



**RAFFLES CAPITAL LIMITED**  
**ABN 66 009 106 049**

**APPENDIX 4E**  
**ASX PRELIMINARY UNAUDITED FINAL REPORT – 31 DECEMBER 2011**  
**(CORRESPONDING PERIOD – FROM 1 MAY 2010 TO 31 DECEMBER 2010)**

**LODGED WITH THE ASX UNDER LISTING RULE 4.3A**

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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 2010 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

Level 2  
Hudson House  
131 Macquarie Street  
Sydney, NSW 2000  
Telephone: +61 2 9251 7177  
Facsimile: +61 2 9251 7500  
Website: [www.rafflescapital.com.au](http://www.rafflescapital.com.au)

### Share Registry

Computershare Investor Services Pty Limited  
Level 3  
60 Carrington Street  
Sydney NSW 2000  
Telephone: 1300 850 505 (within Australia)

### Auditor

K.S. Black & Co  
Chartered Accountants  
Level 6  
350 Kent Street  
Sydney NSW 2000  
Telephone: +61 2 88393000

### Bankers

St George Bank Limited  
2-14 Meredith Street  
Bankstown NSW 2200  
Telephone: +61 2 8760 8100

### Lawyers

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

### Board of Directors

Tan Sri Ibrahim Menudin (Chairman)  
Vincent Tan  
Richard Yap  
Benjamin Amzalak

### Joint Company Secretaries

Henry Kinstlinger  
David Hughes

### 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 consolidated entities.

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

**PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2011  
(PREVIOUS CORRESPONDING PERIOD: FROM 1 MAY 2010 TO 31 DECEMBER 2010)**

**RESULTS FOR ANNOUNCEMENT TO THE MARKET**

				\$
<b>Revenue</b> from continuing operations	Up	127.2%	to	36,708
<b>Profit/(Loss)</b> after income tax from continuing operations	Up	342.0%	to	202,693
<b>Net profit/(loss)</b> for the period attributable to members	Up	556.4%	to	382,269

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

**Explanation of revenue**

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.

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

Current year result is consistent with 2010 result.

## Executive Review

Raffles Capital Limited (**Raffles**) (ASX: RAF) is a "Diversified Financials"<sup>1</sup> business. The following are the corporate activities of Raffles for the reporting period:

### Highlights

- Reinstatement to the official list of the Australian Securities Exchange (ASX) on 31 May 2011.
- Successful initial public offering of Precious Metal Resources Limited (PMR) and trading commenced on the ASX on 6 December 2011. PMR was a development of Raffles' origination business. Raffles holds 51.25 million shares (60.3%) of PMR's capital and PMR's share price was 21.5 cents as at 31 December 2011.

### Review of operations

Raffles currently operates over three business areas:

- Corporate advisory - Raffles corporate advisory business identifies commercial and corporate opportunities, synergic partnerships, commercial and project funding. New businesses either continue to operate under Raffles or the business is able to seek independent funding. Raffles gains through the sale of the business for cash, equity or a combination. Joint venture participation is also possible.
- RafflesLaw - Through its subsidiary, RafflesLaw Pty Ltd, Raffles proposes to operate a Litigation Funding business providing funding of legal claims, in Australia and in other jurisdictions.

Business models are currently being evaluated.

Litigation funding promotes access to justice, spreads the risk of complex litigation and improves the efficiency of litigation by introducing commercial considerations that will aim to reduce costs.

- Origination - Raffles origination business identifies prospective businesses and mineral exploration projects. After conducting multi discipline due diligence and developing suitable business models it identifies and engages suitable project staff with an independent management team.

Having secured tenure or project control, Raffles funds initial exploration and development through seed capital and proceeds to build the business. High-level discussions have commenced with both local and international bodies to participate in Raffles' business. Whilst still at a preliminary stage, the directors are optimistic that these opportunities will result in valuable business and returns to Raffles shareholders

Total shareholders' equity at 31 December 2011 was \$12.0 million. Its asset portfolio as at 31 December 2011 includes:

- 81.4 million shares, Hudson Investment Group Limited (ASX:HGL)
- 7.6 million shares in Hudson Resources Limited (ASX:HRS)
- 51.25 million shares in Precious Metal Resources (ASX:PMR)

Raffles share price, since relisting in May 2011 has held firm.

### Exploration

PMR is exploring for base and precious metals on three tenements located at Halls Peak, 80 km southeast of Armidale, New South Wales, Australia.

Halls Peak is the inferred volcanic centre for extensive small but high grade Volcanic Massive Sulphide deposits rich in copper, lead, zinc and silver, with variable but largely untested gold values.

Over 4,000 metres of diamond core from 39 holes drilled from 1969 to 1974 on the PMR tenements are stored at the WB Clarke Geoscience Centre at Londonderry, NSW.

The library is a major drill core archiving and reference facility run by Industry & Investment NSW.

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<sup>1</sup> GICS industry group determined by ASX

**Executive Review** continued

Resampling and reassaying of Allstate Exploration's diamond drill hole DDH 6 (Allstate DDH 6), drilled in 1969 has identified high grades of silver and base metals adjacent to the previously recognised mineralisation in this hole. These are present in mineralised rocks looking almost identical to those not carrying mineralisation.

Testing of core from this hole by Australian Laboratory Services in Queensland has returned assays with grades of up to 122 ounces of silver per tonne and 16.3% zinc.

The fine-grained mineralisation is present within rocks described as argillites, which are rocks resembling black shales and are present in beds extending within an area 5 km by 7km. They are at least two hundred metres thick in several places.

Assaying of the unassayed cores is identifying further unrecognised mineralisation.

Work continues to systematically review this historical body of knowledge, in light of much improved economics of mineral extraction and mineral price gains especially over the past two decades.

The Halls Peak area has high potential for moderate sized but high-grade mineralisation. PMR is also trying to locate far larger but more typical grade base metal deposits, which form world-class deposits. High-grade zones with adjacent lower grade mineralisation have already been identified. PMR will commence drilling thick zones containing this mixture of both higher and lower grades to determine their potential to be of world class and, if possible, to outline a JORC compliant resource.

In 1979 CRA identified a large shallow basin containing both geophysical anomalies and base metal assays above background. This area will be one of our first targets. Similar basins are present throughout the Halls Peak province, and it is in the deeper parts of these that we expect to find large base metal deposits. Edges of these deposits may be exposed in the Gibsons and the Firefly open cuts, and the exposed mineralised beds may extend for almost two kilometres beneath the mountain separating these former mines.

The work of assaying 4,000 metres of old cores and compiling this data onto a modern computer mapping system is well under way. This will tie together the known geology and geophysics, and may result in new interpretations to assist exploration planning over the next few months.

BHP and Carpentaria Exploration carried out much geophysics in the past, but many anomalies were not followed up with drilling. This will be remedied, with drill holes planned to see whether these anomalies are caused by base metal mineralisation at depth. Geophysics has advanced in the thirty years since these surveys were completed, and a modern, high technology helicopter survey is planned to locate unrecognised base metal deposits.

**Sample Methodology**

Allstate DDH 6 was drilled at Gibsons Open Cut (GDA 94 - 407655E, 6597910N). True thickness of the mineralized zone (16.5 to 31.7 metres) is 9 metres. Allstate DDH 6 was NX core drilled and the core was slabbed for assaying. Average core recoveries were 64% - 100%. 1969 assay methods are unknown. PMR is conducting a duplicate assay assessment program to verify the assay results. They were crushed and pulverized to 85% < 75 micron, and assayed by four acid ICP-MS procedures; high grade results were then verified at ore grade four acid (OG-62).

**JORC Statement**

The information in this report that relates to mineral exploration is based on information compiled by Peter John Kennewell, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Kennewell is a director of Precious Metal Resources Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a competent person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Identified Mineral Resources, and Ore Reserves". Mr Kennewell consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

**Exploration Targets**

The potential quantity and grade of exploration targets is conceptual in nature, there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Executive Review continued

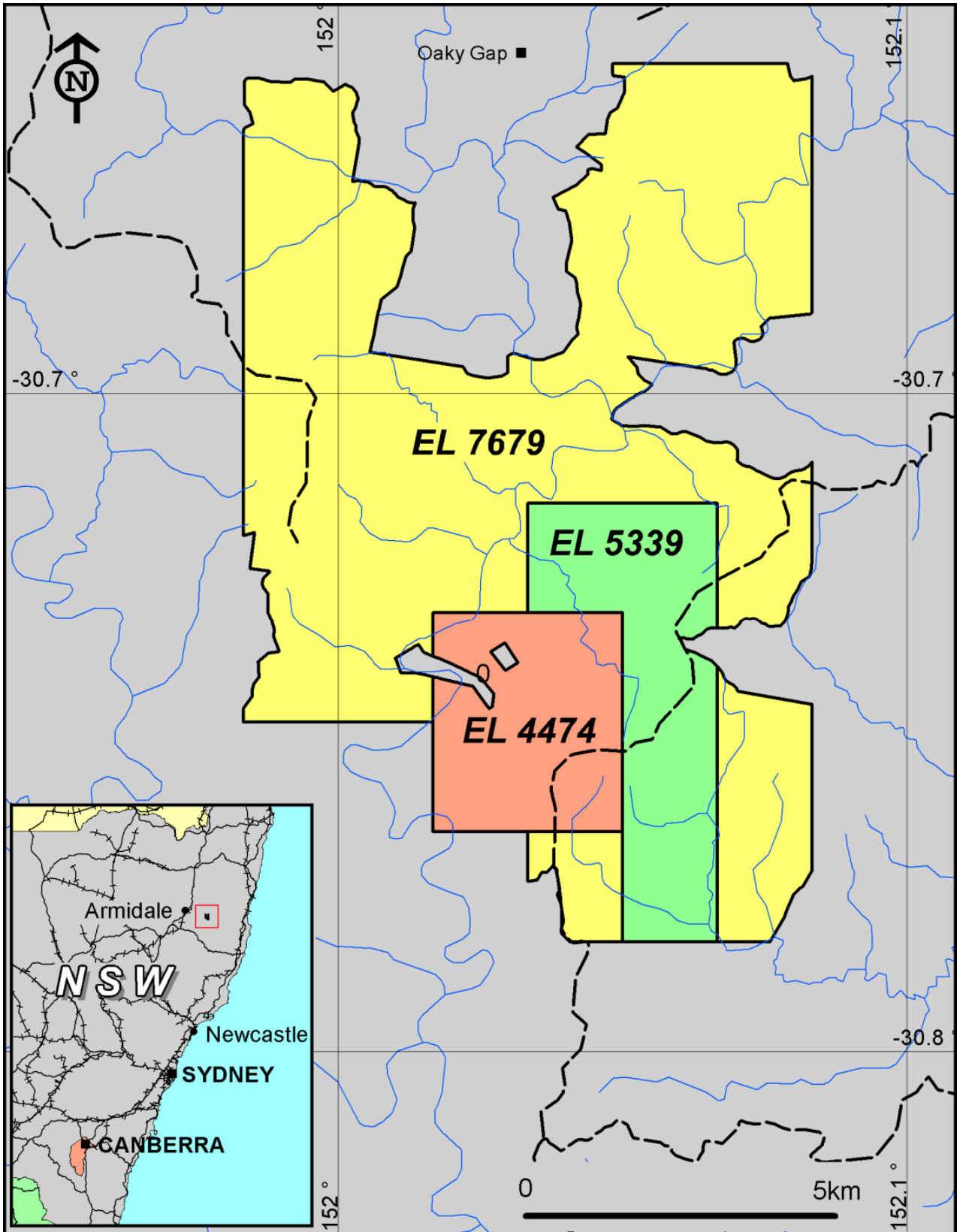


Figure 1 – PMR Project Tenements

**Executive Review** continued

Operating profit for the year ended 31 December 2011 amounted to \$382,269 compared to loss \$83,757 in the previous year.

**Review of operations**

Information on the operations and financial position of the Group and its business strategies and prospects are set out in the Review of Operations on page 3 to 5 of this report.

**Dividends**

The Directors of the Company do not recommend that any amount be paid by way of dividend. The Company has not paid or declared any amount by way of dividend since the commencement of the financial year.

**Directors**

The following persons were Directors of the Company during the whole of the year and up to the date of this report, unless otherwise stated:

Tan Sri Ibrahim Menudin (Chairman)	Non-Executive Director
Vincent Tan	Executive Director
Richard Yap	Non-Executive Director
Benjamin Amzalak	Non-Executive Director

**Matters subsequent to the end of the financial year**

Other than the matters stated above, no matter or circumstance has arisen since 31 December 2011 that has significantly affected, or may significantly affect:

- (a) the consolidated entity's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the consolidated entity's state of affairs in future financial years.

**Likely Developments**

Information on likely developments in the operations of the Group, known at the date of this report has been covered generally within the report. In the opinion of the Directors providing further information would prejudice the interests of the Group.

**Environmental regulation**

The Group is subject to significant environmental regulations in respect of its exploration activities as follows:

The Group operates within the resources sector and conducts its business activities with respect for the environment while continuing to meet the expectations of the shareholders, employees and suppliers.

The Company aims to ensure that the highest standard of environmental care is achieved, and that it complies with all relevant environmental legislation. The Directors are mindful of the regulatory regime in relation to the impact of the Company's activities on the environment.

There have been no known breaches by the Group during the reporting period.

**Material factors affecting the revenues and expenses of the economic entity for the current period**

No other material factors have affected the revenues and expenses for the 2011 financial year.

**Material factors affecting the assets, liabilities and equity of the economic entity for the current period**

Net assets remained in line with previous year.

**Material factors affecting the cash flows of the economic entity for the current period**

There were no other material movements in cash held for the 2011 financial year.

**Changes in accounting policies**

There is no change in accounting policies.

**Fundamental errors**

There is no fundamental error in preparing the financial statement.

**Extraordinary items**

There were no extraordinary items in preparing the financial statement.



## Statement of Comprehensive Income for the Year Ended 31 December 2011

(Corresponding period from 1 May 2010 to 31 December 2010)

	Notes	Consolidated	
		Year Ended 31/12/2011 \$	8 months to 31/12/2010 \$
<b>Revenue from continuing operations</b>	2	<b>36,708</b>	16,156
Other income	2	<b>1,201,015</b>	11,558
Administration expenses	3	<b>(928,866)</b>	(105,022)
Finance expenses		<b>(99,538)</b>	(357)
<b>Profit/(loss) before income tax</b>		<b>209,319</b>	(77,665)
Tax expense		<b>(6,626)</b>	(6,092)
<b>Profit/(loss) after tax for the year</b>		<b>202,693</b>	(83,757)
<b>Other Comprehensive Income</b>			
Other comprehensive income for the year net of tax		-	-
		<b>202,693</b>	<b>(83,757)</b>
Minority Interest		<b>179,576</b>	-
<b>Total Comprehensive Income/(loss) attributable to members of Raffles Capital Limited</b>		<b>382,269</b>	(83,757)
		<b>Cents</b>	<b>Cents</b>
Basic earnings/(loss) per share	7	<b>1.61</b>	(0.40)
Diluted earnings(loss) per share	7	<b>1.61</b>	(0.40)

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

## Statement of Financial Position as at 31 December 2011

	Notes	Consolidated	
		31/12/11 \$	31/12/10 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	158,150	242,712
Trade and other receivables		1,813,429	64,596
Other financial assets		2,615,335	866,335
<b>Total current assets</b>		<b>4,586,914</b>	1,173,643
<b>Non-current assets</b>			
Trade and other receivables		-	-
Other financial assets		7,318,278	7,218,090
Equipment		1,462	-
Mining tenements		200,250	200,250
<b>Total non-current assets</b>		<b>7,519,990</b>	7,418,340
<b>Total assets</b>		<b>12,106,904</b>	8,591,983
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		79,102	53,789
Provisions		4,687	-
<b>Total current liabilities</b>		<b>83,789</b>	53,789
<b>Non-current liabilities</b>			
Other payable		-	200,000
Provisions		1,390	-
<b>Total non-current liabilities</b>		<b>1,390</b>	200,000
<b>Total liabilities</b>		<b>85,179</b>	253,789
<b>Net assets</b>		<b>12,021,725</b>	8,338,194
<b>EQUITY</b>			
Contributed equity		11,698,002	10,395,502
Reserves		940,292	-
Retained profits / (accumulated losses)		(1,675,289)	(2,057,558)
<b>Total equity attributable to equity holder of parent equity</b>		<b>10,963,005</b>	8,337,944
<b>Minority Interest</b>		<b>1,058,720</b>	250
<b>Total Equity</b>		<b>12,021,725</b>	8,338,194

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

## Statement of Changes in Equity for the Year Ended 31 December 2011

Consolidated	Issued Capital \$	Reserves \$	Accumulated Losses \$	Minority Interest \$	Total Equity \$
<b>At 31 December 2010</b>	<b>10,395,502</b>	-	<b>(2,057,558)</b>	<b>250</b>	<b>8,338,194</b>
Profit for the year	-	-	<b>382,269</b>	-	<b>382,269</b>
Share Issued	<b>1,500,000</b>	-	-	-	<b>1,500,000</b>
Share issuing costs	<b>(197,500)</b>	-	-	-	<b>(197,500)</b>
Movement for the year	-	<b>940,292</b>	-	<b>1,058,470</b>	<b>1,998,762</b>
<b>At 31 December 2011</b>	<b>11,698,002</b>	<b>940,292</b>	<b>(1,675,289)</b>	<b>1,058,720</b>	<b>12,021,725</b>
<b>At 30 April 2010</b>	10,395,502	-	(1,973,801)	-	8,421,701
Loss for the period	-	-	(83,757)	-	(83,757)
Movement for the year	-	-	-	250	250
<b>At 31 December 2010</b>	<b>10,395,502</b>	-	<b>(2,057,558)</b>	<b>250</b>	<b>8,338,194</b>

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

## Statement of Cashflow

### for the Year Ended 31 December 2011

	Notes	Consolidated	
		Year Ended 31/12/2011	8 months to 31/12/2010
		\$	\$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(967,149)	(117,592)
Interest received		28,263	16,156
Income taxes (paid)/refunded		(6,626)	(6,092)
<b>Net cash inflow/(outflow) from operating activities</b>	6	<b>(945,512)</b>	<b>(107,528)</b>
<b>Cash flows from investing activities</b>			
Acquisition of Investment		(1,849,188)	(655,350)
Tenement deposit		-	(30,000)
Interest bearing deposit		(1,500,000)	-
Advance to other parties		(257,150)	-
Payment for equipment		(1,669)	-
Proceed from sale of investment		1,550,000	-
<b>Net cash inflow/(outflow) from investing activities</b>		<b>(2,058,007)</b>	<b>(685,350)</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowing/deposit paid		(200,000)	530,000
Proceed from share issued - parent entity		1,500,000	-
Share issuing cost		(197,500)	-
Proceed from share issues - controlled entity		2,000,000	-
Share issuing cost		(183,543)	-
<b>Net cash inflow/(outflow) from financing activities</b>		<b>2,918,957</b>	<b>530,000</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(84,562)</b>	<b>(262,878)</b>
<b>Cash and cash equivalents at the beginning of the financial period</b>		<b>242,712</b>	<b>505,590</b>
<b>Cash and cash equivalents at the end of the financial period</b>	5	<b>158,150</b>	<b>242,712</b>

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

## Notes to the Financial Statements for the Year Ended 31 December 2011

### 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	
	Year Ended 31/12/2011	8 months to 31/12/2010
	\$	\$
<b>From continuing operations</b>		
Interest Income	36,708	16,156
Other Income		
Gain on disposal of equity investment	1,126,015	11,475
Sundry income	75,000	83
	<u>1,201,015</u>	<u>11,558</u>

### 3 EXPENSES

	Consolidated	
	Year Ended 31/12/2011	8 months to 31/12/2010
	\$	\$
Profit/(loss) before income tax is arrived after (charging)/crediting the following specific expenses:		
Director and employee cost	(99,831)	-
Consulting and professional fees	(73,294)	(43,226)

### 4 DIVIDENDS

The Directors do not recommend a dividend relating to the year ended 31 December 2011 (2010: \$nil) to be paid.

### 5 CASH AND CASH EQUIVALENTS

	Consolidated	
	31/12/2011	31/12/2010
	\$	\$
Cash at bank and on hand	158,150	41,436
Deposits at bank	-	201,276
	<u>158,150</u>	<u>242,712</u>

A \$1,500,000 interest bearing call deposit was placed with another entity.

**Notes to the Financial Statements**  
for the Year Ended 31 December 2011 continued

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

	<b>Consolidated</b>	
	<b>31/12/2011</b>	<b>31/12/2010</b>
	<b>\$</b>	<b>\$</b>
Profit/(loss) from ordinary activities after income tax	<b>202,693</b>	(83,757)
Change in operating assets and liabilities		
Decrease (increase) in receivables	<b>(44,403)</b>	(9,548)
Gain on disposal of investment	<b>(1,126,015)</b>	-
Increase (decrease) in trade creditors	<b>22,213</b>	(14,223)
Increase (decrease) in income tax payable	-	-
Net cash inflow/(outflow) from operating activities	<b>(945,512)</b>	(107,528)

**7 EARNINGS PER SHARE**

	<b>Consolidated</b>	
	<b>31/12/2011</b>	<b>31/12/2010</b>
	<b>Cents</b>	<b>Cents</b>
<b>Basic earnings/(loss) per share</b>	<b>1.61</b>	(0.40)
<b>Diluted earnings/(loss) per share</b>	<b>1.61</b>	(0.40)

**Reconciliations of earnings used in calculating earnings per share**

	<b>Consolidated</b>	
	<b>31/12/2011</b>	<b>31/12/2010</b>
	<b>\$</b>	<b>\$</b>
Profit/(loss) from operations	<b>382,269</b>	(83,757)
Profit/(loss) attributable to the ordinary equity holders of the company used in calculating basic earnings per share and diluted earnings per share	<b>382,269</b>	(83,757)

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**

	<b>Consolidated</b>	
	<b>31/12/2011</b>	<b>31/12/2010</b>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share and diluted earnings per share	<b>23,700,359</b>	20,700,359

**Notes to the Financial Statements**  
for the Year Ended 31 December 2011 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 other than minimum exploration expenditure commitments and lease payments on the Company's exploration tenements totalling approximately \$137,000 per annum.

**9 EVENTS OCCURRING AFTER REPORTING DATE**

At the date of this report there are no matters or circumstances, other than noted above, which have arisen since 31 December 2011 that have significantly affect or may significantly affect:

- The operations, in the financial year subsequent to 31 December 2011 of the Group;
- The results of those operations;
- The state of affairs, in the financial year subsequent to 31 December 2011 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**

	<b>31/12/2011</b>	31/12/2010
Net tangible asset backing per ordinary share	<b>49.88 cents</b>	40.28 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 loss of control of entities 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 2010 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.