

RIMCAPITAL LIMITED
ACN 003 148 427

RESULTS FOR ANNOUNCEMENT TO THE MARKET

AND

PRELIMINARY FINAL REPORT UNDER ASX LISTING RULE 4.3A

1. Details of the Reporting Period

Contained herein is the Preliminary Final Report for RIMCapital Limited Consolidated Entity ("RIMCapital") for the year ended 30 June 2005 ("2005"). Comparative information is for the year ended 30 June 2004 ("2004").

The Consolidated Entity is composed of RIMCapital as the Chief Entity and its wholly owned subsidiaries.

2. Results for Announcement to the Market

	2005 \$'000	2004 \$'000	% Change
2.1 Revenue from ordinary activities	3,588	2,503	43.35
2.2 Profit (loss) from ordinary activities after tax attributable to members	(3,222)	(32)	(9,587.50)
2.3 Net profit (loss) attributable to members	(3,222)	70	N/A
2.4 There are no dividends proposed or payable			
2.5 Not applicable			
2.6 Not applicable			

3. Statement of Financial Performance

	Note	Consolidated	
		2005 \$	2004 \$
Revenue from ordinary activities	3.1	3,587,583	2,502,698
Expenses from ordinary activities			
Service Delivery		(5,436)	(34,773)
Administration		(264,240)	(949,563)
Carrying amount of investments sold		(3,155,390)	(1,290,642)
Marketing		(36,764)	(46,702)
Occupancy		(55,445)	(44,012)
Salaries and employee costs		(179,317)	(674,759)
Depreciation and amortisation expenses		(18,734)	(18,307)
Provision for diminution in investments and loans		391,202	611,354
Realised/unrealised foreign exchange loss		139,850	(28,148)
Joint Venture Partnership Profits		341,671	-
Discount on acquisition of asset		-	55,121
Other expenses from ordinary activities		(3,845,350)	(114,617)
Profit/(Loss) from ordinary activities before income tax expense	3.2	(3,100,370)	(32,350)
Income tax expense	3.3	121,172	-
Net profit/(loss) from ordinary activities after income tax expense		(3,221,542)	(32,350)
Net profit/(loss) loss attributable to outside equity interest	3.4	-	(102,381)
Net profit/(loss) attributable to members of the parent entity		(3,221,542)	70,031

	Consolidated	
	2005	2004
	\$	\$
3.1 Revenue		
Included in ordinary revenue are the following items		
Corporate Advisory and Retainers	55,550	278,620
Proceeds from sale of investments	3,296,927	1,508,913
Interest Received	184,318	650,145
Dividend Income	8,233	11,187
Investment Income	24,786	-
Other	17,769	53,833
	<u>3,587,583</u>	<u>2,502,698</u>

3.2 Loss from ordinary activities

Included in loss from ordinary activities before income tax expense are the following specific net gains/(losses) and expenses

Net gains/(losses)		
Net gain on disposal of investments	141,538	222,689
Unrealised gains on shares	432,163	611,354
Net foreign exchange gain	139,851	-
Loss on deconsolidation – Infracorp Limited	(3,859,874)	-
Expenses		
Depreciation of property, plant and equipment, leasehold improvements	18,734	18,307
Employee provisions	-	4,036
Lease rental expense – operating	49,289	59,105
Superannuation expenses	16,545	62,022
	<u>16,545</u>	<u>62,022</u>

3.3 Income tax expense

Income tax attributable to the financial year differs from the amount calculated prima face on the loss. The differences are reconciled as follows:

Loss from ordinary activities before income tax	<u>(3,100,370)</u>	<u>(32,350)</u>
Income tax calculated at 30% (2004:30%)	(930,111)	(9,705)
Tax effect of permanent differences:		
Other non-deductible expenses/(non-assessable income)	<u>4,007,554</u>	<u>(5,433)</u>
Income tax adjusted for permanent differences	3077,443	(15,138)
Future income tax benefit not brought to account	-	15,138
Tax losses utilised not previously brought to account	<u>(2,956,271)</u>	<u>-</u>
Income tax expense	<u>121,172</u>	<u>-</u>

	Consolidated	
	2005	2004
	\$	\$
3.4 Outside Equity Interests In Controlled Entities		
Interest in share capital	-	9,124,360
Interest in losses	-	(4,227,851)
	<u>-</u>	<u>(4,227,851)</u>
	<u>-</u>	<u>4,896,509</u>

4. Statement of Financial Position

		Consolidated	
	Note	2005	2004
		\$	\$
CURRENT ASSETS			
Cash assets	4.1	4,273,970	13,219,963
Loans & Receivables	4.2	259,716	71,317
Investments	4.3	695,000	916,457
TOTAL CURRENT ASSETS		5,228,686	14,207,737
NON-CURRENT ASSETS			
Loans and receivables	4.4	500	9,516
Investments	4.5	1,341,671	1,000,000
Property, Plant & Equipment	4.6	19,139	35,264
Other assets	4.7	4,031	72,631
TOTAL NON-CURRENT ASSETS		1,365,341	1,117,411
TOTAL ASSETS		6,594,027	15,325,148
CURRENT LIABILITIES			
Accounts payable	4.8	44,407	162,789
Interest bearing liabilities	4.9	-	14,329
Current tax liabilities		117,535	-
Provisions	4.10	2,535	7,113
TOTAL CURRENT LIABILITIES		164,477	184,231
NON-CURRENT LIABILITIES			
Interest bearing liabilities	4.11	-	375,125
TOTAL NON-CURRENT LIABILITIES		-	375,125
TOTAL LIABILITIES		164,477	559,356
NET ASSETS		6,429,550	14,765,792
EQUITY			
Contributed Equity	4.12	14,461,788	14,461,788
Reserves	4.13	(156,169)	8,535,204
Accumulated Losses		(7,876,069)	(13,127,709)
TOTAL EQUITY		6,429,550	14,765,792

	Consolidated	
	2005	2004
	\$	\$
4.1 Cash assets		
Cash on hand	1,308,599	1,859,264
Deposits at call	2,939,463	11,247,916
Stockbroking trust funds	2,834	89,813
Rights issue trust account	23,074	22,970
	<u>4,273,970</u>	<u>13,219,963</u>
4.2 Loans and Receivables, current		
Trade Debtors	-	30,274
Interest Receivable	83,931	16,606
Other Debtors	175,785	24,437
	<u>259,716</u>	<u>71,317</u>
4.3 Investments, current		
Shares in companies listed on prescribed stock exchange		
– At cost	303,800	888,958
Provision for increase in value	391,200	27,499
	<u>695,000</u>	<u>916,457</u>
4.4 Loans & Receivables, non-current		
Loans to third parties	<u>500</u>	<u>9,516</u>
4.5 Investments, current		
Joint Venture Entity*	<u>1,341,671</u>	<u>1,000,000</u>

*The interest in the joint venture entity is accounted by applying the equity method

	Consolidated	
	2005	2004
	\$	\$
4.6 Property, plant and equipment		
Plant and equipment, and leasehold improvements - at cost	344,614	719,074
Less: Accumulated Depreciation	<u>(325,475)</u>	<u>(683,810)</u>
	<u>19,139</u>	<u>35,264</u>
Reconciliation of the carrying amounts of plant and equipment, and leasehold improvements is as follows:		
Carrying amount as at 1 July 2004	35,264	
Additions	2,609	
Depreciation expense	<u>(18,734)</u>	
Carrying amount at 30 June 2005	<u>19,139</u>	
4.7 Other Assets		
Security Deposits – Guarantees	4,031	32,631
Security Deposits - ASIC	<u>-</u>	<u>40,000</u>
	<u>4,031</u>	<u>72,631</u>
4.8 Accounts Payable		
Trade Creditors	1,673	40,758
Other Creditors	<u>42,734</u>	<u>122,031</u>
	<u>44,407</u>	<u>162,789</u>
4.9 Interest Bearing Liabilities, current		
Lease liabilities	<u>-</u>	<u>14,329</u>

	Consolidated	
	2005	2004
	\$	\$
4.10 Provisions		
Employee entitlements	412	6,933
Occupancy and utilities	-	180
Professional fees	2,123	-
	<u>2,535</u>	<u>7,113</u>
4.11 Interest Bearing Liabilities, non-current		
Bank Loans	<u>-</u>	<u>375,125</u>
4.12 Contributed Equity		
Issued capital		
87,967,815 (2004: 87,967,815) Ordinary Shares Fully Paid	<u>14,461,788</u>	<u>14,461,788</u>
4.13 Reserves		
Non-distributable Profits Reserve	-	8,850,273
Foreign Currency Reserve	(156,169)	(315,069)
	<u>(156,169)</u>	<u>8,535,204</u>

5. Statement of Cash Flows

	Note	Consolidated	
		2005 \$	2004 \$
Cash flows from operating activities			
Receipts from customers		162,486	373,748
Payments to suppliers, employees and creditors – GST inclusive		(1,001,561)	(1,920,642)
Interest Received		116,993	595,741
Dividends Received		8,233	11,187
Income Taxes Paid		(3,637)	(9,775)
		<u> </u>	<u> </u>
Net cash (used in)/from operating activities	5.3	(717,486)	(949,741)
Cash flows from investing activities			
Payment for property, plant and equipment		(2,609)	(6,124)
Payments for investments		(1,536,135)	(2,422,837)
Proceeds from sale of investments		2,639,835	1,508,913
Proceeds from sale of controlled entity, net cash disposed		(9,219,818)	-
Distribution on liquidation of controlled entity		375,000	-
Security deposits (lodged)/paid		20,000	(28,600)
Loans to third parties		9,016	(9,516)
		<u> </u>	<u> </u>
Net cash from/(used in) investing activities		(7,714,711)	(958,164)
Cash flows from financing activities			
Bank loans		(375,125)	375,125
Share buy back		-	(135,865)
		<u> </u>	<u> </u>
Net cash from financing activities		(375,125)	239,260
Net increase/(decrease) in cash held		(8,807,322)	(1,668,645)
Cash at the beginning of the financial year		13,219,963	14,906,020
Effect of exchange rate changes on the balances of cash		(138,671)	(17,412)
		<u> </u>	<u> </u>
Cash at the end of the financial year	5.1	<u>4,273,970</u>	<u>13,219,963</u>

5.1 Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

	Consolidated	
	2005	2004
	\$	\$
Cash at bank and on hand	1,308,599	1,859,264
Deposits at call	2,939,463	11,247,916
Stockbroking trust funds	2,834	89,813
Rights issue trust account	23,074	22,970
	<u>4,273,970</u>	<u>13,219,963</u>

5.2 Financing Facilities

No firmly committed long-term financing facilities were available to the company at the end of the financial year.

	Consolidated	
	2005	2004
	\$	\$

5.3 Reconciliation of Net Cash used in Operating Activities to Operating Loss after Income Tax

Operating loss after income tax	(3,221,542)	(32,350)
Depreciation	18,734	18,307
Decrease/(Increase) in receivables	(37,051)	(13,109)
(Decrease)/Increase in creditors	(130,356)	(46,141)
Provisions for diminution in value of investments and loans	(551,429)	(611,353)
Provision for doubtful debts	-	(32,556)
Net (profit)/loss on disposal of controlled entities	3,845,350	-
(Decrease)/Increase in provisions	117,535	(9,775)
(Profit) on Joint Venture	(341,671)	-
Net (profit)/loss on sale of investments	(283,202)	(218,271)
(Increase)/decrease in other assets	-	4,786
Provision for employee benefits	-	(2,021)
Foreign currency (gain)/loss	(133,854)	(7,258)
	<u>(717,486)</u>	<u>(949,741)</u>

6. Details of Dividends

There are no dividends proposed or payable.

7. Details of Dividend Reinvestment Plans

There is no dividend reinvestment plan.

8. Statement of Retained Earnings

	Consolidated	
	2005	2004
	\$	\$
Balance at the beginning of the year	(13,127,709)	(13,197,740)
Net profit/(loss) attributable to members of RIMCapital Limited	(3,221,542)	70,031
Transfer from non-distributable profits reserve	8,850,273	-
Movement in opening retained earnings	(377,091)	-
	<u>(7,876,069)</u>	<u>(13,127,709)</u>
Balance at the end of the year	<u>(7,876,069)</u>	<u>(13,127,709)</u>

9. Net tangible Assets

	Consolidated	
	2005	2004
Net tangible assets per ordinary share	0.073	0.168

10. Change in Controlled Entities

The following 100% controlled companies were placed into voluntary liquidation;

Company	Date of Liquidation
Barton Capital Securities Pty Ltd	2 March 2005
Barton Capital Technologies Pty Ltd	2 March 2005
ESX Pty Ltd	2 March 2005
Barton Capital (HK) Pty Ltd	2 March 2005
RIMCapital Advisors Pty Limited*	29 April 2005

*After conversion to a proprietary company on 22 March 2005

The following 100% foreign controlled company was placed into voluntary liquidation;

Company	Date of Liquidation
RIMCapital Advisors (Hong Kong) Limited	22 December 2004

11. Details of Associates and Joint Venture Entities

Name of Joint Venture Entity: CRMSC (Australia) Pty Ltd with Union Park Company Ltd

Percentage Holding: RIMCapital Ltd holds 50% in the joint venture with its investment of AUD 1 million, which was capitalised to AUD 2 million.

12. Other Significant Information

The offer to the Company's existing shareholders of its entire holdings in Infracorp Limited shares closed. As disclosed in the prospectus, this resulted in a major change to the Company's statement of financial position with a reduction in the net assets of the Company by \$8.9 million when compared to 30 June 2004.

13. Foreign Entity Accounting Standards

Not applicable.

14. Results for 2005

A summary of consolidated revenues and results by significant industry segments is set out below:

	Segment Revenues		Segment Results	
	2005	2004	2005	2004
	\$	\$	\$	\$
Other	-	-	(3,845,350)	-
Corporate advisory services	55,550	865,108	55,550	(83,806)
Investments holding	3,532,033	1,637,590	689,430	51,456
Total Revenue	3,587,583	2,502,698		
Loss from ordinary activities before income tax			(3,100,370)	(32,350)
Income tax expense			121,172	-
Loss from ordinary activities after income tax			(3,221,542)	(32,350)
Add back : Profit/(loss) attributable to outside equity interests			-	102,381
Profit/(loss) attributable to members of RIMCapital Limited			(3,221,542)	70,031

The group has generated an operating profit of \$759,504 before taking into account a loss on deconsolidation of Infracorp Limited of \$3.9 million. It is this loss on deconsolidation which has resulted in the overall net loss, after tax, of \$3.2 million. The joint venture has contributed \$341,671 to this performance, mainly by way of unrealised profits due to revaluation of investments in listed companies. The rest is due to profit generated from the group's investment portfolio and income from its Singapore controlled entity.

The group's cash is mainly held in the form of fixed deposits and money on call. This will enable the group to utilise the cash should an investments opportunity arise.

Earnings per share for 2005 were (3.64) cents compared with the adjusted earnings per share of 0.08 cents for 2004.

The company is aware of the introduction of Australian equivalents to International Financial Reporting Standards (IFRS), the adoption of which will first be reflected in the financial statements of the company for the year ended 30 June 2006. The company has determined that there do not appear to be any significant changes in accounting policies required on adoption of Australian equivalents to IFRS, and that adoption of the standards analysed will not materially affect the carrying value of assets and liabilities and the recording of the transactions of the company.

15. Audit Report

This report is based on accounts which are in the process of being audited.