



Raffles Capital Limited

ASX Release

4 April 2016

Company Announcement Office
Australian Securities Exchange Limited

Raffles to acquire Singapore Forex training and raw data provider

Highlights

- **Singapore Six Capital (FX Trading) Pte Ltd to be acquired**
- **Established in 2012, over 20,000 students trained**
- **Statistically significant FX buy/sell/hold signals with up to 70% accuracy produced and sold**
- **Led by 35 year Forex trading veteran Patrick Teng**
- **Acquisition price A\$4 million – Script only**

Raffles Capital Limited (ASX: RAF) (**Raffles** or **RAF** or **Company**) advises that directors have, subject to approval of shareholders, agreed to the acquisition of Six Capital (FX Trading) Pte Ltd, Singapore (**Six Capital**) (**Acquisition**) from Mr Patrick Teng (**Vendor**).

The Acquisition will constitute a change to the nature or scale of Raffles' activities and in accordance with the Listing Rules of the ASX will be considered by shareholders at the Annual General Meeting to be held in May this year. The Notice of Meeting will include information about the likely effect of the transaction on the entity's total assets, total equity interests, annual revenue and annual expenditure and will be dispatched to shareholders following review by the ASX and ASIC.

To assist shareholders in determining the merits of the Acquisition and for the purposes of Item 7 of Section 611 of the Corporations Act, an independent expert report will accompany the Notice of Meeting.

Should shareholders approve the Acquisition, RAF will be required to re-comply with Chapters 1 and 2 of the ASX Listing Rules and this will be required before the completion of the Acquisition. In the event shareholders approve the Acquisition, the Company will be suspended from trading on the ASX from the date of the Annual General Meeting.

The Company will need to issue a prospectus to raise up to A\$1.5 million via a public offer through the issue of up to 7,500,000 fully paid ordinary (**FPO**) shares, priced at A\$0.20 per share. The amount raised is to meet the minimum working capital requirements of the Company for re-admission.

The Acquisition will result in the issue to the Vendor of 40,000,000 FPO shares valued at A\$0.10 per share, 1,000,000 options (exercisable at A\$0.40 within two years of the date of issue) and 60,000,000 Performance Shares.

For the Financial Year ending 31 December 2016, the Vendor is eligible to convert Performance Shares to FPO shares in RAF if Six Capital's audited financial statements for that financial year report an NPAT of no less than SGD\$1,333,333. The Vendor is then entitled to convert 10 Performance Shares per SGD\$1 of NPAT to a maximum of 20,000,000 Performance Shares.

For the Financial Year ending 31 December 2017, the Vendor is eligible to convert Performance Shares to FPO shares in RAF if Six Capital's audited financial statements for that financial year report an NPAT of no less than SGD\$2,000,000. The Vendor is then entitled to convert 10 Performance Shares per SGD\$1 of NPAT to a maximum of 40,000,000 Performance Shares.

Raffles Capital Limited
ACN 009 106 049

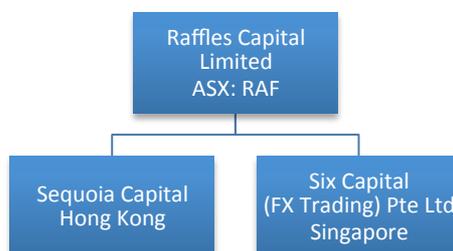
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The business being considered is well established and profitable, with good growth prospects.

Raffles Capital structure at completion:



The following table illustrates the maximum effect on the issued capital of the Company as a result of the Acquisition.

Changes to Shareholding Structure

	No. of Issued Shares	Cumulative Total	RAF Shareholder Interest	Vendor Shareholder Interest
Current	28,000,186	28,000,186	100.00%	0.00%
Issue of Prospectus	7,500,000	35,500,186	100.00%	0.00%
Issue of Shares at Completion to Vendor	40,000,000	75,500,186	47.02%	52.98%
Conversion of Options to be acquired by Vendor*	6,000,000	81,500,186	43.56%	56.44%
Conversion of Performance Shares over 2 years	60,000,000	141,500,186	25.09%	74.91%

* The Vendor is acquiring 5,000,000 unlisted options, exercisable at A\$0.20 on or before 31 December 2016 and will be issued an additional 1,000,000 unlisted options, exercisable at A\$0.40 within two years of the issue date.

Indicative Timetable

Notice of Meeting sent to shareholders of RAF	27 April 2016
Prospectus lodged with ASIC Application for re-admission lodged with ASX	13 May 2016
RAF Shareholders' Meeting	31 May 2016
Completion of Acquisition Re-instatement to trading on ASX	Upon confirmation by ASX that all conditions for re-admission have been met.

These dates are indicative only and subject to change.

Director Changes

Subject to shareholder approval at the Annual General Meeting, Sanakaranarayanan Vishwanath will join the board of the Company at Completion of the Acquisition.

Sanakaranarayanan Vishwanath

Sanakaranarayanan Vishwanath (Vish) is presently the CFO at Six Capital.

Previously Vish was associated with Olam International Limited, a leader in Supply chain management of agricultural products as General Manager (Finance) responsible for the accounts and finance of 3 profit centers involving 15 origins. He has also spent a decade with British Petroleum, acting as the Information Manager for Asia-Pacific, involved in administering the overall financial and information system functions across Asia-Pacific.

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Vish is a certified Project Management Professional and holds a Chartered Accountant and Cost Accountant Qualification from India. He is also a Certified SAP FICO Solutions consultant.

About Six Capital

Six Capital is a pioneering company domiciled in Singapore focused on leveraging the potential of the currency market. It was established in 2009 and incorporated in October 2012.

Six Capital's business model is unique. Forex companies traditionally generate revenue by providing pricing, a platform or by taking orders, while Six Capital provides training and analyses the Big Data generated to create statistically significant signals. Signals generated conform to the Central Limit Theorem – Six Capital has a sufficiently large number of pools of traders (i.e. representative sample size) under constant conditions and therefore the aggregated results of these pools will predict within statistically significant limits how Forex traders as a whole will behave.

From just 100 seats in 2013, Six Capital today has about 1,000 seats in dealing rooms across Singapore, India, China and Indonesia. Strategic partnerships with various major training institutes in China, Indonesia, Singapore and the UK, all demonstrate Six Capital's commitment to delivering positive change around the world.

The Directors believe that Six Capital is becoming a center of excellence for Forex trading and training, providing in-house training and programmes in partnership with leading universities.

Six Capital is led by Founder and Chief Dealer Patrick Teng, a 35 year FX trading veteran, who believes that the best training in the FX business is in the trading itself. What initially started as business providing trading seminars has now evolved into training in-house and in partnership with universities on their campuses and a business selling data for signals.

Six Capital forecast EBITDA for FY2015 is SGD\$0.6 million, growing to SGD\$2.6 million for FY2016 and SGD\$7.8 million in FY2017.

About Patrick Teng

Patrick Teng began his Foreign Exchange dealing career in 1981. Since then, he has worked as the Chief Dealer for several global banks. Whilst still in his twenties, Patrick was the Vice-President and Chief Dealer of Chase Manhattan bank, one of the youngest chief dealers in Singapore. He then went on to become the Vice President, Treasury for the Union Bank of Switzerland based in Tokyo, actively trading the major currencies as market maker during Asia Pacific time zone – one of the world's largest FX markets.

As Patrick advanced his trading career, he also served on market making committee of the Singapore Foreign Exchange Market Committee, responsible for an ambitious aim to grow the country's treasury market. The committee also had the aim of opening lines of communication between market participants and the Monetary Authority of Singapore.

Pro-Forma Financial Position

Set out below is the Pro-forma Financial Information for the merged group, reflecting the combined business of the Company and Six Capital. The Proforma Financial Information is presented to provide shareholders with an indication of the group's consolidated financial position as if the proposed acquisition had been implemented as at 31 December 2015.

As the proposed acquisition, if implemented, will be effected at a future date, the actual financial position of the consolidated group post completion will differ from that presented below.

Except as provided in the Notes, the Company's financial information as at 31 December 2015 has been translated using an SGD\$ to A\$ exchange rate of A\$1 = SGD\$1.0328 (Reserve Bank of Australia rate).

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Raffles Capital Limited and controlled entities
Consolidated Balance Sheet – Proforma
As at 31.12.2015

(in A\$)	RAF Consol- idated Audited 31.12.2015	Six Capital (FX Trading) Pte Ltd Unaudited 31.12.2015	Trans- action 1	Proposed Trans- action 2	Proposed Trans-action 3	Consol- idated Adjustment	Consol- idated Proforma unaudited
CURRENT ASSETS							
Bank and deposit and cash equivalents	263,739	68,003	190,000	1,500,000			2,021,741
Receivables - others	1,232,924	164,421					1,397,345
Receivables - others	2,996	734,125					737,120
Provision for doubtful debts	(882,924)	-					(882,924)
Investments - at cost	2,010	-					2,010
Investment - provision for diminution	(2,000)	-					(2,000)
Prepayments	313	-					313
TOTAL CURRENT ASSETS	617,058	966,548	190,000	1,500,000	-	-	3,273,606
NON-CURRENT ASSETS							
Investments - controlled entities at cost	-	-			4,000,000	(4,000,000)	0
Plant, Equipment, Vehicle and fixtures - cost	1,669	1,437,220					1,438,889
Plant, Equipment, Vehicle and fixtures - Accum depreciation	(1,669)	(96,786)					(98,456)
Other assets	-	-				3,019,779	3,019,779
TOTAL NON-CURRENT ASSETS	-	1,340,434	-	-	4,000,000	(980,221)	4,360,213
TOTAL ASSETS	617,058	2,306,982	190,000	1,500,000	4,000,000	(980,221)	7,633,819
CURRENT LIABILITIES							
Payable - trade	3,109	1,308					4,417
Payable - other	(0)	146,937					146,937
Payable - other	-	1,117,791					1,117,791
Accruals	20,957	60,724					81,681
TOTAL CURRENT LIABILITIES	24,065	1,326,761	-	-	-	-	1,350,827
NON-CURRENT LIABILITIES							
TOTAL NON-CURRENT LIABILITIES	-	-	-	-	-	-	-
TOTAL LIABILITIES	24,065	1,326,761	-	-	-	-	1,350,827
NET ASSETS	592,992	980,221	190,000	1,500,000	4,000,000	(980,221)	6,282,992
SHAREHOLDERS' EQUITY							
Share Capital	9,661,225	290,473	190,000	1,500,000	4,000,000	(290,473)	15,351,225
Capital Reserves	(209,328)	-					(209,328)
Option reserves	-	-					-
Retained profits / accumulated losses	(8,820,720)	689,748				(689,748)	(8,820,720)
Current year profits	(38,184)	-					(38,184)
Equity Attributable to parent company	592,992	980,221	190,000	1,500,000	4,000,000	(980,221)	6,282,992
Outside Equity Interests (B/S)		-					-
TOTAL SHAREHOLDERS' EQUITY	592,992	980,221	190,000	1,500,000	4,000,000	(980,221)	6,282,992

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Notes:

RBA : A\$1=SGD\$ 1.0328

Transaction 1 : Share placement of 1.9M FPO shares @ A\$0.10 (Completed in February 2016)

Proposed transaction 2 : IPO share placement of 7.5M FPO shares @ A\$0.20

Proposed transaction 3 : Share placement of 40M shares @ A\$0.10.; 1M Options exercisable at A\$0.40 within 2 years of issue; and issue of 60M Performance Shares

For further information please contact:

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Forward Looking Statements

Statements contained in this announcement, particularly those regarding possible or assumed future performance, costs, dividends, production levels or rates, prices, resources, reserves or potential growth of RAF, industry growth or other trend projections are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties.

Actual events and results may differ materially from those expressed or forecasted in forward-looking statements due to a number of factors. The principal important risk factors that could cause RAF's actual performance and future events and actions to differ materially from such forward-looking statements, include, but are not limited to, continuing volatility in the capital or credit markets and other changes in the securities and capital markets, changes in market prices of RAF's investments, the occurrence of one or more catastrophic events, such as an earthquake, hurricane, or act of terrorism, changes in laws or regulations, changes in income tax laws, and changes in general economic and market factors that affect the prices of securities or the industries in which it does business.

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