



ACN 009 106 049

HALF YEAR REPORT
Incorporating
APPENDIX 4D ASX HALF-YEAR INFORMATION
30 JUNE 2015

LODGED WITH THE ASX UNDER LISTING RULE 4.2A

Table of Contents	Page
CORPORATE DIRECTORY	1
RESULTS FOR ANNOUNCEMENT TO THE MARKET	2
REVIEW OF OPERATIONS	3
DIRECTORS' REPORT	4
AUDITOR'S INDEPENDENCE DECLARATION	6
INDEPENDENT AUDITOR'S REVIEW REPORT	7
DECLARATION BY DIRECTORS	9
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	10
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	11
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	12
CONSOLIDATED STATEMENT OF CASH FLOW	13
NOTES TO THE FINANCIAL STATEMENTS	14
SUPPLEMENTARY APPENDIX 4D INFORMATION	19

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 2014 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 2000
Telephone: +61 2 9236 2230

Australia and New Zealand Banking Group
Limited
Level 16 20 Martin Place
Sydney NSW 2000
Telephone: +61 2 9216 2200

Directors

Charlie In (Non-Executive Chairman)
Richard Holstein
Abigail Zhang
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 2015
RESULTS FOR ANNOUNCEMENT TO THE MARKET

				\$
Revenue from ordinary activities	Down	100%	to	6
Profit/(loss) from ordinary activities after tax	Down	1140%	to	(846,254)
Net Profit/(loss) for the period attributable to members	Down	105%	to	375,721

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

REVIEW OF OPERATIONS

During 2015 Raffles Capital Limited continued to focus on business development – identifying commercial and corporate opportunities, synergic partnerships and project funding. Partnerships and acquisitions are examined for strategic returns to reflect the Company's contribution.

In late 2014 / early 2015 the Company raised new funding of \$1.0 million by issuing two convertible notes each with a face value of \$0.5 million which was received in the first quarter of 2015. This funding provided working capital to allow the Company to continue with corporate opportunities as identified from time to time. The 2 convertible notes were converted into the Company's shares in late May 2015. A third convertible note approved by shareholders, also with a face value of \$500,000, was not issued, as funds were not received within the 3 month period approved by shareholders.

On 27 February 2015, the shareholders of the Company approved at its annual general meeting:

- a corporate reconstruction via a distribution of RafflesCo Limited shares to the Company's existing shareholders
- the acquisition of a prospective business: Sequoia Capital (Hong Kong) Limited with consideration being a \$1 million convertible note. This convertible note has now been fully converted to ordinary shares in the Company. Sequoia is a Hong Kong company that holds an exclusive technology consulting services agreement with China Chongqing Branch Gezhouba Xinjiang Engineering Bureau (**CGGC**) to manage all projects that are developed by CGGC, a State owned enterprise of the Peoples Republic of China. CGGC has a 40 year track record in engineering and construction. It is best known for its work on the Three Gorges Dam on the Yangtze River. Whilst Raffles will own Sequoia, Sequoia will be managed by its existing management.
- A capital reconstruction reducing issued share capital by \$5,184,277 by the distribution of one share in RafflesCo Limited (**RafflesCo**), an unlisted public company, for every share held in the Company followed by a one for two share consolidation.

On 3 March 2015 Charlie In was appointed Executive Chairman of the Company and Lucy Ziang Li Ying was also appointed an Executive Director of the Company following the retirement of Tan Sri Ibrahim Menuhin as a director of the Company.

On 16 March 2015 the Company completed the corporate actions approved by its shareholders.

Between 13 April 2015 and 28 May 2015 the Company considered the acquisition of Nano Sun Pte Limited, an unlisted private technology company incorporated in Singapore, a developer of water filtration systems. This investment proposal did not proceed.

The Company is currently assessing a number of other opportunities, which will be advised to shareholders as they progress through evaluation.

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 2015 and the Auditor's Review Report thereon.

Principal activities The consolidated entity operates in the diversified financials sector and two geographical segments being business development – identifying and investing in commercial and corporate opportunities. There was no change to the nature of these activities during the reporting period.

Financial performance The consolidated entity recorded a net profit after tax for the six months ended 30 June 2015 of \$0.3 million (2014: loss \$7.11 million).

Total shareholders funds as at 30 June 2015 are \$0.6 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:

Dr Charlie In	Non-Executive Chairman	
Abigail Zhang	Executive Director	Appointed 3 March 2015
Richard Holstein	Non-Executive Director	
Benjamin Amzalak	Non-Executive Director	
Tan Sri Ibrahim Menuhin	Non-Executive Chairman	Retired 3 March 2015

Subsequent Events

At the date of this report there are no matters or circumstances which have arisen since 30 June 2015 that have significantly affected or may significantly affect:

- the operations, in financial half-year subsequent to 30 June 2015, of the Group;
- the results of those operations; or
- the state of affairs, in financial half-year subsequent to 30 June 2015, 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)

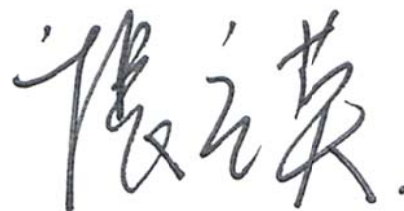
Auditor's Independence Declaration

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:



Dr Charlie In
Non-Executive Chairman



Abigail Zhang
Director

Sydney
31 August 2015

Level 6, 350 Kent Street
Sydney NSW 2000

87- 89 Lyons Road
Drummoyne NSW 2047

KS Black & Co

Chartered Accountants

ABN: 57 446 398 808

20 Grose Street
North Parramatta NSW 2151

PO Box 2210
Parramatta NSW 1750

**UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF RAFFLES CAPITAL LIMITED
A.B.N 66 009 106 049
AND CONTROLLED ENTITIES**

I declare that, to the best of our knowledge and belief, during the half year ended 30 June 2015, there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporation Act 2001* in relation to the review; and
- ii. any applicable code of professional conduct in relation to the review.

**K.S. Black & Co
Chartered Accountants**



**Phillip Miller
Partner**

31 August 2015

Chartered Accountants

ABN: 57 446 398 808

**Independent Auditor's Review Report to the Members of
Raffles Capital Limited
A.B.N. 66 009 106 049
And Controlled Entities**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Raffles Capital Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flow for the half-year ended 30 June 2015, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The Directors of Raffles Capital Limited (the company) are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year 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.

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 Audit 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 half-year report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Raffles Capital Limited's financial position as at 30 June 2015 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *corporations Regulations 2001*. 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 enquiries, primarily of persons responsible for financial and accounting matters and applying analytical and 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.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This review report relates to the financial report of the consolidated entity for the half-year ended 30 June 2015 included on the website of Raffles Capital Limited. The directors of the company are responsible for the integrity of the website and we have not been engaged to report on its integrity. This review report refers only to the half-year financial report identified above and it does not provide an opinion on any other information which may have been hyperlinked to or from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on the company's website.

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, provided to the directors of Raffles Capital Limited and controlled entities on 31 August 2015, would be in the same terms if provided to the directors as at the date of this auditor's review report.

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 is not in accordance with the *corporations Act 2001*, including:

- i. giving a true and fair view of Raffles Capital Limited's financial position as at 30 June 2015 and of its performance for the half year ended on that date; and
- ii. complying with AASB 134: *Interim financial reporting* and the *corporations regulations 2001*.

K.S. Black & Co
Chartered Accountants



Phillip Miller
Partner

31 August 2015

DECLARATION BY DIRECTORS

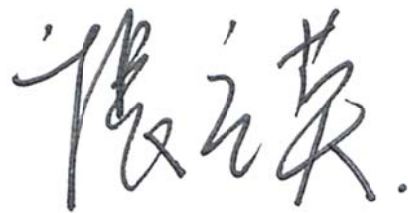
The Directors of the Company declare that:

1. The financial statements and notes, set out on pages 10 to 18, 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 2015 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:



Dr Charlie In
Non-Executive Chairman



Abigail Zhang
Director

31 August 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2015

		Consolidated	
		Half-year ended	Half-year ended
		30-Jun-2015	30-Jun-2014
		\$	\$
Revenue	Notes		
Other Income	2	6	851,341
Administration expenses	2	(814,853)	(643,993)
Finance expenses		(31,407)	(126,017)
Profit/ (loss) before income tax		(846,254)	81,331
Income tax		-	-
Profit/ (loss) after tax for the period		(846,254)	81,331
Other comprehensive Income			
Other comprehensive income before income tax	2	1,221,975	(7,198,760)
Income tax expense		-	-
Other comprehensive income after tax		1,221,975	(7,198,760)
Total comprehensive income for the period		375,721	(7,117,429)
Profit/(loss) attributable to non-controlling interests		-	-
Total comprehensive Income/(loss) attributable to Members of Parent Entity		375,721	(7,117,429)
		Cents	Cents
Basic earnings/(loss) per share		(1.81)	(30.03)
Diluted earnings/(loss) per share		(1.46)	(30.03)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Notes	Consolidated	
		As at 30 June 2015 \$	As at 31 Dec 2014 \$
ASSETS			
Current assets			
Cash and cash equivalents		661,654	468,591
Trade and other receivables	3	10,024	9,598
Financial assets		15	693,134
Other current assets		2,193	325
Total current assets		673,886	1,171,648
Non-current assets			
Financial assets		-	3,729,600
Plant & equipment		295	460
Total non-current assets		295	3,730,060
Total Assets		674,181	4,901,708
LIABILITIES			
Current liabilities			
Trade and other payables	4	17,283	83,372
Total current liabilities		17,283	83,372
Non-current liabilities			
Trade and other payables	4	-	1,741,054
Total Non-current liabilities		-	1,741,054
Total Liabilities		17,283	1,824,426
Net Assets		656,898	3,077,282
EQUITY			
Issued Capital	5	9,101,897	11,898,002
Reserves		-	-
Retained profits / (accumulated losses)		(8,444,999)	(8,820,720)
Total equity attributable to equity holder of parent equity		656,898	3,077,282
Non-controlling interest		-	-
Total Equity		656,898	3,077,282

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

	Note	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
Consolidated					
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		<u>11,698,002</u>	-	<u>(4,828,302)</u>	<u>6,869,700</u>
At 30 June 2014		11,698,002	-	(4,828,302)	6,869,700
Share placement		200,000	-	-	200,000
Loss for the period		-	-	(3,992,418)	(3,992,418)
At 31 December 2014	5	<u>11,898,002</u>	-	<u>(8,820,720)</u>	<u>3,077,282</u>
At 31 December 2014		11,898,002	-	(8,820,720)	3,077,282
Share placement		400,000	-	-	400,000
Distribution in specie		(5,184,277)	-	-	(5,184,277)
Convertible note conversion		2,000,000	-	-	2,000,000
Share issuing costs		(11,828)	-	-	(11,828)
Loss for the period		-	-	375,721	375,721
At 30 June 2015	5	<u>9,101,897</u>	-	<u>(8,444,999)</u>	<u>656,898</u>

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

CONSOLIDATED STATEMENT OF CASH FLOW

For the six months ended 30 June 2015

	Consolidated	
	As at	As at
	30-Jun-15	30-Jun-14
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(247,717)	(413,283)
Interest received	6	17
Net cash (used in)/ provided by from operating activities	(247,711)	(413,266)
Cash flows from investing activities		
Proceed from disposal of investment	-	3,243,719
Repayment to /Advance to other entities	(47,398)	(2,799,999)
Advance from /Repayment from other parties	-	45,000
Acquisition of Investment	-	(54,000)
Net cash (used in)/ provided by from investing activities	(47,398)	434,720
Cash flows from financing activities		
Shares issued	-	-
Share issue costs	(11,828)	-
Convertible notes	500,000	-
Net cash provided by/(used in) from financing activities	488,172	-
Net increase/(decrease) in cash and cash equivalents	193,063	21,454
Cash and cash equivalents at the beginning of the financial period	468,591	16,977
Cash and cash equivalents at the end of the financial period	661,654	38,431

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 2015

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 2015 comprises the Company and its controlled entities (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 2014.

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 2014.

Going Concern

This financial report has been prepared on a going concern basis, which contemplates the continuity of business activities and the realisation of assets and payments of liabilities in the normal course of business.

The directors have identified that following a capital raising they have enough cash to meet spending for the next 12 months from the date of signing this report.

The group plans to initially raise another \$400,000. In the event the group is unable to raise the funds it may not be able to continue its operations as a going concern and may not be able to realise its assets and liabilities in the ordinary course of operations at the amounts stated in the financial report.

The directors believe the Company will be able to pay its debts as and when they fall due and to fund near term anticipated activities.

Accounting Policies

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2015

Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Raffles Capital Limited (the **parent entity**) as at reporting date and the results of all subsidiaries for the year then ended. Raffles Capital Limited and its subsidiaries together are referred to in this financial report as the **Group**.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The financial performance of those activities is included only for the period of the year that they were controlled.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

Intercompany transactions, balances and unrealised gains on transactions between consolidated entity companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses. A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

- (i) The consideration transferred;
- (ii) Any non-controlling interest; and
- (iii) The acquisition date fair value of any previously held equity interests over the acquisition date fair value of net assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity holdings shall form the cost of the investment in the separate financial statements.

Fair value remeasurements in any pre-existing equity holdings are recognised in profit or loss in the period in which they arise. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (continued)**For the six months ended 30 June 2015**

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than a 100% interest will depend on the method adopted in measuring the non-controlling interest.

The purchase method of accounting is used to account for the acquisitions of subsidiaries by the Group.

Under the full goodwill method, the fair value of the non-controlling interests is determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interests is recognised in the consolidated financial statements.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of. Changes in the ownership interests in a subsidiary are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

2. REVENUE AND EXPENSES

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

	Consolidated	
	Half-year ended 30-Jun-2015	Half-year ended 30-Jun-2014
	\$	\$
Other Income		
Interest Income	6	4,656
Gain on disposal of investment	-	846,685
	<u>6</u>	<u>851,341</u>
Administration Expenses		
Directors Fee	161,000	90,000
Consulting and professional fee	435,125	96,250
Other administrative and operating expenditures	218,728	457,743
	<u>814,853</u>	<u>643,993</u>
Other Comprehensive Income		
Gain on disposal of investment – distribution in specie	2,404,604	-
Goodwill on acquisition written off	(1,000,000)	-
Change in fair value of investment	-	(7,193,760)
Other	(182,629)	-
	<u>1,221,975</u>	<u>(7,198,760)</u>

Acquisition of Controlled Entities

In March 2015, the Company acquired 100% interest in Sequoia Capital (HK) Limited. The acquisition resulted in RCL obtaining control of Sequoia Capital (HK) Limited.

	Fair Value
	\$
Consideration for acquisition:	
- Shares issued and option issued	1,000,000
- Cash component	-
Identifiable assets acquired and liabilities assumed	-
Goodwill on acquisition	<u>1,000,000</u>
Carrying value of goodwill after write off	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2015

3. TRADE AND OTHER RECEIVABLES

	Consolidated	
	As at 30-Jun-15 \$	As at 31-Dec-14 \$
Receivable - GST	2,504	9,598
Receivable – related parties	847,348	78,000
Provision for doubtful debt	(839,828)	(78,000)
	10,024	9,598

4. TRADE AND OTHER PAYABLES

	Consolidated	
	As at 30-Jun-15 \$	As at 31-Dec-14 \$
Current		
Trade payable	5,283	71,572
Accrued payable	12,000	11,800
	17,283	83,372
Non-Current		
Advance from other entities	-	1,241,054
2 years 8.8% convertible note (note)	-	500,000
	-	1,741,054

Note: 2 years convertible note is convertible to 5 million Raffles Capital Limited shares. The convertible note holder also receives 5 million options.

5. CONTRIBUTED EQUITY

	Consolidated		Consolidated	
	As at 30-Jun-15 Shares	As at 31-Dec-14 Shares	As at 30-Jun-15 \$	As at 31-Dec-14 \$
Share capital issued	24,350,186	24,700,359	9,101,897	11,898,002

(a) Movements in ordinary share capital during the period

Balance at beginning of one period	24,700,359	23,700,359	11,898,002	11,698,002
Share placement	-	1,000,000	-	200,000
Share Issued in lieu of services	4,000,000	-	400,000	-
Capital reduction / distribution in specie	(14,350,173)	-	(5,184,277)	-
Convertible note conversion	5,000,000	-	1,000,000	-
Convertible note conversion	5,000,000	-	1,000,000	-
Share issuing costs	-	-	(11,828)	-
Balance at the end of period	24,350,186	24,700,359	9,101,897	11,898,002

(b) Options

There have been 5 million 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2015

6. COMMITMENTS

	Consolidated	
	As at 30-Jun-15	As at 31-Dec-14
	\$	\$
Remuneration expenditure commitments		
Salary and other remuneration commitments under long-term employment contracts existing at reporting date not recognised as liabilities:		
Within one year	348,000	-
Later than one year but not later than 5 years	1,044,000	-
Later than 5 years	-	-
	1,392,000	-

There were two service agreements in place formalising the term of remuneration of Mr In and Ms Li. The agreements have no specific term and may be terminated by either party.

Corporate Services agreements

The Company has entered into a corporate 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 Corporate 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.

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

7. 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.

8. SEGMENT INFORMATION

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

9. 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 2015 that have significantly affected or may significantly affect:

- the operations, in financial half year subsequent to 30 June 2015, of the consolidated entity;
- the results of those operations; or
- the state of affairs, in financial half year subsequent to 30 June 2015, of the consolidated entity.

SUPPLEMENTARY APPENDIX 4D INFORMATION

NTA Backing

	30-Jun-2015	31-Dec-2014
Net tangible asset backing per ordinary share	2.70 cents	11.7 cents

Controlled Entities Acquired

One wholly owned entity, Sequoia Capital (Hong Kong) Limited, was acquired during the reporting period.

Loss of Control of Entities During the Period

Under the distribution in specie, RafflesCo Limited was 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.