23	-	50
Less: intersegment elimination	(799)	(842)	(21)	(1,662)
Total segment revenue	5,147	21,379	1,142	27,668
Segment results	(1,029)	1,678	762	1,411
Profit from operations before income tax expense				1,411

**INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES**

NOTES TO THE PRELIMINARY FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

NOTE 2: SEGMENTAL INFORMATION

Primary reporting business segments

	Property Development \$'000	Tourism \$'000	Leasing \$'000	Consolidated \$'000
2015				
Revenue	2,293	20,348	915	23,556
Segment operating (loss)/profit after tax	(918)	408	458	(52)
Segment assets	16,454	32,382	319	49,155
Segment liabilities	7,477	21,043	252	28,771
2014				
Revenue	5,147	21,379	1,142	27,668
Segment operating (loss)/profit after tax	(1,029)	1,678	762	1,411
Segment assets	19,131	34,076	140	53,347
Segment liabilities	16,332	16,494	85	32,911

**INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES**

NOTES TO THE PRELIMINARY FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

NOTE 2: SEGMENTAL INFORMATION (CONTINUED)

Secondary Reporting

Geographical Segments	Australia	South East Asia	Inter-Segment Elimination	Consolidated
	\$'000	\$'000	\$'000	\$'000
2015				
Revenue	23,556	-	-	23,556
Segment operating (loss)/profit after tax	(52)	-	-	(52)
Segment assets	49,155	-	-	49,155
Segment liabilities	28,771	-	-	28,771
2014				
Revenue	27,668	-	-	27,668
Segment operating (loss)/profit after tax	1,411	-	-	1,411
Segment assets	53,347	-	-	53,347
Segment liabilities	32,911	-	-	32,911

The economic entity effectively operates in one geographical segment being Australia with operations across Western Australia, New South Wales and Victoria.

**INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES**

NOTES TO THE PRELIMINARY FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

NOTE 3: ISSUED AND QUOTED SECURITIES AT THE END OF CURRENT PERIOD

Category of securities	Total Number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
Preference securities	Nil			
Changes during current period				
- Increases through issues	Nil			
- Decreases through returns of capital, buybacks	Nil			
Ordinary securities	128,223,577			
Changes during current period				
- Increases through issues	Nil			
- Decreases through returns of capital, buybacks	Nil			
Convertible debt securities				
Changes during current period				
- Increases through issues	Nil			
- Decreases through securities matured, converted	Nil			
Options	Nil			
Issued during current period	Nil			
Exercised during current period	Nil			
Expired during current period	Nil			
Debentures				
Changes during current period				
- Increases through issues	Nil			
- Decreases through securities matured, converted	Nil			
Unsecured notes	Nil			
Changes during current period				
- Increases through issues	Nil			
- Decreases through securities matured, converted	Nil			

INTERNATIONAL EQUITIES CORPORATION LTD AND CONTROLLED ENTITIES

NOTES TO THE PRELIMINARY FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

NOTE 4: DISPOSAL OF CONTROLLED ENTITY

During the year there were no disposals of entities within the group.

NOTE 5: COMMENTARY ON THE RESULTES FOR THE PERIOD

The commentary on the results for the period is contained in the Director's commentary accompanying this statement.

NOTE 6: EVENTS OCCURRING AFTER REPORTING DATE

There has not arisen in the interval since the end of the financial 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 the affairs of the Company in future financial years.

There have been no significant events subsequent to balance date.

NOTE 7: CONTINGENT LIABILITIES

- (i) The group has provided an unlimited corporate guarantee and indemnity as security for all loans held by the group.
- (ii) 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.
- (iii) Renaissance Australia Pty Ltd, a wholly owned subsidiary of the parent company, entered into a contract with Kone Elevators Pty Ltd to refurbish all lifts at Seasons of Perth hotel for \$681,945 incl GST. After paying an initial deposit during the year ended 30 June 2015, the balance of \$477,362 incl GST will become due and payable during the year ended 30 June 2016. Payment will be funded from internally generated cashflows.

**INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES**

NOTE 8: FAIR VALUE MEASUREMENT

a. Recurring and Non-recurring Fair Value Measurement Amounts and the Level of the Fair Value Hierarchy within which the Fair Value Measurements Are Categorised

Fair Value Measurements at 30 June 2015 Using:				
Description	Note	Quoted Prices in Active Markets for Identical Assets \$000 (Level 1)	Significant Observable Inputs Other than Level 1 Inputs \$000 (Level 2)	Significant Unobservable Inputs \$000 (Level 3)
Recurring fair value measurements				
Property, plant and equipment (at revalued amounts):				
Freehold land and buildings	(i)	-	38,136	-

Fair Value Measurements at 30 June 2014 Using:				
Description	Note	Quoted Prices in Active Markets for Identical Assets \$000 (Level 1)	Significant Observable Inputs Other than Level 1 Inputs \$000 (Level 2)	Significant Unobservable Inputs \$000 (Level 3)
Recurring fair value measurements				
Property, plant and equipment (at revalued amounts):				
Freehold land and buildings	(i)	-	39,531	-

- (i) The fair value measurement amounts of freehold land and buildings relate to the Seasons of Perth Hotel in Western Australia and the Serviced Apartments at Seasons Heritage Melbourne Hotel in Victoria. The fair values of these assets are based on the Valuation Report conducted by CBRE in 2014 for Seasons of Perth and 2012 for Serviced Apartments at Seasons Heritage Melbourne Hotel.

**INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES**

NOTE 8: FAIR VALUE MEASUREMENT (CONTINUED)

b. Valuation Techniques and Inputs Used to Determine Level 2 Fair Values

Description	Fair Value at 30 June 2015	Description of Valuation Techniques	Inputs Used
Level 2	\$000		
CBRE Valuation Report 13 June 2012	8,307	Direct Comparison Approach, Estimation of future trading results, Going Concern valuation	Supply-demand factors, current market rental and sales prices, Management Rights, Historical and forecasted trading figures.
CBRE Valuation Report 12 June 2014	29,829	Direct Comparison Approach, Estimation of future trading results, Going Concern valuation	Supply-demand factors, current market rental and sales prices, Management Rights, Historical and forecasted trading figures.

There were no changes during the period in the valuation techniques used by the Group to determine Level 2 fair values.

Description	Fair Value at 30 June 2014	Description of Valuation Techniques	Inputs Used
Level 2	\$000		
CBRE Valuation Report 13 June 2012	9,587	Direct Comparison Approach, Estimation of future trading results, Going Concern valuation	Supply-demand factors, current market rental and sales prices, Management Rights, Historical and forecasted trading figures.
CBRE Valuation Report 12 June 2014	29,943	Direct Comparison Approach, Estimation of future trading results, Going Concern valuation	Supply-demand factors, current market rental and sales prices, Management Rights, Historical and forecasted trading figures.

There were no changes during the period in the valuation techniques used by the Group to determine Level 2 fair values.

INTERNATIONAL EQUITIES CORPORATION LTD AND CONTROLLED ENTITIES

NOTE 9: GOING CONCERN

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

NOTE 10: INTEREST IN SUBSIDIARIES

Information about Principal Subsidiaries

Set out below are the Group's subsidiaries at 30 June 2015. The subsidiaries listed below have share capital consisting solely of ordinary shares, which are held directly by the Group and the proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's country of incorporation or registration is also its principal place of business.

Name of Subsidiary	Principal Place of Business	Ownership Interest Held by the Group		Proportion of Non-controlling Interests
		At 30 June 2015	At 30 June 2014	At 30 June 2015
(IEC) Pacific Pty Ltd	Australia	100 %	100 %	0%
IEC (Management) Pty Ltd	Australia	100 %	100 %	0%
IEC Real Estate Pty Ltd	Australia	100 %	100 %	0%
Renaissance Australia Pty Ltd	Australia	100 %	100 %	0%
Seasons Heritage Melbourne Pty Ltd	Australia	100 %	100 %	0%
IEC Properties Pty Ltd	Australia	100 %	100 %	0%
Seasons Apartment Hotel Group Pty Ltd	Australia	100 %	100 %	0%
Seasons International Management Pty Ltd	Australia	100 %	100 %	0%
Seasons Darling Harbour Pty Ltd	Australia	100 %	100 %	0%
Seasons Harbour Plaza Pty Ltd	Australia	100 %	100 %	0%

Subsidiaries' financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

NOTE 11: ANNUAL GENERAL MEETING

The annual general meeting will be held at a place and date to be advised.

NOTE 12: AUDIT

This report is based on accounts which are in the process of being audited.