

Orient Resource Holdings Limited

(ACN 077 398 826)

APPENDIX 4D

HALF YEAR REPORT

1. Highlight of Results
2. Half Year Financial Report 31st December 2006

6th March 2007

1. Results for announcement to market

Set out below is summary financial information for the company for the Half Year Period to 31st December 2006, with full financial details being included in the Half Year Financial Report attached to this announcement.

Summary Information	Consolidated			
	31-Dec-06 AUD	31-Dec-05 AUD	Inc/Dec AUD	Inc/Dec %
Revenue from Ordinary Activities	28,752	172,996	-144,244	-83.38%
Profit/(Loss) after Tax from Ordinary Activities	-860,982	-1,241,690	380,708	30.66%
Net Profit/(Loss) after Tax Attributable to Members	-860,982	-1,241,690	380,708	30.66%
Basic Earnings - Cents Per Share	-2.0	-4.0	2.0	50.00%
Diluted Earnings - Cents Per Share	-2.0	-4.0	2.0	50.00%
Net Tangible Assets - Cents Per Share	3.98	7.58	-3.61	-47.57%

Dividends (distributions)	Per Security	Franked Amount Per Security
Dividends Paid during Year	Nil	Nil
Proposed Final Dividend	Nil	Nil
Proposed payment date for final dividend	N/A	
Record date for determining entitlements to the dividend	N/A	

The Company's accounts have been reviewed by PKF Chartered Accountants and Business Advisers.

Commentary on Results

Refer to accompanying 31 December 2006 Half Year Financial Report.

Orient Resource Holdings Limited

ACN 077 398 826

Half-Year Financial Report 31 December 2006

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Directors' Report

Your directors submit their report for the half-year ended 31 December 2006.

DIRECTORS

The names of the company's directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Michael Palmer	Non-executive Chairman
Graham Roach	Chief Executive Officer
Ian Love	Non-executive director
Stephen Gu	Non-executive director

REVIEW AND RESULTS OF OPERATIONS

The financial result for the half year ending December 2006 was a loss of \$ 806,982. This compares to a loss of \$1,241,690 for the prior corresponding period. This result has been adversely effected by settlement of a legal dispute with Savcor Art Pty Limited (previously announced to the market), and the loss incurred on the sale of subsidiary Orient Resources Pty. Ltd., Whilst the Directors acknowledge the need to operate profitably, this result is consistent with the Company's business development plan and within the range previously forecast by management.

In accordance with the Company's stated objectives of building a diversified portfolio of Chinese investments, the Directors of Orient have continued to seek investment opportunities in the industrial sector during the period. A key component of this strategy is locating business opportunities in the target industries, engaging with the local management, and determining where Orient can contribute to improved financial performance.

During the period, the Company has continued to develop, through its subsidiary Orient Corrosion Engineering Pty Ltd, a joint venture with the Tianjin Harbour Construction Company for the provision of corrosion protection services in China.

On 19 September, 2006 the Company announced the signing of a third significant contract in China, the first which Orient (Tianjin) Corrosion Engineering had secured outside of Tianjin. This securing of this contract was a great reward for business development effort and planning, a strong reinforcement of the Company's focus on developing relationships and networks in China, and a significant achievement by the Company's Chinese management team. This success also adds to the diversity of the Company's revenue base.

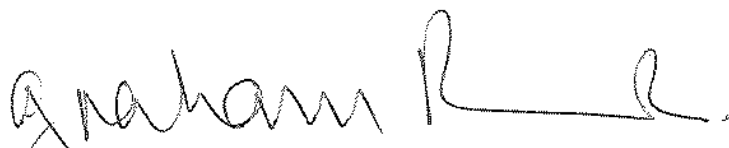
The Company subsequently announced a A\$3.6 million capital raising programme in December 2006 which included the introduction of a strategic new investor to the company. The funds to be raised from the programme will enable the company to complete a number of short and medium term objectives.

Transocean Securities Pty. Ltd. managed the fund raising programme and introduced RAB Special Situation (Master) Fund Limited to the share register. The fund raising programme has been successfully completed.

Subsequent to the end of the half year, the Company has announced further good progress in the corrosion engineering joint venture in Tianjin, securing another significant contract, valued at A\$850,000 in January and confirming receipt of contract payments of approximately A\$500,000 from a major client in accordance with the joint venture's credit terms. The Directors continue to be committed to building a diversified portfolio of Chinese investments through majority owned joint venture vehicles or other suitable structures.

As Chinese industry progressively becomes more accessible to outside investment and grows to satisfy internal demand, Orient will be well positioned to access more of these opportunities. The Directors believe that the current business model and the opportunities which the Company is currently reviewing have the ability and potential to create significant further shareholder wealth. The Directors of the Company look forward to your continued support throughout the next growth phase of the Company's development.

Signed in accordance with a resolution of the Directors.


Graham Roach
Director 5/3/07



Chartered Accountants
& Business Advisers

AUDITORS' INDEPENDENCE DECLARATION

To: The Directors
Orient Resource Holdings Limited

As lead engagement partner for the review of Orient Resource Holdings Limited for the half-year ended 31 December 2006, I declare that, to the best of my knowledge and belief, there have been:

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

PKF

B R Gordon
Partner

Sydney, 5 March 2007

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Condensed Income Statement

For The Half-Year Ended 31 December 2006

	Notes	CONSOLIDATED	
		31 December 2006	31 December 2005
		\$	\$
Continuing operations			
Revenue		-	-
Other income	2	28,752	172,996
Other expenses		(889,734)	(1,192,391)
Profit/(loss) from continuing operations before tax		<u>(860,982)</u>	<u>(1,019,395)</u>
Income tax		-	282,839
Profit/(loss) from continuing operations after tax		<u>(860,982)</u>	<u>(736,556)</u>
Discontinued operation			
Loss from discontinued operation after tax		-	(505,134)
Profit/(loss) for the period		<u>(860,982)</u>	<u>(1,241,690)</u>
Basic and diluted earnings per share (cents per share)		(0.02)	(0.04)

Condensed Balance Sheet

As At 31 December 2006

	Notes	CONSOLIDATED	
		As at 31 December 2006 \$	As at 30 June 2006 \$
ASSETS			
Current Assets			
Cash and cash equivalents		1,015,532	1,357,359
Prepayments		10,428	-
Trade and Other receivables		382,963	12,108
Total Current Assets		<u>1,408,653</u>	<u>1,369,467</u>
Non-current Assets			
Investment in joint venture entity	5	861,386	861,386
Property, plant and equipment		15,321	15,336
Other Financial Assets		14,106	148,626
Total Non-current Assets		<u>890,813</u>	<u>1,025,348</u>
TOTAL ASSETS		<u>2,299,466</u>	<u>2,394,815</u>
LIABILITIES			
Current Liabilities			
Trade and other payables		258,130	61,988
Total Current Liabilities		<u>258,130</u>	<u>61,988</u>
TOTAL LIABILITIES		<u>258,130</u>	<u>61,988</u>
NET ASSETS		<u>2,041,336</u>	<u>2,332,827</u>
EQUITY			
Contributed Equity	3	17,059,190	16,605,538
Accumulated losses		(15,742,720)	(14,881,738)
Reserves		724,866	609,027
TOTAL EQUITY		<u>2,041,336</u>	<u>2,332,827</u>

Condensed Cash Flow Statement

For The Half-Year Ended 31 December 2006

	<i>Notes</i>	<i>CONSOLIDATED</i>	
		<i>31</i>	<i>31</i>
		<i>December</i>	<i>December</i>
		<i>2006</i>	<i>2005</i>
		<i>\$</i>	<i>\$</i>
Cash flows from operating activities			
Receipts from customers		-	4,070
Payments to suppliers and employees		(604,996)	(556,515)
Borrowing costs paid		-	(776)
Interest received		28,752	69,155
Net cash flows from operating activities		<u>(576,244)</u>	<u>(484,066)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(3,547)	(20,837)
Investment in joint venture		-	(183,082)
Other investments		(215,688)	-
Net cash flows used in investing activities		<u>(219,235)</u>	<u>(203,919)</u>
Cash flows from financing activities			
Proceeds from issue of shares		535,800	1,000,000
Payment of share issue costs		(82,148)	(89,286)
Net cash flows from financing activities		<u>453,652</u>	<u>910,714</u>
Net increase/(decrease) in cash and cash equivalents		(341,827)	222,729
Cash and cash equivalents at beginning of period		<u>1,357,359</u>	<u>2,520,076</u>
Cash and cash equivalents at end of period	6	<u>1,015,532</u>	<u>2,742,805</u>

Condensed Statements of Changes in Equity

For The Half-Year Ended 31 December 2006

<i>CONSOLIDATED</i>	<i>Issued Capital \$</i>	<i>Accumulated Losses \$</i>	<i>Other Reserve \$</i>	<i>Total \$</i>
At 1 July 2005	16,268,025	(12,447,656)	25,483	3,845,852
Write off performance shares and options previously valued to recoverable amount	(588,495)	-	-	(588,495)
Total income and expense for the period recognised directly in equity	15,679,530	(12,447,656)	25,483	3,257,357
Loss for the period	-	(1,241,690)	-	(1,241,690)
Total income / expense for the period	15,679,530	(13,689,346)	25,483	2,015,667
Issue of share capital net of expenses	910,714	-	-	910,714
Issue of options net of expenses	(27,206)	-	467,705	440,499
At 31 December 2005	16,563,038	(13,689,346)	493,188	3,366,880
At 1 July 2006	16,605,538	(14,881,738)	609,027	2,332,827
Loss for the period	-	(860,982)	-	(860,982)
Total income / expense for the period	-	(860,982)	-	(860,982)
Issue of share capital net of expenses	453,652	-	-	453,652
Cost of share based payments	-	-	115,839	115,839
At 31 December 2006	17,059,190	(15,742,720)	724,866	2,041,336

Notes to the Half-Year Financial Statements

For The Half-Year Ended 31 December 2006

1 BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the annual Financial Report of Orient Resource Holdings Limited as at 30 June 2006

It is also recommended that the half-year financial report be considered together with any public announcements made by Orient Resource Holdings Limited and its controlled entities during the half-year ended 31 December 2006 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(a) Basis of accounting

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements.

The half-year financial report has been prepared on a historical cost basis, except for available-for-sale financial assets that have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged with fair value hedges are adjusted to record changes in the fair values attributable to the risks that are being hedged.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

(b) Significant Accounting Policies

The half-year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2006, except for the adoption of amending standards mandatory for annual periods beginning on or after 1 July 2006.

Notes to the Half-Year Financial Statements

For The Half-Year Ended 31 December 2006

1 BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (continued)

(b) Summary of significant accounting policies

(i) Basis of consolidation

The half-year consolidated financial statements comprise the financial statements of Orient Resource Holdings Limited and its subsidiaries ('the Group').

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which Orient Resource Holdings Limited has control.

Notes to the Half-Year Financial Statements

For The Half-Year Ended 31 December 2006

2 REVENUE AND EXPENSES

	<i>Notes</i>	<i>CONSOLIDATED</i>	
		<i>31</i>	<i>31</i>
		<i>December</i>	<i>December</i>
		<i>2006</i>	<i>2005</i>
		<i>\$</i>	<i>\$</i>
(a) Specific Items			
Loss from ordinary activities before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the performance of the group:			
(i) Revenue			
Interest Received		<u>28,752</u>	<u>69,155</u>
(ii) Other income			
Gain on recognition of intellectual property			99,721
Other income		-	4,120
		<u>-</u>	<u>103,841</u>
(iii) Other Expenses			
Depreciation		3,563	3,215
Directors' fees and wages		176,162	160,618
Options expense		115,839	467,704
Impairment expenses:			
Impairment of investment in subsidiary		-	157,393
Impairment of investment in Tongling joint venture		-	505,134

3 CONTRIBUTED EQUITY

	<i>31</i>	<i>30</i>
	<i>December</i>	<i>June</i>
	<i>2006</i>	<i>2006</i>
	<i>\$</i>	<i>\$</i>
<i>Ordinary shares and performance shares</i>		
Issued and fully paid	<u>17,059,190</u>	<u>16,605,538</u>
	<i>Number of</i>	<i>\$</i>
	<i>Shares</i>	
<i>Movements in shares on issue</i>		
At 1 July 2006	44,650,201	16,605,538
Shares issued during the period	6,697,500	535,800
Share issue expenses	-	(82,148)
Cancellation of performance shares and options		
At 31 December 2006	<u>51,347,701</u>	<u>17,059,190</u>

Notes to the Half-Year Financial Statements

For The Half-Year Ended 31 December 2006

4 SEGMENT REPORTING

Business segments

The following table presents the revenue and profit information regarding business segments for the half-year periods ended 31 December 2006 and 31 December 2005

	Continuing Operations			Discontinued Operation	Total Operations
	Australia	China	Total		
	\$	\$	\$	\$	\$
31 December 2005					
Segment revenue	172,996	-	172,996	-	172,996
Segment results	(736,556)	-	(736,556)	(505,134)	(1,241,690)
31 December 2006					
Segment revenue	28,752	-	28,752	-	28,752
Segment results	(860,982)	-	(860,982)		(860,982)

5 INVESTMENT IN JOINT VENTURE ENTITIES

(a) Orient Corrosion Engineering Limited has an 80% interest in the joint venture entity Orient (Tianjin) Corrosion Ltd, incorporated in the Peoples Republic of China, which is involved in the corrosion protection and prevention of new and existing infrastructure.

The Voting power held by the Group is 60 %

	31 December 2006 \$	30 June 2006 \$
(i) Carrying amount of investment in joint venture entity		
Balance at the beginning of the financial year	861,386	-
Investment made during the half year		1,072,818
Share of joint venture's profits from ordinary activities after tax	-	(211,432)
	<u>861,386</u>	<u>861,386</u>

Notes to the Half-Year Financial Statements

For The Half-Year Ended 31 December 2006

6 ADDITIONAL INFORMATION

Reconciliation of Cash

For the purposes of the Condensed Cash Flow Statement, cash and cash equivalents comprise the following at 31 December:

	<i>CONSOLIDATED</i>	
	<i>31</i>	<i>30</i>
	<i>December</i>	<i>June</i>
	<i>2006</i>	<i>2006</i>
	<i>\$</i>	<i>\$</i>
Cash at bank and in hand	<u>1,015,532</u>	<u>1,357,359</u>

7 Subsequent Events

The Company announced on 22 December 2006 that it has resolved to carry out a Capital Raising Program ("the Program") which when completed would raise approximately \$3.6million. A component of the Program was a fully underwritten Entitlement Issue to raise up to approximately \$2.05m.

The Entitlement Issue closed on 15 February 2007. On 20 February 2007 the Company made a partial allotment pursuant to the Entitlement Issue through the issue and allotment of 17,978,004 fully paid ordinary shares in ORH which raised \$1,438,240. The Company expects to issue and allot the balance of the Entitlement Issue of 7,695,846 fully paid ordinary shares imminently.

In February 2007 options were exercised to acquire 100% of the issued share capital of Orient Resources Pty Limited from the Company for \$50,000.


Directors' Declaration

In accordance with a resolution of the directors of Orient Resource Holdings Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - (i) give a true and fair view of the financial position as at 31 December 2006 and the performance for the half-year ended on that date of the consolidated entity; and
 - (ii) comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Graham Roach
Director
Sydney

5 March 2007



Chartered Accountants
& Business Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of Orient Resource Holdings Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Orient Resource Holdings Limited, which comprises the condensed balance sheet as at 31 December 2006, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of Orient Resource Holdings Limited are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Orient Resource Holdings Limited's financial position as at 31 December 2006 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Orient Resource Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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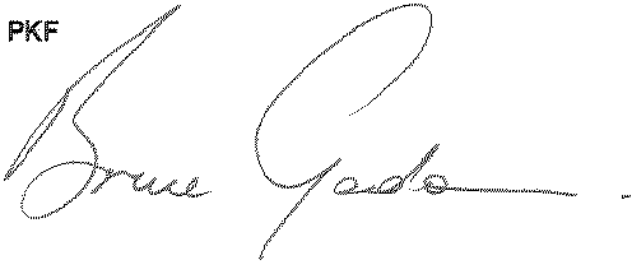
Conclusion

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

- (a) giving a true and fair view of the Orient Resource Holdings Limited's financial position as at 31 December 2006 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.



PKF



B R Gordon
Partner

Sydney, 5 March 2007