Appendix 4D

Half yearly report

Name of entity

INTERNATIONAL EQUITIES CORPORATION LTD

ABN or equivalent company reference	Half year ended ('current period')
97 009 089 696	**31 DECEMBER 2006**

For announcement to the market

Extracts from this report for announcement to the market. $A'000

Revenues from ordinary activities	Down	23%	to	6,133
Profit (loss) from ordinary activities after tax attributable to members	Down	61%	to	(404)
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	Down	61%	to	(404)

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:

For the half year ended 31 December 2006, International Equities Corporations Limited (IEC) generated revenues of $6.133 million mostly from sale of apartments, hotel operations and real estate commissions. This resulted in lower losses for the group. The overall after tax loss stood at $404,000. Whilst the hotel and real estate operations generated a profit, it was, however, insufficient to mitigate losses generated from property development. For the coming year, IEC will continue with its development activities and cost rationalisation measures.

NTA backing	Current period	Previous corresponding Period
Net tangible asset backing per +ordinary security	$0.072	$0.044

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

	$A'000
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) (ie, on the basis of proper instruments of transfer received by 5.00 pm if +securities are not +CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if +securities are +CHESS approved)	N/A

Amount per security

	Amount per security	Franked amount per security at % tax	Amount per security of foreign source dividend
Interim dividend: Current year	N/A	N/A	N/A
Previous year	N/A	N/A	N/A

Interim dividend (distribution) on all securities

	Current period $A'000	Previous corresponding period - $A'000
+Ordinary securities *(each class separately)*	N/A	N/A
Preference +securities *(each class separately)*	N/A	N/A
Other equity instruments *(each class separately)*	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

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").)*

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss)	
Equity accounted associates and joint venture entities	Current Period	Previous corresponding period	Current period $A'000	Previous corresponding period - $A'000
Total	N/A	N/A	N/A	N/A
Other material interests	N/A	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

International Equities Corporation Ltd

and controlled entities **ABN 97 009 089 696**

Financial report for the half year ended 31 December 2006

INTERIM FINANCIAL REPORT

DIRECTORS' REPORT

Your Directors submit the consolidated financial report of International Equities Corporation Limited for the half year ended 31 December 2006.

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

Marcus Peng Fye Tow (Chairman / Chief Executive Officer)
Tow Kong Liang
Aubrey George Menezes (Chief Financial Officer / Company Secretary)
Wong Tit Seng

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

Aubrey George Menezes

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

	Segment Revenue 31 December		Segment Results 31 December	
	2006 $000	**2005 $000**	**2006 $000**	**2005 $000**
Property Development	2,743	4,561	(750)	(1,470)
Tourism	2,689	2,448	371	151
Leasing Rental Property	569	909	424	319
Other Revenue	132	68	(449)	(45)
	6,133	7,986	(404)	(1,045)

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

For the half year ended 31 December 2006, International Equities Corporations Limited (IEC) generated revenues of $6.133 million mostly from sale of apartments, hotel operations and real estate commissions. This resulted in lower losses for the group. The overall lower after tax loss stood at $404,000.

Property development continued to be IEC's main core business. Last year, IEC commenced development of 572 St Kilda Road in Melbourne hence forth to be referred to as Seasons on St Kilda Road. Included in the development are the Tate Luxury Apartments and Penthouses. The total gross development value is approximately $70 million. For the coming year IEC is expected to start on the re-development of Seasons of Perth with an end development value of approximately $50 million. Also, the development of 3 Luxury Apartments at No.112 Leopold Street, South Yarra is expected to commence by March 2007 with a gross development value of $10 million. Finally, slated for next year is the development of No. 2 King Williams Street in Adelaide to be known as Seasons of Adelaide and 3 Luxury Apartments at No 318 Walsh Street, South Yarra. The feasibility study to determine the development values are being assessed.

For the half year ended, existing properties, namely Uropa and Seasons Apartments at Swanston Street in Melbourne, generated revenues of $2.743 million. However, due to a softer apartment market, IEC generated a lower loss after tax of $750,000.

Having successfully managed Seasons of Perth and its sister property Seasons Botanic Gardens in Melbourne, it is IEC's plan to develop the Seasons hospitality brand further. The next property to be managed by the group will be Seasons on St Kilda Road followed by Season of Adelaide mentioned above. With that IEC has targeted to have a presence in every major city in Australia.

DIRECTORS' REPORT

After Balance Date Events

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.

Adoption of Australian Equivalents to International Financial Reporting Standards

This interim financial report has been prepared under Australian equivalents to International Financial Reporting Standards (A-IFRS).

Rounding of amounts

The economic 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.

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Aubrey George Menezes
Director

Dated this 28th day of February 2007

MOORE STEPHENS

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

I declare that, to the best of my knowledge and belief, during the half year ended 31 December 2006 there has 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.

Moore Stephens

RAY SIMPSON
PARTNER

MOORE STEPHENS
CHARTERED ACCOUNTANTS

Signed at Perth this 28th day of February 2007.

CONSOLIDATED INCOME STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

	Note	Consolidated entity 31 December 2006 $000	31 December 2005 $000
Revenues from ordinary activities	**2**	6,133	7,986
Property development costs		(2,539)	(4,560)
Hotel costs of good sold		(953)	(1,411)
Rental guarantee expenses		(26)	(571)
Sales commission		(21)	(28)
Borrowing costs expense		(1,046)	(1,391)
Administrative expenses		(1,918)	(1,508)
Depreciation expenses		(34)	(68)
Other expenses		-	-
Profit/(loss) from continuing operations before income tax expense		(404)	(1,045)
Income tax expense relating to ordinary activities		-	-
Profit/(loss) from continuing operations after related income tax expense		**(404)**	**(1,045)**
Profit/(loss) from extraordinary item after related income tax expense/(revenue)		-	-
Net profit/(loss) from continuing operations attributable to the members of the parent entity		**(404)**	**(1,045)**
Basic earnings per share (cents per share)		(0.31c)	(0.82c)

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

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2006

	Consolidated Entity	
	31 December 2006 $000	**30 June 2006 $000**
CURRENT ASSETS		
Cash assets	919	2,750
Receivables	741	474
Inventories	21,716	24,076
Other	214	152
TOTAL CURRENT ASSETS	23,590	27,453
NON CURRENT ASSETS		
Inventories	27,213	12,815
Property, plant and equipment	11,603	11,412
Other financial assets	339	294
Intangible assets	1	1
TOTAL NON CURRENT ASSETS	39,156	24,523
TOTAL ASSETS	62,746	51,975
CURRENT LIABILITIES		
Payables	686	1,785
Interest-bearing liabilities	491	-
Provisions	120	-
TOTAL CURRENT LIABILITIES	1,297	1,785
NON CURRENT LIABILITIES		
Interest-bearing liabilities	51,692	40,029
Deferred income tax liability	510	510
TOTAL NON CURRENT LIABILITIES	52,202	40,539
TOTAL LIABILITIES	53,499	42,234
NET ASSETS	**9,248**	**9,652**
EQUITY		
Contributed equity	12,093	12,093
Reserves	40	40
Retained earnings / (accumulated losses)	(2,885)	(2,481)
TOTAL EQUITY	**9,248**	**9,652**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2006

	Share capital $000	Other reserves $000	Retained earnings $000	Total $000	Total equity $000
Balance at 1 July 2006	12,093	40	(2,481)	9,652	9,652
Net profit (loss) -	-	-	(404)	(404)	(404)
Total recognised income & expense for the period	12,093	40	(2,885)	9,248	9,248
Dividends paid or declared	-	-	-	-	-
Issue of share capital -	-	-	-	-	-
Equity share options issued	-	-	-	-	-
Balance at 31 December 2006	**12,093**	**40**	**(2,885)**	**9,248**	**9,248**
Balance at 1 July 2005	12,093	40	(5,453)	6,680	6,680
Net profit (loss) -	-	-	(1,045)	(1,045)	(1,045)
Total recognised income & expense for the period	12,093	40	(6,498)	5,635	5,635
Dividends paid or declared	-	-	-	-	-
Issue of share capital -	-	-	-	-	-
Equity share options issued	-	-	-	-	-
Balance at 31 December 2005	**12,093**	**40**	**(6,498)**	**5,635**	**5,635**

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 2006

	Consolidated entity	
	31 December 2006 $000	**31 December 2005 $000**
Cash flows from operating activities		
Receipts from customers	5,603	6,337
Payments to suppliers and employees	(3,897)	(2,339)
Interest received	21	7
Borrowing costs paid	(1,046)	(1,390)
Other - Property development costs	(14,397)	(888)
Net cash used in operating activities	(13,716)	1,727
Cash flows from investing activities		
Proceeds from sale of property, plant & equipment	-	(41)
Purchase of property, plant & equipment	(225)	-
Purchase of investments	(45)	(2,650)
Proceeds from sale of controlled entity, net of cash disposed	-	-
Net loans – subsidiaries	-	-
Net cash used in investing activities	(270)	(2,691)
Cash flows from financing activities		
Finance lease repayments	-	-
Proceeds from issue of shares	-	-
Proceeds from borrowings	13,573	3,392
Repayment of borrowings	(1,419)	(3,476)
Net cash provided by financing activities	12,154	(84)
Net increase/(decrease) in cash held	(1,831)	(1,048)
Cash at start of period	2,750	1,997
Cash at end of period	**919**	**949**

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

NOTES TO THE FINANCIAL STATEMENTS HALF YEAR ENDED 31 DECEMBER 2006

Note 1: Summary of Significant Accounting Policies

The half year consolidated financial statements are general purpose financial reports that have been prepared in accordance with Australian Accounting Standard AASB 134: Interim Financial Reporting, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers the economic entity of International Equities Corporation Limited and controlled entities. International Equities Corporation Limited is a listed public company, incorporated and domiciled in Australia. It is recommended that this financial report be read in conjunction with the annual financial report for the year ending 30 June 2006 and any public announcements made by International Equities Corporation Limited and its controlled entities during the half year, in accordance with continuous disclosure requirements arising under the *Corporations Act 2001.*

The financial report of International Equities Corporation Limited and controlled entities comply with all Australian equivalents to International Financial Reporting Standards (IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated. The half year report does not include full disclosures of the type normally included in an annual financial report.

Reporting Basis and Conventions

The financial report has been prepared on an accrual basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

(a) Principles of Consolidation

A controlled entity is any entity International Equities Corporation Limited has the power to control the financial and operating policies of so as to obtain benefits from its activities.

All controlled entities have a June financial year-end.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the economic entity during the year, their operating results have been included / excluded from the date control was obtained or until the date control ceased.

Minority equity interests in the equity and results of the entities that are controlled are shown as a separate item in consolidated financial report.

NOTES TO THE FINANCIAL STATEMENTS HALF YEAR ENDED 31 DECEMBER 2006

1. Statement of accounting policies (continued)

(b) Income tax

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rate that is expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

(c) Inventories

Other than inventories associated with land held for development and resale which are valued at cost, current inventories comprising stores and consumables are valued at lower of cost and net realisable value. Costs are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on a first in first out or weighted average cost basis.

(d) Impairment of assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset’s fair value less costs to sell and value in use, is compared to the asset’s carrying value. Any excess of the asset’s carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(e) Property, Plant & Equipment

Each class of property, plant and equipment is carried at cost or fair value, less where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm’s length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the re-valued amount of the asset,

1. Statement of accounting policies (continued)

Plant & Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use.

The expected useful lives are as follows:

Buildings	50 years
Furniture, fixtures and equipment	5 years
Motor vehicles	5 years
Leasehold Improvement at cost	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(f) Cash

For purposes of the statement of cash flows, cash includes deposits at call which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

(g) Earnings per share

a. Basic earnings per share
Basic earning per share is determined by dividing the group operating result after income tax attributable to members by weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

b. Diluted earnings per share
Diluted earnings per share adjusts the figure used in the determination of basic earnings per share by taking into account amounts paid on ordinary shares and any reduction in earnings per share that will probably arise from the exercise of options outstanding during the financial year.

(h) Land held for development and resale

Land held for development and resale comprises land held for development, contract costs and other holding costs incurred to date.

Costs include the cost of acquisition, development, interest on funds borrowed for the development and holding costs until completion of development. Interest and holding charges incurred after development are expensed.

Profit is recognised on an individual contract basis generally at settlement.

NOTES TO THE FINANCIAL STATEMENTS HALF YEAR ENDED 31 DECEMBER 2006

1. Statement of accounting policies (continued)

(i) Receivables

All trade and other debtors are recognised at the amounts receivable as they are due for settlement no more than 30 days from date of recognition. Collectibility of trade and other debtors are reviewed on an ongoing basis; uncollectible debts are written off. A provision for doubtful debts is raised where some doubt as to collection exists.

(j) Revenue

Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes.

Revenue from the sale of apartments or units is generally recognised upon settlement.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of services and accommodation is recognised upon the provision of the service to customers.

All revenue is stated net of the amount of goods and services tax (GST).

(k) Trade and other creditors

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

(l) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the item of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

1. Statement of accounting policies (continued)

(n) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(o) Financial Instruments

Recognition
Financial instruments are initially measured at cost on trade date, which include transaction costs, when the related contractual rights and obligations exist. Subsequent to initial recognition, these instruments are measured as set out below.

Financial assets at fair value through profit and loss
A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Financial Instruments - Recognition and Measurement. Derivatives are also categorised as held for trading hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments
These investments have fixed maturities, and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets
Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains or losses arising from changes in fair value are taken directly to equity.

Financial Liabilities
Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Derivative Instruments
Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to income statement unless they are designated as hedges.

Fair Value
Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arms length transaction, reference to similar instruments and option pricing models.

Impairment
At each reporting date, the group assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS HALF YEAR ENDED 31 DECEMBER 2006

1. Statement of accounting policies (continued)

(p) Comparative Figures

Where appropriate, comparative figures have been adjusted to confirm to changes in presentation for the current financial period.

Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained externally or within the group.

Note 2: Revenues

	Consolidated Entity 31 December 2006 $000	31 December 2005 $000
Operating Activities		
Sales of apartments	2,566	4,054
Sales of services and accommodation	2,689	2,448
Emerging profit recognised – property development	177	507
Property management fees	95	61
Rental revenue	569	909
Interest received – other persons	21	7
Other revenue	16	-
	6,133	**7,986**

Note 3: Events Subsequent to Reporting Date

There have been no significant events subsequent to balance date.

Note 4: Contingent liabilities

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

DIRECTOR'S DECLARATION

The directors of the company declare that:

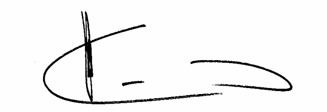
(1) the financial statements and notes, as set out on pages 4 to 14:

  (a) comply with Accounting Standards and the Corporations Regulations 2001; and

  (b) give a true and fair view of the financial position as at 31 December 2006 and of the performance for the half year ended on that date of the economic entity;

(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.

This declaration is made in accordance with a resolution of the directors.



AG Menezes
Director

Perth, Western Australia
Dated this 28th day of February 2007

MOORE STEPHENS

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 controlled entities, which comprises the balance sheet as at 31 December 2006, and the income statement, statement of changes in equity and the cash flow statement for the half-year ended on that date, a summary of significant accounting policies, selected explanatory notes and the directors' declaration .

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: "Review of an Interim Financial Report Performed by the Independent Auditor of the Entity", in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporation Act 2001 including: giving a true and fair view of the controlled entities' financial position as at 31 December 2006 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, 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 followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001. In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration set out in the financial report has not changed as at the date of providing our audit report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of International Equities Corporation Limited and controlled entities is not in accordance with:

(a) the Corporations Act 2001, including:
   (i) giving a true and fair view of the controlled entities' financial position as at 31 December 2006 and of its performance for the half-year ended on that date; and
   (ii) complying with Accounting Standard AASB 134: "Interim Financial Reporting" and the Corporations Regulations 2001; and

(b) other mandatory professional reporting requirements in Australia.

RAY SIMPSON	**MOORE STEPHENS**
PARTNER	**CHARTERED ACCOUNTANTS**

Signed at Perth this 28th day of February 2007.

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