

Appendix 4D

Rule 4.2A

1. Half yearly report

Name of entity

Orcoda Limited

ABN: 86 009 065 650

Report for the half-year ended 31 December 2018

Previous corresponding period
is the financial year ended 30 June 2018
and half year ended 31 December 2018

2. Results for announcement to the market

			<u>A\$'000s</u>
Revenue from ordinary activities	<i>up</i>	21% to	1,051
Loss after tax attributable to members	<i>down</i>	71% to	(836)
Net Loss for the period attributable to members (<i>item 2.3</i>)	<i>down</i>	71% to	(836)
Dividends (<i>item 2.4</i>)			
No dividends will be paid			
Record date for determining entitlements to the dividend (<i>item 2.5</i>)	N/A		
Brief explanation of any of the figures reported above necessary to enable the figures to be understood (<i>item 2.6</i>)			
The revenue figure of \$1.05m is an improvement over the previous half.			
The Parent Company overheads have now been reduced substantially and with the Divisions forecast to become cash flow positive, the future looks good for the Company to start making a profit soon and the future growth of the business will be built on a structurally lean and strong platform.			

3. Net tangible assets per security (item 3)

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security (<i>post share-consolidation</i>)	0.04 cents	(2.17) cents

4. Details of entities over which control has been gained or lost during the period: (item 4)

Control gained over entities

Name of entities (<i>item 4.1</i>)	N/A
Date(s) of gain of control (<i>item 4.2</i>)	N/A

Loss of control of entities

Name of entities (<i>item 4.1</i>)	N/A
Date(s) of loss of control (<i>item 4.2</i>)	N/A
Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was lost (<i>item 4.3</i>).	N/A
Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (<i>item 4.3</i>)	N/A

5. Dividends (item 5)

	Date of payment	Total amount of dividend
Amount per security	N/A	Final dividend – N/A
		Interim dividend – N/A

	Amount per security	Franked amount per security at % tax	Amount per security of foreign sourced dividend

Interim dividend:	Current period	N/A	-	-
	Previous period	N/A		
		N/A		

Interim dividend on all securities

	Current period \$A'000	Previous corresponding Period - \$A'000
Ordinary securities <i>(each class separately)</i>	-	-
Preference securities <i>(each class separately)</i>	-	-
Other equity instruments <i>(each class separately)</i>	-	-

Total

6. Details of dividend or distribution reinvestment plans in operation are described below *(item 6)*:

N/A

The last date(s) for receipt of election notices for participation in the dividend or distribution reinvestment plan

N/A

7. Details of associates and joint venture entities *(item 7)*

Name of associate or joint venture entity	% Securities held

Aggregate share of profits (losses) of associates and joint venture entities *(where material)*

	6mths to 31 Dec 2018 \$	6mths to 31 Dec 2017 \$
Group's share of associates' and joint venture entities':		
Profit (loss) before tax		
Income tax	-	-
Net profit (loss) after tax		
Adjustments	-	-
Share of net profit (loss) of associates and joint venture entities	-	-

8. The information provided in the Appendix 4D is based on the interim financial report of Orcoda Limited for the half year ended 31 December 2018 (attached), which has been prepared in accordance with Australian accounting standards (item 8).

9. Audit qualification or review

The financial statements have been subject to a review by the auditors and the review report is included in the interim financial report. The review conclusion contains a Material Uncertainty paragraph in relation to going concern.

Periodic Disclosure Requirements Compliance Statement

- 1 An interim report for the half-year ended 31 December 2018 is provided with the Appendix 4D information.
- 2 The interim report has been prepared in accordance with AASB 134 Interim Financial Reporting.
- 3 Except where noted in the report, the interim report and information provided in Appendix 4D uses the same accounting policies as those applied at 30 June 2018, except mandatory changes under the Australian equivalents to International Financial Reporting Standards (A-IFRS).
- 4 The Appendix 4D information gives a true and fair view of the matters disclosed in the interim financial report.
- 5 The Appendix 4D information is based on the interim financial report, which has been subject to review.

The audit report or review by the auditor is provided with the interim financial report.



Sign here:

Date: 27 February 2019

Print name: Brendan Mason

ORCODA LIMITED

INTERIM FINANCIAL REPORT DECEMBER 2018

Healthcare Logistics

Transport Logistics

Resource Logistics



**ORCODA LIMITED
And Controlled Entities
A.B.N. 86 009 065 650**

**INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

C O N T E N T S

Directors' Report
Auditor's Independence Declaration
Consolidated Statement of Profit or Loss and Other Comprehensive Income
Consolidated Statement of Financial Position
Consolidated Statement of Changes in Equity
Consolidated Statement of Cash Flows
Notes to the Financial Statements
Directors' Declaration
Independent Auditor's Review Report

**ORCODA LIMITED
And Controlled Entities**

DIRECTORS' REPORT

Your Directors present their report together with the interim report of the consolidated entity for the half year ended 31 December 2018.

The names of Directors in office at the date of this report are:

Nicholas Johansen	Non-Executive Chairman
Brendan Mason	Managing Director
Geoffrey Jamieson	CFO / Finance Director
Warren Preston	Non-Executive Director
Scott McIntosh	Alternate Director for Warren Preston (resigned on 6 th February 2019)

The above-named Directors held office during and since the end of the half-year, unless otherwise stated.

Review of Operations

HALF YEAR SUMMARY

Highlights

- Revenue (inclusive of R&D grant and interest) increased by 21% to \$1,051k from corresponding half-year period.
- Consolidated Losses decreased from \$2,922k down to \$836k from corresponding half-year period.
- Costs are in control and now predictable.
- Division forecasts are cash flow positive before corporate overheads and the Company is now well positioned to capitalise on growth opportunities.

Operational

Orcoda Limited is an Australian-listed company (ASX:ODA) with expertise in business efficiency and optimisation. We are operational efficiency specialists who supply best-in-class solutions that combine software, management expertise and contracting services, helping to make our clients among the most productive and cost-effective organisations in their respective industries.

Our clients come from a diverse array of industry sectors and include some of Australia's largest companies operating in Oil & Gas, Mining, infrastructure, transport and healthcare sectors.

Orcoda's combined offering is focused on three key business sectors: healthcare, transportation and resources. We pride ourselves on enabling our clients to generate fast, accurate and reliable information, ensuring they are able to make the best business decisions the first time, every time and on time.

Orcoda has three Divisions, Healthcare Logistics (disability and community transport, homecare and health transport services) Transport Logistics (metro services, line haul and field services) and Resource Logistics (oil & gas, mining and infrastructure).

Healthcare Logistics

Homecare Services

Community Transport Services

Health Transport Services

**ORCODA LIMITED
And Controlled Entities**

Transport Logistics

Scheduling, Planning & Management

Mobility & Visibility

Business Intelligence & Workflow

Resource Logistics

Management

Contracting

Platform & Integration

Financial

The company's cash holdings at 31 December 2018 were \$801k.

R&D grants totalling \$439k are expected to be received within the next three months.

The company is applying for a commercialisation grant of approximately \$500k.

The China mobile debt recovery of \$2.3m is still being pursued through the Courts in China.

The sale of the Chinese E-Commerce structure is still proceeding through the due diligence phase.

Sales are increasing in the three divisions and as previously noted in the Annual Report and Quarterly Reports the company has changed its operations with three divisions providing operations being Transport Logistics, Resource Logistics and Healthcare Logistics. A lot of work has gone into getting rid of all of the trailing issues of the previous structure.

The cash burn rate is forecast to be approximately \$100k per month for the next quarter which is a substantial improvement over the cash burn rate from the previous half of approximately \$500k per month.

Outlook

The company is pleased to advise that the Transport Logistics division has lowered overheads and increased revenues and was profitable for last half after accounting for R&D grants. The Healthcare Logistics division continues to expand its revenues with income coming in from user Acceptance testing of our software and income being generated from Company vehicles and R&D grants from its continuing R&D program. The Resources Logistics division has a healthy funnel of sizeable opportunities, with many quotes currently being considered by our large mining customers but is yet to sign up a sizable project.

The Parent Company overheads have now been reduced substantially and with the Divisions forecast to become cash flow positive the future looks good for the Company over the short to medium term.

**ORCODA LIMITED
And Controlled Entities**

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included in this interim financial report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors



Brendan Mason
Managing Director

Signed this 27th February 2019

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Orcoda Limited (formerly SmartTrans Holdings Limited) and its controlled entities for the half-year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM

RSM AUSTRALIA PARTNERS

P A Ransom

P A RANSOM

Partner

Dated: 27 February 2019
Melbourne, Victoria

ORCODA LIMITED
And Controlled Entities

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Half-Year Ended 31 December 2018

	Note	31 Dec 2018 \$	31 Dec 2017 \$
Continuing Operations			
Revenue	5	607,602	392,096
Research and development tax incentive		439,798	235,683
Interest revenue calculated using the effective interest method		3,888	85
Expenses			
Employee benefits expense		(374,753)	(717,500)
Material and installation costs		(219,649)	(109,882)
Depreciation expense		(3,133)	(8,699)
Consultancy cost		(670,627)	(379,336)
Share registration regulatory and compliance costs		(96,571)	(170,838)
Corporate advisory		(6,313)	(30,000)
Rental and occupancy costs		(108,798)	(101,172)
Travelling and accommodation costs		(50,193)	(77,782)
Legal and associated costs		(28,673)	(88,634)
Amortisation of intangible assets		(16,023)	(33,529)
Foreign exchange gain / (loss) (net)		(5,169)	(2,554)
Impairment loss on other receivables		-	(904,912)
Loss on recoverability of other receivable		-	(383,211)
Other expenses		(69,564)	(200,718)
Loss before income tax from continuing operations		(598,178)	(2,580,903)
Income tax benefit / (expense)		-	-
Loss after income tax from continuing operations		(598,178)	(2,580,903)
Discontinued Operations			
Loss after income tax from discontinued operations	6	(238,016)	(411,385)
Loss for the half-year		(836,194)	(2,992,288)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		60,895	10,831
Total comprehensive loss for the half-year		(775,299)	(2,981,457)
Total comprehensive loss for the half-year attributable to:			
Continuing operations		(598,178)	(2,580,903)
Discontinued operations		(177,121)	(400,554)
Owners of Orcoda Limited		(775,299)	(2,981,457)
Basic loss per share (cents per share)	9	(0.94)	(8.10)
Diluted loss per share (cents per share)	9	(0.94)	(8.10)

The accompanying notes form part of these financial statements

**ORCODA LIMITED
And Controlled Entities**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Note	31 Dec 2018 \$	30 Jun 2018 \$
CURRENT ASSETS			
Cash and cash equivalents		801,142	2,105,116
Trade and other receivables	7	696,492	332,373
Inventory		-	170,410
Other assets		11,726	26,327
		1,509,360	2,634,226
Assets of disposal group classified as held for sale	6	166,735	-
TOTAL CURRENT ASSETS		1,676,095	2,634,226
NON-CURRENT ASSETS			
Intangible assets		11,095,130	11,101,946
Plant and equipment		18,593	26,591
TOTAL NON-CURRENT ASSETS		11,113,723	11,128,537
TOTAL ASSETS		12,789,818	13,762,763
CURRENT LIABILITIES			
Trade and other payables		1,419,225	1,952,628
Provisions		172,400	172,400
		1,591,625	2,125,028
Liabilities directly associated with assets classified as held for sale	6	69,333	-
TOTAL LIABILITIES		1,660,958	2,125,028
NET ASSETS		11,128,860	11,637,735
EQUITY			
Issued capital	8	92,280,631	91,690,208
Reserves		1,874,497	2,137,601
Accumulated losses		(83,026,268)	(82,190,074)
TOTAL EQUITY		11,128,860	11,637,735

The accompanying notes form part of these financial statements

ORCODA LIMITED
And Controlled Entities

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Half-Year Ended 31 December 2018

Note	Issued Capital		Reserves \$	Accumulated losses \$	Total Equity \$
	Ordinary \$	Foreign Currency translation Reserves			
Balance at 1 July 2017	76,919,120	(185,695)	1,391,229	(76,406,091)	1,718,563
Shares issued during the half year	288,915			-	288,915
Cost of shares issues	(12,500)		-	-	(12,500)
Options issued during half year	-		323,585	-	323,585
Foreign Currency Translation	-	10,830	-	-	10,830
Loss for the period	-		-	(2,992,288)	(2,992,288)
Balance at 31 December 2017	77,195,535	(174,865)	1,714,814	(79,398,379)	(662,895)
Balance at 1 July 2018	91,690,208	(181,268)	2,318,869	(82,190,074)	11,637,735
Shares issued during the half year					
Shares issued in lieu of directors' fees	217,758		-	-	217,758
Shares issued in lieu of services	48,665		-	-	48,665
Shares issued for performance rights	324,000		(324,000)	-	-
Foreign currency translation	-	60,895	-	-	60,895
Loss for the period			-	(836,194)	(836,194)
Balance at 31 December 2018	92,280,631	(120,373)	1,994,869	(83,026,268)	11,128,860

The accompanying notes form part of these financial statements.

**ORCODA LIMITED
And Controlled Entities**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Half-Year Ended 31 December 2018

	31 Dec 2018	31 Dec 2017
	\$	\$
Cash flows from operating activities		
Receipts from customers	697,326	847,371
Payments to suppliers and employees	(1,996,111)	(2,544,544)
Research and development tax incentive	-	235,683
Interest received	3,888	83
Net cash used in operating activities#	(1,294,897)	(1,461,407)
Cash flows from investing activities		
Payments for property, plant and equipment	(9,207)	(713)
Net cash used in investing activities#	(9,207)	(713)
Cash flows from finance activities		
Receipts from issue of shares and collection of funds from Lanstead Capital LP	-	1,067,001
Net cash flow (used in) from financing activities#	-	1,067,001
Net increase (decrease) in cash and cash equivalents	(1,304,104)	(395,119)
Cash and cash equivalents at beginning of period	2,105,116	621,684
Effects of Foreign Exchange	130	521
Cash and cash equivalents at end of period	801,142	227,086

The consolidated statement of cash flows includes cash flows from discontinued operations as detailed in Note 6 (c).

The accompanying notes form part of these financial statements

ORCODA LIMITED
And Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year Ended 31 December 2018

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

Reporting Basis and Conventions

The financial statements cover the consolidated entity of Orcoda Limited and its controlled entities. Orcoda Limited is a listed company and incorporated and domiciled in Australia. The financial statements are presented in Australian dollars, which is Orcoda Limited's functional and presentation currency.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 February 2019.

These general-purpose financial statements for the interim half-year reporting period ended 31 December 2018 have 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'*.

These general-purpose financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, these financial statements are to be read in conjunction with the annual financial report for the year ended 30 June 2018 and any public announcements made by the Company during the half-year in accordance with the continuous disclosure requirements arising under *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.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss of \$836,194 and had net cash outflows from operating activities of \$1,294,897 for the period ended 31 December 2018.

These factors indicate a material uncertainty that may cast significant doubt as to whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

The Directors believe that there are reasonable grounds to believe that the consolidated entity will be able to continue as a going concern subject to the following factors:

- The cash flow forecasts for the consolidated entity indicate there will be sufficient funds to enable its cash requirements to be met over the 12-month period from the date of this report and sufficient working capital to enable the consolidated entity to meet its debts as and when they fall due;
- The consolidated entity expects to receive R&D incentive grant from the Government of \$439,798 pertaining to the financial year 2018 (included in cash flow forecasts); and
- Marketing and administration costs are constantly being monitored so that they are kept at minimal levels and the company has implemented strategies to further reduce operating costs to reflect the current operations.

**ORCODA LIMITED
And Controlled Entities**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year Ended 31 December 2018

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Going Concern (Continued)

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial statements.

The financial statements do not include any adjustments relating to the amounts or classification of recorded assets and liabilities that might be necessary if the consolidated entity does not continue as a going concern.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 9 Financial Instruments

The consolidated entity has adopted AASB 9 from 1 July 2018. The standard replaces replace AASB 139 *Financial Instruments: Recognition and Measurement*. The standard introduced new classification and measurement models for financial assets based on the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial asset. In addition, this standard has introduced a new model for the Company's impairment of financial assets based on a 12-month Expected Credit Loss ('ECL') unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

AASB 15 Revenue from Contracts with Customers

The consolidated entity has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price to the different existing performance obligation in the contracts with customers. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue.

Impact of adoption

There was no impact from adopting both AASB 15 '*Revenue from Contracts with Customers*', and AASB 9 '*Financial Instruments*' and therefore no adjustments were deemed necessary.

**ORCODA LIMITED
And Controlled Entities**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year Ended 31 December 2018

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Sale of licence

Revenue from the sale of licence including implementation and initial training is recognised at the point in time when the implementation and initial training (up to 2 days) is completed.

The provision of support for vehicles using the software is a distinct performance obligation as the customer needs to pay such fees on a monthly basis as long as they use the software. Therefore, revenue from use of software is recognised at a point in time, and on a monthly basis.

Rendering of services

Revenue from a contract to provide professional services, such as consultancy and training services after completion of implementation of software, is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other income

Other revenue is recognised when it is received or when the right to receive payment is established.

Discontinued operations

A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

2. EVENTS SUBSEQUENT TO REPORTING DATE

No matter or circumstance has arisen since 31 December 2018 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.

3. CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 December 2018.

**ORCODA LIMITED
And Controlled Entities**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year Ended 31 December 2018

4. SEGMENT INFORMATION

(a) Description of segments

The consolidated entity has identified its operating segments based on internal reports that are provided to the Board of Directors on a regular basis.

Pursuant to acquisition of the Resource Connect Group of entities during the financial year 2018, the consolidated entity has identified three operating segments - Transport Logistics, Resource Logistics and Healthcare Logistics for the half-year ended 31 December 2018.

During the prior periods, the consolidated entity classified operating segments based on geographical locations as it had only one business operation in Australia and China. The consolidated entity has ceased the operations in China and hence there were no revenues in the segment for the current period.

(b) Segment information

The below segment summary shows operating results (including R&D incentive income) and assets and liabilities by segments:

For the half-year ended 31 December 2018	Consolidated				
	Transport logistics	Resource logistics	Healthcare logistics	E-commerce	Total
	\$	\$	\$	\$	\$
Segment revenues	730,848	58,922	257,631	-	1,047,400
Segment profit / (loss)	208,506	(16,660)	132,133	(238,016)	85,963

For the half-year ended 31 December 2017	Consolidated				
	Transport logistics	Resource logistics	Healthcare logistics	E-commerce	Total
	\$	\$	\$	\$	\$
Segment revenues	627,779	-	-	243,117	870,896
Segment profit / (loss)	(194,718)	-	-	(411,385)	(606,103)

Reconciliation of reportable segment revenue to consolidated revenue	Consolidated	
	31 Dec 2018	31 Dec 2017
	\$	\$
Total segment revenue	1,047,400	870,896
Interest income	3,888	85
Total revenue	<u>1,051,288</u>	<u>870,981</u>
Disclosed as:		
Revenue from continuing operations	1,051,288	627,864
Revenue from discontinued operations (see Note 6)	-	243,117
Total revenue	<u>1,051,288</u>	<u>870,981</u>

**ORCODA LIMITED
And Controlled Entities**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year Ended 31 December 2018

4. SEGMENT INFORMATION (Cont.)

Reconciliation of reportable segment profit/(loss) to consolidated loss	Consolidated	
	31 Dec 2018	31 Dec 2017
	\$	\$
Total profit/(loss) for reportable segments	85,963	(606,103)
Corporate costs	(922,157)	(2,386,185)
Loss before / after income tax	(836,194)	(2,992,288)
Disclosed as:		
Loss from continuing operations	(598,178)	(2,580,903)
Loss from discontinued operations (see Note 6)	(238,016)	(411,385)
Loss after income taxes for the period	(836,194)	(2,992,288)

Consolidated	Transport logistics	Resource logistics	Healthcare logistics	E-commerce	Total
	\$	\$	\$	\$	\$
Segment assets					
31 December 2018	677,796	82,680	190,289	189,076	1,139,841
30 June 2018	293,813	135,945	-	327,504	757,262
Segment liabilities					
31 December 2018	275,093	33,654	25,623	549,260	883,630
30 June 2018	336,386	67,778	-	695,692	1,099,856

5. REVENUE

From continuing operations

Revenue from contracts with customers

	Consolidated	
	31 Dec 2018	31 Dec 2017
	\$	\$
Services revenue	607,602	392,096
Total revenue from continuing operations	607,602	392,096

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

<i>Major service lines</i>	Consolidated	
	31 Dec 2018	31 Dec 2017
	\$	\$
Transport logistics	433,743	392,096
Healthcare logistics	114,938	-
Resource logistics	58,922	-
Total	607,602	392,096

ORCODA LIMITED
And Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year Ended 31 December 2018

6. DISCONTINUED OPERATIONS

(a) Description

The consolidated entity has classified its e-Commerce business operations in China as held for sale as the business is not in alignment with the consolidated entity's core business proposition. Consequently, the financial statements for the period ended 31 December 2018 present the performance of this business as discontinued operations in the Statement of profit or loss and other comprehensive income.

(b) Financial performance information

	Consolidated	
	31 Dec 2018	31 Dec 2017
	\$	\$
Revenue	-	243,117
Expenses		
Cost of goods sold	(10,218)	(213,701)
Employee benefits expense	(63,078)	(206,238)
Consultancy costs	(56,315)	(100,007)
Depreciation expense	(4,730)	(3,935)
Other expense	(103,675)	(130,621)
	<u>(238,016)</u>	<u>(654,502)</u>
Loss for the period	(238,016)	(411,385)
Income tax benefit / (expense)	-	-
Loss from discontinued operations	<u>(238,016)</u>	<u>(411,385)</u>

(c) Cash Flow information

	31 Dec 2018	31 Dec 2017
	\$	\$
Net cash from / (used in) operating activities	(19,054)	(292,415)
Net cash from investing activities	-	-
Net cash from financing activities	-	-
	<u>(19,054)</u>	<u>(292,415)</u>

(d) Assets of disposal groups classified as held for sale

Assets of the disposal group classified as held for sale comprises Inventories relating to the e-Commerce business - \$166,735

(e) Liabilities directly associated with assets classified as held for sale

Comprise the following liabilities relating to the e-Commerce business:

	31 Dec 2018
	\$
Trade payables	64,236
Other payables	5,097
	<u><u>69,333</u></u>

**ORCODA LIMITED
And Controlled Entities**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year Ended 31 December 2018

7. TRADE AND OTHER RECEIVABLES

Trade and other receivables is \$696,492 (30 June 2018 \$332,373).

The consolidated entity provided for the impairment of receivables in China of \$2,342,022 inclusive of Value Added Tax (VAT) as at 30 June 2018 and continues to carry this provision at 31 December 2018.

The Company has taken the prudent position of impairing receivables from China Mobile Jiangsu Limited and other local telecommunication providers due to the time period the payments have been outstanding. The company is currently in court in an attempt to recover the funds owing by China Mobile.

The consolidated entity did not consider a credit risk on the aggregate balances after reviewing the credit terms of customers based on recent collection practices.

8. ISSUED CAPITAL

	Consolidated			
	31 December 2018		30 June 2018	
	No. of Shares*	\$	No. of Shares*	\$
Ordinary shares - fully paid	89,476,032	92,280,631	87,560,929	91,690,208

Details of shares issued during the current period

Date	Details	Number Before consolidation	Adjusted number After consolidation	Issue price\$[@]	Total \$
1 July 2018	Opening balance	6,567,069,695	87,560,929		\$91,690,208
9 August 2018	Issue of shares in lieu of services	8,110,664	108,143	0.45	48,665
9 August 2018	Conversion of performance rights	81,000,000	1,080,000	0.30	324,000
9 August 2018	Issue of share in lieu of directors' fees	54,439,620	725,862	0.30	217,758
17 August 2018	Rounding up of securities		1,098		--
		6,710,619,979	89,476,032		92,280,631

[@] - *post-consolidation issue price*

* During the current period, Orcoda Limited consolidated its ordinary shares in the ratio of 75:1.

**ORCODA LIMITED
And Controlled Entities**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year Ended 31 December 2018

9. EARNINGS PER SHARE

Consolidated	31 Dec 2018 Cents per share	31 Dec 2017 Cents per share
Earnings per share (basic and diluted) from continuing operations	(0.67)	(6.98)
Earnings per share (basic and diluted) from discontinued operations	(0.27)	(1.12)
Earnings per share (basic and diluted) for loss attributable to owners of Orcoda Limited	(0.94)	(8.10)

During the current period, Orcoda Limited consolidated its ordinary shares in the ratio of 75:1. This has resulted in an increase in loss per share previously reported for the half year ended 31 December 2017, as follows:

	31 Dec 2017 Before consolidation of shares	31 Dec 2017 After consolidation of shares
Loss for the half year ended 31 December 2017	<u>(2,992,288)</u>	<u>(2,992,288)</u>
Weighted average number of shares during the period	2,758,962,019	36,786,160
Loss per share (cents per share)	(0.10)	(8.10)

10. FAIR VALUE MEASUREMENT

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

**ORCODA LIMITED
And Controlled Entities**

DIRECTORS' DECLARATION

The directors of the company declare that, in the opinion of the directors:

- a) the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- b) the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the financial half-year ended on that date; and
- c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors



BRENDAN MASON
Managing Director

Melbourne, Victoria

Dated: 27th February 2019

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
ORCODA LIMITED AND ITS CONTROLLED ENTITIES

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Orcoda Limited (formerly SmartTrans Holdings Limited) and its controlled entities ("the consolidated entity") which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the 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 half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the consolidated entity 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 consolidated entity's financial position as at 31 December 2018 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 Orcoda Limited (formerly SmartTrans Holdings Limited), ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and 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.

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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 Orcoda Limited (formerly SmartTrans Holdings Limited), would be in the same terms if given to the directors as at the time of this auditor's report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the consolidated entity incurred a loss of \$836,194 and had net cash outflows from operating activities of \$1,294,897 for the half-year ended 31 December 2018. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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 Orcoda Limited (formerly SmartTrans Holdings Limited) and its controlled entities is not 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 2018 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*.



RSM AUSTRALIA PARTNERS



P A RANSOM

Partner

Dated: 27 February 2019
Melbourne, Victoria

ORCODA LIMITED

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