



Raya Group Ltd

ABN 89 122 203 196

Interim Financial Report for the half-year ended 31 December 2015

Interim Financial Report – Half-Year Ended 31 December 2015

Contents

Directors' Report	3
Directors' Report (continued).....	4
Directors' Report (continued).....	5
Directors' Report (continued).....	6
Auditor's Independence Declaration	7
Consolidated Statement of Comprehensive Income	8
Consolidated Statement of Financial Position	9
Consolidated Statement of Changes in Equity	10
Consolidated Statement of Cash Flows	11
Notes to the Financial Statements	12
Directors' Declaration	20
Independent Auditor's Review Report.....	21

This interim financial report does not include all of the notes and other disclosure information 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 financial year ended 30 June 2015 and any public announcements made by Raya Group Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Directors' Report

The directors present their report on the consolidated entity consisting of Raya Group Ltd (the "company" or "Raya") and the entities it controlled at the end of, or during, the half-year ended 31 December 2015.

Directors

The following persons were directors of Raya Group Ltd during the half-year under review and up to the date of this report, unless otherwise stated:

Mr Athan Lekkas	Chairman
Mr Daniel Lanskey	Managing Director (resigned 22 Oct 2015)
Mr Michael Clarke	Non-Executive Director
Mr Brendan de Kauwe	Non-Executive Director

Company Secretaries

Mrs Julie Edwards
Mr Luke Arthur (Appointed joint company secretary on 16 February 2016)

Dividends

The directors recommend that no dividend be paid or declared at this point in time. No amounts have been paid or declared by way of dividend during the half-year period under review.

Review and Results of Operations

The following provides a summary of Raya's activities and achievements during the course of the half year:

Raya is an Australian-based exploration and development company that is focussed on its portfolio of advanced geothermal development opportunities in Indonesia.

HIGHLIGHTS OF THE HALF YEAR

Board Restructure / Funding / Corporate

- On 1st July 2015 Pryme Energy Ltd issued 100,000,000 fully paid ordinary shares and \$250,000 AUD cash payment to Raya as part of Tranche 1 consideration under the Purchase and Sale Agreement of Raya's USA oil/gas assets.
- The consideration payments of \$350,000 for Tranche 2 and 3 combined, will become due to Raya at the success of the first 2 wells drilled in the Total Acreage on the basis they each are equal to or greater than 31 Mbo of oil and 200 MMcf of natural gas "gross" proved producing developed 1P certified reserves by Pinnacle Energy Services L.L.C.
- During the quarter Raya acquired a further 35,014,214 Pryme listed shares (PYM) to bring the total holding to 135,014,214 listed shares.
- On 12th October 2015 the Company sold its entire holding in Pryme Energy via on market trades and received funds totalling \$667,000 after brokerage.
- On the 24th September 2015 an Extraordinary General Meeting ("EGM") was held to consider a number of resolutions to shareholders with all passed in favour.
- On 13th October 2015 40,000,000 ordinary shares were issued to directors under the Director's Fee Plan at \$0.004 per share. The directors paid consideration of \$0.0005 per share representing an 87.5% discount on their fair value.

Directors' Report (continued)

- As announced on 26th October 2015 Raya entered into a binding Heads of Agreement (HOA) with the key shareholders of Xped Holdings Ltd (Xped) to acquire all of the issued capital in Xped.
- On the 4th November Raya received the rights to acquire 100% of Xped following the agreement from all minority shareholders in Xped who accepted the terms.
- On 10th November the Company had completed a placement of \$600,000 to a strategic investor under Section 708A at a price of 2c per share. The strategic investor was to originally receive additional 10,000,000 shares pending shareholder approval but this was subsequently cancelled following a revised capital structure as per Prospectus lodged on 18th January 2016.
- On the 20th November the Company announced it had completed a further private placement to a select group of institutional funds and sophisticated investors raising a total of \$1,400,000 to progress the proposed acquisition of Xped. The funds were raised at a price of 3.5c per share.
- On the 25th November an Annual General Meeting ("AGM") was held to put forward the Company's Financial Reports and consider a number of resolutions to shareholders. All resolutions were passed in favour.
- On 1st December it was announced that Raya and the Xped Vendors have formally and satisfactorily completed their Due Diligence, and Raya would proceed in acquiring 100% of the shares in Xped.
- On 1st December, the Company announced that Xped has been awarded a key patent in China for its technology that can create and transfer eCoupons using its unique "tap-to-connect" Internet-of-Things (IoT) solution.
- Raya announced on 8th December it had appointed leading Sydney based investment bank KTM Capital Pty Ltd (KTM) as lead manager for the proposed Prospectus Offering which was originally expected to raise up to \$6.8m but the offer was later revised to a maximum of \$8m.
- The company announced on 22 December 2015, that Xped and UniSA are working together to build an energy monitoring system that will encompass the "revolutionary" and "patented" ADRC (Auto Discovery Remote Control).
- On 23 December a Technical Expert Report was released to the market following an independent technology expert review on Xped and its technologies. The report was completed by Flocom Consulting.

The consolidated entity realised a loss after tax for the half-year of \$1,066,584 (HY 31 Dec 14: loss of \$685,986).

Indonesian Projects:

Sokoria Geothermal Project

- During the period Raya and Bakrie continued informal discussions with a large European Power group to discuss potential involvement with the Sokoria Project. Whilst the discussions remain early, this party holds all the capabilities to develop and fund the project should they wish to participate. They will continue to review Sokoria and other projects in the region and will advise their intentions when ready.

Ngebel and Dairi Prima Projects

- Raya fully impaired both Ngebel and Dairi Prima projects at 30 June 2015 after considering the projects capability to be developed by the Company in the future. The lack of interest from external parties to engage with these projects resulted in the decision made to impair these projects and apply focus on seeking strategic investor for Sokoria. The Company will look to divest its impaired projects moving forward as it prepares to change activities following the Xped acquisition.

Directors' Report (continued)

Other Projects – Australia and USA

- In November 2014, the Company acquired oil and gas leases within an identified Area of Interest (AOI), in Oklahoma, USA. The leases were acquired with a 100% Working Interest and an 81.25% Net Revenue Interest with a 3 year primary term and a 2 year bonus term. These leases were sold on 1st July 2015 for consideration of \$1.05m and the Company is no longer a participant in the Project.

Health, Safety, Environment and Community

- During the half year under review, and since the end of the financial year, there were no reportable incidents relating to health, safety, or community related matters.
- No business objective will take priority over the Occupational Health and Safety Policy and the Company's record of achievement in this important area of its activities will form an essential part of the measure of its overall success.

Significant changes in the nature of activities

Other than as disclosed in this report, there were no other changes in the nature of activities that occurred during the course of the financial year.

Events Occurring After Balance Sheet Date

- On the 18th January 2016, the Company announced the appointment of EAS Advisors, LLC ("EAS") as North American corporate advisors to the Company.
- On 18th January 2016, the Company lodged its Prospectus Offer to raise up to \$8m through an issue of 320,000,000 shares at an issue price of \$0.025 per share.
- A supplementary prospectus was subsequently lodged with ASIC on the 28th of January 2016 which is to be read in conjunction with the Prospectus for any investor considering applying for share allocation.
- On 28th January 2016, a Notice of Extraordinary General Meeting was lodged to consider a number of resolutions regarding the Xped acquisition.
- On the 3rd February 2016, confirmation of meeting materials dispatch was announced along with a copy of the Independent Expert Report which had considered the Xped acquisition as "fair" and "reasonable".
- On 8th February 2016, the Company advised that Xped had signed a Memorandum of Understanding with a US listed chipset manufacturer; and
- On 22nd February 2016, the Company advised it has closed its Prospectus Offer of \$8m following oversubscriptions.
- On 3rd March 2016 the company advised that Xped Holdings Ltd and Leapin Digital Keys LLC have entered into a license agreement for Xped to supply its proprietary technology for use together with Leapin Digital Keys smart building technology.

Directors' Report (continued)

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 7.

This report is made in accordance with a resolution of directors.



Mr Athan Lekkas
Director

Melbourne, Victoria
10 March 2016



PITCHER PARTNERS

ACCOUNTANTS • AUDITORS • ADVISORS

Level 30
345 Queen Street
Brisbane
Queensland 4000

Postal Address:
GPO Box 1144
Brisbane
Queensland 4001

Tel: 07 3222 8444
Fax: 07 3221 7779

www.pitcher.com.au
info@pitcherpartners.com.au

Pitcher Partners is an association of independent firms
Brisbane | Melbourne | Sydney | Perth | Adelaide | Newcastle

ROSS WALKER
KEN OGDEN
NIGEL FISCHER
TERESA HOOPER
MARK NICHOLSON
PETER CAMENZULI
JASON EVANS
IAN JONES
KYLIE LAMPRECHT
NORMAN THURECHT
BRETT HEADRICK
WARWICK FACE
NIGEL BATTERS
COLE WILKINSON
SIMON CHUN

The Directors
Raya Group Ltd
412 Collins Street
Melbourne VIC 3000

Auditor's Independence Declaration

As lead auditor for the review of Raya Group Ltd for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Raya Group Ltd and the entities it controlled during the period.

PITCHER PARTNERS

N BATTERS
Partner

Brisbane, Queensland
10 March 2016

Consolidated Statement of Comprehensive Income

	Notes	Half-Year	
		2015	2014
		\$	\$
Revenue and other income from continuing operations	3	8,207	199,931
Employee benefits expense		(359,760)	(233,409)
Consulting and advisory fees		(53,987)	(278,249)
Travel and entertainment		(156,426)	(45,322)
Reporting expenses		(48,461)	(59,560)
Advertising and promotion		(132,736)	-
Office rental		(4,551)	(5,289)
Office running costs		(30,396)	(29,112)
Accounting and audit fees		(44,563)	(56,000)
Legal fees		(97,020)	(23,176)
Exploration expenditure		(85,651)	(29,437)
Fair value loss on investments		(3,167)	(125,583)
Loss on sale of exploration asset		(54,540)	-
Finance costs		(3,533)	(780)
Loss before income tax		(1,066,584)	(685,986)
Income tax expense		-	-
Loss for the half-year		(1,066,584)	(685,986)
Other comprehensive income		-	-
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year		(1,066,584)	(685,986)
Loss attributable to:			
Owners of the parent		(1,066,584)	(685,986)
Non-controlling interests		-	-
		(1,066,584)	(685,986)
Total comprehensive income attributable to:			
Owners of the parent		(1,066,584)	(685,986)
Non-controlling interests		-	-
		(1,066,584)	(685,986)
Earnings per share for loss attributable to the shareholders of the company		Cents	Cents
Basic and diluted (loss) per share		(0.17)	(0.18)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

	31 December 2015	30 June 2015
Notes	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	2,176,983	414,146
Trade and other receivables	76,822	36,646
Related party receivable	33,050	-
Other financial assets	400,000	3,167
Total current assets	2,686,855	453,959
Non-current assets		
Other financial assets	-	100,000
Other receivables	4 295,460	-
Exploration and evaluation expenditure	5 -	1,100,000
Investments accounted for using the equity method	6 1,880,212	1,880,212
Total non-current assets	2,175,672	3,080,212
TOTAL ASSETS	4,862,527	3,534,171
LIABILITIES		
Current liabilities		
Trade and other payables	542,153	97,710
Borrowings	10,516	20,314
Provisions	-	-
Total current liabilities	552,669	118,024
Non-current liabilities		
Provisions	271,106	271,106
Total non-current liabilities	271,106	271,106
TOTAL LIABILITIES	823,775	389,130
NET ASSETS	4,038,752	3,145,041
EQUITY		
Contributed equity	8 48,586,818	46,626,523
Reserves	2,416,204	2,416,204
Accumulated losses	(46,964,270)	(45,897,686)
TOTAL EQUITY	4,038,752	3,145,041

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Consolidated Statement of Changes in Equity

	Contributed Equity	Share-Based Payments Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
2015				
Balance at 30 June 2015	46,626,523	2,416,204	(45,897,686)	3,145,041
Loss for the half-year	-	-	(1,066,584)	(1,066,584)
Total comprehensive income for the half-year	-	-	(1,066,584)	(1,066,584)
Transactions with equity holders in their capacity as equity holders				
Shares issued during the half-year	2,281,340	-	-	2,281,340
Unissued shares at end of the half year	4,125	-	-	4,125
Cost of share issue	(325,170)	-	-	(325,170)
Share-based payments	-	-	-	-
Balance at 31 December 2015	48,586,818	2,416,204	(46,964,270)	4,038,752
2014				
Balance at 30 June 2014	44,662,923	2,416,204	(42,974,097)	4,105,030
Loss for the half-year	-	-	(685,986)	(685,986)
Total comprehensive income for the half-year	-	-	(685,986)	(685,986)
Transactions with equity holders in their capacity as equity holders				
Shares issued during the half year	937,500	-	-	937,500
Unissued shares at end of the half year	200,000	-	-	200,000
Cost of share issue	(47,877)	-	-	(47,877)
Share-based payments	-	-	-	-
Balance at 31 December 2014	45,752,546	2,416,204	(43,660,083)	4,508,667

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

	Half-year	
	2015	2014
	\$	\$
Cash flows from operating activities		
Interest received	2,386	3,273
R & D tax concession received	-	196,658
Payments to suppliers and employees	(712,497)	(589,316)
Finance costs	(3,533)	-
Net cash outflows from operating activities	(713,644)	(389,385)
Cash flows from investing activities		
Proceeds from sale of E&E asset	250,000	-
Proceeds from sale of equity instruments	668,321	-
Payments for exploration and evaluation expenditure	-	(729,224)
Loans to other entities	(33,050)	-
Payments for investments	(162,500)	(45,000)
Payments for term deposits	(300,000)	-
Net cash inflows / (outflows) from investing activities	422,771	(774,224)
Cash flows from financing activities		
Repayment of borrowings	(9,798)	(15,406)
Issue of shares	2,145,465	950,000
Share issue costs	(81,957)	(47,876)
Net cash inflows from financing activities	2,053,710	886,718
Net increase (decrease) in cash and cash equivalents	1,762,837	(276,891)
Cash and cash equivalents at the beginning of the half-year	414,146	528,062
Cash and cash equivalents at the end of the half-year	2,176,983	251,171

- (i) The consolidated entity classifies term deposits with maturity dates greater than 3 months as Other Financial Assets. As at 31 December 2015, the consolidated entity held, in addition to the cash and cash equivalents above, \$400,000 (June 2015:\$100,000) in term deposits.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1 Significant Accounting Policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2015 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS34 *Interim Financial Reporting*. The Group is a for-profit entity for the purpose of preparing the financial statements.

This interim financial report is intended to provide users with an update of the latest annual financial statements of Raya Group Ltd and its controlled entities (the Group). As such, it does not contain all notes of the type normally included in an annual financial report. It is therefore recommended that this financial report be read in conjunction with the annual financial report of the Group for the year ended 30 June 2015, together with any public announcements made during the half-year.

The group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current reporting period. There was no material impact on the financial report as a result of the adoption of these standards.

Ongoing Operations

The consolidated financial statements have been prepared on a going concern basis which contemplates that the group will continue to meet its commitments and can therefore continue normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

Fundraising

On 22nd February 2016, the Company advised it has closed its Prospectus Offer of \$8m following oversubscriptions. The Company has no planned fundraising in the immediate term but will consider all options should the need and changes of business objectives arise in the future.

2 Operating Segments

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on a geographic basis that is the location of the respective areas of interest (tenements). Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and meet the other aggregation criteria of AASB 8 Operating Segments.

Activity by segment

Penola Trough

The activities in this area focus on the company's activities in the GEL 223 area in the south-east of South Australia.

These tenements are all 100% owned by the Raya Group.

Limestone Coast

The activities in this area focus on the company's activities in the GEL 611 area in the south-east of South Australia.

These tenements are all 100% owned by the Raya Group.

2. Operating Segments (continued)

Indonesia

Raya has executed an Alliance Agreement with PT Bakrie Power (part of the listed PT Bakrie and Brothers Group) to work co-operatively on geothermal development opportunities in Indonesia; securing interests in three geothermal projects in Indonesia – comprising:

- Sokoria Geothermal Project, under a Joint Venture with PT Bakrie Power, for a 30 MW geothermal development on Flores Island, Indonesia, with Raya holding a 45% interest in the project. During the period Raya and Bakrie continued informal discussions with a large European Power group to discuss potential involvement with the Sokoria Project. The Company will continue to work with Bakrie Power to seek a strategic investor for this project.
- Ngebel Geothermal Project, under a Joint Venture with PT Bakrie Power, for a 165 MW geothermal development on East Java, Indonesia, with Raya earning into a 35% interest in the project. The Company impaired the project at 30 June 2015 and will not participate with investing in the project and will seek to divest going forward.
- Dairi Prima Geothermal Project, under a Joint Venture with PT Bakrie Power, for a 25 MW geothermal development in Northern Sumatra, Indonesia, with Raya holding a 51% interest in the project. The Company impaired the project at 30 June 2015 and will seek to divest the project going forward.

United States of America

Newkirk Project:

In November 2014, the Company acquired oil and gas leases within an identified Area of Interest (AOI), in Oklahoma, USA. The leases were acquired with a 100% Working Interest and an 81.25% Net Revenue Interest with a 3 year primary term and a 2 year bonus term. These leases were sold on 1st July 2015 and the Company is no longer a participant in the project.

2 Operating Segments (continued)

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the board of directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group.

As at 31 December 2015 operating activities of the Group relate to the exploration and evaluation of its geothermal exploration tenements, including investments in joint ventures. Except for impairment losses in relation to exploration and evaluation expenditure, income and expenditure as per the statement of comprehensive income consist of incidental revenue including interest and corporate overhead expenditure including due diligence costs relating to Xped, which are not allocated to the Group's operating segments.

Accordingly only exploration and evaluation expenditure assets and investments in joint ventures are allocated to the Group's operating segments. All other assets and liabilities relate to corporate activities and are not allocated to operating segments.

(i) Segment performance

	Penola Trough \$	Other Limestone Coast \$	Indonesia \$	USA \$	Total \$
Half-year 31 December 2015					
Total segment revenue	-	-	-	-	-
Segment result	(34,775)	(3,681)	(23,144)	(78,591)	(140,191)
<i>Reconciliation of segment result to Group loss before tax</i>					
• Interest and other income					8,207
• Other expenses					(934,500)
Group loss before tax					(1,066,584)
Half-year 31 December 2014					
Total segment revenue	-	-	-	-	-
Segment result	-	-	(35,917)	(5,794)	(41,711)
<i>Reconciliation of segment result to Group loss before tax</i>					
Interest and other income					199,931
Depreciation and amortisation					-
Other expenses					(844,206)
Group loss before tax					(685,986)

2 Operating Segments (continued)

(ii) Segment assets

	Penola Trough \$	Other Limestone Coast \$	Indonesia \$	USA \$	Total \$
31 December 2015					
Segment assets	-	-	1,880,212	295,460	2,175,672

Segment asset changes for the period ended 31 December 2015:

- Capital expenditure	-	-	-	-	-
- Sale of asset	-	-	-	(1,100,000)	(1,100,000)
- Receivable recognised	-	-	-	295,460	295,460
	-	-	-	(804,540)	(804,540)

30 June 2015

Segment assets	-	-	1,880,212	1,100,000	2,980,212
----------------	---	---	-----------	-----------	-----------

Segment asset changes for the period ended 30 June 2015:

- Capital expenditure	24,372	4,920	51,506	1,206,976	1,287,774
- Sale of asset	(24,372)	(4,920)	(1,953,997)	(106,976)	(2,090,265)
	-	-	(1,902,491)	1,100,000	(802,491)

3 Revenue and Other Income

	Half-year 2015 \$	2014 \$
Interest	2,387	3,273
R & D tax concession	-	196,658
Gain on available for sale financial assets	5,820	-
	8,207	199,931

4 Non-current Assets – Other Receivables

	31 December 2015 \$	30 June 2015 \$
At amortised cost	295,460	-
	295,460	-

\$350,000 of deferred consideration is receivable in relation to the sale of oil and gas tenements, dependent on the extraction of minimum quantities of oil and gas from drilling within the area. The receivable has been recorded at fair value by discounting the receivable to present value based upon the expected date of receipt being more than 12 months after 31 December 2015.

	31 December 2015 \$	30 June 2015 \$
5 Non-current Assets – Exploration and Evaluation Expenditure		
(a) Tenements and information - geothermal energy		
At cost	30,680,047	30,680,047
Less: provision for impairment	(30,680,047)	(30,680,047)
	-	-
	-	-
	Half-year	
	2015	2014
	\$	\$
Carrying amount at beginning of period	-	1,953,078
Additions (refunds)	-	918
Impairment of exploration and evaluation expenditure	-	-
Carrying amount at end of period	-	1,953,996
	-	1,953,996
	Half-year	
	2015	2014
	\$	\$
Carrying amount at beginning of period	1,100,000	-
Additions (refunds)	-	689,718
Sale of tenement lease	(1,100,000)	-
Carrying amount at end of period	-	689,718
	-	689,718
	Half-year	
	2015	2014
	\$	\$
Carrying amount at beginning of period	-	1,206,976
Less: provision for impairment	-	(106,976)
	-	1,100,000
	-	1,100,000
	Half-year	
	2015	2014
	\$	\$
Carrying amount at beginning of period	-	-
Oil and gas tenements	-	1,100,000
Total Exploration and evaluation expenditure	-	1,100,000
	-	1,100,000

6 Non-current Assets - Interests in Joint Arrangements

The Group has the following significant interests in joint arrangements.

(a) Joint venture

The Group has a 45% equity shareholding in P.T. Sokoria Geothermal Indonesia with 50% voting power, a joint venture established in Indonesia with P.T. Bakrie Power, the Group's joint venture partner, to pursue the development of the Sokoria geothermal Project on the island of Flores in Indonesia.

Share of joint venture entity's assets and liabilities

	31 December 2015 \$	30 June 2015 \$
Non-current assets		
Exploration and evaluation expenditure	1,880,212	1,880,212
Net assets	1,880,212	1,880,212
Share of joint venture entity's revenue, expenses and results		
Revenue	-	-
Expenses	-	-
Profit/(loss) before tax	-	-
Share of exploration expenditure commitments	-	-

(b) Joint operation

The Group has a 51% interest in the Dairi prima Geothermal Project, a joint operation with P.T. Bakrie power to jointly develop spare capacity of the Sibayak geothermal reserves in Northern Sumatra, Indonesia, to be supplied to the Dairi Prima mine. The Group has recognized an impairment of the previous carrying value so that no assets are currently recognized for the project (June 2015: \$nil)

7 Available for sale financial assets

	31 December 2015 \$	30 June 2015 \$
At fair value	-	-
	-	-
	-	-
	Half-year	
Movements	2015	2014
	\$	\$
Carrying amount at beginning of period	-	-
Additions	662,500	-
Fair value gain (note 3)	5,820	-
Disposals	(668,320)	-
Carrying amount at end of period	-	-

On 1 July 2015 the group acquired 100,000,000 shares in Pryme Energy Limited as consideration for the sale of oil and gas tenements. The shares were recognised at fair value of \$500,000. Further shares were acquired in the period prior to the sale of the entire holding, realising a gain of \$5,820 as disclosed in note 3.

8 Contributed Equity

(a) Issued Capital	31 December 2015	30 June 2015
	\$	\$
Ordinary shares – fully paid	48,582,693	46,626,523
Unissued shares ⁽ⁱ⁾	4,125	-
	48,586,818	46,626,523

- (i) Payment was received for the exercise of listed options (RYGOB) prior to 31 December 2015. Shares were issued after this date.

Movements	Note	Half-year 2015		Half-year 2014	
		No. of Shares	\$	No. of Shares	\$
Balance at the start of the half-year		600,000,000	46,626,523	342,483,029	44,662,923
Issue of shares – Directors (a)	(a)	40,000,000	160,000	16,666,667	250,000
Issue of shares – Placement (b)	(b)	30,000,000	600,000	33,333,333	500,000
Issue of shares – Placement (c)	(c)	40,000,001	1,400,000	10,000,000	150,000
Issues of shares - Exercised Options (d)	(d)	8,089,310	121,340	2,500,000	37,500
Issue costs		-	(325,170)	-	(47,877)
Balance at the end of the half-year		718,089,311	48,582,693	404,983,029	45,552,546

- (a) Director incentive shares issued on 13 October 2015, approved by the shareholders at the Extraordinary General Meeting held on 24 September 2015. Consideration paid of \$20,000 which represents a discount of 87.5% on the fair value of the shares issued at \$0.004 per share based on the VWAP of RYG's shares trading from 27 July to 14 August 2015
- (b) Issued to sophisticated investor on 11 November 2015 and held in escrow until completion of purchase of Xped and compliance with chapter 1 & 2 of the ASX listing rules.
- (c) Issued to sophisticated investor on 25 November 2015 and held in escrow until completion of purchase of Xped and compliance with chapter 1 & 2 of the ASX listing rules.
- (d) Various issues on the exercise of listed options (RYGOB) at the exercise price of \$0.015, expiring on 21 July 2016.

(b) Share options	31 December 2015	30 June 2015
	Number	Number
Employee options	1,100,000	1,100,000
Other Unlisted Options	-	15,000,000
Listed options (ASX: RYGOB)	381,627,357	374,716,667
Balance at the end of the half-year	382,727,357	390,816,667

During the half-year 8,089,310 listed options were exercised.

On 23 July 2015 15,000,000 unlisted options exercisable at \$0.015 were cancelled and option holders were issued with 15,000,000 listed options with an exercise price of \$0.015 and expiring on 21 July 2016.

9 Contingent Liabilities

Raya has issued a bank guarantee totalling \$300,000 at 31 December 2015. The bank guarantee is issued to Xped Holdings Ltd.

10 Commitments

Exploration expenditure

In order to maintain an interest in the exploration tenements in which the Group is involved, the Group is committed to meet the conditions under which the tenements were granted. The timing and amount of exploration expenditure and obligations of the Group are subject to the minimum expenditure requirements of the relevant regulatory bodies and may vary significantly from the forecast based on the results of the work performed, which will determine the prospectively of the relevant area of interest. The obligations are not provided for in the financial statements.

Commitments in relation to minimum statutory expenditures with respect to tenements:

	31 December 2015 \$	30 June 2015 \$
Within one year	33,000	33,000
Later than one year but not later than five years	165,000	165,000
Later than five years	-	-
	198,000	198,000

11 Related Party Transactions

Raya Group Ltd had a consultancy services agreement with ASC Resources an entity controlled by Daniel Lanskey. As part of this consultancy agreement, ASC Resources could potentially have received shares in Raya if certain milestones were met. Milestones were not achieved and this agreement has now been cancelled. Shares have not and will not be issued to ASC Resources.

No expenses were incurred in the period in relation to services provided by ASC Resources (Dec 2014: \$257,489).

12 Events Occurring After Balance Sheet Date

On the 18th January 2016, the Company announced the appointment of EAS Advisors, LLC ("EAS") as North American corporate advisors to the Company.

On 18th January 2016, the Company lodged its Prospectus Offer to raise up to \$8m through an issue of 320,000,000 shares at an issue price of \$0.025 per share.

A supplementary prospectus was subsequently lodged with ASIC on the 28th of January which is to be read in conjunction with the Prospectus for any investor considering applying for share allocation.

On 28th January, a Notice of Extraordinary General Meeting was lodged to consider a number of resolutions regarding the Xped acquisition.

On the 3rd February, confirmation of meeting materials dispatch was announced along with a copy of the Independent Expert Report which had considered the Xped acquisition as "fair" and "reasonable".

On 8th February 2016, the Company advised that Xped had signed a Memorandum of Understanding with a US listed chipset manufacturer.

On 22nd February 2016, the Company advised it has closed its Prospectus Offer of \$8m following oversubscriptions.

On 3rd March 2016 the company advised that Xped Holdings Ltd and Leapin Digital Keys LLC have entered into a license agreement for Xped to supply its proprietary technology for use together with Leapin Digital Keys smart building technology.

Directors' Declaration

In the directors' opinion:

- (a) the attached financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors.



Mr Athan Lekkas
Director

10 March 2016



PITCHER PARTNERS

ACCOUNTANTS • AUDITORS • ADVISORS

Level 30
345 Queen Street
Brisbane
Queensland 4000

Postal Address:
GPO Box 1144
Brisbane
Queensland 4001

Tel: 07 3222 8444
Fax: 07 3221 7779

www.pitcher.com.au
info@pitcherpartners.com.au

Pitcher Partners is an association of independent firms
Brisbane | Melbourne | Sydney | Perth | Adelaide | Newcastle

ROSS WALKER
KEN OGDEN
NIGEL FISCHER
TERESA HOOPER
MARK NICHOLSON
PETER CAMENZULI
JASON EVANS
IAN JONES
KYLIE LAMPRECHT
NORMAN THURECHT
BRETT HEADRICK
WARWICK FACE
NIGEL BATTERS
COLE WILKINSON
SIMON CHUN

Independent Auditor's Review Report

To the Members of Raya Group Ltd,

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Raya Group Ltd, which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the period's end 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 and the *Corporations Act 2001* 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 the procedures described, we have become aware of any matter that makes us believe that the half-year 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 31 December 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 Raya Group Ltd, 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 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*.

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 Raya Group Ltd is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the company's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

PITCHER PARTNERS



NIGEL BATTERS
Partner

Brisbane, Queensland
10 March 2016