

Appendix 4D

Half yearly report

Name of entity

INTERNATIONAL EQUITIES CORPORATION LTD

ABN or equivalent company reference

97 009 089 696

Half year ended ('current period')

31 DECEMBER 2010

For announcement to the market

Extracts from this report for announcement to the market.

\$A'000

Revenues from ordinary activities	Down	28.23%	to	13,079
Profit (loss) from ordinary activities after tax attributable to members (2009: Profit of \$219k)	N/A	- %	to	(307)
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 (2009: Profit of \$219k)	N/A	- %	to	(307)
Dividends		Amount per security		Franked amount per security
Interim dividend		N/A		N/A
Previous corresponding period		N/A		N/A
⁺ Record date for determining entitlements to the dividend		N/A		
Brief explanation of any of the figures reported above and short details of any other item(s) of importance not previously released to the market:				
Please refer to interim financial report for the half year ended 31 st December 2010 as attached.				

NTA backing

	Current period	Previous corresponding Period
Net tangible asset backing per ⁺ ordinary security	\$0.13	\$0.14

+ See chapter 19 for defined terms.

Control gained over entities having material effect

Name of entity (or group of entities) N/A

Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was ⁺ acquired	N/A
Date from which such profit has been calculated	N/A
Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	N/A

Loss of control of entities having material effect

Name of entity (or group of entities) N/A

	<i>\$A'000</i>
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	N/A
Date to which the profit (loss) in item 14.2 has been calculated	N/A
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	N/A
Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	N/A

Dividends (in the case of a trust, distributions)

Date the dividend (distribution) is payable N/A

⁺Record date to determine entitlements to the dividend (distribution) (i.e., on the basis of proper instruments of transfer received by 5.00 pm if ⁺securities are not ⁺CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if ⁺securities are ⁺CHESS approved) N/A

Amount per security

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

⁺ See chapter 19 for defined terms.

Interim dividend (distribution) on all securities

	Current period \$A'000	Previous corresponding period - \$A'000
⁺ Ordinary securities <i>(each class separately)</i>	N/A	N/A
Preference ⁺ securities <i>(each class separately)</i>	N/A	N/A
Other equity instruments <i>(each class separately)</i>	N/A	N/A
Total	N/A	N/A

The ⁺dividend or distribution plans shown below are in operation.

N/A

The last date(s) for receipt of election notices for the ⁺dividend or distribution plans

N/A

Any other disclosures in relation to dividends (distributions). *(For half yearly reports, provide details in accordance with paragraph 7.5(d) of AASB 1029 Interim Financial Reporting)*

Details of aggregate share of profits (losses) of associates and joint venture entities

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

⁺ See chapter 19 for defined terms.

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities. (If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ("from dd/mm/yy") or disposal ("to dd/mm/yy").)

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

Foreign Entities

For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Accounting Standards)

N/A

Audit Dispute or Qualification

For all entities, if the +accounts are subject to audit dispute or qualification, a description of the dispute or qualification should follow:

N/A

+ See chapter 19 for defined terms.

International Equities Corporation Ltd
and controlled entities

ABN 97 009 089 696

Financial report for the half year ended 31 December 2010

INTERIM FINANCIAL REPORT

DIRECTORS' REPORT

Your Directors submit the consolidated financial report of International Equities Corporation Limited for the half year ended 31 December 2010.

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 (Resigned w.e.f. 12-1-2011)

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	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
Property Development	4,822	11,479	(1,083)	(998)
Tourism	7,639	6,463	604	1,064
Leasing Rental Property	618	282	172	153
	<u>13,079</u>	<u>18,224</u>	<u>(307)</u>	<u>219</u>

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

For the half year ended 31 December 2010, International Equities Corporations Limited (IEC) generated revenues of \$13.079 million mostly from sale of apartments and hotel operations. This resulted in a consolidated tax loss of \$0.307 million.

Property development, management and hotels continue to be IEC's main core business. In 2011, the sale of residential apartments will continue to be a priority to reduce debt whilst the serviced apartment operations will provide a steady income stream.

DIRECTORS' REPORT

Event Occurring after Balance Date

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

Auditor's Independence Declaration

The auditor's independence declaration under section 307C of the Corporations Act 2001 is included on page 3.

Rounding of amounts

The consolidated entity has applied the relief available to it in ASIC Class Order 98/100 and accordingly certain amounts in the financial report and the directors' report have been rounded off to the nearest \$1,000.

This report is signed in accordance with a resolution of the Board of Directors.



Aubrey George Menezes
Director

Dated this 28th day of February 2011

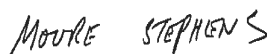
AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF INTERNATIONAL EQUITIES CORPORATION LIMITED

As lead auditor for the review of International Equities Corporation Limited and its controlled entities for the half year ended 31 December 2010, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.



Suan-Lee Tan
Partner



Moore Stephens
Chartered Accountants

Signed at Perth this 28th day of February 2011.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Note	Consolidated entity 31 December 2010 \$000	31 December 2009 \$000
Revenues from continuing operations	2	13,079	18,224
Property development costs		(4,804)	(9,879)
Hotel cost of goods sold & Administrative expenses		(6,666)	(6,275)
Sales commission		(308)	(190)
Borrowing costs expense	2	(1,512)	(1,581)
Depreciation expenses		(96)	(80)
Profit/(loss) from continuing operations before income tax expense		(307)	219
Income tax expense relating to ordinary activities		-	-
Profit/(loss) from continuing operations after related income tax expense		(307)	219
Other Comprehensive Income			
Other Comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		(307)	219
Net profit/(loss) from continuing operations attributable to the members of the parent entity		(307)	219
Basic earnings per share		(0.24)c	0.17c
Diluted earnings per share		(0.24)c	0.17c

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010

	Consolidated Entity	
	31 December	30 June
	2010	2010
	\$000	\$000
CURRENT ASSETS		
Cash assets	1,653	721
Receivables	1,929	1,308
Inventories	12,570	17,134
Other	131	106
TOTAL CURRENT ASSETS	16,283	19,269
NON CURRENT ASSETS		
Inventories	7,553	7,553
Property, plant and equipment	45,586	45,363
Other financial assets	1,517	1,438
Intangible assets	539	562
TOTAL NON CURRENT ASSETS	55,195	54,916
TOTAL ASSETS	71,478	74,185
CURRENT LIABILITIES		
Payables	3,352	4,389
Interest-bearing liabilities	35,116	6,438
Provisions	307	201
TOTAL CURRENT LIABILITIES	38,775	11,028
NON CURRENT LIABILITIES		
Interest-bearing liabilities	15,478	45,623
TOTAL NON CURRENT LIABILITIES	15,478	45,623
TOTAL LIABILITIES	54,253	56,651
NET ASSETS	17,224	17,533
EQUITY		
Contributed equity	12,093	12,093
Reserves	12,564	12,564
Retained earnings / (accumulated losses)	(7,433)	(7,124)
TOTAL EQUITY	17,224	17,533

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED
31 DECEMBER 2010**

	Share capital	Other reserves	Retained earnings	Total	Total equity
Balance at 1 July 2010	12,093	12,564	(7,126)	17,533	17,533
Net profit for the half year	-	-	(307)	(307)	(307)
Total recognised income & expense for the period	12,093	12,564	(7,433)	17,224	17,224
Dividends paid or declared	-	-	-	-	-
Issue of share capital	-	-	-	-	-
Equity share options issued	-	-	-	-	-
Balance at 31 December 2010	12,093	12,564	(7,433)	17,224	17,224

	Share capital	Other reserves	Retained earnings	Total	Total Equity
Balance at 1 July 2009	12,093	2,810	(2,462)	12,441	12,441
Net profit for the half year	-	-	219	219	219
Total recognised income & expense for the period	12,093	2,810	(2,243)	12,660	12,660
Dividends paid or declared	-	-	-	-	-
Issue of share capital	-	-	-	-	-
Equity share options issued	-	-	-	-	-
Balance at 31 December 2009	12,093	2,810	(2,243)	12,660	12,660

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 2010**

	Consolidated entity	
	31 December 2010 \$000	31 December 2009 \$000
Cash flows from operating activities		
Receipts from customers	12,253	17,400
Payments to suppliers and employees	(8,108)	(4,481)
Interest received	92	2
Borrowing costs paid	(1,512)	(1,580)
Other - Property development costs	-	(1,697)
Other Income	73	-
Net cash used in operating activities	<u>2,798</u>	<u>9,644</u>
Cash flows from investing activities		
Purchase of property, plant & equipment	(319)	(270)
Purchase of investments	(79)	(568)
Net cash used in investing activities	<u>(398)</u>	<u>(838)</u>
Cash flows from financing activities		
Proceeds from borrowings	1,979	1,451
Repayment of borrowings	(3,447)	(9,361)
Net cash provided by financing activities	<u>(1,468)</u>	<u>(7,910)</u>
Net increase/(decrease) in cash held	932	895
Cash at start of period	<u>721</u>	<u>822</u>
Cash at end of period	<u>1,653</u>	<u>1,717</u>

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 2010

NOTE 1: BASIS OF PREPARATION

These general purpose financial statements for the interim half-year reporting period ended 31 December 2010 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of International Equities Corporation Ltd and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2010, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for the adoption of the following new and revised Accounting Standards. This financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated under the option available in ASIC Class Order 98/100.

NOTE 2: PROFIT FOR THE PERIOD

	Consolidated Group	
	31.12.2010	31.12.2009
Operating Activities		
Sales of Apartments	4,689	11,108
Property Management fees	534	405
Sales Services and Accommodation	7,476	6,340
Rental Revenue	219	282
Interest Received	92	2
Other Revenue	69	87
	<u>13,079</u>	<u>18,224</u>

NOTE 2: FINANCIAL COST EXPENSES

	Consolidated Group	
	31.12.2010	31.12.2009
Borrowing Costs	(1,512)	(1,122)
	<u>(1,512)</u>	<u>(1,122)</u>

NOTES TO THE FINANCIAL STATEMENTS HALF YEAR ENDED 31 DECEMBER 2010

NOTE 3: OPERATING SEGMENTS

Segment Information

Identification of reportable segments

The group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of product category and service offerings since the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- the products sold and/or services provided by the segment;
- the type or class of customer for the products or service;
- the distribution method; and
- external regulatory requirements.

Types of products and services by segment

Property Development

The property development and re-sale segment is responsible for identifying, costing and financing potential development opportunities, developing acquisitions and finding buyers for completed developments.

Tourism

Tourism relates to the Group's own hotel operations and to leasing and operating a hotel cum serviced apartment for a fee.

Leasing Rental Property

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

NOTES TO THE FINANCIAL STATEMENTS HALF YEAR ENDED 31 DECEMBER 2010

Note 3: Operating Segments (Continued)

(i) Segment performance

	Property Development	Tourism	Leasing	Total
Six months ended 31.12.2010				
Revenue				
Total segment revenue	5,361	7,930	699	13,990
Interest income	81	11		92
Less: intersegment elimination	(620)	(302)	(81)	(1,003)
Total segment revenue	4,822	7,639	618	13,079
Segment results	(1,083)	604	172	(307)
Loss from operations before income tax expense				(307)
Six months ended 31.12.2009				
Revenue				
Total segment revenue	12,304	6,686	282	19,272
Interest income	2			2
Less: intersegment elimination	(827)	(223)		(1,050)
Total segment revenue	11,479	6,463	282	18,224
Segment results	(998)	1,064	153	219
Profit from operations before income tax expense				219

NOTE 4: CONTINGENT LIABILITIES

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

Note 5: Events Occurring After Balance Date

There has not arisen in the interval between the end of the financial half year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to significantly affect the operations of the company, the results of those operations, or the state of affairs of the Company in future financial years.

There have been no significant events subsequent to balance date.

NOTES TO THE FINANCIAL STATEMENTS HALF YEAR ENDED 31 DECEMBER 2010

NOTE 6: GOING CONCERN & OBLIGATIONS UNDER LOAN FACILITIES

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

A significant proportion of the Group's debt matures before 31 December 2011 and therefore has been classified as a current liability. As a result, current liabilities exceed current assets as at 31 December 2010 by an amount of \$22.49 million.

The Group has certain obligations under its existing loan facilities and these include the requirement to meet certain covenants. During the half year, the Group received notification from its primary financier that it had not complied with a covenant under the loan facility. However the financier has provided an indication that it would not be taking any action at this time. Going forward, the directors are confident in being able to meet these obligations or being able to agree some form of accommodation from its financier. In the event these obligations are not met, the debts may become due and payable.

Notwithstanding this, the Directors consider the going concern basis to be appropriate for the following reasons:

- The demonstrated ability to obtain refinancing for existing loans which expire within twelve months;
- The demonstrated ability to sell down existing stocks of apartments to reduce debt;
- The ability to dispose of certain non-current assets to extinguish the loans in their entirety;
- The ability to raise capital from shareholders or loans from shareholders/related parties.

DIRECTOR'S DECLARATION

In the opinion of the directors,

1. The financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - a. complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half year ended on that date.
2. 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 Board of Directors.



AG Menezes
Director

Perth, Western Australia
Dated this 28th day of February 2011

INDEPENDENT REVIEW REPORT TO THE MEMBERS OF INTERNATIONAL EQUITIES CORPORATION LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of International Equities Corporation Limited and its controlled entities (“the consolidated entity”), which comprises the consolidated statement of financial position as at 31 December 2010, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the half-year ended on that date, a summary of significant accounting policies, other selected explanatory notes and the directors’ declaration of the consolidated entity comprising the company and the entities it controlled at half year’s end or from time to time during the half year.

Directors’ Responsibility for the Half-Year Financial Report

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

Auditor’s Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: “Review of a Financial Report Performed by the Independent Auditor of the Entity”, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporation Act 2001 including: giving a true and fair view of the consolidated entity’s financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: “Interim Financial Reporting” and the Corporations Regulations 2001. As the auditor of International Equities Corporation Limited and its controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the financial report.

A review of the half-year financial report consists of making enquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the applicable independence requirements of the Corporations Act 2001.

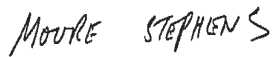
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of International Equities Corporation Limited and 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 2010 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.



Suan-Lee Tan
Partner



Moore Stephens
Chartered Accountants

Dated in Perth, this 28th day of February 2011.