



RAFFLES CAPITAL LIMITED

ACN 009 106 049

HALF YEAR REPORT

Incorporating

APPENDIX 4D ASX HALF-YEAR INFORMATION

30 JUNE 2014

LODGED WITH THE ASX UNDER LISTING RULE 4.2A

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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 31 December 2013 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
Fax: +61 2 9251 7500
Website: www.rafflescapital.com.au

Auditors

K.S. Black & Co
Level 6
350 Kent Street
Sydney NSW 2000
Telephone: +61 2 8839 3000

Lawyers

Piper Alderman
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

Tan Sri Ibrahim Menudin (Non Exec Chairman)
Vincent Tan (Chief Executive Officer)
Richard Yap
Benjamin Amzalak

Company Secretaries

Henry Kinstlinger
Julian Rockett

Share Registry

Computershare Investor Services Pty Limited
Level 3
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.

HALF-YEAR ENDED 30 June 2014
RESULTS FOR ANNOUNCEMENT TO THE MARKET

				\$
Revenue from ordinary activities	up	995%	to	851,341
Profit/(loss) from ordinary activities after tax	up	1,548%	to	(7,117,429)
Net Profit/(loss) for the period attributable to members	up	1,548%	to	(7,117,429)

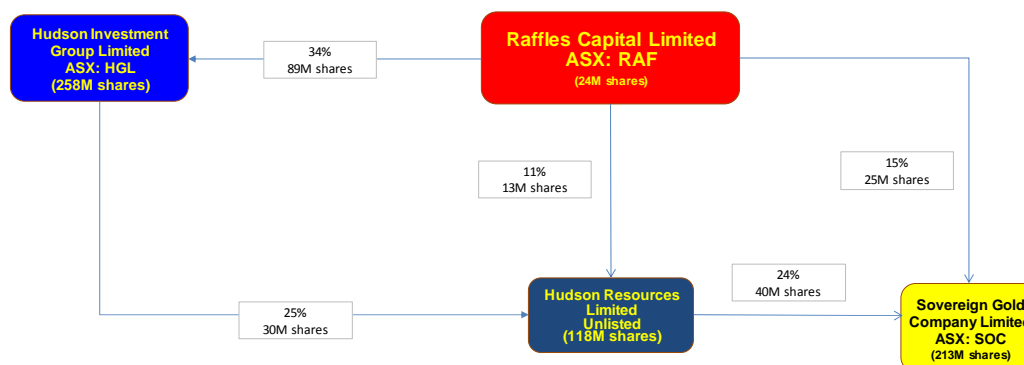
Dividends/distributions	Amount per security	Franked amount per security
Final dividend	\$Nil	N/A
Interim dividend	\$Nil	N/A

No dividends or distributions were declared or paid during the reporting period.

The increase in the net loss from the previous corresponding period in 2013 takes into account the disposal of investments and change in fair value of investment portfolio.

REVIEW OF OPERATIONS

Company structure as at 28 August 2014



Raffles Capital Limited's business areas continue to operate in the following three main operating ARMS:

- 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.

DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Raffles Capital Limited (**Company**) (ASX: RAF) and the entities it controlled at the end of or during the period ended 30 June 2014 and the Auditor's Review Report thereon.

Principal activities	The consolidated entity operates predominantly in one business and one geographical segment being investment in commercial properties, mining and resources within Australia. There was no change to the nature of these activities during the reporting period.
Financial performance	The consolidated entity recorded a net loss after tax for the six months ended 30 June 2014 of \$7,117,429 (2013:loss \$431,881). Total shareholders funds as at 30 June 2014 are \$6.86 million.
Review of operations	Information on the operations and financial position of the consolidated entity and its business strategies and prospects are set out in the Review of Operations on page 3 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 period and up to the date of this report, unless otherwise stated:

Tan Sri Ibrahim Menudin	Non- Executive Chairman
Vincent Tan	Chief Executive Officer
Richard Yap	Non-Executive Director
Benjamin Amzalak	Non-Executive Director

Environmental Regulations

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

- The Company 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 Company during the reporting period.
- To the best of the directors' knowledge, the Company has adequate systems in place to ensure compliance with the requirements of all environmental legislation described above and are not aware of any breach of those requirements during the financial year and up to the date of the Directors' Report.

Subsequent Events

At the date of this report there are no matters or circumstances which have arisen since 30 June 2014 that have significantly affected or may significantly affect:

- the operations, in financial half-year subsequent to 30 June 2014, of the Group;
- the results of those operations; or
- the state of affairs, in financial half-year subsequent to 30 June 2014, of the Group.

Likely Developments

The Company intends to identify and pursue further business opportunities offering additional prospects for growth in the longer term.

DIRECTORS' REPORT (continued)

Auditor's Independence Declaration

A copy of the independence declaration by the auditor K.S. Black and Co. under section 307C is included on page 6 of this half year financial report.

Signed in accordance with a resolution of the Directors:



Vincent Tan
Chief Executive Officer/Director



Benjamin Amzalak
Director

Sydney
29 August 2014

Level 6, 350 Kent Street
Sydney NSW 2000

87-91 Lyons Road
Drummoyne NSW 2047

K.S. Black & Co.

Chartered Accountants

ABN 57 446 398 808

20 Grose Street
North Parramatta NSW 2151

PO Box 2210
North Parramatta NSW 1750

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**


TO THE DIRECTORS OF RAFFLES CAPITAL LIMITED

In connection with the review of Raffles Capital Limited for the half year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- any applicable code of professional conduct in relation to the review.

This declaration is in respect of Raffles Capital Limited and the entities it controlled during the half year ended 30 June 2014.

**KS Black & Co
Chartered Accountants**



**Faizal Ajmat
Partner**

Sydney, 29 August 2014



Liability limited by a
scheme approved
under Professional
Standards Legislation

Phone 02 8839 3000 Fax 02 8839 3055

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**Chartered
Accountants**

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF RAFFLES CAPITAL LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Raffles Capital Limited (the company) and Raffles Capital Limited and Controlled Entities (the consolidated entity) which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flow for the half year ended on that date, notes comprising a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001 (as applicable) and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the company and consolidated entity's financial position as at 30 June 2014, and of their 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 applicable). As the auditor of Raffles Capital Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquires, 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.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Raffles Capital Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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Sydney NSW 2000

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Drummoyne NSW 2047

K.S. Black & Co.

Chartered Accountants

ABN 57 446 398 808

20 Grose Street
North Parramatta NSW 2151

PO Box 2210
North Parramatta NSW 1750

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF RAFFLES CAPITAL LIMITED (Cont'd)

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Raffles Capital Limited and Raffles Capital Limited and Controlled Entities is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2014 and of their performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

KS Black & Co
Chartered Accountants



Faizal Ajmat
Partner

Sydney, 29 August 2014



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Standards Legislation

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**Chartered
Accountants**

DECLARATION BY DIRECTORS

The Directors of the Company declare that:

1. The financial statements and notes, set out on pages 10 to 17, are in accordance with the *Corporations Act 2001*, and:
 - i give a true and fair view of the financial position of the consolidated entity as at 30 June 2014 and of its performance for the six months ended on that date; and
 - ii comply with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



Vincent Tan
Chief Executive Officer/Director



Benjamin Amzalak
Director

29 August 2014

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2014

		Consolidated	
		30-Jun-2014	30-Jun-2013
Revenue		\$	\$
Other Income	2	851,341	77,696
Administration expenses	2	(643,993)	(416,942)
Finance expenses		(126,017)	(277,727)
Profit/ (loss) before income tax		81,331	(616,973)
Income Tax expense/benefit		-	185,092
Profit/ (loss) after tax for the period		81,331	(431,881)
Profit/ (loss) attributable to outside equity interest		-	-
		81,331	(431,881)
Other comprehensive Income			
Other comprehensive income before income tax		(7,198,760)	
Income tax expense		-	
Other comprehensive income for the period		(7,198,760)	
Total comprehensive Income/(loss) attributable to Members of Raffles Capital Limited		(7,117,429)	(431,881)
		Cents	Cents
Basic earnings/(loss) per share		(30.03)	(1.82)
Diluted earnings/(loss) per share		(30.03)	(1.82)

This Statement of Profit or Loss and other Comprehensive Income is to be read in conjunction with the notes to the financial report.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

	Notes	Consolidated	
		30-Jun-2014	31-Dec-2013
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents		38,431	16,977
Trade and other receivables		434,304	21,494
Financial assets		2,172,951	5,130,717
Other current assets		2,274	412
Total current assets		2,647,960	5,169,600
Non-current assets			
Trade and other receivables		-	-
Financial assets		4,440,000	13,620,241
Plant & equipment		628	794
Other non-current assets		185,092	185,092
Total non-current assets		4,625,720	13,806,127
Total Assets		7,273,680	18,975,727
LIABILITIES			
Current liabilities			
Trade and other payables		331,858	75,889
Provisions		12,000	-
Total current liabilities		343,858	75,889
Non-current liabilities			
Trade and other Payables	3	60,122	2,316,386
Deferred tax liabilities		-	2,596,323
Total non-current liabilities		60,122	4,912,709
Total Liabilities		403,980	4,988,598
Net Assets		6,869,700	13,987,129
EQUITY			
Issued capital		11,698,002	11,698,002
Retained profits/ (accumulated losses)		(4,828,302)	2,289,127
Total equity attributable to equity holder of partner equity		6,869,700	13,987,129
Minority Interest		-	-
Total Equity		6,869,700	13,987,129

This Statement of Financial Position is to be read in conjunction with the notes to the financial report.

STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2014

Consolidated	Issued Capital \$	Reserves \$	Accumulated Losses \$	Minority Interest \$	Total Equity \$
At 31 December 2012	11,698,002	-	4,251,165	-	15,949,167
Movement for the period	-	-	-	-	-
Loss for the period	-	-	(431,881)	-	(431,881)
At 30 June 2013	11,698,002	-	3,819,284	-	15,517,286
At 30 June 2013	11,698,002	-	3,819,284	-	15,517,286
Movement for the period	-	-	-	-	-
Loss for the period	-	-	(1,530,157)	-	(1,530,157)
At 31 December 2013	11,698,002	-	2,289,127	-	13,987,129
At 31 December 2013	11,698,002	-	2,289,127	-	13,987,129
Movement for the period	-	-	-	-	-
Loss for the period	-	-	(7,117,429)	-	(7,117,429)
At 30 June 2014	11,698,002	-	(4,828,302)	-	6,869,700

This Statement of Changes in Equity is to be read in conjunction with the notes to the financial report.

STATEMENT OF CASH FLOW

For the six months ended 30 June 2014

	Consolidated	
	30-Jun-14	30-Jun-13
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(413,283)	(398,279)
Interest received	17	396
Interest Paid	-	(26)
Net cash inflow/(outflow) from operating activities	(413,266)	(397,909)
Cash flows from investing activities		
Proceed from disposal of investment	3,243,719	367,055
Tenement deposit received	-	-
Repayment to /Advance to other entities	(2,799,999)	(407,055)
Advance from /Repayment from other parties	45,000	433,000
Acquisition of Investment	(54,000)	-
Acquisition of equipment	-	-
Net cash inflow/(outflow) from investing activities	434,720	393,000
Cash flows from financing activities		
Shares issued	-	-
Share issue costs	-	-
Share issue cost- controlled entities	-	-
Net cash inflow/(outflow) from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	21,454	(4,909)
Cash and cash equivalents at the beginning of the financial period	16,977	8,563
Cash and cash equivalents at the end of the financial period	38,431	3,654

This Statement of Cash Flow is to be read in conjunction with the notes to the financial report

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2014

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

Reporting Entity

Raffles Capital Limited (the "**Company**") is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 30 June 2014 comprises the Company and its subsidiaries (together referred to as the "**consolidated entity**").

Statement of Compliance

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*.

The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the consolidated entity as at and for the year ended 31 December 2013.

This consolidated interim financial report was approved by your Board of Directors.

Estimates

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgement made by management in applying the consolidated entity's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 31 December 2013.

Accounting Policies

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

2. REVENUE AND EXPENSES

Profit/(loss) before income tax includes the following specific revenues and expenses:

	Consolidated	
	30-Jun-2014	30-Jun-2013
	\$	\$
Other Income		
Interest Income	4,656	396
Fee Income	-	77,300
Gain on disposal of investment	846,685	-
Other	-	-
	851,341	77,696
Administration Expenses		
Directors Fee	90,000	-
Consulting and professional fee	96,250	96,025
Other administrative and operating expenditures	457,743	320,917
	643,993	416,942

NOTES TO THE FINANCIAL STATEMENTS continued

3. TRADE AND OTHER PAYABLES

	Consolidated	
	30-Jun-14	31-Dec-13
Non-Current	\$	\$
Advance from other entity	60,122	2,316,386
	60,122	2,316,386

4. CONTRIBUTED EQUITY

	Consolidated		Consolidated	
	30-Jun-14	31-Dec-13	30-Jun-14	31-Dec-13
	Shares	Shares	\$	\$
Share capital issued	23,700,359	23,700,359	11,698,002	11,698,002

(a) Movements in ordinary share capital during the period

Consolidated Date	Details	No. of shares	Issue Price	
			\$	\$
31 December 2013	Balance	23,700,359		11,698,002
	Share Placement	-	-	-
	Share issuing costs	-	-	-
30 June 2014	Balance	23,700,359		11,698,002

(b) Options

There have been no options issued or granted over unissued shares during the reporting period.

(c) Terms and Conditions

Each ordinary share participates equally in the voting rights of the Company. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

5. COMMITMENTS

	Consolidated	
	30-Jun-14	31-Dec-13
	\$	\$
Exploration expenditure commitments		
Tenement exploration expenditure	-	411,600
Tenement lease and rent payment	-	68,642
	-	480,242

There is no minimum exploration expenditure commitments and lease payments on the Group exploration tenements.

NOTES TO THE FINANCIAL STATEMENTS continued**5. COMMITMENTS continued**

	Consolidated	
	30-Jun-14	31-Dec-13
	\$	\$
Remuneration expenditure commitments		
Salary and other remuneration commitments under long-term employment contracts existing at reporting date not recognised as liabilities:		
Within one year	-	-
Later than one year but not later than 5 years	-	-
Later than 5 years	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

Services agreements

The Company has entered into a management service agreement with Hudson Corporate Limited pursuant to which Hudson Corporate Limited has agreed to provide its management, registered office, administrative, accounting and secretarial services.

The term of the Services Agreement is two years and the fee payable is that amount agreed between the parties from time to time. The terms of the Service Agreement provide that Hudson Corporate Limited shall act in accordance with the directions of the Board.

The Company has entered into a geological services agreement with Michael Leu for fixed remuneration per day, term of the contract is 2 years.

There are no other material commitments as at the date of this report.

6. CONTINGENCIES**Contingent assets and liabilities**

The parent entity and Group had no material contingent assets and liabilities at the reporting date.

Guarantees

Cross guarantees by Raffles Capital Limited and its wholly owned controlled entities. 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.

7. SEGMENT INFORMATION

The consolidated entity operates predominately in one business and one geographical segment being investment in commercial properties, mining and resources within Australia.

8. EVENTS SUBSEQUENT TO BALANCE DATE

At the date of this report there are no other matters or circumstances, other than noted above, which have arisen since 30 June 2014 that have significantly affected or may significantly affect:

- the operations, in financial half year subsequent to 30 June 2014, of the consolidated entity;
- the results of those operations; or
- the state of affairs, in financial half year subsequent to 30 June 2014, of the consolidated entity.

NOTES TO THE FINANCIAL STATEMENTS continued**SUPPLEMENTARY APPENDIX 4D INFORMATION****NTA Backing**

	30-Jun-2014	31-Dec-2013
Net tangible asset backing per ordinary share	28.99 cents	59.00 cents

Controlled Entities Acquired

No entities were acquired during the reporting period.

Loss of Control of Entities During the Period

No entities were disposed during the reporting period.

Subsequent Events

Refer Note 8 to the financial statements.

Accounting Standards

Australian Accounting Standards have been used in the preparation of this report.

Other Significant Information

All significant information in relation to the financial performance and position of Raffles Capital Limited has been disclosed in the attached report.

Returns to Shareholders

No distribution/dividend paid this year. The company does not have a dividend/distribution reinvestment plan.

Associated and Joint Venture Entities

None during the reporting period.

Audit Alert

The Auditor's Review Report is included in the financial statements.

