



Raffles Capital Limited

ACN 009 106 049

APPENDIX 4E
ASX PRELIMINARY UNAUDITED FINAL REPORT – 31 DECEMBER 2016
(CORRESPONDING PERIOD – YEAR ENDED 31 DECEMBER 2015)

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The interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2015 and any public announcements made by Raffles Capital Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

CORPORATE DIRECTORY**Raffles Capital Limited**

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ABN 66 009 106 049

Registered and Corporate Office

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Directors

Abigail Zhang – Executive Chairman
Richard Holstein
Benjamin Amzalak

Company Secretary

Henry Kinstlinger

Share Registry

Computershare Investor Services Pty Limited
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Sydney NSW 2000
Australia
Telephone: 1300 850 505

ASX Code – RAF

Raffles Capital Limited shares are listed on the Australian Securities Exchange.

This financial report covers the Consolidated Entity consisting of Raffles Capital Limited and its controlled entities.

Raffles Capital Limited is a company limited by shares, incorporated and domiciled in Australia.

PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2016
(PREVIOUS CORRESPONDING PERIOD: YEAR ENDED 31 DECEMBER 2015)

RESULTS FOR ANNOUNCEMENT TO THE MARKET

				\$
Revenue from continuing operations	Down	10%	to	9
Profit/(Loss) after income tax from continuing operations	Down	2,618%	to	(1,038,073)
Net profit/(loss) for the period attributable to members	Down	2,618%	to	(1,038,073)

Dividends/distributions	Amount per security	Franked amount per security
Final dividend	\$Nil	N/A
Interim dividend	\$Nil	N/A

Explanation of revenue and Profit/(Loss) from ordinary activities after tax

The increase in losses of \$1.03 million (2015: loss \$0.03 million) was mainly due to the entity consolidating its business and looking for other business opportunities.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the Year Ended 31 December 2016

	Notes	Consolidated	
		2016 \$	2015 \$
Revenue from continuing operations	2	9	10
Other income and expenses	2	(476,205)	(14)
Administration expenses	3	(561,080)	(1,215,276)
Finance expenses	3	(797)	(32,037)
Profit/(loss) before income tax		(1,038,073)	(1,247,317)
Income Tax expense		-	-
Profit/(loss) after tax for the year		(1,038,073)	(1,247,317)
Other Comprehensive Income			
De-merger and distribution in specie		-	1,209,133
Tax Expenses		-	-
Other comprehensive income for the year net of tax		-	1,209,133
Total Comprehensive income for the year		(1,038,073)	(38,184)
Non-controlling Interest		-	-
Total Comprehensive Income/(loss) attributable to members of the Company		(1,038,073)	(38,184)
Earnings/(Loss) per Share			
		Cents	Cents
Basic earnings/(loss) per share	7	(3.77)	(0.18)
Diluted earnings(loss) per share	7	(3.77)	(0.14)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2016

		Consolidated	
	Notes	2016	2015
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	5	4,390	263,739
Trade and other receivables		5,677	352,995
Financial assets		10	10
Other current assets		322	314
Total current assets		10,399	617,058
Non-current assets			
Financial assets		-	-
Plant and Equipment		-	-
Total non-current assets		-	-
Total Assets		10,399	617,058
LIABILITIES			
Current liabilities			
Trade and other payables		260,954	24,065
Total current liabilities		260,954	24,065
Non-current liabilities			
Trade and other payables		-	-
Total non-current liabilities		-	-
Total Liabilities		260,954	24,065
(Deficiency in Net Assets)/Net Assets		(250,555)	592,993
EQUITY			
Issued Capital		9,641,897	9,451,897
Reserves		4,525	-
Retained profits / (accumulated losses)		(9,896,977)	(8,858,904)
Total equity attributable to equity holder of parent entity		(250,555)	592,993
Non-controlling Interest		-	-
(Deficiency in Total Equity)/Total Equity		(250,555)	592,993

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 December 2016

Consolidated	Issued Capital	Reserves	Accumulated Losses	Total Equity
	\$	\$	\$	\$
At 1 January 2016	9,451,897	-	(8,858,904)	592,993
Share issued	190,000	-	-	190,000
Movement during the year	-	4,525	-	4,525
Profit/(loss) for the year	-	-	(1,038,073)	(1,038,073)
At 31 December 2016	9,641,897	4,525	(9,896,977)	(250,555)
At 1 January 2015	11,898,002	-	(8,820,720)	3,077,282
Capital reduction and distribution in specie	(5,184,277)	-	-	(5,184,277)
Share issue in lieu of service	400,000	-	-	400,000
Share issued	350,000	-	-	350,000
Convertible note conversion	2,000,000	-	-	2,000,000
Sharing issuing cost	(11,828)	-	-	(11,828)
Profit/(loss) for the year	-	-	(38,184)	(38,184)
At 31 December 2015	9,451,897	-	(8,858,904)	592,993

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

CONSOLIDATED STATEMENT OF CASHFLOW
for the Year Ended 31 December 2016

	Notes	Consolidated	
		2016	2015
		\$	\$
Cash flows from operating activities			
Receipt from customers		-	-
Payments to suppliers and employees		(323,153)	(645,636)
Interest received		9	10
Net cash (outflow)/inflow from operating activities	6	(323,144)	(645,626)
Cash flows from investing activities			
Acquisition of Investment		-	-
Acquisition of plant and equipment		-	-
(Advance to)/repayment from other parties		-	(47,398)
Net cash inflow/ (outflow) from investing activities		-	(47,398)
Cash flows from financing activities			
Share issued - parent entity		63,795	-
Share issue cost - parent entity		-	(11,828)
Convertible Note		-	500,000
Net cash inflow/(outflow) from financing activities		63,795	488,172
Net (decrease)/increase in cash and cash equivalents		(259,349)	(204,852)
Cash and cash equivalents at the beginning of the year		263,739	468,591
Cash and cash equivalents at the end of the year	5	4,390	263,739

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31 December 2016

1 ACCOUNTING POLICIES, ESTIMATION METHODS AND MEASUREMENT BASIS

Accounting policies, estimation methods and measurement bases used in this Appendix 4E are the same as those used in the last annual report and the last half year report.

2 REVENUE FROM CONTINUING OPERATIONS

	Consolidated	
	2016	2015
	\$	\$
From continuing operations		
Interest Income	9	10
	<u>9</u>	<u>10</u>
Other Income and Expenses		
Costs relating to Deed of Settlement	(476,205)	-
Sundry income/expenses	-	(14)
	<u>(476,205)</u>	<u>(14)</u>

3 EXPENSES

	Consolidated	
	2016	2015
	\$	\$
Profit/(loss) before income tax is arrived after (charging)/crediting the following specific expenses:		
Administration Expenses		
Director cost	(327,000)	(377,000)
Consulting and professional fees	(117,563)	(493,050)
Finance expenses		
Interest Paid	-	(30,817)
Other Comprehensive Income and Expenses		
De-merger and distribution in specie	-	1,209,133

4 DIVIDENDS

The Directors do not recommend a dividend relating to the year ended 31 December 2016 (2015: \$nil) to be paid.

5 CASH AND CASH EQUIVALENTS

	Consolidated	
	2016	2015
	\$	\$
Cash at bank and on hand	4,390	263,739
Deposits held in trust	-	-
	<u>4,390</u>	<u>263,739</u>

NOTES TO THE FINANCIAL STATEMENTS continued

6 RECONCILIATION OF PROFIT/(LOSS) AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Consolidated	
	2016	2015
	\$	\$
Profit/(loss) after income tax	(1,038,073)	(38,184)
Doubtful debt provision	476,205	-
Gain/loss on disposal of investment fair value movement and distribution in specie	-	(555,970)
Change in operating assets and liabilities		
Decrease (increase) in receivables	1,834	5,010
Increase (decrease) in payables	236,890	(56,482)
Increase (decrease) in income tax payable	-	-
Net cash (outflow)/inflow from operating activities	(323,144)	(645,626)

7 EARNINGS PER SHARE

	Consolidated	
	2016	2015
	Cents	Cents
Basic earnings/(loss) per share	(3.77)	(0.18)
Diluted earnings/(loss) per share	(3.77)	(0.14)

Reconciliations of earnings used in calculating earnings per share

	Consolidated	
	2016	2015
	\$	\$
Total Comprehensive Income/(loss)	(1,038,073)	(38,184)
Total Comprehensive Income attributable to the ordinary equity holders of the company used in calculating basic earnings per share and diluted earnings per share	(1,038,073)	(38,184)

Earnings used to calculate basic earnings per share are equal to net profit, therefore no reconciliation is required.

Weighted average number of shares used as the denominator

	Consolidated	
	2016	2015
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	27,525,186	21,533,548
Adjustments for calculation of diluted earnings per share:		
Converted notes	-	-
Options issued	-	5,000,000
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	27,525,186	26,533,548

NOTES TO THE FINANCIAL STATEMENTS continued**8 CONTINGENT LIABILITIES AND COMMITMENT****Guarantees**

Cross guarantees by Raffles Capital Limited and its wholly owned controlled entities exist in respect of loans. No deficiency of assets exists in the consolidated entity as a whole. No material losses are anticipated in respect of any of the above contingent liabilities.

Commitments

There are no material commitments as at the date of the report.

9 EVENTS OCCURRING AFTER REPORTING DATE

The Company continues to investigate potential new business acquisitions to augment its existing operations. A number of opportunities are under investigation, but are too preliminary to report at this time.

At the date of this report there are no matters or circumstances, other than noted above, which have arisen since 31 December 2016 that have significantly affect or may significantly affect:

- The operations, in the financial year subsequent to 31 December 2016 of the Group;
- The results of those operations;
- The state of affairs, in the financial year subsequent to 31 December 2016 of the Group.

10 SEGMENT NOTE

The consolidated entity operates predominately in one business and one geographical segment being investment holding.

SUPPLEMENTARY APPENDIX 4E INFORMATION**NTA Backing**

	31/12/2016	31/12/2015
Net tangible asset backing per ordinary share	(0.89) cents	2.27 cents

Controlled entities acquired during the period

No entity was acquired during the reporting period.

Loss of control of entities during the period

No entity was disposed during the reporting period.

Subsequent Events

There have been no other events subsequent to reporting date which affects the results contained in this report or the continuing operations of the Group. Please refer note 9 for details.

Accounting Standards

Australian Accounting Standards have been used in the preparation of this report.

Commentary on results

The consolidated entity is consolidating its business operation and is looking for other business opportunities.

Other Significant Information

All significant information in relation to the financial performances and position of Raffles Capital Limited has been disclosed in the attached report.

Returns to shareholders

No distributions/dividend this year. The Company has no dividend reinvestment plan.

Results of segments

The consolidated entity operates predominately in one business and one geographical segment being investment holding.

Audit Report

This report is based upon financial statements which are in the process of being audited, and therefore no audit report has been attached.