



# RAFFLES CAPITAL LIMITED

ABN 66 009 106 049

## HALF-YEAR REPORT

incorporating

### APPENDIX 4D ASX HALF-YEAR INFORMATION

30 June 2011

(Previous corresponding period: from 1 May 2010 to 30 June 2010)

**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 2010 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  
Facsimile: +61 2 9251 7500

### **Board of Directors**

Tan Sri Ibrahim Menudin (Chairman)  
Vincent Tan  
Richard Yap  
Benjamin Amzalak

### **Joint Company Secretaries**

Henry Kinstlinger  
David Hughes

### **Share Registry**

Computershare Investor Services Pty Limited  
Level 3  
60 Carrington Street  
Sydney NSW 2000  
Telephone: 1300 850 505 (within Australia)

### **Auditor**

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

### **Bankers**

St George Bank Limited  
2-14 Meredith Street  
Bankstown NSW 2200  
Telephone: +61 2 8760 8100

### **Lawyers**

Piper Alderman  
Level 23 Governor Macquarie Tower  
1 Farrer Place  
Sydney NSW 2000  
Telephone: +61 2 9253 9999

### **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 2011**  
(Previous corresponding period: From 1 May 2010 to 30 June 2010)

**RESULTS FOR ANNOUNCEMENT TO THE MARKET**

				\$
<b>Revenue</b> from ordinary activities	Up	1,017%	to	98,915
<b>Profit/(loss)</b> from ordinary activities after tax	Up	562%	to	(140,440)
<b>Net Profit/(loss)</b> for the period attributable to members	Up	562%	to	(140,440)

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

(Refer to the Directors' Report which follows on page 3).

## **DIRECTORS' REPORT**

Your directors have pleasure in submitting their report together with the consolidated financial report of the consolidated entity, being Raffles Capital Limited (**the Company**) and its controlled entities for the half year ended 30th June 2011 and the Auditor's review report thereon.

### **Executive Review**

Securities in the Company had previously not traded since April 2007. Following the issue of a Prospectus and the raising of \$1.5 million (before costs) through the issue of 3 million shares at \$0.50 per share, the Company successfully applied for reinstatement to the official list of the ASX. Trading recommenced on 31 May 2011.

The Company is a "Diversified Financials"<sup>1</sup> business. Its asset portfolio<sup>2</sup> at 30 June 2011 includes:

- a) investment in property and resources company, Hudson Investment Group Limited (ASX: HGL) (\$7.27 million);
- b) direct investment in listed junior exploration companies (\$1 million); and
- c) 65 million shares in (86.7%) in exploration company, Precious Metal Resources Limited (**PMR**) (\$1.25 million).

Total net assets of \$9.5 million.

PMR is exploring for base and precious metals on the PMR Project Tenements located at Halls Peak, 80 km southeast of Armidale, New South Wales, Australia. Halls Peak is the inferred volcanic centre for extensive small but high grade Volcanic Massive Sulphide deposits rich in copper, lead, zinc and silver, with variable but largely untested gold values.

#### ***PMR CEO appointed***

Peter Kennewell was appointed as Chief Executive Officer of PMR.

Peter has a distinguished career, having worked for the last 26 years for Cluff Resources Pacific NL as Exploration Manager, and the last 8 years as Managing Director.

Peter has successfully overseen the development of mines, from resource evaluation, prefeasibility study, environmental impact approvals, grant of mining tenements and funding arrangements, through to plant and accommodation construction and staffing.

### **Review of Operations**

The Company is focusing on three business areas. An operational and structural diagram is appended to this report.

#### **1. Corporate advisory**

The Company corporate advisory business identifies commercial and corporate opportunities, synergic partnerships and commercial and project funding.

Through its extensive network of investors, advisors, brokers and financiers the Company is able to identify and facilitate corporate actions acting as Corporate Advisor.

#### **2. Origination**

The Company 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, the Company funds initial exploration and development through seed capital and proceeds to build the business.

The business either continues to operate under the Company or the business is able to seek independent funding. The Company gains through the sale of the business for cash, equity or a combination. Joint venture participation is also possible.

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<sup>1</sup> GICS industry group assigned by ASX

<sup>2</sup> Cost value, does not reflect market price increase

DIRECTORS' REPORT continued

3. RafflesLaw

The Company incorporated RafflesLaw Pty Ltd to operate as a Litigation Funding business providing funding of legal claims, in Australia and in other jurisdictions.

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.

Litigation funding usually involves the funder paying the cost of the litigation while indemnifying the litigant against the risk of paying the costs incurred by the respondent if the case fails. In the instance that the case is successful, the funder is reimbursed for the costs of the litigation and also receives a contractually agreed percentage of any court awarded lump sum or settlement.

Professional advisors consisting of retired judges and senior counsel reviewing the merits of proposed funded litigation will support RafflesLaw.

Exploration

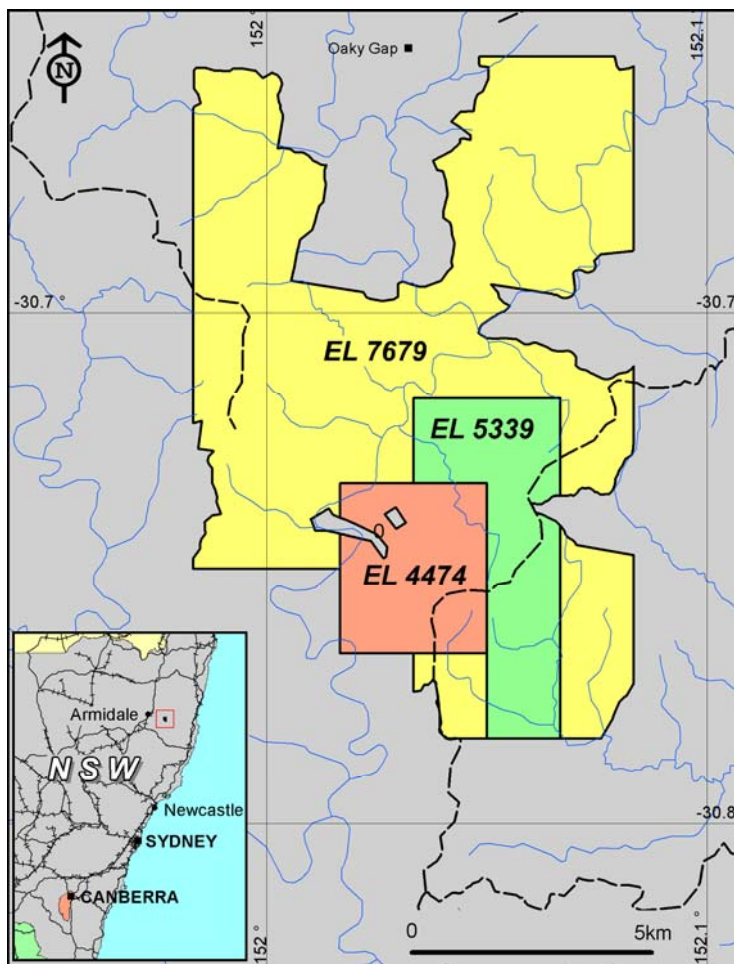
Precious Metal Resources Limited

**Halls Peak Base Metal Project  
(87%)**

Halls Peak is the inferred volcanic centre for extensive small but high grade Volcanic Massive Sulphide deposits rich in copper, lead, zinc and silver, with variable but largely untested gold values. Further exploration aims to locate the right depositional environment to host an economic resource.

Several geochemical and geophysical anomalies are also present that should identify further high grade, near-surface sulphides.

The large amount of exploration in the areas around the former Halls Peak mines by major companies including BHP Exploration, CRA and Carpentaria Exploration has now been reviewed. This concluded that the high-grade mineralisation mined during the 20th century is enclosed within far larger bodies of lower grade mineralisation up to 15 metres thick. The black shale host rock enclosing the mineralisation extends over 20 sq km, supporting opinions previously expressed by the majors that the district has potential for world-class base metal deposits.



The PMR Tenements are located 80 km southeast of Armidale, New South Wales, Australia.

The project's substantial exploration target of mixed high and low-grade mineralisation has been outlined in a release to the ASX on 22 June 2011.

A work program has been determined, initially involving logging and assaying of pre JORC drill core from more than 23 holes that have been preserved by the NSW Government. A drill program will then be conducted to confirm, infill and extend high-grade mineralization, if recognized, in these holes. A JORC compliant inferred resource will be prepared if supported by the drilling results.

**DIRECTORS' REPORT continued**

In the medium term, this previous drilling will be compiled onto computer and a range of mixed high and low grade targets determined. The focus will be on the two highest potential target areas, with subsequent drilling to locate a large tonnage of mixed high and low grade mineralisation.

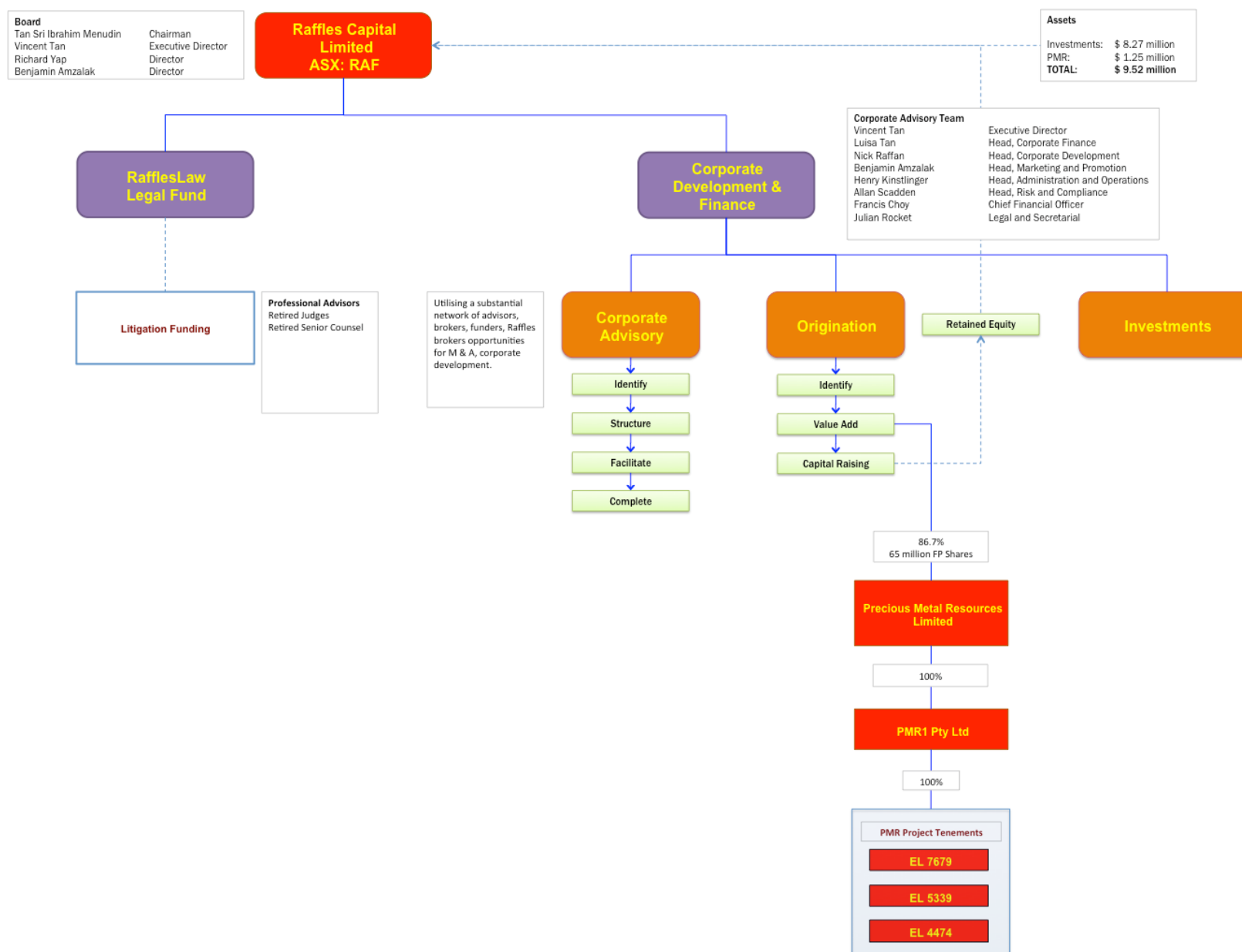
The long-term plan is to prove that base metals extend under the mountain for hundreds of metres (or more) enclosed within black shales. This search for silver/copper/zinc/lead in the black shale basins will use drilling and geophysics and will also aim to locate volcanic vents which may host large copper deposits. Ultimately it aims to locate and drill a world-class base metal deposit.

Assaying of core from holes Allstate DDH 6 (Gibson's Mine area) and DDH CEC Faints 1 and 2 (Firefly/Faints Mine area) at the Londonderry Core Library has commenced, with all cores logged and photographed (390 metres), and slabbing and submission to ALS Laboratories in Brisbane in progress, with 168 metres completed.

Detailed field examination of the Gibson's Mine area to reinterpret the geology of the mineralisation and determine drill sites has identified four pads suitable for drilling the mineralisation at depths between 50 and 150 metres using a small, tracked coring drilling rig. Discussions have been held with suitable drilling companies, and a contract will be finalised after detailed field inspection to confirm drill site preparation requirements, and approval by the NSW Department of Primary Industries.

These holes aim to demonstrate continuity and confirm the thickness of mixed high and low grade mineralisation within a layer extending over an outcrop length of 250 metres, and to a vertical depth of 150 metres. If demonstrated, this may result in an initial JORC inferred resource with potential to be open in several directions.

**DIRECTORS' REPORT continued**





**DIRECTORS' REPORT continued**

**Subsequent Events**

On 19 July 2011, the Company incorporated RafflesLaw Pty Ltd as a wholly owned subsidiary.

Luisa Tan has been appointed Head, Corporate Finance (to commence 6 September 2011).

Luisa has worked in Investment Banking at Macquarie Capital, Sydney. She brings considerable M & A, operational and transactional experience to the Company as it develops its new corporate advisory and litigation funding businesses.

Previously, Luisa worked with Caliburn Partnership, JPMorgan and Deacons. She has a Master of Law with Distinction and a Bachelor of Commerce/Law degree from the University of NSW.

At the date of this report there are no other matters or circumstances, other than noted above, which have arisen since 30 June 2011 that have significantly affected or may significantly affect:

- the operations, in financial half year subsequent to 30 June 2011, of the consolidated entity;
- the results of those operations; or
- the state of affairs, in financial half year subsequent to 30 June 2011, of the consolidated entity.

**JORC Code Compliant Public Reports**

The Company advises that this Half-Yearly Report contains summaries of Exploration Results and Mineral Resources as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code").

The following table references the location of the Code-compliant Public Reports or Public Reporting on which the summaries are based. These references can be viewed on the ASX website and the Company will provide these reports, free of charge, to any person who requests it.

<b>Issue Date</b>	<b>Title of Notice as lodged with ASX</b>
29/07/2011	Quarterly Activities Report
22/06/2011	Halls Creek Project - Brokers Presentation
30/05/2011	Raffles Capital Limited Update

**Qualifying statement**

The information in this report that relates to Exploration Information is based on information compiled by Peter Kennewell who is a member of the Australasian Institute of Mining and Metallurgy. Mr Kennewell is a qualified geologist and is a director of Precious Metal Resources Limited, a subsidiary of Raffles Capital Limited.

Mr Kennewell has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of exploration Results, Mineral Resources and Ore Resources. Mr Kennewell has consented to the inclusion in this announcement of the Exploration Information in the form and context in which it appears.

**DIRECTORS' REPORT continued**

**Financial Performance**

On behalf of your Board of Directors I advise that in the six months to 30 June 2011 the consolidated entity recorded a net loss after tax of \$140,440. (Previous corresponding period for the two months ended 30 June 2010: loss \$21,190).

A summary of consolidated revenues and results is set out below:

	<b>2011</b>	2010
	<b>(Six months ended 30-Jun-11)</b>	(Two months ended 30-Jun-10)
	<b>\$</b>	\$
<b>Revenue</b>	<b>98,915</b>	8,857
<b>Expenses</b>		
Administrative expenses	<b>(240,966)</b>	(29,965)
Finance expenses	<b>(1,292)</b>	(82)
	<hr/>	<hr/>
<b>(Loss)/profit from ordinary activities before income tax expense</b>	<b>(143,343)</b>	(21,190)
Income tax (expense)/credit	-	-
	<hr/>	<hr/>
<b>(Loss)/profit from ordinary activities after tax</b>	<b>(143,343)</b>	(21,190)
Profit attributed to outside equity interest	<b>2,903</b>	-
	<hr/>	<hr/>
<b>Net (loss)/profit attributable to members of Raffles Capital Limited</b>	<b>(140,440)</b>	(21,190)
	<hr/> <hr/>	<hr/> <hr/>

**Likely developments and expected results of operations**

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

**Environmental regulation**

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.

**Dividend**

No dividend has been declared for current reporting period (2010: Nil).

**DIRECTORS' REPORT continued**

**Directors**

The directors of the Company at any time during or since the half-year are as followed, unless otherwise stated:

Tan Sri Ibrahim Menudin (Chairman)  
Vincent Tan  
Richard Yap  
Benjamin Amzalak

**Information on Directors**

**Tan Sri Ibrahim Menudin B Com FCA**

Chairman/Non-Executive Director

Appointed a Director on 16 December 2009

Tan Sri Ibrahim Menudin, a Malaysian citizen, is the Director and Chairman of Suria Capital Holdings Berhad ("Suria Capital"). Suria Capital is a public-listed company on the Main Board of Bursa Malaysia Berhad. Tan Sri was formerly the Chief Executive Officer of Bumiputra Investment Fund of Sabah until 1985. He had also served as Chairman of Sabah Gas Industries Sdn Bhd, Deputy Chairman of Sabah Forest Industry Sdn Bhd as well as being board member of other Sabah Government corporations ranging from finance, forestry, and manufacturing, plantations, hotel and property development.

He was previously appointed a board member of Malaysian Mining Corporation Berhad and Group Chief Executive and was also a board member of Ashton Mining Limited and Plutonic Resources Limited.

*Other Current Directorships*

Tan Sri Ibrahim Menudin is Non-Executive Director of Hudson Resources Limited since 2007 and Non-Executive Director of Tiaro Coal Limited.

*Former Directorships in the last three years of listed companies*

None

*Special Responsibilities*

None

**Vincent Tan B Com and Admin CA**

Executive Director

Appointed a Director on 16 December 2009

Vincent Tan is a chartered accountant and has over the past thirty-five years worked in a range of industries, including insurance, securities trading, finance and property.

Mr Tan has held senior management positions in a number of public and non-government organisations and has broad experience in corporate structuring.

*Other Current Directorships*

Non-executive Director of Australian Bauxite Limited

*Former Directorships in Last Three Years of Listed Companies*

Executive Director of Hudson Investment Group Limited, Executive Director of Hudson Resources Limited and Executive Director of Tiaro Coal Limited

*Special Responsibilities*

None

**Richard Yap B Econ, MBA, CPA**

Non-Executive Director

Appointed a Director on 8 January 2010

Mr Yap has over 20 years experience in investment banking and corporate finance with qualifications of a Bachelor of Economics and a Master of Business Administration from Monash University.

Mr Yap is also currently the Director of Business Development and Advisor to the Chairman of TA Enterprise Berhad, a company listed on the Kuala Lumpur Stock Exchange.

*Other Current Directorships*

None

*Former Directorships in Last Three Years of Listed Companies*

None

*Special Responsibilities*

None

**DIRECTORS' REPORT continued**

**Benjamin Amzalak B. Com (Marketing & Finance)**

Non-Executive Director

Appointed a Director on 5 February 2010

Mr Amzalak has an extensive background in capital raising, investor relations and broking communications. He has been engaged in capital management, raising in excess of \$250 million in new venture capital for mining and other public companies. Today he provides advisory services to public companies in many areas including Initial Public Offerings and Mergers and Acquisitions.

*Other Current Directorships*

None

*Former Directorships in Last Three Years of Listed Companies*

None

*Special Responsibilities*

None

**Joint Company Secretaries**

**Henry Kinstlinger**

Henry Kinstlinger has the past twenty-five years been actively involved in the financial and corporate management of a number of public companies and non-governmental organisations. He is a corporate consultant with broad experience in investor and community relations and corporate and statutory compliance.

**David Hughes**

David Hughes was appointed to the position of Joint Company Secretary on 11 November 2010. Before joining the Company, he has held similar positions with other listed companies for over 20 years. He is currently the Company Secretary of the following other ASX listed public companies; Latrobe Magnesium Limited and Hudson Investment Group Limited and Joint Company Secretary of Hudson Resources Limited, Empire Energy Group Limited, Tiaro Coal Limited, Sovereign Gold Company Limited and Australian Bauxite Limited.

**Chief Financial Officer**

**Francis Choy M.Comm MBA FCPA(HK) FCPA**

Francis Choy has held a number of senior positions in corporate financial management roles throughout Australia and South East Asia. He has extensive experience in project finance, compliance, acquisition and investment appraisals. He has been involved in project financial, financial management of property development and telecommunication projects in South East Asia. He held senior financial roles for numerous public listed companies both in Hong Kong and Australia.

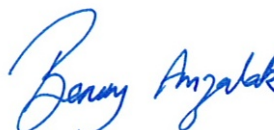
**Auditors' Independence Declaration**

We have obtained an independence declaration from our auditors, K. S. Black & Co which appears on page 11 of this report.

**Signed in accordance with a resolution of the Directors:**



**Vincent Tan**  
Director



**Benjamin Amzalak**  
Director

Sydney, 26 August 2011

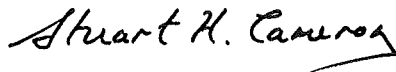
**AUDITORS INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

To the Directors of Raffles Capital Limited

In connection with the review of Raffles Capital Limited for the period ended 30 June 2011, I declare that to the best of my knowledge and belief, there have been:

- (i) No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) No contravention of any applicable code of professional conduct in relation to the audit.

KS Black & Co  
Chartered Accountants



Stuart Cameron  
Partner

Sydney; 26/8/11

## INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF RAFFLES CAPITAL LIMITED

### Report on the Financial Report

We have reviewed the accompanying interim financial report of Raffles Capital Limited which comprises the consolidated statement of financial position as at 30 June 2011, statement of comprehensive income, statement of changes in equity and statement of cash flows for the half year ended on that date, accompanying notes and directors' declaration of the consolidated entity 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 the 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 an opinion 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 Interim and Other Financial Reports 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 consolidated entity's financial position as at 30 June 2011, and its performance for the half year ended on that date; and complying with Australian Standard AASB 134 Interim Financial reporting and Corporations Regulations 2001. As 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 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

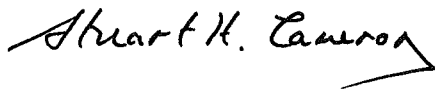
In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

**INDEPENDENT AUDITORS' REVIEW REPORT**  
**TO THE MEMBERS OF RAFFLES CAPITAL LIMITED**  
(continued)

**Review Opinion**

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Raffles Capital Limited does not present fairly, in all material respects the financial position of Raffles Capital Limited as at 30 June 2011, and of its financial performance and its cash flows for the half year period ended on that date in accordance with Australian Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001.

KS Black & Co  
Chartered Accountants



Stuart Cameron  
Partner

Sydney: 26/8/11

## **DECLARATION BY DIRECTORS**

The Directors of the Company declare that:

1. The financial statements and notes, set out on pages 15 to 21, 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 2011 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**  
Director

Sydney  
26 August, 2011



**Benjamin Amzalak**  
Director



**STATEMENT OF COMPREHENSIVE INCOME**

**For the six months ended 30 June 2011**

(Previous corresponding period: For the two months ended 30 June 2010)

	Notes	Consolidated	
		2011 (Six months ended 30-Jun-11)	2010 (Two months ended 30-Jun-10)
		\$	\$
<b>Revenue</b>	2	<b>98,915</b>	8,857
Administration expenses	2	(240,966)	(29,965)
Finance expenses		(1,292)	(82)
<b>Profit/(loss) before income tax</b>		<b>(143,343)</b>	(21,190)
Income Tax expense		-	-
<b>Profit/(loss) after tax for the period</b>		<b>(143,343)</b>	(21,190)
<b>Profit/(loss) attributable to outside equity interest</b>		<b>2,903</b>	-
		<b>(140,440)</b>	(21,190)
<b>Other Comprehensive Income</b>			
Other comprehensive income for the period net of tax		-	-
Total comprehensive income for the period		-	-
<b>Total Comprehensive Income/(loss) attributable to members of Raffles Capital Limited</b>		<b>(140,440)</b>	(21,190)
		<b>Cents</b>	<b>Cents</b>
Basic earnings/(loss) per share		(0.65)	(0.10)
Diluted earnings/(loss) per share		(0.65)	(0.10)

*This Statement of Comprehensive Income is to be read in conjunction with the notes to the financial report*

**STATEMENT OF FINANCIAL POSITION**  
**As at 30 June 2011**

		<b>Consolidated</b>	
	Notes	30-Jun-11 \$	31-Dec-10 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		1,287,619	242,712
Trade and other receivables		170,794	64,596
Other financial assets		866,335	866,335
<b>Total current assets</b>		<b>2,324,748</b>	<b>1,173,643</b>
<b>Non-current assets</b>			
Other financial assets		7,275,005	7,218,090
Plant and equipment		1,631	-
Mining tenements	3	200,250	200,250
<b>Total non-current assets</b>		<b>7,476,886</b>	<b>7,418,340</b>
<b>Total assets</b>		<b>9,801,634</b>	<b>8,591,983</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		251,220	53,789
Other liabilities		12,000	-
<b>Total current liabilities</b>		<b>263,220</b>	<b>53,789</b>
<b>Non-current liabilities</b>			
Other Payable		-	200,000
<b>Total Non-current liabilities</b>		<b>-</b>	<b>200,000</b>
<b>Total liabilities</b>		<b>263,220</b>	<b>253,789</b>
<b>Net assets</b>		<b>9,538,414</b>	<b>8,338,194</b>
<b>EQUITY</b>			
Contributed equity	4	11,739,065	10,395,502
Retained profits / (accumulated losses)		(2,197,998)	(2,057,558)
<b>Total equity attributable to equity holder of parent equity</b>		<b>9,541,067</b>	<b>8,337,944</b>
Minority Interest		(2,653)	250
<b>Total Equity</b>		<b>9,538,414</b>	<b>8,338,194</b>

*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 2011**

<b>CONSOLIDATED</b>	<b>Issued Capital</b>	<b>Reserves</b>	<b>Accumulated Losses</b>	<b>Minority Interest</b>	<b>Total Equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>At 30 April 2010</b>	10,395,502	-	(1,973,801)	-	8,421,701
Dividend paid	-	-	-	-	-
Loss for the period	-	-	(21,190)	-	(21,190)
<b>At 30 June 2010</b>	<b>10,395,502</b>	<b>-</b>	<b>(1,994,991)</b>	<b>-</b>	<b>8,400,511</b>
<b>At 30 June 2010</b>	10,395,502	-	(1,994,991)	-	8,400,511
Movement for the period	-	-	-	250	250
Loss for the period	-	-	(62,567)	-	(62,567)
<b>At 31 December 2010</b>	<b>10,395,502</b>	<b>-</b>	<b>(2,057,558)</b>	<b>250</b>	<b>8,338,194</b>
<b>At 31 December 2010</b>	<b>10,395,502</b>	<b>-</b>	<b>(2,057,558)</b>	<b>250</b>	<b>8,338,194</b>
Shares issued net of costs	<b>1,343,563</b>	-	-	-	<b>1,343,563</b>
Loss for the period	-	-	(140,440)	-	(140,440)
Movement for the period	-	-	-	(2,903)	(2,903)
<b>At 30 June 2011</b>	<b>11,739,065</b>	<b>-</b>	<b>(2,197,998)</b>	<b>(2,653)</b>	<b>9,538,414</b>

*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 2011**

(Previous corresponding period: two months ended 30 June 2010)

	Notes	Consolidated	
		2011 (Six months ended 30-Jun-11) \$	2010 (Two months ended 30-Jun-10) \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(263,987)	(32,293)
Interest received		23,915	1,727
<b>Net cash inflow/(outflow) from operating activities</b>		<b>(240,072)</b>	<b>(30,566)</b>
<b>Cash flows from investing activities</b>			
Acquisition of Investment		(56,915)	-
Acquisition of equipment		(1,669)	-
<b>Net cash inflow/(outflow) from investing activities</b>		<b>(58,584)</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Shares issued		1,500,000	-
Share issue costs		(156,437)	-
<b>Net cash inflow/(outflow) from financing activities</b>		<b>1,343,563</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1,044,907</b>	<b>(30,566)</b>
<b>Cash and cash equivalents at the beginning of the financial period</b>		<b>242,712</b>	<b>505,590</b>
<b>Cash and cash equivalents at the end of the financial period</b>		<b>1,287,619</b>	<b>475,024</b>

*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 2011**

**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 2011 comprises the Company and its subsidiaries (together referred to as the "consolidated entity"). Previous corresponding period is for the two months ended 30 June 2010.

The company changed its financial year end to December in 2010. The consolidated annual financial report of the consolidated entity as at and for the year ended 31 December, 2010 is available upon request from the Company's registered office.

**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, 2010.

This consolidated interim financial report was approved by your Board of Directors on 25 August 2011.

**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, 2010.

**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:

	<b>Consolidated</b>	
	<b>2011</b>	<b>2010</b>
	<b>(For six months ended 30-Jun-11)</b>	<b>(For two months ended 30-Jun-10)</b>
	<b>\$</b>	<b>\$</b>
<b>Revenues</b>		
Interest Income	23,915	8,857
Fee Income	75,000	-
	<b>98,915</b>	<b>8,857</b>
<b>Administration Expenses</b>		
Directors Fee	-	-
Consulting and professional fee	(12,433)	(26,951)
Others	(228,533)	(3,014)
	<b>(240,966)</b>	<b>(29,965)</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the six months ended 30 June 2011 (continued)**

**3. MINING TENEMENTS**

	<b>Consolidated</b>	
	<b>30-Jun-11</b>	<b>31-Dec-10</b>
	<b>\$</b>	<b>\$</b>
Mining tenements	<b>200,250</b>	200,250
	<b>200,250</b>	200,250

**4. CONTRIBUTED EQUITY**

	<b>Consolidated Entity and Parent Entity</b>		<b>Consolidated Entity and Parent Entity</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>Number of Shares</b>	<b>Number of Shares</b>	<b>\$</b>	<b>\$</b>
<b>Issued Capital</b>				
Ordinary shares issued	<b>23,700,359</b>	20,700,359	<b>11,739,065</b>	10,395,502

**(a) Movements in ordinary share capital during 2011**

Consolidated Entity and Parent Entity

<b>Date</b>	<b>Details</b>	<b>No. of shares</b>	<b>Issue Price</b>	
			<b>\$</b>	<b>\$</b>
1 January 2011	Balance	20,700,359		10,395,502
May 2011	Share Issue	3,000,000	0.50	1,500,000
	Share issuing costs	-		(156,437)
30 June 2011	Balance	23,700,359		11,739,065

**Ordinary Shares**

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

**5. CONTINGENT LIABILITIES**

**(a) Contingent liabilities**

The parent entity and Group had no material contingent 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the six months ended 30 June 2011 (continued)**

**(b) Exploration expenditure commitments**

The minimum exploration expenditure commitments and lease payments on the Company's exploration tenements total \$680,000 per annum.

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

**6. SEGMENT INFORMATION**

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

**7. EVENTS SUBSEQUENT TO BALANCE DATE**

On 19 July 2011, the Company incorporated RafflesLaw Pty Ltd as a wholly owned subsidiary.

Luisa Tan has been appointed Head, Corporate Finance (to commence 6 September 2011).

At the date of this report there are no other matters or circumstances, other than noted above, which have arisen since 30 June 2011 that have significantly affected or may significantly affect:

- the operations, in financial half year subsequent to 30 June 2011, of the consolidated entity;
- the results of those operations; or
- the state of affairs, in financial half year subsequent to 30 June 2011, of the consolidated entity.

## SUPPLEMENTARY APPENDIX 4D INFORMATION

### NTA Backing

	30-Jun-2010	31-Dec-2010
Net tangible asset backing per ordinary share	40.25 cents	40.28 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 7 to the financial statement.

### 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.