

# **Appendix 4E**

## **Preliminary Final Report 2014**



**Richfield International Limited**  
**(Listed on the Australian Securities Exchange)**  
**ACN : 31 103 306 403**

## APPENDIX 4E

### Preliminary Final Report

Name of entity  
**Richfield International Limited**  
 ACN 31 103 306 403

Financial year ended 31 December 2014

#### RESULTS FOR ANNOUNCEMENT TO THE MARKET

	12 months ended 31 December 2014 <u>A\$'000</u>	12 months ended 31 December 2013 <u>A\$'000</u>	<u>Movement</u> A\$'000	<u>Movement</u> %
Revenues from ordinary activities	3,127	3,663	(536)	(15)
Profit/(loss) from ordinary activities after tax attributable to members	1,462	965	497	52
Net Profit/(loss) for the year attributable to members	1,462	965	497	52

<b>Dividends</b>	<u>Amount per security</u>	<u>Franked amount per security</u>
Final dividend	Nil	Nil
Interim dividend	Nil	Nil
Previous corresponding period	Nil	Nil
Record date for determining entitlements to the dividend	N/A	

**Consolidated Statement of Profit or Loss and Other Comprehensive Income  
For the year ended 31 December 2014**

	<b>2014 \$'000</b>	<b>2013 \$'000</b>
Revenue from ordinary activities	3,127	3,663
Other income	9	15
Foreign exchange gains/(losses)	679	208
Freight and handling charges	(380)	(950)
Professional fees	(57)	(94)
Directors' salaries & fees	(398)	(334)
Depreciation and amortization expense	(49)	(112)
Employee expense	(819)	(848)
Other expenses from ordinary activities	(539)	(519)
<i>Profit/(Loss) From Ordinary Activities Before Income Tax Expense</i>	1,573	1,029
Income tax expense relating to ordinary activities	(111)	(64)
<b>Net Profit/(Loss) After Related Income Tax Expense</b>	<b>1,462</b>	<b>965</b>
<b>Other Comprehensive Income</b>		
Exchange differences arising on translation of foreign operations	400	932
Gains/(losses) on revaluation of available-for-sale financial assets	25	(7)
<b>Other comprehensive income/(loss)</b>	<b>425</b>	<b>925</b>
<b>Total Comprehensive income/(loss) for the year</b>	<b>1,887</b>	<b>1,890</b>

**Consolidated Statement of Financial Position  
as at 31 December 2014**

	<b>2014 \$'000</b>	<b>2013 \$'000</b>
<b>Current Assets</b>		
Cash and cash equivalents	11,802	11,402
Receivables	333	700
Other	55	83
<b>Total Current Assets</b>	<b>12,190</b>	<b>12,185</b>
<b>Non-Current Assets</b>		
Available-for-sale financial assets	1,010	0
Property, plant & equipment	82	111
Intangibles	5,761	5,761
<b>Total Non-Current Assets</b>	<b>6,853</b>	<b>5,872</b>
<b>Total Assets</b>	<b>19,043</b>	<b>18,057</b>
<b>Current Liabilities</b>		
Payables	1,929	2,838
Income tax liabilities	123	111
<b>Total Current Liabilities</b>	<b>2,052</b>	<b>2,949</b>
<b>Non-Current Liabilities</b>		
Deferred tax liabilities	14	18
<b>Total Non-Current Liabilities</b>	<b>14</b>	<b>18</b>
<b>Total Liabilities</b>	<b>2,066</b>	<b>2,967</b>
<b>Net Assets</b>	<b>16,977</b>	<b>15,090</b>
<b>Equity</b>		
Issued Capital	10,693	10,693
Asset revaluation reserve	25	0
Foreign currency translation reserve	1,261	861
Retained earnings	4,998	3,536
<b>Total Equity</b>	<b>16,977</b>	<b>15,090</b>

**Consolidated Statement of Changes in Equity  
For the year ended 31 December 2014**

	Share Capital \$'000	Asset Revalu- ation Reserve \$'000	Foreign Currency Translation Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 January 2013	10,693	7	(71)	2,571	13,200
Exchange adjustments	-	-	932	-	932
Revaluation reserve	-	(7)	-	-	(7)
Net profit/(loss) for the year	-	-	-	965	965
Balance at 31 December 2013	<b>10,693</b>	<b>0</b>	<b>861</b>	<b>3,536</b>	<b>15,090</b>
Balance at 1 January 2014	10,693	0	861	3,536	15,090
Exchange adjustments	-	-	400	-	400
Revaluation reserve	-	25	-	-	25
Net profit/(loss) for the year	-	-	-	1,462	1,462
Balance at 31 December 2014	<b>10,693</b>	<b>25</b>	<b>1,261</b>	<b>4,998</b>	<b>16,977</b>

**Consolidated Statement of Cash Flow**  
**For the year ended 31 December 2014**

	<b>2014</b> <b>\$'000</b>	<b>2013</b> <b>\$'000</b>
<b>Cash Flows From Operating Activities</b>		
Cash receipts from customers	16,453	21,873
Cash payments to suppliers and employees	(15,185)	(20,104)
Interest received	68	34
Tax paid	(109)	(57)
<b>Net cash provided by operating activities</b>	<b>1,227</b>	<b>1,746</b>
<b>Cash Flows From Investing Activities</b>		
Proceeds from disposal of physical non-current asset	-	-
Payment for available for sale financial assets	(907)	-
Payment for intangible assets	-	-
Payment for property, plant and equipment	(10)	(5)
<b>Net cash used in investing activities</b>	<b>(917)</b>	<b>(5)</b>
<b>Cash Flows From Financing Activities</b>		
Loans from Related Parties	-	-
Repayment of Hire Purchases Loans	-	-
Repayment of Borrowings	-	-
Proceeds from issue of shares	-	-
<b>Net cash provided by financing activities</b>	<b>-</b>	<b>-</b>
<i>Net increase/ (decrease) in Cash Held</i>	<i>310</i>	<i>1,741</i>
<i>Cash At the Beginning of the Year</i>	<i>10,695</i>	<i>8,954</i>
<i>Effects of Changes in Exchange Rates on Cash and Cash Equivalents</i>	<i>13</i>	<i>-</i>
<b>Cash At the End of the Year</b>	<b>11,018</b>	<b>10,695</b>

### Dividends

No dividend has been declared and no dividend payment has been made during the year.

### Dividend Reinvestment Plan

There is no dividend re-investment plan in operation.

### Ratios

	2014	2013
	cent	cent
Earnings per security (EPS)		
Basic EPS (cents per share)	2.32	1.53

### Net Tangible Asset backing

	2014	2013
	cent	Cent
Net tangible asset backing per ordinary security (cents per security)	18	15

## Notes to the Consolidated Income Statement

### Revenue and expenses from ordinary activities

The operating profit/(loss) before income tax includes the following items of revenue and expense:

	<b>2014</b> <b>\$'000</b>	<b>2013</b> <b>\$'000</b>
<b>Operating Revenue</b>		
Shipping service income	3,059	3,606
Interest income	68	57
<b>Total</b>	<b>3,127</b>	<b>3,663</b>
<b>Expenses</b>		
Freight and handling charges	380	950
Foreign currency exchange (gain)/loss	(679)	(208)
Depreciation	49	112
Employee expenses	819	848
Professional fees	57	94
Directors' salaries and fees	398	334
Other expenses ordinary activities	539	519
<b>Total</b>	<b>1,563</b>	<b>2,649</b>



## Notes to the Consolidated Balance Sheet

### Consolidated Retained Earnings

	<b>2014</b> <b>\$'000</b>	<b>2013</b> <b>\$'000</b>
Retained earnings at the beginning of the financial year	3,536	2,571
Net profit/(loss) attributable to members	1,462	965
Exchange adjustments	-	-
Dividends and other equity distributions paid or payable	-	-
Retained earnings at the end of the financial year	<u>4,998</u>	<u>3,536</u>

### Reconciliation of net cash provided by operating activities to operating profit after income tax

	<b>2014</b> <b>\$'000</b>	<b>2013</b> <b>\$'000</b>
Operating profit/(loss) after income tax	1,462	965
Non Cash Activities:		
Exchange Rate Adjustments	221	1,040
Depreciation and amortization of non-current assets	49	112
(Increase)/decrease in assets:		
Current receivables	367	403
Other current assets	28	173
Current trade payables	(908)	(966)
Income tax payable and deferred tax payable	<u>8</u>	<u>19</u>
<b>Net cash provided by operating activities</b>	<u><u>1,227</u></u>	<u><u>1,746</u></u>

## Notes to the Consolidated Balance Sheet (continued)

### Reconciliation of cash

	<b>2014</b> <b>\$'000</b>	<b>2013</b> <b>\$'000</b>
Reconciliation of cash at the end of the year (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows:		
Cash and bank balances	11,802	11,402
Bank fixed deposits pledged to bank	(784)	(707)
<b>Total cash at end of the year</b>	<b>11,018</b>	<b>10,695</b>

Bank fixed deposits (pledged to bank) are held by a bank under lien to secure certain banking facilities.

### Control gained over entities having material effect

**Name of entity:** N/A

### Associates and Joint Venture Entities

**Name of Associates/Joint Venture Entities:** N/A

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014**

### **NOTE 1: Basis of Preparation**

The consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Australian Equivalents to International Financial Reporting Standards and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB").

It is recommended that this financial report is read in conjunction with any public announcements made by the Company 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 and disclosed in the 30 June 2014 Half Year Report. The report does not include full disclosures of the type normally included in an annual financial report.

### **NOTE 2: Compliance with AIFRS**

International Financial Reporting Standards ("IFRS") form the basis of Australian Accounting Standards adopted by the AASB, being Australian equivalents to IFRS ("AIFRS"). The financial report of the consolidated entity has been prepared on the basis of AIFRS which also complies with IFRS and interpretations adopted by the International Accounting Standards Board.

**NOTE 3: Contributed Equity**

	31.12.14		31.12.13	
	No.	\$	No.	\$
Fully Paid Ordinary Share Capital:				
Balance at beginning of year	62,896,810	10,693,287	62,896,810	10,693,287
Add: Issued during the year	-	-	-	-
Conversion of options to shares	-	-	-	-
Total shares on issue at end of year	62,896,810	10,693,287	62,896,810	10,693,287
Less: Share issue expenses	-	-	-	-
Balance at end of year	62,896,810	10,693,287	62,896,810	10,693,287

**Fully Paid Ordinary Share Capital**

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

During the year ended 31 December 2014, the company did not issue any shares or options.

During the year ended 31 December 2013, the company did not issue any shares or options.

**Share Options**

During the year, no options were converted to shares (2013 – NIL).

**NOTE 4: Contingent Liabilities**

There are no contingent liabilities to be disclosed as at 31 December 2014.

## **COMMENTARY ON THE RESULTS FOR THE YEAR 2014**

### **Consolidated Result**

In 2014, the shipping industry continued facing a challenging market which has remained unchanged from the prior few years. Nevertheless, Richfield has been able to secure its position in this tough environment securing its fair share of cargo volume and handling of port services and husbandry vessels. Our overall profitability and margins has been sustained this year despite continuously facing difficult market conditions. The achievement once again highlights our core competencies in productivity improvement, cost optimization and industry expertise.

### **Statement of Financial Position and Cash Flow**

Richfield achieved a net profit of A\$1,462K (2013: A\$965K) for the year. This is A\$497K higher than the prior year's and resulted from strategic actions in increasing revenue streams from the profitable port and shipping services division. In 2014, the strengthening US\$ and S\$ against A\$ also boosted net profit as US\$ receipts translated into higher S\$ and hence higher A\$ revenue and profit.

Richfield's net asset position as at 31 December, 2014 has increased to A\$16.977 million (2013: A\$15.090 million). Its cash and cash equivalent position has also increased to A\$11.802 million (2013: A\$11.402 million). This is attributed mainly to A\$1.227 million in cash receipts from operational activities offset by A\$917k cash spent on fixed asset and available-for-sale financial asset.

### **Review of Operations and Principal Activities**

The principal activities of Richfield during the financial year were the provision of port and shipping services for ocean-going vessels engaged in the liner and tramp trade, sales and marketing of containerized shipping services and conventional break-bulk services, various port handling services, as well as regional handling of merchandise and commercial commodities for sea-shipment in the containerized, ro-ro and break-bulk shipping markets.

The shipping industry continues facing over-capacity as there are already too many existing ships, with more new ships coming into the industry each year. This has resulted in low freight rates with too many ships competing for limited cargos. In fact, the freight rates across major trade routes may not, in most cases, be able to cover their operating expenditures. This overcapacity looks set to persist into 2015 as the shipping lines are under pressure to fill their own slot-spaces, and are not inclined to change their current marketing/ sales strategies. The shipping lines are steadily making the transition to a recovery position, but the market has remained directionless and is expected to remain so unless measures are introduced to restore the supply and demand balance in the market.

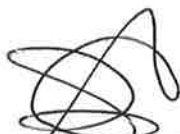
We take a prudent view that the shipping industry may improve and fare better with more sustainable freight rate and higher volume than in 2014 in light of prior years' consolidation, reduced players with new operational alliances, the strengthening recovery of the US economy and the fall in bunker oil prices.

**Events Subsequent to Reporting Date**

There have not been any other matters or circumstances that have arisen since the end of the period that have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

**Compliance Statement**

This report is based on accounts which are in the process of audit. The audit report will be available with the Company's annual report in March 2015.



Sign here:

Managing Director  
Chak Chew Tan

Name:

Date:

06 February, 2015