HALF YEAR REPORT

31 December 2021

THIS DOCUMENT SHOULD BE READ IN CONJUNCTION WITH THE
30 JUNE 2021 ANNUAL REPORT OF THE COMPANY
LODGED ON ASX ON 18 OCTOBER 2021

ASX Code : OEQ

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

REGISTERED OFFICE:

Suite 1, Level 1
680 Murray Street
West Perth, Western Australia 6005

T | (08) 9214 9797
F | (08) 9214 9701
E | info@orionequities.com.au
W | http://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
Local T | 1300 113 258
T | (08) 9389 8033
F | (08) 6370 4203
E | admin@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

W | www.advancedshare.com.au

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Visit www.orionequities.com.au for:

- Market Announcements
- Financial Reports
- Corporate Governance
- NTA Backing History
- Forms
- Email subscription

CORPORATE DIRECTORY

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

COMPANY SECRETARY
Victor Ho

PRINCIPAL AND REGISTERED OFFICE
Suite 1, Level 1
680 Murray Street
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
Level 1, Lincoln House
4 Ventnor Avenue
West Perth, Western Australia 6005
Telephone: (08) 9486 7094
Website: www.rothsay.com.au

STOCK EXCHANGE
Australian Securities Exchange
Perth, Western Australia
Website: www.asx.com.au

ASX CODE
OEQ

SHARE REGISTRY
Advanced Share Registry Services
Main Office
110 Stirling Highway
Nedlands, Western Australia 6009
Local Telephone: 1300 113 258
Telephone: (08) 9389 8033
Facsimile: (08) 6370 4203
Email: admin@advancedshare.com.au
Investor Web: www.advancedshare.com.au

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

APPENDIX 4D HALF YEAR REPORT

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

Current Reporting Period:	1 July 2021 to 31 December 2021
Previous Corresponding Period:	1 July 2020 to 31 December 2020
Balance Date:	31 December 2021
Company:	Orion Equities Limited (**OEQ** or the **Company**)
Consolidated Entity:	Orion and controlled entities (**Orion**)

OVERVIEW OF RESULTS FOR ANNOUNCEMENT TO THE MARKET

Consolidated Entity	**Dec 2021 $**	**Dec 2020 $**	**% Change**	**Up/ Down**
Total revenues	25,390	104,533	76%	Down
Net gain/(loss) on financial assets	(1,550,000)	950,000	263%	Down
Share of Associate entity's net profit/(loss)	(2,092,494)	1,269,664	265%	Down
Expenses:				
Personnel expenses	(189,357)	(210,652)	10%	Down
Corporate expenses	(25,022)	(12,731)	97%	Up
Other expenses	4,003	(30,567)	113%	Down
Profit/(Loss) before tax	**(3,827,480)**	**2,070,247**	285%	Profit Down
Income tax expense	-	-		
Profit/(Loss) attributable to members of the Company	**(3,827,480)**	**2,070,247**	285%	Profit Down
Basic and diluted earnings/(loss) per share (cents)	(24.46)	13.23	285%	Earnings Down

Consolidated Entity	**Dec 2021 $**	**Jun 2021 $**	**% Change**	**Up/ Down**
Pre-tax NTA backing per share	$0.21	$0.45	54%	Down
Post-tax NTA backing per share	$0.21	$0.45	54%	Down

BRIEF EXPLANATION OF RESULTS

Orion's $3.827 million net loss for the half year is principally attributable to:

- $2.092 million recognised as a share of an Associate entity's net loss – this relates to Orion's investment in Bentley Capital Limited (ASX:BEL); Bentley generated a net loss of $7.765 million for the half year; and
- $1.55 million unrealised loss from its investment in Strike Resources Limited (ASX:SRK), which declined in price from 26.5 to 11 cents per share during the half year.

Orion accounts for Bentley as an Associate entity, which means that Orion is required to recognise a share of Bentley's net gain or loss in respect of a financial period based on Orion's (26.95% as at 31 December 2021) shareholding interest in Bentley (this is known as the equity method of accounting for an associate entity).

Orion and Bentley's financial performance is primarily dependent on the share price performance of Strike Resources Limited (ASX:SRK) (in which Orion has 10 million shares and Bentley has 53.7 million shares).

Strike is developing its Paulsens East Iron Ore Project in Western Australia and has commenced exporting iron ore from Peru and accordingly, it is exposed to the iron ore price and market sentiment in the junior iron ore sector – Orion notes that the iron price has declined significantly from a historical high of ~US$220/t in July 2021 to a recent low of ~US$91/t (in November 2021) and has recovered to current levels of ~US$140/t (as at 18 February 2022).

APPENDIX 4D HALF YEAR REPORT

The volatility in the iron ore price has matched the volatility in the Strike share price, which has traded within a range of 32 cents (on 15 July 2021) to 9 cents (on 6 December 2021) in the past 12 months, with a current price of 10.5 cents.

Further information is outlined in Bentley's 31 December 2021 Half Year Report.

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 2021.

Notwithstanding the accounting value of Orion's investments as outlined herein, it is noted that the market value of these share investments are as follows:

Investment	Shareholding	ASX Market Value[1] 31 December 2021
Bentley Capital Limited (ASX:BEL)	20,513,783	$1,435,965
Strike Resources Limited (ASX:SRK)	10,000,000	$1,100,000
	Total	**$2,535,965**

DIVIDEND

The Directors have not declared a dividend in respect of the financial half year ended 31 December 2021.

ASSOCIATE ENTITY

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

(1) 26.95% interest (20,513,783 shares) in Bentley Capital Limited (ASX:BEL) (30 June 2021: 26.95%; 20,513,783 shares).

CONTROLLED ENTITIES

The Company did not gain or lose control over any entities during the financial half year.

For and on behalf of the Directors,

Date: 23 February 2022

Victor Ho
Executive Director and Company Secretary
Telephone: (08) 9214 9797

Email: cosec@orionequities.com.au

1 Based on closing bid price on ASX

DIRECTORS' REPORT

The Directors present their report on Orion Equities Limited ABN 77 000 742 843 (**OEQ** or the **Company**) and its controlled entities (**Orion** or the **Consolidated Entity**) for the financial half year ended 31 December 2021 (**Balance Date**).

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

PRINCIPAL ACTIVITIES

OEQ is a listed investment company (**LIC**).

NET TANGIBLE ASSET BACKING (NTA)

Consolidated Entity	Dec 2021 $	Jun 2021 $
Net tangible assets (before tax)	3,226,274	7,053,754
Pre-Tax NTA Backing per share	**0.206**	**0.451**
Less deferred tax assets and tax liabilities	-	-
Net tangible assets (after tax)	3,226,274	7,053,754
Pre-Tax NTA Backing per share	**0.206**	**0.451**
Value of dividend paid in previous 6 months	-	-
Based on total issued share capital	15,649,228	15,649,228

FINANCIAL POSITION

Consolidated Entity	Dec 2021 $	Jun 2021 $
Cash and cash equivalents	28,886	195,423
Financial assets at fair value through profit and loss	1,100,000	2,650,000
Investment in Associate entity (BEL)	888,900	2,981,394
Property held for development or resale	1,750,000	1,750,000
Receivables	77,171	42,597
Other assets	2,024	2,418
Deferred tax asset	-	-
Total Assets	**3,846,981**	**7,621,832**
Other payables and liabilities	(620,707)	(568,078)
Deferred tax liability	-	-
Net Assets	**3,226,274**	**7,053,754**
Issued capital	18,808,028	18,808,028
Profits Reserve	6,639,498	6,546,107
Accumulated losses	(22,221,252)	(18,300,381)
Total Equity	**3,226,274**	**7,053,754**

DIRECTORS' REPORT

OPERATING RESULTS

Consolidated Entity	Dec 2020 $	Dec 2020 $
Total revenues	25,390	104,533
Net gain/(loss) on financial assets	(1,550,000)	950,000
Share of Associate entity's profit/(loss)	(2,092,494)	1,269,664
Other Expenses		
Personnel expenses	(189,357)	(210,652)
Corporate expenses	(25,022)	(12,731)
Other expenses	4,003	(30,567)
Profit/(Loss) before tax	**(3,827,480)**	**2,070,247**
Income tax expense	-	-
Profit/(Loss) attributable to members of the Company	**(3,827,480)**	**2,070,247**

Orion's $3.827 million net loss for the half year is principally attributable to:

- $2.092 million recognised as a share of an Associate entity's net loss – this relates to Orion's investment in Bentley Capital Limited (ASX:http://www.asx.com.au/asx/share-price-research/company/BEL); Bentley generated a net loss of $7.765 million for the half year; and
- $1.55 million unrealised loss from its investment in Strike Resources Limited (ASX:SRK), which declined in price from 26.5 to 11 cents per share during the half year.

Orion accounts for Bentley as an Associate entity, which means that Orion is required to recognise a share of Bentley's net gain or loss in respect of a financial period based on Orion's (26.95% as at 31 December 2021) shareholding interest in Bentley (this is known as the equity method of accounting for an associate entity).

LOSS PER SHARE

Consolidated Entity	Dec 2021	Dec 2020
Basic and diluted earnings/(loss) per share (cents)	(24.46)	13.23
Weighted average number of ordinary shares outstanding during the half year used in the calculation of basic and diluted earnings/(loss) per share	15,649,228	15,649,228

DIVIDENDS

The Directors have not declared a dividend in respect of the financial half year ended 31 December 2021

As at 31 December 2021, the Company had:

- $5.9 million in its Profits Reserve account, which is available to fund the payment of dividends to shareholders in the future; and
- $3.09 million Franking Credits, which is sufficient to fund the payment of fully franked (at Orion's applicable 25% company tax rate) dividends totalling $9.28 million (subject to Orion's capacity to declare and pay such dividends).

SECURITIES ON ISSUE

At the Balance Date, the Company had 15,649,228 shares on issue (30 June 2021: 15,649,228).

All such shares are listed on ASX. The Company does not have other securities on issue.

DIRECTORS' REPORT

REVIEW OF OPERATIONS

(a) Portfolio Details as at 31 December 2021

Asset Weighting

Consolidated Entity	% of Net Assets Dec 2021	% of Net Assets Jun 2021
Australian equities	62%	80%
Property held for development and resale	54%	25%
Net tax liabilities (current year and deferred tax assets/liabilities)	-	-
Net cash/other assets and provisions	(16)%	(5)%
TOTAL	**100%**	**100%**

Major Holdings in Securities Portfolio

Security	Fair Value $'m	% of Net Assets	ASX Code	Industry Sector Exposures
Bentley Capital Limited	$1.44	45%	BEL	Diversified Financials
Strike Resources Limited	$1.10	34%	SRK	Materials
TOTAL	**$2.54**	**79%**		

(b) Bentley Capital Limited (ASX: BEL)

As at 31 December 2021 and currently, Orion holds 20,513,783 Bentley shares (26.95%) (30 June 2021: 20,513,783 shares (26.95%)).

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

Shareholders are advised to refer to Bentley's 31 December 2021 Half Year Report, 30 June 2021 Annual Report and monthly NTA disclosures 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".

(c) Strike Resources Limited (ASX: SRK)

As at 31 December 2021 and currently, Orion holds 10,000,000 Strike shares (3.70%) (30 June 2021: 10,000,000 shares; 3.70%) while Associate entity, Bentley, holds 53,689,857 Strike shares (19.885%[2]) (30 June 2021: 53,689,857 shares; 19.885%). Therefore, Orion has a deemed relevant interest in 63,689,857 Strike shares (23.589%[3]).

Strike Resources Limited (ASX:SRK) is an ASX listed resource company which is developing the Paulsens East Iron Ore Project in Western Australia. Strike also owns the high grade Apurimac Iron Ore Project in Peru where it has commenced exporting "Apurimac Premium Lump" DSO product of ~65% Fe.

2 Refer Bentley's ASX announcement dated 9 June 2021: Change of Substantial Shareholder Notice in SRK
3 Refer Orion's ASX announcement dated 9 June 2021: Change of Substantial Shareholder Notice in SRK

DIRECTORS' REPORT

Strike has a 43% shareholding in Lithium Energy Limited (ASX:LEL), which was spun-out of Strike under a $9m IPO in May 2021. Lithium Energy is developing battery minerals related assets - the Solaroz Lithium Brine Project in Argentina and the Burke Graphite Project in Queensland.[4]

Orion is also entitled to receive a royalty of 2% of gross revenues (exclusive of GST) from any commercial exploitation of any minerals from the Paulsens East Iron Ore Project tenement (Mining Lease M47/1583) owned by Strike. This royalty entitlement stems from Orion's sale of a portfolio of tenements (including the Paulsens East tenement) to Strike in September 2005.[5]

Further information about Strike's resource projects and activities are contained in the company's ASX releases, including as follows:

- 1 February 2022: Quarterly Activities and Cash Flow Report - 31 December 2021; and
- 29 October 2021: Annual Report - 2021

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

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

(d) Other Assets

Orion also owns a property held for redevelopment or sale (currently rented out) located in Mandurah, Western Australia.

4 Based on Strike's ASX announcement released on 1 February 2022: Quarterly Activities and Cash Flow Report – 31 December 2021

5 For further information, please refer to the following ASX Announcements: Orion's announcement dated 23 September 2005: CXL Retains a 25% Free Carried Interest in NT Uranium Tenements. Strike's announcement dated 20 September 2005: Acquisition of Uranium Tenements) and Strike's announcement dated 11 August 2008: Acquisition of Outstanding Interests in Berau Coal and Paulsens East Iron Ore Projects

DIRECTORS' REPORT

BOARD OF DIRECTORS

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

Farooq Khan	**Executive Chairman**
Appointed	23 October 2006
Qualifications	BJuris, LLB (*Western Australia*)
Experience	Farooq 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 sector. He has considerable experience in the fields of capital raisings, mergers and acquisitions and investments.
Relevant interest in shares	2,000 shares – directly[6]
Special Responsibilities	Chairman of the Board and the Investment Committee
Other current directorships in listed entities	(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) (4) Executive Director of Lithium Energy Limited (ASX:LEL) (since 14 January 2021)
Former directorships in other listed entities in past 3 years	Alternate Director of Keybridge Capital Limited (ASX:KBC) (26 June to 18 July 2019)

6 Refer to Orion's ASX announcement dated 20 November 2014: Change in Directors Interest Notice

DIRECTORS' REPORT

Victor P. H. Ho	**Executive Director and Company Secretary**
Appointed	Executive Director since 4 July 2003; Company Secretary since 2 August 2000
Qualifications	BCom, LLB (*Western Australia*), CTA
Experience	Victor Ho has been in Executive roles with a number of ASX-listed companies across the investments, resources and technology sectors over the past 22 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 investment management of listed investment companies (as an Executive Director and/or a member of the Investment Committee), the structuring and execution of a number of corporate, M&A and international joint venture (in South America (Peru, Chile and Argentina), Indonesia and the Middle East (Saudi Arabia and Oman)) transactions, capital raisings and capital management initiatives and has extensive experience in public company administration, corporations' law and ASX compliance and investor/shareholder relations.
Relevant interest in shares	None
Special Responsibilities	Member of Investment Committee
Other positions held in listed entities	(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) Executive Director and Company Secretary of Strike Resources Limited (ASX:SRK) (Director since 24 January 2014 and Company Secretary since 1 October 2015) (4) Company Secretary of Lithium Energy Limited (ASX:LEL) (since 14 January 2021)
Former directorships in other listed entities in past 3 years	Company Secretary of Keybridge Capital Limited (ASX:KBC) (13 October 2016 to 13 October 2019) Executive Director of Lithium Energy Limited (ASX:LEL) (14 January to 18 March 2021)

Yaqoob Khan	**Non-Executive Director**
Appointed	5 November 1999
Qualifications	BCom (*Western Australia*), Master of Science in Industrial Administration (*Carnegie Mellon*)
Experience	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.
Relevant interest in shares	None
Special Responsibilities	None
Other current directorships in listed entities	Non-Executive Director of Queste Communications Ltd (ASX:QUE) (since 10 March 1998)
Former directorships in other listed entities in past 3 years	None

DIRECTORS' REPORT

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 Auditor states 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	Victor Ho
Chairman	Executive Director and Company Secretary

23 February 2022

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.rothsay.com.au

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001*

As lead auditor of the review of Orion Equities Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Orion Equities Limited and the entities it controlled during the half-year.

Rothsay Auditing

Daniel Dalla
Partner

23 February 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the half year ended 31 December 2021

	Note	31 Dec 21 $	31 Dec 20 $
Revenue	**2**	25,390	25,467
Other			
Share of Associate entity's net gain		-	1,269,664
Net gain on financial assets at fair value through profit or loss		-	950,000
Other		-	79,066
TOTAL REVENUE AND INCOME		**25,390**	**2,324,197**
EXPENSES	**3**		
Share of Associate entity's net loss		(2,092,494)	-
Net loss on financial assets at fair value through profit or loss		(1,550,000)	-
Land operation expenses		(7,037)	(6,469)
Personnel expenses		(189,357)	(210,652)
Occupancy expenses		(3,965)	(7,937)
Corporate expenses		(25,022)	(12,731)
Communication expenses		(898)	(1,677)
Finance expenses		(144)	(81)
Administration expenses		16,047	(14,403)
PROFIT/(LOSS) BEFORE TAX		**(3,827,480)**	**2,070,247**
Income tax benefit		-	-
PROFIT/(LOSS) AFTER INCOME TAX		**(3,827,480)**	**2,070,247**
OTHER COMPREHENSIVE INCOME			
Other comprehensive income, after tax		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE HALF YEAR		**(3,827,480)**	**2,070,247**
EARNINGS/(LOSS) PER SHARE FOR THE PROFIT/(LOSS) ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted earnings/(loss) per share (cents)	**5**	**(24.46)**	**13.23**

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2021

	Note	31 Dec 21	30 Jun 21
CURRENT ASSETS		**$**	**$**
Cash and cash equivalents		28,886	195,423
Financial assets at fair value through profit or loss	**6**	1,100,000	2,650,000
Loan to controlling entity	**10(a)**	77,171	42,597
TOTAL CURRENT ASSETS		**1,206,057**	**2,888,020**
NON-CURRENT ASSETS			
Property held for development or resale	**8**	1,750,000	1,750,000
Investment in Associate entity	**9**	888,900	2,981,394
Property, plant and equipment		2,024	2,418
TOTAL NON-CURRENT ASSETS		**2,640,924**	**4,733,812**
TOTAL ASSETS		**3,846,981**	**7,621,832**
CURRENT LIABILITIES			
Payables		124,478	72,317
Provisions		108,763	107,482
TOTAL CURRENT LIABILITIES		**233,241**	**179,799**
NON-CURRENT LIABILITIES			
Payables		387,466	388,279
TOTAL LIABILITIES		**620,707**	**568,078**
NET ASSETS		**3,226,274**	**7,053,754**
EQUITY			
Issued capital		18,808,028	18,808,028
Profits reserve		6,639,498	6,546,107
Accumulated losses		(22,221,252)	(18,300,381)
TOTAL EQUITY		**3,226,274**	**7,053,754**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half year ended 31 December 2021

	Issued Capital	Reserves	Accumulated Losses	Total
	$	$	$	$
BALANCE AT 1 JULY 2020	**18,808,028**	**2,599,373**	**(19,634,124)**	**1,773,277**
Profit for the half year	-	-	2,070,247	2,070,247
Profits reserve transfer	-	1,456,413	(1,456,413)	-
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss) for the half year	**-**	**1,456,413**	**613,834**	**2,070,247**
BALANCE AT 31 DECEMBER 2020	**18,808,028**	**4,055,786**	**(19,020,290)**	**3,843,524**
BALANCE AT 1 JULY 2021	**18,808,028**	**6,546,107**	**(18,300,381)**	**7,053,754**
Loss for the half year	-	-	(3,827,480)	(3,827,480)
Profits reserve transfer	-	93,391	(93,391)	-
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss) for the half year	**-**	**93,391**	**(3,920,871)**	**(3,827,480)**
BALANCE AT 31 DECEMBER 2021	**18,808,028**	**6,639,498**	**(22,221,252)**	**3,226,274**

CONSOLIDATED STATEMENT OF CASH FLOWS
for the half year ended 31 December 2021

	31 Dec 21 $	31 Dec 20 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	21,992	21,992
Other receipts	-	79,066
Interest received	-	78
Payments to suppliers and employees	(157,353)	(199,186)
NET CASH USED IN OPERATING ACTIVITIES	**(135,361)**	**(98,050)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	-	(349)
NET CASH USED IN INVESTING ACTIVITIES	**-**	**(349)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan to controlling entity	(45,000)	-
Loan repayment from controlling entity	13,824	48,304
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES	**(31,176)**	**48,304**
NET DECREASE IN CASH HELD	**(166,537)**	**(50,095)**
Cash and cash equivalents at beginning of financial half year	195,423	294,408
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL HALF YEAR	**28,886**	**244,313**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half year ended 31 December 2021

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 2021 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 2021.

New, revised or amending Accounting Standards and Interpretations adopted

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

Any new, revised or amending Accounting Standards or Interpretations that are not mandatory have not been early adopted. These are not expected to have a material impact on the Consolidated Entity's financial statements.

2. REVENUE

	31 Dec 21	**31 Dec 20**
The consolidated profit/(loss) before income tax includes the following items of revenue:	**$**	**$**
Revenue		
Rental revenue	21,992	21,992
Interest revenue	3,398	3,475
	25,390	25,467
Other		
Share of Associate entity's net profit	-	1,269,664
Net gain on financial assets at fair value through profit or loss	-	950,000
Other income	-	79,066
	25,390	**2,324,197**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half year ended 31 December 2021

3. EXPENSES

	31 Dec 21	31 Dec 20
The consolidated profit/(loss) before income tax includes the following items of expenses:	$	$
Share of Associate entity's net loss	2,092,494	-
Net loss on financial assets at fair value through profit or loss	1,550,000	
Land operations	7,037	6,469
Salaries, fees and employee benefits	189,357	210,652
Occupancy expenses	3,965	7,937
Finance expenses	144	81
Communication expenses	898	1,677
Corporate expenses		
ASX and CHESS fees	20,077	9,515
ASIC fees	1,833	757
Share registry	2,269	1,817
Other corporate expenses	843	642
Administration expenses		
Professional and legal fees	273	2,255
Depreciation	395	554
Reversal of provision of realisation costs	(10,827)	3,278
Payroll tax refunded	(12,832)	-
Other administration expenses	6,944	8,316
	3,852,870	**253,950**

4. SEGMENT INFORMATION

	Investments	Corporate	Total
31 Dec 21	**$**	**$**	**$**
Segment revenues			
Revenue	21,992	-	21,992
Other	-	3,398	3,398
Total segment revenues	**21,992**	**3,398**	**25,390**
Share of Associate entity's net loss	2,092,494	-	2,092,494
Net loss on financial assets at fair value through profit or loss	1,550,000	-	1,550,000
Personnel expenses	-	189,357	189,357
Finance expenses	-	144	144
Administration expenses	-	(16,442)	(16,442)
Depreciation expense	-	395	395
Other expenses	7,037	29,885	36,922
Total segment profit/(loss)	**(3,627,539)**	**(199,941)**	**(3,827,480)**
Segment assets			
Cash and cash equivalents	-	28,886	28,886
Financial assets	1,100,000	-	1,100,000
Property held for development or resale	1,750,000	-	1,750,000
Investment in Associate entity	888,900	-	888,900
Property, plant and equipment	-	2,024	2,024
Other assets	-	77,171	77,171
Total segment assets	**3,738,900**	**108,081**	**3,846,981**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half year ended 31 December 2021

4. SEGMENT INFORMATION (continued)

31 Dec 20	Investments	Corporate	Total
Segment revenues	$	$	$
Revenue	21,992	-	21,992
Other	2,219,664	82,541	2,302,205
Total segment revenues	**2,241,656**	**82,541**	**2,324,197**
Personnel expenses	-	210,652	210,652
Finance expenses	-	81	81
Administration expenses	-	13,849	13,849
Depreciation expense	-	554	554
Other expenses	6,469	22,345	28,814
Total segment profit/(loss)	**2,235,187**	**(164,940)**	**2,070,247**
30 Jun 21			
Segment assets			
Cash and cash equivalents	-	195,423	195,423
Financial assets	2,650,000	-	2,650,000
Property held for development or resale	1,750,000	-	1,750,000
Investment in Associate entity	2,981,394	-	2,981,394
Property, plant and equipment	-	2,418	2,418
Other assets	-	42,597	42,597
Total segment assets	**7,381,394**	**240,438**	**7,621,832**

5. EARNINGS/(LOSS) PER SHARE	**31 Dec 21**	**31 Dec 20**
Basic and diluted earnings/(loss) per share (**cents**)	**(24.46)**	**13.23**

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

Net profit/(loss) after income tax (**$**)	(3,827,480)	2,070,247
	Number of Shares	
Weighted average number of ordinary shares	15,649,228	15,649,228

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

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**31 Dec 21**	**30 Jun 21**
	$	**$**
Listed securities at fair value	**1,100,000**	**2,650,000**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half year ended 31 December 2021

7. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair Value Hierarchy

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

(i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

(iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Financial assets at fair value through profit or loss:				
Listed securities at fair value				
31 Dec 21	**1,100,000**	**-**	**-**	**1,100,000**
30 Jun 21	**2,650,000**	**-**	**-**	**2,650,000**

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

(a) Valuation techniques

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

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

(b) Fair values of other financial assets and liabilities	**31 Dec 21**	**30 Jun 21**
	$	**$**
Cash and cash equivalents	28,886	195,423
Current payables	(124,478)	(72,317)
	(95,592)	**123,106**

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

8. PROPERTY HELD FOR RESALE	**31 Dec 21**	**30 Jun 21**
	$	**$**
Property held for resale	3,797,339	3,797,339
Impairment of property	(2,047,339)	(2,047,339)
	1,750,000	**1,750,000**

Critical accounting judgement and estimate

The carrying value of Property held for resale is based on the Directors' judgement, having regard to the most recent independent valuation report dated 30 June 2021 and an assessment of current pertinent real estate market conditions. The Directors are of the view that the property is not impaired as at balance date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half year ended 31 December 2021

9. INVESTMENT IN ASSOCIATE ENTITY

	Ownership Interest		31 Dec 21	30 Jun 21
	31 Dec 21	30 Jun 21	$	$
Bentley Capital Limited (ASX:BEL)	26.95%	26.95%	**888,900**	**2,981,394**

	31 Dec 21 $	30 Jun 21 $
Movements in carrying amounts		
Opening balance	2,981,394	169,841
Share of net profit/(loss) after tax	(2,092,494)	2,811,553
Closing balance	**888,900**	**2,981,394**
Fair value (at market price on ASX) of investment in Associate entity	**1,435,965**	**717,982**
Net asset value of investment	**2,122,526**	**1,403,467**
Summarised statement of profit or loss and other comprehensive income		
Revenue	1	12,095,835
Expenses	(7,765,377)	(1,661,988)
Profit/(Loss) before income tax	**(7,765,376)**	**10,433,847**
Income tax expense	-	-
Profit/(Loss) after income tax	**(7,765,376)**	**10,433,847**
Other comprehensive income	-	-
Total comprehensive income	**(7,765,376)**	**10,433,847**
Summarised statement of financial position		
Current assets	8,925,267	16,942,748
Non-current assets	92,179	3,955
Total assets	**9,017,446**	**16,946,703**
Current liabilities	1,140,623	1,304,504
Total liabilities	**1,140,623**	**1,304,504**
Net assets	**7,876,823**	**15,642,199**

10. RELATED PARTY TRANSACTIONS

(a) Loan to Controlling Entity

Queste Communications Ltd (ASX : QUE) is deemed to have control of the Consolidated Entity as it holds 59.86% (9,367,653 shares) (30 Jun 2021: 59.86% and 9,367,653 shares) of the Company's total issued share capital.

The Company and QUE have entered into a Loan Agreement for the Company to advance up to $200,000 to QUE. The loan is unsecured and matures on 31 December 2022 (unless extended by agreement of the parties) and accrues interest at 10% pa in respect of the first $150,000 advanced, and 7.5% pa in respect of $50,000 advanced thereafter. During the half year, the Company advanced $45,000 and received $13,824 repayments from QUE and earned interest income of $3,398. The outstanding loan balance as at Balance Date is $77,171 (principal and accrued interest).

(b) Transactions with Related Parties

During the financial half year there were transactions between the Company, QUE and Associate Entity, Bentley Capital Limited (ASX:BEL), pursuant to shared office and administration arrangements. There were no outstanding amounts at the Balance Date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half year ended 31 December 2021

10. RELATED PARTY TRANSACTIONS (continued)

(c) Transactions with key management personnel

At Balance Date, the Company owes the Directors an aggregate $387,466 in unpaid salaries (net of PAYG withholding tax remitted to the ATO) and fees (30 Jun 2021: $273,456).

During the half year, the Consolidated Entity generated $21,992 rental income from a KMP/close family member of a KMP (the KMP being Director, Farooq Khan), pursuant to a standard form residential tenancy agreement in respect of the Property Held for Resale (31 Dec 2020: $21,992).

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 Royalty

The Consolidated Entity is entitled to receive a royalty of 2% of gross revenues (exclusive of GST) from any commercial exploitation of any minerals from the Paulsens East Iron Ore Project tenement (Mining Lease M47/1583) in Western Australia currently owned by Strike Resources Limited (ASX:SRK). This royalty entitlement stems from the Consolidated Entity's sale of a portfolio of tenements (including the Paulsens East tenement) to Strike in September 2005.

12. EVENTS OCCURRING AFTER THE REPORTING PERIOD

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

DIRECTORS' DECLARATION

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

In the opinion of the Directors:

(1) The financial statements and notes of the Consolidated Entity are in accordance with the *Corporations Act 2001*, including:

   (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 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 and Company Secretary

23 February 2022

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF

ORION EQUITIES LIMITED

Report on the Review of the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Orion Equities Limited ("the Company"), and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

(i) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its 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 Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibility for the 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 the Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

Auditor's Responsibility for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 2021 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*.

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.

Rothsay

Rothsay Auditing

Dated 23 February 2022

Daniel Dalla
Partner

SECURITIES INFORMATION
as at 31 December 2021

DISTRIBUTION OF FULLY PAID ORDINARY SHARES

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issue Capital
1	-	1,000	38	11,789	0.075%
1,001	-	5,000	59	210,791	1.347%
5,001	-	10,000	43	325,406	2.079%
10,001	-	100,000	65	2,047,402	13.083%
100,001	-	and over	15	13,053,840	83.415%
		Total	**220**	**15,649,228**	**100.00%**

UNMARKETABLE PARCELS

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1	-	3,999	53	71,284	0.456%
3,999	-	over	143	15,577,944	99.544%
		Total	**196**	**15,649,228**	**100.00%**

An unmarketable parcel is considered, for the purposes of the above table, to be a shareholding of 3,124 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 2021 of $0.16 per share.

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders	Registered Shareholder	Total Number of Shares Held	% Voting Power
Queste Communications Ltd (ASX:QUE)	QUE	9,367,653	59.86%[(1)]
Geoff Wilson, Dynasty Peak Pty Limited and GW Holdings Pty Limited	Dynasty Peak Pty Limited	923,038	5.90%[(3)]

Notes:

(1) Based on the change of substantial shareholding notice filed by QUE dated 28 September 2015 (updated to reflect current percentage voting power)

(2) Based on the initial substantial shareholding notice filed by Geoff Wilson dated 28 February 2018

SECURITIES INFORMATION
as at 31 December 2021

TOP TWENTY ORDINARY FULLY PAID SHAREHOLDERS

RANK	SHAREHOLDER	TOTAL SHARES	% ISSUED CAPITAL
1	QUESTE COMMUNICATIONS LTD	9,367,653	59.86%
2	DYNASTY PEAK PTY LIMITED	923,038	5.90%
3	MR BOBBY VINCENT LI	616,153	3.94%
4	ACN 139 886 025 PTY LTD	288,464	1.84%
5	MISS ALICE JANE LI	266,485	1.70%
6	REDSUMMER PTY LTD	225,000	1.44%
7	NEUTRAL PTY LTD	200,000	1.28%
8	MS HOON CHOO TAN	197,538	1.26%
9	BNP PARIBAS NOMINEES PTY LTD	196,249	1.25%
10	MRS PENELOPE MARGARET SIEMON	156,355	1.00%
11	MR ANTHONY NEALE KILLER & MRS SANDRA MARIE KILLER	153,023	0.98%
12	NEUTRAL PTY LTD	139,906	0.89%
13	MR BRUCE SIEMON	118,250	0.76%
14	MR JOHN CHENG-HSIANG YANG & MS PEGA PING PING MOK	103,726	0.66%
15	THUNDERDOME PTY LTD	102,000	0.65%
16	MRS CAROLINE ANN PICKERING	100,000	0.64%
17	MISS SHERREL LYNN O'NEIL + MR DAVID JOHN PATRICK O'NEIL	86,420	0.55%
18	GIBSON KILLER PTY LTD	83,300	0.53%
19	MR SCOTT ALEXANDER RIETHMULLER	82,844	0.53%
20	MR LUKE FREDERICK ATKINS	74,696	0.48%
	TOTAL	**13,481,100**	**86.14%**