International Equities Corporation Ltd

and Controlled Entities ABN 97 009 089 696

PRELIMINARY FINAL REPORT FOR YEAR ENDED 30 JUNE 2009

APPENDIX 4E

APPENDIX 4E

PRELIMINARY FINAL REPORT FOR YEAR ENDED 30 JUNE 2009

Name of entity

INTERNATIONAL EQUITIES CORPORATION LTD

ABN or equivalent company reference	Year ended ('current period')
97 009 089 696	**30 JUNE 2009**

Results for announcement to the market

				$A'000
Revenues and other income	Decrease	31.32%	to	24,304
Profit (loss) from ordinary activities after tax attributable to members	Decrease	591.66%	to	(2,428)
Net profit (loss) for the period attributable to members	Decrease	591.66%	to	(2,428)

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 2008 Annual Report.

PRELIMINARY FINAL REPORT

DIRECTORS' REPORT

Your directors submit the preliminary final report of International Equities Corporation Limited for the year ended 30th June 2009.

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

Marcus Peng Fye Tow (Chairman)
Tow Kong Liang
Aubrey George Menezes
Wong Tit Seng

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:

	Segment Revenue $000	Segment Results $000
Property Development	12,792	(4,140)
Tourism	10,480	894
Leasing	646	555
Other	263	263
	24,181	(2,428)

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

Commentary on results

The company's 2009 results are summarised as follows:

		2009 $000	2008 $000
Profit (loss) after tax:	Property development	(4,140)	111
	Tourism	894	342
	Leasing	555	-
	Other	263	41
Earnings per security		(1.89c)	0.39c
Net tangible asset backing		9.70c	11.60c

PRELIMINARY FINAL REPORT

Commentary on results (continued)

This financial year has seen the property market in Melbourne continue to destabilise. Confidence in the market and difficulty in financing activities far outweighed any benefit from low interest rates. Sales of residential apartments continued to fall with development activities being put on hold. For the year, the Company generated revenues of $12.792 million from sales of property and related activities resulting in an after tax loss of $4.140 million. The loss was mainly due to poor sales of apartments, advertising and associated holding cost.

Revenues of $10.480 million were generated from the hotel division and associated fees earned. Whilst Seasons of Perth hotel met expectations, it was off-set by pre-opening cost into the hotel market by Seasons Heritage Melbourne Serviced Apartments. This segment resulted in an after tax profit of $0.894 million. We expect that Seasons Heritage Melbourne will be profitable in the coming financial year.

The after tax profit on Other Activities stands at of $0.555 million from long term leases and $0.263 million from other non-core activities.

PRELIMINARY FINAL REPORT

DIRECTORS' REPORT

For the financial year ended 30th June 2009 the company concentrated its activities on completing the development of 572 St. Kilda Road in Melbourne now known as 'Seasons Heritage Melbourne Serviced Apartments'. The full impact of these financials has been included in the 2009 financial report including pre-opening cost. Currently all 142 apartments are in operation. The property will be profitable in the coming financial year.

Additionally, the company expects to complete the development at 112 Leopold Street in South Yarra, Melbourne by October 2009 with a mock-up show apartment. This is expected to generate a Gross Development Value of $9 million. The full impact of these financials will be included in the 2010 financial report. These apartments are actively being marketed at present.

In line with the Company's objective of building and managing hotels and serviced apartments, the Company, will proceed with development of a 7 storey commercial building at 2 King William Street in Adelaide by early next year subject to availability of financing. This property will be converted to a 129 room hotel with a sizeable function area and retail space to be known as Seasons of Adelaide.

In the interim, the Company will continue to concentrate on generating revenues from its hotel operations more particularly concentrating on market share for Season Heritage Melbourne.

Finally, the company will accelerate its efforts to sell down its stock of unsold apartments in Swanston Street to retire borrowings and re-focus the business in developing and operating hotels and service apartments.

This financial year Loss per security and Net tangible asset backing were 1.89c and 9.70c (2008: Earnings per security and Net Tangible Asset backing were 0.39c and 11.60c), 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
31st August 2009

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 2009 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
31st August 2009

INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES

CONSOLIDATED INCOME STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	Note	**Consolidated Entity** **2009** **$000**	**2008** **$000**
Revenue	**1(i)**	24,181	35,388
Expenses and net gains excluding borrowing costs expense	**1(ii)**	(23,642)	(32,759)
Borrowing costs expense	**1(ii)**	(2,967)	(2,135)
Profit/(loss) before income tax expense	**1(ii)**	(2,428)	494
Income tax benefit/(expense)	**1(iii)**	-	-
Profit/(loss) from continuing operations after related income tax expense		(2,428)	494
Profit/(loss) from extraordinary item after related income tax expense/(revenue)		-	-
Net profit/(loss)		(2,428)	494
Net exchange difference on translation of financial report of self sustaining foreign operations		-	-
Total revenues, expenses and valuation adjustments attributable to members of the parent entity and recognised directly in equity		-	-
Total changes in equity other than those resulting from transactions with owners as owners		(2,429)	494
Basic and diluted earnings /(loss) per security (cents per share)		(1.89c)	0.39c
Franked dividends per security (cents per security)		NIL	NIL
The number of security in issue during the period used in the calculation of basic and diluted EPS (Weighted average number of securities in issue in 2008: 128,223,577)		128,223,577	128,223,577

NOTES TO AND FORMING PART OF THE INCOME STATEMENTS

		Note	Consolidated Entity 2009	2008
1(i).	**REVENUE**		**$000**	**$000**
	Operating activities			
	-Sale of apartments		8,657	26,704
	-Sale of land		3,201	-
	-Sale of services & accommodation		10,183	6,831
	-Property management fees		839	884
	-Rental revenue		646	805
	-Interest received – other persons		74	123
	-Other revenue		263	41
			23,863	35,388
	Revenue from outside the operating activities			
	-Write back of provision and loans		318	-
			24,181	35,388
1(ii).	**EXPENSES AND OTHER GAINS/ (LOSSES)**			
	(a) Expenses			
	Borrowing costs			
	- Other persons		2,967	2,135
	Administration costs		7,145	4,434
	Hotel costs and cost of goods sold		4,880	2,912
	Depreciation of non-current assets:			
	- Plant & equipment		65	110
	Development costs – apartments		7,638	24,551
	Development Cost – land		3,813	-
	Commissions		101	752
			23,642	32,759
	(b) Significant Revenues and Expenses The following significant revenue and expense items, included above, are relevant in explaining the financial performance.			
	Write back provisions and loans		-	-
	Net (loss) gain		-	-
1(iii).	**INCOME TAX BENEFIT**			
	Reversal of Deferred Tax Liability		-	-
			-	-

INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES

CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2009

	Note	Consolidated Entity	
		2009	2008
		$000	$000
CURRENT ASSETS			
Cash		822	1,237
Receivables		618	579
Inventories		36,165	48,105
Other		296	95
TOTAL CURRENT ASSETS		37,901	50,016
NON CURRENT ASSETS			
Inventories		10,090	24,835
Other financial assets		780	339
Property, plant & equipment		36,708	15,766
Intangible assets		1	1
TOTAL NON CURRENT ASSETS		47,579	40,941
TOTAL ASSETS		85,480	90,957
CURRENT LIABILITIES			
Payables		3,876	6,832
Short term borrowings		20,815	40,002
Provisions		86	85
TOTAL CURRENT LIABILITIES		24,777	46,919
NON CURRENT LIABILITIES			
Long term borrowings		48,262	29,169
TOTAL NON CURRENT LIABILITIES		48,262	29,169
TOTAL LIABILITIES		73,039	76,088
NET ASSETS		12,441	14,869
EQUITY			
Contributed equity		12,093	12,093
Reserves	**1**	2,810	2,810
Accumulated profits/(losses)	**2**	(2,462)	(34)
TOTAL EQUITY		12,441	14,869

NOTES TO AND FORMING PART OF THE BALANCE SHEETS

1. REVALUATION RESERVE

In the 2008 financial year the Company reclassified the subsidiary company's asset which comprised of the Seasons of Perth Hotel and associated plant and equipment, from an investment property to property, plant and equipment. The Hotel is now an owner-managed property and has accordingly been classified as property, plant and equipment.

This has resulted in revaluation increments being credited directly to an equity reserve as opposed to being credited to income under the previous accounting standard. The investment property was previously carried at fair value, determined periodically by independent and director valuations.

	Consolidated Entity	
	2009	2008
	$000	$000
2 ACCUMULATED PROFITS/(LOSSES)		
Accumulated losses at the beginning of the financial year	(34)	(528)
Net profit/(loss) attributable to the members of the parent entity	(2,428)	494
Accumulated profits/(losses) at the end of the financial year	(2,462)	(34)

INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009

	Share capital	Share option reserves	Asset revaluation reserves	Retained earnings	Total
Balance at 1 July 2008	**12,093**	**40**	**2,770**	**(34)**	**14,869**
Net profit (loss)	-	-	-	(2,428)	(2,428)
Total recognised income & expense for the period	**12,093**	**40**	**2,770**	**(2,462)**	**12,441**
Revaluation Reserve	-	-	-	-	-
Dividends paid or declared	-	-	-	-	-
Issue of share capital	-	-	-	-	-
Equity share options issued	-	-	-	-	-
Balance at 30 June 2009	**12,093**	**40**	**2,770**	**(2,462)**	**12,441**
Balance at 1 July 2007	**12,093**	**40**	**2,770**	**(528)**	**14,375**
Net profit (loss)	-	-	-	494	494
Total recognised income & expense for the period	**12,093**	**40**	**-** **2,770**	**(34)**	**14,869**
Revaluation Reserve	-	-		-	
Dividends paid or declared	-	-	-	-	-
Issue of share capital	-	-	-	-	-
Equity share options issued	-	-	-	-	-
Balance at 30 June 2008	**12,093**	**40**	**2,770**	**(34)**	**14,869**

Ratios	**2009**	**2008**
Net Tangible Asset Backing		
Net tangible asset backing per ordinary security	9.70c	11.60c

Dividends
No dividends were declared or paid during the year

INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2009

	Note	Consolidated Entity 2009 $000	2008 $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		23,280	36,127
Payments to suppliers & employees & dev. costs		(15,083)	(4,608)
Interest received		74	123
Borrowing costs paid		(2,967)	(2,135)
Other income		-	-
Other – Property development costs		(5,098)	(39,625)
Net cash (used in)/provided by operating activities	1	206	(10,118)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant & equipment		(389)	(188)
Purchase of investments		(123)	-
Net cash provided by/(used in) investing activities		(512)	(188)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		10,696	35,557
Repayment of borrowings		(10,805)	(25,957)
Net cash provided by financing activities		(109)	9,600
Net increase/(decrease) in cash held		(415)	(706)
Cash at the beginning of the financial year		1,237	1,944
Effect of exchange rates on cash		-	-
Cash at the end of the financial year	2	822	1,237

INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES

NOTES TO THE STATEMENTS OF CASH FLOWS

	Consolidated Entity 2009 $000	Consolidated Entity 2008 $000
1. CASH FLOW INFORMATION		
Reconciliation of Cash flow from Operations with Operating Profit after Income Tax		
Operating Profit/(Loss) after Income Tax	(2,428)	494
Non-cash flows in operating profit		
Reversal of Deferred Tax	17	-
Depreciation of plant and equipment	65	110
Writeback of provision and loan	(318)	-
Changes in assets and liabilities		
(Increase)/Decrease in trade debtors	(39)	899
(Increase)/Decrease in prepayments	(200)	45
(Increase)/Decrease in inventories	6,066	(15,065)
(Increase)/Decrease in other non-current assets	-	-
(Decrease)/Increase in accounts payable	(3,125)	3,633
(Decrease)/Increase in accrued expenses	168	(159)
Increase/(Decrease) in provisions	-	15
Net Cash (used in)/provided by operating activities	206	(10,118)

	Consolidated Entity 2009 $000	Consolidated Entity 2008 $000
2. CASH		
Cash at bank and on hand	822	1,237
Short term deposits	-	-
	822	1,237

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:

	2009 $000	2008 $000
Cash (as above)	822	1,733
Bank Overdrafts		(497)
	822	1,237

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Note 1: Summary of Significant Accounting Policies

The consolidated financial statements are a general purpose financial report in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards, including Australian Accounting interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

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 accounting policies have been consistently applied by the entities in the economic entity and are consistent with those applied in the 30 June 2008 annual report, unless otherwise stated.

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

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.

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.

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 FOR THE YEAR ENDED 30 JUNE 2009

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

Inventories are stated at lower of cost and net realisable value. Costs is determined using the first in first out basis. The cost of raw materials comprises costs of purchase.

Unsold properties are stated at lower of cost / carrying value or net realisable value. Cost is determined on the specific identification basis and comprises cost associated with the acquisition of land, construction costs and appropriate proportion of development overheads.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs to be incurred in marketing, selling and distribution.

(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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

1. Statement of accounting policies (continued)

(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,

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 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:

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

1. Statement of accounting policies (continued)

(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 property 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

1. Statement of accounting policies (continued)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

1. Statement of accounting policies (continued)

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.

(p) Comparative Figures

Where appropriate, comparative figures have been adjusted to confirm 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Note 2: Segmental Information

Primary reporting business segments

	Property Development $'000	Tourism $'000	Others $'000	Leasing $'000	Consolidated $'000
2009					
Revenue	12,792	10,480	263	646	24,181
Fair value gain from related party loan	-	-	-	-	-
Write back provision and loan payable	-	-	-	-	-
Segment operating (loss)/profit after tax	(4,140)	894	263	555	(2,428)
Segment assets	69,156	16,324	-	-	85,480
Segment liabilities	49,677	23,363	-	-	73,040
2008					
Revenue	28,504	6,843	41	-	35,388
Fair value gain from related party loan	-	-	-	-	-
Write back provision and loan payable	-	-	-	-	-
Segment operating (loss)/profit after tax	111	342	41	-	494
Segment assets	74,538	16,419	-	-	90,957
Segment liabilities	51,793	24,295	-	-	76,088

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Note 2: Segmental Information (continued)

Secondary Reporting

Geographical Segments	**Australia $'000**	**South East Asia $'000**	**Inter-Segment Elimination $'000**	**Consolidated $'000**
2009				
Revenue	24,181	-	-	24,181
Segment operating (loss)/profit after tax	(2,428)	-	-	(2,428)
Segment assets	85,480	-	-	85,480
Segment liabilities	73,040	-	-	73,040
2008				
Revenue	35,388	-	-	35,388
Segment operating (loss)/profit after tax	494	-	-	494
Segment assets	90,957	-	-	90,957
Segment liabilities	76,088	-	-	76,088

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Note 3: Issued and quoted securities at end of current period

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Note 4: Disposal of controlled entity

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

Note 5: Commentary on the results 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

No other circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Note 7: Contingent Liabilities

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

Note 8: Annual General Meeting

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

Note 9: Audit

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