



HALF YEAR REPORT

31 December 2015

THIS DOCUMENT SHOULD BE READ IN CONJUNCTION WITH THE
30 JUNE [2015 ANNUAL REPORT](#) OF THE COMPANY
LODGED ON ASX ON 14 OCTOBER 2015



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

T | (03) 9018 7102
T | (07) 3103 3838

Victoria
Queensland

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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 & 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

Victoria: Telephone: (03) 9018 7102
Queensland: Telephone: (07) 3103 3838

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 2015 to 31 December 2015
Previous Corresponding Period:	1 July 2014 to 31 December 2014
Balance Date:	31 December 2015
Company:	Orion Equities Limited (OEQ)
Consolidated Entity:	Orion and controlled entities (Orion)

OVERVIEW OF RESULTS FOR ANNOUNCEMENT TO THE MARKET

Consolidated Entity	Dec 2015	Dec 2014	% Change	Up/ Down
	\$	\$		
Total revenues	822,059	242,769	239%	Up
Total expenses	(372,308)	(458,081)	19%	Down
Profit/(Loss) before tax	449,751	(215,312)	309%	Up
Income tax expense	-	-	N/A	N/A
Profit/(Loss) attributable to members of the Company	449,751	(215,312)	309%	Up
Basic and diluted earnings/(loss) per share (cents)	2.87	(1.35)	312%	Earnings Up

Consolidated Entity	Dec 2015	Jun 2015	% Change	Up/ Down
	\$	\$		
Pre-tax NTA backing per share	0.543	0.510	6%	Up
Post-tax NTA backing per share	0.543	0.510	6%	Up

BRIEF EXPLANATION OF RESULTS

Revenues were up 239% from the previous financial half year.

Expenses were down 19% from the previous financial half year.

Orion has generated a net profit of \$449,751 for the financial half year, principally as a consequence of its share investment and trading activities.

Orion bought back 211,300 shares on-market¹ at a total cost of \$46,686 and at an average buy-back cost (including brokerage) of \$0.221 per share during the financial half year.

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 2015.

DIVIDENDS

The Directors have not declared a dividend in respect of the financial half year ended 31 December 2015.

¹ Refer to ASX [Appendix 3C - Announcement of Buy-Back](#), dated 5 June 2015

APPENDIX 4D HALF YEAR REPORT

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) 27.32% interest (20,513,783 shares) in [Bentley Capital Limited](#) (ASX:BEL) (30 June 2015: 27.42%; 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: 25 February 2016

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 (**Company** or **OEQ**) and its controlled entities (the **Consolidated Entity** or **Orion**) for the financial half year ended 31 December 2015 (**Balance Date**).

Orion Equities 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

Consolidated Entity	Dec 2015	Jun 2015
	\$	\$
Net tangible assets (before tax)	8,496,167	8,093,102
Pre-Tax NTA Backing per share	0.543	0.510
Less deferred tax assets and tax liabilities	-	-
Net tangible assets (after tax)	8,496,167	8,093,102
Pre-Tax NTA Backing per share	0.543	0.510
Based on total issued share capital	15,649,228	15,860,528

Orion bought back 211,300 shares on-market² at a total cost of \$46,686 and at an average buy-back cost (including brokerage) of \$0.221 per share during the financial half year.

FINANCIAL POSITION

Consolidated Entity	Dec 2015	Jun 2015
	\$	\$
Cash	242,131	140,807
Financial assets at fair value through profit and loss	874,429	1,162,119
Investments in listed Associate entity	4,097,004	3,510,526
Property held for development or resale	1,350,000	1,350,000
Property, plant and equipment	1,969,070	1,990,616
Receivables	20,638	24,567
Other assets	76,444	70,328
Deferred tax asset	194,790	179,424
Total Assets	8,824,506	8,428,387
Other payables and liabilities	(133,550)	(155,862)
Deferred tax liability	(194,790)	(179,424)
Net Assets	8,496,166	8,093,101
Issued capital	18,808,028	18,854,714
Reserves	436,643	436,643
Accumulated losses	(10,748,505)	(11,198,256)
Total Equity	8,496,166	8,093,101

2 Refer to ASX [Appendix 3C - Announcement of Buy-Back](#) dated 5 June 2015

DIRECTORS' REPORT

OPERATING RESULTS

Consolidated Entity	Dec 2015 \$	Dec 2014 \$
Total revenues	822,059	242,769
Total expenses	(372,308)	(458,081)
Profit/(Loss) before tax	449,751	(215,312)
Income tax expense	-	-
Profit/(Loss) attributable to members of the Company	449,751	(215,312)

Orion's net profit of \$449,751 for the financial half year was principally as a consequence of its share investment and trading activities.

EARNINGS PER SHARE

Consolidated Entity	Dec 2015	Dec 2014
Basic and diluted earnings/(loss) per share (cents)	2.87	(1.35)
Weighted average number of ordinary shares outstanding during the half year used in the calculation of basic and diluted earnings/(loss) per share	15,694,799	15,901,995

DIVIDENDS

The Directors have not declared a dividend in respect of the financial half year ended 31 December 2015.

CAPITAL MANAGEMENT

(a) Securities in The Company

At the Balance Date and the date of this report, the Company had 15,649,228 fully paid ordinary shares on issue (30 June 2015: 15,860,528).

All such shares are listed on ASX. The Company does not have other securities on issue at the date of this report.

(b) On-Market Share Buy-Backs

During the financial half year, the Company bought back 211,300 shares on-market at a total cost of \$46,686 and at an average buy-back cost (including brokerage) of \$0.221 per share, pursuant to an on-market share buy-back announced on 5 June 2015.³

³ Refer to ASX [Appendix 3C - Announcement of Buy-Back](#) dated 5 June 2015

DIRECTORS' REPORT

(c) 'Small Holding' Share Sale Facility

On 27 August 2014, the Company initiated a 'Small Holding Share Sale Facility'⁴ in respect of small parcel shareholdings (also sometimes referred to as 'unmarketable parcels') valued at \$500 or less.

On 23 September 2015, the aggregated small parcel shareholdings totalling 197,530 shares were sold by the Company on behalf of the 269 affected shareholders on-market at a price of \$0.22 per share under this facility. The proceeds of sale were distributed to these shareholders on 9 October 2015.

The Company refers to its ASX market announcement entitled "[Small Holding Share Sale Facility](#)" dated 27 August 2014 for further details in relation to this capital management initiative.

REVIEW OF OPERATIONS

(a) Portfolio Details as at 31 December 2015

Asset Weighting

Consolidated Entity	% of Net Assets		
	Dec 2015	Jun 2015	Dec 2014
Australian equities	58%	58%	59%
Agribusiness ⁵	24%	25%	20%
Property held for development and resale	16%	17%	18%
Net tax liabilities (current year and deferred tax assets/liabilities)	-	-	-
Net cash/other assets and provisions	2%	<1%	3%
TOTAL	100%	100%	100%

Major Holdings in Securities Portfolio

Security	Fair Value \$'million	% of Net Assets	ASX Code	Industry Sector Exposures
Bentley Capital Limited	2.87	33.80%	BEL	Diversified Financials
Strike Resources Limited	0.52	6.12%	SRK	Materials
CBG Australian Equities Fund (Wholesale) (CBG Fund)	0.29	3.37%	N/A	Diversified
Other ASX listed securities	0.07	0.80%	Various	Various
TOTAL	3.75	44.09%		

⁴ Refer Orion's ASX announcement: [Small Holding Share Sale Facility](#) dated 27 August 2014

⁵ Agribusiness net assets include olive grove land, olive trees, buildings and plant and equipment.

DIRECTORS' REPORT

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

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

Orion holds 27.32% (20,513,783 shares) of Bentley's issued ordinary share capital with Queste Communications Ltd (the controlling company of Orion) holding 2.32% (1,740,625 shares) of Bentley's issued ordinary share capital (30 June 2015: Orion held 20,513,783 shares (27.42%) and Queste held 1,740,625 shares (2.33%)).

Bentley's asset weighting as at 31 December 2015 was 61.8% Australian equities (30 June 2015: 95.2%), 3.7% intangible assets (30 June 2015: 3.9%) and 34.5% net cash/other assets (30 June 2015: 0.9%).

Bentley had net assets of \$18.60 million as at 31 December 2015 (30 June 2015: \$16.43 million) and generating an after tax net profit of \$2.51 million for the financial half year (31 December 2014: \$0.79 million net loss).

Bentley paid a 0.50 cent fully franked dividend distributed in September 2015 at a total cost of \$0.374 million (31 December 2014: 0.95 cent fully franked dividend totalling \$0.70 million).

Orion⁶ received \$0.103 million from this dividend during the financial half year (6 months to 30 June 2015: \$0.113 million dividend).

Subsequent to 31 December 2015, Bentley announced its intention to pay a further fully-franked dividend of 0.5 cent per share. Orion's entitlement to such dividend would be \$0.103 million.

Bentley has a long distribution track record, as illustrated below⁶:

Rate per share	Nature	Orion's Entitlement	Payment Date
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

Shareholders are advised to refer to the 31 December 2015 Half Year Report, [30 June 2015 Annual Report](#) and monthly NTA disclosures lodged by Bentley for further information about the status and affairs of the company.

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".

⁶ Bentley has advised that it has paid a distribution to shareholders every year (save on 4 occasions) since its admission to ASX in 1986. Please also refer to Bentley's website for its full distribution history.

DIRECTORS' REPORT

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

Strike Resources Limited (**Strike**) is a resources company with iron ore exploration and development projects in Peru. Strike has announced that it has examined a range of new strategies for the company in light of the poor outlook for the iron ore sector and the resources sector in general and in particular, that it has been investigating a number of technology related ventures which could form the foundation for a new strategy for the company (which will be subject to Strike shareholder approval and compliance with the ASX Listing Rules and Corporations Act).⁷

On 2 September 2015, Bentley successfully closed its off-market 5.5 cent per share cash takeover bid⁸ for Strike with acceptances received totalling 52,553,493 Strike shares (36.16%), making Bentley the largest shareholder.

Orion accepted into the Strike bid in respect of 6,690,802 Strike shares and received the bid consideration of \$367,994 on 14 September 2015.

Orion retains 10,000,000 Strike shares (6.88%⁹) (30 June 2015: 16,690,802 shares (11.48%)).

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 code "SRK".

(d) Other Assets

Orion also owns:

- a 143 hectare commercial olive grove operation (with approximately 64,500, 16 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.

⁷ Refer SRK's [31 December 2015 Half Year Report](#) released on ASX on 22 February 2016

⁸ Refer Bentley's ASX Announcement: [Despatch of Bidders Statement to Holders of Strike Resources Limited](#) dated 31 July 2015

⁹ Refer Orion's "[Change in Substantial Holding](#)" Notice dated 4 September 2016.

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 (Western Australia)
<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 ¹⁰
<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 (Western Australia), 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 15+ 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) Strike Resources Limited (ASX:SRK) (Director since 24 January 2014 and Company Secretary since 1 October 2015)
<i>Former positions in other listed entities in past 3 years</i>	Company Secretary of Alara Resources Limited (ASX:AUQ) (4 April 2007 to 31 August 2015)

¹⁰ Refer to ASX [Change in Directors Interest Notice](#) dated 20 November 2014

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) (Director since 10 March 1998)
<i>Former directorships in other listed entities in past 3 years</i>	None

CHANGE OF AUDITORS

Orion has changed its Auditors from [BDO](#) to Rothsay Auditing (a firm of Chartered Accountants with offices in [Perth](#) and [Sydney](#)), with effect on 12 February 2016.¹¹ The transition of Auditors occurred as part of a review of the Company's corporate administration costs – Rothsay was selected after considering proposals received from BDO and a number of other audit firms. Rothsay will hold office as Auditor until the next annual general meeting of the Company, at which time shareholder approval will be sought for their re-appointment and continuation as Auditor.

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

25 February 2016



Victor Ho
Executive Director

¹¹ Refer Orion's ASX announcement: [Change of Auditors](#) dated 12 February 2016

ROTHSAY

Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 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 2015 interim financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Graham R Swan (Lead auditor)

Rothsay Auditing

Dated 25th February 2016



Chartered Accountants

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND

for the half year ended 31 December 2015

	Note	31 Dec 15 \$	31 Dec 14 \$
Revenue	2	25,451	26,659
Other			
Net gain on financial assets at fair value through profit or loss		107,508	-
Share of net profit of Associate		689,047	215,936
Other income		53	174
TOTAL REVENUE AND INCOME		822,059	242,769
EXPENSES	2		
Net Loss on Financial Assets at Fair Value through Profit or Loss		-	(17,715)
Olive grove operation expenses		(30,048)	(38,534)
Land operation expenses		(8,437)	(11,065)
Personnel expenses		(242,202)	(273,077)
Occupancy expenses		(15,811)	(32,541)
Corporate expenses		(22,173)	(23,414)
Communication expenses		(2,569)	(1,938)
Finance expenses		(1,535)	(2,598)
Administration expenses		(49,533)	(57,199)
PROFIT/(LOSS) BEFORE INCOME TAX		449,751	(215,312)
Income tax benefit		-	-
PROFIT/(LOSS) FOR THE HALF YEAR		449,751	(215,312)
OTHER COMPREHENSIVE INCOME			
Revaluation of assets, net of tax		-	-
TOTAL COMPREHENSIVE INCOME FOR THE HALF YEAR		449,751	(215,312)
EARNINGS/(LOSS) PER SHARE FOR PROFIT ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY:			
Basic and diluted earnings/(loss) per share	3	2.87	(1.35)

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2015

	Note	31 Dec 15	30 Jun 15
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		242,131	140,807
Financial assets at fair value through profit or loss	4	874,429	1,162,119
Trade and other receivables		2,305	6,234
Other current assets		10,944	4,828
TOTAL CURRENT ASSETS		1,129,809	1,313,988
NON CURRENT ASSETS			
Trade and other receivables		18,333	18,333
Property held for development or resale		1,350,000	1,350,000
Investment in Associate entity	5	4,097,004	3,510,526
Property, plant and equipment		1,969,070	1,990,616
Olive trees		65,500	65,500
Deferred tax asset		194,790	179,424
TOTAL NON CURRENT ASSETS		7,694,697	7,114,399
TOTAL ASSETS		8,824,506	8,428,387
CURRENT LIABILITIES			
Trade and other payables		100,595	119,290
Provisions		32,955	36,572
TOTAL CURRENT LIABILITIES		133,550	155,862
NON CURRENT LIABILITIES			
Deferred tax liability		194,790	179,424
TOTAL NON CURRENT LIABILITIES		194,790	179,424
TOTAL LIABILITIES		328,340	335,286
NET ASSETS		8,496,166	8,093,101
EQUITY			
Issued capital	6	18,808,028	18,854,714
Reserves		436,643	436,643
Accumulated losses		(10,748,505)	(11,198,256)
TOTAL EQUITY		8,496,166	8,093,101

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half year ended 31 December 2015

	Note	Issued capital \$	Reserves \$	Accumulated losses \$	Total \$
BALANCE AT 1 JULY 2014		18,865,209	227,806	(10,527,866)	8,565,149
Loss for the half year		-	-	(215,312)	(215,312)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the half year		-	-	(215,312)	(215,312)
Transactions with owners in their capacity as owners:					
Share buy-back	6	(2,730)	-	-	(2,730)
BALANCE AT 31 DECEMBER 2014		18,862,479	227,806	(10,743,178)	8,347,107
BALANCE AT 1 JULY 2015		18,854,714	436,643	(11,198,256)	8,093,101
Profit for the half year		-	-	449,751	449,751
Other comprehensive income		-	-	-	-
Total comprehensive income for the half year		-	-	449,751	449,751
Transactions with owners in their capacity as owners:					
Share buy-back	6	(46,686)	-	-	(46,686)
BALANCE AT 31 DECEMBER 2015		18,808,028	436,643	(10,748,505)	8,496,166

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

for the half year ended 31 December 2015

	Note	31 Dec 15 \$	31 Dec 14 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		22,153	30,419
Dividends received		104,151	196,286
Interest received		1,769	3,154
Payments to suppliers and employees		(375,239)	(432,994)
Interest paid		(21)	(47)
Sale of financial assets at fair value through profit or loss		460,116	82,570
Purchase of financial assets at fair value through profit or loss		(64,919)	(225,741)
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES		148,010	(346,353)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of olive oil operations		-	101,993
NET CASH PROVIDED BY INVESTING ACTIVITIES		-	101,993
CASH FLOWS FROM INVESTING ACTIVITIES			
Share buy-back	6	(46,686)	(2,730)
NET CASH USED IN INVESTING ACTIVITIES		(46,686)	(2,730)
NET INCREASE/(DECREASE) IN CASH HELD		101,324	(247,090)
Cash and cash equivalents at beginning of financial year		140,807	601,690
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL HALF YEAR		242,131	354,600

The accompanying notes form part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2015

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 2015 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 2015.

2. PROFIT/(LOSS) FOR THE HALF YEAR

The Consolidated Entity's Operating Loss before Income Tax includes the following items of revenue and expense:

	31 Dec 15	31 Dec 14
	\$	\$
(a) Revenue		
Rental revenue	22,100	22,100
Dividend revenue	1,582	1,405
Interest revenue	1,769	3,154
	<u>25,451</u>	<u>26,659</u>
Other		
Net gain on financial assets at fair value through profit or loss	107,508	-
Share of net profit of Associate	689,047	215,936
Other income	53	174
	<u><u>822,059</u></u>	<u><u>242,769</u></u>
(b) Expenses		
Net loss on financial assets at fair value through profit or loss	-	17,715
Olive grove operations		
Depreciation of olive grove assets	20,535	25,539
Other expenses	9,513	12,995

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2015

2. PROFIT/(LOSS) FOR THE HALF YEAR (continued)

	31 Dec 15	31 Dec 14
	\$	\$
(b) Expenses (continued)		
Land operations		
Other expenses	8,437	11,065
Salaries, fees and employee benefits	242,202	273,077
Occupancy expenses	15,811	32,541
Corporate expenses		
ASX fees	15,865	18,034
Share registry	4,622	4,648
Other corporate expenses	1,686	732
Communications	2,569	1,938
Finance expenses	1,535	2,598
Administration expenses		
Professional fees	1,336	43
Depreciation	1,010	1,315
Other administration expenses	47,187	55,841
	372,308	458,081

3. EARNINGS/(LOSS) PER SHARE

	31 Dec 15	31 Dec 14
	cents	cents
Basic and diluted earnings/(loss) per share	2.87	(1.35)

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

Profit/(loss) after income tax	449,751	(215,312)
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	Number of Shares	
Weighted Average Number of Ordinary Shares	15,694,799	15,901,995

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

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 Dec 15	30 Jun 15
	\$	\$
Listed securities at fair value	587,939	901,038
Unlisted managed fund at fair value	286,490	261,081
	874,429	1,162,119

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2015

5. INVESTMENT IN ASSOCIATE ENTITY

	Ownership Interest		31 Dec 15	30 Jun 15
	31 Dec 15	30 Jun 15	\$	\$
Bentley Capital Limited	27.32%	27.42%	4,097,004	3,510,526
Movements in carrying amounts				
Opening balance			3,510,526	3,892,016
Share of net profit/(loss) after tax			689,047	(73,783)
Dividend received			(102,569)	(307,707)
Closing balance			4,097,004	3,510,526
Fair value of listed investment in Associate			2,871,930	2,666,792
Net asset value of investment			5,083,387	4,504,830
Summarised statement of profit or loss and other comprehensive income				
Revenue			4,224,528	2,398,085
Expenses			(1,712,401)	(2,665,385)
Profit/(Loss) before income tax			2,512,127	(267,300)
Income tax expense			-	-
Profit/(Loss) after income tax			2,512,127	(267,300)
Other comprehensive income			-	-
Total comprehensive income			2,512,127	(267,300)
Summarised statement of financial position				
Current assets			15,755,741	6,565,383
Non-current assets			3,618,460	10,524,117
Total assets			19,374,201	17,089,500
Current liabilities			661,552	304,394
Non-current liabilities			107,950	358,969
Total liabilities			769,502	663,363
Net assets			18,604,699	16,426,137
Lease commitments				
Not longer than one year			55,000	56,035
Longer than one year but not longer than five years			4,583	32,083
			59,583	88,118

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2015

6. ISSUED CAPITAL	31 Dec 15	30 Jun 15	31 Dec 15	30 Jun 15
	Number	Number	\$	\$
Fully paid ordinary shares	15,649,228	15,860,528	<u>18,808,028</u>	<u>18,854,714</u>
Movement in Ordinary shares	Date of Issue	Number of Shares	Issue Price	
			\$	\$
At 1 July 2014		15,905,528		18,865,209
Share buy-back - refer (b)	Jun-Oct 14	(10,000)		(2,730)
Share buy-back - refer (b)	Jun-15	(35,000)		(7,765)
At 30 June 2015		<u>15,860,528</u>		<u>18,854,714</u>
At 1 July 2015		15,860,528		18,854,714
Share buy-back - refer (b)	Jul-Sep 15	(211,300)		(46,686)
At 31 December 2015		<u>15,649,228</u>		<u>18,808,028</u>

(a) Ordinary shares

Fully paid ordinary shares carry one vote per share and the right to dividends. There was no movement in fully paid ordinary shares during the financial half year.

(b) Share buy-back

Pursuant to an on-market share buy-back announced on 5 June 2015, the Company bought back 211,300 shares at a total cost of \$46,686 and at an average buy-back cost (including brokerage) of \$0.221 per share during the financial half year.

(c) Capital risk management

The Company's objectives when managing its capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a capital structure balancing the interests of all shareholders.

The Board will consider capital management initiatives as is appropriate and in the best interests of the Company and shareholders from time to time, including undertaking capital raisings, share buy-backs, capital reductions and the payment of dividends.

7. RELATED PARTY DISCLOSURES

During the financial half year there were transactions between the Company, QUE and Associate Entity, Bentley Capital Limited (ASX Code: **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 15	31 Dec 14
	\$	\$
Bentley Capital Limited		
Dividend Received	<u>102,569</u>	<u>194,881</u>

During the financial half year, Orion subsidiary, Silver Sands Developments Pty Ltd (SSD) received \$22,100 (31 December 2014: \$22,100) rental income from Director, Farooq Khan, pursuant to a standard form fixed term residential tenancy agreement in respect of the Property Held for Development or Resale.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2015

8. SEGMENT INFORMATION

The operating segments are reported in a manner consistent with the internal reporting provided to the "Chief Operating Decision Maker". The "Chief Operating Decision Maker", who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

The Board has considered the business and geographical perspectives of the operating results and determined that the Consolidated Entity operates only within Australia, with the main segments being Investments and Olive Grove. Corporate items are mainly comprised of corporate assets, office expenses and income tax assets and liabilities.

	Investments	Olive Oil	Corporate	Total
31 Dec 15	\$	\$	\$	\$
Segment revenues				
Revenue	23,682	-	1,769	25,451
Other	796,555	-	53	796,608
Total segment revenues	820,237	-	1,822	822,059
Personnel expenses	-	-	242,202	242,202
Finance expenses	-	132	1,665	1,797
Administration expenses	-	(525)	47,633	47,108
Depreciation expenses	-	20,535	1,010	21,545
Other expenses	6,213	9,906	43,537	59,656
Total segment profit/(loss)	814,024	(30,048)	(334,225)	449,751
Segment assets				
Cash	-	-	242,131	242,131
Financial assets	874,429	-	-	874,429
Property held for development or resale	1,350,000	-	-	1,350,000
Investment in Associate	4,097,004	-	-	4,097,004
Property, plant and equipment	-	1,961,894	7,176	1,969,070
Other assets	-	66,180	225,692	291,872
Total segment assets	6,321,433	2,028,074	474,999	8,824,506
Segment liabilities	-	26,468	301,872	328,340

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2015

8. SEGMENT INFORMATION (continued)

	Investments	Olive Oil	Corporate	Total
	\$	\$	\$	\$
31 Dec 14				
Segment revenues				
Revenue	26,659	-	-	26,659
Other	215,936	-	174	216,110
Total segment revenues	242,595	-	174	242,769
Personnel expenses	-	2,811	273,077	275,888
Finance expenses	-	251	2,728	2,979
Administration expenses	17,715	1,156	50,938	69,809
Depreciation expenses	-	25,539	1,315	26,854
Other expenses	8,393	8,611	65,547	82,551
Total segment profit/(loss)	216,487	(38,368)	(393,431)	(215,312)
30 Jun 15				
Segment assets				
Cash	-	5,532	135,275	140,807
Financial assets	1,162,119	-	-	1,162,119
Property held for development or resale	1,350,000	-	-	1,350,000
Investment in Associate	3,510,526	-	-	3,510,526
Property, plant and equipment	-	1,982,430	8,186	1,990,616
Other assets	-	67,786	206,533	274,319
Total segment assets	6,022,645	2,055,748	349,994	8,428,387
Segment liabilities	-	214,166	121,120	335,286

9. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

AASB 13 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).

31 Dec 15	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets at fair value through profit or loss:				
Listed securities at fair value	587,939	-	-	587,939
Unlisted managed fund at fair value	-	286,490	-	286,490
Land at independent valuation	-	-	1,741,664	1,741,664
Olive trees	-	-	65,500	65,500
Total	587,939	286,490	1,807,164	2,681,593

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2015

9. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

30 Jun 15	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:	\$	\$	\$	\$
Listed securities at fair value	901,038	-	-	901,038
Unlisted managed fund at fair value	-	261,081	-	261,081
Land at independent valuation			1,741,664	1,741,664
Olive trees	-	-	65,500	65,500
Total	901,038	261,081	1,807,164	2,969,283

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

(b) 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.

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 30 June 2015. 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 change by \$69,500 respectively. 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 2015 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 16 year old fruiting trees. There are no age limits to the commercial viability of an olive grove. A 1% change in the minimum 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2015

9. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

(c) Level 3 assets	Land	Olive trees	Total
	\$	\$	\$
At 1 July 2014	1,342,030	65,500	1,407,530
Addition/(Disposal)	399,634	-	399,634
At 30 June 2015	1,741,664	65,500	1,807,164
Addition/(Disposal)	-	-	-
At 31 December 2015	1,741,664	65,500	1,807,164

(d) Fair values of other financial instruments

	31 Dec 15	30 Jun 15
	\$	\$
Financial assets		
Cash and cash equivalents	242,131	140,807
Trade and other receivables	2,305	6,234
	244,436	147,041
Financial liabilities		
Trade and other payables	(100,595)	(119,290)

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

10. COMMITMENTS

	31 Dec 15	30 Jun 15
	\$	\$
Not longer than one year	55,000	56,035
Longer than one year but not longer than five years	4,583	32,083
	59,583	88,118

On or about 19 May 2015, the Consolidated Entity renewed its non-cancellable operating lease agreement for shared office accommodation. The lease commitment is the Consolidated Entity's share of the lease costs and includes all outgoings (inclusive of GST). The lease is for a further 18 month term expiring on or about 30 January 2017.

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 various Australian tenements - EL47/1328 and PL47/1170 (the Paulsens East Project tenements currently held by Strike Resources Limited (Strike) (ASX : SRK).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2015

12. EVENTS OCCURRING AFTER THE REPORTING PERIOD

- (a) Associate entity, Bentley Capital Limited (ASX:BEL), has announced its intention to pay a fully-franked dividend of 0.5 cent per share in March 2016. The Company's entitlement to such dividend would be \$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 periods.

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 2015 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

25 February 2016



Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 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 2015.

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 2015 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 2015 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 R Swan
Registered Company Auditor 4153
Partner

Dated 25th February 2016



Chartered Accountants

SECURITIES INFORMATION

as at 31 December 2015

DISTRIBUTION OF FULLY PAID ORDINARY SHARES

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issue Capital
1	-	1,000	53	21,888	0.140%
1,001	-	5,000	129	360,802	2.305%
5,001	-	10,000	44	334,721	2.139%
10,001	-	100,000	73	2,369,612	15.142%
100,001	-	and over	14	12,562,205	80.274%
Total			313	15,649,228	100.00%

UNMARKETABLE PARCELS

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1	-	3,845	147	228,230	1.458%
3,846	-	over	166	15,420,998	98.542%
TOTAL			313	15,649,228	100.00%

An unmarketable parcel is considered, for the purposes of the above table, to be a shareholding of 3,845 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 2015 of \$0.16 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	5.898%
3	DR STEVEN G RODWELL	486,678	3.110%
4	MR SEAN DENNEHY	278,936	1.782%
5	REDSUMMER PTY LTD	225,000	1.438%
6	MR STEPHEN JAMES LAMBERT & MRS RUTH LYNETTE LAMBERT & MR SIMON LEE LAMBERT	200,000	1.278%
7	MS HOON CHOO TAN	197,538	1.262%
8	PENELOPE MARGARET SIEMON	181,355	1.159%
9	MR BRUCE ERNEST SIEMON	172,351	1.101%
10	MR JOHN STEPHEN CALVERT	170,132	1.087%
11	VIKAND CONSULTING PTY LTD	144,798	0.925%
12	MR ANTHONY NEALE KILLER & MRS SANDRA MARIE KILLER	120,000	0.767%
13	MR JOHN CHENG-HSIANG YANG & MS PEGA PING PING MOK	103,726	0.663%
14	MRS CAROLINE ANN PICKERING	100,000	0.639%
15	MS MORAG HELEN BARRETT	94,013	0.601%
16	MRS TAMI ELSIE VARNEY	90,000	0.575%
17	MR DAMIAN GERARD BOWDLER & MRS MARGARET CLARE BOWDLER	85,900	0.543%
18	MR KEVIN LEDGER & MRS ROBYN LEDGER	85,000	0.543%
19	MISS REBECCA CHARLOTTE VARNEY	80,000	0.511%
20	GIBSON KILLER PTY LTD	80,000	0.511%
	TOTAL	13,186,118	84.253%

* Substantial shareholders of the Company