



**RIMCAPITAL LIMITED**

ABN 72 064 874 620

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**RIMCAPITAL LIMITED**

**ASX HALF-YEAR INFORMATION –  
31 DECEMBER 2007**

**LODGED WITH THE ASX UNDER LISTING  
RULE 4.2A.**

**THIS INFORMATION SHOULD BE READ IN CONJUNCTION  
WITH THE 30 JUNE 2007 ANNUAL REPORT.**





**HALF YEAR ENDED 31 DECEMBER 2007**  
(Previous corresponding period:  
Half-year ended 31 December 2006)

**RESULTS FOR ANNOUNCEMENT TO THE MARKET**

The amount and percentage change up or down from the previous period of:

				\$
<b>Revenue</b> from ordinary activities	Up	279%	to	2,780,199
<b>Profit</b> from ordinary activities after tax attributable to members (see below)	Up	1,114%	to	1,823,310
<b>Net profit</b> for the period attributable to members (see below)	Up	1,114%	to	1,823,310

The profit for the period of \$1,823,310 compares with a profit for the period to 31 December 2006 of \$150,225.

The directors do not propose to pay any dividends.



**HALF YEAR ENDED 31 DECEMBER 2007**  
(Previous corresponding period:  
Half-year ended 31 December 2006)

**SUPPLEMENTARY APPENDIX 4D INFORMATION**

	<b>Dec 2007</b>	<b>Dec 2006</b>
Net tangible asset backing per ordinary share	10.75¢	6.99¢

No controlled entities were acquired during the half year, other than RMC Iron Pty Limited, which was incorporated as a wholly owned subsidiary company of RIMCapital Limited.

No controlled entities were disposed during the half year.

No dividends were paid during the half year.

There were no dividend reinvestment plans in operation during the half year.

Details of Associates and Joint Venture entities are as follows:

<b>Joint Venture Entity Name</b>	<b>Ownership interest</b>		<b>Aggregate share of profits where material</b>		<b>Contribution to net profit, where material</b>	
	<b>2007 %</b>	<b>2006 %</b>	<b>2007 \$</b>	<b>2006 \$</b>	<b>2007 \$</b>	<b>2006 \$</b>
CRMSC (Australia) Pty Limited	50	50	943,616	46,899	943,616	46,899



**RIMCAPITAL LIMITED**

ABN 72 064 874 620

**RIMCAPITAL LIMITED**

# **HALF-YEAR REPORT**

**HALF YEAR ENDED  
31 DECEMBER 2007**

This interim financial report was authorised for issue by the directors on 19 February 2008.  
The company has the power to amend and reissue the interim financial report.





HALF YEAR ENDED 31 DECEMBER 2007

## CORPORATE DIRECTORY

**DIRECTORS**

Mr Pieter W. Greeff (Non-Executive Chairman)  
Mr Michael J. Bogue (Managing Director & CEO)  
Mr Malcolm C. Hancock (Non-Executive Director)

**COMPANY SECRETARY**

Carolyn Patman

**REGISTERED OFFICE AND PRINCIPAL  
PLACE OF BUSINESS:**

Level 6, Suite 603  
Currency House  
23 Hunter Street  
SYDNEY NSW 2000  
Telephone: (02) 9232 0211  
Facsimile: (02) 9232 0233

**WEBSITE:**

[www.rimcapital.com.au](http://www.rimcapital.com.au)

**SHARE REGISTER:**

Link Market Services Limited  
Level 12  
680 George Street  
Sydney NSW 2000

**Postal Address**

Locked Bag A14  
Sydney South NSW 1235

**AUDITORS:**

Nexia Court & Co  
Level 29, Australia Square  
264 George Street  
Sydney NSW 2000

**STOCK EXCHANGE LISTING:**

RIMCapital Limited shares are listed on the  
Australian Stock Exchange Limited (Code: "RMC")

**COMPANY NUMBERS:**

ACN: 064 874 620  
ABN: 72 064 874 620



HALF YEAR ENDED 31 DECEMBER 2007

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HALF YEAR ENDED 31 DECEMBER 2007

## DIRECTORS' REPORT

The directors present their report together with the consolidated financial report of RIMCapital Limited and its subsidiaries ("the Group"), for the half-year ended 31 December 2007.

### Directors

The Directors of RIMCapital Limited ("the Company") at any time during or since the end of the half-year period are:

- Pieter W. Greeff (Non-Executive Chairman) – appointed 1 August 2007
- Malcolm C. Hancock (Non-Executive Director) – appointed 11 September 2007
- Michael J. Bogue (Managing Director & CEO) – appointed 4 September 2006
- Robert M Willcocks – resigned 2 October 2007
- Jaime Che – resigned 19 October 2007

### Principal Activities

The principal activities of the Group during the half-year end 31 December 2007 consisted of:

- Investment in shares of companies listed on the ASX, primarily resources industry related.
- The review and analysis of larger investment opportunities in accordance with the Company's corporate strategy of becoming a significant mining and investment company focused on the global natural resources and related sectors. As at the date of this report, no such larger investment opportunities have been consummated.
- Investment in a 50:50 associate company, CRMSC (Australia) Pty Limited, with a subsidiary of China Railway Materials Commercial Corporation (formerly China Railway Materials & Supplies Corporation). This associate company is in the business of seeking investment opportunities in the Australian resources industry, investments and commodities trading, import and export of mineral resources, railway transportation materials and related products. During the half year ended 31 December 2007, CRMSC (Australia) Pty Limited's principal activity related to investments in the Australian resources sector.
- Investment of cash on deposit.

### Review of Operations

A summary of consolidated revenues and results by significant industry segments is set out in the notes to the financial statements.

Comments on the operations and the results are set out below:

During the financial period the Company continued to invest its cash reserves in shares in entities listed on recognised Stock Exchanges and in cash on term deposits.

The net amount of the profit of the economic entity for the half year after income tax was \$1,823,310 (2006: \$150,225). The company's 50% investment in the Joint Venture with China Railway Materials Commercial Corporation continues to seek business investment opportunities in the mining infrastructure, commodity offtake and railway sectors predominately in Australia.



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HALF YEAR ENDED 31 DECEMBER 2007

**DIRECTORS' REPORT**  
**(CONTINUED)**

**Lead Auditor's Independence Declaration**

The lead auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 9 and forms part of the directors' report for the half year ended 31 December 2007.

This report is made in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to read 'Pieter W. Greeff'.

**Pieter W. Greeff**  
Chairman

Sydney  
19 February 2008

## LEAD AUDITOR'S INDEPENDENCE DECLARATION

**To: The Directors of RIMCapital Limited**

I declare that to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2007, there have been:

- (a) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

*Nexia Court & Co*

**Nexia Court & Co**  
Chartered Accountants

*Rogers*

**Stephen Rogers**  
Partner

19 February 2008

Level 29, Australia Square  
264 George Street,  
Sydney NSW 2000  
PO Box H195,  
Australia Square NSW 1215  
T 61 2 9251 4600  
F 61 2 9251 7138  
info@nexiacourt.com.au  
www.nexiacourt.com.au

### Partners

Stephen J Rogers  
Ian D Stone  
Paul W Lenton  
Neil R Hillman  
Stephen W Davis  
David M Gallery  
Robert A McGuinness  
Kirsten Taylor-Martin  
Andrew S Hoffmann  
Graeme J Watman  
David R Cust  
Craig J Wilford  
Sean P Urquhart  
Robert Mayberry

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**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007**

	Note	31 Dec 2007 \$	31 Dec 2006 \$
<b>Revenue from continuing operations</b>	2	2,565,201	185,118
Administrative expenses		(238,723)	(246,238)
Occupancy expenses		(40,137)	(29,480)
Employee benefits expense		(706,989)	(194,783)
Depreciation and amortisation expenses		(3,624)	(2,199)
Unrealised gain on investments		214,998	495,544
Realised/unrealised foreign exchange gain		-	52,744
Share of profits of equity accounted investees		943,616	46,899
<b>Profit before income tax</b>		2,734,342	307,605
Income tax expense		(911,032)	(157,380)
<b>Profit from continuing operations</b>		1,823,310	150,225
<b>Profit attributable to members of RIMCapital Limited</b>		1,823,310	150,225
<b>Basic earnings per share</b>		2.07¢	0.17¢
<b>Diluted earnings per share</b>		2.06¢	0.17¢

*The accompanying notes form part of these financial statements.*



**CONDENSED CONSOLIDATED BALANCE SHEET  
AS AT 31 DECEMBER 2007**

	<b>31 Dec 2007 \$</b>	<b>30 Jun 2007 \$</b>
<b>Current assets</b>		
Cash and cash equivalents	1,990,752	2,172,876
Trade and other receivables	1,882	386,496
Other financial assets at fair value through profit or loss	6,455,185	3,634,516
<b>Total current assets</b>	<b>8,447,819</b>	<b>6,193,888</b>
<b>Non-current assets</b>		
Investments accounted for using the equity method	2,539,315	1,595,699
Property, plant and equipment	32,807	36,431
	2,572,122	1,632,130
<b>TOTAL ASSETS</b>	<b>11,019,941</b>	<b>7,826,018</b>
<b>Current liabilities</b>		
Trade and other payables	104,267	38,431
Current tax payable	558,334	10,627
Employee benefits	26,974	19,470
<b>Total current liabilities</b>	<b>689,575</b>	<b>68,528</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	871,524	508,199
<b>Total non-current liabilities</b>	<b>871,524</b>	<b>508,199</b>
<b>TOTAL LIABILITIES</b>	<b>1,561,099</b>	<b>576,727</b>
<b>NET ASSETS</b>	<b>9,458,842</b>	<b>7,249,291</b>
<b>Equity</b>		
Share capital	14,461,788	14,461,788
Reserves	386,241	-
Accumulated losses	(5,389,187)	(7,212,497)
<b>TOTAL EQUITY</b>	<b>9,458,842</b>	<b>7,249,291</b>

*The accompanying notes form part of these financial statements.*



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

	31 Dec 2007 \$	31 Dec 2006 \$
<b>Total equity at the beginning of the half year</b>	<u>7,249,291</u>	<u>6,056,569</u>
Exchange differences on translation of foreign operations	<u>-</u>	<u>(54,461)</u>
Net income recognised directly in equity	-	(54,461)
Profit for the half-year	<u>1,823,310</u>	<u>150,225</u>
<b>Total recognised income and expense</b>	1,823,310	95,764
Employee share options – value of employee services	<u>386,241</u>	<u>-</u>
<b>TOTAL EQUITY</b>	<u><b>9,458,842</b></u>	<u><b>6,152,333</b></u>

*The accompanying notes form part of these financial statements.*



**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007**

	<b>31 Dec 2007 \$</b>	<b>31 Dec 2006 \$</b>
<b><i>CASH FLOWS FROM OPERATING ACTIVITIES</i></b>		
Receipts from customers	174,223	25,889
Payments to suppliers, employees and creditors	(273,949)	(456,233)
Interest received	55,605	29,672
<b>Net cash outflow from operating activities</b>	<b>(44,121)</b>	<b>(400,672)</b>
<b><i>CASH FLOWS FROM INVESTING ACTIVITIES</i></b>		
Payments for property, plant and equipment	-	(4,033)
Payments for investments	(5,944,482)	(1,856,800)
Proceeds from sale of investments	5,806,479	338,480
<b>Net cash outflow from investing activities</b>	<b>(138,003)</b>	<b>(1,522,353)</b>
<b><i>NET DECREASE IN CASH HELD</i></b>	<b>(182,124)</b>	<b>(1,923,025)</b>
Cash and cash equivalents at the beginning of the half-year	2,172,876	2,594,750
Effects of exchange rate changes on cash and cash equivalents	-	(1,020)
<b>Cash and cash equivalents at the end of the half-year</b>	<b>1,990,752</b>	<b>670,705</b>

*The accompanying notes form part of these financial statements.*



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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007**

**Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This general purpose financial report for the interim half year reporting period ended 31 December 2007 has been prepared in accordance with the Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This 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 30 June 2007 and any public announcements made by RIMCapital Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

In addition the following policy has been adopted during the current interim reporting period:

**(a) Employee Benefits – Share based payments**

Share based compensation benefits are provided to employees via the Managing Director & Chief Executive Officer Share Option Plan and the Employee and Executive Share Option Plan. Information relating to these Plans is set out in the annual report for the year ended 30 June 2007.

The fair value of options granted under the Plans is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is determined by the Directors using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The fair value of the options is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions (e.g. profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the income statement with a corresponding adjustment to equity.



**Note 2. SEGMENT INFORMATION**

**Primary reporting – business segments**

	Segment Revenues		Segment Results	
	31 Dec 2007 \$	31 Dec 2006 \$	31 Dec 2007 \$	31 Dec 2006 \$
Investments holding	2,565,201	147,480	2,734,342	307,605
Other	-	37,638	-	-
	<u>2,565,201</u>	<u>185,118</u>	<u>2,734,342</u>	<u>307,605</u>
Profit before income tax			2,734,342	307,605
Income tax expense			(911,032)	(157,380)
Profit after income tax			<u>1,823,310</u>	<u>150,225</u>

**Note 3. EVENTS SUBSEQUENT TO BALANCE DATE**

Since the half-year ended 31 December 2007, the Company has entered into a new service agreement with its Managing Director & Chief Executive Officer, Mr Michael Bogue.

The key terms of the service agreement are:

1. total base salary (including 9% superannuation contributions) of \$354,250 per annum;
2. as determined at the sole discretion of the Board an annual bonus of up to 3% of the Company's Net Profit After Tax. A further bonus of up to 100% of Mr Bogue's base salary may be payable upon completion of each significant transaction which he undertakes for the Company;
3. participation in the Company's Managing Director and Chief Executive Officer Share Option Plan in accordance with the Plan's conditions as apply from time to time;
4. Mr Bogue is restrained for 6 months after the termination of his employment from procuring or soliciting the custom of any person or entity which was a client or customer of the Company or any of its related corporations;
5. Mr Bogue must not use or disclose the Company's confidential information except as required to carry out his duties for the Company; and
6. during the period ending 31 December 2009 (**Initial Term**), the Company may terminate Mr Bogue's employment by providing the greater of 12 month's notice or notice equivalent to the remainder of the Initial Term. Subsequently, the Company may terminate with 12 month's notice. The Company may also terminate without notice for misconduct and other specified grounds. Mr Bogue may resign at any time by providing 3 month's notice.



## **DIRECTORS' DECLARATION**

In the opinion of the directors of RIMCapital Limited ("the Company")

- (a) the financial statements and notes set out on pages 10 to 15 are in accordance with the Corporations Act 2001, including:
- (i) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting, the Corporations Regulations 2001; and
  - (ii) giving a true and fair view of the Group's financial position as at 31 December 2007 and of its performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date.
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to read 'Pieter W. Greeff'.

**Pieter W. Greeff**  
Chairman

Sydney  
19 February 2008

## **INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF RIMCAPITAL LIMITED**

### **Report on the Financial Report**

We have reviewed the accompanying interim financial report of RIMCapital Limited which comprises the consolidated interim balance sheet as at 31 December 2007, income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, accompanying notes (1 to 4) and the directors' declaration (set out on pages 10 to 16) of the Group comprising the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

### ***Directors' Responsibility for the Financial Report***

The directors of the Company are responsible for the preparation and fair presentation of the interim financial report in accordance with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the interim financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

### ***Auditors' Responsibility***

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of an Interim Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Group's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As auditor of RIMCapital Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Statement of Independence***

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Level 29, Australia Square  
264 George Street,  
Sydney NSW 2000  
PO Box H195,  
Australia Square NSW 1215  
T 61 2 9251 4600  
F 61 2 9251 7138  
info@nxiacourt.com.au  
www.nxiacourt.com.au

### **Partners**

Stephen J Rogers  
Ian D Stone  
Paul W Lenton  
Neil R Hillman  
Stephen W Davis  
David M Gallery  
Robert A McGuinness  
Kirsten Taylor-Martin  
Andrew S Hoffmann  
Graeme J Watman  
David R Cust  
Craig J Wilford  
Sean P Urquhart  
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**INDEPENDENT AUDITORS' REVIEW REPORT  
TO MEMBERS OF RIMCAPITAL LIMITED  
(CONTINUED)**

***Conclusion***

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of RIMCapital Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the Group's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and
- b complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

*Nexia Court & Co*



**Nexia Court & Co**  
*Chartered Accountants*

**Stephen Rogers**  
*Partner*

**Sydney**  
19 February 2008