

APPENDIX 4D

RESULTS FOR ANNOUNCEMENT TO THE MARKET FOR THE HALF YEAR ENDED 31 DECEMBER 2016:

	Half Year Ended 31 December 2016 \$	Half Year Ended 31 December 2015 \$	Movement \$	Movement %
Income Statement				
Revenue from ordinary activities	5,645,464	3,179,608	2,465,856	78%
Profit before interest, taxation, depreciation and amortisation (EBITDA)	(485,434)	(1,278,581)	793,147	62%
Finance costs	(39,935)	-	(39,935)	N/A
Depreciation and amortisation	(59,344)	(5,228)	(54,116)	N/A
Net profit/(loss) before tax	(584,713)	(1,283,809)	(699,096)	54%
Income tax benefit/(expense)	-	-	-	-
Net profit/(loss) after tax attributable to members	(584,713)	(1,283,809)	(699,096)	54%
Net profit/(loss) for the period attributable to members	(584,713)	(1,283,809)	(699,096)	54%

This information should be read in conjunction with the 30 June 2016 Annual Report.

PRINCIPAL ACTIVITIES:

The Group includes an industrial services company that provides design and manufacturing of service trucks, water carts, tipper trucks and other trucks per customers' requirements for the mining and construction and waste management industries and a dealership for used trucks sales.

No significant change in the nature of these activities occurred during the financial year.

DIVIDENDS:

No dividends were paid or declared for payment during the half year period under review.

EARNINGS PER SHARE:

	Half Year Ended 31 December 2016	Half Year Ended 31 December 2015
Overall operation		
Basic earnings/(loss) per share (cents per share)	(0.044)	(0.098)
Diluted earnings/(loss) per share (cents per share)	(0.044)	(0.098)

Note: Earnings per share (basic and diluted) are based on a weighted average number of shares on issue of 1,318,934,612 ordinary shares.

NET TANGIBLE ASSET BACKING:

	Half Year Ended 31 December 2016	Half Year Ended 31 December 2015
Net tangible asset backing (cents per share)	(0.33)	(0.30)

REVIEW OF OPERATIONS

A detailed review of operations is set out in the Director's Report to the Half year report attached.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

No matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

ENTITIES ACQUIRED AND DISPOSED DURING THE PERIOD

No entities were acquired nor disposed during the period.



ORH LIMITED
ACN 077 398 826

HALF YEAR FINANCIAL REPORT
31 DECEMBER 2016

ORH LIMITED

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ORH LIMITED

CORPORATE DIRECTORY

Directors

Domenic Martino	- Non-Executive Chairman
Boelio Muliadi	- Non-Executive Director
Jamie Detata	- Executive Director
Jackob Tsaban	- Executive Director

Company Secretary

Louisa Martino

Home Stock Exchange

Australian Securities Exchange
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2 The Esplanade
Perth WA 6000

ASX Code

ORH

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Principle place of Business

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Share Registry

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Auditors

BDO East Coast Partnership
Level 11, 1 Margaret Street
Sydney NSW 2000

ORH LIMITED

DIRECTORS' REPORT

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated Entity' or 'the Group') consisting of ORH Limited (referred to hereafter as the 'Company' or the 'Parent Entity') and the entities it controlled for the half-year ended 31 December 2016 (referred to hereafter as the 'Group').

DIRECTORS

The names of the directors of the Company who held office during or since the end of the half year and up to the date of this report are as set out below. Directors were in office for this entire period unless otherwise stated.

Domenic Martino	Non-Executive Chairman
Boelio Muliadi	Non-Executive Director
Jamie Detata	Executive Director
Jackob Tsaban	Executive Director

PRINCIPAL ACTIVITIES:

The Group includes an industrial services Company that provides design and manufacturing of service trucks, water carts, tipper trucks and other trucks per customers' requirements for the mining and construction and waste management industries and a dealership for used trucks sales.

No significant change in the nature of these activities occurred during the financial year.

REVIEW OF OPERATIONS

The consolidated results for the half-year ended 31 December 2016 and the previous corresponding period are detailed in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and summarised as follows:

	2016 \$	2015 \$
Revenue	5,645,464	3,179,608
Profit/ (loss) before income tax	(584,713)	(1,283,809)
Profit/ (loss) after income tax	(584,713)	(1,283,809)

As shown in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, during the half year there has been an increase in revenue, due to the successful diversification of the Company's product offering to its customers.

Borrowings increased from \$1,819,603 at 30 June 2016 to \$2,314,609 at 31 December 2016, mainly from related parties.

SUBSEQUENT EVENTS

After the Group's re-structure in 2016, ORH has focused on its core business; being a leading manufacturer of industrial equipment including water carts, service trucks, tippers, tilt tray trucks, and general trailers. The Group has also sought to expand its product lines with the addition of concrete mixer trucks, skip lifters, rear loaders and front loaders, which have all been designed and built in-house. This has enabled the business to diversify from being predominantly mining industry focused, to also include the waste management, transport and construction industries. It is worth noting that the new waste management and servicing components of the Group's operations provide regular and diversified revenue in addition to truck sales, particularly the Group's new bins' fabrication and maintenance business.

Incorporating the above changes into the Group's business strategy has resulted in a strong order book and the Group continues to employ approximately 40 staff.

ORH LIMITED

DIRECTORS' REPORT

SUBSEQUENT EVENTS (CONTINUED)

In June 2016, and subsequently on 30 October 2017, the Company announced the negotiation of strategic funding totaling AUD2.5 million with HEWUYUE Investment Limited (HEWUYUE), an investment company with approximately AUD600 million in businesses that specialize in areas such as logistics, manufacturing of new energy vehicles, vehicle parts, sales, services, financial services and new technologies in agriculture. The transaction was unable to be progressed as planned and HEWUYUE and ORH could not execute the final agreement.

On 29 May 2018 the Company extended its lease for the fabrication premises at 72 Kewdale Road, Welshpool WA 6106 until 30 November 2018.

On 14 August 2018 the Company announced that it has signed a Memorandum of Understanding for strategic funding with Changyuan Tiandi Zhizhong New Energy Vehicle Co., Ltd ("Changyuan"). On 14 August 2018 the Company announced that it has signed a Memorandum of Understanding for strategic funding with Changyuan Tiandi Zhizhong New Energy Vehicle Co., Ltd ("Changyuan"). Changyuan was established in January 2016 and is focused on an integrated business model of developing, producing and distributing commercial new energy electric vehicles including the electric vehicle, tourist car, aged care scooter and special purpose vehicles. Changyuan also provides full solutions with after-sale services to its electric vehicles. The company has patented the design of its electric vehicle, allowing the company to be more competitive in the Chinese market. Changyuan owns a factory, office building, warehouse and staff accommodation in Changyuan, Henan Province in China and has developed a significant China distribution network covering both North and South China with more than 18 distributors. This year, Changyuan was awarded a tender from the Chinese Government to supply special purpose vehicles to the local police, which strongly supports the growth of the company.

Changyuan and ORH agreed that Changyuan will invest AUD3,000,000 into ORH for a 70% interest in the Company. ORH will issue 153,875,705 ordinary fully paid shares in the Company at AUD0.02 per share (Offer Shares). Changyuan acknowledges that the shares will not be cleansed and cannot be traded on ASX upon re-listing for 12 months or unless cleansed.

The funding is to be received as follows (Proposed Investment):

- 1) AUD500,000 to be deposited before 31 August 2018 subject to the acceptance of the MOU; and
- 2) The remainder of the AUD2,500,000 to be paid upon receiving unconditional shareholder approval.

At the date of this report, AUD500,000 was received and the Company has started the process of seeking to re-list on the ASX.

Changyuan may appoint up to 2 directors to the ORH Board with effect from ORH receiving unconditional shareholder approval. ("Completion"). There will be a maximum of 5 directors on the board of ORH immediately following Completion.

Apart from the above mentioned, no matter or circumstance has arisen since 31 December 2016 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

ORH LIMITED DIRECTORS' REPORT

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

No significant change in the nature of these activities occurred during the six months ended 31 December 2016.

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 the following page.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the Corporations Act 2001.

On behalf of the directors



Domenic Martino
Chairman

Perth, Western Australia, 10 September 2018

DECLARATION OF INDEPENDENCE BY IAN HOOPER TO THE DIRECTORS OF ORH LIMITED

As lead auditor of ORH Limited for the half-year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of ORH Limited and the entities it controlled during the period.



Ian Hooper
Partner

BDO East Coast Partnership

Sydney, 10 September 2018

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of ORH Limited

Report on the Half-Year Financial Report

Qualified conclusion

We have reviewed the half-year financial report of ORH Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, and notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, with the exception of the matter described in the *Basis for qualified conclusion* section, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2016 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for qualified conclusion

Following the sale of the Company's engineering business to a new wholly owned subsidiary, ORH Engineering (Aust.) Pty Ltd was put into voluntary administration on 29 April 2016 and a deed of company arrangement was executed on 23 June 2016. As a result, we were not actively engaged until after 30 June 2016 and thus did not observe the counting of physical inventories at the beginning of the period. We were unable to satisfy ourselves by alternative means concerning the inventory quantities held at 30 June 2016, which are stated in the consolidated statement of financial position at \$757,213. Our conclusion on the half-year financial report is also modified because of the possible effects of this matter on the comparability of the current period's figures and the corresponding figures.

Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

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 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 Group's financial position as at 31 December 2016 and its financial 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 the Group, 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO East Coast Partnership

BDO

A handwritten signature in black ink, appearing to read 'Ian Hooper', with a stylized flourish at the end.

Ian Hooper
Partner

Sydney, 10 September 2018

ORH LIMITED**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the Half Year Ended 31 December 2016

	Half-Year Ended 31 December 2016	Half-Year Ended 31 December 2015
	\$	\$
Revenue and other income		
Revenue from sale of goods	5,641,176	3,081,353
Revenue from hire of trucks	4,288	98,255
Research and development incentive	310,421	242,568
Other income	294	377
Expenses		
Cost of sales	(3,985,916)	(2,566,986)
Employee benefits expense	(1,282,653)	(1,005,914)
Depreciation expense	(59,344)	(5,228)
Rent and outgoing	(341,955)	(317,224)
Consulting fees	(243,990)	(349,990)
Finance costs	(39,935)	-
Other administrative expenses	(587,099)	(461,020)
Profit/(loss) before income tax expense	(584,713)	(1,283,809)
Income tax expense	-	-
Profit/(loss) after income tax expense for the half-year	(584,713)	(1,283,809)
Other comprehensive income		
Other comprehensive income for the half-year, net of tax	-	-
Total comprehensive income for the half-year attributable to members of ORH Limited	(584,713)	(1,283,809)
Basic earnings/(loss) per share (cents)	(0.044)	(0.098)
Diluted earnings/(loss) per share (cents)	(0.044)	(0.098)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

ORH LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

	Note	31 December 2016 \$	30 June 2016 \$
CURRENT ASSETS			
Cash and cash equivalents		165,209	432,993
Trade and other receivables		1,316,827	874,693
Inventories		804,238	757,213
Other assets	2	40,735	95,762
Total Current Assets		2,327,009	2,160,661
NON-CURRENT ASSETS			
Property, plant and equipment		231,296	250,195
Other assets		172,192	-
Total Non-Current Assets		403,488	250,195
Total Assets		2,730,497	2,410,856
CURRENT LIABILITIES			
Trade and other payables	3	4,642,106	4,242,210
Borrowings	4	2,314,609	1,819,603
Total Current Liabilities		6,956,715	6,061,813
NON CURRENT LIABILITIES			
Trade and other payables	3	67,828	58,376
Total Non-Current Liabilities		67,828	58,376
Total Liabilities		7,024,543	6,120,189
Net Liabilities		(4,294,046)	(3,709,333)
EQUITY			
Issued capital	7	44,096,158	44,096,158
Reserves		104,314	104,314
Accumulated losses		(48,494,518)	(47,909,805)
Total Deficiency		(4,294,046)	(3,709,333)

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes

ORH LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Half Year Ended 31 December 2016

	Share Capital \$	Accumulated Losses \$	Reserves \$	Total \$
Balance at 1 July 2015	44,102,750	(46,850,458)	104,314	(2,643,394)
Loss after income tax expense for the half year	-	(1,283,809)	-	(1,283,809)
Other comprehensive income for half the year, net of tax	-	-	-	-
Total comprehensive income for the half year	-	(1,283,809)	-	(1,283,809)
<i>Transactions with owners in their capacity as owners:</i>				
Shares issued (net of transaction costs)	(6,592)	-	-	(6,592)
Balance at 31 December 2015	44,096,158	(48,134,267)	104,314	(3,933,795)
Balance at 1 July 2016	44,096,158	(47,909,805)	104,314	(3,709,333)
Loss after income tax expense for the half year	-	(584,713)	-	(584,713)
Other comprehensive income for half the year, net of tax	-	-	-	-
Total comprehensive income for the half year, net of tax	-	(584,713)	-	(584,713)
Balance at 31 December 2016	44,096,158	(48,494,518)	104,314	(4,294,046)

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes

ORH LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS

For the Half Year Ended 31 December 2016

	Half Year Ended 31 December 2016 \$	Half Year Ended 31 December 2015 \$
Cash flows from operating activities		
Receipts from customers (incl. of GST)	6,078,297	3,431,485
Payments to suppliers and employees (incl. of GST)	(6,765,557)	(3,691,790)
Interest paid	(39,935)	-
Interest received	294	377
Net cash used in operating activities	(726,901)	(259,928)
Cash flows from investing activities		
Purchase of plant and equipment	(40,445)	-
Net cash used in investing activities	(40,445)	-
Cash flows from financing activities		
Proceeds from issue of shares (net of transaction costs)	-	(6,592)
Net proceeds from borrowings	499,562	873,239
Net cash from financing activities	499,562	866,647
Net (decrease)/increase in cash and cash equivalents	(267,784)	606,719
Cash and cash equivalents at the beginning of the financial half year	432,993	53,965
Cash and cash equivalents at the end of the financial half year	165,209	660,684

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanied notes.

ORH LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year Ended 31 December 2016

1. Summary of significant accounting policies

The financial report of ORH Limited ('the Company') and its controlled entities ('the Consolidated Entity' or 'the Group') for the half-year ended 31 December 2015 has been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

(a) Basis of Preparation

The half-year financial report does not include all the notes of the type normally included in annual financial report. Accordingly, this financial report should be read in conjunction with the annual report for the year ended 30 June 2016 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

This consolidated half year financial report was approved by the Board of Directors on 10 September 2018.

Going concern

As disclosed in the consolidated financial statements, the Consolidated Entity's net cash outflows from operating activities for the half-year ended 31 December 2016 were \$726,901 (31 December 2015: \$259,928) and as at 31 December 2016, the Consolidated Entity had net liabilities of \$4,294,046 (30 June 2016: \$3,709,333).

As announced on 14 August 2018, the Company has finalised a plan for strategic funding with Changyuan Tiandi Zhizhong New Energy Vehicle Co., Ltd (Changyuan), an investment Company that specialises in areas such as logistics, manufacturing of new energy vehicles, vehicle parts, sales, services, financial services and new technologies in agriculture.

Changyuan and ORH continue to work together on the strategic funding, which is anticipated to total AUD\$3,000,000, with the funding received as follows (Proposed Investment):

- 1) A deposit of AUD500,000; and
- 2) The remaining balance of AUD2,500,000 upon unconditional shareholder approval.

The above factors, and the Consolidated Entities dependency on the proposed strategic funding to continue as a going concern, results in a material uncertainty as to whether the Consolidated Entity will continue as a going concern and therefore whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the consolidated financial report.

The Directors believe that there are reasonable grounds to believe that the Consolidated Entity will be able to continue as going concern, after consideration of the following factors:

- The Consolidated Entity has continued to trade since balance date until the date of signing of this financial report;
- The remaining balance of the borrowings and trade and other payables, owed to related parties and related party creditors, as noted in note 3 and note 4, are repayable subject to the Consolidated Entities cash flow availability;
- The forecast cashflows and budget for the Group for the next 12 months after signing this financial report indicate an improvement in operating cash flows that will be supported by the proposed investment; and
- The Consolidated Entity has received AUD500,000 of the strategic funding deposit to the date of this financial report.

Accordingly, the Directors believe that the Consolidated Entity will be able to continue as going concern and that it is appropriate to adopt the going concern basis in the preparation of the consolidated financial report. Should the consolidated entity be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the consolidated entity be unable to continue as a going concern and meet its debts as and when they fall due.

ORH LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year Ended 31 December 2016

1. Summary of significant accounting policies (continued)

(b) New, revised or amending Accounting Standards

The Consolidated Entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

2. Other assets

	As at 31 December 2016 \$	As at 30 June 2016 \$
Current		
Prepayments	40,735	95,762
	40,735	95,762
Deposit on import of goods	1,500,000	1,500,000
Provision for impairment	(1,500,000)	(1,500,000)
	-	-
	40,735	95,762

3. Trade and Other Payables

	As at 31 December 2016 \$	As at 30 June 2016 \$
Trade payables	1,580,840	1,378,760
Other payables	831,148	325,453
Trade and other payables – related parties	1,554,264	1,373,078
Customer deposits	253,769	701,627
Amounts payable to the administrator	289,044	349,044
Employee Benefits Provision - Current	133,041	114,248
Total current trade and other payables	4,642,106	4,242,210
Employee Benefits Provision – Non Current	67,828	58,376
	4,709,934	4,300,586

4. Borrowings

	As at 31 December 2016 \$	As at 30 June 2016 \$
Current		
Loan – J Detata	1,026,806	1,059,429
Loan – K Tsaban	26,000	30,000
Loan – Minimum Risk	192,986	192,986
Loan – Orient Finance Australia Pty Ltd	90,000	90,000
Total borrowings from related parties	1,335,792	1,372,415
Loan - Graceview Pty Ltd	199,098	199,098
Loan - Chaleyer Holdings Pty Ltd	188,184	188,184
Loan – Filmrim	98,428	59,906
Debtor factoring facility – AFC	493,107	-
	2,314,609	1,819,603

ORH LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year Ended 31 December 2016

4. Borrowings (continued)

Repayment terms and conditions

The loan from Chaleyer Holdings Pty Limited bears interest at 20% and is unsecured and repayable on demand. Interest for the period was waived. Details of related party loans (J Detata, K Tsaban, Orient Finance Australia Pty Limited) terms and conditions are contained in Note 20 – Related Parties. The loan from Axsess Today was repayable at 31 December 2017 and incurred interest at 14% and has been fully repaid subsequent to period end. The debtor factoring facility with AFC attracts a debtor finance fee of 3.5% and is on end of month plus 60 days repayment terms. Remaining loans bear interest at market rates, are unsecured, and repayable on demand. Interest for remaining loans was waived for the period.

5. Contingent liabilities

The Group has no contingent liabilities to the date of these financial statements.

6. Dividends

No dividends have been declared or paid during the half year ended 31 December 2016 or in the prior period, and the directors do not recommend the payment of a dividend in respect of the half year ended 31 December 2016.

7. Issued Capital

	Number of Shares	\$
31 December 2016		
Issued Capital at 1 July 2016	1,318,934,612	44,096,158
Shares issued during the period	-	-
Issued capital at 31 December 2016	1,318,934,612	44,096,158
30 June 2016		
Issued Capital at 1 July 2015	1,310,197,254	44,102,750
Shares issued during the period, net of transaction costs	8,737,358	(6,592)
Issued capital at 30 June 2016	1,318,934,612	44,096,158

8. Segment Reporting

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the management team (chief operating decision makers) in assessing performance and determining the allocation of resources. For management purposes, the Group is organised in two different businesses:

- Engineering services - provides design and manufacturing of service trucks, water carts, tipper trucks and other trucks per customers' requirements for the mining and construction and waste management industries.
- Distribution services - a dealership for used trucks sales

Business segment

The operating segment analysis presented in these financial statements reflects the operation analysis by business. It best describes the way the Group is managed and provides a meaningful insight into the business activities of the Group. The following tables present details of revenue and operating profit by operating segment as well as a reconciliation between the information disclosed for reportable segments and the aggregated information in the financial statements. The information disclosed in the tables below is derived directly from the internal financial reporting system used by corporate management to monitor and evaluate the performance of its operating segments separately.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. Segment assets if clearly identifiable to particular segment on the basis of their nature are allocated directly. Segment assets include trade receivables and other assets which are allocated based on segments within the Group.

ORH LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year Ended 31 December 2016

8. Segment Reporting (continued)

Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and provision of staff benefits which are allocated based on segments within the Group.

	Engineering \$	Trucks sales \$	Total \$
For the half year ended 31 December 2016			
Revenues from external customers	3,993,333	1,652,131	5,645,464
Reportable segment profit/(loss) before income tax	(688,237)	202,987	(485,250)
Reportable segment assets at 31 December 2016	1,837,023	97,137	1,934,160
Reportable segment liabilities at 31 December 2016	4,512,887	171,272	4,684,159
For the half year ended 31 December 2015			
Revenues from external customers	2,100,576	1,079,032	3,179,608
Reportable segment profit/(loss) before income tax	(1,364,146)	62,098	(1,302,048)
For the year ended 30 June 2016			
Reportable segment assets at 30 June 2016	1,838,155	86,811	1,924,966
Reportable segment liabilities at 30 June 2016	3,913,306	134,437	4,047,743
	For the period ended 31 December 2016 \$	For the period ended 31 December 2015 \$	
Reconciliation of reportable segment profit or loss			
Total loss for reportable segments	(485,250)	(1,302,048)	
Unallocated income/(expenses)	(409,884)	(224,329)	
Unallocated research and development incentive	310,421	242,568	
Profit/(loss) from before tax	(584,713)	(1,283,809)	
	As at 31 December 2016 \$	As at 30 June 2016 \$	
Reconciliation of reportable segment assets			
Reportable segment assets	1,934,160	1,924,966	
Unallocated research and development incentive receivable	796,337	485,890	
Total assets	2,730,497	2,410,856	
Reconciliation of reportable segment liabilities			
Reportable segment liabilities	4,684,159	4,047,742	
Unallocated borrowings	2,340,384	2,072,447	
Total liabilities	7,024,543	6,120,189	

Geographical Segment

The consolidated group's operations are solely based in Australia.

ORH LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year Ended 31 December 2016

9. Subsequent events

After the Group's re-structure in 2016, ORH has focused on its core business; being a leading manufacturer of industrial equipment including water carts, service trucks, tippers, tilt tray trucks, and general trailers. The Group has also sought to expand its product lines with the addition of concrete mixer trucks, skip lifters, rear loaders and front loaders, which have all been designed and built in-house. This has enabled the business to diversify from being predominantly mining industry focused, to also include the waste management, transport and construction industries. It is worth noting that the new waste management and servicing components of the Group's operations provide regular and diversified revenue in addition to truck sales, particularly the Group's new bins' fabrication and maintenance business.

Incorporating the above changes into the Group's business strategy has resulted in a strong order book and the Group continues to employ approximately 40 staff.

In June 2016, and subsequently on 30 October 2017, the Company announced the negotiation of strategic funding totalling AUD2.5 million with HEWUYUE Investment Limited (HEWUYUE), an investment company with approximately AUD600 million in businesses that specialize in areas such as logistics, manufacturing of new energy vehicles, vehicle parts, sales, services, financial services and new technologies in agriculture. The transaction was unable to be progressed as planned and HEWUYUE and ORH could not execute the final agreement.

On 29 May 2018 the Company extended its lease for the fabrication premises at 72 Kewdale Road, Welshpool WA 6106 until 30 November 2018.

On 14 August 2018 the Company announced that it has signed a Memorandum of Understanding for strategic funding with Changyuan Tiandi Zhizhong New Energy Vehicle Co., Ltd ("Changyuan"). Changyuan was established in January 2016 and is focused on an integrated business model of developing, producing and distributing commercial new energy electric vehicles including the electric vehicle, tourist car, aged care scooter and special purpose vehicles. Changyuan also provides full solutions with after-sale services to its electric vehicles. The company has patented the design of its electric vehicle, allowing the company to be more competitive in the Chinese market. Changyuan owns a factory, office building, warehouse and staff accommodation in Changyuan, Henan Province in China and has develop a significant China distribution network covering both North and South China with more than 18 distributors. This year, Changyuan was awarded a tender from the Chinese Government to supply special purpose vehicles to the local police, which strongly supports the growth of the company.

Changyuan and ORH agreed that Changyuan will invest AUD3,000,000 into ORH for a 70% interest in the Company. ORH will issue 153,875,705 ordinary fully paid shares in the Company at AUD0.02 per share (Offer Shares). Changyuan acknowledges that the shares will not be cleansed and cannot be traded on ASX upon re-listing for 12 months or unless cleansed.

The funding is to be received as follows (Proposed Investment):

- 1) AUD500,000 to be deposited before 31 August 2018 subject to the acceptance of the MOU; and
- 2) The remainder of the AUD2,500,000 to be paid upon receiving unconditional shareholder approval.

At the date of this report, AUD500,000 was received and the Company has started the process of seeking to re-list on the ASX.

Changyuan may appoint up to 2 directors to the ORH Board with effect from ORH receiving unconditional shareholder approval. ("Completion"). There will be a maximum of 5 directors on the board of ORH immediately following Completion.

Apart from the above mentioned, no matter or circumstance has arisen since 31 December 2016 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

ORH LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year Ended 31 December 2016

10. Related Parties Transactions

Included in the expenses for the half year is an amount of \$104,000 (half year ended 31 Dec 2015: \$180,000) for consulting fees for Blazeway Holdings Pty Limited, a company controlled by Jamie Detata.

Included in the expenses for the half year is an amount of \$391,712 (half year ended 31 Dec 2015: \$145,985) for cost of goods sold for Cooper Cove Pty Ltd, a trust controlled by Jamie Detata.

Included in the expenses for the half year is an amount of \$85,000 (half year ended 31 Dec 2015: \$120,000) for consulting fees for Jackori Consulting, a trust controlled by Jakob Tsaban.

Included in the expenses for the half year is an amount of \$30,000 (half year ended 31 Dec 2015: \$30,000) for Company Secretarial services fees for Transaction Services Pty Ltd, a company related to Domenic Martino.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

11. Financial Instruments

Due to their nature, the carrying amounts of current receivables, current trade and other payables and current and non-current borrowings, is assumed to approximate their fair value.

ORH LIMITED

DIRECTORS' DECLARATION

For the Half Year Ended 31 December 2016

The directors of ORH Limited ("the consolidated entity") declare that:

1. the attached financial statements with the accompanied notes are in accordance with the *Corporations Act 2001*, and:
 - (a) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of the performance as for the half-year ended on that date.
2. there are reasonable grounds to believe that ORH Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors made pursuant to section 305(5) (a) of the Corporations Act 2001.

On behalf of the Directors



Domenic Martino
Chairman

Perth, 10 September 2018