

International Equities Corporation Ltd
and Controlled Entities

ABN 97 009 089 696

PRELIMINARY FINAL REPORT FOR YEAR ENDED 30 JUNE 2010

APPENDIX 4E

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PRELIMINARY FINAL REPORT FOR YEAR ENDED 30 JUNE 2010

Name of entity

INTERNATIONAL EQUITIES CORPORATION LTD

ABN or equivalent company reference

97 009 089 696

Year ended ('current period')

30 JUNE 2010

Results for announcement to the market

\$A'000

Revenues and other income	Increase	50.78%	to	36,461
Profit (loss) from ordinary activities after tax attributable to members	Decrease	92.00%	to	(4,662)
Net profit (loss) for the period attributable to members	Decrease	92.00%	to	(4,662)

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 2009 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 2010.

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	21,708	(5,532)
Tourism	13,838	529
Leasing	915	341
	<hr/> 36,461	<hr/> (4,662)

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

Commentary on results

The company's 2010 results are summarised as follows:

	2010 \$000	2009 \$000
Profit (loss) after tax:		
Property development	(5,532)	(4,140)
Tourism	529	894
Leasing	341	555
Other	-	263
Earnings per security	(3.64c)	(1.89c)
Net tangible asset backing	13.24c	9.70c

PRELIMINARY FINAL REPORT

Commentary on results (continued)

This financial year has seen the property market in Melbourne start to stabilise. Confidence in the market and difficulty in financing activities continue to outweigh any benefit from development sites. Sales of residential apartments have risen as the Company seeks to clear stock. For the year, the Company generated revenues of \$21.708 million from sales of property and related activities. This resulted in an after tax loss of \$5.532 million due mainly from write downs in value of Property, Plant and Equipment, fair value adjustments and interest cost.

Revenues of \$13.838 million were generated from the hotel division and associated fees earned. Whilst the hotel industry met expectations generally, it was off-set by lower yields and falling spending by the business community. Confidence in the sector remains stable for the year ahead. This segment resulted in an after tax profit of \$0.529 million.

The after tax profit on Sales and Leasing activities stands at of \$0.341 million from long term leases and commissions. The outlook for the year ahead remains cautious.

PRELIMINARY FINAL REPORT

DIRECTORS' REPORT

For the financial year ended 30th June 2010 the company continued to focus on driving sales and improving yields on managed properties. The full impact of these financials has been included in the 2010 financial report including revaluations, write downs of property, plant and equipment and fair value adjustments.

Currently, all developments have been completed including the development at 112 Leopold Street in South Yarra, Melbourne. The apartments within the development have been sold. Sales of apartments stock at the other development sites have been robust. Our sales team will continue to sell down stock to retire borrowings.

Additionally, the company remains committed to development of a 7 storey commercial building at 2 King William Street in Adelaide. 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. The Company will seek funding opportunities for now but in the interim, the company will focus business development on operating hotels and service apartments

Currently, all 433 serviced apartments and hotel rooms are operational. Whilst the industry outlook remains stable the opportunities are plenty. We will further develop the Seasons brand by seeking out new hotel management sites.

This financial year Loss per security and Net tangible asset backing were 3.64c and 13.24c (2009: Earnings per security and Net Tangible Asset backing were 1.89c and 9.70c), 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
30th August 2010

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 2010 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
30th August 2010

**INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010**

	Note	Consolidated entity	
		30 June 2010 \$000	30 June 2009 \$000
Revenues from continuing operations	1(i)	36,461	24,181
Property development costs		(20,029)	(11,451)
Hotel cost of goods sold		(8,107)	(4,880)
Sales commission		(482)	(101)
Borrowing costs expense	1(ii)	(3,412)	(2,967)
Administrative expenses		(4,746)	(7,145)
Depreciation expenses		(169)	(65)
Impairment of Land & Buildings & Inventories		(4,178)	-
Profit/(loss) from continuing operations before income tax expense		(4,662)	(2,428)
Income tax expense		-	-
Profit/(loss) from continuing operations after tax		(4,662)	(2,428)
Other Comprehensive Income			
Gain in Revaluation of Land and Building		9,754	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		5,092	(2,428)
Net Gain / (loss) from continuing operations attributable to the members of the parent entity		(4,662)	(2,428)
Total comprehensive income attributable to members of the parent entity		5,092	(2,428)
Basic earnings per share		(3.64)c	(1.89)c
Diluted earnings per share		(3.64)c	(1.89)c

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

**INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES**

NOTES TO AND FORMING PART OF THE STATEMENT OF COMPERHENSIVE INCOME

	Note	Consolidated Group	
		2010	2009
1(i). PROFIT FOR THE PERIOD		\$000	\$000
Operating activities			
-Sale of apartments		21,628	8,657
-Sale of Land		-	3,201
-Sales services & accommodation		13,565	10,183
-Property management fees		704	839
-Rental revenue		454	646
-Interest received – other persons		66	74
-Other revenue		44	263
		<u>36,461</u>	<u>23,863</u>
Revenue from outside the operating activities			
-Write back of provision and loans		-	318
		<u>36,461</u>	<u>24,181</u>
1(ii). EXPENSES AND OTHER GAINS /(LOSSES)			
(a) Expenses			
Borrowing costs			
- Other persons		3,412	2,967
		<u>3,412</u>	<u>2,967</u>
Administration costs		4,746	7,145
Hotel costs and cost of goods sold		8,107	4,880
Depreciation of non-current assets:			
- Plant & equipment		169	65
Development costs – apartments		20,029	7,638
Development Cost – land		-	3,813
Commissions		482	101
		<u>33,533</u>	<u>23,642</u>
(b) Significant Revenues and Expenses			
The following significant revenue and expense items, included above, are relevant in explaining the financial performance.			
Impairment – Land & Buildings		(1,269)	-
Inventories (non-current)		(2,909)	-
		<u>(4,178)</u>	<u>-</u>
Net (loss) / gain			
		<u>(4,178)</u>	<u>-</u>
1(iii). INCOME TAX BENEFIT			
Reversal of Deferred Tax Liability		-	-
		<u>-</u>	<u>-</u>

**INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	Consolidated Entity	
	30 June 2010 \$000	30 June 2009 \$000
CURRENT ASSETS		
Cash assets	721	822
Receivables	1,308	618
Inventories	17,134	36,165
Other	106	296
TOTAL CURRENT ASSETS	19,269	37,901
NON CURRENT ASSETS		
Inventories	7,554	10,090
Property, plant and equipment	45,362	36,708
Other financial assets	1,438	780
Intangible assets	562	1
TOTAL NON CURRENT ASSETS	54,916	47,579
TOTAL ASSETS	74,185	85,480
CURRENT LIABILITIES		
Payables	4,389	3,876
Interest-bearing liabilities	6,438	20,815
Provisions	201	86
TOTAL CURRENT LIABILITIES	11,028	24,777
NON CURRENT LIABILITIES		
Interest-bearing liabilities	45,623	48,262
TOTAL NON CURRENT LIABILITIES	45,623	48,262
TOTAL LIABILITIES	56,651	73,039
NET ASSETS	17,533	12,441
EQUITY		
Contributed equity	12,093	12,093
Reserves	12,564	2,810
Retained earnings / (accumulated losses)	(7,124)	(2,462)
TOTAL EQUITY	17,533	12,441

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

**INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010**

	Share capital	Asset revaluation	Retained earnings	Total equity
Balance at 1 July 2009	12,093	2,810	(2,462)	12,441
Net loss for the year	-	-	(4,662)	(4,662)
Gain on Property Plant and Equipment		9,754	-	9,754
Total recognised income & expense for the period	12,093	12,564	(7,124)	17,533
Dividends paid or declared	-	-	-	-
Issue of share capital	-	-	-	-
Equity share options issued	-	-	-	-
Balance at 30 June 2010	12,093	12,564	(7,124)	17,533

	Share capital	Asset revaluation	Retained earnings	Total Equity
Balance at 1 July 2008	12,093	2,810	(34)	14,869
Net (loss) for the half year	-	-	(2,428)	(2,428)
Total recognised income & expense for the period	12,093	2,810	(2,462)	12,441
Dividends paid or declared	-	-	-	-
Issue of share capital	-	-	-	-
Equity share options issued	-	-	-	-
Balance at 30 June 2009	12,093	2,810	(2,462)	12,441

Ratios **2010** **2009**

Net Tangible Asset Backing

Net tangible asset backing per ordinary security 13.24c 9.70c

Dividends

No dividends were declared or paid during the year

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

**INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR
ENDED 30 JUNE 2010**

	Consolidated entity	
	30 June 2010	30 June 2009
	\$000	\$000
Cash flows from operating activities		
Receipts from customers	35,705	23,280
Payments to suppliers and employees	(12,705)	(15,083)
Interest received	66	74
Borrowing costs paid	(3,412)	(2,967)
Other - Property development costs	(932)	(5,098)
Net cash used in operating activities	<u>18,722</u>	<u>206</u>
Cash flows from investing activities		
Purchase of intangibles	(561)	
Purchase of property, plant & equipment	(589)	(389)
Purchase of investments	(658)	(123)
Net cash used in investing activities	<u>(1,808)</u>	<u>(512)</u>
Cash flows from financing activities		
Proceeds from borrowings	1,117	10,696
Repayment of borrowings	(18,132)	(10,805)
Net cash provided by financing activities	<u>(17,016)</u>	<u>(109)</u>
Net increase/(decrease) in cash held	(102)	(415)
Cash at start of period	<u>822</u>	<u>1,237</u>
Cash at end of period	<u>720</u>	<u>822</u>

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

**INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES**

NOTES TO THE STATEMENTS OF CASH FLOWS

	Consolidated Entity	
	2010	2009
	\$000	\$000
1. CASH FLOW INFORMATION		
Reconciliation of Cash flow from Operations with Operating Profit after Income Tax		
Operating Profit/(Loss) after Income Tax	(4,662)	(2,428)
Non-cash flows in operating profit		
Reversal of Deferred Tax	-	17
Depreciation of plant and equipment	169	65
Impairment of Land & Building	1,269	-
Writeback of provision Dim in Dev costs	-	(318)
Impairment of non-current inventories	2,909	-
Changes in assets and liabilities		
(Increase)/Decrease in trade debtors	(690)	(39)
(Increase)/Decrease in prepayments	190	(200)
(Increase)/Decrease in inventories	18,908	6,066
(Increase)/Decrease in other non-current assets	-	-
(Decrease)/Increase in accounts payable	894	(3,125)
(Decrease)/Increase in accrued expenses	(380)	168
Increase/(Decrease) in provisions	115	-
Net Cash (used in)/provided by operating activities	18,722	206

	Consolidated Entity	
	2010	2009
	\$000	\$000
2. CASH		
Cash at bank and on hand	720	822
Short term deposits	-	-
	720	822

Reconciliation of Cash

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

Cash (as above)	720	822
Bank Overdrafts	-	-
	720	822

INTERNATIONAL EQUITIES CORPORATION LTD AND CONTROLLED ENTITIES

NOTES TO THE PRELIMINARY FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2010

Note 1: BASIS OF PREPARATION

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 2009 annual report, unless otherwise stated.

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

NOTE 2: OPERATING SEGMENTS

Segment Information

Identification of reportable segments

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

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

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

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

Types of products and services by segment

Property Development

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

Tourism

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

Leasing Rental Property

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

**INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES**

NOTES TO THE PRELIMINARY FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2010

NOTE 2: OPERATING SEGMENTS (Continued)

(i) Segment performance

	Property Development	Tourism	Leasing	Total
Twelve months ended 30.06.2010				
Revenue				
Total segment revenue	22,927	14,577	1,327	38,831
Interest income	55	11		66
Less: intersegment elimination	(1,274)	(750)	(412)	(2,436)
Total segment revenue	<u>21,708</u>	<u>13,838</u>	<u>915</u>	<u>36,461</u>
Segment results	<u>(5,532)</u>	<u>529</u>	<u>341</u>	<u>(4,662)</u>
Profit from operations before income tax expense				<u>(4,662)</u>
Twelve months ended 30.06.2009				
Revenue				
Total segment revenue	13,705	10,849	1,177	25,731
Interest income	69	5		74
Less: intersegment elimination	(982)	(374)	(268)	(1,624)
Total segment revenue	<u>12,792</u>	<u>10,480</u>	<u>909</u>	<u>24,181</u>
Segment results	<u>(4,140)</u>	<u>894</u>	<u>818</u>	<u>(2,428)</u>
Profit from operations before income tax expense				<u>(2,428)</u>

**INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES**

NOTES TO THE PRELIMINARY FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2010

Note 2: Segmental Information

Primary reporting business segments

	Property Development \$'000	Tourism \$'000	Others \$'000	Leasing \$'000	Consolidated \$'000
2010					
Revenue	21,708	13,838	-	915	36,461
Segment operating (loss)/profit after tax	(5,532)	529	-	341	(4,662)
Segment assets	47,840	26,345	-	-	74,185
Segment liabilities	33,720	22,931	-	-	56,651
2009					
Revenue	12,792	10,480	263	646	24,181
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

**INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES**

NOTES TO THE PRELIMINARY FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2010

Note 2: Segmental Information (continued)

Secondary Reporting

Geographical Segments	Australia \$'000	South East Asia \$'000	Inter-Segment Elimination \$'000	Consolidated \$'000
2010				
Revenue	36,461	-	-	36,461
Segment operating (loss)/profit after tax	(4,662)	-	-	(4,662)
Segment assets	74,186	-	-	74,186
Segment liabilities	56,652	-	-	56,652
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

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

**INTERNATIONAL EQUITIES CORPORATION LTD
AND CONTROLLED ENTITIES**

NOTES TO THE PRELIMINARY FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2010

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	Nil			
Changes during current period				
- Increases through issues	Nil			
- Decreases through returns of capital, buybacks	Nil			
Ordinary securities	128,223,577			
Changes during current period				
- Increases through issues	Nil			
- Decreases through returns of capital, buybacks	Nil			
Convertible debt securities				
Changes during current period				
- Increases through issues	Nil			
- Decreases through securities matured, converted	Nil			
Options	Nil			
Issued during current period	Nil			
Exercised during current period	Nil			
Expired during current period	Nil			
Debentures				
Changes during current period				
- Increases through issues	Nil			
- Decreases through securities matured, converted	Nil			
Unsecured notes				
Changes during current period				
- Increases through issues	Nil			
- Decreases through securities matured, converted	Nil			

INTERNATIONAL EQUITIES CORPORATION LTD AND CONTROLLED ENTITIES

NOTES TO THE PRELIMINARY FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2010

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

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

There have been no significant events subsequent to balance date.

Note 7: Contingent Liabilities

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.