



RAFFLES CAPITAL LIMITED
ACN 009 106 049

APPENDIX 4E
ASX PRELIMINARY UNAUDITED FINAL REPORT – 31 DECEMBER 2014
(CORRESPONDING PERIOD – YEAR ENDED 31 DECEMBER 2013)

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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 2013 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**

ACN 009 106 049
ABN 66 009 106 049

Registered and Corporate Office

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Sydney NSW 2000
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Bankers

St George Bank Limited
Level 14, 182 George St
Sydney NSW 2200
Telephone: +61 2 9236 2230

Directors

Tan Sri Ibrahim Menudin (Non-Executive Chairman)
Charlie In
Richard Holstein
Benjamin Amzalak

Joint Company Secretaries

Henry Kinstlinger
Julian Rockett

Share Registry

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Level 3
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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 2014
(PREVIOUS CORRESPONDING PERIOD: YEAR ENDED 31 DECEMBER 2013)

RESULTS FOR ANNOUNCEMENT TO THE MARKET

				\$
Revenue from continuing operations	Down	84%	to	11,936
Profit/(Loss) after income tax from continuing operations	Down	898%	to	(11,109,847)
Net profit/(loss) for the period attributable to members	Down	898%	to	(11,109,847)

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 was mainly due to impairment loss of the group's investment portfolio.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the Year Ended 31 December 2014

	Notes	Consolidated	
		2014	2013
		\$	\$
Revenue from continuing operations	2	11,936	77,348
Other income and expenses	2	736,876	(462,119)
Administration expenses	3	(1,298,150)	(796,088)
Finance expenses	3	(222,686)	(117,010)
Profit/(loss) before income tax		(772,024)	(1,297,869)
Income Tax expense		-	185,092
Net Profit/(loss) after tax for the year		(772,024)	(1,112,777)
Other Comprehensive Income			
Change in fair value-Investment	3	(10,152,731)	(849,261)
Tax Expenses		(185,092)	-
Other comprehensive income for the year net of tax		(10,337,823)	(849,261)
Total Comprehensive income for the year		(11,109,847)	(1,962,038)
Non-controlling Interest		-	-
Total Comprehensive Income/(loss) attributable to members of the Company		(11,109,847)	(1,962,038)
Earnings per Share			
Basic earnings/(loss) per share	7	(46.39)	(8.28)
Diluted earnings(loss) per share	7	(46.39)	(8.28)

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

STATEMENT OF FINANCIAL POSITION
as at 31 December 2014

		Consolidated	
	Notes	2014	2013
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	5	468,591	16,977
Trade and other receivables		9,598	21,494
Financial assets		693,134	5,130,717
Other current assets		325	412
Total current assets		1,171,648	5,169,600
Non-current assets			
Trade and other receivables		-	-
Financial assets		3,729,600	13,620,241
Plant and Equipment		460	794
Other non-current assets		-	185,092
Total non-current assets		3,730,060	13,806,127
Total Assets		4,901,708	18,975,727
LIABILITIES			
Current liabilities			
Trade and other payables		83,372	75,889
Provisions		-	-
Total current liabilities		83,372	75,889
Non-current liabilities			
Trade and other payables		1,741,054	2,316,386
Provisions		-	-
Deferred tax liabilities		-	2,596,323
Total non-current liabilities		1,741,054	4,912,709
Total Liabilities		1,824,426	4,988,598
Net Assets		3,077,282	13,987,129
EQUITY			
Issued Capital		11,898,002	11,698,002
Retained profits / (accumulated losses)		(8,820,720)	2,289,127
Total equity attributable to equity holder of parent entity		3,077,282	13,987,129
Non-controlling Interest		-	-
Total Equity		3,077,282	13,987,129

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

STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 December 2014

Consolidated	Issued Capital	Reserves	Retained Profits	Minority Interest	Total Equity
	\$	\$	\$	\$	\$
At 1 January 2014	11,698,002	-	2,289,127	-	13,987,129
Profit/(loss) for the year	-	-	(11,109,847)	-	(11,109,847)
Movement for the year	200,000	-	-	-	200,000
At 31 December 2014	11,898,002	-	(8,820,720)	-	3,077,282
At 1 January 2013	11,698,002	-	4,251,165	-	15,949,167
Profit/(loss) for the year	-	-	(1,962,038)	-	(1,962,038)
Movement for the year	-	-	-	-	-
At 31 December 2013	11,698,002	-	2,289,127	-	13,987,129

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

STATEMENT OF CASHFLOW
for the Year Ended 31 December 2014

	Notes	Consolidated	
		2014	2013
		\$	\$
Cash flows from operating activities			
Receipt from customers		-	77,300
Payments to suppliers and employees		(1,236,127)	(814,147)
Interest received		26	419
Income taxes (paid)/refunded		-	(26)
Net cash (outflow)/inflow from operating activities	6	(1,236,101)	(736,454)
Cash flows from investing activities			
Proceeds from sale of investment		3,752,082	714,923
Acquisition of Investment		(1,557,101)	(55,386)
Acquisition of plant and equipment		-	-
(Advance to)/repayment from other parties		(1,207,266)	85,331
Advance from controlled parties		-	-
Net cash inflow/ (outflow) from investing activities		987,715	744,868
Cash flows from financing activities			
Share issued - parent entity		200,000	-
Share issue cost - parent entity		-	-
Share issued - controlled entity		-	-
Share issue cost - controlled entity		-	-
Convertible Note		500,000	-
Net cash inflow/(outflow) from financing activities		700,000	-
Net (decrease)/increase in cash and cash equivalents		451,614	8,414
Cash and cash equivalents at the beginning of the year		16,977	8,563
Cash and cash equivalents at the end of the year	5	468,591	16,977

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31 December 2014

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	
	2014	2013
	\$	\$
From continuing operations		
Fee Income	-	77,300
Interest Income	11,936	48
	11,936	77,348
Other Income and Expenses		
Gain/(loss) on disposal of investment	693,702	(462,151)
Sundry income	43,174	32
	736,876	(462,119)

3 EXPENSES

	Consolidated	
	2014	2013
	\$	\$
Profit/(loss) before income tax is arrived after (charging)/crediting the following specific expenses:		
Administration Expenses		
Director and employee cost	(180,000)	-
Consulting and professional fees	(191,795)	(213,235)
Finance expenses		
Interest Paid	(107,726)	(106,081)
Doubtful debt provision	(78,000)	-
Other Comprehensive Income and Expenses		
Impaired Loss	(10,152,731)	(849,261)

4 DIVIDENDS

The Directors do not recommend a dividend relating to the year ended 31 December 2014 (2013: \$nil) to be paid.

5 CASH AND CASH EQUIVALENTS

	Consolidated	
	2014	2013
	\$	\$
Cash at bank and on hand	468,591	16,977
Deposits held in trust	-	-
	468,591	16,977

NOTES TO THE FINANCIAL STATEMENTS continued

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

	Consolidated	
	2014	2013
	\$	\$
Profit/(loss) after income tax	(11,109,847)	(1,962,038)
Doubtful debt provision	78,000	-
Reversal of future income tax benefit	185,092	-
Gain/loss on disposal of investment and fair value movement	9,459,029	1,311,412
Change in operating assets and liabilities		
Decrease (increase) in receivables	144,143	(130,331)
Increase (decrease) in payables	7,482	44,503
Increase (decrease) in income tax payable	-	-
Net cash (outflow)/inflow from operating activities	(1,236,101)	(736,454)

7 EARNINGS PER SHARE

	Consolidated	
	2014	2013
	Cents	Cents
Basic earnings/(loss) per share	(46.39)	(8.28)
Diluted earnings/(loss) per share	(46.39)	(8.28)

Reconciliations of earnings used in calculating earnings per share

	Consolidated	
	2014	2013
	\$	\$
Total Comprehensive Income/(loss)	(11,109,847)	(1,962,038)
Total Comprehensive Income attributable to the ordinary equity holders of the company used in calculating basic earnings per share and diluted earnings per share	(11,109,847)	(1,962,038)

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	
	2014	2013
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share and diluted earnings per share	23,950,359	23,700,359

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 on minimum exploration expenditure commitments and lease payments on the Company's exploration tenements.

9 EVENTS OCCURRING AFTER REPORTING DATE

On 27 February shareholders approved/will consider:

The issue on convertible notes to an aggregate value of \$1.5 million (Resolutions 1-3);

The acquisition of Sequoia Capital (Hong Kong) Limited (Resolution 4);

Reduction of issued share capital by approximately \$5,184,277 (Resolution 5);

Issue of 4 million shares to Mike Oak Investments Limited (Resolution 6); and

Consolidation of shares on the basis of 1 Shares for every 2 Shares held (Resolution 7).

The effect of the overall transactions when considered together is:

Raffles	Number of Shares on Issue	Current Raffles Shareholder interest	New Raffles Shareholder Interest	Issued Capital	Net Assets	NTA
Current	24,700,359	100%	0%	\$11,898,002	\$4,040,671	\$0.170
Resolutions 1 -3 – Convertible Notes	38,700,359	61.24%	38.76%	\$13,398,002	\$5,540,671	\$0.143
Resolution 4 – Acquisition of Sequoia	48,700,359	48.67%	51.33%	14,398,002	\$7,107,040	\$0.146
Resolution 5 – Reconstruction (In specie distribution of RafflesCo shares to existing shareholders)	48,700,359	48.67%	51.33%	\$9,213,725	\$1,922,763	\$0.039
Resolution 6 – issue of shares to Advisor	52,700,359	44.97%	55.03%	\$9,613,725	\$1,922,763	\$0.036
Resolution 7 – Consolidation (reduction of shares)	26,350,180	44.97%	55.03%	\$9,613,725	\$1,922,763	\$0.073

RafflesCo	Number of Shares on Issue	Current Raffles Shareholder interest	New Raffles Shareholder Interest	Issued Capital	Net Assets	NTA
Following Resolution 5	24,700,359	100%	0%	\$5,184,277	\$5,184,277	\$0.210

Details are contained in the Notice of Meeting and Explanatory Memorandum dated 21 January 2015.

At the date of this report there are no matters or circumstances, other than noted above, which have arisen since 31 December 2014 that have significantly affect or may significantly affect:

- The operations, in the financial year subsequent to 31 December 2014 of the Group;
- The results of those operations;
- The state of affairs, in the financial year subsequent to 31 December 2014 of the Group.

10 SEGMENT NOTE

The consolidated entity operates predominately in one business and one geographical segment being investment in commercial properties, mining and resources within Australia.

SUPPLEMENTARY APPENDIX 4E INFORMATION

NTA Backing

	31/12/2014	31/12/2013
Net tangible asset backing per ordinary share	11.7 cents	59.0 cents

Controlled entities acquired during the period

No entities have been acquired during the reporting period.

Loss of control of entities during the period

No entities were 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.

Accounting Standards

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

Commentary on results

The consolidated entity has a long term strategic investment in equity interests within the Group and revenue has been received from sales of equity investments. The increase in revenue is consistent with previous year result.

Current year result is consistent with last year result.

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 in commercial properties, mining and resources within Australia.

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.