



**ORH LIMITED**  
ACN 077 398 826

**HALF YEAR FINANCIAL REPORT**  
31 DECEMBER 2020

# ORH LIMITED

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# ORH LIMITED

## CORPORATE DIRECTORY

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### Directors

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

### Company Secretary

Louisa Martino

### Website

[www.orh.net.au](http://www.orh.net.au)

### Registered Office

Level 5  
56 Pitt Street  
Sydney NSW 2000  
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### Auditors

DM Advisory Services  
3/35 Tamara Dr  
Cockburn Central WA 6164

### Solicitors

Lawfield Legal Practice  
Suite 5, Level 2, 28 Ord St  
West Perth WA 6005  
T: +61 8 6381 8870  
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## ORH LIMITED DIRECTORS' REPORT

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The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated Entity' or the 'Group') consisting of ORH Limited (referred to hereafter as the 'Company', 'Parent Entity' or 'ORH') and the entities it controlled for the half-year ended 31 December 2020.

### DIRECTORS

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

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

### PRINCIPAL ACTIVITIES:

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

### REVIEW OF OPERATIONS

The consolidated results for the half-year ended 31 December 2020 and the previous corresponding period are detailed in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and summarised as follows:

|                                       | <b>2020</b>           | <b>2019</b>             |
|---------------------------------------|-----------------------|-------------------------|
|                                       | <b>\$</b>             | <b>\$</b>               |
| <b>Revenue</b>                        |                       |                         |
| From ongoing business                 | 18,897,314            | 14,709,448              |
| From Insurance fire claim settlement  | -                     | 824,795                 |
| From government Covid19 related       | 568,848               | -                       |
| <b>Total Revenue</b>                  | <u>19,484,162</u>     | <u>15,534,243</u>       |
| <b>Profit before tax</b>              |                       |                         |
| From ongoing business                 | 860,753               | 269,053                 |
| From Insurance fire claim settlement  | -                     | 825,000                 |
| <b>Total Profit before income tax</b> | <u>860,753</u>        | <u>1,094,053</u>        |
| <b>Profit after income tax</b>        | <u><u>860,753</u></u> | <u><u>1,094,053</u></u> |

The principal activity of the Consolidated Entity during the reported period was the design and manufacturing of service trucks and water carts for the mining and construction industries.

As shown in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, during the half year there has been a significant increase in revenue, due to the impact of the market recovery.

Borrowings decreased from \$2,538,028 at 30 June 2019 to \$1,837,777 on 31 December 2020, mainly due to repayment of financing borrowings on inventory and debtors.

### SUBSEQUENT EVENTS

Apart from the above mentioned, no matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

# **ORH LIMITED DIRECTORS' REPORT**

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## **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

No significant changes in the nature of these activities occurred during the six months ended 31 December 2020.

## **AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

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

On behalf of the directors



**Domenic Martino**  
**Chairman**

Perth, Western Australia, 30 November 2021



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

TO THE DIRECTORS OF ORH LTD

As lead auditor of ORH Limited for the half year ended 31 December 2020, I declare that, to the best of my knowledge in relation to the review of ORH Limited for half year ended 31 December 2020 there have been:

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

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

*DM Advisory Services*

DM Advisory Services

*David Makowa*

David Makowa

Perth WA, 30 November 2021



## INDEPENDENT AUDITOR'S REVIEW REPORT

### TO THE MEMBERS OF ORH LTD

#### Report on the Half-Year Financial Report

##### Conclusion:

We have reviewed the accompanying Interim Financial Report of ORH Limited (the Company) and its subsidiaries (the Group).

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

- (a) Giving a true and fair view of the Company's financial position as at 31 December 2020 and of its financial performance for the year then ended; and
- (b) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

##### ***What we have reviewed***

The Consolidated Group Interim Financial Report comprises of:

- the consolidated statement of financial position as at 31 December 2020,
- the consolidated statement of profit or loss and other comprehensive income for the half year then ended,
- the consolidated statement of changes in equity for the half year then ended,
- the consolidated statement of cash flows for the half year then ended,
- the notes to the financial statements, which include a summary of significant accounting policies, and
- the directors' declaration.

##### ***Emphasis of Matter***

Without modification to the conclusion above, we draw attention to the following matter. As indicated in note 1 to the financial report, which indicates the ability of the Group's dependency on the proposed strategic funding to continue as a going concern. These conditions, along with the other matters as set forth in note 1 "going concern", indicate the existence of a significant uncertainty which may cast doubt about the Group's ability to continue as a going concern and, whether the Group will be able to realize their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the consolidated financial report. Our conclusion is not modified in respect of this matter.

##### ***Responsibilities of the directors 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 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 responsibilities for the review of the financial report***

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a *Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to 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 2020 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 Interim Financial Reporting for the Corporations Regulations 2001. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Independence***

In conducting our Review, we have complied with the 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* (the Code) that are relevant to our review of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.



DM Advisory Services



David Makowa

Perth WA, 30 November 2021



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

For the Half Year Ended 31 December 2020

|  | Half-Year Ended<br>31 December 2020 | Half-Year Ended<br>31 December 2019 |
|--|-------------------------------------|-------------------------------------|
|  | \$                                  | \$                                  |
| <b>Revenue and other income</b>  |                                     |                                     |
| Revenue from sale of goods   | 18,897,314                          | 14,709,448                          |
| Other income   | 586,848                             | 824,795                             |
| <b>Expenses</b>  |                                     |                                     |
| Cost of sales  | (14,950,744)                        | (10,627,945)                        |
| Employee benefits expense  | (2,340,628)                         | (2,343,378)                         |
| Depreciation expense   | (242,058)                           | (24,227)                            |
| Rent and outgoings   | (66,186)                            | (172,504)                           |
| Consulting fees  | (268,769)                           | (203,408)                           |
| Finance costs  | (167,015)                           | (165,139)                           |
| Other administrative expenses  | (588,009)                           | (903,589)                           |
| <b>Profit/(loss) before income tax expense</b>   | 860,753                             | 1,094,053                           |
| Income tax expense   | -                                   | -                                   |
| <b>Profit/(loss) after income tax expense for the half-year</b>                            | 860,753                             | 1,094,053                           |
| <b>Other comprehensive income</b>  |                                     |                                     |
| Other comprehensive income for the half-year, net of tax                                   | -                                   | -                                   |
| <b>Total comprehensive income for the half-year attributable to members of ORH Limited</b> | 860,753                             | 1,094,053                           |
| Basic earnings/(loss) per share (cents)  | 0.07                                | 0.08                                |
| Diluted earnings/(loss) per share (cents)  | 0.07                                | 0.08                                |

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

**ORH LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 31 December 2020

|                                      | Note | 31 December 2020<br>\$    | 30 June 2020<br>\$        |
|--------------------------------------|------|---------------------------|---------------------------|
| <b>CURRENT ASSETS</b>                |      |                           |                           |
| Cash and cash equivalents            |      | 1,077,863                 | 2,269,399                 |
| Trade and other receivables          | 2    | 828,299                   | 831,541                   |
| Inventories                          |      | 2,561,890                 | 2,865,854                 |
| Other assets                         |      | 38,090                    | 177,644                   |
| <b>Total Current Assets</b>          |      | <u>4,506,142</u>          | <u>6,144,438</u>          |
| <b>NON-CURRENT ASSETS</b>            |      |                           |                           |
| Other assets                         |      | 389,432                   | 340,936                   |
| Property, plant and equipment        |      | 2,349,851                 | 2,532,165                 |
| <b>Total Non-Current Assets</b>      |      | <u>2,739,284</u>          | <u>2,873,101</u>          |
| <b>Total Assets</b>                  |      | <u><u>7,245,426</u></u>   | <u><u>9,017,539</u></u>   |
| <b>CURRENT LIABILITIES</b>           |      |                           |                           |
| Trade and other payables             | 3    | 5,597,315                 | 7,336,690                 |
| Lease liability                      |      | 197,061                   | 390,302                   |
| Borrowings                           | 4    | 1,837,777                 | 2,538,028                 |
| <b>Total Current Liabilities</b>     |      | <u>7,632,154</u>          | <u>10,265,020</u>         |
| <b>NON CURRENT LIABILITIES</b>       |      |                           |                           |
| Trade and other payables             | 3    | 116,258                   | 116,258                   |
| Lease liability                      |      | 1,870,399                 | 1,870,399                 |
| <b>Total Non Current Liabilities</b> |      | <u>1,986,657</u>          | <u>1,986,657</u>          |
| <b>Total Liabilities</b>             |      | <u><u>9,618,811</u></u>   | <u><u>12,251,677</u></u>  |
| <b>Net Liabilities</b>               |      | <u><u>(2,373,385)</u></u> | <u><u>(3,234,138)</u></u> |
| <b>EQUITY</b>                        |      |                           |                           |
| Issued capital                       | 6    | 44,096,158                | 44,096,158                |
| Reserves                             |      | 104,314                   | 104,314                   |
| Accumulated losses                   |      | (46,573,857)              | (47,434,610)              |
| <b>Total Equity</b>                  |      | <u><u>(2,373,385)</u></u> | <u><u>(3,234,138)</u></u> |

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

**ORH LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the Half Year Ended 31 December 2020

|  | <b>Issued<br/>Capital<br/>\$</b> | <b>Accumulated<br/>Losses<br/>\$</b> | <b>Reserves<br/>\$</b> | <b>Total<br/>\$</b> |
|--|----------------------------------|--------------------------------------|------------------------|---------------------|
| <b>Balance at 1 July 2019</b>                            | 44,096,158                       | (48,759,602)                         | 104,314                | (4,559,130)         |
| Profit after income tax expense for the half year        | -                                | 1,094,053                            | -                      | 1,094,053           |
| Other comprehensive income for the half year, net of tax | -                                | -                                    | -                      | -                   |
| Total comprehensive income for the half year, net of tax | -                                | 1,094,053                            | -                      | 1,094,053           |
| <b>Balance at 31 December 2019</b>                       | <b>44,096,158</b>                | <b>(47,665,549)</b>                  | <b>104,314</b>         | <b>(3,465,077)</b>  |
| <b>Balance at 1 July 2020</b>                            | 44,096,158                       | (47,434,610)                         | 104,314                | (3,234,138)         |
| Profit after income tax expense for the half year        | -                                | 860,753                              | -                      | 860,753             |
| Other comprehensive income for the half year, net of tax | -                                | -                                    | -                      | -                   |
| Total comprehensive income for the half year, net of tax | -                                | 860,753                              | -                      | 860,753             |
| <b>Balance at 31 December 2020</b>                       | <b>44,096,158</b>                | <b>(46,573,857)</b>                  | <b>104,314</b>         | <b>(2,373,385)</b>  |

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

**ORH LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the Half Year Ended 31 December 2020

|  | Half Year Ended<br>31 December 2020<br>\$ | Half Year Ended<br>31 December 2019<br>\$ |
|--|---|---|
| <b>Cash flows from operating activities</b>                            |   |   |
| Receipts from customers (incl. of GST)                                 | 21,507,153                                | 15,424,652                                |
| Payments to suppliers and employees (incl. of GST)                     | (21,772,028)                              | (13,750,062)                              |
| Interest paid  | (167,015)                                 | (165,139)                                 |
| Interest received  | 348                                       | -   |
| <b>Net cash used in operating activities</b>                           | <u>(431,542)</u>                          | <u>1,509,451</u>                          |
| <b>Cash flows from investing activities</b>                            |   |   |
| Purchase of plant and equipment  | <u>(59,743)</u>                           | <u>(83,309)</u>                           |
| <b>Net cash used in investing activities</b>                           | <u>(59,743)</u>                           | <u>(83,309)</u>                           |
| <b>Cash flows from financing activities</b>                            |   |   |
| Net proceeds from / (Repayments of) borrowings                         | <u>(700,251)</u>                          | <u>622,106</u>                            |
| <b>Net cash provided by financing activities</b>                       | <u>(700,251)</u>                          | <u>622,106</u>                            |
| <b>Net increase/(decrease) in cash and cash equivalents</b>            | (1,191,536)                               | 2,048,248                                 |
| Cash and cash equivalents at the beginning of the financial half year  | <u>2,269,399</u>                          | <u>346,219</u>                            |
| <b>Cash and cash equivalents at the end of the financial half year</b> | <u><u>1,077,863</u></u>                   | <u><u>2,349,467</u></u>                   |

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

# ORH LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year Ended 31 December 2020

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### 1. Summary of significant accounting policies

The financial report of ORH Limited for the half-year ended 31 December 2020 has been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

#### (a) Basis of Preparation

The half-year financial report does not include all the notes of the type normally included in annual financial report. Accordingly, this financial report should be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

This consolidated half year financial report was approved by the Board of Directors on 30 November 2021.

#### *Going concern*

As disclosed in the consolidated financial statements, the Consolidated Entity generated a profit after tax of \$860,753 for the period ended 31 December 2020 (31 December 2019 profit of \$1,094,053). As at that date the Consolidated Entity had net liabilities of \$2,373,385 (30 June 2019: \$3,234,138).

The above factors, and the Consolidated Entity's dependency on the proposed strategic funding to continue as a going concern, results in a material uncertainty as at 31 December 2020 as to whether the Consolidated Entity will continue as a going concern and therefore whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the consolidated financial report.

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

- The Consolidated Entity has traded profitably since balance date until the date of signing of this financial report;
- The remaining balance of the borrowings and trade and other payables, owed to related parties and related party creditors, are repayable subject to the Consolidated Entity's cash flow availability; and
- The forecast cash flows and budget for the Group for the next 12 months indicate a positive in operating cash flows that will be supported by the proposed investment.

Accordingly, the Directors believe that the Consolidated Entity will be able to continue as going concern and that it is appropriate to adopt the going concern basis in the preparation of the consolidated half-year financial report.

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

#### (b) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

#### *Key estimates and judgements*

##### *Provision for impairment of receivables*

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtors financial position.

##### *Impairment*

The Consolidated Entity assesses impairment at each reporting date by evaluating conditions specific to the economic entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

# ORH LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year Ended 31 December 2020

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### 1. Summary of significant accounting policies (continued)

#### *Inventory net realisable values and impairment assessments*

Inventory is valued at the lower of cost or net realisable value. Assessments are performed annually and are based on management's estimates of future market conditions. The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

#### *Income tax*

The Consolidated Entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Consolidated Entity recognises liabilities for anticipated tax audit issues based on the Consolidated Entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

#### *Recovery of deferred tax assets*

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

#### *Long service leave provision*

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

#### *Research and development incentive*

The income from Research and development incentive is recognised and measured at the present value of the Research and development incentive claim lodged with the Department of Industry Innovation and Science. In determining the present value of the income, estimates of costs related to research and development have been taken into account.

#### (c) New, revised or amending Accounting Standards

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

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

### 2. Trade and other receivables

|   | As at<br>31 December 2020<br>\$ | As at<br>30 June 2020<br>\$ |
|---|---------------------------------|-----------------------------|
| Trade receivables                             | 946,498                         | 874,740                     |
| Less: provision for impairment of receivables | (118,199)                       | (43,199)                    |
|   | <u>828,299</u>                  | <u>831,541</u>              |

**ORH LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Half Year Ended 31 December 2020

**3. Trade and other payables**

|  | <b>As at</b><br><b>31 December 2020</b> | <b>As at</b><br><b>30 June 2020</b> |
|--|---|-------------------------------------|
|  | \$                                      | \$                                  |
| Current                                    |   |                                     |
| Trade payables                             | 2,099,563                               | 2,052,083                           |
| Other payables                             | 629,449                                 | 733,931                             |
| Trade and other payables – related parties | 2,080,723                               | 1,816,130                           |
| Customer deposits                          | 590,837                                 | 2,567,325                           |
| Employee benefits provision - current      | 196,743                                 | 167,222                             |
|  | <u>5,597,315</u>                        | <u>7,336,691</u>                    |
| Non-current                                |   |                                     |
| Employee benefits provision – non-current  | 116,258                                 | 116,258                             |
|  | <u>5,713,573</u>                        | <u>7,452,949</u>                    |

**4. Borrowings**

|   | <b>As at</b><br><b>31 December 2020</b> | <b>As at</b><br><b>30 June 2020</b> |
|---|---|-------------------------------------|
|   | \$                                      | \$                                  |
| Loan – J Detata                             | 385,054                                 | 385,054                             |
| Loan – K Tsaban                             | 383,100                                 | 423,100                             |
| Loan – Orient Finance Australia Pty Limited | 90,000                                  | 90,000                              |
| Total borrowings from related parties       | <u>858,154</u>                          | <u>898,154</u>                      |
| Loan – Filmrim Pty Ltd                      | 48,428                                  | 48,428                              |
| Loan - Graceview Pty Ltd                    | 199,098                                 | 199,098                             |
| Loan - Chaley Holding Pty Ltd               | 188,184                                 | 188,184                             |
| Loan – Hang Wang                            |   |                                     |
| Debtor and inventory finance facility – AFC | 543,914                                 | 1,204,315                           |
|   | <u>1,837,777</u>                        | <u>2,538,179</u>                    |

**Repayment terms and conditions**

The loan to Chaley Holdings Pty Limited bears interest at 20% and is unsecured and repayable on demand. Interest for the period was waived. The remaining loans bear interest at market adjusted rates, are unsecured, and repayable subject to ORH's cash flow availability, as per Note 1. As per agreement between the parties, interest was waived for this period.

The debtor factoring facility with AFC attracts a debtor finance fee of 3.5% and is on end of month plus 60 days repayment terms.

Related party loans comprise:

Of the above liabilities, loans to J Detata and K Tsaban are related party loans and are unsecured. As per agreement between the parties, interest was waived for this period. Loan to Orient Finance Australia Pty Ltd is related party loan and is unsecured, bearing no interest.

**4.1 Contingent liabilities**

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

**ORH LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Half Year Ended 31 December 2020

**5. Dividends**

No dividends have been declared or paid during the half year ended 31 December 2020 or in the prior period, and the directors do not recommend the payment of a dividend in respect of the half year ended 31 December 2020.

**6. Issued Capital**

|                                    | <b>Number of Shares</b> | <b>\$</b>         |
|------------------------------------|-------------------------|-------------------|
| <b>31 December 2020</b>            |                         |                   |
| Issued Capital at 1 July 2020      | 1,318,934,612           | 44,096,158        |
| Shares issued during the period    | -                       | -                 |
| Issued capital at 31 December 2020 | <u>1,318,934,612</u>    | <u>44,096,158</u> |
| <b>30 June 2020</b>                |                         |                   |
| Issued Capital at 1 July 2019      | 1,318,934,612           | 44,096,158        |
| Shares issued during the period    | -                       | -                 |
| Issued capital at 30 June 2020     | <u>1,318,934,612</u>    | <u>44,096,158</u> |

**7. Segment Reporting**

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the management team (chief operating decision makers) in assessing performance and determining the allocation of resources.

Business segment

For management purposes the Consolidated Entity is organised into two major strategic units which operate in different industries and are managed separately:

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

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

Segment assets

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

Segment liabilities

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



**ORH LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Half Year Ended 31 December 2020

**7. Segment Reporting (continued)**

|  | <b>Engineering</b>          | <b>Distribution</b>         | <b>Total</b> |
|--|-----------------------------|-----------------------------|--------------|
|  | <b>\$</b>                   | <b>\$</b>                   | <b>\$</b>    |
| <b>For the half year ended 31 December 2020</b>            |                             |                             |              |
| Revenues from external customers                           | 18,325,841                  | 571,473                     | 18,897,314   |
| Reportable segment profit/(loss) before income tax         | 969,955                     | 19,405                      | 989,360      |
| Reportable segment assets at 31 December 2020              | 7,073,823                   | 168,381                     | 7,242,204    |
| Reportable segment liabilities at 31 December 2020         | 6,852,269                   | 15,945                      | 6,868,214    |
| <b>For the half year ended 31 December 2019</b>            |                             |                             |              |
| Revenues from external customers                           | 14,511,429                  | 198,019                     | 14,709,448   |
| Reportable segment loss before income tax                  | 1,205,138                   | 729                         | 1,205,866    |
| <b>For the year ended 30 June 2020</b>                     |                             |                             |              |
| Reportable segment assets at 30 June 2020                  | 8,949,108                   | 61,191                      | 9,010,298    |
| Reportable segment liabilities at 30 June 2020             | 9,522,978                   | 3,528                       | 9,526,506    |
|  | <b>For the period ended</b> | <b>For the period ended</b> |              |
|  | <b>31 December 2020</b>     | <b>31 December 2019</b>     |              |
|  | <b>\$</b>                   | <b>\$</b>                   |              |
| <b>Reconciliation of reportable segment profit or loss</b> |                             |                             |              |
| Total profit/(loss) for reportable segments                | 989,360                     | 1,205,866                   |              |
| Unallocated research and development incentive             |                             |                             |              |
| Unallocated income/(expenses)                              | (128,607)                   | (111,813)                   |              |
| <b>Profit/(loss) from before tax</b>                       | <b>860,753</b>              | <b>1,094,053</b>            |              |
|  | <b>As at</b>                | <b>As at</b>                |              |
|  | <b>31 December 2020</b>     | <b>30 June 2020</b>         |              |
|  | <b>\$</b>                   | <b>\$</b>                   |              |
| <b>Reconciliation of reportable segment assets</b>         |                             |                             |              |
| Reportable segment assets                                  | 7,242,204                   | 9,010,298                   |              |
| Unallocated assets   | 3,221                       | 7,241                       |              |
| <b>Total assets</b>  | <b>7,245,426</b>            | <b>9,017,539</b>            |              |
| <b>Reconciliation of reportable segment liabilities</b>    |                             |                             |              |
| Reportable segment liabilities                             | 6,868,214                   | 9,526,506                   |              |
| Unallocated borrowings                                     | 2,750,596                   | 2,725,171                   |              |
| <b>Total liabilities</b>                                   | <b>9,618,811</b>            | <b>12,251,677</b>           |              |

*Geographical Segment*

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

**ORH LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Half Year Ended 31 December 2020

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**8. Related Parties Transactions**

Included in the expenses for the half year is an amount of \$145,000 (half year ended 31 Dec 2019: \$130,000) for consulting fees for Blazeway Holdings Pty Limited, a company controlled by Jamie Detata.

Included in the expenses for the half year is an amount of \$850,245 (half year ended 31 Dec 2019: \$1,045,042) for cost of goods sold for Cooper Cove Pty Ltd, a trust controlled by Jamie Detata.

Included in the expenses for the half year is an amount of \$114,000 (half year ended 31 Dec 2019: \$90,000) for consulting fees for Jackori Consulting, a trust controlled by Jakob Tsaban.

Included in the expenses for the half year is an amount of \$30,000 (half year ended 31 Dec 2019: \$30,000) for Company Secretarial services fees for Indian Ocean Corporate Pty Ltd, a company related to Domenic Martino.

*Terms and conditions*

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

**9. Financial Instruments**

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

**ORH LIMITED**  
**DIRECTORS' DECLARATION**

For the Half Year Ended 31 December 2020

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

1. the attached financial statements with the accompanied notes are in accordance with the *Corporation Act 2001*, and:
  - (a) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of the performance as for the half-year ended on that date.
2. there are reasonable grounds to believe that ORH Limited will be able to pay its debts as and when they become due and payable.

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

On behalf of the Directors



**Domenic Martino**  
**Chairman**

Perth, 30 November 2021