

Appendix 4E

Preliminary Final Report 2015



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 2015

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	12 months ended 31 December 2015	12 months ended 31 December 2014	Movement	Movement
	A\$'000	A\$'000	A\$'000	%
Revenues from ordinary activities	3,594	3,127	467	15
Profit/(loss) from ordinary activities after tax attributable to members	1,858	1,462	396	27
Net Profit/(loss) for the year attributable to members	1,858	1,462	396	27
Dividends	<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 2015**

	2015 \$'000	2014 \$'000
Revenue from ordinary activities	3,594	3,127
Other income	16	9
Foreign exchange gains/(losses)	1,266	678
Freight and handling charges	(509)	(380)
Professional fees	(62)	(57)
Directors' salaries & fees	(627)	(398)
Depreciation and amortization expense	(124)	(49)
Employee expense	(949)	(819)
Other expenses from ordinary activities	(655)	(539)
<i>Profit/(Loss) From Ordinary Activities Before Income Tax Expense</i>	1,950	1,573
Income tax expense relating to ordinary activities	(92)	(111)
Net Profit/(Loss) After Related Income Tax Expense	1,858	1,462
Other Comprehensive Income		
Exchange differences arising on translation of foreign operations	582	400
Gains/(losses) on revaluation of available-for-sale financial assets	(43)	25
Other comprehensive income/(loss)	539	425
Total Comprehensive income/(loss) for the year	2,397	1,887

**Consolidated Statement of Financial Position
as at 31 December 2015**

	2015 \$'000	2014 \$'000
Current Assets		
Cash and cash equivalents	12,412	11,802
Receivables	165	333
Other	252	55
Total Current Assets	12,829	12,190
Non-Current Assets		
Available-for-sale financial assets	1,352	1,010
Property, plant & equipment	446	82
Intangibles	5,761	5,761
Total Non-Current Assets	7,559	6,853
Total Assets	20,388	19,043
Current Liabilities		
Payables	901	1,929
Income tax liabilities	103	123
Total Current Liabilities	1,004	2,052
Non-Current Liabilities		
Deferred tax liabilities	10	14
Total Non-Current Liabilities	10	14
Total Liabilities	1,014	2,066
Net Assets	19,374	16,977
Equity		
Issued Capital	10,693	10,693
Asset revaluation reserve	(18)	25
Foreign currency translation reserve	1,843	1,261
Retained earnings	6,856	4,998
Total Equity	19,374	16,977

**Consolidated Statement of Changes in Equity
For the year ended 31 December 2015**

	Share Capital \$'000	Asset Revalu- ation Reserve \$'000	Foreign Currency Translation Reserve \$'000	Retained Earnings \$'000	Total \$'000
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	10,693	25	1,261	4,998	16,977
Balance at 1 January 2015	10,693	25	1,261	4,998	16,977
Exchange adjustments	-	-	582	-	582
Revaluation reserve	-	(43)	-	-	(43)
Net profit/(loss) for the year	-	-	-	1,858	1,858
Balance at 31 December 2015	10,693	(18)	1,843	6,856	19,374

Consolidated Statement of Cash Flow
For the year ended 31 December 2015

	2015 \$'000	2014 \$'000
Cash Flows From Operating Activities		
Cash receipts from customers	15,817	16,453
Cash payments to suppliers and employees	(14,484)	(15,185)
Interest received	97	68
Tax paid	(108)	(109)
Net cash provided by operating activities	1,322	1,227
Cash Flows From Investing Activities		
Proceeds from disposal of physical non-current asset	-	-
Payment for available for sale financial assets	(258)	(907)
Payment for intangible assets	-	-
Payment for property, plant and equipment	(454)	(10)
Net cash used in investing activities	(712)	(917)
Cash Flows From Financing Activities		
Loans from Related Parties	-	-
Repayment of Hire Purchases Loans	-	-
Repayment of Borrowings	-	-
Proceeds from issue of shares	-	-
Net cash provided by financing activities	-	-
<i>Net increase/ (decrease) in Cash Held</i>	<i>610</i>	<i>310</i>
<i>Cash At the Beginning of the Year</i>	<i>11,018</i>	<i>10,695</i>
<i>Effects of Changes in Exchange Rates on Cash and Cash Equivalents</i>	<i>(99)</i>	<i>13</i>
Cash At the End of the Year	11,529	11,018

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

	2015	2014
	Cent	cent
Earnings per security (EPS)		
Basic EPS (cents per share)	2.95	2.32

Net Tangible Asset backing

	2015	2014
	Cent	Cent
Net tangible asset backing per ordinary security		
(cents per security)	22	18

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:

	2015 \$'000	2014 \$'000
Operating Revenue		
Shipping service income	3,511	3,059
Interest income	83	68
Total	3,594	3,127
 Expenses		
Freight and handling charges	509	380
Foreign currency exchange (gain)/loss	(1,266)	(679)
Depreciation	124	49
Employee expenses	949	819
Professional fees	62	57
Directors' salaries and fees	627	398
Other expenses ordinary activities	655	539
Total	1,660	1,563

Notes to the Consolidated Balance Sheet

Consolidated Retained Earnings

	2015 \$'000	2014 \$'000
Retained earnings at the beginning of the financial year	4,998	3,536
Net profit/(loss) attributable to members	1,858	1,462
Exchange adjustments	-	-
Dividends and other equity distributions paid or payable	-	-
Retained earnings at the end of the financial year	<u>6,856</u>	<u>4,998</u>

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

	2015 \$'000	2014 \$'000
Operating profit/(loss) after income tax	1,858	1,462
Non Cash Activities:		
Exchange Rate Adjustments	421	221
Depreciation and amortization of non-current assets	124	49
(Increase)/decrease in assets:		
Current receivables	168	367
Other current assets	(197)	28
Current trade payables	(1,028)	(908)
Income tax payable and deferred tax payable	(24)	8
Net cash provided by operating activities	<u><u>1,322</u></u>	<u><u>1,227</u></u>

Notes to the Consolidated Balance Sheet (continued)

Reconciliation of cash

	2015 \$'000	2014 \$'000
	<hr/>	<hr/>
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	12,412	11,802
Bank fixed deposits pledged to bank	(883)	(784)
	<hr/>	<hr/>
Total cash at end of the year	11,529	11,018
	<hr/>	<hr/>

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 2015

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 2015 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

	31.12.15		31.12.14	
	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 2015, the company did not issue any shares or options.

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

Share Options

During the year, no options were converted to shares (2014 – NIL).

NOTE 4: Contingent Liabilities

There are no contingent liabilities to be disclosed as at 31 December 2015.

COMMENTARY ON THE RESULTS FOR THE YEAR 2015

Consolidated Result

The Company has been able to secure its position in this challenging environment, obtaining its fair share of cargo volume, and handling of port services and husbandry vessels. Our overall profitability and margins have been improved due to strengthening of the US\$ from 1.3217 to 1.4074 at the close of the year. Likewise the S\$ against the A\$ also strengthened from 0.92348 to 0.97357. Most of our income is derived from US\$'s and our operating costs are in S\$'s. The profit further improves after conversion from S\$'s to A\$'s.

Statement of Financial Position and Cash Flow

Richfield achieved a net profit of A\$1,858K, an increase of A\$396K as compared with 2014 net profit of \$1,462K. This is the result of the Company's effective and efficient actions in increasing revenue streams from the profitable port and shipping services division. In 2015, the strengthening US\$ and S\$ against the A\$ also boosted net profit as US\$ receipts translated into higher S\$'s and hence higher A\$ revenue and profit.

Richfield's net asset position as at 31 December, 2015 has improved to A\$19.374 million in comparison with A\$16.977 million in 2014. Its cash and cash equivalent position has also increased to A\$12.412 million (2014: A\$11.802 million).

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 tramper trade, sales and marketing of containerized shipping services and conventional services, various port operational handling services, as well as regional handling of merchandise and commercial commodities for sea-shipment in the containerized, ro-ro and breakbulk shipping markets.

The world's second-largest economy continued to lose momentum late in the 2015, and the slower growth increase overcapacity in the shipping industry, and is likely to impact Asian economies, which have strong trade and financial linkages with the China.

The results were achieved despite of a challenging environment for the shipping industry with weakening global demand, muted global trade growth, and the economic slowdown in emerging markets. The global economic activity is not recovering equally across all markets, making recovery in the shipping industry similarly unbalanced. The demand for shipping capacity is not picking up to match the pace of capacity growth, it will simply lead to more aggressive commercial competition and the only result will be downward spiral of freight earnings, which is already at multi-year lows amid the collapse in commodity prices as well as the slowing growth in China, and lacklustre demand from the United States, Europe etc.

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 2016.



Sign here:

Name: Managing Director
Chak Chew Tan

Date: 18 February, 2016