



HALF YEAR REPORT

31 December 2017

THIS DOCUMENT SHOULD BE READ IN CONJUNCTION WITH THE
30 JUNE [2017 ANNUAL REPORT](#) OF THE COMPANY
LODGED ON ASX ON 18 OCTOBER 2017



ASX Code : OEQ

Orion Equities Limited
A.B.N. 77 000 742 843

REGISTERED OFFICE:

Level 2
23 Ventnor Avenue
West Perth, Western Australia 6005

T | (08) 9214 9797
F | (08) 9214 9701
E | info@orionequities.com.au
W | www.orionequities.com.au

SHARE REGISTRY:

Advanced Share Registry Services
Western Australia – Main Office
110 Stirling Highway
Nedlands, Western Australia 6009
PO Box 1156, Nedlands
Western Australia 6909

T | (08) 9389 8033
F | (08) 9262 3723
E | admin@advancedshare.com.au
W | www.advancedshare.com.au

New South Wales – Branch Office
Suite 8H, 325 Pitt Street
Sydney, New South Wales 2000
PO Box Q1736, Queen Victoria Building
New South Wales 1230
T | (02) 8096 3502

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CORPORATE DIRECTORY**BOARD**

Farooq Khan	Executive Chairman
Victor Ho	Executive Director
Yaqoob Khan	Non-Executive Director

COMPANY SECRETARY

Victor Ho

PRINCIPAL AND REGISTERED OFFICE

Level 2
23 Ventnor Avenue
West Perth, Western Australia 6005
Telephone: (08) 9214 9797
Facsimile: (08) 9214 9701
Email: info@orionequities.com.au
Website: www.orionequities.com.au

AUDITORS

Rothsay Auditing
Chartered Accountants
Level 1, Lincoln House
4 Ventnor Avenue
West Perth, Western Australia 6005
Telephone: (08) 9486 7094
Website: www.rothsayresources.com.au

STOCK EXCHANGE

Australian Securities Exchange
Perth, Western Australia

ASX CODE

[OEQ](#)

SHARE REGISTRY

Advanced Share Registry Services
Main Office
110 Stirling Highway
Nedlands, Western Australia 6009
Telephone: (08) 9389 8033
Facsimile: (08) 9262 3723
Email: admin@advancedshare.com.au
Investor Web: www.advancedshare.com.au

Sydney Office:
Suite 8H, 325 Pitt Street
Sydney, New South Wales 2000
Telephone: (02) 8096 3502

APPENDIX 4D HALF YEAR REPORT

This Half Year Report is provided to the Australian Securities Exchange (**ASX**) under ASX Listing Rule 4.2A.3.

Current Reporting Period:	1 July 2017 to 31 December 2017
Previous Corresponding Period:	1 July 2016 to 31 December 2016
Balance Date:	31 December 2017
Company:	Orion Equities Limited (OEQ or the Company)
Consolidated Entity:	Orion and controlled entities (Orion)

OVERVIEW OF RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Dec 2017	Dec 2016		Up/ Down
Consolidated Entity	\$	\$	% Change	
Total revenues	208,124	282,302	26%	Down
Share of Associate entity's profit/(loss)	183,274	(745,257)	125%	Profit Up
Expenses:				
Personnel expenses	(205,059)	(184,399)	11%	Up
Corporate expenses	(21,414)	(22,112)	3%	Down
Other expenses	(58,431)	(62,501)	7%	Down
Profit/(Loss) before tax	106,494	(731,967)	115%	Profit Up
Income tax expense	-	-		
Profit/(Loss) attributable to members of the Company	106,494	(731,967)	115%	Profit Up
Basic and diluted earnings/(loss) per share (cents)	0.68	(4.68)	115%	Earnings Up
	Dec 2017	Jun 2017		Up/ Down
Consolidated Entity	\$	\$	% Change	
Pre and Post-Tax NTA backing per share	0.339	0.332	2%	Up
(with the dividend paid during the Current Reporting Period added back)				
NTA backings (net of dividends paid during the Current Reporting Period):				
Pre-tax NTA backing per share	0.330	0.332	1%	Down
Post-tax NTA backing per share	0.330	0.332	1%	Down

BRIEF EXPLANATION OF RESULTS

Net profits of \$0.106 million relate principally to Orion's investment portfolio performance including investments in Strike Resources Limited (ASX:[SRK](#)) and a share of Bentley Capital Limited's (ASX:[BEL](#)) net profit (being an Associate entity).

Please refer to the Directors' Report and Financial Report for further information on a review of Orion's operations and the financial position and performance of Orion for the financial half year ended 31 December 2017.

APPENDIX 4D HALF YEAR REPORT

DIVIDEND

The Company paid a fully franked dividend during the financial half year, as follows:

Dividend Rate	Record Date	Payment Date	Franking
0.90 cent per share	22 September 2017	29 September 2017	100% franked

ASSOCIATE ENTITY

The Company has accounted for the following share investment at the Balance Date as an investment in an Associate entity (on an equity accounting basis):

- (1) 26.95% interest (20,513,783 shares) in Bentley Capital Limited (ASX:[BEL](#)) (30 June 2017: 26.95%; 20,513,783 shares).

CONTROLLED ENTITIES

The Company did not gain or lose control over entities during the Current Reporting Period.

For and on behalf of the Directors,



Date: 28 February 2018

Victor Ho
Executive Director and Company Secretary

Telephone: (08) 9214 9797
Email: cosec@orionequities.com.au

DIRECTORS' REPORT

The Directors present their report on Orion Equities Limited ABN 77 000 742 843 (**OEQ** or the **Company**) and its controlled entities (**Orion** or the **Consolidated Entity**) for the financial half year ended 31 December 2017 (**Balance Date**).

Orion Equities Limited is a public company limited by shares that was incorporated in New South Wales and has been listed on the Australian Securities Exchange (**ASX**) since November 1970 (ASX Code: [OEQ](#)).

NET TANGIBLE ASSET BACKING (NTA)

	Dec 2017	Jun 2017
Consolidated Entity	\$	\$
Net tangible assets (before tax)	5,167,982	5,202,333
Pre-Tax NTA Backing per share	0.330	0.332
Less deferred tax assets and tax liabilities	-	-
Net tangible assets (after tax)	5,167,982	5,202,333
Pre-Tax NTA Backing per share	0.330	0.332
Value of dividend paid in previous 6 months	140,843	-
Adjusted Pre and post-tax NTA backing per share (cents) (with the dividend paid during the half year added back)	0.339	0.332
Based on total issued share capital	15,649,228	15,649,228

FINANCIAL POSITION

	Dec 2017	Jun 2017
Consolidated Entity	\$	\$
Cash and cash equivalents	33,262	207,703
Financial assets at fair value through profit and loss	647,465	494,357
Investments in listed Associate entity (BEL)	2,082,910	2,002,205
Property held for development or resale	1,220,000	1,220,000
Receivables	18,908	19,132
Other assets	1,576,323	1,582,400
Deferred tax asset	61,206	61,206
Total Assets	5,640,074	5,587,003
Other payables and liabilities	(410,886)	(323,466)
Deferred tax liability	(61,206)	(61,206)
Net Assets	5,167,982	5,202,331
Issued capital	18,808,028	18,808,028
Asset Revaluation Reserve	161,360	161,360
Profits Reserve	2,783,750	145,293
Accumulated losses	(16,585,156)	(13,912,350)
Total Equity	5,167,982	5,202,331

DIRECTORS' REPORT

OPERATING RESULTS

Consolidated Entity	Dec 2017 \$	Dec 2016 \$
Total revenues	208,124	282,302
Share of Associate entity's profit/(loss)	183,274	(745,257)
Other Expenses	(284,904)	(269,012)
Profit/(Loss) before tax	106,494	(731,967)
Income tax expense	-	-
Profit/(Loss) attributable to members of the Company	106,494	(731,967)

Net profits of \$0.106 million relate principally to Orion's investment portfolio performance including investments in Strike Resources Limited (ASX:[SRK](#)) and a share of Bentley Capital Limited's (ASX:[BEL](#)) net profit (being an Associate entity).

EARNINGS PER SHARE

Consolidated Entity	Dec 2017	Dec 2016
Basic and diluted earnings/(loss) per share (cents)	0.68	(4.68)
Weighted average number of ordinary shares outstanding during the half year used in the calculation of basic and diluted earnings/(loss) per share	15,649,228	15,649,228

DIVIDENDS

The Company paid a fully franked dividend during the financial half year, as follows:

Dividend Rate	Record Date	Payment Date	Franking
0.90 cent per share	22 September 2017	29 September 2017	100% franked

CAPITAL MANAGEMENT

(a) Securities in The Company

At the Balance Date, the Company had 15,649,228 shares on issue (30 June 2017: 15,649,228). All such shares are listed on ASX. The Company does not have other securities on issue.

DIRECTORS' REPORT

REVIEW OF OPERATIONS

(a) Portfolio Details as at 31 December 2017

Asset Weighting

Consolidated Entity	% of Net Assets		
	Dec 2017	Jun 2017	Dec 2016
Australian equities	53%	48%	50%
Agribusiness ¹	30%	30%	30%
Property held for development and resale	24%	24%	20%
Net tax liabilities (current year and deferred tax assets/liabilities)	-	-	-
Net cash/other assets and provisions	(7)	(2)	-
TOTAL	100%	100%	100%

Major Holdings in Securities Portfolio

Security	Fair Value \$'million	% of Net Assets	ASX Code	Industry Sector Exposures
Bentley Capital Limited	2.26	43.66%	BEL	Diversified Financials
Strike Resources Limited	0.60	11.61%	SRK	Materials
CBG Australian Equities Fund (Wholesale) (CBG Fund)	0.05	0.92%	N/A	Diversified
Other ASX listed securities	-	-	Various	Various
TOTAL	2.91	56.19%		

(b) Bentley Capital Limited (ASX: [BEL](#))

Bentley Capital Limited (**Bentley**) is a listed investment company with a current exposure to Australian equities.

Orion holds 26.95% (20,513,783 shares) of Bentley's issued ordinary share capital as at 31 December 2017 (30 June 2017: 20,513,783 shares (26.95%)).

Bentley's asset weighting as at 31 December 2017 was 86.9% Australian equities (30 June 2017: 93.5%), 3.1% intangible assets (30 June 2017: 1.7%) and 10% net cash/other assets (30 June 2017: 4.8%).

Bentley had net assets of \$12.46 million as at 31 December 2017 (30 June 2017: \$11.95 million) and generated an after-tax net profit of \$0.893 million for the financial half year (31 December 2016: after-tax net loss of \$1.826 million).

During the financial half year, Bentley paid a 0.50 cent fully franked dividend that was distributed in August 2017 at a total cost of \$0.380 million (31 December 2016: 0.50 cent fully franked dividend totalling \$0.377 million).

Orion received a \$0.103 million dividend from Bentley during the financial half year (6 months to 30 June 2017: \$0.103 million).

Subsequent to 31 December 2017, Bentley paid a fully-franked dividend of 0.50 cent per share. Orion's entitlement to such dividend was \$0.103 million.

1 Agribusiness net assets include olive grove land, olive trees, buildings and plant and equipment.

DIRECTORS' REPORT

Bentley has a long distribution track record, as illustrated below:

Rate per share	Nature	Orion's Entitlement	Payment Date
0.50 cent	Dividend	\$102,569	25 January 2018
0.50 cent	Dividend	\$102,569	31 August 2017
0.50 cent	Dividend	\$102,569	31 March 2017
0.50 cent	Dividend	\$102,569	29 September 2016
0.50 cent	Dividend	\$102,569	18 March 2016
0.50 cent	Dividend	\$102,569	25 September 2015
0.55 cent	Dividend	\$112,826	20 March 2015
0.95 cent	Dividend	\$194,881	26 September 2014
One cent	Dividend	\$205,138	21 March 2014
One cent	Return of capital	\$205,138	12 December 2013
One cent	Return of capital	\$205,138	18 April 2013
One cent	Return of capital	\$205,138	30 November 2012
One cent	Return of capital	\$205,138	19 April 2012
5.0 cents	Return of capital	\$1,025,689	14 October 2011
2.4 cents	Dividend (Special)	\$492,331	26 September 2011
One cent	Dividend	\$205,138	26 September 2011
One cent	Dividend	\$205,138	17 March 2011
One cent	Dividend	\$205,138	30 September 2010
One cent	Dividend	\$205,138	15 March 2010

Note: Bentley has paid a distribution to shareholders every year (save on 4 occasions in its 31 year history) since its admission to ASX in 1986. Refer to Bentley's website for full [distribution history](#)

Shareholders are advised to refer to the 31 December 2017 Half Year Report, 30 June 2017 Annual Report and monthly NTA disclosures lodged by Bentley for further information about the status and affairs of the company.

Further information about Bentley's net assets and investment affairs are contained in their ASX releases, including as follows:

- 28 February 2018: Half Year Report – 31 December 2017;
- 14 February 2018: Net Tangible Asset Backing – 31 January 2018; and
- 31 October 2017: 2017 Annual Report.

Information concerning Bentley may be viewed from its website: www.bel.com.au

Bentley's market announcements may also be viewed from the ASX website (www.asx.com.au) under ASX code "[BEL](#)".

DIRECTORS' REPORT

(c) Strike Resources Limited (ASX: [SRK](#))

Orion holds 10,000,000 Strike shares (6.88%) (30 June 2017: 10,000,000 shares (6.88%)) while Bentley holds 52,553,493 Strike shares (36.16%) currently and as at 31 December 2017. Therefore, Orion has a deemed relevant interest in 62,553,493 Strike shares (43.041%²).

Strike owns the high grade Apurimac Magnetite Iron Ore Project and Cusco Magnetite Iron Ore Project in Peru and is currently developing its Burke Graphite Project in Queensland and lithium exploration tenements in Western Australia; Strike also retains relatively strong cash reserves and liquid investments totalling ~\$4.93 million (as at 31 December 2017)³.

During the half year, SRK shares traded on ASX within a range of 4.4 to 6.2 cents with a closing price of 6 cents as at 31 December 2017 and a current closing price of 6.5 cents (as at 26 February 2018).

Orion generated a \$0.18 million unrealised gain on investment in Strike during the financial half year.

Further information about Strike's current projects and activities are contained in their ASX releases, including as follows:

- 31 January 2018: December 2017 Quarterly Reports; and
- 17 October 2017: 2017 Annual Report.

Information concerning Strike may be viewed from its website: www.strikeresources.com.au.

Strike's market announcements may also be viewed from the ASX website (www.asx.com.au) under ASX: "[SRK](#)".

(d) Other Assets

Orion also owns:

- a 143 hectare commercial olive grove operation (currently on care and maintenance) with approximately 64,500, 19 year old olive tree plantings located in Gingin, Western Australian; and
- a property held for redevelopment or sale but currently rented out located in Mandurah, Western Australia.

2 Refer Orion's ASX Announcement dated [4 September 2016: Change in Substantial Holding Notice](#)

3 Refer SRK's ASX Announcement dated [31 January 2018: December 2017 Quarterly Report](#)

DIRECTORS' REPORT

BOARD OF DIRECTORS

Information concerning Directors in office during or since the half year is as follows:

Farooq Khan	Executive Chairman
<i>Appointed</i>	23 October 2006
<i>Qualifications</i>	BJuris, LLB (<i>Western Australia</i>)
<i>Experience</i>	Mr Khan is a qualified lawyer having previously practised principally in the field of corporate law. Mr Khan has extensive experience in the securities industry, capital markets and the executive management of ASX-listed companies. In particular, Mr Khan has guided the establishment and growth of a number of public listed companies in the investment, mining and financial services sectors. He has considerable experience in the fields of capital raisings, mergers and acquisitions and investments.
<i>Relevant interest in shares</i>	2,000 shares – directly ⁴
<i>Special Responsibilities</i>	Chairman of the Board and the Investment Committee
<i>Other current directorships in listed entities</i>	<ol style="list-style-type: none"> (1) Executive Chairman and Managing Director of Queste Communications Ltd (ASX:QUE) (since 10 March 1998) (2) Executive Chairman of Bentley Capital Limited (ASX:BEL) (director since 2 December 2003) (3) Chairman (appointed 18 December 2015) of Strike Resources Limited (ASX:SRK) (Director since 1 October 2015)
<i>Former directorships in other listed entities in past 3 years</i>	None

Victor P. H. Ho	Executive Director and Company Secretary
<i>Appointed</i>	Executive Director since 4 July 2003; Company Secretary since 2 August 2000
<i>Qualifications</i>	BCom, LLB (<i>Western Australia</i>), CTA
<i>Experience</i>	Mr Ho has been in Executive roles with a number of ASX listed companies across the investments, resources and technology sectors over the past 18+ years. Mr Ho is a Chartered Tax Adviser (CTA) and previously had 9 years' experience in the taxation profession with the Australian Tax Office (ATO) and in a specialist tax law firm. Mr Ho has been actively involved in the structuring and execution of a number of corporate, M&A and International joint venture (in South America, Indonesia and the Middle East) transactions, capital raisings and capital management initiatives and has extensive experience in public company administration, corporations' law and stock exchange compliance and investor/shareholder relations.
<i>Relevant interest in shares</i>	None
<i>Special Responsibilities</i>	Member of Investment Committee
<i>Other positions held in listed entities</i>	<ol style="list-style-type: none"> (1) Executive Director and Company Secretary of Queste Communications Ltd (ASX:QUE) (Director since 3 April 2013; Company Secretary since 30 August 2000) (2) Company Secretary of Bentley Capital Limited (ASX:BEL) (since 5 February 2004) (3) Director and Company Secretary of Strike Resources Limited (ASX:SRK) (Director since 24 January 2014 and Company Secretary since 1 October 2015) (4) Company Secretary of Keybridge Capital Limited (ASX:KBC) (since 13 October 2016)
<i>Former directorships in other listed entities in past 3 years</i>	Company Secretary of Alara Resources Limited (ASX: AUO) (4 April 2007 to 31 August 2015)

4 Refer Orion's ASX announcement dated [20 November 2014: Change in Directors Interest Notice](#)

DIRECTORS' REPORT

Yaqoob Khan	Non-Executive Director
<i>Appointed</i>	5 November 1999
<i>Qualifications</i>	BCom (Western Australia), Master of Science in Industrial Administration (Carnegie Mellon)
<i>Experience</i>	Mr Khan holds a Masters degree in Business and has worked as a senior executive responsible for product marketing, costing systems and production management. Mr Khan has been involved in the structuring and ASX listing of a number of public companies and in subsequent executive management. Mr Khan brings considerable international experience in corporate finance and the strategic analysis of listed investments.
<i>Relevant interest in shares</i>	None
<i>Special Responsibilities</i>	None
<i>Other current directorships in listed entities</i>	Non-Executive Director of Queste Communications Ltd (ASX: QUE) (since 10 March 1998)
<i>Former directorships in other listed entities in past 3 years</i>	None

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* forms part of this Directors Report and is set out on page 11. This relates to the Auditor's Independent Review Report, where the Auditors state that they have issued an independence declaration.

Signed for and on behalf of the Directors in accordance with a resolution of the Board,



Farooq Khan
Chairman



Victor Ho
Executive Director

28 February 2018



Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone 9486 7094 www.rothsayresources.com.au

The Directors
Orion Equities Limited
Level 2 23 Ventnor Ave
West Perth WA 6005

Dear Sirs

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

- i) no contraventions of the auditor independence requirements of the Act in relation to the audit review of the 31 December 2017 interim financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Graham Swan FCA (Lead auditor)

Rothsay Auditing

Dated 28 February 2018



Chartered Accountants

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the half year ended 31 December 2017

	Note	31 Dec 17 \$	31 Dec 16 \$
Revenue	2	22,461	22,891
Other			
Net gain on financial assets at fair value through profit or loss		185,663	259,411
Share of Associate entity's profit		183,274	-
TOTAL REVENUE AND INCOME		391,398	282,302
EXPENSES	3		
Share of Associate entity's loss		-	(745,257)
Olive grove operation expenses		(21,461)	(17,028)
Land operation expenses		(5,435)	(7,745)
Personnel expenses		(205,059)	(184,399)
Occupancy expenses		(13,579)	(9,891)
Corporate expenses		(21,414)	(22,112)
Communication expenses		(2,819)	(4,009)
Finance expenses		(919)	(1,275)
Administration expenses		(14,218)	(22,553)
PROFIT/(LOSS) BEFORE INCOME TAX		106,494	(731,967)
Income tax expense		-	-
PROFIT/(LOSS) FOR THE HALF YEAR		106,494	(731,967)
OTHER COMPREHENSIVE INCOME			
Revaluation of assets, net of tax		-	-
TOTAL COMPREHENSIVE INCOME FOR THE HALF YEAR		106,494	(731,967)
EARNING/(LOSS) PER SHARE FOR THE PROFIT/(LOSS) ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted loss per share (cents)	5	0.68	(4.68)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2017

	Note	31 Dec 17	30 Jun 17
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		33,262	207,703
Financial assets at fair value through profit or loss	6	647,465	494,357
Receivables		18,908	19,132
Other current assets		11,334	4,166
TOTAL CURRENT ASSETS		710,969	725,358
NON CURRENT ASSETS			
Investment in Associate entity	9	2,082,910	2,002,205
Property held for development or resale		1,220,000	1,220,000
Property, plant and equipment		1,499,489	1,512,734
Olive trees		65,500	65,500
Deferred tax asset		61,206	61,206
TOTAL NON CURRENT ASSETS		4,929,105	4,861,645
TOTAL ASSETS		5,640,074	5,587,003
CURRENT LIABILITIES			
Payables		344,723	257,302
Provisions		66,163	66,164
TOTAL CURRENT LIABILITIES		410,886	323,466
NON CURRENT LIABILITIES			
Deferred tax liability		61,206	61,206
TOTAL NON CURRENT LIABILITIES		61,206	61,206
TOTAL LIABILITIES		472,092	384,672
NET ASSETS		5,167,982	5,202,331
EQUITY			
Issued capital		18,808,028	18,808,028
Reserves		2,945,110	306,653
Accumulated losses		(16,585,156)	(13,912,350)
TOTAL EQUITY		5,167,982	5,202,331

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half year ended 31 December 2017

	Note	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total \$
BALANCE AT 1 JULY 2016		18,808,028	450,344	(11,755,910)	7,502,462
Loss for the half year		-	-	(731,967)	(731,967)
Profit reserve transfer		-	100,257	(100,257)	-
Other comprehensive income		-	-	-	-
Total comprehensive loss for the half year		-	100,257	(832,224)	(731,967)
BALANCE AT 31 DECEMBER 2016		18,808,028	550,601	(12,588,134)	6,770,495
BALANCE AT 1 JULY 2017		18,808,028	306,653	(13,912,350)	5,202,331
Profit for the half year		-	-	106,494	106,494
Profit reserve transfer		-	2,779,300	(2,779,300)	-
Other comprehensive income		-	-	-	-
Total comprehensive income for the half year		-	2,779,300	(2,672,806)	106,494
Transactions with owners in their capacity as owners:					
Dividend paid	8	-	(140,843)	-	(140,843)
BALANCE AT 31 DECEMBER 2017		18,808,028	2,945,110	(16,585,156)	5,167,982

CONSOLIDATED STATEMENT OF CASH FLOWS

for the half year ended 31 December 2017

	Note	31 Dec 17 \$	31 Dec 16 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		18,850	22,100
Dividends received		102,569	103,099
Interest received		469	261
Other income received		-	(61)
Payments to suppliers and employees		(187,306)	(279,024)
Interest paid		(7)	(53)
Sale of financial assets at fair value through profit or loss		34,555	156,568
Purchase of financial assets at fair value through profit or loss		(2,000)	(3,570)
NET CASH USED IN OPERATING ACTIVITIES		(32,870)	(680)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(728)	-
NET CASH USED IN INVESTING ACTIVITIES		(728)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid	8	(140,843)	-
NET CASH USED IN FINANCING ACTIVITIES		(140,843)	-
NET DECREASE IN CASH HELD		(174,441)	(680)
Cash and cash equivalents at beginning of financial year		207,703	78,788
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL HALF YEAR		33,262	78,108

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2017

1. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The half year financial statements are a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. These half year financial statements do not include notes of the type normally included in the annual financial statements and should be read in conjunction with the most recent annual financial statements and the Company's ASX announcements released from 1 July 2017 to the date of this report.

Basis of Preparation

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half year financial statements are consistent with those adopted and disclosed in the Consolidated Entity's financial statements for the financial year ended 30 June 2017.

2. REVENUE

	31 Dec 17	31 Dec 16
	\$	\$
The consolidated profit/(loss) before income tax includes the following items of revenue:		
Revenue		
Rental revenue	21,992	22,100
Dividend revenue	-	530
Interest revenue	469	261
	<u>22,461</u>	<u>22,891</u>
Other		
Net gain on financial assets at fair value through profit or loss	185,663	259,411
Share of net profit of Associate entity	183,274	-
	<u><u>391,398</u></u>	<u><u>282,302</u></u>

3. EXPENSES

The consolidated profit/(loss) before income tax includes the following items of expenses:

Share of net loss of Associate entity	-	745,257
Olive grove operations		
Depreciation of olive grove assets	13,220	16,431
Other expenses	8,241	597
Land operations		
Impairment loss on property held for development or resale	-	-
Other expenses	5,435	7,745
Salaries, fees and employee benefits	205,059	184,399
Occupancy expenses	13,579	9,891
Finance expenses	919	1,275
Communication expenses	2,819	4,009

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2017

3. EXPENSES (continued)	31 Dec 17	31 Dec 16
	\$	\$
Corporate expenses		
ASX fees	16,915	16,853
Share registry	3,986	4,032
Other corporate expenses	513	1,227
Administration expenses		
Professional and legal fees	442	1,000
Depreciation	753	922
Other administration expenses	13,023	20,631
	284,904	1,014,269

4. SEGMENT INFORMATION

31 Dec 17	Investments	Olive grove	Corporate	Total
	\$	\$	\$	\$
Segment revenues				
Revenue	21,992	-	-	21,992
Other	368,937	-	469	369,406
Total segment revenues	390,929	-	469	391,398
Personnel expenses	-	-	205,059	205,059
Finance expenses	65	61	919	1,045
Administration expenses	-	1,017	8,216	9,233
Revaluation/Depreciation expense	-	13,220	753	13,973
Other expenses	5,370	7,163	43,061	55,594
Total segment profit/(loss)	385,494	(21,461)	(257,539)	106,494
Segment assets				
Cash and cash equivalents	-	-	33,262	33,262
Financial assets	647,465	-	-	647,465
Property held for development or resale	1,220,000	-	-	1,220,000
Investment in Associate	2,082,910	-	-	2,082,910
Property, plant and equipment	-	1,494,067	5,422	1,499,489
Other assets	-	66,093	90,855	156,948
Total segment assets	3,950,375	1,560,160	129,539	5,640,074
31 Dec 16				
Segment revenues				
Revenue	22,891	-	-	22,891
Other	259,411	-	-	259,411
Total segment revenues	282,302	-	-	282,302
Personnel expenses	-	-	173,484	173,484
Finance expenses	-	130	1,415	1,545
Administration expenses	745,257	4,183	18,152	767,592
Depreciation expense	-	16,431	922	17,353
Other expenses	5,902	7,199	41,194	54,295
Total segment loss	(468,857)	(27,943)	(235,167)	(731,967)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2017

4. SEGMENT INFORMATION (continued)

30 Jun 17	Investments	Olive grove	Corporate	Total
Segment assets	\$	\$	\$	\$
Cash and cash equivalents	-	-	207,703	207,703
Financial assets	494,357	-	-	494,357
Property held for development or resale	1,220,000	-	-	1,220,000
Investment in Associate	2,002,206	-	-	2,002,206
Property, plant and equipment	-	1,507,287	5,447	1,512,734
Other assets	-	66,779	83,224	150,003
Total segment assets	3,716,563	1,574,066	296,374	5,587,003

Description of segments

- (a) Investments comprise of equity investments of companies listed on the Australian Securities Exchange (ASX) and liquid financial assets;
- (b) Olive grove is in relation to the olive grove farm in Gingin;
- (c) Corporate items are mainly comprised of corporate assets, office expenses and income tax assets and liabilities.

Liabilities

Liabilities are not reported to the CODM by segment. All liabilities are assessed at a consolidated entity level.

5. EARNINGS/(LOSS) PER SHARE

31 Dec 17 31 Dec 16

Basic and diluted earnings/(loss) per share (cents) 0.68 (4.68)

The following represents the earnings/(loss) and weighted average number of shares used in the earnings/(loss) per share calculations:

Net profit/(loss) after income tax (\$) 106,494 (731,967)

Number of Shares

Weighted average number of ordinary shares 15,649,228 15,649,228

The Consolidated Entity has no securities outstanding which have the potential to convert to ordinary shares and dilute the basic loss per share.

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

31 Dec 17 30 Jun 17

	\$	\$
Listed securities at fair value	600,001	420,001
Unlisted managed fund at fair value	47,464	74,356
	647,465	494,357

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2017

7. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair Value Hierarchy

AASB 13 (Fair Value Measurement) requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- (iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
31 Dec 17	\$	\$	\$	\$
Financial assets at fair value through profit or loss:				
Listed securities at fair value	600,001	-	-	600,001
Unlisted managed fund at fair value	-	47,464	-	47,464
Land at independent valuation	-	-	1,340,455	1,340,455
Olive trees	-	-	65,500	65,500
Total	600,001	47,464	1,405,955	2,053,420

30 Jun 17

Financial assets at fair value through profit or loss:				
Listed securities at fair value	420,001	-	-	420,001
Unlisted managed fund at fair value	-	74,356	-	74,356
Land at independent valuation	-	-	1,340,455	1,340,455
Olive trees	-	-	65,500	65,500
Total	420,001	74,356	1,405,955	1,900,312

There have been no transfers between the levels of the fair value hierarchy during the financial half year.

(a) Valuation techniques

The fair value of the listed securities traded in active markets is based on closing bid prices at the end of the reporting period. These investments are included in Level 1.

The fair value of any assets that are not traded in an active market are determined using certain valuation techniques. The valuation techniques maximise the use of observable market data where it is available, or independent valuation and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The fair value of the unlisted managed fund invested is valued at the audited unit price published by the investment manager and as such this financial instrument is included in Level 2.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2017

7. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

(a) Valuation techniques (continued)

At Level 3, the land was valued by an independent qualified valuer (a Certified Practising Valuer and Associate Member of the Australian Property Institute) as at 15 June 2017. These assets have been valued based on similar assets, location and market conditions or Direct Comparison or Comparative Sales Approach. The land value per hectare based on rural land sold in the general location provided a rate which included ground water licence. A 4% change would increase or decrease the land's fair value by approximately \$54,000. There has been no unusual circumstances that may affect the value of the trees.

At Level 3 the olive trees' value was assessed as at 30 June 2017 by the Directors. The fair value of the trees is at the Directors' valuation having regard to, amongst other matters, replacement cost and the trees commercial production qualities. The significant unobservable input is the replacement cost of 19 year old fruiting trees. There are no age limits to the commercial viability of an olive grove. A 1% change in the (replacement) cost would result in an increase or decrease by \$3,500. There has been no unusual circumstances that may affect the value of the property.

(b) Level 3 assets

	Land	Olive trees	Total
	\$	\$	\$
At 1 Jul 2016	1,741,664	65,500	1,807,164
Revaluation	(401,209)	-	(401,209)
At 30 Jun 2017	1,340,455	65,500	1,405,955
Revaluation	-	-	-
At 31 Dec 2017	1,340,455	65,500	1,405,955

(c) Fair values of other financial assets and liabilities

	31 Dec 17	30 Jun 17
	\$	\$
Cash and cash equivalents	33,262	207,703
Receivables	18,908	19,132
	52,170	226,835
Payables	(344,723)	(257,302)
	(292,553)	(30,467)

Due to their short-term nature, the carrying amounts of cash, current receivables and current payables is assumed to approximate their fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2017

8. DIVIDENDS	Paid On	31 Dec 17	31 Dec 16
		\$	\$
Dividends paid in cash during the financial half year:			
0.90 cent per share fully franked dividend	29-Sep-17	<u>140,843</u>	-
Franking credits available for subsequent periods based on a tax rate of 27.5%		<u>3,030,179</u>	-

The above amounts represent the balance of the franking account as at the end of the reporting period, adjusted for:

- (a) Franking credits that will arise from the receipt of dividends recognised as receivables at balance date;
- (b) Franking credits that will arise from the payment of the amount of the provision for income tax; and
- (c) Franking debits that will arise from the payment of dividends recognised as a liability at balance date.

The franking credits attributable to the Consolidated Entity include franking credits that would be available to the parent entity if distributable profits of subsidiaries were paid as dividends.

9. INVESTMENT IN ASSOCIATE ENTITY	Ownership Interest		31 Dec 17	30 Jun 17
	31 Dec 17	30 Jun 17	\$	\$
Bentley Capital Limited (ASX:BEL)	26.95%	27.07%	<u>2,082,910</u>	<u>2,002,205</u>
Movements in carrying amounts				
Opening balance			2,002,205	3,452,593
Share of net profit/(loss) after tax			183,274	(1,245,250)
Dividend received			(102,569)	(205,138)
Closing balance			<u>2,082,910</u>	<u>2,002,205</u>
Fair value (at market price on ASX) of investment in Associate entity			<u>2,256,516</u>	<u>2,256,516</u>
Net asset value of investment			<u>3,358,841</u>	<u>3,235,743</u>
Summarised statement of profit or loss and other comprehensive income				
Revenue			1,781,610	190,401
Expenses			(888,167)	(3,868,917)
Profit/(Loss) before income tax			<u>893,443</u>	<u>(3,678,516)</u>
Income tax expense			-	-
Profit/(Loss) after income tax			<u>893,443</u>	<u>(3,678,516)</u>
Other comprehensive income			-	-
Total comprehensive income			<u>893,443</u>	<u>(3,678,516)</u>
Summarised statement of financial position				
Current assets			8,504,269	8,107,288
Non-current assets			4,255,851	4,063,419
Total assets			<u>12,760,120</u>	<u>12,170,707</u>
Current liabilities			295,253	209,628
Non-current liabilities			-	9,015
Total liabilities			<u>295,253</u>	<u>218,643</u>
Net assets			<u>12,464,867</u>	<u>11,952,064</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2017

10. RELATED PARTY TRANSACTIONS

Transactions with Related Parties

During the financial half year there were transactions between the Company, QUE and Associate Entity, Bentley Capital Limited (ASX:BEL), pursuant to shared office and administration arrangements. There were no outstanding amounts at the reporting date. The following related party transactions also occurred during the financial half year:

	31 Dec 17	31 Dec 16
Bentley Capital Limited	\$	\$
Dividend Received	102,569	102,569

During the half year, the Consolidated Entity generated \$21,992 rental income from a KMP/close family member of a KMP (the KMP being Director, Farooq Khan), pursuant to a standard form residential tenancy agreement in respect of the Property Held for Resale (31 Dec 16: \$22,100).

11. CONTINGENCIES

(a) Directors' Deeds

The Company has entered into Deeds of Indemnity with each of its Directors indemnifying them against liability incurred in discharging their duties as Directors/Officers of the Consolidated Entity. At the end of the financial period, no claims have been made under any such indemnities and accordingly, it is not possible to quantify the potential financial obligation of the Consolidated Entity under these indemnities.

(b) Tenement Royalties

The Consolidated Entity is entitled to receive a royalty of 2% of gross revenues (exclusive of GST) from any commercial exploitation of any minerals from the Paulsens East (Iron Ore) Project tenement (currently a Retention Licence RL 47/7) in Western Australia currently held by Strike Resources Limited (ASX:SRK).

12. EVENTS OCCURRING AFTER THE REPORTING PERIOD

- (a) Associate entity, Bentley Capital Limited (ASX:BEL), paid a fully-franked dividend of 0.5 cent per share on 25 January 2018. The Company received a dividend payment of \$102,569.

No other matter or circumstance has arisen since the end of the financial half year that significantly affected, or may significantly affect, the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Orion Equities Limited made pursuant to sub-section 303(5) of the *Corporations Act 2001*, we state that:

In the opinion of the Directors:

- (1) The financial statements and notes of the Consolidated Entity are in accordance with the *Corporations Act 2001*, including:
 - (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the financial half year ended on that date; and
 - (b) complying with Accounting Standards AASB 134 "Interim Financial Reporting", *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (2) There are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board,



Farooq Khan
Chairman



Victor Ho
Executive Director

28 February 2018



Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone 9486 7094 www.rothsayresources.com.au

Independent Review Report to the Members of Orion Equities Limited

The financial report and directors' responsibility

The interim consolidated financial report comprises the statement of financial position, statement of comprehensive income, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for Orion Equities Limited for the half-year ended 31 December 2017.

The Company's directors are responsible for the preparation and fair presentation of the consolidated financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim 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 interim consolidated financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated financial position as at 31 December 2017 and the performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Orion Equities 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.

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 interim consolidated financial report of Orion Equities Limited is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the consolidated financial position as at 31 December 2017 and of the performance for the half-year ended on that date; and
- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Rothsay Auditing

Graham Swan FCA
Partner

Dated 28 February 2018



Chartered Accountants

SECURITIES INFORMATION

as at 31 December 2017

DISTRIBUTION OF FULLY PAID ORDINARY SHARES

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issue Capital
1	-	1,000	23	9,733	0.062 %
1,001	-	5,000	62	216,230	1.382 %
5,001	-	10,000	45	339,460	2.169 %
10,001	-	100,000	62	1,948,156	12.449 %
100,001	-	and over	16	13,135,649	83.938 %
Total			208	15,649,228	100%

UNMARKETABLE PARCELS

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1	-	3,225	42	44,145	0.282 %
3,226	-	over	166	15,605,083	99.718 %
TOTAL			208	15,649,228	100 %

An unmarketable parcel is considered, for the purposes of the above table, to be a shareholding of 3,225 shares or less, being a value of \$500 or less in total, based upon the Company's last sale price on ASX as at 31 December 2017 of \$0.15 per share.

TOP TWENTY ORDINARY FULLY PAID SHAREHOLDERS

Rank	Shareholder	Total Shares	% Issued Capital
1*	QUESTE COMMUNICATIONS LTD	9,367,653	59.86%
2*	CLEOD PTY LTD	506,000	
	CELLANTE SECURITES PTY LIMITED	417,038	
		Sub-total	923,038 5.90%
3	DR STEVEN G RODWELL	525,129	3.36%
4	MR SEAN DENNEHY	466,936	2.98%
5	THUNDERDOME PTY LTD	370,393	2.37%
6	REDSUMMER PTY LTD	225,000	1.44%
7	MS HOON CHOO TAN	197,538	1.26%
8	MR JOHN STEPHEN CALVERT	196,732	1.26%
9	MRS PENELOPE MARGARET SIEMON	181,355	1.16%
10	MR BRUCE SIEMON	172,351	1.10%
11	JIT INVESTMENTS PTY LTD	150,000	0.96%
12	VIKAND CONSULTING PTY LTD	144,798	0.93%
13	MR ANTHONY NEALE KILLER & MS SANDRA MARIE KILLER	120,000	0.77%
14	MR JOHN CHENG-HSIANG YANG & MRS PEGA PING MOK	103,726	0.66%
15	MRS CAROLINE ANN PICKERING	100,000	0.64%
16	MS MORAG HELEN BARRETT	94,013	0.60%
17	MR DAMIAN GERARD BOWDLER & MRS MARGARET CLARE BOWDLER	85,900	0.55%
18	MR KEVIN LEDGER & MRS ROBIN LEDGER	85,000	0.54%
19	GIBSON KILLER PTY LTD	80,000	0.51%
20	MR LUKE FREDERICK ATKINS	74,696	0.48%
	TOTAL	13,664,258	87.33%

* Substantial shareholders of the Company