



Raffles Capital Limited

ACN 009 106 049

APPENDIX 4E
ASX PRELIMINARY UNAUDITED FINAL REPORT – 31 DECEMBER 2015
(CORRESPONDING PERIOD – YEAR ENDED 31 DECEMBER 2014)

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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 2014 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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Auditors

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Telephone: +61 2 8839 3000

Lawyers

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Level 23, Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000
Telephone: +61 2 9253 9999

Bankers

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

Directors

Charlie In (Non-Executive Chairman)
Abigail Zhang
Richard Holstein
Benjamin Amzalak

Company Secretary

Henry Kinstlinger

Share Registry

Computershare Investor Services Pty Limited
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60 Carrington Street
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 2015
(PREVIOUS CORRESPONDING PERIOD: YEAR ENDED 31 DECEMBER 2014)

RESULTS FOR ANNOUNCEMENT TO THE MARKET

				\$
Revenue from continuing operations	Down	99.9%	to	10
Profit/(Loss) after income tax from continuing operations	Down	99.6%	to	(38,184)
Net profit/(loss) for the period attributable to members	Down	99.6%	to	(38,184)

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 decrease in losses \$0.03 millions (2014: loss \$11.1 millions) was mainly due to the entity is 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 2015

	Notes	Consolidated	
		2015 \$	2014 \$
Revenue from continuing operations	2	10	11,936
Other income and expenses	2	(14)	736,876
Administration expenses	3	(1,215,276)	(1,298,150)
Finance expenses	3	(32,037)	(222,686)
Profit/(loss) before income tax		(1,247,317)	(772,024)
Income Tax expense		-	(185,092)
Net Profit/(loss) after tax for the year		(1,247,317)	(957,116)
Other Comprehensive Income			
Change in fair value-Investment	3	-	(10,152,731)
De-merger and distribution in specie		1,209,133	
Tax Expenses		-	-
Other comprehensive income for the year net of tax		1,209,133	(10,152,731)
Total Comprehensive income for the year		(38,184)	(11,109,847)
Non-controlling Interest		-	-
Total Comprehensive Income/(loss) attributable to members of the Company		(38,184)	(11,109,847)
Earnings per Share			
		Cents	Cents
Basic earnings/(loss) per share	7	(0.18)	(46.39)
Diluted earnings(loss) per share	7	(0.14)	(32.72)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2015

		Consolidated	
	Notes	2015 \$	2014 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	263,739	468,591
Trade and other receivables		352,995	9,598
Financial assets		10	693,134
Other current assets		314	325
Total current assets		617,058	1,171,648
Non-current assets			
Financial assets		-	3,729,600
Plant and Equipment		-	460
Total non-current assets		-	3,730,060
Total Assets		617,058	4,901,708
LIABILITIES			
Current liabilities			
Trade and other payables		24,065	83,372
Total current liabilities		24,065	83,372
Non-current liabilities			
Trade and other payables		-	1,741,054
Total non-current liabilities		-	1,741,054
Total Liabilities		24,065	1,824,426
Net Assets		592,993	3,077,282
EQUITY			
Issued Capital		9,451,897	11,898,002
Reserves		-	-
Retained profits / (accumulated losses)		(8,858,904)	(8,820,720)
Total equity attributable to equity holder of parent entity		592,993	3,077,282
Non-controlling Interest		-	-
Total Equity		592,993	3,077,282

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 December 2015

Consolidated	Issued Capital	Reserves	Retained Profits	Total Equity
	\$	\$	\$	\$
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
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

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

CONSOLIDATED STATEMENT OF CASHFLOW
for the Year Ended 31 December 2015

	Notes	Consolidated	
		2015	2014
		\$	\$
Cash flows from operating activities			
Receipt from customers		-	-
Payments to suppliers and employees		(645,636)	(1,236,127)
Interest received		10	26
Income taxes (paid)/refunded		-	-
Net cash (outflow)/inflow from operating activities	6	(645,626)	(1,236,101)
Cash flows from investing activities			
Proceeds from sale of investment		-	3,752,082
Acquisition of Investment		-	(1,557,101)
Acquisition of plant and equipment		-	-
(Advance to)/repayment from other parties		(47,398)	(1,207,266)
Net cash inflow/ (outflow) from investing activities		(47,398)	987,715
Cash flows from financing activities			
Share issued - parent entity		-	200,000
Share issue cost - parent entity		(11,828)	-
Share issued - controlled entity		-	-
Share issue cost - controlled entity		-	-
Convertible Note		500,000	500,000
Net cash inflow/(outflow) from financing activities		488,172	700,000
Net (decrease)/increase in cash and cash equivalents		(204,852)	451,614
Cash and cash equivalents at the beginning of the year		468,591	16,977
Cash and cash equivalents at the end of the year	5	263,739	468,591

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31 December 2015

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	
	2015	2014
	\$	\$
From continuing operations		
Fee Income	-	-
Interest Income	10	11,936
	<u>10</u>	<u>11,936</u>
Other Income and Expenses		
Gain/(loss) on disposal of investment	-	693,702
Sundry income/expenses	(14)	43,174
	<u>(14)</u>	<u>736,876</u>

3 EXPENSES

	Consolidated	
	2015	2014
	\$	\$
Profit/(loss) before income tax is arrived after (charging)/crediting the following specific expenses:		
Administration Expenses		
Director and employee cost	(377,000)	(180,000)
Consulting and professional fees	(493,050)	(191,795)
Finance expenses		
Interest Paid	(30,817)	(107,726)
Doubtful debt provision	-	(78,000)
Other Comprehensive Income and Expenses		
Impaired Loss	-	(10,152,731)
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 2015 (2014: \$nil) to be paid.

5 CASH AND CASH EQUIVALENTS

	Consolidated	
	2015	2014
	\$	\$
Cash at bank and on hand	263,739	468,591
Deposits held in trust	-	-
	<u>263,739</u>	<u>468,591</u>

NOTES TO THE FINANCIAL STATEMENTS continued

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

	Consolidated	
	2015	2014
	\$	\$
Profit/(loss) after income tax	(38,184)	(11,109,847)
Doubtful debt provision	-	78,000
Reversal of future income tax benefit	-	185,092
Gain/loss on disposal of investment fair value movement and distribution in specie	(555,970)	9,459,029
Change in operating assets and liabilities		
Decrease (increase) in receivables	5,010	144,143
Increase (decrease) in payables	(56,482)	7,482
Increase (decrease) in income tax payable	-	-
Net cash (outflow)/inflow from operating activities	(645,626)	(1,236,101)

7 EARNINGS PER SHARE

	Consolidated	
	2015	2014
	Cents	Cents
Basic earnings/(loss) per share	(0.18)	(46.39)
Diluted earnings/(loss) per share	(0.14)	(32.72)

Reconciliations of earnings used in calculating earnings per share

	Consolidated	
	2015	2014
	\$	\$
Total Comprehensive Income/(loss)	(38,184)	(11,109,847)
Total Comprehensive Income attributable to the ordinary equity holders of the company used in calculating basic earnings per share and diluted earnings per share	(38,184)	(11,109,847)

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	
	2015	2014
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	21,533,548	23,950,359
Adjustments for calculation of diluted earnings per share:		
Converted notes	-	5,000,000
Options issued	5,000,000	5,000,000
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	26,533,548	33,950,359

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.

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 2015 that have significantly affect or may significantly affect:

- The operations, in the financial year subsequent to 31 December 2015 of the Group;
- The results of those operations;
- The state of affairs, in the financial year subsequent to 31 December 2015 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

	31/12/2015	31/12/2014
Net tangible asset backing per ordinary share	2.27 cents	11.7 cents

Controlled entities acquired during the period

One wholly owned entity, Sequoia Capital (Hong Kong) Limited, was acquired during the reporting period.

Loss of control of entities during the period

RafflesCo Limited was disposed under corporate re-structuring distribution in specie 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.