

**International Equities Corporation Ltd**  
and Controlled Entities

ABN 97 009 089 696

**PRELIMINARY FINAL REPORT FOR YEAR ENDED 30 JUNE 2016**

**APPENDIX 4E**

# APPENDIX 4E

## PRELIMINARY FINAL REPORT FOR YEAR ENDED 30 JUNE 2016

Name of entity

**INTERNATIONAL EQUITIES CORPORATION LTD**

ABN or equivalent company reference

**97 009 089 696**

Year ended ('current period')

**30 JUNE 2016**

### Results for announcement to the market

				\$A'000
Revenues and other income	Decrease	13.26%	to	20,432
Profit (loss) from ordinary activities after tax attributable to members	Increase	212.06%	to	(162)
Net profit (loss) for the period attributable to members	Increase	212.06%	to	(162)
<b>Dividends</b>		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 2015.				

## PRELIMINARY FINAL REPORT

### DIRECTORS' REPORT

Your directors submit the preliminary final report of International Equities Corporation Limited for the year ended 30<sup>th</sup> June 2016.

#### 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:

	2016 Segment Revenue \$'000	2015 Segment Revenue \$'000
Property Development	1,185	2,293
Tourism	18,342	20,348
Leasing	905	915
	<u>20,432</u>	<u>23,556</u>

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

#### Commentary on results

The company's 2016 results are summarised as follows:

	2016 \$'000	2015 \$'000
Profit (loss) after tax:		
Property development	(541)	(918)
Tourism	(71)	408
Leasing	450	458
Earnings per security	(0.13)c	(0.04)c
Net tangible asset backing	15.64c	15.71c

## **PRELIMINARY FINAL REPORT**

### **Commentary on results (continued)**

For this financial year International Equities Corporation Ltd (IEQ) continued to take advantage of lower borrowing cost to repay borrowing. All contracts are periodically reviewed for value. For this year, we have seen hotels in New South Wales and Victoria generate better revenue whilst revenue from Seasons of Perth in Western Australia has slowed down significantly due to lower economic activity levels there.

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 residential stock for the coming year.

This financial year saw the hotel division in Western Australia contract. We expect to see some stability 2016/2017. 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 an after tax loss of \$0.071 million.

On Sales and Leasing activities the company will continue to activately list new properties for sale or lease. Profit after tax dropped to \$0.450 million from long term leases and commissions. The outlook for the year ahead remains stable.

Last financial year, the Company generated revenues of \$20.432 million from sales of property, hotel accommodation and related activities. This resulted in an after tax loss of \$0.162 million due mainly to lower profits from hotel tourism and leasing activities.

## PRELIMINARY FINAL REPORT

### DIRECTORS' REPORT

For the financial year ended 30<sup>th</sup> June 2016 the company focused mainly on sales of residential properties and non – core investments and falling revenue from hotel accommodation in Western Australia . The full impact of these financials has been included in the 2016 financial report.

Sales of apartment stock have been encouraging. 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 0.13c and 15.64c (2015: Loss after tax per security and Net Tangible Asset backing were 0.04c and 15.71c), respectively.

#### **Rounding of accounts**

The consolidated entity is of a kind referred to in class order CI 2016/191 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.



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**Aubrey Menezes**  
**Company Secretary**

**Perth, Western Australia**  
**31<sup>st</sup> August 2016**

## **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 2016 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.**



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**Aubrey Menezes**  
**Company Secretary**

**Perth, Western Australia**  
**31<sup>st</sup> August 2016**

**INTERNATIONAL EQUITIES CORPORATION LTD  
AND CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	Consolidated entity 30 June 2016 \$'000	30 June 2015 \$'000
<b>Continuing Operations</b>			
Revenue	1(i)	20,350	23,511
Other Income	1(i)	82	45
Property development costs	1(i)	(1,029)	(2,167)
Hotel cost of goods sold	1(i)	(13,473)	(13,780)
Sales commission	1(i)	(27)	(98)
Borrowing costs expense	1(ii)	(1,197)	(1,335)
Administrative expenses	1(i)	(4,481)	(5,762)
Depreciation and amortisation expenses	1(i)	(387)	(466)
<b>Profit/(loss) before income tax expense</b>		(162)	(52)
Income tax expense		-	-
<b>Net Profit/(loss) from continuing operations</b>		<b>(162)</b>	<b>(52)</b>
<b>Discontinued Operations</b>			
Profit/(loss) from discontinued operations after tax		-	-
<b>Net Profit/(loss) for the year</b>		<b>(162)</b>	<b>(52)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Gain on revaluation of land and buildings		-	-
<b>Other comprehensive income for the year</b>		-	-
<b>Total comprehensive income for the year</b>		<b>(162)</b>	<b>(52)</b>

**INTERNATIONAL EQUITIES CORPORATION LTD  
AND CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	Consolidated entity 30 June 2016 \$'000	30 June 2015 \$'000
		\$'000	\$'000
<b>Net profit attributable to:</b>			
Members of the parent entity		(162)	(52)
Non-controlling interest		-	-
		<b>(162)</b>	<b>(52)</b>
<b>Total comprehensive income attributable to:</b>			
Members of the parent entity		(162)	(52)
Non-controlling interest		-	-
		<b>(162)</b>	<b>(52)</b>
 <b>Earnings Per Share</b>			
From continuing and discontinued operations:			
Basic earnings per share		(0.13)c	(0.04)c
Diluted earnings per share		(0.13)c	(0.04)c
 From continuing operations:			
Basic earnings per share		(0.13)c	(0.04)c
Diluted earnings per share		(0.13)c	(0.04)c
 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**

		<b>Consolidated Group</b>	
		<b>2016</b>	<b>2015</b>
<b>1(i).</b>	<b>REVENUE FOR THE PERIOD</b>	<b>\$'000</b>	<b>\$'000</b>
	Operating activities		
	-Sale of apartments	1,088	2,185
	-Sales services & accommodation	18,108	20,080
	-Property management fees	770	818
	-Rental revenue	338	322
	-Interest received – other persons	46	106
	-Other revenue	82	45
		<hr style="border-top: 1px solid black; border-bottom: 3px double black;"/>	<hr style="border-top: 1px solid black; border-bottom: 3px double black;"/>
		20,432	23,556
 <b>1(ii).</b>	<b>EXPENSES AND OTHER GAINS /(LOSSES)</b>		
	Expenses		
	Borrowing costs		
	- Other persons	1,197	1,335
		<hr style="border-top: 1px solid black; border-bottom: 3px double black;"/>	<hr style="border-top: 1px solid black; border-bottom: 3px double black;"/>
	Administration costs	4,481	5,762
	Hotel costs and cost of goods sold	13,473	13,780
	Depreciation and amortisation of non-current assets	387	466
	Development costs – apartments	1,029	2,167
	Commissions	27	98
		<hr style="border-top: 1px solid black; border-bottom: 3px double black;"/>	<hr style="border-top: 1px solid black; border-bottom: 3px double black;"/>
		19,397	22,273

**INTERNATIONAL EQUITIES CORPORATION LTD  
AND CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016**

	<b>Consolidated Entity</b>	
	<b>30 June 2016</b>	<b>30 June 2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>CURRENT ASSETS</b>		
Cash assets	2,702	3,664
Receivables	1,292	642
Inventories	2,852	5,731
Other	389	271
<b>TOTAL CURRENT ASSETS</b>	<b>7,235</b>	<b>10,308</b>
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	40,523	38,611
Intangible assets	169	236
<b>TOTAL NON CURRENT ASSETS</b>	<b>40,692</b>	<b>38,847</b>
<b>TOTAL ASSETS</b>	<b>47,927</b>	<b>49,155</b>
<b>CURRENT LIABILITIES</b>		
Payables	3,036	1,721
Interest-bearing liabilities	2,036	3,122
Provisions	352	180
<b>TOTAL CURRENT LIABILITIES</b>	<b>5,424</b>	<b>5,023</b>
<b>NON CURRENT LIABILITIES</b>		
Interest-bearing liabilities	22,281	23,748
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>22,281</b>	<b>23,748</b>
<b>TOTAL LIABILITIES</b>	<b>27,705</b>	<b>28,771</b>
<b>NET ASSETS</b>	<b>20,222</b>	<b>20,384</b>
<b>EQUITY</b>		
Contributed equity	12,093	12,093
Reserves	16,746	16,746
Retained earnings / (accumulated losses)	(8,617)	(8,455)
<b>TOTAL EQUITY</b>	<b>20,222</b>	<b>20,384</b>

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 2016**

	Share capital \$'000	Asset revaluation \$'000	Retained earnings \$'000	Total equity \$'000
<b>Balance at 1 July 2015</b>	<b>12,093</b>	<b>16,746</b>	<b>(8,455)</b>	<b>20,384</b>
Net loss for the year	-	-	(162)	(162)
<b>Total recognised income &amp; expense for the period</b>	<b>12,093</b>	<b>16,746</b>	<b>(8,617)</b>	<b>20,222</b>
Revaluation Reserve	-	-	-	-
<b>Total Reserve for the period</b>	<b>12,093</b>	<b>16,746</b>	<b>(8,617)</b>	<b>20,222</b>
Dividends paid or declared	-	-	-	-
Issue of share capital	-	-	-	-
Equity share options issued	-	-	-	-
<b>Balance at 30 June 2016</b>	<b>12,093</b>	<b>16,746</b>	<b>(8,617)</b>	<b>20,222</b>

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

Ratios 2016      2015

**Net Tangible Asset Backing**

Net tangible asset backing per ordinary security 15.64c      15.71c

**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 2016**

	Consolidated entity	
	30 June 2016	30 June 2015
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Receipts from customers	19,665	24,700
Payments to suppliers and employees	(16,493)	(19,719)
Interest received	46	106
Borrowing costs paid	(1,197)	(1,335)
Other - Property development costs	-	-
Net cash used in operating activities	<u>2,021</u>	<u>3,752</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant & equipment	-	-
Purchase of intangibles	-	-
Purchase of property, plant & equipment	(430)	(376)
Purchase of investments	-	-
Net cash used in investing activities	<u>(430)</u>	<u>(376)</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	-	-
Repayment of borrowings	(2,553)	(4,061)
Net cash provided by financing activities	<u>(2,553)</u>	<u>(4,061)</u>
Net increase/(decrease) in cash held	(962)	(685)
Cash at start of period	<u>3,664</u>	<u>4,349</u>
<b>Cash at end of period</b>	<u><b>2,702</b></u>	<u><b>3,664</b></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**

<b>1. CASH FLOW INFORMATION</b>	<b>Consolidated Entity</b>	
	<b>2016 \$'000</b>	<b>2015 \$'000</b>
Reconciliation of Cash flow from Operations with Operating Profit after Income Tax		
Operating Profit/(Loss) after Income Tax	(162)	(52)
Non-cash flows in operating profit/(loss):		
Depreciation and amortisation of non-current assets	387	466
Changes in assets and liabilities		
(Increase)/Decrease in trade debtors	(651)	1,271
(Increase)/Decrease in prepayments	(118)	(11)
(Increase)/Decrease in inventories	2,879	876
(Increase)/Decrease in other non-current assets	(1802)	1,281
(Decrease)/Increase in accounts payable	1,258	(311)
(Decrease)/Increase in accrued expenses	58	432
Increase/(Decrease) in provisions	172	(200)
	2,021	3,752
Net Cash provided by/( used in) operating activities	2,021	3,752

<b>2. CASH</b>	<b>Consolidated Entity</b>	
	<b>2016 \$'000</b>	<b>2015 \$'000</b>
Cash at bank and on hand	2,702	3,664
Short term deposits	-	-
	2,702	3,664

**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)	2,702	3,664
Bank Overdrafts	-	-
	2,702	3,664

# INTERNATIONAL EQUITIES CORPORATION LTD AND CONTROLLED ENTITIES

## NOTES TO THE PRELIMINARY FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

### 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 2015 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.

### 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.

**INTERNATIONAL EQUITIES CORPORATION LTD  
AND CONTROLLED ENTITIES**

**NOTES TO THE PRELIMINARY FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016**

**NOTE 2: OPERATING SEGMENTS (Continued)**

**Leasing Rental Property**

This relates to long term leases of apartments for a fixed lease income.

**(i) Segment performance**

	<b>Property Development \$'000</b>	<b>Tourism \$'000</b>	<b>Leasing \$'000</b>	<b>Total \$'000</b>
<b>Twelve months ended 30.06.2016</b>				
<b>Revenue</b>				
Total segment revenue	1,558	19,351	939	21,848
Interest income	38	8	-	46
Less: intersegment elimination	(411)	(1,017)	(34)	(1,462)
Total segment revenue	<u>1,185</u>	<u>18,342</u>	<u>905</u>	<u>20,432</u>
Segment results	<u>(541)</u>	<u>(71)</u>	<u>450</u>	<u>(162)</u>
Profit/(loss) from operations before income tax expense				<u>(162)</u>
<b>Twelve months ended 30.06.2015</b>				
<b>Revenue</b>				
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	<u>2,293</u>	<u>20,348</u>	<u>915</u>	<u>23,556</u>
Segment results	<u>(918)</u>	<u>408</u>	<u>458</u>	<u>(52)</u>
Profit from operations before income tax expense				<u>(52)</u>

**INTERNATIONAL EQUITIES CORPORATION LTD  
AND CONTROLLED ENTITIES**

**NOTES TO THE PRELIMINARY FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016**

**NOTE 2: SEGMENTAL INFORMATION**

**Primary reporting business segments**

	Property Development \$'000	Tourism \$'000	Leasing \$'000	Consolidated \$'000
<b>2016</b>				
Revenue	1,185	18,342	905	20,432
Segment operating (loss)/profit after tax	(541)	(71)	450	(162)
Segment assets	14,028	33,685	214	47,927
Segment liabilities	4,905	22,685	115	27,705
<b>2015</b>				
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



**INTERNATIONAL EQUITIES CORPORATION LTD  
AND CONTROLLED ENTITIES**

**NOTES TO THE PRELIMINARY FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016**

**NOTE 2: SEGMENTAL INFORMATION (CONTINUED)**

**Secondary Reporting**

<b>Geographical Segments</b>	<b>Australia</b>	<b>South East Asia</b>	<b>Inter-Segment Elimination</b>	<b>Consolidated</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>2016</b>				
Revenue	20,432	-	-	20,432
Segment operating (loss)/profit after tax	(162)	-	-	(162)
Segment assets	47,927	-	-	49,927
Segment liabilities	<u>27,705</u>	-	-	<u>27,705</u>
<b>2015</b>				
Revenue	23,556	-	-	23,556
Segment operating (loss)/profit after tax	(52)	-	-	(52)
Segment assets	49,155	-	-	49,155
Segment liabilities	<u>28,771</u>	-	-	<u>28,771</u>

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 2016**

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

<b>Category of securities</b>	<b>Total Number</b>	<b>Number quoted</b>	<b>Issue price per security (cents)</b>	<b>Amount paid up per security (cents)</b>
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 2016**

#### **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:**

##### **(a) 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.

##### **(b) CAPITAL COMMITMENTS**

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 and 1<sup>st</sup> scheduled payments, the balance of \$204,584 incl GST will become due and payable during the year ended 30 June 2017. Payment will be funded from internally generated cashflows and existing credit facilities.

**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**

		<b>Fair Value Measurements at 30 June 2016 Using:</b>		
<b>Description</b>	<b>Note</b>	<b>Quoted Prices in Active Markets for Identical Assets \$000 (Level 1)</b>	<b>Significant Observable Inputs Other than Level 1 Inputs \$000 (Level 2)</b>	<b>Significant Unobservable Inputs \$000 (Level 3)</b>
<b>Recurring fair value measurements</b>				
Property, plant and equipment (at revalued amounts):				
Freehold land and buildings	(i)	-	37,285	-

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

- (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  
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**NOTE 8: FAIR VALUE MEASUREMENT (CONTINUED)**

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

Description	Fair Value at 30 June 2016	Description of Valuation Techniques	Inputs Used
<b>Level 2</b>	<b>\$000</b>		
CBRE Valuation Report 13 June 2012	7,277	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	30,008	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 2015	Description of Valuation Techniques	Inputs Used
<b>Level 2</b>	<b>\$000</b>		
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.

## 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 2016. 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 2016	At 30 June 2015	At 30 June 2016
(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.