
ORH LIMITED

ACN 077 398 826

NOTICE OF GENERAL MEETING

Notice is given that a Meeting will be held at 1 Central Ave, Hazelmere in the State of Western Australia, and virtually:

TIME: 10.00am AWST

DATE: 10 March 2023

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5.00pm (AWST) on 8 March 2023.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – APPROVAL OF UNDERWRITING AGREEMENT - INDIAN OCEAN CORPORATE PTY LTD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That, for the purposes of Part 2E.1 of the Corporations Act and for all other purposes, approval is given to the Company to enter into an underwriting agreement with Indian Ocean Corporate Pty Ltd on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

2. RESOLUTION 2 – PROSPECTIVE APPROVAL OF ACQUISITION - DEBT TO EQUITY CONVERSION FOR RELATED PARTIES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That, for the purposes of Item 7 of section 611 of the Corporations Act and for all other purposes, and only in the event where there is a shortfall in application for shares under the entitlement offer and as a result the underwriting agreement is called upon, then approval is given for the Company to issue up to a maximum of 3,000,000,000 Shares at an issue price of \$0.0009 per Share to related parties, in full or partial satisfaction of related party loans, on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

Dated: 10 February 2023

By order of the Board



Domenic Martino
Chairman

IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that a Special Meeting of Shareholders (“**Meeting**”) will be held at 1 Central Ave, Hazelmere in the State of Western Australia, and virtually, at 10.00am (AWST) on 10 March 2023.

Access to the meeting is via www.advancedshare.com.au/virtual-meeting using the Meeting ID and Shareholder ID on the proxy form to login to the website.

The Explanatory Statement provides additional information on matters to be considered at the Meeting. The Explanatory Statement and the Proxy Form each form part of the Notice.

Terms and abbreviations used in the Notice are defined in the Glossary.

Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5.00pm (AWST) on 8 March 2023.

Participating in the Meeting online

Voting can occur during the meeting via www.advancedshare.com.au/virtual-meeting using the Meeting ID and Shareholder ID on the proxy form to login to the website.

Attending the Meeting online enables Shareholders to listen to the Meeting live and to view presentation slides and proxy results whilst the Meeting is in progress. All shareholders will have a reasonable opportunity to ask questions during the Meeting via the online platform.

All resolutions at the Meeting will be decided on a poll. Shareholders are therefore strongly encouraged to lodge directed proxies in advance of the Meeting.

Proxy Appointment and Voting Instructions

Proxy Form

Shareholders are strongly encouraged to vote by proxy. To vote by proxy, please complete the relevant enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member’s votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

If you wish to appoint the Chair as your proxy, mark the appropriate box on the Proxy Form. If the person you wish to appoint as your proxy is someone other than the Chair, please write the full name of that person on the Proxy Form. If you leave this section blank, or your named

proxy does not attend the Meeting, the Chair will be your proxy. A proxy need not be a Shareholder of the Company.

All resolutions at the Meeting will be decided on a poll. Shareholders are therefore strongly encouraged to lodge directed proxies in advance of the Meeting.

Corporate Shareholders

Corporate Shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:

- two (2) directors of the Company;
- a director and a company secretary of the Company; or
- for a proprietary company that has a sole director who is also the sole company secretary, that director.

Corporate Representatives

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act, in which case the Company will require a certificate of appointment of the corporate representative executed in accordance with the Corporations Act. The certificate of appointment must be lodged with the Company and/or the Company's Share registry before the Meeting.

Votes on Resolutions

You may direct your proxy how to vote by placing a mark in the 'FOR', 'AGAINST' or 'ABSTAIN' box opposite the Resolution. All your votes will be cast in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on the Resolutions by inserting the percentage or number of Shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the Resolutions, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on that Resolution will be invalid.

As proxies will not be able to physically attend the Meeting, Shareholders are encouraged to consider appointing the Chair as their directed proxy for this Meeting, or otherwise complete the directions for each resolution on the Proxy Form. You can direct your proxy to vote "For", "Against" or "Abstain" from voting on, a resolution by marking the appropriate box in the enclosed Proxy Form.

Chair Voting Undirected Proxies

If the Chair is your proxy, the Chair will cast your votes in accordance with your directions on the Proxy Form. If you do not mark any of the boxes on the Resolutions, then you expressly authorise the Chair to vote your undirected proxies at his/her discretion.

As at the date of this Notice, the Chair intends to vote undirected proxies FOR each of the Resolutions. In exceptional cases the Chair's intentions may subsequently change and in this event, the Company will make an announcement on its website.

Voting Eligibility – Snapshot Date

The Company may specify a time, not more than 48 hours before the Meeting, at which a "snapshot" of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the Meeting.

The Directors have determined that all Shares of the Company that are registered at 5.00pm (AWST) on 8 March 2023 shall, for the purpose of determining voting entitlements at the Meeting, be taken to be held by the persons registered as holding the Shares at that time. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Voting Exclusion Statement

In accordance with the Corporations Act, the Company will disregard any votes cast in favour of the Resolutions set out below by or on behalf of the following persons:

Resolution 1: Approval of Underwriting Agreement	<p>(a) the Underwriter being, Indian Ocean Corporate Pty Ltd (ACN 142 266 279), and the Sub-Underwriters being: Domenic Martino, Jamie Detata, Jakob Tsaban, JLD Rentals Pty Ltd (ACN 158 555 698) as trustee for the Blazeway Discretionary Trust, Indian Ocean Advisory Group Pty Ltd, Cooper Cove Pty Ltd (ACN 600 782 741) as trustee for the SW Trust, JLD Body Building Pty Ltd (ACN 641 677 401) as trustee for the JKC Discretionary Trust, The Trustee for the Tsaban Trust trading as Jackori Consulting (ABN 59 951 918 662), and Domenal Enterprises Pty Ltd (ACN 008 980 952) as trustee for the DVM Superannuation Fund, and any other person who may obtain a material benefit as a result of the underwriting agreement or an associate of that entity, person or persons; or</p> <p>(b) an associate of that entity, person (or those persons).</p>
Resolution 2: Approval of Acquisition by Related Parties	<p>(a) the person who is to receive the securities and any other person who will obtain a material benefit as a result of the issue of the securities, being the Underwriter, Indian Ocean Corporate Pty Ltd (ACN 142 266 279), and the Sub-Underwriters being: Domenic Martino, Jamie Detata, Jakob Tsaban, JLD Rentals Pty Ltd (ACN 158 555 698) as trustee for the Blazeway Discretionary Trust, Indian Ocean Advisory Group Pty Ltd, Cooper Cove Pty Ltd (ACN 600 782 741) as trustee for the SW Trust, JLD Body Building Pty Ltd (ACN 641 677 401) as trustee for the JKC Discretionary Trust, The Trustee for the Tsaban Trust trading as Jackori Consulting (ABN 59 951 918 662), and Domenal Enterprises Pty Ltd (ACN 008 980 952) as trustee for the DVM Superannuation Fund, and any other person who may obtain a material benefit as a result of the underwriting agreement or an associate of that entity, person or persons; or</p> <p>(b) an associate of that entity, person (or those persons).</p>

However, the Company will not disregard any vote cast by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way;
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with the direction given to the Chair to vote on this Resolution as the Chair decides; or

- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary providing the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

Defined terms

Capitalised terms used in the Notice and the Explanatory Statement are defined in the Glossary.

Expenses incurred in relation to Offer

The Directors advise that an amount of \$120,000 will be incurred by the Company in respect of the Offer, which amount includes accounting fees, legal fees, ASIC fees, and professional fees associated with the preparation of the Independent Expert Report.

Intended Prospectus

The Prospectus provided to Shareholders with this Notice is the intended Prospectus, provided in draft form, which has yet to be lodged with Asic. The intended Prospectus is provided to Shareholders with this Notice only for the purposes of assisting Shareholders with their review and voting in relation to the Resolutions.

In the event where the Company receives Shareholder approval in relation to the Resolutions, the Company intends to proceed with the lodgement of the prospectus with Asic, and further reserves the right to make changes to the Prospectus as may be required, before the final prospectus is issued to Shareholders.

Questions from Shareholders

Shareholders may submit questions that relate to the formal items of business in the Notice in advance of the Meeting to the Company. Should you have any questions, these can be submitted in advance of the Meeting via the portal (www.advancedshare.com.au/virtual-meeting) from 10 February 2023.

As required under section 250PA of the Corporations Act, the Company will make available at the Meeting those questions directed to the Auditor received in writing at least five (5) business days prior to the Meeting, being questions which the Auditor considers relevant to the content of the Auditor's report or the conduct of the audit of the annual financial report for the year ended 30 June 2021. The Chair will allow a reasonable opportunity for the Auditor to respond to the questions set out on this list.

Questions Regarding the Notice of Meeting

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 2 8823 3179.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. SUMMARY

The business to be conducted at the Meeting relates to the non-renounceable entitlement offer to Eligible Shareholders, as set out below, examining any benefit to related parties that may result from those Related Parties acting in the capacity of Underwriter and/or Sub-Underwriter to the Entitlement Offer, as well as the potential impact that the Entitlement Offer may have on the conversion of Related Party debt to equity, and how this conversion may subsequently result in certain Related Parties of the Company having the potential to acquire a collective interest in the Company up to 71%.

This Explanatory Statement should be read carefully in conjunction with the **enclosed** Prospectus, the Underwriting Agreement, and the Independent Expert Report.

2. BACKGROUND TO RESOLUTIONS

The Company is proposing, in accordance with the Prospectus to Shareholders, a non-renounceable entitlement offer to eligible Shareholders on a basis of four (4) New Shares for every one (1) Share currently held ("**Entitlement Offer**"). The Company proposes to issue up to 5,275,738,888 New Shares at \$0.0009 per Share under the Entitlement Offer, to raise up to \$4,748,165 (before costs).

The Entitlement Offer is to be partially underwritten by Indian Ocean Corporate Pty Ltd (ACN 142 266 279) (hereafter the "**Underwriter**") to the extent of \$2,700,000 (up to 3,000,000,000 New Shares at \$0.0009 per Share) pursuant to the Underwriting Agreement executed by the Company and the Underwriter.

The Underwriter is a related party to the Company on the basis that Mr Domenic Martino, a director of the Company, is a director and shareholder of the Underwriter.

The Underwriting Agreement allows for the Underwriter to appoint sub-underwriters, and the Underwriter intends to enter sub-underwriting agreements with the defined Related Parties (hereafter the "**Sub-Underwriters**").

The Sub-Underwriters, are related parties to the Company, as set out below:

Sub-Underwriters	Relation to the Company	Shares held in Company (%)
JLD Rentals Pty Ltd (ACN 641 677 401) as trustee for the Blazeway Discretionary Trust	An entity controlled by Jamie Detata, who is a director of the Company.	0 shares (0.00%) <i>*We note however that Jamie Detata and entities related to Jamie Detata, hold a total of:</i> 25,180,456 shares (1.9%)

Trustee for the Tsaban Trust trading as Jackori Consulting	An entity controlled by Jakob Tsaban, who is a director of the Company.	0 shares (0.00%)
Indian Ocean Advisory Group Pty Ltd (ACN 124 095 834)	An entity controlled by Domenic Martino, who is a director of the Company.	0 shares (0.00%) <i>*We note however that Domenic Martino and entities related to Domenic Martino, hold a total of</i> 37,620,385 shares (2.8%)
Domenic Martino	Domenic Martino is a director of the Company	412,501 shares (0.03128%) <i>*We note however that Domenic Martino and entities related to Domenic Martino, hold a total of (inclusive of the above-mentioned shareholding):</i> 37,620,385 shares (2.80%)
Cooper Cove Pty Ltd (ACN 600 782 741) as trustee for the SW Trust	An entity controlled by Jamie Detata, who is a director of the Company.	0 shares (0.00%) <i>*We note however that Jamie Detata and entities related to Jamie Detata, hold a total of:</i> 25,180,456 shares (1.9%)
JLD Body Building Pty Ltd (ACN 641 677 401) as trustee for the JKC Discretionary Trust	An entity controlled by Jamie Detata, who is a director of the Company.	0 shares (0.00%) <i>*We note however that Jamie Detata and entities related to Jamie Detata, hold a total of:</i> 25,180,456 shares (1.9%)

Domenal Enterprises Pty Ltd (ACN 008 980 952) as trustee for the DVM Superannuation Fund	An entity controlled by Domenic Martino, who is a director of the Company.	540,000 shares (0.04094%) <i>*We note however that Domenic Martino and entities related to Domenic Martino, hold a total of (inclusive of the above-mentioned shareholding):</i> 37,620,385 shares (2.80%)
Jamie Detata	Jamie Detata is a director of the Company.	22,636,667 (1.72%) <i>*We note however that Jamie Detata and entities related to Jamie Detata, hold a total of (inclusive of the above-mentioned shareholding):</i> 25,180,456 shares (1.9%)
Jackob Tsaban	Jackob Tsaban in a director of the Company.	0 shares (0.00%)

To the extent that there is any shortfall in application for Shares under the Entitlement Offer, the Underwriter will subscribe for those New Shares to the Underwritten Amount. Any amount allocated to the Underwriter and/or the Sub-Underwriters shall be issued as a debt for equity conversion of amounts owed by the Company to the Related Parties, on a pro-rata basis according to each Related Parties' Loan Facility, as summarised in the table below. This means that regardless of the exact amount of shortfall, all of the Sub-Underwriters will be required to subscribe for the New Shares in equal proportions on a pro-rata basis.

Amounts owing as at 31 August 2022	
Payables	
JLD Rentals Pty Ltd (ACN 641 677 401) as trustee for the Blazeway Discretionary Trust	\$95,000
Trustee for the Tsaban Trust trading as Jackori Consulting	\$38,267
Indian Ocean Advisory Group Pty Ltd (ACN 124 095 834)	\$251,000
Domenic Martino	\$847,000

Cooper Cove Pty Ltd (ACN 600 782 741) as trustee for the SW Trust	\$386,888
JLD Body Building Pty Ltd (ACN 641 677 401) as trustee for the JKC Discretionary Trust	\$281,907
Domenal Enterprises Pty Ltd (ACN 008 980 952) as trustee for the DVM Superannuation Fund	\$91,150
Jamie Detata	\$383,736
Jackob Tsaban	\$333,100
Total = \$2,708,048	

(hereafter the “**Loan Facilities**”)

Pursuant to the Underwriting Agreement, amounts up to \$2,700,000 owed to the Related Parties has the potential to convert into up to 3,000,000,000 New Shares in the Company.

The Directors confirm that in the event of any further shortfall following the full allocation of New Shares to Related Parties pursuant to the Underwriting Agreement and sub-underwriting agreement, the Directors reserve the right to place the unallocated New Shares as they in their discretion see fit, subject to the Corporations Act, and provided that the unallocated New Shares are not placed with the Related Parties.

The Company confirms that no person or entity who is considered related to the Company shall be issued unallocated New Shares at the discretion of the directors, nor will the unallocated New Shares be placed with any person or entity which may result in that person or entity attaining an interest in the Company in excess of 20% (other than as may result in the conversion of the Loan Facilities to shares in favour of the Related Parties the subject of Resolution 2).

As a result, in the event where the Underwriting Agreement is called upon to the maximum allowable extent of \$2,700,000, the Related Parties have the potential to acquire a collective interest in the Company of up to a maximum of 71%.

Accordingly, there is no scenario where the Related Parties could be allocated further shortfall shares beyond their commitment pursuant to the Underwriting Agreement, and the Related Parties’ collective relevant interest in the Company shall not exceed a maximum of 71% as a result of the Entitlement Offer

3. RESOLUTION 1 - APPROVAL OF UNDERWRITING AGREEMENT - INDIAN OCEAN CORPORATE PTY LTD

The Company is seeking Shareholder approval to appoint the Underwriters and the Sub-Underwriters to underwrite the Entitlement Offer, pursuant to the Underwriting Agreement

Reason for Shareholder Approval

As the Underwriting Agreement and sub-underwriting agreements have the potential to result in a financial benefit to the Related Parties, in accordance with Chapter 2E

of the Corporations Act, the Company is seeking Shareholder approval to appoint the Underwriters and the Sub-Underwriters to underwrite the Entitlement Offer.

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a Company, and is designed to protect the interests of Shareholders by requiring Shareholder approval before a Company give financial benefits which could otherwise endanger those interests.

The Company has formed the view that the appointment of the Underwriter to underwrite the Entitlement Offer, has the potential to result in a financial benefit to those Related Parties, and provides the following further information to Shareholders to allow them to assess the approval of Resolution 1.

Nature of financial benefit

It is the view of the Directors, based on historical capital raising results, and professional and strategic advice, that there will be a substantial shortfall under the Entitlement Offer and consequently it is expected that the Offer will be substantially taken up by the Underwriter pursuant to the Underwriting Agreement.

The Company most recently undertook a rights issue that closed on 17 March 2014, and a further rights issue that closed on 25 September 2015, with the Company receiving applications that represent the following percentage of the respective offers:

- (1) 17 March 2014 offer – 3.44%; and
- (2) 25 September 2015 offer – 0.33%.

Based on the results of the most recent attempts at capital raising (as set out above), it is the Company's view that it is unlikely that there will be a significant take up of the Entitlement Offer, regardless of whether the Company proposed a reduction on the pricing of the Entitlement Offer in an attempt to ensure a greater level of take-up of the Offer. Accordingly, the Company remains confident that the Offer will be substantially taken up by the Underwriter (and Sub-Underwriters) pursuant to the Underwriting Agreement.

The effect of this scenario is that some or all of the Loan Facilities owed by the Company to the Related Parties will be converted into New Shares.

The financial benefit to the Related Parties will be the repayment of the Loan Facilities which are due and payable in the form of either cash or New Shares to the value up to the Loan Facilities.

Directors' Recommendations

As supported in the enclosed Prospectus, the Directors recommend that Shareholders approve the Underwriting Agreement with the Underwriter, to allow the Company to proceed with the Entitlement Offer. The Entitlement Offer is an important next step for the Company and will provide a platform to enable the Company to grow shareholder value going forward.

The Directors have sought the assistance of non-related underwriters, but given the Company's current position, notably its liability under the Loan Facilities, it has not been possible to attract any third-party underwriters. Accordingly, the Company looks to engage the Underwriter to partially underwrite the Entitlement Offer to ensure its success.

Except for the costs disclosed in paragraph 7.3 of the enclosed Prospectus, no underwriting fees are payable to the Underwriter and Related Parties.

Directors' interest in the outcome

The Directors' have an interest in the outcome to the extent that the Loan Facilities, which are due and payable, will be repaid to the Directors or their related entities, pursuant to the Entitlement Offer and the Underwriting Agreement.

4. RESOLUTION 2 – PROSPECTIVE APPROVAL OF ACQUISITION - DEBT TO EQUITY CONVERSION FOR RELATED PARTIES

The Company is seeking Shareholder approval for the anticipated outcome of the Entitlement Offer and Underwriting Agreement, which may result in an amount of up to \$2,700,000 owed to Related Parties (being the Underwriter and the Sub-Underwriters) to convert into up to 3,000,000,000 New Shares in the Company. If the maximum allocation of Shares is issued to those Related Parties pursuant to the Underwriting Agreement, the Related Parties have the potential to collectively increase their interest in the Company by up to approximately 66%, to a total shareholding interest of up to 71%.

Reason for Shareholder Approval

If this Resolution is passed, and in the event where the Entitlement Offer is not fully subscribed by the Company's current Shareholders, then Shareholders who do not participate in the Entitlement Offer will be substantially diluted.

In the event of such dilution, it is the view of the Company that there may likely be a significant change in control of the Company, potentially in contravention of the prohibitions in section 606 of the Corporations Act. An acquisition of securities that enables a Shareholder to increase its relevant interest in the voting Share of the Company:

- from below 20% to above 20%; or
- from a starting point that is above 20% and below 90%,

is prohibited under section 606 of the Corporations Act, except in certain circumstances.

As set out in the Independent Expert Report enclosed with this Notice, assuming the maximum possible number of shares are issued to the Related Parties in accordance with the Underwriting Agreement, and assuming no subscriptions by existing shareholders are received, the impact of the acquisition is that existing shareholders will be diluted from approximately 95.24% shareholding in the Company to approximately 29% shareholding in the Company (if they do not take up the entitlement offer). One of the exceptions to section 606 is where the acquisition is approved by way of resolution at a meeting of Shareholders of the Company in accordance with item 7 of section 611 of the Corporations Act.

Item 7 of section 611 of the Corporations Act requires that Shareholders are provided with all information known to the Company that is material to the Shareholder's decision, which the Company provides below.

The information below, when read with the Prospectus and the Independent Expert Report, is intended to ensure that Shareholders are able to make an informed decision as to whether or not to approve the potential acquisition by the Related Parties the subject of this Resolution.

Reasons for the acquisition

The current Capital Raising and associated conversion of existing debt facilities to equity is the next step in the restructure of the Company and will provide a platform to enable the Company to grow shareholder value going forward. The Capital Raising will enable the Company to advance its interests in the mining sector, to continue in its diversification and expansion into new sectors, as well as provide general working capital.

Since 2007, the Company was heavily dependent on the strength of the mining sector and was subsequently susceptible to any downturn. Throughout any period of downturn in the mining industry, the Company's results were significantly impacted, leading to major losses and to an administration process in previous years. To ensure the Company's survival throughout the downturn years, the Company relied upon related party funding, which amounts were used to fund the Company's working capital during those years. Whilst such funding ensured that the Company could continue operations, there has been a continued impact on the Company's balance sheet.

The importance of strengthening the Company's balance sheet by discharging the \$2,700,000 debt to Related Parties is vital for the Company's future plans and strategic target to diversify the product portfolio in order to better penetrate additional industries, to ensure the Company lessens its reliance on the mining sector.

The Offer will potentially facilitate the conversion of the Company's \$2,700,000 liability to the Related Parties, to equity. At the conclusion of the Offer, the Company will be almost debt free and, depending on the take up of the Offer anticipates having up to \$2,000,000 for working capital requirements.

Discharging the Company's loans to Related Parties, and providing for working capital, will allow the Company to continue its diversification and expansion into the following areas:

(1) Expansion into the waste management sector:

The Company is currently manufacturing skip loaders and bins at a low scale. It is the Company's view that the waste management sector is experiencing growth with an increasing demand for skip loaders, front loaders and rear loaders from customers throughout Australia. Identifying this as a major opportunity, it is the Company's goal to accelerate the expansion into this sector by introducing new products and to expand the current offering.

(2) Expansion into the commercial trailers sector:

The Company currently manufactures a range of trailers at a low scale. It is the Company's view that demand for such products is on the increase across multiple industries including transportation, logistics and others, all of which are industries within which the Company would like to increase their participation and exposure. The Company believes there is significant opportunity through the continued manufacture of trailer and trailer parts, and through the introduction of new products.

(3) Shift in manufacturing practice, to allow build stock ready for sale:

Currently the Company is manufacturing its products to order. With its current capabilities, the Company cannot manufacture to stock. The Company often recognises customers' requirement for instant purchase from stock, for which they are willing to pay a premium. By proactively manufacturing stock ready for

sale, the Company anticipates an opportunity to expand across Australia, with the potential for branches to be opened on the east coast.

The Identity of the person proposing to make the acquisition-

The Related Parties, being a director of the Company or an entity controlled by a Director of the Company, are related parties, as set out above.

Acquirer's intentions in the event of member approval of the acquisition-

In the event the proposed acquisition is approved by members, the Related Parties (as the acquirers) intend to continue in their respective roles within the Company to strengthen the balance sheet of the Company, following which further financing opportunities may become available to the Company to allow its continued expansion into the waste management sector, the commercial trailers sector and general manufacturing sector.

The Company will continue to be operated by the same directors and management team, with the same strategic aims in place, to continue to deliver value to shareholders into the future.

The maximum extent of the increase in the voting power of the Related Parties-

The table below sets out the results of the maximum possible number of shares issued to the Related Parties pursuant to the Underwriting Agreement, and assuming no subscriptions by existing shareholders are received.

Directors and related entities	Shares on issue pre Offer	Pre Offer %	100% under sub-underwriting
Mr Domenic Martino and his related entities	37,620,385	2.8%	3,000,000,000 new shares to be issued with a total 71% interest held in the Company's capital structure.
Mr Jamie Detata and his related entities	25,180,456	1.9%	
Mr Jakob Tsaban and his related entities	0	0%	

The voting power the Related Entities may have as a result of the acquisition-

In the event where the Offer is subject 100% to the Underwriting Agreement, this may result in the Related Parties holding up to 71% of the Company's Shares.

Directors' Recommendations-

The Directors of the Company, as related parties, stand to potentially receive a benefit from the acquisition by way of the conversion of their respective loan facilities to equity, and are therefore conflicted. Accordingly, the Directors have elected to abstain from providing a recommendation in relation to this Resolution 2.

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 2.

5. OTHER MATERIAL INFORMATION

The Company encloses a copy of the following documentation, to assist with the Shareholders' review of the proposed Resolutions:

- (1) *Intended* Prospectus – to be lodged with Asic subject to shareholders' approval of Resolutions 1 and 2 the subject of this Notice of Meeting;
- (2) Underwriting Agreement; and
- (3) Independent Expert Report.

GLOSSARY

\$ means Australian dollars.

AWST means Australian Western Standard Time.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day and Boxing Day.

Chair means the chair of the Meeting.

Company means ORH Limited (ACN 077 398 826).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Capital Raising means the capital raising of funds taking place under the Offer.

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

Entitlement or **Offer** means the right of a Shareholder to subscribe for New Shares under the Prospectus equal to four (4) New Shares for every one (1) Share held at the Record Date.

Eligible Shareholder means a Shareholder who is entitled to subscribe for New Shares pursuant to the Offer by being registered as the holder of Shares at 5pm (AWST) on the Record Date.

General Meeting or **Meeting** means the meeting convened by the Notice.

Loan Facilities means the amounts advanced by way of a loan or working capital by the Related Parties to the Company.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

New Share means the Shares offered under the Prospectus and issued by reason of acceptance of the Offer.

Prospectus means the intended prospectus, in draft form, provided to Shareholders with this Notice.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Record Date means 5:00pm (AWST) 10 March 2023.

Related Parties means Domenic Martino, Jamie Detata and Jakob Tsaban, including the following entities controlled by Domenic Martino, Jamie Detata and Jakob Tsaban and holding Shares on the Record Date:

- (1) JLD Rentals Pty Ltd (ACN 158 555 698) as trustee for the Blazeway Discretionary Trust;
- (2) Trustee for the Tsaban Trust trading as Jackori Consulting;
- (3) Indian Ocean Advisory Group Pty Ltd (ACN 124 095 834);
- (4) Cooper Cove Pty Ltd (ACN 600 782 741) as trustee for the SW Trust;
- (5) JLD Body Building Pty Ltd (ACN 641 677 401) as trustee for the JKC Discretionary Trust; and
- (7) Domenal Enterprises Pty Ltd (ACN 008 980 952) as trustee for the DVM Superannuation Fund.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Underwriter means Indian Ocean Corporate Pty Ltd (ACN 142 266 279).

Underwritten Amount means the amount of \$2.7 million.

ORH Limited
ACN 077 398 826

[intended] PROSPECTUS

A pro rata non-renounceable entitlement offer of approximately **5,275,738,888** New Shares to Eligible Shareholders on the basis of four (4) New Shares at an Offer Price of \$0.0009 each for every one (1) Share held to raise up to \$4,748,165 (before costs).

This Offer is underwritten up to approximately \$2.7 million.

Lead Manager and Underwriter to the Entitlement Offer

Indian Ocean Corporate Pty Ltd (ACN 142 266 279)

This is an important document and requires your immediate attention.

The New Shares offered by this document should be considered speculative.

This document should be read in its entirety. If after reading this document you have any questions about the Entitlement Offer or the New Shares, then you should consult your stockbroker, accountant or other professional advisor.

Your Entitlement and Acceptance Form must be received by the Share Registry with your payment no later than 5:00pm (Perth time) on 5 June 2023. Please refer to the timetable set out in this Prospectus for the important dates.

WARNING

The contents of this Prospectus have not been reviewed by any regulatory authority outside of Australia and New Zealand. You are advised to exercise caution in relation to the Entitlement Offer. If you are in doubt about any of the contents of this Prospectus, you should obtain independent professional advice.

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IMPORTANT INFORMATION

[IMPORTANT - This is the intended Prospectus, which the Company proposes to finalise and lodge with ASIC following member approval of the Resolutions contained in the Notice of Meeting]. No securities will be issued on the basis of this Prospectus any later than 13 months after the date of issue of this Prospectus.

This Prospectus contains an offer to Eligible Shareholders of (as defined in the Corporations Act) and has been prepared in accordance with section 710 of the Corporations Act.

No person is authorised to give any information or to make any representation in connection with the Offer that is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied upon as having been authorised by ORH Limited in connection with the Offer. Neither ORH Limited nor any other person warrants the future performance of ORH Limited or any return on any investment made under this Prospectus, except as required by law and then, only to the extent so required.

Eligible Shareholders

The Offer is made only to those Eligible Shareholders with registered addresses in Australia and New Zealand.

ORH Limited has not made any investigation as to the regulatory requirements that may prevail in the countries, outside of Australia, in which the Company's Shareholders may reside. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who reside in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

The Offer may only be accepted by Eligible Shareholders and does not constitute an offer in any place in which or to any person to whom, it would be unlawful to make such an offer.

The Offer and the content of the Prospectus are principally governed by Australian law. In the main, the Corporations Act and Corporations Regulations set out how the Entitlement Offer must be made. There are differences in how securities are regulated under Australian law. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.

Please read this Prospectus carefully before you make a decision to invest. An investment in ORH Limited has a number of specific risks which you should consider before making a decision to invest. Some of these risks are summarised in Paragraph 4.

Non-Eligible Shareholders

For those Shareholders with registered addresses outside of Australia and New Zealand, the Company proposes subject to ASIC approval to appoint Indian Ocean Management Group Pty Ltd (hereafter the **Nominee**), an entity related to Mr Domenic Martino, a Director of the Company, or an appropriate alternative Australian Financial Services Licence holder to act as Nominee in relation to the Offer. The Nominee will arrange the sale of the Entitlements that would have been given to those Shareholders with registered addresses outside of Australia and New Zealand and, if they are sold, for the net proceeds to be sent to those Shareholders. If appointed, the Nominee will not charge any fees for these services and has received an indemnity from the Company for costs associated with acting in its capacity.

The Nominee (or an associate) will only sell those Entitlements if there is a viable market in those Entitlements and a premium over the expenses of sale can be obtained. Any such sale will be at a price and be conducted in a manner that the Nominee will determine in its absolute discretion.

Neither the Company nor the Nominee will be liable for any failure to sell the Entitlements or to sell the Entitlements at any particular price. If there is no viable market for the Entitlements they will be allowed to lapse.

Important information for investors in New Zealand

In making this Offer to Eligible Shareholders in New Zealand, the Company is relying on the *Securities Act Overseas Companies Exemption Notice 2002 (NZ)*, by virtue of which this Prospectus is not required to be registered in New Zealand.

Taxation and Foreign Exchange

The taxation treatment of Australian securities may not be the same as for New Zealand securities.

The Offer may involve a currency exchange risk. The currency for the Shares is not New Zealand currency. The value of the Shares will go up or down according to changes in the exchange rate between that currency and the currencies of New Zealand. These changes may be significant.

Transaction specific prospectus

This Prospectus is a transaction specific prospectus for an offer of unquoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 710 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult, to assist those investors to assess the risks and returns associated with an offer and to make informed investment decisions.

Electronic Prospectus

Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Entitlement and Acceptance Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus.

This Prospectus is available in electronic form on the internet at www.orh.net.au. Any person may obtain a hard copy of this Prospectus free of charge by contacting ORH Limited's Company Secretary on (02) 8823 3179.

Interpretation

Certain words and terms used in this Prospectus have defined meanings which are set out in Paragraph 11 of this Prospectus.

In this Prospectus, the words 'we', 'our' and 'us' refer to the Company. The words 'you' and 'your' refer to Applicants to the Entitlement Offer.

How to accept Entitlement to New Shares

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which is accompanying this Prospectus in accordance with the instructions set out in this Prospectus and in the Entitlement and Acceptance Form.

Forward looking statements

Certain statements in this Prospectus constitute forward looking statements. Investors should note that these statements are inherently subject to uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors which could cause actual values or results, performance or achievements to differ materially from anticipated results, implied values, performance or achievements expressed, projected or implied in the statements. These risks, variables and factors include, but are not limited to, the matters described in Paragraph 4. The Company gives no assurance that the anticipated results, performance or achievements expressed or implied in those forward-looking statements will be achieved.

Warning

No person named in this Prospectus, nor any other person, guarantees the performance of the Company, the repayment of capital or the payment of a return on the New Shares. Please read this document carefully before you make a decision to invest. An investment in the Company has specific risks which you should consider before making a decision to invest.

The information in this Prospectus does not constitute a securities recommendation or financial product advice. In preparing this Prospectus, the Company has not taken into account the investment objectives, financial situation or particular needs of any particular person. Accordingly, before acting on this Prospectus, you should assess whether a further investment in the Company would be appropriate in light of your own circumstances.

Privacy

The privacy obligations and policy relating to this Prospectus are contained in the privacy disclosure statement in Paragraph 10.8.

Contact details

If you have any queries or questions about the Offer, you may contact the Company's Secretary, Louisa Youens, on (02) 8823 3179.

1. Corporate Directory

ORH Limited

ACN 077 398 826

Directors

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

Company Secretary

Louisa Youens

Registered Office

Level 5
56 Pitt Street
Sydney NSW 2000
T: +61 2 8823 3179
F: +61 2 8823 3188

Website

www.orh.net.au

Underwriter

Indian Ocean Corporate Pty Ltd
ACN 142 266 279
311 – 313 Hay Street
Subiaco WA 6008

Solicitors

Cooper Webb Lawyers
Level 5, The Grosvenor Buildings
12 St Georges Terrace
PERTH WA 6000

Auditors

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

Share Registry

Advanced Share Registry Services
Pty Ltd
110 Stirling Highway
Nedlands Western Australia 6009
Telephone: +618 9389 8033
Facsimile: +618 9262 3723

2. Letter to Shareholders

Dear Shareholders

On behalf of the Board of Directors of ORH Limited, it is my pleasure to offer to you this opportunity to subscribe for four (4) New Shares for every 1 Shares held at 7pm (Perth time) on 10 March 2023 (**Record Date**) at an issue price of \$0.0009 per New Share.

The current Capital Raising and associated conversion of existing debt facilities to equity is the next step in the restructure of ORH Limited and will provide a platform to enable the Company to grow shareholder value going forward. The Capital Raising will enable the Company to advance its interests in the mining sector, to continue in its diversification and expansion into new sectors, as well as provide general working capital.

Since 2007, the Company was heavily dependent on the strength of the mining sector and was subsequently susceptible to any downturn. Throughout any period of downturn in the mining industry, the Company's results were significantly impacted, leading to major losses and to an administration process in previous years. To ensure the Company's survival throughout the downturn years, the Company relied upon related party funding, which amounts were used the fund the Company's working capital during those years. Whilst such funding ensured that the Company could continue operations, there has been a continued impact on the Company's balance sheet.

The importance of strengthening the Company's balance sheet by discharging the \$2.7 million debt to related parties is vital for the Company's future plans and strategic target to diversify the product portfolio in order to better penetrate additional industries, to ensure the Company lessens its reliance on the mining sector.

In an attempt to discharge the related part debts via third party funders, the Company applied for funding through the ANZ, Westpac and InvestLend Pty Ltd (a private funder), with applications for business loans. The feedback from lenders in response to the applications were that in all cases, the applications were rejected based on the strength of the Company's balance sheet and the historical performance of the Company throughout the downturn period. As a result, the Company's only available option for funding at this stage is in accordance with the rights issue the subject of this Prospectus.

The Entitlement Offer will potentially facilitate the conversion of the Company's \$2.7 million liability to the following related parties, being Domenic Martino, Jamie Detata, JLD Rentals Pty Ltd (ACN 158 555 698) as trustee for the Blazeway Discretionary Trust, Cooper Cove Pty Ltd (ACN 600 782 741) as trustee for the SW Trust, JLD Body Building Pty Ltd (ACN 641 677 401) as trustee for the JKC Discretionary Trust, The Trustee for the Tsaban Trust trading as Jackori Consulting (ABN 59 951 918 662), Indian Ocean Corporate Pty Ltd (ACN 142 266 279), and Domenal Enterprises Pty Ltd (ACN 008 980 952) as trustee for the DVM Superannuation Fund (as defined "**Related Parties**"), to equity. At the conclusion of the Offer, the Company will be almost debt free and, depending on the take up of the Entitlement Offer anticipates having up to \$2 million for working capital requirements.

The Entitlement Offer is underwritten to approximately \$2.7 million by Indian Ocean Corporate Pty Ltd (an entity related to the Directors).

Discharging the Company's loans to Related Parties, and providing for working capital, will allow the Company to continue its diversification and expansion into the following areas:

(1) Expansion into the waste management sector:

The company is currently manufacturing skip loaders and bins at a low scale. It is the Company's view that the waste management sector is experiencing growth with an

increasing demand for skip loaders, front loaders and rear loaders from customers throughout Australia. Identifying this as a major opportunity, it is the Company's goal to accelerate the expansion into this sector by introducing new products and to expand the current offering.

(2) Expansion into the commercial trailers sector:

The Company currently manufactures a range of trailers at a low scale. It is the company's view that demand for such products is on the increase across multiple industries including transportation, logistics and others, all of which are industries within which the Company would like to increase their participation and exposure. The Company believes there is significant opportunity through the continued manufacture of trailer and trailer parts, and through the introduction of new products.

(3) Shift in manufacturing practice, to allow build stock ready for sale:

Currently the Company is manufacturing its products to order. With its current capabilities, the Company cannot manufacture to stock. We often recognise customers' requirement for instant purchase from stock, for which they are willing to pay a premium. By proactively manufacturing stock ready for sale, the Company anticipates an opportunity to expand across Australia, with the potential for branches to opened on the east coast.

Information about the Offer and the key risks of investing in the Company are set out in this Prospectus. I encourage you to read it in its entirety before making your investment decision.

On behalf of the Directors, I encourage you to take up this Offer and look forward to your continued investment in the Company.

Yours Sincerely

Domenic Martino

Non-Executive Chairman

ORH Limited

3. Investment Overview

3.1 Notice

The information set out in this Paragraph is not intended to be comprehensive and should be read in conjunction with the full text of this Prospectus.

3.2 ORH Limited and its business model

The Company, being ORH Limited and subsidiary companies within the Group, is a leading supplier of custom designed and manufactured service trucks, water carts, tripper trucks and other specialty vehicles to customers mainly within the Australian mining and construction sectors. The Company is headquartered in Hazelmere, Western Australia and has approximately 52 employees.

For further information regarding the Company's projects, please refer to Paragraph 7 of this Prospectus.

3.3 Summary of the Offer

This Prospectus is for a non-renounceable entitlement offer of 5,275,738,888 New Shares at an issue price of \$0.0009 per New Share on the basis of four (4) New Shares for every 1 Share held by Eligible Shareholders as at the Record Date of 10 March 2023.

An Entitlement and Acceptance Form setting out your Entitlement to New Shares accompanies this Prospectus. If you have more than one holding of the Company's Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have a separate Entitlement for each holding.

The Directors may at any time decide to withdraw this Prospectus and the Offer of New Shares made under this Prospectus, in which case the Company will return all Acceptance Monies (without interest) within 28 days of giving notice of such withdrawal.

Where fractions arise, they will be rounded up to the next whole number of New Shares.

3.4 The Offer is partially Underwritten

The Entitlement Offer is underwritten up to approximately \$2.7 million by Indian Ocean Corporate Pty Ltd an entity controlled by the Directors of the Company.

The Underwriter has entered into a sub-underwriting agreement with the Related Parties, being a Director of the Company or an entity controlled by a Director of the Company, for approximately \$2.7 million of the Underwritten Amount.

Therefore, if all the New Shares are not taken up by way of Entitlements, the Underwriter will, subject to the provisions of the Underwriting Agreement, subscribe for the Shortfall to the extent underwritten.

Full details of the Underwriting Agreement are set out in Paragraph 6 of this Prospectus.

As the Offer is an entitlement offer there is no Minimum Subscription. However, it should be noted that the Offer is underwritten to \$2.7 million.

3.5 New Share Terms

Upon issue, each New Share will rank equally with all existing Shares then on issue. Refer to Paragraph 10.2 for a summary of the rights and obligations attaching to New Shares.

3.6 Timetable and important dates

Notice of Meeting, including Explanatory Statement, intended Prospectus, Underwriting Agreement, and Independent Expert Report, to be lodged with ASIC	21 December 2022
Notice of Meeting, including Explanatory Statement, intended Prospectus, Underwriting Agreement, and Independent Expert Report, to Shareholders	10 February 2023
Anticipated General Meeting	10 March 2023
Record Date (to determine eligibility of Shareholders to participate in the Offer)	10 March 2023
Prospectus to be lodged with Asic	10 March 2023
Anticipated dispatch of Prospectus and Entitlement and Acceptance Forms to Eligible Shareholders	10 April 2023
Opening Date for acceptances of New Shares	8 May 2023
Closing Date	5 June 2023
Issue Date	12 June 2023

Note: These dates are indicative only and subject to change. The Company in consultation with the Underwriter, reserves the right, subject to the Corporations Act and other applicable laws, to vary the dates of the Entitlement Offer, including, but not limited to, extending the Closing Date or accepting late Entitlement and Acceptance Forms, either generally or in particular cases, without notifying you. You are encouraged to submit your Entitlement and Acceptance Form as soon as possible. The subscription of the Shortfall by the Underwriter does require the approval of Shareholders.

3.7 Purpose of the Entitlement Offer

The purpose of the Offer is to:

- (1) facilitate the conversion of the Loan Facilities provided by the Related Parties, being related entities of the Company, and other creditors into New Shares; and
- (2) raise new capital to continue to develop the Company's projects and meet its strategic goals.

3.8 Use of funds raised

The proceeds of the Offer are planned to be used in accordance with the table set out below:

Purpose	Allocation of \$4,748,165 (in the event where Entitlement Offer taken up in full)
Estimated Costs Associated with Entitlement Offer	\$120,000
Payables	
JLD Rentals Pty Ltd (ACN 641 677 401) as trustee for the Blazeway Discretionary Trust	\$95,000
Trustee for the Tsaban Trust trading as Jackori Consulting	\$38,267
Indian Ocean Advisory Group Pty Ltd (ACN 124 095 834)	\$251,000
Domenic Martino	\$847,000
Cooper Cove Pty Ltd (ACN 600 782 741) as trustee for the SW Trust	\$386,888
JLD Body Building Pty Ltd (ACN 641 677 401) as trustee for the JKC Discretionary Trust	\$281,907
Domenal Enterprises Pty Ltd (ACN 008 980 952) as trustee for the DVM Superannuation Fund	\$91,150
Jamie Detata	\$383,736
Jackob Tsaban	\$333,100
Working Capital	
Expansion into the commercial trailers sector and shift in manufacturing practice, to allow build stock ready for sale.	\$1,920,117

3.9 Effect of the Entitlement Offer

The principal effects of the Offer are likely to be:

- (1) conversion of the Loan Facilities provided by the Related Parties, into New Shares;
- (2) conversion of liabilities owed to other creditors into New Shares;
- (3) increased cash reserves, immediately after completion of the Entitlement Offer after deducting the estimated expenses of the Entitlement Offer; and
- (4) an increase in the number of Shares on issue from approximately 1,318,934,612 to 6,594,673,500 Shares following completion of the Offer (includes the shares to be issued from conversion of loans outstanding at the completion of the

Entitlement Offer. Further details on the loans and their conversion are provided in Paragraph 8).

The Board has formed the view that the Offer will be sufficient to ensure the Company will be able to implement its expansion programme and meet its payment obligations as they fall due in the ordinary course of business.

The Offer allows the Company to end reliance on the loan facilities provided by the Related Parties, and to reduce its level of gearing (expressed as a percentage of debt to total equity).

3.10 Effect of the Offer on the Company's Capital Structure

The capital structure of the Company following the issue of New Shares (assuming the maximum number of New Shares are issued under the Offer) will be as follows:

Shares on issue on announcement of Offer	1,318,934,612
Maximum amount of New Shares to be issued under the Offer	5,275,738,888

3.11 Likely effect of the Offer on control of the Company

The Offer is underwritten to \$2.7 million by Indian Ocean Corporate Pty Ltd. The Offer is sub-underwritten to \$2.7 million by the Related Parties. All entities are either a Director or associated with a Director of the Company.

However if, as is likely, the Offer is not fully subscribed by the Company's current Shareholders and the underwriting and sub-underwriting agreements are called upon then Shareholders who do not participate in the Offer will be substantially diluted.

The effect of the Underwriter taking up its commitment is set out in the table in Paragraph 6.7.

For further information regarding the potential effect of the Offer on control of the Company, please refer to Paragraph 6.

3.12 What should Shareholders do?

Eligible Shareholders may:

- (1) take up your Entitlement In full (refer to Paragraph 5.11(1));
- (2) take up all of your Entitlement and apply for Additional New Shares (refer to Paragraph 5.11(2)); or
- (3) take up part of your Entitlement (refer to Paragraph 5.11(3)); or
- (4) renounce all of your Entitlement (refer to Paragraph 5.11(4)).

For more information about the above, refer to Paragraph 5.11.

3.13 Shortfall

If there is a Shortfall, the Directors will apply the allocation procedure set out in Paragraph 5.12, which provides for the allocation of Additional New Shares pro-rata to Eligible Shareholders who have taken up their full Entitlements and who have applied for Additional Shares, until all applications for Additional New Shares have been satisfied.

Additional Shares may only be issued if there is a Shortfall. Applications from Shareholders for Additional Shares will be dealt with in the manner set out in Paragraph 5.12 of this Prospectus. Successful applicants for Additional Shares will be notified in writing of the number of New Shares allocated to them as soon as possible following the allocation being made.

If there are still unallocated New Shares after that, the Directors will attempt to place those New Shares with new investors and failing that, call on the Underwriter's commitment, details of which are set out in Paragraph 6 of this Prospectus. To the extent that the Underwriter is called on to subscribe for any Shortfall, the Underwriter intends to do so by converting the outstanding balance of the Loan Facilities, before subscribing for any remaining Shortfall in cash.

If there are still unallocated New Shares after that, the Directors reserve the right to place the unallocated New Shares as they in their discretion see fit, subject to the Corporations Act, and provided that the unallocated New Shares are not placed with the Related Parties.

3.14 Creditor conversion facility

If you are an Eligible Shareholder as well as a creditor of the Company, you may elect to take up your Entitlement (or any Additional New Shares allotted to you) in whole or in part by means of the conversion of some or all of the existing debt owed to you by the Company. The conversion will be undertaken on a dollar-for-dollar basis at the Offer Price.

3.15 Directors' intentions

As at the date of this Prospectus, Mr Martino and Mr Detata, who are Eligible Shareholders, intends to take up their full Entitlements.

3.16 Directors' interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within two years before the lodgement of this Prospectus with ASIC, any interest in:

- (1) the formation or promotion of the Company;
- (2) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Entitlement Offer; or
- (3) the Entitlement Offer,

and the Company has not paid or agreed to pay any amount (in cash, Shares or otherwise) to any Director or to any firm in which any such Director is a partner, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the formation or promotion of the Company or the Entitlement Offer pursuant to this Prospectus.

Set out below, is a table summarising the direct and indirect interests of Directors in the securities of the Company, the Entitlement of each Director and how they intend to treat their Entitlement:

Director	Shares	Entitlement	Intentions
Mr Domenic Martino and his related entities	37,620,385	150,481,540	Full take-up
Mr Boelio Muliadi and his related entities	87,500,000	350,000,000	Not to be taken up
Mr Jamie Detata and his related entities	25,180,456	100,721,824	Full take-up

The information below reflects the indirect and direct holdings of the directors of ORH Limited as at 30 June 2022.

(1) Mr Domenic Martino

Mr Martino holds 412,501 securities directly as at 30 June 2022. Mr Martino has indirect interests in shares of the Company via Indian West Pty Ltd, a Company of which Mr Martino is the sole director and shareholder, which holds 6,033,188 fully paid ordinary Shares (3,016,594 of which are held on trust for the Sydney Investment Trust), Impact Nominees Pty Ltd, a Company controlled by Mr Martino, which holds 28,873,338 fully paid ordinary Shares, Domenal Enterprises Pty Ltd, a Company controlled by Mr Martino, which holds 540,000 fully paid ordinary Shares and Fanucci Pty Ltd as trustee for the Fanucci Trust, of which Mr Martino's wife is a beneficiary, which holds 1,761,358 fully paid ordinary Shares.

Mr Martino and his related entities have advised the Company that they intend to take up their respective Entitlements under the Offer by way of debt conversion.

(2) Mr Boelio Muliadi

Mr Muliadi was appointed on 23 April 2015 and consequently his opening balance of Fully Paid Ordinary Shares held is as at that date. Mr Muliadi holds 62,500,000 Shares through his Company Lanesborough Investment Pte Ltd and 25,000,000 Shares through Aspire Horizon Limited.

Mr Muliadi advised the Company that he does not intend to take up his respective Entitlements under the Offer by way of debt conversion.

(3) Mr Jamie Detata

Mr Detata holds 24,186,667 fully paid ordinary Shares in the Company. He is a director and shareholder of Blazeway Holdings which holds a total of 993,789 ordinary Shares in the Company.

Mr Detata and his related entities have advised the Company that they intend to take up their respective Entitlements under the Offer by way of debt conversion.

4. Risks

Investing in the Company involves risk. There are factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance of the Company. Some of these factors can be mitigated by appropriate commercial action. However, many are outside the control of the Company, dependent on the policies adopted and approaches taken by regulatory authorities, or cannot otherwise be mitigated. If you are unsure about subscribing for New Shares, you should first seek advice from your stockbroker, accountant, financial or other professional adviser.

The following sets out a summary of some of the key risks relevant to the Company and its operations (further details are contained in Paragraph 4 of this Prospectus):

Risk	Details
Financial Risks	<p>The Company recorded historical losses of \$16,868,718 for the period ended 30 June 2011 to 30 June 2020.</p> <p>As at 30 June 2021, the profit of the Company (including subsidiaries) for the financial year, after providing for income tax, amounted to \$880,047 (2020: profit \$1,324,992). The current liabilities exceeded current assets by \$(2,354,091).</p> <p>The degree to which the Company is leveraged could have negative consequences such as:</p> <ul style="list-style-type: none">(i) a substantial portion of our potential future cash flow being required to service debt; or(ii) the Company being required to raise additional equity to pay down debt. <p>The Directors form the view, however, that the Entitlement Offer will be sufficient to ensure that the Company will be able to settle its liabilities as they fall due in the ordinary course of business.</p>
Liquidity risk	<p>The Directors, including the other Related Parties, have indicated to the Board their intention to take up their full Entitlements under the Offer. Further, the Underwriter may be called upon to subscribe for some or part of any Shortfall.</p> <p>This may result in the Related Parties holding up to 80% of the Company's Shares. Since the Company will be controlled by the Related Parties, being a large shareholder, there may be a lack of liquidity in the company's Shares.</p>

Additional requirements for capital	<p>The Company may require additional funds in the future to achieve its objectives. There is no assurance that these funds will be available in the future, or if they are available, that they will be on commercially acceptable terms to the Company. If adequate additional funding is not available or acceptable on the Company's terms, the Company's business will be materially and adversely affected.</p> <p>Any additional equity financing may also have the affect of diluting the existing share holdings.</p> <p>The Company may decide to raise additional funds in the future through further capital raisings. This may result in the Company issuing additional shares in the Company to third parties who are not presently shareholders of the Company. As a result, existing shareholdings may be diluted.</p>
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4.1 Estimated expenses of Offer

If the Entitlement Offer is fully subscribed, the estimated expenses of the Entitlement Offer are as follows:

Underwriter's Fees	Nil
Legal expenses	\$40,000
Valuation expenses	\$20,000
Independent Expert Report	\$45,000
Registry and other expenses	\$15,000
Total	\$120,000

The New Shares offered under this Prospectus carry no guarantee of profitability, dividends or return of capital. The past performance of the Company should not necessarily be considered a guide to their future performance.

5. Details of the Offer

5.1 The Offer to Eligible Shareholders

The Directors of the Company have approved a non-renounceable Entitlement Offer of 5,275,738,888 New Shares at \$0.0009 per New Share to raise approximately \$4.5 million (before costs of the Offer).

Eligible Shareholders of the Company are entitled to subscribe for four (4) New Shares for every one Share held.

Only those Eligible Shareholders shown on the share register at 5:00pm (AEST) on the Record Date of 10 March 2023 will be entitled to participate in the Offer.

If fully subscribed, the Offer will raise approximately \$4.5 million. The purpose of the Offer and the use of funds raised are set out in Paragraphs 3.7 and 3.8 of this Prospectus.

5.2 Minimum Subscription

As the Offer is an entitlement offer there is no Minimum Subscription. However, it should be noted that the Offer is underwritten to \$2.7 million.

5.3 Timetable and Important Dates

The table below sets out key dates of the Offer. These dates are indicative only and may be subject to change, subject to the Corporations Act:

Notice of Meeting, including Explanatory Statement, intended Prospectus, Underwriting Agreement, and Independent Expert Report, to be lodged with ASIC	21 December 2022
Notice of Meeting, including Explanatory Statement, intended Prospectus, Underwriting Agreement, and Independent Expert Report, to Shareholders	10 February 2023
Anticipated General Meeting	10 March 2023
Record Date (to determine eligibility of Shareholders to participate in the Offer)	10 March 2023
Prospectus to be lodged with Asic	10 March 2023
Anticipated dispatch of Prospectus and Entitlement and Acceptance Forms to Eligible Shareholders	10 April 2023
Opening Date for acceptances of New Shares	8 May 2023
Closing Date	5 June 2023
Issue Date	12 June 2023

These dates are indicative only and subject to change. ORH Limited in conjunction with the Underwriter reserves the right, subject to the Corporations Act, to change any date of the Offer including to extend the Closing Date of the Offer, to close the Offer early, to accept late acceptances either generally or in particular cases, or to withdraw or reduce the size of the Offer without notice. Any extension of the Closing Date will have a consequential effect on the Issue Date of New Shares. If the Offer is withdrawn, Acceptance Monies will be returned without interest. This may have a consequential effect on the other dates. Investors are encouraged to submit their Entitlement and Acceptance Forms as soon as possible.

5.4 Fractional Entitlements

Fractional Entitlements will be rounded up to the nearest whole number.

5.5 Pricing

The Offer is priced at \$0.0009 per New Share (Offer Price). The Offer represents a post completion market price per share.

5.6 Size of Offer

The Company at the date of this Prospectus has 1,318,934,612 Shares on issue with paid-up share capital of approximately \$800,000. The Entitlement Offer seeks to raise a maximum of approximately \$4.5 million. The size of the Offer helps ensure that the Company will have sufficient working capital to meet its forecast expenditure until the end of 2023.

5.7 Eligible Shareholders

The Offer is open to Eligible Shareholders, that is Shareholders who are registered as at 5:00pm (AEST) on the Record Date of 10 March 2023 with addresses in Australia and New Zealand.

5.8 Overseas Shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions, having regard to the number of Ineligible Shareholders, the number and value of New Shares the Ineligible Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and New Shares will not be issued to, Ineligible Shareholders.

If you reside in New Zealand, you should consult your professional advisers as to whether any government or other consents are required, or other formalities need to be observed, to enable you to exercise your Entitlement under the Offer.

For Ineligible Shareholders, the Company proposes to appoint Indian Ocean Management Group Pty Ltd, an entity related to the Directors of the Company, or an appropriate alternative to act as Nominee in relation to the Offer. The Nominee will arrange the sale of the Entitlements that would have been given to Ineligible Shareholders, and if they are sold, for the net proceeds to be sent to those Ineligible Shareholders.

The Nominee (or an associate) will only sell those Entitlements if there is a viable market in those Entitlements and a premium over the expenses of sale can be obtained. Any such sale will be at a price and be conducted in a manner that the Nominee will determine in its absolute discretion.

Neither the Company nor the Nominee will be liable for any failure to sell the Entitlements or to sell the Entitlements at any particular price. If there is no viable market for the Entitlements they will be allowed to lapse.

5.9 What you should do

If you are an Eligible Shareholder, your Entitlement will be based on a pro-rata ratio of four (4) New Shares for every one (1) Share held as at the Record Date and will be shown on the Entitlement and Acceptance Form accompanying this Prospectus.

You may participate in the Entitlement Offer as follows:

- (1) take up your Entitlement in full (refer to Paragraph 5.11(1));

- (2) take up all of your Entitlement and apply for Additional New Shares (refer to Paragraphs 5.11(1) and 5.11(2)); or
- (3) take up part of your Entitlement (refer to Paragraph 5.11(3)); or
- (4) renounce all of your Entitlement (refer to Paragraph 5.11(4)).

Eligible Shareholders who wish to take up more than their Entitlement may apply for Additional New Shares.

If you are in doubt as to the course of action to be taken, you should consult your professional adviser.

Please read all the instructions on the reverse side of the accompanying Entitlement and Acceptance Form carefully regarding Acceptance.

5.10 Dilution

Shareholders who take up their Entitlements in full will not have their percentage shareholding in the Company diluted as a result of the Offer. The percentage shareholding in the Company of Shareholders who do not take up all of their Entitlements and of Shareholders with registered addresses outside Australia and New Zealand, will be diluted.

5.11 How to apply

The Company reserves the right to disregard any Entitlement and Acceptance Form that is received after the Closing Date. You may apply for any number of New Shares up to your full Entitlement.

The Closing Date for applications is 5:00pm (AEST) on 5 June 2023 (however, this date may be varied by the Company, in accordance with the Corporations Act).

(1) Taking up your full Entitlement

If you are an Eligible Shareholder and you wish to take up your Entitlement in full, complete the Entitlement and Acceptance Form in accordance with the instructions set out on the form.

Please return your completed Entitlement and Acceptance Form together with your application for the amount shown on the Entitlement and Acceptance Form to the Share Registry so that it is received no later than 5:00pm (AEST) on 5 June 2023 at the address set out below:

Advanced Share Registry Services Pty Ltd
110 Stirling Highway
Nedlands Western Australia 6009
Telephone: +618 9389 8033
Facsimile: +618 9262 3723

(2) Application for Additional New Shares

Subject to the Corporations Act, Additional New Shares will be available to the extent that all Eligible Shareholders do not Accept their Entitlements under the Entitlement Offer.

In this event, the Directors will follow the allocation procedure (Allocation) set out in Paragraph 5.16 before calling on the Underwriter's commitment (refer to Paragraph 6, which sets out the terms and effect of the Underwriting Agreement).

Shareholders who Accept their full Entitlement can apply for Additional New Shares by following the instructions in the Entitlement and Acceptance Form, but are not guaranteed to receive any Additional New Shares, the issue of which is subject to the Allocation.

- (3) Taking up part of your Entitlement and electing for the balance to be sold or to lapse

If you are an Eligible Shareholder and you wish to take up part of your Entitlement, complete the Entitlement and Acceptance Form for the number of New Shares you wish to take up.

If payment is made and the Company receives an amount that is less than the Offer Price multiplied by your Entitlement ("**Reduced Amount**"), your payment may be treated as an application for as many New Shares as your Reduced Amount will pay for in full.

For that part of your Entitlement that you wish to sell, liaise with your stockbroker accordingly, about their requirements for trade and settlement.

- (4) Renouncing all of your Entitlement

If you are an Eligible Shareholder and you do not wish to accept any part of your Entitlement and do not intend to sell or transfer your Entitlement, do not take any further action.

If you are an Eligible Shareholder and you do not accept or sell your Entitlement in accordance with the instructions set out above, your Entitlement for any New Shares under the Entitlement Offer (or New Shares that relate to the portion of your Entitlement that has not been accepted or sold) will lapse after the Closing Date.

- (5) Payment

The consideration for the New Shares is payable in full on return of an Entitlement and Acceptance Form by a payment of \$0.0009 per New Share. Your Entitlement and Acceptance Form must be accompanied by a cheque for the application monies, unless payment is being made via BPAY® as outlined below. Cheques must be drawn in Australian currency on an Australian bank and made payable to '*ORH Limited*' and crossed '*Not Negotiable*'.

You should ensure that sufficient funds are held in relevant account(s) to cover the application monies. If the amount of your cheque for Acceptance Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares that your cleared Acceptance Monies will pay for (and to have specified that number of New Shares on your personalised Entitlement and Acceptance Form). Alternatively, your Entitlement and Acceptance Form may not be accepted. Please note that post-dated cheques may not be accepted.

Payment can be made via the Company's BPAY® facility. You should follow the instructions on your Entitlement and Acceptance Form if you decide to use the BPAY facility and must also ensure that your banking facilities can support use of BPAY. If you pay by BPAY you will not need to complete and return your Entitlement and Acceptance Form. It is your responsibility to ensure funds submitted through BPAY are received by us by not later than 5:00pm (AEST) on 5 June 2023. Your financial institution may implement earlier cut-off times with regards to electronic payment and you should consider this when making payment. Your BPAY payment cannot be withdrawn.

You must not forward cash by mail. Receipts for payment will not be issued.

5.12 Shortfall – the Additional Share Facility

Eligible Shareholders may apply for an unlimited amount of Additional New Shares via the Additional Share Facility if there is a Shortfall.

In the event of a Shortfall, the Directors will follow the allocation procedure set out below under the Additional Share Facility to allocate the Shortfall firstly to existing Shareholders, then to new investors and finally, to the Underwriter:

- (1) To the extent that Acceptances received for New Shares based on Entitlements are for fewer New Shares than the total number of New Shares to be issued under the Offer ("**First Shortfall**"), each Eligible Shareholder who has taken up their full Entitlement and also applied for Additional New Shares will be allocated their proportionate share of the First Shortfall (having regard to their shareholdings as at the Record Date);
- (2) If an Eligible Shareholder applied for Additional New Shares but has specified a maximum number of Additional New Shares which is less than the amount of Additional New Shares which that Shareholder would otherwise be allocated under this process, that Shareholder will be allocated the lesser amount;
- (3) If, following allocation of the First Shortfall, there remain unallocated New Shares ("**Second Shortfall**"), the above allocation process will be repeated in respect of the Second Shortfall and any subsequent Shortfalls until either all the New Shares proposed to be issued under the Entitlement Offer have been allocated or all applications for Additional Shares have been satisfied in full;

The applications of New Shares in accordance with Sub-Paragraphs (1) to (3), are subject to the Corporations Act with New Shares not to be placed with any person or entity which may result in that person or entity attaining an interest in the Company in excess of 20% (other than as may result in the conversion of the Loan Facilities to shares pursuant to the Underwriting Agreement).

- (4) If a Shortfall remains after all applications for Additional New Shares have been satisfied in full in accordance with Sub-Paragraphs (1) to (3), then subject to the Corporations Act, the Directors will attempt to place the Shortfall with new investors ("**Shortfall Placement**"). The Shortfall Placement is a separate component of the Offer and New Shares will be placed at an issue price not less than the price offered in this Prospectus and recipients of such Shortfall Shares need not be existing Shareholders. The Company may pay fees or commissions when offering or issuing these New Shares;
- (5) If there is still a Shortfall after the Shortfall Placement, the Company will call on the Underwriter's commitment. Details of the Underwriting Agreement and its effect are set out in Paragraph 6 of this Prospectus; and

- (6) If a Shortfall remains after calling on the Underwriter's commitment, the Directors reserve the right to issue any New Shares the subject of the Shortfall at their discretion, subject to the Corporations Act, (and provided that the unallocated New Shares are not placed with the Underwriter or any Related Parties) at any time within 3 months following the Closing Date at an issue price not less than the price offered in this Prospectus for the New Shares. Recipients of such Shortfall Shares need not be existing Shareholders and the Company may pay fees or commissions when offering or issuing these New Shares.

The Company confirms that no person or entity who is considered related to the Company shall be issued unallocated New Shares at the discretion of the directors pursuant to clause 5.12(6), nor will the unallocated New Shares be placed with any person or entity which may result in that person or entity attaining an interest in the Company in excess of 20% (other than as may result in the conversion of the Loan Facilities to shares pursuant to the Underwriting Agreement).

5.13 Terms and Conditions of Acceptances

A completed and lodged Entitlement and Acceptance Form constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Prospectus and with the rights set out in the Constitution and once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid Entitlement and Acceptance Form. The Directors' (or their delegates') decision whether to treat an application as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

5.14 Oversubscriptions

Oversubscriptions will not be accepted other than for Additional New Shares as set out and subject to the conditions in Paragraph 5.12.

5.15 Loans to the Company

As per Paragraph 6 of this Prospectus, the Company has agreed to issue Shares to lenders to the Company, totaling approximately \$2.7 million. The Loans will convert on the basis of \$0.0009 per Share. Where fractions arise, they will be rounded up to the next whole number of New Shares.

5.16 Allotment of New Shares

New Shares issued pursuant to the Offer will be allotted and statements of holdings for the New Shares will be mailed as soon as practicable after the Closing Date. The Company will allot the New Shares on the basis of your Entitlement. Where the number of New Shares issued is less than the number applied for, or where no allotment is made, surplus Acceptance Monies will be refunded without interest to the Applicant as soon as practicable after the Closing Date. Pending the allotment and issue of the New Shares or payment of refunds pursuant to this Prospectus, all Acceptance Monies will be held by the Company in trust for the Applicants in a separate bank account. The Company will, however, be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

5.17 Taxation implications

The Directors do not consider that it is appropriate to give Applicants advice regarding the taxation consequences of applying for New Shares under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation

consequences. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Applicants. Potential Applicants should, therefore, consult their own professional tax adviser in connection with the taxation implications of the New Shares offered pursuant to this Prospectus.

5.18 Privacy

If you complete an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or by our Share Registry). The Company collects, holds and will use that information to assess your Entitlement and Acceptance Form, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration. The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and our Share Registry. You can access, correct and update the personal information that we hold about you. Please contact the Company or its Share Registry if you wish to do so at the relevant contact numbers set out in this Prospectus. Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended) and the Corporations Act. You should note that if you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Entitlement and Acceptance Form.

5.19 Electronic Prospectus

An electronic version of this Prospectus is available on the internet at www.orh.net.au. The Entitlement and Acceptance Form may only be distributed together with a complete and unaltered copy of this Prospectus. The Company will not accept any completed Entitlement and Acceptance Form if the Company has reason to believe that the investor has not received a complete paper or electronic copy of this Prospectus or if it has reason to believe that the Entitlement and Acceptance Form or an electronic copy of the Prospectus has been altered or tampered with in any way.

6. The effect on control of ORH

6.1 The Loan Facilities by Related Parties – Background and Overview

Since the 2009 financial period until the date of this document, the Related Parties commenced advancing funds to the Company to ensure the Company's continued solvency in the face of the losses the Company had incurred during previous financial periods. As referenced in the letter to Shareholders on pages 7 to 8 of this Prospectus, such losses were impacted by any downturn in the mining sector

The loan funds from the Related Parties have been one of the primary sources of funds available to the Company since 2009 and have been used to fund the ongoing operations and development of the Company's projects and pay creditors and staff of the Company. As at 31 August 2022, \$2,708,048 has been advanced to the Company by the Related Parties.

The Loan Facilities are unsecured and have been called upon by the Related Parties to be repaid. Following various unsuccessful loan application to commercial banks, the Company has no other significant source of funding currently available to it.

Since 2018, the Company has been progressing a restructure and recapitalisation. Cost reduction strategies have also been implemented. The final outstanding components of the restructure and recapitalisation are the raising of new equity capital

to fund the Company's short to medium term activities and deal with the Loan Facilities.

However, the Directors of the Company do not consider it to be in anyway commercially feasible to attract equity capital to the Company unless the issue of the outstanding Loan Facilities are also resolved at the same time.

Accordingly, it is proposed that this Entitlement Offer be undertaken and that the Related Parties, sub-underwrite the Entitlement Offer and that, in the event of an anticipated shortfall in the Entitlement Offer part or all of the Loan Facilities will be converted into New Shares pursuant to that sub-underwriting.

6.2 Underwriting Agreement

The Company and the Underwriter have entered into the Underwriting Agreement as at the date of this Prospectus.

6.3 Interests of Underwriter in the securities of the Company

The Underwriter (and persons and entities related to it) directly or indirectly holds the following interests in securities of the Company as at the date of this Prospectus:

Shares	% of all Shares on Issue and voting power
Domenic (and his related entities) and Jamie (and his related entities)	Approximately 4.7%

6.4 Why the Underwriter secured the right to underwrite the Entitlement Offer

The Directors have sought the assistance of non-related underwriters, but given the Company's current position, notably its liability under the Loan Facilities, it has not been possible to attract any third-party underwriters. Accordingly, the Company engaged Indian Ocean Corporate Pty Ltd to partially underwrite the Offer to ensure its success.

6.5 The Underwriter's associates intend to take up their Entitlements

The Underwriter's associates have 62,800,841 Shares in the Company. Mr Domenic Martino and Mr Jamie Detata have advised the Directors that they intend to take up their respective Entitlements under the Offer.

6.6 Sub-Underwriting

Indian Ocean Corporate Pty Ltd as underwriter, has entered into a sub-underwriting agreement with the Related Parties for \$2.7 million.

The sub underwriters (being the Related Parties) are related parties to the Company, as set out below:

JLD Rentals Pty Ltd (ACN 641 677 401) as trustee for the Blazeway Discretionary Trust	An entity controlled by Jamie Detata, who is a director of the Company.
Trustee for the Tsaban Trust trading as Jackori	An entity controlled by Jakob Tsaban, who is a

Consulting	director of the Company.
Indian Ocean Advisory Group Pty Ltd (ACN 124 095 834)	An entity controlled by Domenic Martino, who is a director of the Company.
Domenic Martino	Domenic Martino is a director of the Company
Cooper Cove Pty Ltd (ACN 600 782 741) as trustee for the SW Trust	An entity controlled by Jamie Detata, who is a director of the Company.
JLD Body Building Pty Ltd (ACN 641 677 401) as trustee for the JKC Discretionary Trust	An entity controlled by Jamie Detata, who is a director of the Company.
Domenal Enterprises Pty Ltd (ACN 008 980 952) as trustee for the DVM Superannuation Fund	An entity controlled by Domenic Martino, who is a director of the Company.
Jamie Detata	Jamie Detata is a director of the Company.
Jackob Tsaban	Jackob Tsaban in a director of the Company.

In the event of a shortfall in the Offer, the Related Parties will subscribe for up to \$2.7 million worth of New Shares pursuant to its sub-underwriting agreement by way of a conversion of the Loan Facilities.

No underwriting fees are payable to the Related Parties or the Underwriter with respect to the amount sub-underwritten by the Related Parties.

In the event that the full amount of the Loan Facility is not converted pursuant to the sub-underwriting agreement with the Related Parties, then the Company and the Related Parties have agreed that the Company will seek Shareholder approval for the conversion into New Shares in the Company of the outstanding balance of the Loan Facilities within 9 months of the close of the Entitlement Offer, and the Related Parties will take no action to require repayment of the balance of the Loan Facilities during this time.

6.7 The Potential effect of underwriting and sub-underwriting arrangements on the Company

It is the view of the Directors that there will be a substantial shortfall under the Entitlement Offer (based on the results of previous capital raising) and as a consequence \$2.7 million of the Loan Facilities will be converted into New Shares pursuant to its sub-underwriting agreement. Assuming the maximum possible number of shares are issued to the Related Parties pursuant to the Underwriting Agreement, and assuming no subscriptions by existing shareholders are received, the impact of the proposed transaction on the Company's capital structure is set out below.

Directors and related entities	Shares on issue pre Offer	Pre Offer %	100% under sub-underwriting
Mr Domenic Martino and his related entities	37,620,385	2.8%	

Mr Jamie Detata and his related entities	25,180,456	1.9%	3,000,000,000 new shares to be issued with a total 71% interest held in the Company's capital structure.
Mr Jakob Tsaban and his related entities	0	0%	

Accordingly, in the event where the maximum possible number of shares are issued to the Related Parties pursuant to the Underwriting Agreement (as set out in the table above), the Related Parties may hold up to a 71% interest in the Company's capital structure, which interest may have a significant impact on the future ongoing management of the Company, which may include, but will not be limited to:

6.8 the fact that Related Parties may be able to pass ordinary resolutions (i.e. resolutions which require more than 50% of votes cast in favour to pass). Examples of such ordinary resolutions could include, but are not limited to:

- (a) strategic and commercial decisions involving the Company;
- (b) increasing or reducing the number of directors;
- (c) election and re-election of directors;
- (d) appointment of an auditor; and
- (e) acceptance of reports at the general meeting,

6.9 the fact that Related Parties may have the ability to significantly influence the outcome of special resolutions (i.e. resolutions which require more than 75% of votes cast in favour to pass). Examples such special resolutions could include, but are not limited to:

- (a) changing the Company's name;
- (b) modifying or adopting a company constitution;
- (c) changes to the Company's share structure; and
- (d) decisions in relation to the potential for external administration or the winding up of the Company.

6.10 Intentions of the Related Parties in relation to their interests in the Company after the Offer

The Related Parties, including the Underwriter and Directors intends to hold their Shares (and any New Shares) in the Company, but may decide to reduce its holding in the Company over time.

The Related Parties intend to continue in their respective roles within the Company to strengthen the balance sheet of the Company, following which further financing opportunities may become available to the Company to allow its continued expansion into the waste management sector, the commercial trailers sector and general manufacturing sector.

The Company will continue to be operated by the same directors and management team, with the same strategic aims in place, to continue to deliver value to shareholders into the future.

With respect to the remaining balance of the Loan Facilities, the Company and the Related Parties have agreed that the Company will take no further action to require repayment of the balance of the Loan Facilities for a period of 9 months from the date of the close of the Entitlement Offer. Following this period, the Company may seek Shareholder approval for the conversion into New Shares in the Company of the outstanding balance of the Loan Facilities. Terms of the Underwriting Agreement

6.11 Underwriting

Pursuant to the Underwriting Agreement, the Company has appointed the Underwriter to underwrite the Offer up to a maximum of approximately \$2.7 million. The Underwriter may appoint sub underwriters to underwrite all or any of the underwritten New Shares. The Underwriter has entered into a sub-underwriting agreement with the Related Parties for approximately the same amount as the underwritten amount.

To the extent that there is any Shortfall in Acceptances for New Shares by Eligible Shareholders, the Underwriter will, subject to the terms and conditions of the Underwriting Agreement, subscribe for those New Shares.

6.12 General Obligations on the Company

The Underwriting Agreement imposes a number of obligations on the Company, including that the Offer and allotment of New Shares must be carried out in accordance with the timetable (refer to Paragraph 3.6), this Prospectus, the Corporations Act, the Constitution of the Company and any other applicable law. The Company must also give certain information to the Underwriter at prescribed times and comply with strict deadlines.

6.13 Payments

The Company has agreed to pay the Underwriter for certain agreed costs and expenses incurred by the Underwriter in relation to the Offer (including legal advice), with the Company's consent needed for expenses in excess of \$2,000 per instance and capped in aggregate, to \$10,000.

There will be no fee payable to the Related Parties in their capacity as a sub-underwriter to the Offer or to the Underwriter.

6.14 Termination

It is an Event of Termination if:

- (1) adverse change: any material adverse change occurs in the assets, liabilities, share capital, share structure, financial position or performance, profits, losses or prospects of the ORH Group (insofar as the position in relation to an entity in the Group affects the overall position of the Company) from those respectively disclosed in the Accounts, the Offer Documents or the Public Information, including:
 - (a) any material adverse change in the reported earnings or future prospects of the ORH Group; or
 - (b) any material adverse change in the nature of the business conducted by the ORH Group; or
 - (c) the insolvency or voluntary winding up of the ORH Group or the appointment of any receiver, receiver and manager, liquidator or other

external administrator; or

- (d) any material adverse change to the rights and benefits attaching to the Shares; or
 - (e) any change that may have a material adverse effect.
- (2) withdrawal: the Company withdraws the Prospectus or terminates the Offer;
 - (3) capital structure: other than as contemplated by the Offer Documents, the ORH Group takes any steps to alter its capital structure without the prior written consent of the Underwriter;
 - (4) judgment: a judgment in an amount exceeding \$100,000 is obtained against any entity within the ORH Group and is not set aside or satisfied within 21 days;
 - (5) process: any distress, attachment, execution or other process of a Governmental Agency in an amount exceeding \$100,000 is issued against, levied or enforced upon any of the assets of any entity within the ORH Group and is not set aside or satisfied within 21 days;
 - (6) financial assistance: the ORH Group passes or takes any steps to pass a resolution under section 260B of the Corporations Act, without the prior written consent of the Underwriter;
 - (7) suspends payment: any entity within the ORH Group suspends payment of its debts generally;
 - (8) insolvency: any entity within the ORH Group is or becomes unable to pay its debts when they are due or is or becomes unable to pay its debts within the meaning of the Corporations Act, or is presumed to be insolvent under the Corporations Act;
 - (9) arrangements: any entity within the ORH Group enters into or resolves to enter into any arrangement, composition or compromise with, or assignment for the benefit of, its creditors or any class of them;
 - (10) ceasing business: other than as contemplated by the Offer Documents, any entity within the ORH Group ceases or threatens to cease to carry on business;
 - (11) market conditions: any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, or in the international financial markets or any material adverse change occurs in national or international political, financial or economic conditions, in each case the effect of which is that, in the reasonable opinion of the Underwriter reached in good faith after consultation with the Company, it is impracticable to market the Offer or to enforce contracts to issue, allot or transfer the Offer Shares or that the success of the Offer is likely to be adversely affected;
 - (12) material contracts: termination (other than those that terminate due to the effluxion of time) or a material amendment of any material contract of any entity within the ORH Group, which have a material adverse effect on the ORH Group;
 - (13) hostilities: hostilities political or civil unrest not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities, political or civil unrest occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States of

America, the United Kingdom, any member state of the European Union, Japan, Indonesia, Singapore, Malaysia, Hong Kong, North Korea or the Peoples' Republic of China or a significant terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world, in each case the effect of which is that, in the reasonable opinion of the Underwriter reached in good faith after consultation with the Company, it is impracticable to market the Offer or to enforce contracts to issue, allot or transfer the Offer Shares or that the success of the Offer is likely to be adversely affected;

- (14) change in Directors: a change in the board of Directors of the Company occurs, other than the appointment of one additional Director;
- (15) legal proceedings and offence by Directors: any of the following occurs:
 - (a) material legal proceedings are commenced against the Company; or
 - (b) any Director is disqualified from managing a corporation under section 206A Corporations Act; or
- (16) change to constitution: other than as contemplated by the Offer Documents, prior to the Issue Date, a change to the constitution of the Company or the Company's capital structure occurs without the prior written consent of the Underwriter;
- (17) compliance with regulatory requirements: a contravention by any entity within the ORH Group of the Corporations Act, its constitution or any other applicable law or regulation, except where such contravention arises because of the actions of an Underwriter;
- (18) Entitlement Offer to comply: the Entitlement Offer or any aspect of the Offer does not comply with the Corporations Act or any other applicable law or regulation;
- (19) breach: the Company breaches any of their obligations under this Underwriting Agreement;
- (20) representations and warranties: any representation or warranty contained in this Underwriting Agreement on the part of the Company is breached or becomes false, misleading or incorrect to an extent;
- (21) prescribed occurrence: an event specified in section 652C(1) or section 652C (2) of the Corporations Act, but replacing 'target' with 'Company'; or
- (22) timetable: an event specified in the timetable is delayed for more than 3 Business Days other than as the result of actions taken by the Underwriter or the actions of the Company (where those actions were taken with the Underwriter prior consent);
- (23) change in laws: any of the following occurs which does or is likely to prohibit, materially restrict or regulate the Offer or materially reduce the likely level of valid applications or materially affects the financial position of the Company or has a material adverse effect of the success of the Offer:
 - (a) the introduction of legislation into the Parliament of the Commonwealth of Australia or of any State or Territory of Australia; or
 - (b) the public announcement of prospective legislation or policy by the Federal Government or the Government of any State or Territory or the Reserve

Bank of Australia;

(24) failure to comply: any entity withing the ORH Group fails to comply with any of the following:

(a) a provision of its constitution;

(b) any statute;

(c) a requirement, order or request made by or on behalf of the ASIC or any Governmental Agency; or

(d) any agreement entered into by it.

6.15 Representations and warranties in the Underwriting Agreement

The Company has provided certain representations and warranties to the Underwriter in relation to this Prospectus, the Company and the Offer. Any breach of those warranties may entitle the Underwriter to terminate the Underwriting Agreement.

6.16 Company indemnity

The Company indemnifies the Underwriter against claims, demands, damages, losses, costs, expenses and liabilities which the Underwriter, its officers, employees, related bodies corporate and advisers suffer, incur or are liable for in relation to the Offer, this Prospectus, the Underwriting Agreement (including breach of the Underwriting Agreement), and in certain other related circumstances.

7. Company Overview

7.1 Overview

The Company and subsidiary companies within the Group, is a leading supplier of custom designed and manufactured service trucks, water carts, tripper trucks and other specialty vehicles to customers mainly within the Australian mining and construction sectors.

The Company is headquartered in Hazelmere, Western Australia and has approximately 52 employees.

7.2 History of the Company

ORH Limited was incorporated on 14 February 1997. From 2009 the Company focused on the supply of service trucks and water carts for the mining and construction industries the supply of heavy earth moving equipment for hire on major infrastructure projects in the mining, construction and marine industries, and steel fabrication of equipment for infrastructure projects.

In September 2010, the Company sought voluntary suspension for the trading of its Shares on ASX. The Board then undertook a review of the Company's operating subsidiaries and the return on capital invested being achieved. After a detailed review it was resolved to move away from traditional "*yellow equipment*" to a fleet consisting more of water carts and service trucks which represent a far greater return to the Company on the capital employed. The Company also completed a capital raising through the issue of convertible notes.

On 14 November 2011, Messrs Richard Albarran, Blair Pleash and David Ingram of Hall Chadwick Chartered Accountants and Business Advisers were appointed as joint and several administrators of the Company, ORH Contracting Pty Ltd and ORH Engineering Pty Ltd. The Company's other three subsidiaries, ORH Transport Pty Ltd, ORH Mining Pty Ltd and ORH Property Pty Ltd were placed in liquidation.

A second meeting of creditors was held on 19 December 2011. As a result of this meeting the Company executed a deed of company arrangement which provided for the Company to be administered in a way that maximised the chances of the Company, or as much as possible of its business continuing in existence. The Company subsequently focused on engineering design, manufacture and supply of service trucks and water carts for the mining and construction industries, and a number of structural and personnel changes took place with the objective of future growth and profitability.

In May 2012 Shareholders approved the conversion of convertible notes and two secured loans to Shares.

In August 2013 Shareholders approved a settlement with certain remaining creditors of the Company's (which included amounts that were advanced to the Company both pre and post commencement of the DOCAs) whereby their debts were discharged either in full in cash or partly in cash and partly by the issue of Shares. Following approval, the Company issued 179,887,517 Shares in satisfaction of debts of \$1,798,875. The effect of the Share issue is included in the pro forma consolidated statement of financial position in Paragraph 8.3.

7.3 Industry overview

The ORH Group operates predominantly in the mining and construction industries, with sales dominated by large mining projects such as the Roy Hill Iron Ore Project, the Wheatstone LNG project and Impact driving sales.

This means ORH is highly dependent on key downstream markets such as the mining and construction industry. The mining industry has grown robustly for most of the past five years despite a recent slowdown. As mining companies have invested in new machinery and equipment, sales of mining machinery have grown, generating revenue for the specialised mining equipment industry.

The Group is considered as a leading manufacturer of high quality industrial service vehicles within Australia. Whilst the ORH Group has one of the largest market shares in the industry, approximately 15 competitors exist around Australia.

7.4 Business model

The ORH Group generates revenue from:

- (1) designing, manufacturing and selling trucks, carts and specialised vehicles;
- (2) selling spare parts; and
- (3) servicing and refurbishment of vehicles.

From May 2012 to October 2013 the ORH Group has produced between 12 and 25 trucks per month, with an average of 15 trucks per month.

As a result of the high quality of its products, the ORH Group has historically had low warranty claims. The ORH Group has an increasing customer database, an extensive

knowledge of the industries in which it operates, a motivated sales force and continually updates and expands its product offering.

The ORH Group constantly works to enhance its offering to its customers by launching new products into the market, which complies with changes in standards and demand by customers. The ORH Group is also continually developing arrangements with suppliers or supplementing its product lines. Diversifying the Group's product line provides additional sources of revenue and profitability. In addition, sales of the Group's products result in follow-on sales opportunities, by servicing the trucks sold, refurbishing old trucks and replacing trucks.

7.5 Products

The Company's product range consists of the following:

- (1) Water carts and service trucks are manufactured to specific design and requirement specifications including reducing water wastage, improving cleaning and control performance.
- (2) Other vehicles

The ORH Group sells other vehicles including tipper trucks (steel body and drop sides, ideal for moving and unloading large loads), flat-bed trucks (a tray body truck for general freight), self bunded fuel tanks, poly water trailers, service trailers and lubricating trailers.

- (3) Spare parts and maintenance services

The ORH Group also sells spare parts and provides maintenance service (post warranty product life) in respect of its products.

Fabrication of the above products is undertaken at the Group's Hazelmere facility in Western Australia, where steel tanks and other products are fabricated using the Company's designs. Generally, the chassis (mainly Isuzu and Hino) is provided to the ORH Group on a consignment basis. These chassis are modified according to the customer requirements to produce water carts, service vehicles and other specialised vehicles. Assembly of the parts into the service tanks, water tanks and all other products is done in the Group's Belmont facility as well as the full assembly on the chassis and pre delivery testing.

7.6 Material agreements

The material agreements to the Company's business and operations are agreements under which the Company acquires chassis from its suppliers (mainly Isuzu and Hino) and sells completed trucks to its customers.

Chassis are acquired on a consignment basis, with payment due when the Company sells the completed truck to its customer. The supplier provides usual warranties with respect to the chassis, cab, engine and other parts.

Trucks are sold to the Company's customers under standard purchase orders, including for warranties. Payment is usually cash on delivery, with a deposit for smaller customers.

7.7 Directors

The following persons are Directors of the Company as at the date of the Prospectus:

(1) Mr– Domenic Martino - Non-Executive Director

Mr Martino is a Chartered Accountant and an experienced director of ASX listed companies. Previously CEO of Deloitte Touch Tohmatsu in Australia, he has significant experience in the development of "*micro-cap*" companies.

Mr Martino is a key player in the re-birth of a broad grouping of ASX companies including Cokal Limited, Pan Asia Corporation Limited, Clean Global Energy Limited (renamed Citation Resources Ltd) and NuEnergy Capital Limited. He has a strong reputation in China, with a lengthy track record of operating in Papua New Guinea (PNG) and Indonesia, where he has successfully closed key energy and resources deals with key local players. He has a proven track record in capital raisings across a range of markets.

Mr Martino was a recipient of the Centenary Medal 2003 for his service to Australian society through business and the arts.

During the past three years Mr Martino held the following directorships in other ASX listed companies: Cokal Ltd (24 December 2010-Current), South Pacific Resources Limited (3 August 2012-January 2020).

(2) Mr Jamie Detata - Executive Director

Mr Detata has had extensive senior management experience in the earthmoving and mining sector over the past 25 years and is employed as the General Manager of Group's operating subsidiaries ORH Trucks Solutions Pty Ltd and ORH Distribution Pty Ltd.

(3) Mr Jakob Tsaban - Executive Director

Mr Tsaban is a qualified chartered accountant. He moved from Israel to Australia in 2007 and was appointed as the Chief Financial Officer for the ORH Group on 18 November 2011.

During the past three years Mr Tsaban held the following directorships in other ASX listed companies:

- (a) Non-Executive Director of South East Asia Resources Limited (18 October 2013 – 28 December 2017).

(4) Mr Boelio Muliadi - Non-Executive Director

Mr Muliadi is a resident of Indonesia and has a degree in Business Administration and Finance from the University of Washington, Seattle USA. Mr Muliadi has had a diverse career, which has included businesses in the property development, retail chain, manufacturing, food and beverage, aircraft leasing, agricultural and healthcare industries.

Mr Muliadi is a Director of Indonesia Stock Exchange listed Company PT. Cakra Mineral Tbk. PT Cakra Mineral Tbk is a manufacturer and exporter of iron ore and metal zircon sand. The Company has integrated mining business segments ranging from exploration, mining and processing to marketing.

Mr Muliadi has extensive experience and business contacts in China and has engineered a number of commercial joint ventures with Chinese enterprises on behalf of PT. Cakra Mineral Tbk. He will bring the benefit of these relationships to ORH and assist with ORH's expansion of its product line and customer base.

(5) Louisa Youens - Company Secretary

Mrs Youens provides company secretarial and accounting services through Transaction Services Pty Ltd. Prior to this she was the Chief Financial Officer of a private company during its stage of seeking investor financing.

Mrs Youens previously worked for a corporate finance company, assisting with company compliance (ASIC and ASX) and capital raisings. She also has experience working for a government organisation in its Business Development division where she performed reviews of business opportunities and prepared business case documents seeking Government funding.

Mrs Youens previously worked for a major accounting firm in Perth, London and Sydney where she provided corporate advisory services, predominantly on IPOs and mergers and acquisitions and also performed due diligence reviews. She has a Bachelor of Commerce from the University of Western Australia, is a member of Chartered Accountants Australia and New Zealand and a member of the Financial Services Institute of Australasia (FINSIA).

8. Financial Information

8.1 Summary

To illustrate the effect of the Offer on the Company, the pro-forma consolidated balance sheet has been prepared based on the audited balance sheet as at 30 June 2021.

The pro-forma balance sheet shows the effect of the Offer. The pro-forma assumes that the Offer is fully subscribed.

The accounting policies adopted in preparation of the pro-forma consolidated balance sheet are consistent with the policies adopted and as described in the Company's financial statements for the year ended 30 June 2022.

The significant effects of the Offer (assuming the maximum number of shares are issued under the Offer) will be to:

- (1) increase cash reserves by approximately \$824,171 (after cash expenses of the Offer which are estimated to be \$106,000 and repayment of Related Party loans); and
- (2) increase the number of Shares to 6,594,673,500 on completion of the Offer.

The financial information has been prepared by management and adopted by the Board. The Board is responsible for the inclusion of all financial information in the Prospectus.

The historical and pro-forma financial information has been prepared in accordance with the measurement and recognition criteria of Australian Accounting Standards and the Company's significant accounting policies. The historical and pro-forma financial information is presented in an abbreviated form insofar as it does not include all the disclosures and notes required in an annual financial report prepared in accordance with Australian Accounting Standards and the Corporations Act.

8.2 Historical financial information

Set out below are the audited statements of financial position of the ORH Group as at 30 June 2018, 30 June 2019, 30 June 2020, and unaudited as at 30 June 2022 and 31 August 2022.

	Audited as at 30 June 2018 (\$)	Audited as at 30 June 2019 (\$)	Audited as at 30 June 2020 (\$)	Audited as at 30 June 2021 (\$)	Unaudited as at 30 June 2022 (\$)	Unaudited as at 31 August 2022 (\$)
Current Assets						
Cash and Cash equivalents	476,776	346,219	2,269,399	1,996,256	3,254,451	2,016,326
Trade and other receivables	1,203,496	914,018	831,451	1,106,794	1,528,746	1,650,382
Inventories	919,089	2,217,747	2,865,854	4,233,091	5,257,802	5,042,544
Other assets	138,064	122,045	177,644	383,961	590,127	546,855
Total current assets	2,773,425	3,600,029	6,144,438	7,720,102	10,631,126	9,256,107
Non-current assets						
Other assets	90,000	340,936	340,936	389,433	424,390	424,390
Plant and equipment	205,113	239,717	2,532,165	2,136,258	2,113,309	2,115,800
Total non- current assets	295,113	580,653	2,873,101	2,525,691	2,537,699	2,540,190
Current liabilities						
Trade and other payables	(4,011,325)	(4,178,147)	(5,353,338)	(6,396,908)	(8,056,964)	(6,928,055)
Lease liabilities	-	-	(390,302)	-	(1)	(1)
Related party payables	(1,539,234)	(1,465,739)	(1,816,130)	(2,186,703)	(1,991,211)	(1,990,997)
Related party loans	(1,387,755)	(923,293)	(898,154)	(818,154)	(716,836)	(716,836)
Employee entitlements	(141,546)	(175,317)	(167,222)	(186,542)	(175,033)	(191,927)
Borrowings	(1,652,063)	(1,881,058)	(1,639,874)	(1,024,920)	(1,655,501)	(1,564,364)

Total current liabilities	(8,731,923)	(8,623,554)	(10,265,020)	(10,613,227)	(12,595,546)	(11,392,180)
Non-current liabilities						
Employee entitlements	(116,258)	(116,258)	(116,258)	(116,258)	(116,258)	(105,073)
Lease liability	-	-	(1,870,399)	(1,870,399)	(1,870,400)	(1,870,400)
Total non-current liabilities	(116,258)	(116,258)	(1,986,657)	(1,986,657)	(1,986,658)	(1,975,473)
Net assets	(5,815,643)	(4,559,130)	(3,234,138)	(2,354,091)	(1,413,379)	1,571,356
Equity						
Issued capital	44,096,158	44,096,158	44,096,158	44,096,158	44,096,158	44,096,158
Reserves	104,314	104,314	104,314	104,314	104,314	104,314
Accumulated Losses	(50,016,115)	(48,759,602)	(47,434,610)	(46,554,563)	(45,613,848)	(45,771,828)
Total equity	(5,815,643)	(4,559,130)	(3,234,138)	(2,354,091)	(1,413,376)	(1,571,356)

8.3 Pro-forma financial information

The pro-forma financial information for the ORH Group set out below comprises the unaudited pro-forma statement of financial position as at the completion of the Offer.

The unaudited pro-forma statements of financial position has been derived from the audit reviewed statement of financial position as at 30 June 2021 adjusted for the following transactions as if they had occurred at completion of the Offer (pro-forma transactions):

- (1) Movement in loans from the Related Parties from July 2021 to August 2022;
- (2) Placement of 5,275,738,888 million shares to raise approximately \$4.5 million;
- (3) Conversion of the Loan Facilities provided by the Related Parties, to shares via the Underwriting Agreement;
- (4) Balance of funds received in cash by way of subscriptions to the Offer; and
- (5) Expenses of Offer \$120,000.00.

All New Shares issued pursuant to this Prospectus will be issued as fully paid.

8.4 Consolidated historical and pro-forma financial information

	Consolidated 31-Aug-22 Non-Audited AU\$	Rights Issue AU\$	Capital Raising Costs AU\$	Movement in Related Party Loans '21 to '22 AU\$	Repayment of Related Party debt AU\$	Total Consolidated Pro-forma AU\$
Assets						
Current Assets						
Cash at bank and on hand						
Cash and cash equivalents	\$2,016,326	\$4,748,165	-\$120,000	-\$202,583	-\$2,700,000	\$3,741,908
Trade and other receivables	\$1,650,382					\$1,650,382
Other assets	\$546,855					\$546,855
Inventory	\$5,042,544					\$5,042,544
Total Current Assets	\$9,256,107					\$10,981,689
Non-Current Assets						
Other assets	\$424,390					\$424,390
Plant and equipment	\$2,115,800					\$2,115,800
Total Non-Current Assets	\$2,540,190					\$2,540,190
Total Assets	\$11,796,297					\$13,521,879
Liabilities						
Current Liabilities						
Trade and other payables	-\$9,110,980			\$192,553	\$1,981,876	-\$6,936,551
Borrowings	-\$2,281,200			\$10,030	\$718,124	-\$1,553,046
Total Current Liabilities	-\$11,392,180					-\$8,489,597
Non-Current Liabilities						
Trade and other payables	-\$105,073					-\$105,073
Lease liability	-\$1,870,400					-\$1,870,400
	-\$1,975,473					-\$1,975,473
Total Liabilities	-\$13,367,653					-\$10,465,070
Net Assets	-\$1,571,356					\$3,056,809
Equity						
Issued capital	-\$44,096,158	-\$4,748,165				-\$48,844,323
Reserves	-\$104,314					-\$104,314
Accumulated Earnings	\$45,771,828		\$120,000			\$45,891,828
Total Equity	\$1,571,356					-\$3,056,809
		0	0	0	0	
Check	\$0					\$0

Assumptions:

- Full take up of Rights Issue by the shareholders for \$4.5m (5,275,738,888 Shares @ \$0.0009)

Number of Shares	5,275,738,888
	\$
Price per share	0.0009
	\$
Total amount raised	4,748,165

- Payment of related parties loans from the rights issue proceeds (or conversion of RP loan facilities to shares from underwriting) up to \$2.7m.

- Expense of offer 120,000

- Balance of funds received in cash by way of subscription to offer will remain as working capital.

9. Risk Factors

9.1 Introduction

There are risks which may impact on the operating and financial performance of the ORH Group and, therefore, on the value of the New Shares offered under this Offer. Some of these risks can be mitigated by the Company's systems and internal controls, but many are outside of the control of the Company and the Board. There can be no guarantee that the Company will achieve its stated objectives or that any forward-looking statements will eventuate. An investment in a business with the historic operating history, such as the ORH Group, is considered highly speculative and an investor could lose most or all of any investment. There are also general risks associated with any investment in shares.

More specifically, the risks are that:

- (1) the price at which the applicant is able to sell the New Shares is less than the price paid due to changes in market circumstances;
- (2) the applicant is unable to sell the New Shares;
- (3) the Company is placed in receivership or liquidation making it reasonably foreseeable that Shareholders could receive none, or only some of their initial investment; and
- (4) the Company falls to generate sufficient profit in order to pay dividends.

In the event of insolvency, the holders of fully paid ordinary Shares would not normally be liable to pay money to any person. An exception could occur where a distribution, such as a dividend, has been made to Shareholders in circumstances where the Company was unable at that time to meet the solvency test set out in the Corporations Act. In that case, a liquidator may call for a return of such distributions.

Potential investors should therefore carefully consider all associated risks before applying for New Shares under this Prospectus and should consider their personal circumstances (including financial and taxation issues) and seek advice from their stockbroker, accountant, solicitor or other professional advisers before deciding whether to invest.

A number of material risk factors which may adversely affect the Company and the value of the New Shares offered under this Prospectus are set out in this Paragraph. This is not an exhaustive list and there may be other factors which have an adverse effect on the Company and the value of the Shares offered under this Prospectus.

9.2 Key risks specific to an investment in the Company

The risks outlined below are specific to the Company's operations and to the industry in which the Company operates.

- (1) Fluctuating revenue and future profitability

The Company's financial performance and profitability is primarily dependent upon generating revenue from the manufacture, sale and service of specialist service, water carting and other trucks. There is a variety of factors which influence sales, including the level of activity in the mining and construction

sectors (which is both cyclical and very volatile) and competition from other manufacturers and sellers of specialist trucks (including foreign manufactured trucks). Both of these factors are outside the Company's control.

There is a risk that the Company may not achieve its budgeted revenue with adverse impacts on the Company's profitability.

(2) Warranty risk

The Company's products are sold with a one year warranty. Most of the parts included in the products are covered by a third party warranty. The potential for failure of components is always present and there is a risk that the Company may be subject to warranty claims which may expose it to additional costs, although this exposure is limited due to the third party warranties. The Company manages this risk through appropriate quality controls during the manufacturing process.

(3) Working capital requirements

Manufacturing involves uneven revenue streams and a long lead time during which time trade liabilities and costs are incurred in designing and manufacturing products. As a result, the Company often has limited or no working capital surplus.

Following the close of the Offer, the Directors believe that the Company will have a small net surplus of current assets over current liabilities, and that this is sufficient for the Company to meet its objectives. However, there is a risk that, either following the Offer or at some future point, the Company may have a net deficit working capital. This may limit the Company's activities or potentially require the Company to raise additional capital on unfavourable and dilutive terms.

(4) Acquiring new product lines

The Company may consider acquisitions and transactions, including distributions agreements, which may complement its existing business. There is a risk that, if any transactions are entered into, the objectives of the transaction may not be met, and in doing so causing the Company loss.

(5) Managing growth

The Company has over the last 18 months produced between 12 and 25 trucks per month, with an average of 15 trucks per month. The Company seeks to increase the average number of trucks manufactured each month. There is a risk that any growth may not be managed successfully, with an adverse impact on costs and profitability.

(6) Reliance on the mining industry

The amount of capital expenditure allocated to machinery and equipment by companies in the mining industry is a major determinant of the Company's success. A company's decision to invest in new machinery is contingent on a variety of factors, including demand conditions in downstream markets, the age of existing equipment, the cost of new equipment, taxation rates and allowances, and technological advancements in new equipment. There is a risk that if the growth of the mining industry slows down this will adversely affect the number of trucks sold by the Company.

(7) Reliance on key personnel

The Company is managed by a small executive team headed by Mr Detata. To successfully operate and grow, the Company will need to retain its existing management team and attract new personnel consistent with its growth needs. There is a risk that this may not occur. The Company intends to mitigate this risk by offering employees quoted securities under its employee share purchase plan.

(8) Share price and liquidity

As per the valuation by Pitcher Partners dated 1 July 2021, the price per Share is the estimate market value post completion of the Entitlement Offer.

(9) Exchange rate

Exchange rates affect the price of competing imports and the price of imported components. There is a risk that changes in the exchange rate of the Australia dollar will effect the price of manufacturing water carting and other trucks and the competition from other suppliers.

(10) Unforeseen expenses

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

(11) Contractors

The Company is dependent on contractors and suppliers to supply vital services to its operations. The Company is therefore exposed to the possibility of adverse developments in the business environments of its contractors and suppliers. Any disruption to services or supply may have an adverse effect on the financial performance of the Company.

9.3 Speculative nature of investment

The above list of risk factors is not to be taken as exhaustive of the risks faced by the Company or by Shareholders. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares offered under this Prospectus.

Accordingly, the New Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns, returns of capital or market value at any time. Shareholders should consider that an investment in the Company is highly speculative and should consult their professional advisers before deciding whether to take up their Entitlement.

10. Additional Information

10.1 Transaction Specific Prospectus

The Company is not a disclosing entity and therefore this Prospectus is issued to retail investors in accordance with section 710 of the Corporations Act.

Apart from formal matters, this Prospectus need only contain information relating to the terms and conditions of the Offer, the effect of the Offer on the Company and the

rights and liabilities attaching to the New Shares.

Copies of the documents lodged by the Company with ASIC may be obtained from or inspected at an office of ASIC.

The Company will provide a copy of the any of the following documents, free of charge, to any person who asks for a copy of the document before the closing date in relation to this Prospectus:

- (1) audited financial statements for the Company for the year ended 30 June 2021; and
- (2) any other financial statements lodged in relation to the Company with ASIC in the period starting immediately after the lodgement of the audited financial statements for the Company for the year ended 30 June 2021 and ending on the date of lodgement of this Prospectus with ASIC.

10.2 Rights and liabilities attaching to New Shares

Full details of the rights attaching to Shares are set out in the Company's Constitution, a copy of which can be inspected, free of charge, at the Company's registered office during normal business hours.

There is only one class of share on issue in the Company, being fully paid ordinary Shares. The rights attaching to Shares are:

- (1) set out in the Constitution of the Company; and
- (2) in certain circumstances, regulated by the Corporations Act and the general law.

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders.

(3) Share Capital

All issued Shares rank equally in all respects.

(4) Voting Rights

At a general meeting of the Company, every shareholder present in person, by an attorney, representative or proxy, has one vote on a show of hands and on a poll, one vote for every Share held, and for every partly paid Share held, a fraction of a vote equal to the proportion which the amount paid up bears to the total issue price of the contributing Share. Where there is an equality of votes, the chairperson does not have a casting vote.

(5) Dividend Rights

Subject to the rights of holders of shares issued with any special or preferential rights (at present there are none), the profits of the Company which the directors of the Company may from time to time determine to distribute by way of dividend, are divisible among the Company's shareholders in proportion to the Shares held by them respectively, according to the amount paid up (not credited) as paid up on them.

(6) Rights on Winding Up

Subject to the rights of holders of shares in the Company with special rights in a winding-up (at present there are none), on a winding-up of the Company, all assets which may be legally distributed amongst the members of the Company will be distributed in proportion to the Shares held by them respectively, according to the amount paid up or credited as paid up on the Shares.

(7) Transfer of Shares

Generally, Shares may be transferred in accordance with the Constitution of the Company and the Corporations Act.

(8) Calls on Shares

Where shares are issued as partly paid, the directors of the Company may make calls upon the holders of those shares to pay the whole of or a portion of the balance of the issue price. If a shareholder fails to pay a call or instalment of a call, then subject to the Corporations Act, the shares the subject of the call may be forfeited and interest and expenses may be payable in accordance with the Company's Constitution and the Corporations Act or proceedings taken to recover the amount unpaid.

(9) No Calls on Shares

As all Shares are fully paid, they are not subject to any calls for money by directors of the Company and will therefore not become liable to forfeiture.

(10) Further Increases in Capital

The allotment and issue of any new shares is under the control of the Directors and, subject to any restrictions on the allotment of shares imposed by the Company's Constitution or the Corporations Act, the directors of the Company may allot, issue or grant options over or otherwise dispose of those shares to such persons, with such rights or restrictions as they may from time to time determine.

(11) Variation of Rights Attaching to Shares

Where shares of different classes are issued, the rights attaching to the Shares of a class (unless otherwise provided by their terms of issue) may only be varied by a special resolution passed at a separate general meeting of the holders of those shares of that class, or with the written consent of the holders of at least three quarters of the issued shares of that class.

(12) General Meeting

Each Shareholder will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution and the Corporations Act.

(13) Alteration of Constitution

The Constitution of the Company can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at a general meeting. At least 28 days' written notice specifying the intention to propose the

resolution as a special resolution, must first be given to Shareholders.

10.3 Expenses of the Offer

The expenses of the Offer are estimated to be approximately \$120,000.

10.4 Legal Proceedings

There is no litigation, arbitration or proceedings pending against or involving the Company as at the date of this Prospectus.

10.5 Subsequent Events

There has not arisen, at the date of this Prospectus any item, transaction or event of a material or unusual nature not already disclosed in this Prospectus which is likely, in the opinion of the Directors of the Company to affect substantially:

- (1) the operations of the Company;
- (2) the results of those operations; or
- (3) the state of affairs of the Company.

10.6 Interests of Experts and Advisers

This Paragraph applies to persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, promoters of the Company and stockbrokers or arrangers to the Offer (collectively "**Prescribed Persons**"). Other than as set out in this Prospectus no Prescribed Person has, or has had in the last two years, any interest in:

- (1) any property acquired or proposed to be acquired in connection with the promotion of the Company; or
- (2) the Offer of New Shares under this Prospectus.

Other than as set out below or elsewhere in this Prospectus, no benefit has been given or agreed to be given to any Prescribed Person for services provided by a Prescribed Person in connection with the:

- (3) promotion of the Company; or
- (4) the Offer of New Shares under this Prospectus.

Indian Ocean Corporate Pty Ltd is the Underwriter of the Offer and will receive fees pursuant to the Underwriting Agreements set out in Paragraph 6 above.

Cooper Webb Lawyers are acting as solicitors to the Offer and have performed work in relation to the Prospectus. In doing so, it has placed reasonable reliance upon the information provided to them by the Company. Cooper Webb Lawyers do not make any statement in this Prospectus. In respect of this work the Company estimates that it will pay approximately \$40,000 (excluding GST and disbursements) to Cooper Webb Lawyers and further amounts may be payable to Cooper Webb Lawyers in accordance with its normal time-based charges.

10.7 Consents and Disclaimers

Written consents to the issue of this Prospectus have been given and up to the lodgement of this Prospectus, have been not withdrawn by the following parties and each of the named parties consents to being named in this Prospectus in the form and context in which their name appears:

- (1) Cooper Webb Lawyers;
- (2) Indian Ocean Corporate Pty Ltd (ACN 142 266 279);
- (3) JLD Rentals Pty Ltd (ACN 158 555 698) as trustee for the Blazeway Discretionary Trust;
- (4) The Trustee for the Tsaban Trust trading as Jackori Consulting (ABN 59 951 918 662);
- (5) JLD Body Building Pty Ltd (ACN 641 677 401) as trustee for the JKC Discretionary Trust;
- (6) Cooper Cove Pty Ltd (ACN 600 782 741) as trustee for the SW Trust;
- (7) Domenal Enterprises Pty Ltd (ACN 008 980 952) as trustee for the DVM Superannuation Fund
- (9) Mr Domenic Martino;
- (10) Mr Boelio Muliadi;
- (11) Mr Jamie Detata; and
- (12) Mr Jakob Tsaban.

10.8 Privacy

In completing an Acceptance, each Shareholder will be providing personal information to the Company which the Company will collect, hold and use to process the Acceptance. The information may also be used and disclosed to the Company Share Registry which keeps statutory records on behalf of the Company, persons inspecting the Company Share register, including potential takeover bidders, authorised security brokers, printers, mail houses acting on behalf of the Company, the Australian Taxation Office and other regulatory authorities.

Each Shareholder is entitled to correct and update personal information relating to it by contacting the Company or its Share Registry.

Collection, maintenance, use and disclosure of certain personal information is governed by legislation, including the *Privacy Act 1988* (Cth) and the Corporations Act. If an applicant does not provide the personal information required to complete an Acceptance as set out in the Entitlement and Acceptance Form, the Company may be unable to process the application.

10.9 Directors' Statement

Each of the Directors of ORH Limited has consented to the lodgement of this Prospectus with ASIC.

Dated:
By order of the Board

Domenic Martino
Chairman

11. Glossary

In this Prospectus, unless the contrary intention appears:

- 11.1 **AUD** or **\$** means Australian dollars. All amounts in this Prospectus are in Australian dollars unless otherwise stated.
- 11.2 **Acceptance** or **Accept** means the completion and return by Eligible Shareholders, as directed in the Entitlement and Acceptance Form, of the Entitlement and Acceptance form, together with Acceptance Monies for that a portion or all of the Eligible Shareholder's Entitlement and any Additional New Shares applied for (as the case may be), by the Closing Date.
- 11.3 **Acceptance Monies** means the amount of money required in accordance with this Prospectus to subscribe for New Shares in accordance with an Entitlement.
- 11.4 **Additional New Shares** means New Shares applied for by an Eligible Shareholder in excess of its Entitlement.
- 11.5 **Additional Share Facility** means a facility to Eligible Shareholders to apply for additional New Shares.
- 11.6 **AEST** means Australian Eastern Standard Time.
- 11.7 **Applicant** means a person who submits an Entitlement and Acceptance Form under this Prospectus.
- 11.8 **ASIC** means the Australian Securities and Investments Commission.
- 11.9 **Board** means the Board of Directors of the Company.
- 11.10 **Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASIC declares is not a business day.
- 11.11 **Capital Raising** means the capital raising of funds taking place under this Offer.
- 11.12 **Corporation Act** means the *Corporations Act 2001* (Cth).
- 11.13 **Closing Date** means 5:00pm (AEST) 5 June 2023.
- 11.14 **Constitution** means the Constitution of the Company.
- 11.15 **Directors** means the directors of the Company.
- 11.16 **Eligible Shareholder** means a Shareholder who is entitled to subscribe for New Shares pursuant to the Offer by being registered as the holder of Shares at 5pm (AEST) on the Record Date.
- 11.17 **Entitlement & Acceptance Form** means the personalised entitlement and acceptance form which accompanies the Prospectus.
- 11.18 **Entitlement** or **Offer** means the right of a Shareholder to subscribe for New Shares under the Offer equal to four (4) New Shares for every one (1) Share held at the Record Date.
- 11.19 **Group** or **ORH Group** means the Company and the subsidiaries of the Company.

- 11.20 **Ineligible Shareholders** means those Shareholders in jurisdictions where it is not practical for the Company to comply with Securities Law.
- 11.21 **Issue Date** means 12 June 2023.
- 11.22 **Loan Facilities** means the following amounts advanced by way of a loan or working capital by the Related Parties to the Company, repayable on demand:
- (1) Domenic Martino - \$847,000;
 - (2) Jamie Detata - \$383,736;
 - (3) Jakob Tsaban - \$333,100;
 - (4) JLD Rentals Pty Ltd (ACN 641 677 401) as trustee for the Blazeway Discretionary Trust - \$95,000;
 - (5) Trustee for the Tsaban Trust trading as Jackori Consulting - \$38,267;
 - (6) JLD Body Building Pty Ltd (ACN 641 677 401) as trustee for the JKC Discretionary Trust - \$281,907;
 - (7) Indian Ocean Advisory Group Pty Ltd (ACN 124 095 834) - \$251,000;
 - (8) Cooper Cove Pty Ltd (ACN 600 782 741) as trustee for the SW Trust - \$386,888; and
 - (9) Domenal Enterprises Pty Ltd (ACN 008 980 952) as trustee for the DVM Superannuation Fund - \$91,150.
- 11.23 **New Share** means the Shares offered under this Prospectus and issued by reason of Acceptance of the Offer.
- 11.24 **Non-Resident** means a person domiciled outside Australia or New Zealand.
- 11.25 **ORH Limited** or **Company** means ORH Limited with ACN 077 398 826.
- 11.26 **Offer** or **Entitlement Offer** means the offer to Eligible Shareholders of the Rights made in this Prospectus.
- 11.27 **Offer Period** means the period commencing from the dispatch on the Prospectus and ending on the Closing Date.
- 11.28 **Offer Price** means \$0.0009 for each New Share applied for.
- 11.29 **Open Date** means 8 May 2023.
- 11.30 **Prospectus** means this Prospectus dated the ____ day of _____ 2023.
- 11.31 **Paragraph** means a numbered paragraphs of this Prospectus.
- 11.32 **Related Parties** means Domenic Martino, Jamie Detata and Jakob Tsaban, including the following entities controlled by Domenic Martino, Jamie Detata and Jakob Tsaban and holding Shares on the Record Date:
- (1) JLD Rentals Pty Ltd (ACN 158 555 698) as trustee for the Blazeway Discretionary Trust;

- (2) Trustee for the Tsaban Trust trading as Jackori Consulting;
- (3) Indian Ocean Advisory Group Pty Ltd (ACN 124 095 834);
- (4) Cooper Cove Pty Ltd (ACN 600 782 741) as trustee for the SW Trust;
- (5) JLD Body Building Pty Ltd (ACN 641 677 401) as trustee for the JKC Discretionary Trust; and
- (7) Domenal Enterprises Pty Ltd (ACN 008 980 952) as trustee for the DVM Superannuation Fund.

11.33 **Record Date** means 5:00pm (AEST) 10 March 2023.

11.34 **Register** means the Company Register of ORH Limited.

11.35 **Rights** means the right to subscribe for New Shares pursuant to this Prospectus.

11.36 **Share** means a fully paid ordinary share in the capital of the Company.

11.37 **Shareholder** means the registered holder of Shares.

11.38 **Shortfall** means the New Shares forming Entitlements, or parts of Entitlements, not Accepted by Shareholders under the Offer or successfully traded as Rights.

11.39 **Underwriter** or **Lead Manager** means Indian Ocean Corporate Pty Ltd (ACN 142 266 279).

11.40 **Underwriting Agreement** means the agreement between the Company and the Underwriter, particulars of which are set out in Paragraph 7.

11.41 **Underwritten Amount** means the amount of \$2.7 million.

11.42 **Underwriting Fee** means the fee payable to the Underwriter as set out in Paragraph 6.13.

UNDERWRITING AGREEMENT – RIGHTS ISSUE

Parties

ORH Limited

("Company")

and

INDIAN OCEAN CORPORATE PTY LTD

("Underwriter")

COOPER | WEBB
lawyers

Cooper Webb Pty Ltd
Level 5, The Grosvenor
12 St Georges Terrace, Perth WA 6000
PO Box 5674, Perth WA 6831
Tel: (08) 6244 3237
Ref: 200618
Email: fwalt@cooperwebb.com.au

THIS AGREEMENT is made on the ___ day of _____ 20__.

BETWEEN: **ORH Limited** (ACN 077 398 826) care of 1 Central Avenue, Hazelmere in the State of Western Australia ("**Company**")

AND **Indian Ocean Corporate Pty Ltd** (ACN 142 266 279) of 311-313 Hay Street, Subiaco in the State of Western Australia ("**Underwriter**")

RECITALS:

- A.** The Company proposes to offer to its Shareholders the Rights Issue Shares for subscription at the Price.
- B.** The Company has requested the Underwriter to underwrite the subscription of all the Underwritten Shares, which the Underwriter has agreed to do so on the following terms and conditions.

THE PARTIES COVENANT AND DECLARE AS FOLLOWS:

1. Definitions and Interpretation

1.1 Definitions

In this Agreement, unless the contrary intention appears:

- (1) **Accountants Certificate** means a letter to the Underwriter from the auditing accountants for the Company as set out in the Annexure.
- (2) **Accounts** means the financial statements of the Relevant Companies as at and for the period ending 30 June 2022.
- (3) **ASIC** means the Australian Securities and Investments Commission.
- (4) **Authorisation** includes any consent, authorisation, registration, filing, agreement, notarisation, certificate, permission, licence, approval, authority or exemption from, by or with any governmental agency.
- (5) **Board** or **Directors** means the board of directors of the Company from time to time.
- (6) **Business Day** means any day which is not a Saturday, Sunday or public holiday in Western Australia.
- (7) **Certificate** means a letter to the Underwriter signed by one director and the secretary or by two directors of the Company as set out in the Annexure.

- (8) **Closing Date** means the closing date specified in the Timetable, or such other date as the Company and the Underwriter agree in writing (such agreement on the part of both parties not to be unreasonably withheld).
- (9) **Contracts** means all material agreements of the Company.
- (10) **Controller** means in respect of a Relevant Company, any person described in Section 419(1) of the Corporations Act.
- (11) **Corporations Act** means the *Corporations Act 2001* (Cth) as amended.
- (12) **Corporations Regulations** means the Corporations Regulations 2001 as amended.
- (13) **Dispatch Date** means the despatch date as set out in the Timetable or such other date as agreed between the parties.
- (14) **Event of Insolvency** means:
- (a) a receiver, manager, receiver and manager, trustee, administrator, Controller or similar officer is appointed in respect of a person or any asset of a person;
 - (b) a liquidator or provisional liquidator is appointed in respect of a corporation;
 - (c) any application (not being an application withdrawn or dismissed within 21 days) is made to a court for an order, or an order is made, or a meeting is convened, or a resolution is passed, for the purpose of:
 - (i) appointing a person referred to in paragraphs (a) or (b);
 - (ii) winding up a corporation; or
 - (iii) proposing or implementing a scheme of arrangement;
 - (d) any event or conduct occurs which would enable a court to grant a petition, or an order is made, for the bankruptcy of an individual or his estate under any Insolvency Provision;
 - (e) a moratorium of any debts of a person, or an official assignment, or a composition, or an arrangement (formal or informal) with a person's creditors, or any similar proceeding or arrangement by which the assets of a person are subjected conditionally or unconditionally to the control of that person's creditors or a trustee, is ordered, declared, or agreed to, or is applied for and the application is not withdrawn or dismissed within 7 days;

- (f) a person becomes, or admits in writing that it is, is declared to be, or is deemed under any applicable law to be, insolvent or unable to pay its debts; or
 - (g) any writ of execution, garnishee order, mareva injunction or similar order, attachment, distress or other process is made, levied or issued against or in relation to any asset of a person.
- (15) **Force Majeure** means any act of God, war, revolution, or any other unlawful act against public order or authority, an industrial dispute, a governmental restraint, or any other event which is not within the control of the parties.
- (16) **Insolvency Provision** means any law relating to insolvency, sequestration, liquidation or bankruptcy (including any law relating to the avoidance of conveyances in fraud of creditors or of preferences, and any law under which a liquidator or trustee in bankruptcy may set aside or avoid transactions), and any provision of any agreement, arrangement or scheme, formal or informal, relating to the administration of any of the assets of any person.
- (17) **Intellectual Property** means the business names, present and future copyright, circuit layout rights, moral rights, trade marks, designs and similar industrial and commercial and intellectual property (whether registered or not and whether protected by statute or not and including know how) of a Relevant Company throughout the world.
- (18) **Issue** means a renounceable rights issue of the Rights Issue Shares on the basis of four (4) new Shares for every one (1) Share held on the Record Date, as offered pursuant to the Offer Document.
- (19) **Loan Facility** means the following amounts advanced by way of a loan or working capital by the Related Parties to the Company (as at 31 August 2022), repayable on demand:
- (a) Domenic Martino - \$847,000;
 - (b) Jamie Detata - \$383,736;
 - (c) Jakob Tsaban - \$333,100;
 - (d) JLD Rentals Pty Ltd (ACN 641 677 401) as trustee for the Blazeway Discretionary Trust - \$95,000;
 - (e) Trustee for the Tsaban Trust trading as Jackori Consulting - \$38,267;
 - (f) JLD Body Building Pty Ltd (ACN 641 677 401) as trustee for the JKC Discretionary Trust - \$281,907;

- (g) Indian Ocean Advisory Group Pty Ltd (ACN 124 095 834) - \$251,000;
 - (h) Cooper Cove Pty Ltd (ACN 600 782 741) as trustee for the SW Trust - \$386,888; and
 - (i) Domenal Enterprises Pty Ltd (ACN 008 980 952) as trustee for the DVM Superannuation Fund - \$91,150.
- (20) **Material Adverse Effect** means:
- (a) a material adverse effect on the outcome of the Offer or on the subsequent market for the Rights Issue Shares (including, without limitation, a material adverse effect on a decision of an investor to invest in Rights Issue Shares); or
 - (b) a material adverse effect on the condition, trading or financial position and performance, profits and losses, results, prospects, business or operations of the Company and its Subsidiaries taken as a whole;
- (21) **Offer** means the offer for subscription of the Rights Issue Shares pursuant to the Offer Document.
- (22) **Offer Document** means the Prospectus, including the Entitlement & Acceptance Form, dispatched to Shareholders on the Dispatch Date.
- (23) **Opening Date** means the opening date specified in the Timetable or such other date agreed in writing by the Underwriter.
- (24) **Option** means an option to acquire a Share which is on issue at the date of this Agreement.
- (25) **Prescribed Occurrence** means:
- (a) a Relevant Company converting all or any of its shares into a larger or smaller number of shares;
 - (b) a Relevant Company resolving to reduce its share capital in any way; or
 - (c) a Relevant Company:
 - (i) entering into a buy back agreement; or
 - (ii) resolving to approve the terms of a buy back agreement under Section 257D or 257E of the Corporations Act;
 - (d) a Relevant Company making an issue of, or granting an option to subscribe for, any of its shares or any other securities, or agreeing to make such an issue or grant such an option (other than pursuant to the Offer);

- (e) a Relevant Company issuing, or agreeing to issue, convertible notes;
 - (f) a Relevant Company disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;
 - (g) a Relevant Company resolving that it be wound up;
 - (h) the appointment of a liquidator or provisional liquidator of a Relevant Company;
 - (i) the making of an order by a court for the winding up of a Relevant Company;
 - (j) an administrator of a Relevant Company, being appointed under Section 436A, 436B or 436C of the Corporations Act;
 - (k) a Relevant Company executing a deed of company arrangement; or
 - (l) the appointment of a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of a Relevant Company.
- (26) **Price** means \$0.0009 per Share.
- (27) **Prospectus** means the Prospectus dated _____.
- (28) **Record Date** means the record date as set out in the Timetable.
- (29) **Relevant Company** means the Company and each Subsidiary.
- (30) **Rights Issue Shares** means the 5,275,738,888 Shares offered pursuant to the Offer (and which includes the Underwritten Shares).
- (31) **Shortfall Application** has the meaning given by clause 6.1.
- (32) **Shortfall Notice Deadline Date** means the day that is 2 Business Days after the Closing Date or any other date agreed in writing between the parties as the date by which the Company must give the Underwriter written notice of the Shortfall Shares, the Accountants Certificate and the Certificate.
- (33) **Shortfall Shares** means Rights Issue Shares for which Valid Applications have not been received by 5:00 pm (AEST) on the Closing Date.
- (34) **Share** means one fully paid ordinary share in the Company.
- (35) **Subsidiary** means each company which is now, or before the issue of all the Rights Issue Shares becomes, a subsidiary of the Company as that term is defined in the Corporations Act.
- (36) **Sub-Underwriters** means the Related Parties.
- (37) **Timetable** means the timetable set out in the Offer Document.

- (38) **Total Underwritten Shares** means the number of Rights Issue Shares which have been underwritten pursuant to this Agreement and any other underwriting agreement entered into by the Company in respect of the Issue.
- (39) **Underwritten Amount** means the number of Underwritten Shares multiplied by the Price.
- (40) **Underwritten Shares** means 3,000,000,000 Shares.
- (41) **Underwriter's Proportion** means the proportion which the Underwritten Shares bears to the number of Total Underwritten Shares.
- (42) **Valid Application** means an application:
- (a) that is made on an entitlement and acceptance form which was attached to or accompanied the Offer Document that is properly completed in accordance with the instructions in that form and in the Offer Document;
 - (b) that is accompanied by any supporting documents required by the Offer Document to accompany that form;
 - (c) that is received by the Company on or before 5.00pm (AEST) on the Closing Date at a place specified in the Offer Document for lodgement of application forms;
 - (d) that is not withdrawn before it ceases to be capable of being withdrawn; and
 - (e) in respect of which payment of the Price for the relevant number of Rights Issue Shares is received and is cleared when presented for payment by the relevant financial institution on which the payment is drawn.
- (43) **Verification Material** means the material maintained by the Company being the documents and information provided by the Company in verification of statements made in the Offer Document, as inspected and approved by the Underwriter immediately before the Dispatch Date

1.2 Interpretation

In this Agreement unless the context otherwise requires:

- (1) headings are for convenience only and do not affect its interpretation;
- (2) an obligation or liability assumed by, or a right conferred on, 2 or more parties binds or benefits all of them jointly and each of them severally;
- (3) the expression person includes an individual, the estate of an individual, a corporation, an authority, an association or joint venture (whether incorporated or

unincorporated), a partnership and a trust;

- (4) a reference to any party includes that party's executors, administrators, successors and permitted assigns, including any person taking by way of novation;
- (5) a reference to any document (including this Agreement) is to that document as varied, novated, ratified or replaced from time to time;
- (6) a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;
- (7) words importing the singular include the plural (and vice versa) and words indicating a gender include every other gender;
- (8) reference to parties, clauses, schedules, exhibits or annexures are references to parties, clauses, schedules, exhibits and annexures to or of this Agreement and a reference to this Agreement includes any schedule, exhibit or annexure to this Agreement;
- (9) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (10) a reference to \$ or dollar is to Australian currency; and
- (11) a reference to time is to the time in Perth, Western Australia.

2. Underwriter's Rights and Obligations

2.1 To Underwrite the Offer

On the conditions and for the consideration appearing in this Agreement, the Underwriter agrees to underwrite the subscription of the Underwritten Shares.

2.2 Sub-Underwriters

- (1) The Underwriter may at any time in its absolute discretion appoint the Sub-Underwriters to sub-underwrite the Issue.
- (2) The appointment of the Sub-Underwriters will not limit the Underwriter's obligations under clause 2.1.

2.3 Not acting as adviser

The Company acknowledges that the Underwriter is only acting in its capacity as underwriter in relation to the Offer and that the Underwriter is not acting as adviser to the Company in respect of the Offer.

3. Company's Obligations

3.1 Offer Document

The Company must:

- (1) **(Statutory compliance)**: ensure the Offer complies with the requirements of offering securities under a rights issue without a disclosure document as contained in the Corporations Act and the Corporations Regulations;
- (2) **(Dispatch Offer Document)**: dispatch the Offer Document to Shareholders by the Dispatch Date and to otherwise comply with the Timetable;
- (3) **(Complying Offer)**: ensure that the Offer and the Issue take place in accordance with the requirements of Item 10 of Section 611 of the Corporations Act and otherwise in compliance with the terms of the Offer Document, any applicable law or regulation and any modification, exemption, declaration, waiver, direction or ruling by ASIC and complies with the regulatory requirements of all States and Territories of Australia where the Offer will be made.

3.2 Conduct of the Issue

The Company must:

- (1) **(Open the Offer)**: open the Offer on the Opening Date; and
- (2) **(Close the Offer)**: not, except with the prior written consent of the Underwriter, close the Offer before the Closing Date.

3.3 Obligation to Underwriter

The Company must:

- (1) **(Copies of the Offer Document)**: not later than 2 days after the Dispatch Date, make available to the Underwriter such number of copies of the Offer Document as the Underwriter reasonably requires;
- (2) **(Obtain Underwriter's approval)**: not make any announcement as to the success or otherwise of the Offer nor otherwise advertise or publicise the Offer before the Closing Date except with the prior written consent of the Underwriter (which will not be unreasonably withheld) except to the extent required by statute or by regulatory authorities in any relevant governing jurisdiction; and
- (3) **(Inform Underwriter of Breach)**: inform the Underwriter of the occurrence of any termination event specified in clause 10.2, material breach of, or material default under, this Agreement immediately in writing.

3.4 Six Month Moratorium

The Company must ensure that until the date being six months after the Closing Date:

- (1) no Relevant Company except with the prior written consent of the Underwriter (such consent not to be unreasonably withheld) alters its capital structure other than as disclosed in the Offer Document; and
- (2) no Relevant Company proposes or activates any share buy back scheme or arrangement or issues or agrees to issue, or indicates in any way that it will or might issue, or grants an option to subscribe for any shares or other securities or securities convertible into shares or other securities except:
 - (a) on conversion of any Options;
 - (b) as referred to in this Agreement or the Offer Document; or
 - (c) with the prior written consent of the Underwriter, such consent not to be unreasonably withheld.

4. Representations and Warranties

4.1 Company's representations and warranties

As an inducement for the Underwriter to enter this Agreement, the Company represents, warrants and undertakes to the Underwriter that as at the date of this Agreement and at all times up until and as at the close of business on the day of issue of the Underwritten Shares:

- (1) **(Offer Document)**: the Company is legally able to issue the Offer Document in accordance with;
 - (a) Item 7 of Section 611; and
 - (b) Division 2, Part 6D.2 of Chapter 6D, of the Corporations Act;
- (2) **(Compliance)**: the Offer Document complies with relevant provisions of the Corporations Act;
- (3) **(Section 708AA(3))**: no determination pursuant to section 708AA(3) of the Corporations Act has been made by ASIC in relation to the Company;
- (4) **(Recitals correct)**: the Recitals to this Agreement are true and correct;
- (5) **(No rights to securities)**: no Relevant Company will issue or agree to issue any shares, options, securities or interests other than the Rights Issue Shares in accordance with the Offer Document or under this Agreement and no person has or will have any right to subscribe for or to receive or be issued any shares,

securities or interests of any Relevant Company other than the Rights Issue Shares in accordance with the Offer Document and this Agreement;

- (6) **(Permits)**: each Relevant Company holds all licences and approvals necessary to enable it to carry on each of its businesses;
- (7) **(Intellectual Property)**: except as disclosed in the Offer Document, each Relevant Company owns or possesses all Intellectual Property necessary to carry on the business now operated by them in the manner described in the Offer Document and no Relevant Company is aware of any material infringement of or conflict with asserted rights of others with respect to any Intellectual Property or of any facts or circumstances which could reasonably be expected to have a Material Adverse Effect;
- (8) **(No litigation)**: there are and will be no litigation, arbitration, industrial or administrative proceedings on foot or to the best of the Company's knowledge, threatened, or pending against a Relevant Company which could reasonably be expected to have a Material Adverse Effect;
- (9) **(No Prescribed Occurrence)**: no Prescribed Occurrence exists or will occur in respect of any Relevant Company after the execution of this Agreement other than the issue of securities in accordance with the Offer Document or this Agreement;
- (10) **(Corporate authority)**: all necessary corporate action and authorisations to permit the Company to enter into this Agreement and the Contracts, for the Company to dispatch the Offer Document to Shareholders and for the Company to make the Offer have been obtained and are and will be in full force and effect;
- (11) **(Binding obligations)**: this Agreement constitutes a legal, valid and binding obligation on the Company and subject to any necessary stamping is enforceable in accordance with its terms;
- (12) **(No Event of Insolvency)**: no Event of Insolvency has occurred in relation to any Relevant Company nor is there any act which has occurred or any omission made which may reasonably be expected to result in an Event of Insolvency occurring in respect of a Relevant Company;
- (13) **(Certificate correct)**: the Certificate will be true and correct;
- (14) **(Agreement does not result in breach)**: the execution and carrying out of this Agreement will not conflict with or result in a breach of or a default under any of the terms or provisions of any mortgage, deed or trust or other instrument binding on any Relevant Company;

- (15) **(No Default or Breach)**: the Contracts are all the material agreements to which a Relevant Company is a party and no Relevant Company is in breach in any material respect under any of the Contracts and nothing has occurred which is, or with giving of notice, lapse of time, satisfaction of some other condition, or any combination of the above, constitutes an event (whatever called) which causes or enables the expenditure or acceleration of expenditure of any payment to be made under, or the enforcement, termination or rescission of, any Contract binding on a Relevant Company;
- (16) **(Contracts disclosed)**: other than the Contracts, there is no contract to which any Relevant Company is a party which is material to the making of an informed investment decision in relation to the Rights Issue Shares;
- (17) **(Compliance with laws)**: each Relevant Company has complied with the Corporations Act and all applicable laws that relate in any way to them in all material respects;
- (18) **(Accounts)**: the Accounts present a true and fair view of the financial position of the Relevant Companies as at and for the period ending on the last balance date of the Accounts and there has been no material adverse change since that date in the trading results or financial position of any of the Relevant Companies;
- (19) **(Public Company)**: the Company is a public company limited by shares; and
- (20) **(Information)**: all information provided to the Underwriter by or on behalf of the Company is true and correct in all material respects and does not contain material statements which are misleading or deceptive or likely to mislead or deceive and there is no material information that has not been disclosed to the Underwriter which has, or could reasonably be expected to have, a Material Adverse Effect.

4.2 Notice of breach

The Company must immediately give notice in writing to the Underwriter of any breach by the Company of this Agreement that occurs before the day of issue of the Underwritten Shares. Such notification does not limit or affect the liability of the Company for any such breach.

4.3 Acknowledgments

The Company acknowledges that:

- (1) the Underwriter has entered into this Agreement in reliance on the representations, warranties and undertakings set out in clause 4.1 (the **Representations**);

- (2) the Company has given the Representations with the intention of inducing the Underwriter to enter into this Agreement; and
- (3) except where a Representation expressly states otherwise, the Company gives all the Representations to the best of its knowledge and belief and after having made full and proper enquiries on the subject matter to which the Representation relates.

4.4 Not affected by investigations

The representations, warranties and undertakings are not affected or extinguished by any investigation made by or on behalf of the Underwriter into the affairs of any Relevant Company or by any other event or matter unless:

- (1) the Underwriter has given a specific waiver or relief;
- (2) the Company has fairly disclosed the event or matter relevant to the representations, warranties or undertakings in the Offer Document; or
- (3) the event or matter relevant to the representations, warranties or undertakings occurs or fails to occur after the date of this Agreement at the request or with the approval of the Underwriter.

5. The Shares

5.1 Issue of Rights Issue Shares

The Company must:

- (1) **(Notify Underwriter)**: from the Business Day after the Opening Date to the Closing Date, give written notice to the Underwriter on a daily basis of the Valid Applications received, the identity of the applicants and the number of Rights Issue Shares validly applied for unless otherwise reasonably requested by the Underwriter;
- (2) **(Final list)**: cause a final computerised list of Valid Applications to be delivered to the Underwriter as soon as possible after the Closing Date and in any event, by the Shortfall Notice Deadline Date;
- (3) **(Acceptance of Valid Applications)**: accept all Valid Applications for Rights Issue Shares up to the number of Rights Issue Shares offered under the Offer Document;
- (4) **(Issue Shares)**: promptly issue the Rights Issue Shares in accordance with the Valid Applications;

- (5) **(Documents to ASIC)**: execute and perform all documents and things as may be reasonably necessary to ensure compliance with ASIC on completion of the Issue the details of issues and other information required by the Corporations Act; and
- (6) **(Advise Underwriter of Issues)**: notify the Underwriter of the days on which issue of the Rights Issue Shares commences and terminates.

5.2 Review of applications

If there is a shortfall in Valid Applications received by the Company by the Closing Date:

- (1) the Underwriter may review applications for the Rights Issue Shares which were rejected by the Company;
- (2) the Underwriter may re-lodge those applications which are or have become Valid Applications; and
- (3) the Company must accept those applications as Valid Applications.

5.3 Consents of authorities

It is the sole responsibility of the Company to obtain any Authorisation which is required for the issue of any of the Rights Issue Shares under any Valid Application, whether the Valid Application is lodged by the Underwriter or not.

5.4 Prompt banking of cheques

The Company undertakes that it will promptly bank for collection all cheques accompanying applications for Rights Issue Shares and will otherwise observe the requirements of the Corporations Act in relation to this matter.

5.5 Retention of subscription moneys

The Company undertakes to the Underwriter that it will retain all subscription moneys in trust for the relevant applicants for Rights Issue Shares, and will not permit any subscription moneys of an applicant to be withdrawn or committed other than immediately after the issue of the relevant number of Rights Issue Shares to that applicant.

5.6 Records

The Company will maintain (and permit the Underwriter to inspect at any reasonable time) accurate, in all material respects, records of the receipt of applications for Rights Issue Shares, the banking of subscription moneys, the processing of applications and the despatch of holding statements for the Rights Issue Shares.

6. Shortfall Shares

6.1 Applications

If:

- (1) the Company has complied with its obligations under this Agreement and has not breached any of the representations, warranties and undertakings made by it in this Agreement (other than a breach which is capable of remedy and which is remedied by the Company promptly following request by the Underwriter);
- (2) this Agreement has not been terminated under clause 10;
- (3) the Company has not received Valid Applications for all of the Rights Issue Shares on or before the Closing Date;
- (4) the Company has, after the Closing Date but before 5.00pm on the Shortfall Notice Deadline Date, given to the Underwriter notice in writing stating the number of Shortfall Shares, and that notice is accompanied by the Accountants Certificate and by a Certificate made up to the date of that notice; and
- (5) provided that it has not, before that time, been shown that the either the Accountants Certificate or Certificate is incorrect,

the Underwriter must subscribe (or cause its nominee(s) to subscribe) for:

- (6) if the number of Shortfall Shares is equal to or greater than the Total Underwritten Shares – the Underwritten Shares; or
- (7) if the number of Shortfall Shares is less than the Total Underwritten Shares - the Underwriter's Proportion of Shortfall Shares,

(the Underwriter's Shortfall Shares) on or before 5.00pm (AEST) on the day which is 2 Business Days after the Shortfall Notice Deadline Date **(Shortfall Applications)**.

6.2 Sub-Underwriting in the event of shortfall

- (1) In the event where the Underwriter is obligated to subscribe for the Underwriter's Shortfall Shares, in accordance with clause 6.1, the Underwriter intends to enter into a sub-underwriting agreement with the Sub-Underwriters, in which the Sub-Underwriters will subscribe for the Underwriter's Shortfall Shares.
- (2) The Sub-Underwriter's subscription for the Underwriter's Shortfall Shares shall be completed as a debt for equity swap, through which some or all of the Loan Facilities (for which the Sub-Underwriters, or their related parties, act as lender) will be converted into new shares in the name of the Sub-Underwriters.

6.3 Issue of Shortfall Shares

- (1) As soon as practicable and, in any event, not later than 2 Business Days after the date on which the Company receives written notice from the Sub-Underwriters (or their related parties who act as lenders in accordance with the Loan Facility) of the discharge (whether full or partial) of the Loan Facility (conditional upon the issue of the Underwriter's Shortfall Shares), the Company will issue the Underwriter's Shortfall Shares in accordance with the Shortfall Applications, pursuant to any sub-underwriting agreement, and in accordance with clause 6.2.
- (2) In consideration for the issue of the Shortfall Shares, the Sub-Underwriter's will acknowledge the repayment and discharge (whether partial or full) of the Loan Facility to the proportion of the value for the Underwriter's Shortfall Shares.

6.4 Default by Underwriter

If the Underwriter does not, in accordance with clause 6.1, lodge or cause Shortfall Applications to be lodged with the Company:

- (1) the Company is irrevocably authorised as agent and attorney of the Underwriter to apply for the Underwriter's Shortfall Shares for which Shortfall Applications have not been lodged (**Remaining Shortfall Shares**) on behalf of, and in the name of, the Underwriter and to instruct the Directors to issue the Remaining Shortfall Shares to the Underwriter on that basis; and
- (2) the Price for each of the Remaining Shortfall Shares issued pursuant to above sub-clause (1) will be a debt due and immediately recoverable by the Company from the Underwriter.

7. Fees and Expenses

7.1 Underwriting fee

The Company will pay no underwriting fee to the Underwriter.

7.2 Costs and Expenses

- (1) The Company will pay and will indemnify and keep indemnified the Underwriter against and in relation to, all reasonable costs and expenses of and incidental to the Offer and the Issue, including but not limited to:
 - (a) the disbursements of the Underwriter (including legal fees); and
 - (b) all marketing and promotional expenditure related to the Offer,provided that any expenses in excess of \$2,000 per instance require the Company's consent.

- (2) The Company will ensure that all other amounts described in above sub-clause (1) are paid by the Company to the Underwriter promptly upon receipt of the relevant tax invoice.

8. GST

8.1 GST payable

If GST becomes payable by a party to this Agreement (**Supplier**) on any supply it makes under or in connection with this Agreement:

- (1) any amount payable or consideration to be provided under this Agreement for that supply (**Agreed Amount**) is exclusive of GST;
- (2) an additional amount will be payable by the party providing consideration for that supply under this Agreement (**Recipient**), equal to the amount of GST payable on that supply as calculated by the Supplier in accordance with the GST law and payable at the same time and in the same manner as for the Agreed Amount; and
- (3) the supplier will provide a tax invoice (or equivalent documentation which complies with the GST law) to the Recipient in respect of that supply, no later than the time at which the Agreed Amount for that supply is to be provided under this Agreement.

8.2 Variation

If, for any reason, the GST payable by the Supplier in respect of a supply it makes under this Agreement varies from the additional amount it receives from the Recipient under clause 8.1 in respect of that supply, the Supplier will provide a refund or credit to or will be entitled to receive the amount of this variation from the Recipient (as appropriate).

8.3 Definitions

GST, GST law and other terms used in this clause have meanings used in the *A New Tax System (Goods and Services Tax) Act 1999* (as amended from time to time) or any replacement or other relevant legislation and regulations, except GST law also includes any applicable rulings. Any reference to GST payable by the Supplier includes any GST payable by the representative members of any GST group of which the Supplier is a member.

9. Discharge of Underwriter's Obligations

All obligations of the Underwriter under this Agreement are discharged when any of the following events occurs:

- (1) the date on which the Company receives Valid Applications (including full payment) for all of the Rights Issue Shares;

- (2) the Underwriter lodging or causing to be lodged with the Company, subscriptions for all of the Underwriter's Shortfall Shares, and the Company receives the Price for the Underwriter's Shortfall Shares, in accordance with clauses 6.1 and 6.2;
- (3) the Underwriter terminating this Agreement under clause 10; or
- (4) the Company having failed to give a valid notice (accompanied by the Accountants Certificate and by the Certificate) in accordance with clause 6.1(4) by 5.00pm (AEST) on the Shortfall Notice Deadline Date.

10. Termination by Underwriter

10.1 Notice of termination

The Underwriter may terminate this Agreement under clause 10.2 by notice in writing to the Company given on or at any time before the issue of all the Underwritten Shares, without cost or liability to itself.

10.2 Termination events

The Underwriter may terminate its obligations under this Agreement if prior to 5pm on the Closing Date:

- (1) **(Offer Document)**: the Company does not dispatch the Offer Document to Shareholders on the Dispatch Date or the Offer Document or the Offer is withdrawn by the Company;
- (2) **(Restriction on allotment)**: the Company is prevented from allotting the Rights Issue Shares within the time required by this Agreement, the Corporations Act, any statute, regulation or order of a court of competent jurisdiction by ASIC, or any court of competent jurisdiction or any governmental or semi governmental agency or authority;
- (3) **(Authorisation)**: any authorisation which is material to anything referred to in the Offer Document is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter acting reasonably;
- (4) **(Termination Events)**: subject always to clause 10.3, any of the following events occurs:
 - (a) **(Default)**: default or breach by the Company under this Agreement of any terms, condition, covenant or undertaking;
 - (b) **(Incorrect or untrue representation)**: any representation, warranty or undertaking given by the Company in this Agreement is or becomes untrue or incorrect;

- (c) **(Contravention of constitution or Act)**: a contravention by a Relevant Company of any provision of its constitution, the Corporations Act, or any other applicable legislation or any policy or requirement of ASIC;
- (d) **(Misleading information)**: any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;
- (e) **(Failure to provide information)**: the Company fails to provide to ASIC any information reasonably requested by them, or otherwise satisfy such requests for information;
- (f) **(Judgment against a Relevant Company)**: a judgment in an amount exceeding \$100,000.00 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;
- (g) **(Litigation)**: litigation, arbitration, administrative or industrial proceedings are after the date of this Agreement commenced against any Relevant Company;
- (h) **(Timetable)**: there is a delay in any specified date in the Timetable which is greater than 5 Business Days;
- (i) **(Force Majeure)**: a Force Majeure affecting the Company's business or any obligation under the Agreement lasting in excess of 7 days occurs;
- (j) **(Certain resolutions passed)**: a Relevant Company passes or takes any steps to pass a resolution under Section 254N, Section 257A or Section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (k) **(Capital Structure)**: any Relevant Company alters its capital structure in any manner not contemplated by the Offer Document;
- (l) **(Breach of Material Contracts)**: any of the Contracts are terminated or substantially modified; or
- (m) **(Adverse change)**: an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a prospective adverse change after the date of this Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company.

10.3 Material Adverse Effect

The events listed in clause 10.2(4) do not entitle the Underwriter to exercise its rights under clause 10.2 unless, in the reasonable opinion of the Underwriter reached in good faith, it has or is likely to have, or those events together have, or could reasonably be expected to have, a Material Adverse Effect or could give rise to a liability of the Underwriter under the Corporations Act.

10.4 No prejudice

The exercise by the Underwriter of any of its rights under clause 10 does not prejudice any right the Underwriter may have under clause 7 or any rights the Underwriter may have to seek damages for loss caused to the Underwriter as a result of a breach of this Agreement by the Company.

11. Validity of Offer Document and Advertising

11.1 Underwriter not responsible

The Company acknowledges that it, and not the Underwriter, is solely responsible and liable for the form and contents of the Offer Document or any advertising in respect of the Offer which accompanies or relates to the Offer Document.

11.2 Indemnity

Subject to clause 11.5, the Company will indemnify and keep indemnified the Underwriter and its directors, officers, employees and agents (**Related Parties**) and hold them harmless from and against all prosecutions, losses (including loss of profit or losses or costs incurred in connection with any investigation, enquiry or hearing by ASIC, or any governmental authority or agency), penalties, actions, suits, claims, costs (including legal costs on a solicitor and own client basis), demands and proceedings (whether civil or criminal) (**Liability**) arising out of or in respect of:

- (1) non compliance by the Company with or breach of any legal requirement or the Corporations Act in relation to the Offer Document;
- (2) any advertising of the Offer (notwithstanding that the Underwriter may have consented to it) or any documents in respect of the Offer which accompany the Offer Document or otherwise arising out of the Offer;
- (3) any statement, misstatement, misrepresentation, non disclosure, inaccuracy in or omission from the Offer Document, any advertising of the Offer or any documents in respect of the Offer which accompany the Offer Document; or
- (4) any breach or failure by the Company to observe any of the terms of this Agreement.

11.3 Reimbursement of expenses

- (1) Without limiting clause 11.2 but subject to clause 11.5 and notwithstanding clause 7.2, the Company agrees to indemnify and keep indemnified and immediately on receipt of an invoice reimburse the Underwriter and each Related Party for all reasonable costs and expenses (including legal expenses and disbursements) as they are incurred, and pay the Underwriter and each Related Party at their standard professional charge out rate for all time reasonably spent, in connection with investigating, preparing or defending any claim or potential claim whatsoever relating to or arising out of or in connection with the Offer Document, the Issue or the Offer or in connection with any investigations, enquiries or legal proceedings by ASIC or any third party in respect of or arising out of the Offer Document, the Issue or the Offer.
- (2) Without limiting the foregoing, this includes expenses relating to and time spent in a court as a witness, responding to approaches by directors and shareholders, ASIC or otherwise for the purpose of defending proceedings brought or which may be brought against the Underwriter or a Related Party.

11.4 Benefit of indemnity

Each Related Party shall be entitled to the benefit of this clause 11 and this clause may be enforced on its behalf by the Under.

11.5 Limit of indemnity

The indemnities in clauses 11.2 and 11.3 do not apply:

- (1) to any penalties or fines which the person claiming the benefit of the indemnity must pay in respect of any contravention of the Corporations Act by that person, the Underwriter or any Related Party;
- (2) in respect of liability which results from the wilful default, fraud or the negligence of the person claiming the indemnity, the Underwriter or any Related Party other than an act or omission of which the Company has expressly approved in writing;
- (3) to a subscription by the Underwriter for Shortfall Shares;
- (4) any other amount in respect of which the indemnities in clauses 11.2 and 11.3 would be illegal, void or unenforceable; or
- (5) any announcement, advertisement or publicity made or distributed by the Related Party without the written approval of the Company in relation to the Offer or the Offer Document.

11.6 No waiver of indemnity

The consent or approval of the Underwriter to any act, matter or thing will not itself constitute the waiver of or in any way prejudice the right to indemnity under clause 11.2.

11.7 Underwriter to notify Company

If the Underwriter receives notice of any act, matter or thing which might give rise to an action, proceeding, enquiry or investigation against it or a Related Party in relation to which the Company would be required to indemnify the Underwriter or the Related Party under clause 11.2 or clause 11.3, then the Underwriter must notify the Company of the act, matter or thing, giving full details as soon as is reasonably practicable after coming to its attention. Failure of the Underwriter to notify the Company as required does not affect the right of the Underwriter to be indemnified under clause 11.2 or clause 11.3 except where the failure to notify results in:

- (1) a complete defence no longer being available to the Company; or
- (2) a material increase in the amount payable by the Company under the indemnity, in which case the Company will only be liable to indemnify the Underwriter or the Related Party for the amount that would have been payable if the Underwriter had given notice pursuant to this clause.

11.8 Indemnity survives termination

Each indemnity in this Agreement is a continuing obligation, separate and independent from all the other obligations of the parties and survives termination of this Agreement for whatever cause, including without limitation, termination by the Underwriter under clause 10.

11.9 Company release

The Company agrees that no claim may be made by it against the Underwriter or any of the Related Parties and the Company unconditionally and irrevocably releases and discharges the Underwriter and the Related Parties from any claim that may be made by it to recover from the Underwriter or any of the Related Parties any losses, costs, expenses or damages suffered or incurred by the Company arising directly or indirectly as a result of the participation of the Underwriter or the Related Parties in the preparation of the Offer Document or any of the Offer documents or in relation to the making of the Offer, except in relation to matters where those losses, costs, expenses or damages result primarily from any fraud, wilful misconduct, wilful default, negligence or recklessness on the part of the Underwriter or any Related Party.

11.10 Contribution

In the event that the indemnity in clause 11.2 is held invalid in whole or in part, the Underwriter and the Company will share the Liability on a proportional basis with the Underwriter contributing that proportion of the Liability that its fees as specified in clause 7.1 bear to the total amount raised by the Issue and the Company contributing the balance of the Liability.

11.11 No excess contribution

The Company and the Underwriter and the Related Parties agree that the Underwriter and the Related Parties will not be required to contribute under clause 11.10 an aggregate amount exceeding the fees paid to the Underwriter as specified in clause 7.1.

12. **Inquiries by Underwriter**

12.1 Additional information

The Company will if so requested by the Underwriter at any time during the continuance of this Agreement, promptly provide to the Underwriter any information concerning the business, assets, liabilities, financial position, performance, profits and losses and prospects of any Relevant Company, as the Underwriter reasonably requires for the purpose of the Offer and this Agreement.

12.2 Access

At all times until the Offer is fully subscribed or the Underwriter fulfils its obligations under clause 6, the Company will procure that the Underwriter and its professional advisers are entitled to full and free access to the premises, books and records of any Relevant Company at all reasonable times, and are entitled to make any examinations and inquiries of and concerning the business, assets, liabilities, books and accounts of any Relevant Company as the Underwriter reasonably requires for the purposes of the Issue and this Agreement.

12.3 Retention of Documents

The Company agrees to retain and securely store for a period of seven years from the date of issue of the Offer Document the materials relating to preparation of the Offer Document all documentation collected, produced or prepared by a Relevant Company in connection with the Offer Document and the Offer subject to any obligation of the Company to return to the Underwriter any material in the event that the Issue does not occur. The Company must notify the Underwriter of where the documentation is kept and give it free and unfettered access to the documentation at all reasonable times and enable it to make any copies of the documentation it reasonably requires.

12.4 Confidentiality

The Underwriter must not, and must ensure that all its related entities, associates, employees, agents and advisers do not, disclose any information or document provided or made available under clauses 12.1 or 12.2, and to maintain confidentiality in relation to them, except to the extent that the information or document is available to the public generally or the Underwriter is required to disclose the information or document in accordance with its obligations under the law.

13. Notifications

The Company undertakes to comply with the terms and conditions of this Agreement in all material respects and immediately give notice to the Underwriter of:

- (1) any material breach of this Agreement, including the representations, warranties and undertakings contained in this Agreement; and
- (2) the occurrence of any event which will, or which with the giving of notice or lapse of time will, give the Underwriter the right to terminate its obligations under this Agreement.

14. Notices

14.1 Requirements for Notice

Each notice authorised or required to be given to a Party shall be in writing and may be delivered personally or sent by properly addressed and prepaid mail or facsimile in each case addressed to the Party at its address set out in clause 14.2, or as the case may be to such other address as it may from time to time notify to the other Parties pursuant to clause 14.3.

14.2 Address of Parties

The address of the Parties is as follows:

- (1) In the case of the Underwriter: 311-313 Hay Street, Subiaco WA 6008; and
- (2) In the case of the Company: 1 Central Avenue, Hazelmere WA 6055.

14.3 Change of Address

Each Party may from time to time change its address by giving notice pursuant to clause 14.1 to the other Parties.

14.4 Receipt of Notice

Any notice given pursuant to clause 14.1 will be conclusively deemed to have been received:

- (1) in the case of personal delivery, on the actual day of delivery if delivered prior to 5 pm (AEST) on a Business Day or on the next following Business Day if delivered after 5 pm (AEST) on a Business Day or on a day other than a Business Day;
- (2) if sent by mail, on the second clear Business Day after the day of posting; or
- (3) if sent by email, on the day the email was sent.

15. General

15.1 Governing Law and Jurisdiction

- (1) This Agreement is governed by and is to be construed according to the laws of Western Australia.
- (2) Each of the parties irrevocably:
 - (a) submits to and accepts generally and unconditionally the non exclusive jurisdiction of the courts and appellate courts of Western Australia with respect to any legal action or proceedings which may be brought at any time relating in any way to this Agreement; and
 - (b) waives any objection it may now or in the future have to the venue of any action or proceedings, and any claim it may now or in the future have that the action or proceeding has been brought in an inconvenient forum.

15.2 Further assurance

Each party shall sign, execute and do all deeds, acts, documents and things as may reasonably be required by the other party to effectively carry out and give effect to the terms and intentions of this Agreement.

15.3 Approvals

Subject to any law to the contrary and unless this Agreement expressly provides otherwise, where the doing or execution of any act, matter or thing is dependent on the consent or approval of a party, that consent or approval may be given or withheld in the absolute discretion of that party.

15.4 Merger

- (1) **(No merger):** The rights and obligations of the parties in respect of representations, warranties, undertakings and indemnities in this Agreement will be continuing representations, warranties, undertakings and indemnities and

accordingly will not be merged or extinguished by or on completion of the Issue, or be prejudiced or affected by any investigation or examination made by or on behalf of the Underwriter or by the payment of the whole or any part of the Price.

- (2) **(Continuing nature of agreement)**: Notwithstanding completion of the Issue, the provisions of this Agreement will remain in full force and effect as to the obligations of the parties remaining to be performed after completion.

15.5 Power of attorney

- (1) **(No notice of revocation)**: Each attorney who signs this Agreement on behalf of a party declares that the attorney has no notice from the party who appointed him that the power of attorney granted to him, under whom the attorney signs this Agreement, has been revoked or suspended in any way.
- (2) **(Due authorisation)**: Each party represents and warrants to each other that its respective attorney or authorised officer who signs this Agreement on behalf of that party has been duly authorised by that party to sign this Agreement on its behalf and that authorisation has not been revoked.

15.6 Exercise of rights

- (1) A party may exercise a right, power or remedy at its discretion, and separately or concurrently with another right, power or remedy. A single or partial exercise of a right, power or remedy by a party does not prevent a further exercise of that or any other right, power or remedy. Failure by a party to exercise or delay in exercising a right, power or remedy does not prevent its subsequent exercise.
- (2) The exercise by the Underwriter of any of its termination rights under clause 10 does not prejudice any rights the Underwriter may have under clause 7 or any rights the Underwriter may have to seek damages for loss caused to the Underwriter as a result of a breach by the Company of this Agreement

15.7 Remedies cumulative

The rights, powers and remedies provided in this Agreement are cumulative with and not exclusive of the rights, powers or remedies provided by law independently of this Agreement.

15.8 Enforcement of indemnities

It is not necessary for a party to make payment before enforcing a right of indemnity conferred by this Agreement.

15.9 Assignment

The rights and obligations of a party under this Agreement cannot be assigned without the prior written consent of the other party which consent must not be unreasonably withheld.

15.10 Severance

If any provision of this Agreement is invalid and not enforceable in accordance with its terms, all other provisions which are self sustaining and capable of separate enforcement without regard to the invalid provision, shall be and continue to be valid and forceful in accordance with their terms

15.11 Entire Agreement

This Agreement shall constitute the sole understanding of the Parties with respect to the subject matter and replaces all other agreements with respect thereto.

15.12 Counterparts

- (1) This Agreement may be executed in any number of counterparts (including by way of facsimile) each of which shall be deemed for all purposes to be an original and all such counterparts taken together shall be deemed to constitute one and the same instrument.
- (2) This Agreement is binding on the parties on the exchange of counterparts. A copy of a counterpart sent by facsimile machine or in electronic Portable Document Format:
 - (a) must be treated as an original counterpart;
 - (b) is sufficient evidence of the execution of the original; and
 - (c) may be produced in evidence for the purposes in place of original.

15.13 Time

Time shall be of the essence in this Agreement in all respects.

EXECUTED AS AN AGREEMENT

EXECUTED for and on behalf of)
ORH Limited (ACN 077 398 826))
by authority of its Directors in)
accordance with section 127 of the)
Corporations Act 2001 (Cth))

Director

Company Secretary

EXECUTED for and on behalf of)
Indian Ocean Corporate Pty Ltd)
(ACN 142 266 279))
by authority of its Directors in)
accordance with section 127 of the)
Corporations Act 2001 (Cth))

Director

Company Secretary

23 December 2022

The Independent Director
ORH Limited
1 Central Avenue
Hazelmere WA 6005

Dear Independent Director,

Independent Expert's Report Relating to Conversion of Related Party Debts

1 Executive Summary

Opinion

- 1.1 In our opinion, the proposed transaction outlined in Resolutions 1 and 2 of the Notice of Meeting ("**NoM**") relating to an underwriting agreement between ORH Limited ("**ORH**" or the "**Company**") and related parties that allows for the issue of up to 3,000,000,000 ordinary shares in ORH to the related parties as a result of debt conversions is considered **FAIR** and **REASONABLE** to the ORH shareholders who are not restricted from voting on the resolution (the "**Non-Associated Shareholders**") as at the date of this report.

Introduction

- 1.2 Stantons Corporate Finance Pty Ltd ("**Stantons**") were engaged by the independent director of ORH to prepare an Independent Expert's Report ("**IER**") to determine the fairness and reasonableness of the proposal outlined in Resolutions 1 and 2 of the attached NoM and Explanatory Statement ("**ES**"). The NoM will be released ahead of a general meeting of ORH shareholders expected to be held in February 2023 (the "**Meeting**").
- 1.3 ORH is an Australian unlisted public company that designs, manufactures and supplies industrial service vehicles, including service trucks and water carts, to the mining and infrastructure construction industries.
- 1.4 The Company intends to propose a non-renounceable entitlement offer to eligible shareholders on the basis of 4 new ordinary shares for every 1 ordinary share held at the record date of 16 February 2023 (the "**Entitlement Offer**"). The Company intends to propose the issue of up to 5,275,738,888 ordinary shares at \$0.0009 per share under the Entitlement Offer, to raise up to \$4,748,165 (before costs). Shareholders may apply for additional shares under the Entitlement Offer, which will be allocated if there is a shortfall. Following the allocation of any additional shares to existing shareholders, the directors will attempt to resolve any remaining shortfall through a placement to new investors (subject to compliance with the Corporations Act such that no person or entity may attain an interest in the Company in excess of 20%, besides as a result of the Transaction as defined below).
- 1.5 The Entitlement Offer will be partially underwritten by an entity related to ORH Chairman Domenic Martino, Indian Ocean Corporate Pty Ltd ("**Indian Ocean**" or the "**Underwriter**"), up to \$2,700,000 (3,000,000,000 ordinary shares at \$0.0009 per share) under the underwriting agreement to be executed by ORH and Indian Ocean subject to shareholder approval of Resolution 1 at the Meeting (the "**Underwriting Agreement**"). The draft Underwriting Agreement allows for the

Underwriter to appoint sub-underwriters. Indian Ocean proposes to enter sub-underwriter agreements with various related parties of the Company.

- 1.6 To the extent there is any shortfall in applications for shares under the Entitlement Offer, including any additional shares allocated to existing or new shareholders in the case of an initial shortfall, the Underwriter will subscribe for up to \$2,700,000 worth of new ordinary shares. Any amounts allocated to the Underwriter and/or sub-underwriters shall be issued as a debt for equity conversion of amounts owed by the Company to those related parties.
- 1.7 The potential to convert up to \$2,700,000 of related party debts into 3,000,000,000 ordinary shares in ORH is defined as the "**Transaction**".

Purpose

Chapter 6

- 1.8 As a result of the Transaction, certain related parties of the Company (refer to Section 2 for further details) have the potential to increase their collective interest in ORH from 4.76% up to 70.92%.
- 1.9 Except in certain circumstances, Section 606 ("**s606**") of the Corporations Act 2001 Cth ("**Corporations Act**") prohibits a person (and/or associated parties) from acquiring a relevant interest in the issued voting shares of a public company that increases their relevant interest:
- a) from 20% or below to more than 20%; or
 - b) from a starting point that is above 20% and below 90%.
- 1.10 One of the exceptions to s606 is where the acquisition is approved by the members under Item 7 of Section 611 ("**s611**") of the Corporations Act at a general meeting of the company.

Chapter 2E

- 1.11 Chapter 2E ("**Chapter 2E**") of the Corporations Act requires a public company to obtain the approval of members when giving a financial benefit to related parties unless an exception applies.
- 1.12 ORH director Domenic Martino is also a director of the Underwriter. Accordingly, the Underwriter is considered a related party of the Company for the purpose of Chapter 2E of the Corporations Act.
- 1.13 Additionally, each proposed sub-underwriter is either a director or an entity controlled by a director of ORH (refer to Table 7). Accordingly, each sub-underwriter is considered a related party of the Company for the purpose of Chapter 2E of the Corporations Act.
- 1.14 Entering the Underwriting Agreement constitutes giving a financial benefit to the Underwriter and/or the sub-underwriters.

Scope

- 1.15 ORH intends to seek approval from the Non-Associated Shareholders for Resolution 1 pursuant to Chapter 2E of the Corporations Act and Resolution 2 pursuant to Item 7 of s611.
- 1.16 The proposed Transaction is described in the NoM and ES to be forwarded to shareholders ahead of the Meeting. This IER provides an opinion on the fairness and reasonableness of the Transaction for Non-Associated Shareholders and is attached to the NoM.

Basis of Evaluation

- 1.17 With regard to the Australian Securities and Investments Commission ("**ASIC**") Regulatory Guide 111: Content of Expert Reports ("**RG111**"), the Transaction is considered a control transaction, and we have assessed it as:
- fair if the value of an ORH share after the Transaction, on a minority interest basis, is greater than the value of a share before the Transaction on a control basis; and
 - reasonable if it is fair, or if despite not being fair there are sufficient reasons for Non-Associated Shareholders to accept the offer.

Valuations

ORH Pre-Transaction Share Value

- 1.18 We assessed the fair market value of an ORH ordinary share before the Transaction using a future maintainable earnings based approach (refer to Paragraph 5.1), using multiples of earnings before interest, tax, depreciation and amortisation ("**EBITDA**") and earnings before interest and tax ("**EBIT**"). Multiples were derived from an analysis of comparable listed company trading multiples and comparable transactions. Normalisations to derive the sustainable future level of EBITDA and EBIT are presented in Table 14 and Table 15.
- 1.19 Our valuation is based on the most recent available financial information of the Company, being the period to 31 August 2022. As per the NoM, ORH's directors estimate the costs of the Entitlement Offer to be \$120,000, which we have included in the pre-Transaction position as these costs have already been committed.
- 1.20 Our pre-Transaction EBITDA multiple valuation analysis is presented below.

Table 1. Valuation analysis - ORH Shares Pre-Transaction (EBITDA Based)

	Ref	Low	Preferred	High
Normalised EBITDA (\$)	Table 14	500,794	858,697	1,216,601
EV/EBITDA multiple (x)	Table 19	3.5	3.5	3.5
Enterprise Value ("EV") (\$)		1,752,778	3,005,441	4,258,104
Add/(less): net cash/(debt and debt like items) (\$)	Table 20	(2,553,086)	(2,553,086)	(2,553,086)
Add/(less): working capital adjustment (\$)	Table 21	311,940	311,940	311,940
Less: committed costs of Entitlement Offer (\$)	6.35	(120,000)	(120,000)	(120,000)
Ordinary share value (\$)		(608,368)	644,295	1,896,958
Shares outstanding	Table 9	1,318,934,612	1,318,934,612	1,318,934,612
Value per share (\$)		(0.00046)	0.00049	0.00144

Source: Stantons analysis

- 1.21 Our pre-Transaction EBIT multiple valuation analysis is presented below.

Table 2. Valuation analysis - ORH Shares Pre-Transaction (EBIT Based)

	Ref	Low	Preferred	High
Normalised EBIT (\$)	Table 15	440,191	794,020	1,147,849
EV/EBIT multiple (x)	Table 19	4.0	4.0	4.0
EV (\$)		1,760,765	3,176,080	4,591,396
Add/(less): net cash/(debt and debt like items) (\$)	Table 20	(2,553,086)	(2,553,086)	(2,553,086)
Add/(less): working capital adjustment (\$)	Table 21	311,940	311,940	311,940
Less: Committed costs of Entitlement Offer (\$)	6.35	(120,000)	(120,000)	(120,000)
Ordinary share value (\$)		(600,381)	814,935	2,230,250
Shares outstanding	Table 9	1,318,934,612	1,318,934,612	1,318,934,612
Value per share (\$)		(0.00046)	0.00062	0.00169

Source: Stantons analysis

- 1.22 We assessed the value of a pre-Transaction ORH share based on the average results of the EBITDA and EBIT multiples analysis, as follows.

Table 3. Assessed Pre-Transaction Value per ORH Share

	Ref	Low	Preferred	High
Value per share (EBITDA multiple based) (\$)	Table 22	(0.00046)	0.00049	0.00144
Value per share (EBIT multiple based) (\$)	Table 23	(0.00046)	0.00062	0.00169
Average (\$)		(0.00046)	0.00055	0.00156
Shares outstanding		1,318,934,612	1,318,934,612	1,318,934,612
Total equity value (\$)		(604,375)	729,615	2,063,604
Assessed value per share (\$)		-	0.00055	0.00156

Source: Stantons analysis

- 1.23 Accordingly, our assessed fair value of an ORH ordinary share pre-Transaction on a control basis is between nil and \$0.00156, with a preferred value of \$0.00055.

ORH Post-Transaction Share Value

- 1.24 We assessed the value impact of the Transaction on ORH ordinary shares assuming the maximum allowable amount under the Underwriting Agreement of \$2,700,000 is converted into 3,000,000,000 ordinary shares, and that no other shares are subscribed for under the Entitlement Offer.

Table 4. ORH Post-Transaction Share Value

	Ref	Low	Preferred	High
Pre-Transaction ordinary share value (\$)	Table 25	(604,375)	729,615	2,063,604
Add: debt extinguishment (\$)	7.1	2,700,000	2,700,000	2,700,000
Post-Transaction ordinary share value (\$)		2,095,625	3,429,615	4,763,604
Shares outstanding	Table 9	4,318,934,612	4,318,934,612	4,318,934,612
Value per share (\$) (control)		0.00049	0.00079	0.00110
Discount for minority interest (%)	7.3	23%	23%	23%
Value per share (\$) (minority interest)		0.00037	0.00061	0.00085

Source: Stantons analysis

- 1.25 We assessed the fair value of an ORH ordinary share post-Transaction on a minority interest basis to be between \$0.00037 and \$0.00085, with a preferred value of \$0.00061.

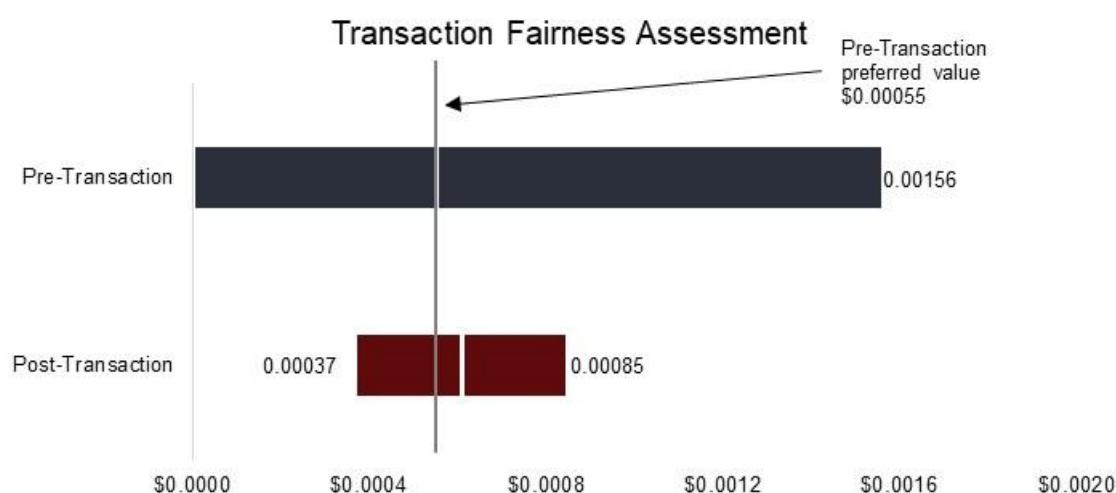
Fairness Assessment

- 1.26 Our fairness assessment of the Transaction is set out below.

Table 5. Fairness Assessment

	Ref	Low	Preferred	High
Pre-Transaction ORH share value (control) (\$)	Table 24	-	0.00055	0.00156
Post-Transaction ORH share value (minority) (\$)	Table 26	0.00037	0.00061	0.00085
Fairness indication		Fair	Fair	Not Fair

Source: Stantons analysis

Figure 1. Fairness Assessment Summary


Source: Stantons analysis

- 1.27 We note that Resolution 1 and 2 of the NoM relate to approval to enter into the Underwriting Agreement and the debt for equity conversion, conditional on there being a shortfall in applications. Our report is prepared and addresses the Non-Associated Shareholders as a general collective group. However, we note that if Resolution 1 and 2 of the NoM is approved, individual shareholders will retain the option to participate in the Entitlement Offer and thereby not be diluted by the Transaction.
- 1.28 The low and preferred scenarios of our fairness assessment indicate the proposed Transaction, including the full impact of the potential dilution of Non-Associated Shareholders, is fair.
- 1.29 Our high scenario indicates the Transaction, assuming full dilution of Non-Associated Shareholders, is not fair. However, we note that for individual shareholders with a more optimistic view of the Company's value, approval of Resolution 1 and 2 of the NoM does not preclude them from participating in the Entitlement Offer and thereby avoiding dilution of their current interest, and potentially increasing their interest through the shortfall allocation process.
- 1.30 Put another way, if ALL shareholders had an optimistic view on value aligned with our high scenario assessment, ALL shareholders participated in the Entitlement Offer and Resolutions 1 and 2 of the NoM were approved, our fairness assessment would not be applicable as the percentage holdings of existing shareholders would remain the same, i.e., shareholders dilute themselves by a pro-rata amount which is therefore value neutral to all shareholders.
- 1.31 Our fairness assessment addresses the **potential** maximum dilution scenario assuming Non-Associated Shareholders, as a collective group, decide not to participate in the Entitlement Offer.
- 1.32 Whilst our report is addressed to Non-Associated Shareholders as a collective group, we note if some individual shareholders decide to participate in the Entitlement Offer, but not all shareholders, control of the Company may pass to the related parties.
- 1.33 On balance, we consider Resolutions 1 and 2 of the NoM to be **FAIR** to the Non-Associated Shareholders for the purpose of Chapter 2E and s611 of the Corporations Act, respectively.

Reasonableness Assessment

- 1.34 As the Transaction contemplated by Resolutions 1 and 2 is considered fair pursuant to RG111.12, it is also considered reasonable. For informative purposes, we considered the following advantages and disadvantages of the proposed Transaction to Non-Associated Shareholders.

Table 6. Reasonableness Assessment of the Transaction

Advantages		Disadvantages	
<ul style="list-style-type: none">▪ The Transaction is fair▪ The Transaction involves an underwrite of an Entitlement Offer – control won't necessarily pass if the Transaction is approved as shareholders have a choice to participate in the Entitlement Offer or not▪ Related Party debts are immediately due and payable▪ Facilitates the Entitlement Offer▪ Increase alignment of the director's financial interests with the Non-Associated Shareholders		<ul style="list-style-type: none">▪ Potential dilution of existing shareholders▪ If some shareholders participate in the Entitlement Offer and not others, participating shareholders may avoid dilution but nonetheless control may pass to the Related Parties▪ Not all Related party debts will be extinguished▪ Removes the possibility of a potentially superior alternative▪ Lack of liquidity in an unlisted company	
Other Considerations			
<ul style="list-style-type: none">▪ Non-Associated Shareholders have the option to avoid dilution of their position			

Source: Stantons analysis

Conclusion

- 1.35 In our opinion, the Transaction proposal subject to Resolutions 1 and 2 is **FAIR** and **REASONABLE** to the Non-Associated Shareholders of ORH for the purposes of Chapter 2E and s611 of the Corporations Act, respectively.
- 1.36 This opinion must be read in conjunction with the more detailed analysis included in this report, together with the disclosures, Financial Services Guide, and appendices to this report.

Financial Services Guide

Dated 23 December 2022

Stantons Corporate Finance Pty Ltd

Stantons Corporate Finance Pty Ltd (ABN 42 128 908 289 and AFSL Licence No 448697) ("**Stantons**" or "**we**" or "**us**" or "**ours**" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

Financial Services Guide

In the above circumstances, we are required to issue to you, as a retail client, a Financial Services Guide ("**FSG**"). This FSG is designed to help retail clients decide as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- a) who we are and how we can be contacted;
- b) the services we are authorized to provide under our **Australian Financial Services Licence, Licence No: 448697**;
- c) remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- d) any relevant associations or relationships we have; and
- e) our complaints handling procedures and how you may access them.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence which authorises us to provide financial product advice in relation to:

- Securities (such as shares, options and debt instruments)

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

General Financial Product Advice

In our report, we provide general financial product advice, not personal financial product advice, because it has been prepared without considering your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product. Where you do not understand the matters contained in the Independent Expert's Report, you should seek advice from a registered financial adviser.

Benefits that we may receive

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed upon on either a fixed fee or time cost basis. Our fee for preparing this report is expected to be up to A\$45,000 exclusive of GST.

You have a right to request further information in relation to the remuneration, the range of amounts or rates of remuneration and you can contact us for this information.

Except for the fees referred to above, neither Stantons nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or other benefits received by our employees

Stantons employees and contractors are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

Stantons is ultimately a wholly owned subsidiary of Stantons International Audit and Consulting Pty Ltd, a professional advisory and accounting practice. From time to time, Stantons and Stantons International Audit and Consulting Pty Ltd (that trades as Stantons International) and/or their related entities may provide professional services, including audit, accounting and financial advisory services, to financial product issuers in the ordinary course of its business.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to:

The Complaints Officer
Stantons Corporate Finance Pty Ltd
Level 2
40 Kings Park Road
WEST PERTH WA 6005

When we receive a written complaint, we will record the complaint, acknowledge receipt of the complaints within 10 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ("**AFCA**"). AFCA has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about AFCA are available at the AFCA website www.afca.org.au or by contacting them directly via the details set out below.

Australian Financial Complaints Authority Limited
GPO Box 3
MELBOURNE VIC 3001

Telephone: 1800 931 678

Stantons confirms that it has arrangements in place to ensure it continues to maintain professional indemnity insurance in accordance with s.912B of the Corporations Act 2001 (as amended). In particular, our Professional Indemnity insurance, subject to its terms and conditions, provides indemnity up to the sum

insured for Stantons and our authorised representatives / representatives / employees in respect of our authorisations and obligations under our Australian Financial Services Licence. This insurance will continue to provide such coverage for any authorised representative / representative / employee who has ceased work with Stantons for work done whilst engaged with us.

Contact details

You may contact us using the details set out above or by phoning (08) 9481 3188 or faxing (08) 9321 1204.

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2 Summary of Transaction

Proposed Transaction

- 2.1 ORH intends to propose a non-renounceable Entitlement Offer to eligible shareholders on the basis of 4 new ordinary shares for every 1 ordinary share currently held as at the record date of 16 February 2023. The Entitlement Offer proposes the issue of up to 5,275,738,888 ordinary shares at \$0.0009 per share, to raise up to \$4,748,165 (before costs). Participating shareholders may apply for an unlimited number of additional shares in the case of a shortfall (though subject to the Corporations Act, no shares may be allocated to a person or entity which would result in that person or entity attaining an interest in the Company in excess of 20%, besides as a result of the Transaction).
- 2.2 The Entitlement Offer will be partially underwritten by Indian Ocean up to \$2,700,000 (3,000,000,000 ordinary shares at \$0.0009 per share), under the Underwriting Agreement to be executed by ORH and Indian Ocean subject to shareholder approval of Resolution 1 at the Meeting. The draft Underwriting Agreement allows for the Underwriter to appoint sub-underwriters, and it is proposed that related parties of the Company will act as sub-underwriters.
- 2.3 If a shortfall remains after all applications under the Entitlement Offer, and any applications for additional new shares from participating shareholders has been satisfied, the directors will attempt to place the shortfall with new investors, subject to compliance with the Corporations Act (refer to paragraph 2.1).
- 2.4 To the extent there is any additional shortfall in applications for shares under the Entitlement Offer following the above process, the underwriters will subscribe for those new ordinary shares, up to \$2,700,000 worth. Any amounts allocated to the sub-underwriters shall be issued as a debt for equity conversion of amounts owed by the Company under existing loans or creditor arrangements including unpaid remuneration.
- 2.5 Set out below are the details of the proposed sub-underwriters (collectively, the **"Sub-Underwriters"**).

Table 7. Related Party Sub-Underwriters

Related Party	Reason
JLD Rentals Pty Ltd ATF Blazeway Discretionary Trust	Entity controlled by Jamie Detata (ORH director)
Trustee for the Tsaban Trust trading as Jackori Consulting	Entity controlled by Jakob Tsaban (ORH director)
Indian Ocean Advisory Group Pty Ltd	Entity controlled by Domenic Martino (ORH director)
Cooper Cove Pty Ltd ATF SW Trust	Entity controlled by Jamie Detata (ORH director)
JLD Body Building Pty Ltd atf the JKC Discretionary Trust	Entity controlled by Jamie Detata (ORH director)
Domenal Enterprises Pty Ltd ATF DVM Superannuation Fund	Entity controlled by Domenic Martino (ORH director)
Domenic Martino	ORH director
Jamie Detata	ORH director
Jakob Tsaban	ORH director

Source: NoM

- 2.6 Collectively, we refer to Indian Ocean and the Sub-Underwriters as the **"Related Parties"** throughout this IER.
- 2.7 As at 31 August 2022, the amounts owed by the Company to the Related Parties comprised the following amounts (the **"Related Party Debts"**).

Table 8. Related Party Debts

	Related Party	Amount owing as at 31 August 2022 (\$)
Payables		
JLD Rentals Pty Ltd ATF Blazeway Discretionary Trust	Jamie Detata	95,000
Jackori Consulting Pty Ltd	Jackob Tsaban	38,267
Indian Ocean Advisory Group Pty Ltd	Domenic Martino	251,000
Domenic Martino	Domenic Martino	847,000
Cooper Cove Pty Ltd ATF SW Trust	Jamie Detata	386,888
JLD Body Building Pty Ltd	Jamie Detata	281,907
Domenal Enterprises Pty Ltd ATF DVM Superannuation Fund	Domenic Martino	91,150
Total payables		1,991,212
Loans		
Jamie Detata	Jamie Detata	383,736
Jackob Tsaban	Jackob Tsaban	333,100
Total loans		716,836
Total owed to Related Parties		2,708,048

Source: NoM

- 2.8 We note the NoM states the Related Party Debts are due and payable in either cash or shares.
- 2.9 The Underwriting Agreement states that no underwriting fees will be paid, though the Company must pay all reasonable costs and expenses incurred by the Underwriter in relation to the Entitlement Offer.
- 2.10 Assuming the maximum possible number of shares are issued to the Related Parties under the Underwriting Agreement, and assuming no subscriptions by existing shareholders are received, the impact of the proposed Transaction on ORH's capital structure is set out below. This position represents the maximum possible interest to be obtained by the Related Parties.

Table 9. Capital Structure Impact of Transaction

	Pre-Transaction ordinary shares	Pre-Transaction Percentage (%)	Post-Transaction ordinary shares	Post-Transaction Percentage (%)
Domenic Martino	37,620,385	2.85%	37,620,385	0.87%
Jamie Detata	25,180,456	1.91%	25,180,456	0.58%
Pre-Transaction Related Party ordinary shares	62,800,841	4.76%	62,800,841	1.45%
Shares issued to Related Parties	n/a	n/a	3,000,000,000	69.46%
Post-Transaction Related Party ordinary shares	n/a	n/a	3,062,800,841	70.92%
Non-Associated Shareholders	1,256,133,771	95.24%	1,256,133,771	29.08%
Total ordinary shares	1,318,934,612	100.00%	4,318,934,612	100.00%

Source: NoM

- 2.11 Paragraph 6.6 of the prospectus states that in the event the full amount of the Related Party Debts is not converted under the Transaction, the Company has agreed to seek shareholder approval for the conversion of the outstanding balance into ordinary shares within 9 months of the close of the Entitlement Offer and the Related Parties will take no action to require repayment of the balance of the Related Party Debts during this time.

3 Scope

Purpose of the Report

Chapter 6 s611

- 3.1 If Resolutions 1 and 2 are approved, the Related Parties have the potential to increase their collective interest in ORH shares from a pre-Transaction collective interest of 4.76% up to 70.92%, post-Transaction.
- 3.2 An acquisition of securities that enables a shareholder to increase its relevant interest in the voting shares of a public company:
- from below 20% to above 20%; or
 - from a starting point that is above 20% and below 90%,
- is prohibited under s606 of the Corporations Act, except in certain circumstances.
- 3.3 One of the exceptions to s606 is where the acquisition is approved at a general meeting of the company in accordance with Item 7 of s611 of the Corporations Act.
- 3.4 Item 7 of s611 requires shareholders to be provided with all information known to the Company, and to the potential acquirer (of a 20% or more interest), that is material to the shareholders' decision. Regulatory Guide 74: *Acquisitions Approved by Members* ("RG74") issued by ASIC provides additional guidance on the information to be provided to shareholders. RG74 states the directors of the target company should usually provide shareholders with an IER on the proposed transaction.

Chapter 2E

- 3.5 Under Chapter 2E of the Corporations Act a public company must obtain approval from its members to give a financial benefit to a related party of the company. Under Section 228 of the Corporations Act, related parties of a company include the directors of a public company and any entities controlled by a director of the public company.
- 3.6 The issue of securities to a related party is considered giving a financial benefit.
- 3.7 Accordingly, the potential issue of securities to the Underwriter and Sub-Underwriters via conversion of Related Party Debts constitutes giving a financial benefit to related parties.

Purpose

- 3.8 ORH intends to seek approval for Resolutions 1 and 2 from the Non-Associated Shareholders at the Meeting expected to be held in or around February 2022. We note Resolution 2 is conditional on a shortfall in applications under the Entitlement Offer occurring and the Underwriting Agreement being effected as a result.
- 3.9 Accordingly, ORH has engaged Stantons to prepare an IER to assess the fairness and reasonableness of the proposal contained in Resolution 1 pursuant to Chapter 2E of the Corporations Act and Resolution 2 pursuant to s611 of the Corporations Act, as outlined in the NoM and ES.

Basis of Evaluation

- 3.10 In determining the fairness and reasonableness of the Transaction, we have had regard to the guidelines set out by ASIC's RG111.
- 3.11 RG111 requires a separate assessment of whether a transaction is "fair" and whether it is "reasonable".
- 3.12 We therefore considered the concepts of "fairness" and "reasonableness" separately. The basis of assessment selected and the reasons for that basis are discussed below.

Fairness

- 3.13 As per RG111, the Transaction is considered to be a control transaction.
- 3.14 Accordingly, to assess whether the proposed Transaction is fair in accordance with RG111, we compared:
- the fair market value of an ordinary share in ORH prior to the Transaction, on a control basis; with
 - the fair market value of an ordinary share in ORH after the Transaction, on a minority interest basis.
- 3.15 The value of an ORH ordinary share is assessed at fair market value, which is defined by the International Glossary of Business Valuation Terms as:
- “The price, expressed in terms of cash equivalents, at which property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arm’s length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts.”*
- 3.16 While RG111 contains no explicit definition of value, we believe the above definition of fair market value is consistent with RG111.11 and common market practice.

Reasonableness

- 3.17 In accordance with RG111.12, we have defined the proposed Transaction as being reasonable if it is fair, or if despite not being fair we believe that there are sufficient reasons for the Non-Associated Shareholders to accept the proposal.
- 3.18 We therefore considered whether the advantages to Non-Associated Shareholders of approving the proposed Transaction outweigh the disadvantages.

Individual Circumstances

- 3.19 We evaluated the proposed Transaction for Non-Associated Shareholders generically. We did not consider the effect of specific circumstances on individual investors. Due to personal circumstances, individual investors may place different emphasis on various aspects of the proposed Transaction from those adopted in this report. Accordingly, individuals may reach a different conclusion to ours on whether the proposed Transaction is fair and reasonable. If in doubt, investors should consult an independent financial adviser about the impact of the proposed Transaction on their specific financial circumstances.

4 Profile of ORH Limited

History and Principal Activities

- 4.1 ORH is an Australian public unlisted company that historically focused on the supply of service trucks and water carts for the mining and construction industries, the supply of heavy earth moving equipment for hire on major infrastructure projects in the mining, construction and marine industries, and steel fabrication of equipment for infrastructure projects. The Company was voluntarily suspended from official quotation on the Australian Securities Exchange ("ASX") in September 2010 pursuant to ASX Listing Rule 17.12.
- 4.2 On 14 November 2011, the Company and its subsidiaries appointed administrators and entered liquidation. Following a creditor's meeting on 19 December 2011, the Company executed a Deed of Company Arrangement which led to a renewed narrower focus on engineering design, manufacture and supply of service trucks and water carts for the mining and construction industries. In May 2012 shareholders approved the conversion of a convertible note and two secured loans to shares. Subsequently, in August 2013, shareholders approved a settlement with certain creditors to discharge their debts in either cash or a combination of cash and shares. This resulted in 179,887,517 shares being issued to satisfy debts of \$1,798,875.
- 4.3 The Company currently focuses on design, manufacture and associated services for specialised vehicles used by the mining and construction industries, including:
- designing, manufacturing and selling trucks, carts and specialised vehicles;
 - selling spare parts;
 - servicing and refurbishment of vehicles; and
 - sales of used trucks.

Board of Directors

- 4.4 The current directors of ORH, as at 23 December 2022 are as follows.

Table 10. Board of Directors

Director	Position	Date Appointed	Details
Domenic Martino	Non-Executive Chairman	7 May 2009	A chartered accountant and experienced director of ASX listed companies. Previously held the role of CEO of Deloitte Touche Tohmatsu Australia. Extensive experience in developing "micro-cap" ASX listed companies.
Jamie Detata	Executive Director (General Manager)	25 March 2010	25 years of senior management experience in the earthmoving and mining sector. Employed as the General Manager of ORH's operating subsidiaries; ORH Trucks Solutions Pty Ltd and ORH Distribution Pty Ltd.
Jackob Tsaban	Executive Director (CFO)	19 December 2013	A chartered accountant who has held the Chief Financial Officer position of ORH Group since 18 November 2011.
Boelio Muliadi	Non-Executive Director	23 April 2015	Experienced in the property development, retail chain, manufacturing, food and beverage, aircraft leasing, agriculture and healthcare industries. Director of Indonesia Stock Exchange company PT Cakra Mineral Tbk.

Source: 2021 ORH Annual Report

Financial Performance

- 4.5 Set out below is the audited Statement of Profit or Loss and Other Comprehensive Income for ORH for the financial years ended 30 June 2017, 30 June 2018, 30 June 2019, 30 June 2020, 30 June 2021 and 30 June 2022.

Table 11. ORH Statement of Profit or Loss and Other Comprehensive Income

	Audited year ended 30 June 2017 (\$)	Audited year ended 30 June 2018 (\$)	Audited year ended 30 June 2019 (\$)	Audited year ended 30 June 2020 (\$)	Audited year ended 30 June 2021 (\$)	Audited year ended 30 June 2022 (\$)
Revenue	11,835,801	16,561,548	29,449,913	29,858,102	35,006,222	39,322,425
Cost of sales	8,800,500	12,403,356	21,260,895	22,177,869	27,386,747	30,764,929
Gross Profit	3,035,301	4,158,192	8,189,018	7,680,233	7,619,475	8,557,496
<i>Gross Margin</i>	25.6%	25.1%	27.8%	25.7%	21.8%	21.8%
Other Income						
Gain on de-recognition of liabilities	-	-	127,915	-	-	-
Research and development incentive	620,842	646,861	-	-	-	-
Insurance claim settlement	-	-	-	1,257,078	-	-
COVID relief payments	-	-	-	278,000	587,409	-
Other income	477	55,827	2,512	731	433	367
Total Other Income	621,319	702,688	130,427	1,535,809	587,842	367
Expenses						
Employee costs	(2,661,784)	(3,131,051)	(4,465,604)	(4,562,618)	(4,705,715)	(4,772,032)
Consulting fees	(462,980)	(334,634)	(516,716)	(448,680)	(549,892)	(736,667)
Rental expenses	(658,769)	(712,436)	(664,789)	(174,308)	(117,699)	(261,002)
Other administrative expenses	(1,037,773)	(1,041,736)	(999,226)	(1,784,574)	(1,087,638)	(1,120,775)
Total Expenses	(4,821,306)	(5,219,857)	(6,646,335)	(6,970,180)	(6,460,944)	(6,890,476)
EBITDA	(1,164,686)	(358,977)	1,673,110	2,245,862	1,746,373	1,667,387
<i>EBITDA Margin</i>	(10%)	(2%)	6%	8%	5%	4%
Depreciation and amortisation	59,344	46,669	44,952	476,674	478,381	474,331
EBIT	(1,224,030)	(405,646)	1,628,158	1,769,188	1,267,991	1,193,056
<i>EBIT Margin</i>	(10%)	(2%)	6%	6%	4%	3%

Source: ORH annual reports, management accounts

Commentary on Statement of Profit or Loss

- 4.6 The Company's primary source of revenue is the sale of water trucks and service trucks to clients operating in the Western Australian mining industry, which we note is a cyclical industry.
- 4.7 ORH exhibited strong revenue growth from the financial year ended 30 June 2017 ("FY17") to the financial year ended 30 June 2022 ("FY22"), correlating with an upswing in mining construction activity in Western Australia.
- 4.8 Gross margin percentages have demonstrated a reasonable level of stability through this period of revenue growth, albeit current margins are slightly less than historical periods.
- 4.9 A fire at the main premises in the financial year ended 30 June 2019 ("FY19") caused disruptions to the Company's operations, and the Company received an insurance claim settlement in relation to this.
- 4.10 We note the significantly higher depreciation charge for the years ended 30 June 2020 and 30 June 2021 and 30 June 2022 was due to the Company changing its accounting policy in accordance with AASB 16 which prescribes that the Company's lease obligations and rights for its main premises are capitalised (refer 4.19 below).

- 4.11 Research and development claims are available as a tax offset in years where the Company is profitable. When the Company is loss-making, such as in the year to 30 June 2018, the Company is entitled to a cash rebate.
- 4.12 As at 1 February 2022, the Company's order book comprised 101 trucks, compared to 87 in October 2020 and 76 in November 2019.

Financial Position

- 4.13 Set out below are the audited Statements of Financial Position of ORH as at 30 June 2017, 30 June 2018, 30 June 2019, 30 June 2020, 30 June 2021 and 30 June 2022 and unaudited as at 31 August 2022.

Table 12. ORH Statement of Financial Position

	Audited as at 30 June 2017 (\$)	Audited as at 30 June 2018 (\$)	Audited as at 30 June 2019 (\$)	Audited as at 30 June 2020 (\$)	Audited as at 30 June 2021 (\$)	Audited as at 30 June 2022 (\$)	Unaudited as at 31 August 2022 (\$)
Current assets							
Cash and cash equivalents	377,968	476,776	346,219	2,269,399	1,996,256	3,254,451	2,016,326
Trade and other receivables	1,272,150	1,203,496	914,018	831,541	1,106,794	1,160,428	1,650,382
Inventories	1,240,820	919,089	2,217,747	2,865,854	4,233,091	5,257,802	5,042,544
Other assets	95,848	138,064	122,045	177,644	383,961	656,666	546,855
Total current assets	2,986,786	2,737,425	3,600,029	6,144,438	7,720,102	10,329,347	9,256,107
Non-current assets							
Other assets	172,920	90,000	340,936	340,936	389,433	424,390	424,390
Plant and equipment	245,024	205,113	239,717	2,532,165	2,136,258	1,707,730	2,115,800
Total non-current assets	417,944	295,113	580,653	2,873,101	2,525,691	2,132,120	2,540,190
Total assets	3,404,730	3,032,538	4,180,682	9,017,539	10,245,793	12,461,467	11,796,297
Current liabilities							
Trade and other payables	(3,875,106)	(4,011,325)	(4,178,147)	(5,353,338)	(6,396,908)	(7,859,171)	(6,927,841)
Lease liabilities	-	-	-	(390,302)	-	-	(1)
Related party payables	(1,912,622)	(1,539,234)	(1,465,739)	(1,816,130)	(2,186,703)	(2,002,261)	(1,991,212)
Related party loans	(1,080,312)	(1,387,755)	(923,293)	(898,154)	(818,154)	(716,836)	(716,836)
Employee entitlements	(130,043)	(141,546)	(175,317)	(167,222)	(186,542)	(175,033)	(191,927)
Borrowings	(1,443,301)	(1,652,063)	(1,881,058)	(1,639,874)	(1,024,920)	(1,565,502)	(1,564,364)
Total current liabilities	(8,441,384)	(8,731,923)	(8,623,554)	(10,265,020)	(10,613,227)	(12,318,803)	(11,392,181)
Non-current liabilities							
Employee entitlements	(91,760)	(116,258)	(116,258)	(116,258)	(116,258)	(116,258)	(105,073)
Lease liability	-	-	-	(1,870,399)	(1,870,399)	(1,461,727)	(1,870,400)
Total non-current liabilities	(91,760)	(116,258)	(116,258)	(1,986,657)	(1,986,657)	(1,577,985)	(1,975,473)
Total liabilities	(8,533,144)	(8,848,181)	(8,739,812)	(12,251,677)	(12,599,884)	(13,896,788)	(13,367,654)
Net assets	(5,128,414)	(5,815,643)	(4,559,130)	(3,234,138)	(2,354,091)	(1,435,321)	(1,571,356)
Equity							
Issued capital	44,096,158	44,096,158	44,096,158	44,096,158	44,096,158	44,096,158	44,096,158
Reserves	104,314	104,314	104,314	104,314	104,314	104,314	104,314
Accumulated losses	(49,328,886)	(50,016,115)	(48,759,602)	(47,434,610)	(46,554,563)	(45,643,792)	(45,771,828)
Total equity	(5,128,414)	(5,815,643)	(4,559,130)	(3,234,138)	(2,354,091)	(1,443,320)	(1,571,356)

Source: ORH Annual Reports, management accounts

Commentary on Statement of Financial Position

- 4.14 We note the increase in plant and equipment in the year to 30 June 2019 was due to the capitalisation of the right of use asset described at paragraph 4.10.

- 4.15 Other assets predominantly comprise prepaid insurance.
- 4.16 Trade and other payables include significant amounts for customer deposits.
- 4.17 We have treated all related party loans and payables as financial debt. We note the related party payables have accrued predominantly due to unpaid director fees. We do not consider these to be typical working capital items and have treated them as debt-like items.
- 4.18 The non-related party borrowings are comprised primarily of debtor factoring finance owed to Australian Factoring Company Pty Ltd.
- 4.19 We note the lease liability relates to the lease of the Company's main premises, which were capitalised on the Statement of Financial Position due to a change in accounting policy in the financial year ended 30 June 2020 ("FY20") on the introduction of Australian Accounting Standards AASB 16: Leases.

Capital Structure

- 4.20 As at 14 December 2021, ORH had 1,318,934,612 ordinary shares on issue, with the top 20 holders being as follows.

Table 13. Top 20 Shareholders

Shareholder	Number of shares	Percentage of total shares (%)
BNP Paribas Nominees Pty Ltd	270,858,278	20.54
Graceview Pty Ltd <Graceview Investment A/C>	112,205,883	8.51
Chaley Holdings Pty Ltd <Rubben Family A/C>	87,388,506	6.63
Lanesborough Investment Pte Ltd	62,500,000	4.74
Filmrim Pty Ltd	53,275,025	4.04
Cardy & Company Pty Ltd	41,979,565	3.18
LJM Capital Corporation Pty Ltd	35,597,433	2.70
Hui Huang	30,000,000	2.27
Impact Nominees Pty Ltd <Sydney Investment A/C>	28,873,338	2.19
Two Tops Pty Ltd	26,360,074	2.00
Aspire Horizon Ltd	25,000,000	1.90
Skye Nominees Pty Ltd <Erwin Family A/C>	24,913,190	1.89
Jamie Detata	22,636,667	1.72
Citicorp Nominees Pty Ltd	21,530,603	1.63
Indian Ocean Capital Group Pty Ltd	21,440,855	1.63
Timothy Brown	19,172,822	1.45
Transocean Securities Pty Ltd	18,156,507	1.38
Geoffrey Hann <G Hann Super Fund>	15,596,299	1.18
Jlnog Pty <J&L Walmsley Family A/C>	12,879,819	0.98
Beverley Allmines Resources Pte Ltd	12,500,000	0.95
Total Top 20 Shareholders	942,864,864	71.49
Total Ordinary Shares (as at 14 December 2021)	1,318,934,612	100.00

Source: ORH shareholder register

5 Valuation Methodology

Available Methodologies

- 5.1 In assessing the values of ORH, we considered a range of common market practice valuation methodologies in accordance with RG111, including those listed below.
- Capitalisation of future maintainable earnings ("**FME**")
 - Discounted future cash flows ("**DCF**")
 - Asset-based methods ("**Net Assets**")
 - Quoted market prices or analysis of traded share prices
 - Common industry rule-based methodologies
- 5.2 Each of these methods is appropriate in certain circumstances and often more than one approach is applied. The choice of methods depends on several factors such as the nature of the business being valued, the return on the assets employed in the business, the valuation methodologies usually applied to value such businesses and the availability of required information. A detailed description of these methods and when they are appropriate is provided in Appendix B.

Selected Primary Methodology

- 5.3 We consider an FME approach is an appropriate methodology to value ORH.
- 5.4 In selecting an appropriate valuation methodology to value the shares of ORH, we have considered the following factors:
- ORH is an operating industrial business and has generated profits in the financial years ended 30 June 2019, 30 June 2020, 30 June 2021 and 30 June 2022. Therefore, an FME approach is an applicable methodology.
 - ORH shares are unlisted and there have been no significant recent capital raisings of ORH shares. Accordingly, a quoted market price or recently traded price basis is not available.
 - ORH is currently in a position of net liabilities and has intangible assets involved in generating profits that are not recognised on the balance sheet. Therefore, a Net Assets based approach is not appropriate.
- 5.5 In our FME valuation we consider multiples of both EBITDA and EBIT.
- 5.6 Earnings multiples for comparable businesses are typically derived from two different sources:
- Comparable trading multiples derived from the share prices of listed companies
 - Comparable transactions where similar businesses have been transacted in corporate mergers and acquisitions ("**M&A**")
- 5.7 We considered both comparable company trading multiples and comparable M&A transactions for the purpose of this report.

Calculation of shareholders' equity value

- 5.8 Enterprise value ("**EV**") represents the total value of the net operating assets of a business (both tangible and intangible assets that may not be recognised in financial accounts) used to derive the business' earnings, before any consideration of financing items, i.e., a "cash-free, debt-free" basis.
- 5.9 Equity value represents the total value attributable to the equity owners after financing (i.e., cash, financial debt and debt-like items) items are considered.
- 5.10 Our valuation used multiples of EV/EBITDA and EV/EBIT to calculate the EV of ORH. From the EV, we calculated the equity value by subtracting net debt (including debt like items).

- 5.11 An FME valuation of EV assumes an inherent level of assets within the business that is capable of generating the predicted earnings, including net working capital. However, the level of net working capital in a business moves over time as part of a business' operational cycle. Therefore, a benchmark of net working capital needs to be assessed, and a point in time valuation needs to consider the level of net working capital at that time compared to the benchmark, with any surplus or deficiency resulting in an adjustment to the equity valuation.

6 Pre-Transaction Valuation of ORH Shares

FME Approach

- 6.1 To assess the value of an ORH ordinary share pre-Transaction, we used an FME based approach using multiples of EBIT and EBITDA.
- 6.2 EBIT is the most theoretically correct measure of earnings applicable to both the debt and equity holders of a business (i.e., to value a business excluding consideration of how the business is funded), as it takes into account a depreciation charge which is a real cost of a business, as a sufficient level of ongoing capital expenditure is required to sustain the earnings generation capacity of the business. In this respect, depreciation is typically considered a proxy for ongoing replacement capital expenditure.
- 6.3 However, depreciation policies vary across companies, which can skew comparability across a group of companies considered for determining an appropriate earnings multiple. The use of EBITDA avoids this issue, and EBITDA is also considered a closer proxy for operational cash flow than EBIT.
- 6.4 Accordingly, we considered both EBITDA and EBIT multiple based valuations in our assessment.

Sustainable Level of Earnings

- 6.5 An FME approach requires an assessment of the sustainable level of earnings of a business on a long-term basis.
- 6.6 ORH's main source of revenue is from supplying vehicles to the Western Australian mining industry. Therefore, ORH's earnings are highly correlated to market conditions prevailing in the resources sector in WA, which are highly cyclical.
- 6.7 Market conditions for the Western Australian mining construction sector in FY17 and the financial year ended 30 June 2018 ("FY18") were fairly weak, though improved through FY19. FY20 and the financial year ended 30 June 2021 ("FY21") witnessed stronger market conditions. More recent market drivers were a combination of a cyclical upswing in mine replacement and expansion, and very high iron ore prices, which surged due to supply constraints in Brazil, caused by the COVID-19 pandemic. In addition to strong demand generated by mining activity, global supply constraints have restricted the supply of new capital equipment.
- 6.8 Due to the cyclical nature of ORH's primary end market, we considered ORH's earnings over the period from FY17 to FY22. The period from FY17 to FY22 demonstrates a transition from weak to strong market conditions and therefore an average over this period is considered a balanced measure of the sustainable level of earnings throughout the cycle.
- 6.9 We note that more recent periods are more representative of the current position and structure of the business, and accordingly should be attributed a greater weighting. Conversely, the most recent periods were impacted by the COVID-19 pandemic, which created extraordinary and unpredictable market conditions and therefore heightened uncertainty over whether the more recent level of earnings is sustainable.
- 6.10 To take into account the cyclical nature of the markets in which ORH operates, we have assessed the sustainable level of earnings using a ranged approach considering historical earnings through the cycle. Forecast earnings were not available.

Earnings Normalisations

- 6.11 ORH's normalised EBITDA for FY17 to FY22 are set out below. Normalisations relate to the following events:
- A one-off accounting (non-cash) entry in FY19 to de-recognise liabilities.
 - A fire at ORH's main premises during FY20 had one-off impacts on revenue and expenses and triggered an insurance settlement payment.
 - Non-recurring government support received in relation to the COVID-19 period in FY20

and FY21.

- The change in accounting policy due to AASB 16: Leases implemented in FY20. Rental expenses for FY20, FY21 and FY22 have been normalised to align with prior periods which recognise lease payments as an operating expense as opposed to a financing transaction with impacts on the accounting recognition of interest and depreciation charges.

Table 14. ORH Normalised EBITDA

	Year ended 30 June 2017 (\$)	Year ended 30 June 2018 (\$)	Year ended 30 June 2019 (\$)	Year ended 30 June 2020 (\$)	Year ended 30 June 2021 (\$)	Year ended 30 June 2022 (\$)
EBITDA	(1,164,686)	(358,977)	1,673,110	2,245,862	1,746,373	1,667,387
Normalisations						
Gain on de-recognition of liabilities			(127,915)			
Insurance claim - Loss of revenue				249,682		
Insurance claim - COGS				237,126		
Insurance claim - Other expenses				215,434		
Insurance claim - Employee costs				58,498		
Insurance claim - Net rent saving				(86,981)		
Insurance settlement recovery				(1,257,078)		
Covid related government support				(278,000)	(586,500)	
Rental expenses				(334,686)	(443,101)	(450,786)
Normalised EBITDA	(1,164,686)	(358,977)	1,545,195	1,049,857	716,772	1,216,601
Average normalised EBITDA						500,794

Source: ORH management

- 6.12 ORH's normalised EBIT for FY17 to FY22 are set out below. Deprecation has also been normalised as a significant component of depreciation in the FY20, FY21 and FY22 periods relates to the capitalisation of the Company's right of use asset (being the Company's lease of its main premises) due to the recent change in Australian Accounting Standards treatment of leases.

Table 15. ORH Normalised EBIT

	Year ended 30 June 2017 (\$)	Year ended 30 June 2018 (\$)	Year ended 30 June 2019 (\$)	Year ended 30 June 2020 (\$)	Year ended 30 June 2021 (\$)	Year ended 30 June 2022 (\$)
EBIT	(1,224,030)	(405,646)	1,628,158	1,769,188	1,267,991	1,193,056
Normalisations						
Gain on de-recognition of liabilities			(127,915)			
Insurance claim - loss of revenue				249,682		
Insurance claim - COGS				237,126		
Insurance claim - other expenses				215,434		
Insurance claim - employee costs				58,498		
Insurance claim - net rent saving				(86,981)		
Insurance settlement recovery				(1,257,078)		
Covid related government support				(278,000)	(586,500)	
Rental expenses				(334,686)	(443,101)	(450,786)
Depreciation				405,579	405,579	405,579
Normalised EBIT	(1,224,030)	(405,646)	1,500,243	978,762	643,969	1,147,849
Average normalised EBIT						440,191

Source: ORH management reports, Stantons analysis

- 6.13 After taking into consideration the above analysis, we assessed the expected future level of maintainable earnings based on the historical normalised EBITDA and EBIT for the low, preferred and high cases according to the following rationale.
- For the low case, we used an average over the 6-year period, which we consider to reflect earnings performance through the course of a West Australian mining construction cycle.
 - For the high case, we selected the current position, being the FY22 normalised EBITDA and EBIT. This reflects a more optimistic case consistent with recent strong market conditions
 - The preferred case was selected as the mid-point between the low and preferred cases, which effectively places additional weighting on the more recent level of performance compared to a historical average.

- 6.14 Accordingly, our assessed level of future maintainable earnings for ORH is as follows.

Table 16. ORH Assessed Future Maintainable Earnings

	Ref	Low (\$)	Preferred (\$)	High (\$)
EBITDA	Table 14	500,794	858,697	1,216,601
EBIT	Table 15	440,191	794,020	1,147,849

Source: Stantons analysis

Multiples Analysis

- 6.15 Our multiples analysis is based on traded prices of comparable listed companies and comparable transactions. Comparable transactions evidence is preferable over trading multiples for control transactions.

Comparable Trading Multiples

- 6.16 Set out below are the EV to EBITDA and EBIT multiples as at 22 December 2022 for a group of Australian listed companies that supply heavy earth equipment and transport vehicles. We

selected these companies due to their main business activity being the supply of equipment and vehicles to customers in the mining and construction industries. We considered both “last 12 months” (“**LTM**”) and “next 12 months” (“**NTM**”) periods. Whilst we have analysed historical results for ORH as forecasts were unavailable, and multiples should be assessed on a like for like basis (i.e., same periods), we note the LTM period has involved unusual impacts from the pandemic, which may ease as market conditions normalise (though the timing of this is highly uncertain).

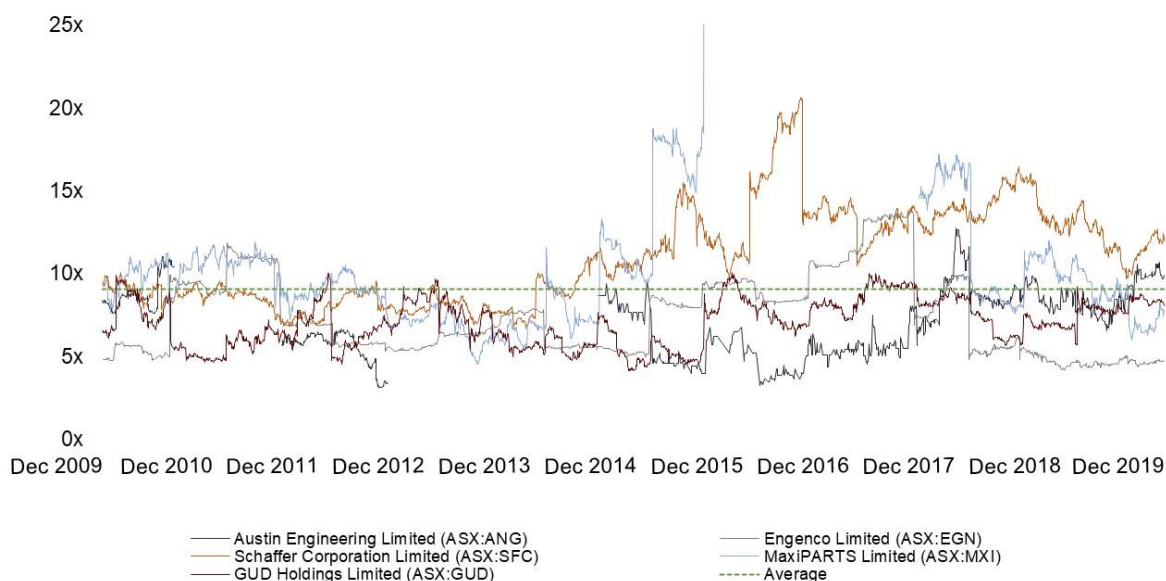
Table 17. Comparable Company Earnings Multiples

Company Name	Market capitalisation (\$m)	LTM EV/EBITDA (x)	NTM EV/EBITDA (x)	LTM EV/EBIT (x)	NTM EV/EBIT (x)
Austin Engineering Limited (ASX:ANG)	172.09	7.02	4.38	8.55	5.02
GUD Holdings Limited (ASX:GUD)	1125.75	9.88	7.79	12.55	9.65
Schaffer Corporation Limited (ASX:SFC)	251.85	6.19	-	7.34	-
MaxiPARTS Limited (ASX:MXI)	104.67	9.65	6.84	14.73	10.10
Engenco Limited (ASX:EGN)	132.57	9.59	-	20.70	-
Summary Statistics					
High	1125.75	9.88	7.79	20.70	17.76
Low	104.67	6.19	4.38	7.34	5.02
Mean	357.39	8.47	6.34	12.77	8.26
Median	172.09	9.59	6.84	12.55	9.65

Source: S&P Capital IQ

- 6.17 As current operating conditions for businesses have been affected by an extraordinary pandemic period, and similarly capital markets have been subject to extraordinary stimulus measures, we have also considered earnings multiples over time, before the pandemic period.
- 6.18 Set out below is the historical EBITDA multiple of the selected comparable companies from our group over the 10 years from 31 December 2009 to 31 December 2019. The average EBITDA multiple over the period was 9.1 times.

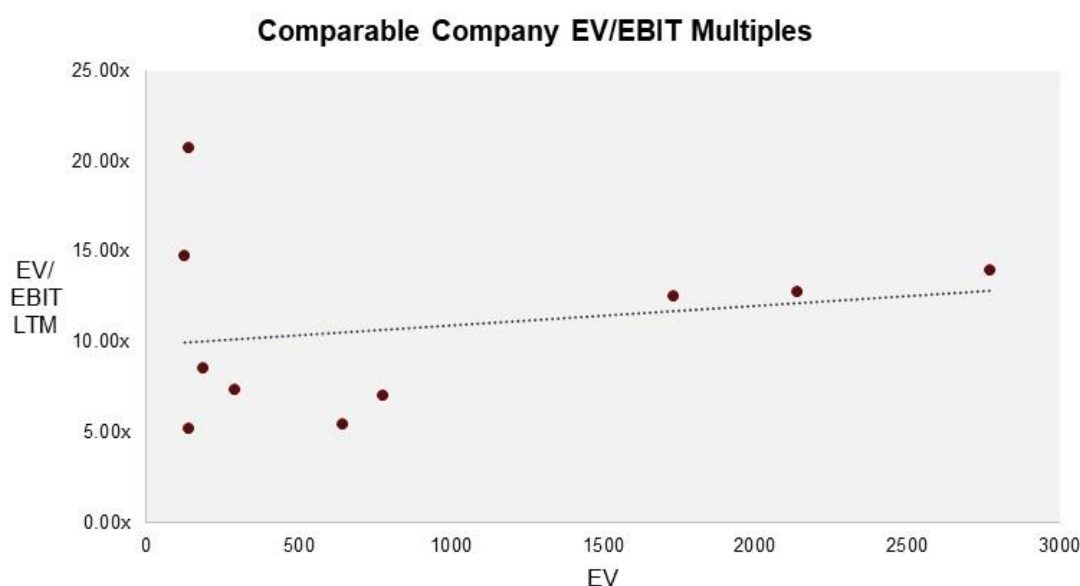
Figure 2. Comparable Company 10-Year Historical EBITDA Multiples



Source: S&P Capital IQ

- 6.19 Academic research¹ suggests both a size premium (as supported by Figure 3 below) and liquidity premium exist in the valuation of firms. Smaller firms tend to be ascribed lower earnings multiples which is explained by larger firms being perceived to have lower levels of risk due to factors such as economies of scale, market power, customer and end-market diversification and corporate governance advantages. Investors are also willing to pay a premium for the benefit of having liquidity in their investment, and therefore larger listed companies tend to trade at significantly larger multiples than small, unlisted businesses.
- 6.20 Set out below is the EV/EBITDA multiple against the EV for the set of comparable companies in Table 17 as well as some additional companies under broader comparability criteria to increase the sample size and therefore improve statistical relevance. The figure supports the existence of a size premium in the selected comparable company set.

Figure 3. Comparable Company Size Effect



Source: S&P Capital IQ

- 6.21 We note the selected comparable companies are all significantly larger than ORH and are ASX listed. Furthermore, mining and infrastructure construction is particularly cyclical and as a manufacturer of capital equipment, ORH is exposed to significant volatility in end user demand for its products, as in downturns capital equipment providers are vulnerable to mining operators extracting longer lives from existing capital equipment and deferring new capital expenditure, which is consistent with ORH being loss-making through FY17-18. In our opinion, ORH is exposed to cyclical market conditions to a greater extent than the comparable companies selected.
- 6.22 Accordingly, as ORH is a relatively small unlisted company, we consider appropriate multiples, on a control basis, to be significantly lower than the larger selected comparable company set.
- 6.23 We note that trading-based multiples reflect a minority interest basis for equity values, which we considered in determining applicable multiples for ORH which represent a control basis.

Comparable Transaction Multiples

- 6.24 We assessed comparable transactions that occurred in the past 5 years, with a particular focus on transactions involving private companies in the mining service industry in Western Australia. Due to limited data, we applied a broader comparability test of the business model of the companies involved (than just manufacturers), but nonetheless consider the companies involved to be exposed to similar industry risks. All were M&A transactions except for MLG Oz Ltd, which was an

¹ Valuation Handbook – International Guide to Cost of Capital 2021 Summary Edition, CFA Institute Research Foundation

issue of shares under an IPO. A summary of the recent transactions is set out below. We note information relating to EBIT multiples were unavailable for all but one of the transactions.

Table 18. Comparable Transactions Historical EBITDA and EBIT Multiples (Control Basis)

Acquirer	Target	Date	Implied EV (\$m)	EV/ EBITDA ² (x)	EV/ EBIT (x)
Thiess Group Investments Pty Ltd	MACA Ltd	26 Jul 22	350.0	2.96	n/a
Dynamic Group Holdings Ltd	Welldrill ³	11 Jul 22	22.5	3.00 ⁴	n/a
Dynamic Group Holdings Ltd	Orlando Drilling Pty Ltd	20 May 21	25.2	3.90 ⁴	n/a
MLG Oz Ltd	n/a (IPO)	30 Apr 21	168.3	4.10 ⁴	n/a
Babylon Pump and Power Ltd	Pilbara Trucks Pty Ltd	25 Feb 21	6.4	3.20	n/a
MACA Ltd	Mining West business of EDI Downer	15 Dec 20	180.0	2.50	n/a
Emeco Holdings Ltd	Pit N Portal Mining Services Pty Ltd	29 Jan 20	72.0	3.60	n/a
NRW Holdings Ltd	BGC Contracting Pty Ltd	9 Dec 19	310.0	3.10	n/a
Babylon Pump and Power Ltd	Primepower Queensland Pty Ltd	11 Sep 19	3.8	6.20	n/a
MacMahon Holdings Ltd	GF Holdings (WA) Pty Ltd	18 Jun 19	48.0	2.40 ⁴	n/a
Perenti Global Ltd	Barmenco Holdings Pty Ltd	31 Oct 18	697.0	4.20	7.60
Emeco Holdings Ltd	Matilda Equipment Holdings Pty Ltd	30 Apr 18	80.0	3.30	n/a
Emeco Holdings Ltd	Force Equipment Pty Ltd	30 Nov 17	69.8	2.96	n/a
Average				3.49	n/m⁷
Median				3.20	n/m

Source: S&P Capital IQ

Conclusion

- 6.25 Based on the above analysis we consider appropriate historical EBITDA and EBIT multiples to apply to ORH on a control basis are as follows.

Table 19. Selected Multiples

	Assessed earnings multiple (x)
EV/EBITDA multiple	3.50
EV/EBIT multiple	4.00

Source: Stantons analysis

- 6.26 We note the following key points that influenced our selection of a lower multiple than the comparable trading multiples analysis and to place more weighting on comparable transactions analysis:

- Comparable transactions evidence is preferable over trading multiples for control transactions where the nature of the transaction involved is more applicable, and less susceptible to short term fluctuations in listed share prices.
- As noted at page 13 of the NoM, the Company's historical earnings are heavily dependent on the economic conditions in the mining sector. Construction activity in the mining sector is highly cyclical, and therefore the Company's revenue and earnings are particularly exposed to volatility in end user demand for its products, and therefore volatility in its revenue, which is compounded in earnings volatility via fixed costs.
- The Company currently operates in Western Australia and is less geographically

² EV/EBITDA multiples are as reported via company announcements, which are based on historical EBITDA except as noted

³ Welldrill consists of 2 entities; PDC Drilling Pty Ltd; and Delmoss Nominees Pty Ltd

⁴ Based on forecast EBITDA

⁷ Not meaningful

diversified than the selected comparable listed companies, many of which operate nationally and in international markets.

- The Company has a history of being in administration (from late 2011 to 2013) and has funded its operations primarily through related party loan funds from directors since 2009. The Company is currently under capitalised, with current liabilities exceeding current assets, and has not been successful in attempts by the directors to attract additional external capital. As per page 23 of the Prospectus, the Related Party Loans have been one of the Company's primary funding sources since around 2009. We note the Company is currently seeking to diversify its business due to the risks associated with being so heavily reliant on the mining sector, however we do not consider that the business model has significantly changed to reduce demand volatility risk. Therefore, the past performance of the business is a relevant consideration in the determination of the earnings multiple.

Net Debt

6.27 We assessed the net debt position of ORH as at 31 August 2022, being the most recent financial position available to us. Key assumptions involved in this assessment include:

- Consistent with our treatment of leases as an operating expense, we did not treat the accounting recognition of lease liabilities as financial debt.
- Related Party payables, which include unpaid remuneration, were treated as a debt-like item.
- Employee entitlements were treated as a debt-like item.

Table 20. Net Debt Adjustment

Net	Ref	Value (\$)
Cash	Table 12	2,016,326
Related Party payables	Table 12	(1,991,212)
Related Party loans	Table 12	(716,836)
Employee entitlements	Table 12	(297,000)
Borrowings	Table 12	(1,564,364)
Net cash /(debt) as at 31 August 2022		(2,553,086)

Source: ORH management accounts, Stantons analysis

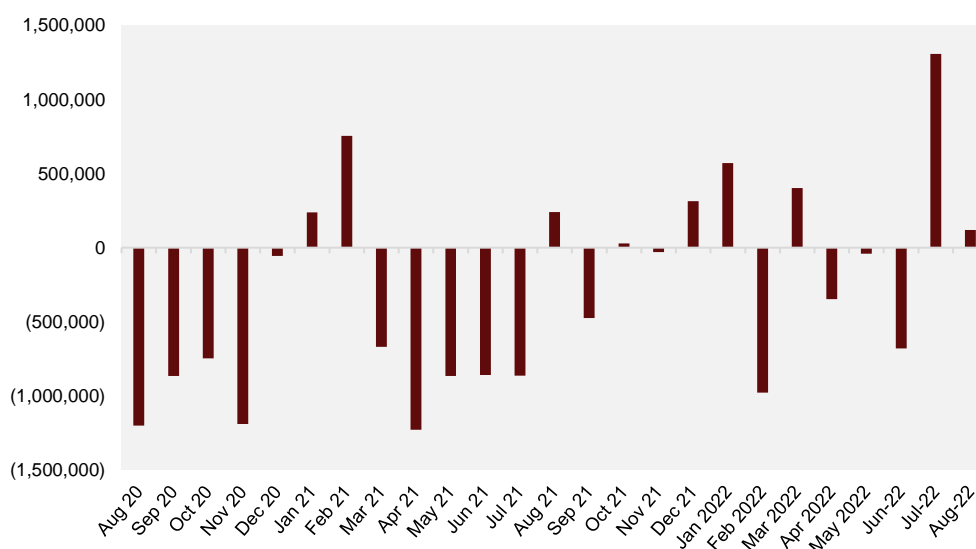
Working Capital

- 6.28 An FME valuation of EV assumes an inherent level of assets within the business that is capable of generating the predicted earnings, including net working capital. However, the level of net working capital in a business moves over time as part of the usual business operation cycle. Therefore, a benchmark of net working capital needs to be assessed, and a point in time valuation needs to consider the level of net working capital at that time compared to the benchmark, with any surplus or deficiency resulting in an adjustment to the valuation.
- 6.29 A 12-month historical average is a common metric for setting a net working capital benchmark however setting the benchmark is a subjective exercise and no single rule applies.
- 6.30 We considered the following items to comprise net working capital:
- Trade receivables
 - Inventories
 - Prepayments
 - Trade creditors (excluding those owed to the Related Parties)

- Employee benefits provision
- Contract liabilities
- Customer deposits
- GST assets or liabilities
- Accrued expenses

6.31 Set out below is the historical monthly net working capital position of the Company for the 2 years from 31 August 2020 to 31 August 2022.

Figure 4. Historical Monthly Net Working Capital



Source: ORH management accounts, Stantons analysis

6.32 The average net working capital position of the Company over the period reflected in Figure 4 was negative \$284,871, and the average for the previous 12-months was \$15,960. We note the current business model involves holding significant customer deposits as orders are received. The Company's negative net working capital position has been steadily reducing, and for the past 2 months has been strongly positive. Based on more recent position, we consider that an appropriate benchmark for net working capital is nil.

6.33 Our value adjustment to account for the Company's net working capital as at 31 August 2022 compared to the assessed benchmark is set out below.

Table 21. Net Working Capital Adjustment

Net working capital	Value as at 31 August 2022 (\$)
Trade and other receivables	1,650,382
Inventories	5,042,544
Other assets	546,855
Trade and other payables (non-Related Party)	(6,927,841)
Net working capital as at 31 August 2022	311,940
Average net working capital	-
Working capital adjustment	311,940

Source: ORH management accounts, Stantons analysis

EBITDA Multiple Valuation

6.34 Our pre-Transaction FME valuation of ORH, using an historical EBITDA multiple, is set out below.

6.35 In relation to our approach, we note the following:

- Our valuation assumes a 100% control interest.
- The valuation is based on the 31 August 2022 financials, being the most recent available.
- EV is adjusted for net debt and debt-like items of \$2,553,086 (as set out in Table 20) to arrive at an equity value.
- Working capital has been adjusted by \$311,940 as set out in Table 21 above.
- Committed costs of the Entitlement Offer of \$120,000, as estimated by the directors of the Company per the NoM, have been deducted.

Table 22. Valuation analysis - Pre-Transaction (EBITDA Multiple Based)

	Ref	Low	Preferred	High
Future maintainable EBITDA (\$)	Table 14	500,794	858,697	1,216,601
EV/EBITDA multiple (x)	Table 19	3.5	3.5	3.5
EV (\$)		1,752,778	3,005,441	4,258,104
Add/less: net cash/(debt and debt like items) (\$)	Table 20	(2,553,086)	(2,553,086)	(2,553,086)
Add/less: net working capital adjustment (\$)	Table 21	311,940	311,940	311,940
Less: Committed costs of Entitlement Offer (\$)	6.35	(120,000)	(120,000)	(120,000)
Ordinary share value (\$)		(608,368)	644,295	1,896,958
Shares outstanding	Table 9	1,318,934,612	1,318,934,612	1,318,934,612
Value per share (\$)		(0.00046)	0.00049	0.00144

Source: Stantons analysis

EBIT Multiple Valuation

6.36 Our pre-Transaction FME valuation of ORH, using an historical EBIT multiple, is set out below.

Table 23. Valuation analysis - Pre-Transaction (EBIT Multiple Based)

	Ref	Low	Preferred	High
Future maintainable EBIT (\$)	Table 15	440,191	794,020	1,147,849
EV/EBIT multiple (x)	Table 19	4.0	4.0	4.0
EV (\$)		1,760,765	3,176,080	4,591,396
Add/less: net cash/(debt and debt like items) (\$)	Table 20	(2,553,086)	(2,553,086)	(2,553,086)
Add/less: net working capital adjustment (\$)	Table 21	311,940	311,940	311,940
Less: Committed costs of Entitlement Offer (\$)	6.35	(120,000)	(120,000)	(120,000)
Ordinary share value (\$)		(600,381)	814,935	2,230,250
Shares outstanding	Table 9	1,318,934,612	1,318,934,612	1,318,934,612
Value per share (\$)		(0.00046)	0.00062	0.00169

Source: Stantons analysis

Pre-Transaction Valuation Summary

- 6.37 We considered the EBITDA and EBIT multiple valuation analysis to arrive at our valuation conclusion. In concluding our pre-Transaction valuation, we also note:
- ORH shares are issued on a limited liability basis, and therefore the minimum possible value of an ORH share is nil.
 - We expect ORH shares to hold some nominal value as shareholders have exposure to some potential upside and their downside is limited to nil share value.
 - The outlook for the mining industry to which the Company is exposed is currently positive.
- 6.38 Our assessed pre-Transaction value per share of ORH was calculated using an average of the EBITDA based valuation and EBIT based valuation, as set out below.

Table 24. Assessed Pre-Transaction Value per ORH Share

	Ref	Low	Preferred	High
Value per share (EBITDA based) (\$)	Table 22	(0.00046)	0.00049	0.00144
Value per share (EBIT based) (\$)	Table 23	(0.00046)	0.00062	0.00169
Average (\$)		(0.00046)	0.00055	0.00156
Assessed value per share (\$)		-	0.00055	0.00156

Source: Stantons analysis

- 6.39 Accordingly, our assessed pre-Transaction value of an ORH ordinary share, on a control basis, is therefore between nil and \$0.00156, with a preferred value of \$0.00055.

7 Post-Transaction Valuation of ORH Shares

Post-Transaction Approach

7.1 Our assessed post-Transaction value per ORH share is set out below. In relation to our approach, we note the following key assumptions:

- The total pre-Transaction equity value is as below.

Table 25. Assessed Pre-Transaction Total Value of ORH

	Ref	Low	Preferred	High
Average pre-Transaction value per share (control) (\$)	Table 24	(0.00046)	0.00055	0.00156
Shares outstanding	Table 9	1,318,934,612	1,318,934,612	1,318,934,612
Total value (\$)		(604,375)	729,615	2,063,604

Source: Stantons analysis

- The maximum \$2,700,000 of Related Party Debts to be converted to equity pursuant to the Underwriters Agreement is assumed, resulting in 3,000,000,000 ordinary shares issued to the Underwriters and Sub-Underwriters.
- No subscriptions are received by other shareholders under the Entitlement Offer (which reflects the maximum position the Related Parties may obtain).
- The Pre-Transaction valuation approach assumes a 100% control interest. A minority discount was applied (refer to paragraph 7.3 below) to reflect the post-Transaction value for individual Non-Associated Shareholders.

Table 26. ORH Post-Transaction Share Value

	Ref	Low	Preferred	High
Pre-Transaction equity value (\$)	Table 25	(604,375)	729,615	2,063,604
Add: Debt extinguishment (\$)	7.1	2,700,000	2,700,000	2,700,000
Post-Transaction equity value (\$)		2,095,625	3,429,615	4,763,604
Shares outstanding	Table 9	4,318,934,612	4,318,934,612	4,318,934,612
Value per share (\$) (control)		0.00049	0.00079	0.00110
Discount for minority interest (%)	7.3	23%	23%	23%
Value per share (\$) (minority interest)		0.00037	0.00061	0.00085

Source: Stantons analysis

Discount for Minority Interest

- 7.2 We note an FME based valuation assumes a 100% interest in the Company. As the interest of the existing ORH shareholders in the post-Transaction entity will represent a minority interest, we applied a discount to the control value.
- 7.3 Generally, historical evidence of control premiums offered on takeovers for small-cap companies are in the range of 20% to 40%⁵ (although outcomes outside this are not uncommon) with 30% a commonly accepted benchmark where a 100% interest is being acquired. We have considered the

⁵ "Control Premium Study 2017", RSM

factors in Appendix C and concluded that a control premium of 30% is appropriate to apply in this circumstance. We note that holding a minority interest in an unlisted company has additional risks compared to a listed company subject to additional regulatory requirements, however, note our pre-Transaction valuation takes into account ORH's unlisted status. Accordingly, we applied a minority interest discount of 23.1% (being the inverse of a 30% control premium) to the value of an ORH post-Transaction share.

8 Fairness Evaluation

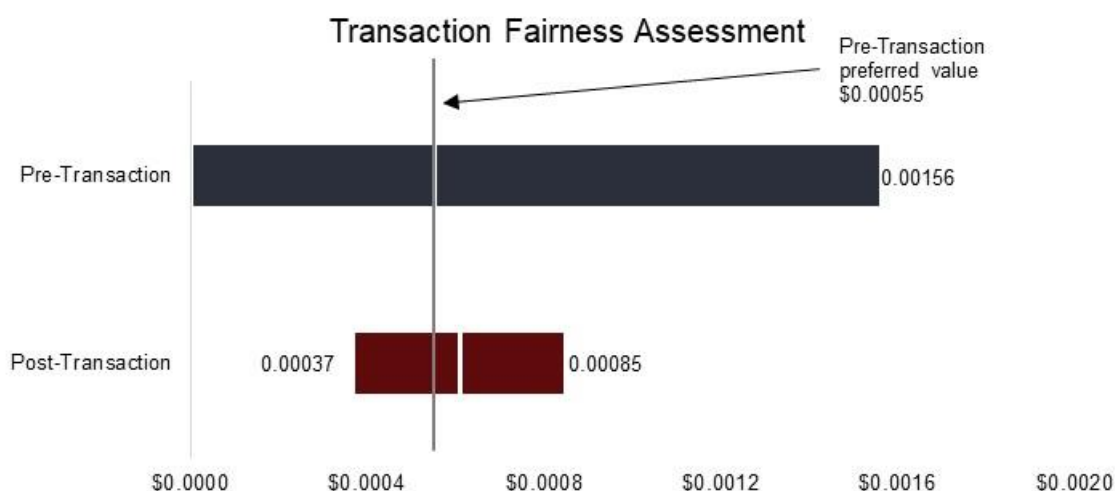
- 8.1 In determining the fairness and reasonableness of the Transaction including Resolutions 1 and 2, we have had regard to the guidelines set out by ASIC's RG111.
- 8.2 As per RG111, we consider the Transaction (including the proposal outlined in Resolutions 1 and 2 of the NoM) is fair if:
- the value of an ORH share prior to the Transaction, on a control basis, is less than;
 - the value of an ORH share after the Transaction, on a minority interest basis.
- 8.3 Our assessment of the fairness of the Transaction is set out below.

Table 27. Fairness Assessment

	Ref	Low	Preferred	High
Pre-Transaction ORH share value (control) (\$)	Table 24	-	0.00055	0.00156
Post-Transaction ORH share value (minority) (\$)	Table 26	0.00037	0.00061	0.00085
Opinion		Fair	Fair	Not Fair

Source: Stantons analysis

Figure 5. Fairness Assessment



Source: Stantons analysis

Fairness Assessment Interpretation

- 8.4 We note that Resolution 1 and 2 of the NoM relate to approval to enter the Underwriting Agreement and the debt for equity conversion, conditional on there being a shortfall in applications. Our report is prepared and addresses the Non-Associated Shareholders as a general collective group. However, we note that if Resolutions 1 and 2 of the NoM are approved, individual shareholders will retain the option to participate in the Entitlement Offer and thereby not be diluted by the Transaction.
- 8.5 The low and preferred scenarios of our fairness assessment indicate the proposed Transaction, including the full impact of the potential dilution of Non-Associated Shareholders, is fair.
- 8.6 Our high scenario indicates the Transaction, assuming full dilution of Non-Associated Shareholders, is not fair. However, we note that for individual shareholders with a more optimistic view of the Company's value, approval of Resolution 1 and 2 of the NoM does not preclude them

from participating in the Entitlement Offer and thereby avoiding dilution of their current interest, and potentially increasing their interest through the shortfall application process.

- 8.7 Put another way, if ALL the shareholders had an optimistic view on value aligned with our high scenario assessment, ALL shareholders participated in the Entitlement Offer and Resolutions 1 and 2 of the NoM were approved, our fairness assessment would not be applicable as the percentage holdings of existing shareholders would remain the same, i.e., shareholders dilute themselves by a pro rata amount which is therefore value neutral to all shareholders.
- 8.8 Our fairness assessment addresses the **potential** maximum dilution scenario assuming Non-Associated Shareholders, as a collective group, decide not to participate in the Entitlement Offer.
- 8.9 Whilst our report is addressed to Non-Associated Shareholders as a collective group, we note if some individual shareholders decide to participate in the Entitlement Offer, but not all shareholders, control of the Company may pass to the Related Parties.
- 8.10 On balance, we consider Resolutions 1 and 2 of the NoM to be **FAIR** to the Non-Associated Shareholders for the purpose of Chapter 2E and s611 of the Corporations Act, respectively.

9 Reasonableness Evaluation

- 9.1 Under RG111, a transaction is considered "reasonable" if it is "fair". As the Transaction outlined in Resolutions 1 and 2 of the NoM is considered **FAIR**, it is also considered **REASONABLE**.

Advantages

On balance, the Transaction is considered fair

- 9.2 As per our assessment in Section 8, the Transaction is fair to Non-Associated Shareholders.

The Transaction involves an underwrite of an Entitlement Offer – control won't necessarily pass if the Transaction is approved as shareholders have a choice to participate in the Entitlement Offer or not

- 9.3 Non-Associated Shareholders have a choice to participate in the Entitlement Offer (assuming it proceeds). In the event they do not participate, they will be diluted by other shareholders who do take up their entitlement, and/or the Underwriter or Sub-Underwriters, with the key difference being that the Related Parties may then attain a higher degree of control. In the event all shareholders take up their full rights under the Entitlement Offer, the Related Parties will not trigger the control thresholds considered in our fairness assessment. If all shareholders take up their full entitlement, the Underwriting Agreement will not be triggered and therefore the Transaction as contemplated in our fairness assessment will not occur.
- 9.4 Our low value scenario reflects a pessimistic outlook. If Non-Associated Shareholders hold a pessimistic view of ORH's future, they are unlikely to participate in the Entitlement Offer, and under the low scenario, the Transaction is considered fair.
- 9.5 The high value scenario represents an optimistic outlook, and under this scenario, we have determined the Transaction is not fair. However, shareholders who hold an optimistic view of ORH's future can participate in the Entitlement Offer, which will mean the Related Parties will not take up those shares that are acquired by participating Non-Associated Shareholders.

Related Party Debts are immediately due and payable

- 9.6 As per Section 6.1 of the draft Prospectus (which we note is still a draft document and is subject to amendment), the Related Party Debts have been called by the Related Parties and therefore are immediately payable. Accordingly, the Company is seeking an appropriate mechanism to repay the Related Parties. As per the NoM, the Related Party Debts are due and payable in the form of either cash or the issue of new ordinary shares.
- 9.7 The Company currently does not have sufficient cash to repay the Related Party Debts and its current assets are less than its current liabilities. We note that the cash balance is substantially as a result of customer deposits, which are required for expenditure in completing committed work.
- 9.8 Accordingly, the Company would likely require an alternative capital raising or restructuring transaction to satisfy these debts should they be required to be paid in cash. We understand the Company explored a variety of capital raising options before proposing the Entitlement Offer. In particular, we note that Section 2 of the draft Prospectus states that the Company sought funding via business loans with ANZ, Westpac and InvestLend Pty Ltd (a private funder), and was declined on the basis of the strength of the Company's balance sheet and historical performance during periods of downturn. Should the Company be unable to raise the required funding via an alternative transaction, the Company is at risk of becoming insolvent. In such a scenario, the Non-Associated Shareholders would risk receiving no value for their shares, given the Company is currently in a net liabilities position.
- 9.9 We note paragraph 6.6 of the prospectus states that if the Transaction is not approved, the Company has agreed to seek shareholder approval for the Related Parties to convert their debt into ordinary shares within 9 months of the close of the Entitlement Offer, and the Related Parties will take no action to require repayment of the balance of the Related Party Debts during this time. Should approval not be obtained for the conversion into ordinary shares, the Company may be required to repay the Related Party Debts in cash.

- 9.10 We note the issue of ordinary shares as a debt conversion of the Related Party Debts that would be sought in the event the Transaction is not approved would be dilutive to the Non-Associated Shareholders. However, in this case the Non-Associated Shareholders would not have the opportunity to preserve their level of interest in the Company as they do by participating in the Entitlement Offer.
- 9.11 Completion of the Transaction may extinguish a significant portion of the Company's Related Party Debts, which may improve the Company's prospects for future capital raisings from external sources.

Improves the Company's short term liquidity position

- 9.12 The Company currently has current assets of \$9,256,107 and current liabilities of \$11,392,181, indicating a current assets deficiency of \$2,136,074 and a current ratio of 0.812. Conversion of \$2,700,000 of the Related Part Debts would improve the current ratio position to 1.065, indicating an improved short term liquidity position such that the current assets cover the current liabilities. We note that if some Non-Associated Shareholders elect to participate in the Entitlement Offer, the Company's short term liquidity position would be further improved.

Facilitates the Entitlement Offer

- 9.13 ORH is unlisted and therefore the Company has limited options available to it to raise new capital.
- 9.14 The Underwriting Agreement facilitates the Entitlement Offer, which may supply the Company with much-needed working capital, and in any case provides a degree of certainty that the Company's capital position will improve. We note the Company has sought third-party underwriters, though was unsuccessful, in part due to the liabilities arising due to the Related Party Debts (refer to page 11 of the NoM). Accordingly, the Company considers it necessary to appoint the Related Parties as underwriters and sub-underwriters in order to complete the Entitlement Offer.

Increases alignment of directors' financial interests with the Non-Associated Shareholders

- 9.15 We note that due to the Company being unlisted, Non-Associated Shareholders have greater reliance on the directors with respect to corporate governance and the future of the Company compared to the additional oversights that apply to listed companies, such as:
- ASX listing rules and oversight;
 - continuous disclosure obligations; and
 - a more efficient market for control.
- 9.16 If the Transaction proceeds and the directors increase their equity position, the financial interests of the directors will be more aligned with the Non-Associated Shareholders.

Disadvantages

Dilution of Non-Associated Shareholders

- 9.17 As a result of the Transaction, a significant amount of new ordinary shares will potentially be issued. Non-Associated Shareholders of ORH may be diluted from holding 95.24% down to 29.08% assuming no non-Related Parties take up the Entitlement Offer.
- 9.18 The dilution of Non-Associated Shareholders would allow the Related Parties to obtain a significant level of control of the Company, including the ability to collectively pass ordinary resolutions, which would include allowing the Related Parties to control strategic and commercial decisions of the Company, the ability to elect directors and increase or reduce the number of directors.



If some shareholders participate in the Entitlement Offer and not others, participating shareholders may avoid dilution but nonetheless control may pass to the Related Parties

- 9.19 Whilst our report is addressed to Non-Associated Shareholders as a collective group, we note if some individual shareholders decide to participate in the Entitlement Offer, but not all shareholders, control of the Company may pass to the Related Parties despite participating shareholders retaining their interests.

Removes the possibility of a superior alternative

- 9.20 Completion of the Transaction will remove the possibility of the Company executing an alternative restructuring transaction. However, we note that the Company has not presently received any superior offers, and as referred to above has sought a number of alternative capital raising options including debt financing through several financial institutions and appointing an external underwriter to the Entitlement Offer. However, we note that if the business remains profitable, it potentially could trade its way out of its current debt position.

Lack of liquidity in an unlisted Company

- 9.21 For Non-Associated Shareholders who choose to participate in the Entitlement Offer, they will be investing more money as a minority shareholder in an unlisted company. As the Company is unlisted, and the directors may have a significant level of control, the Non-Associated Shareholders would be receiving shares that would not be liquid and therefore the ability of shareholders to receive a return or exit their investment is uncertain. Non-Associated Shareholders would likely be dependent on the Company completing an IPO or a trade sale to realise any returns in the short to medium term.

Other Considerations

Individual shareholders have the option to avoid dilution of their position

- 9.22 This report considers the potential maximum dilution scenario assuming Non-Associated Shareholders, as a collective group, decide not to participate in the Entitlement Offer. We note that approving the Transaction does not preclude individual shareholders who take an optimistic view of the Company's future from electing to participate in the Entitlement Offer, thereby avoiding dilution of their individual position. Additionally, the Transaction is conditional on a shortfall in applications. If all individual Non-Associated Shareholders elect to participate in the Entitlement Offer, the Underwriting Agreement will not come into effect, and the Non-Associated Shareholders will not have their position diluted.

Reasonableness Conclusion

- 9.23 On balance, we consider that despite not being fair, the advantages of the Transaction to the Non-Associated Shareholders outweigh the disadvantages. Accordingly, we consider the Transaction to be reasonable.

10 Conclusion

Opinions

- 10.1 The proposed Transaction, including the proposal outlined in Resolutions 1 and 2 of the NoM that allows for entry into the Underwriting Agreement, the issue of up to 3,000,000,000 ordinary shares to the Related Parties and extinguishes the Related Party Debts, is considered **FAIR** and **REASONABLE** to the Non-Associated Shareholders of ORH as at the date of this report.

Shareholders Decision

- 10.2 Stantons was engaged to prepare an IER setting out whether in its opinion the proposal to allow the Transaction is fair and reasonable and to state reasons for that opinion. Stantons has not been engaged to provide a recommendation to shareholders as to whether to approve the Transaction.
- 10.3 The decision whether to approve Resolutions 1 and 2 is a matter for individual shareholders based on each shareholder's views as to the value, their expectations about future market conditions and their particular circumstances, including risk profile, liquidity preference, investment strategy, portfolio structure, and tax position. If in any doubt as to the action they should take in relation to the proposal under Resolutions 1 and 2, shareholders should consult their professional advisor.
- 10.4 Similarly, it is a matter for individual shareholders as to whether to buy, hold or sell shares in ORH. This is an investment decision upon which Stantons does not offer an opinion and is independent on whether to accept the proposal under Resolutions 1 and 2. Shareholders should consult their professional advisor in this regard.

Source Information

- 10.5 In making our assessment as to whether the proposed Transaction, including Resolutions 1 and 2, is fair and reasonable to Non-Associated Shareholders, we have reviewed published available information and other unpublished information of the Company that is relevant to the current circumstances. In addition, we held discussions with the management of ORH about the present and future operations of the Company. Statements and opinions contained in this report are given in good faith, but in the preparation of this report, we have relied in part on information provided by the directors and management of ORH.
- 10.6 Information we have received includes, but is not limited to:
- Drafts of the NoM and ES to shareholders of ORH to 22 December 2022
 - Drafts of the Entitlement Offer prospectus to 2 December 2022
 - ORH Annual Reports for the financial years ended 30 June 2020 and 30 June 2021
 - ORH management account materials between 30 June 2020 and 31 August 2022
 - Drafts of the Underwriting Agreement to 14 September 2022
 - Register of ORH shareholders as at 14 December 2021
 - A Limited Scope Valuation Report for ORH dated 1 July 2021, prepared by an independent third-party professional services firm
- 10.7 Our report includes the appendices, our declarations, and our Financial Services Guide.

Yours Faithfully

STANTONS CORPORATE FINANCE PTY LTD



James Turnbull, CFA
Authorised Representative

APPENDIX A

GLOSSARY

Term/abbreviation	Definition
AFCA	Australian Financial Complaints Authority
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
Chapter 2E	Chapter 2E of the Corporations Act
Company	ORH Limited
Corporations Act	Corporations Act 2001 Cth
DCF	Discounted future cash flows valuation methodology
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
Entitlement Offer	The offer to existing shareholders of ORH of up to 4 ordinary shares for every 1 existing share at \$0.0009 per share, potentially issuing up to 5,275,738,888 new ordinary shares
ES	Explanatory Statement
EV	Enterprise Value
FME	Capitalisation of future maintainable earnings valuation methodology
FSG	Financial Services Guide
FY17	The financial year ended 30 June 2017
FY18	The financial year ended 30 June 2018
FY19	The financial year ended 30 June 2019
FY20	The financial year ended 30 June 2020
FY21	The financial year ended 30 June 2021
FY22	The financial year ended 30 June 2022
IER	Independent Expert's Report
Indian Ocean	Indian Ocean Corporate Pty Ltd
M&A	Mergers and Acquisitions
Meeting	The meeting at which shareholders will vote on Resolutions 1 and 2
Net Assets	Asset-based valuation methodologies
NoM	Notice of Meeting
Non-Associated Shareholders	Shareholders not restricted from voting on Resolutions 1 and 2
ORH	ORH Limited
Related Parties	Indian Ocean and the Sub-Underwriters
Related Party Debts	Amounts owed by ORH to the Related Parties, as set out in Table 8
RG74	ASIC Regulatory Guide 74: Acquisitions Approved by Members
RG111	ASIC Regulatory Guide 111: Content of Expert Reports
Sub-Underwriters	JLD Rentals Pty Ltd atf Blazeway Discretionary Trust, Trustee for the Tsaban Trust trading as Jackori Consulting, Indian Ocean Advisory Group Pty Ltd, Cooper Cove Pty Ltd atf SW Trust, JLD Body Building Pty Ltd atf the JKC Discretionary Trust, Domenal Enterprises Pty Ltd atf DVM Superannuation Fund, Domenic Martino, Jamie Detata and Jakob Tsaban
s606	Section 606 of the Corporations Act
s611	Section 611 of the Corporations Act
Stantons	Stantons Corporate Finance Pty Ltd
Transaction	The issue of up to 3,000,000,000 ordinary shares in ORH to the Related Parties
Underwriter	Indian Ocean Corporate Pty Ltd
Underwriting Agreement	The underwriting agreement to be entered between ORH and Indian Ocean subject to shareholder approval for Resolution 1 at the Meeting

APPENDIX B

VALUATION METHODOLOGIES

Introduction

In preparing this report we have considered several valuation approaches and methods. These approaches and methods are consistent with:

- Market practice
- The methods recommended by the Australian Securities and Investments Commission in Regulatory Guide 111
- The International Valuation Standards
- The International Glossary of Business Valuation Terms

A valuation approach is a general way of determining an estimate of the value of a business, business ownership interest, security or intangible asset. Within each valuation approach, there are several specific valuation methods, which are specific ways to determine an estimate of value.

There are three general valuation approaches as follows:

i) **Income Approaches**

Indicates value by converting future cash flows to a single present value. Examples of an income approach are:

- The discounted cash flow method ("**DCF**")
- The capitalisation of future maintainable earnings method ("**FME**")

ii) **Asset/Cost Approaches**

Provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or construction.

iii) **Market Approaches**

Indicates value by comparing the subject asset with identical or similar assets for which price information is available. The main examples of the market approach are:

- Analysis of recent trading
- Industry rules of thumb

1. **Discounted Cash Flow Method**

Of the various methods noted above, the DCF method has the strongest theoretical basis. The DCF method estimates the value of a business by discounting expected future cash flows to a present value using an appropriate discount rate. A DCF valuation requires:

- A forecast of expected future cash flows
- An appropriate discount rate
- An estimate of terminal value

It is necessary to project cash flows over a suitable period (generally regarded as being at least five years) to arrive at the net cash flow in each period. For a finite life project or asset, this would need to be done for the life of the project. This can be a difficult exercise requiring a significant number of assumptions such as revenue and cost drivers, capital expenditure requirements, working capital movements and taxation.

The discount rate used represents the risk of achieving the projected future cash flows and the time value of money. The projected future cash flows are then valued in current-day terms using the discount rate selected.

A terminal value reflects the value of cash flows that will arise beyond the explicit forecast period. This is commonly estimated using either a constant growth assumption or a multiple of earnings (as described under FME below). This terminal value is then discounted to current day terms and added to the net present value of the forecast cash flows to provide an estimate for the overall value of the business.

The DCF method is often sensitive to several key assumptions such as revenue growth, future margins, capital investment, terminal growth and the discount rate. All these assumptions can be highly subjective, sometimes leading to a valuation conclusion presented that is too wide to be useful.

A DCF approach is usually preferred when valuing:

- Early-stage companies or projects
- Limited life assets such as a mine or toll concession
- Companies where significant growth is expected in future cash flows
- Projects with volatile earnings

It may also be preferred if other methods are not suitable, for example, if there is a lack of reliable evidence to support an FME approach. However, it may not be appropriate if:

- Reliable forecasts of cash flow are not available and cannot be determined
- There is an inadequate return on investment, in which case a higher value may be realised by liquidating the assets than through continuing the business

A DCF approach is not recommended when assets are expected to earn below the cost of capital. Also, when valuing a minority interest in a company, care needs to be taken if a DCF based on earnings for the whole business is prepared, as the holder of a minority interest would not have access to, or control of, those cash flows.

2. Capitalisation of Future Maintainable Earnings Method

The FME method is a commonly used valuation methodology that involves determining a future maintainable earnings figure for a business and multiplying that figure by an appropriate capitalisation multiple. This methodology is generally considered a short form of a DCF, where a single representative earnings figure is capitalised, rather than a stream of individual cash flows being discounted. The FME methodology involves the determination of:

- A level of future maintainable earnings
- An appropriate capitalisation rate or multiple

Any of the following measures of earnings can be used:

Revenue – is mostly used for early-stage, fast-growing companies that do not make a positive EBITDA or as a cross-check of a valuation conclusion derived using another method.

EBITDA – most appropriate where depreciation distorts earnings, for example in a company that has a significant level of depreciating assets but little ongoing capital expenditure requirement.

EBITA – in most cases EBITA will be more reliable than EBITDA as it takes account of the capital intensity of the business

EBIT – whilst commonly used in practice, multiples of EBITA are usually more reliable as they remove the impact of amortisation which is a non-cash accounting entry that does not reflect a need for future capital investment (unlike depreciation)

NPAT – relevant in valuing businesses where interest is a major part of the overall earnings of the group (e.g., financial services businesses such as banks).

Multiples of EBITDA, EBITA and EBIT are commonly used to value whole businesses for acquisition purposes where gearing is in the control of the acquirer. In contrast, NPAT (or P/E) multiples are often used for valuing minority interests in a company as the investor has no control over the level of debt.

A normalised level of maintainable earnings needs to be determined for the selected earnings measure. This excludes the impact of any gains or losses that are not expected to reoccur and allows for the full-year impact of any changes (such as acquisitions or disposals) made partway through a given financial year.

The selected multiple to apply to maintainable earnings reflect expectations about future growth, risk and the time value of money captured in a single number. Multiples can be derived from three main sources.

- Using the comparable trading multiples, market multiples are derived from the trading prices of stocks of companies that are engaged in the same or similar lines of business that are actively traded on a free and open market, such as the ASX
- The comparable transactions method is a method whereby multiples are derived from transactions of significant interests in companies engaged in the same or similar lines of business.
- It is also possible to build a multiple from first principles based on an appropriate discount rate and growth expectations.

It is important to use the same earnings periods (historical, current or forecast) for calculating comparable multiples, as the period used for determining FME. For example, a multiple based on historical earnings of comparable companies should be applied to historical earnings of the subject of the valuation and not to forecast earnings.

The capitalised earnings multiple calculates the enterprise value of a Company. Enterprise value represents the total value of the net operating assets of a business used to derive the business' earnings, before any consideration of financing items, i.e., a "cash-free, debt-free" basis. To calculate the value to ordinary shareholders, the enterprise value needs to be converted to an equity value, which represents the total value attributable to the equity owners after financing (i.e., financial debt) items are considered.

The capitalisation of earnings method is widely used in practice. It is particularly appropriate for valuing companies with a relatively stable historical earnings pattern which is expected to continue. The method is less appropriate for valuing companies or assets if:

- There are no (or very few) suitable alternative listed companies or transaction benchmarks for comparison
- The asset has a limited life
- Future earnings or cash flows are expected to be volatile
- There are negative earnings, or the earnings of a business are insufficient to justify a value exceeding the underlying net assets
- Working capital requirements are not expected to remain stable

3. Asset or Cost Approaches

The asset approach to value assumes that the current value of all assets (tangible and intangible) less the current value of the liabilities should equate to the current value of the entity. Specifically, an asset approach is defined as a general way of determining a value indication of a business, business ownership interest, or security using one or more methods based on the value of the assets net of liabilities. A cost approach is defined as a general way of determining a value indication of an individual asset by quantifying the amount of money required to replace the future service capability of that asset.

The asset-based valuation methods estimate the value of a company based on the realisable value of its net assets, less its liabilities. There are several asset-based methods including:

- Orderly realization
- Forced liquidation
- Net assets on a going concern

The orderly realisation of assets method estimates fair market value by determining the amounts that would be distributed to shareholders, after payments of all liabilities including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner. The forced liquidation method is similar to the orderly realisation of assets except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the company may not be contemplated, these methods in their strictest form may not necessarily be appropriate. The net assets on a going concern basis method estimates the fair market values of the net assets of a company but does not take account of realisation costs.

The asset/cost approach is generally used when the value of the business' assets exceeds the present value of the cash flows expected to be derived from the ongoing business operations, or the nature of the business is to hold or invest in assets. It is important to note that the asset approach may still be the relevant approach even if an asset is making a profit. If an asset is making less than the economic rate of return and there is no realistic prospect of it making an economic return in the foreseeable future, an asset/cost approach will be the most appropriate method.

An asset-based approach is a suitable method of valuation when:

- An enterprise is loss-making and not expected to become profitable in the foreseeable future
- Assets are employed profitably but earn less than the cost of capital
- A significant portion of the company's assets are composed of liquid assets or other investments (such as marketable securities and real estate investments)
- It is relatively easy to enter the industry (e.g., small machine shops and retail establishments)

Asset based methods are not appropriate if:

- The ownership interest being valued is not a controlling interest, has no ability to cause the sale of the company's assets and the major holders are not planning to sell the company's assets
- A business has (or is expected to have) an adequate return on capital, such that the value of its future income stream exceeds the value of its assets

An asset-based approach is often considered as a floor value for a business assuming the business has the option to realise all its assets and liabilities.

4. Analysis of Recent Trading

The most recent share trading history provides evidence of the fair market value of the shares in a company where they are publicly traded in an informed and liquid market. There should also be some similarity between the size of the parcel of shares being valued and those being traded. Where a company's shares are publicly traded then an analysis of recent trading prices should be considered, at least as a cross-check to other valuation methods.

5. Industry Specific Rule of Thumb

Industry specific rules of thumb are used in certain industries. These methods typically involve a multiple of an operating figure such as traffic for internet businesses or number of beds for a nursing home. These methods are typically fairly crude and therefore only appropriate as a cross-check to a valuation determined by an alternative method.

Selecting an Appropriate Valuation Approach and Method

The choice of an appropriate valuation approach and methodology is subjective and depends on several factors such as whether a methodology is prescribed, the company's historical and projected financial

performance, stage of maturity, the nature of the company's operations and availability of information. The selection of an appropriate valuation method should be guided by the actual practices adopted by potential acquirers of the company involved and the information available.

APPENDIX C

CONTROL PREMIUM

Background

The difference between a control value and a minority value is described as a control premium. The opposite of a control premium is a minority discount (also known as a discount for lack of control). A control premium is said to exist because the holder of a controlling stake has several rights that a minority holder does not enjoy (subject to shareholders agreements and other legal constraints), including:

- Appoint or change operational management
- Appoint or change members of the board
- Determine management compensation
- Determine owner's remuneration, including remuneration to related party employees
- Determine the size and timing of dividends
- Control the dissemination of information about the company
- Set the strategic focus of the organisation, including acquisitions, divestments, and restructuring
- Set the financial structure of the company (debt/equity mix)
- Block any or all the above actions

The most common approach to quantifying a control premium is to analyse the size of premiums implied from prices paid in corporate takeovers. Another method is the comparison between prices of voting and non-voting shares in the same company. We note that the size of the control premium should generally be an outcome of a valuation and not an input into one, as there is significant judgement involved.

Based on historical takeover premia that have been paid in Australian acquisitions in the period 2005-2015, the majority of takeovers have included a premium in the range of 20-50%, with 30% being the most commonly occurring. This is in line with standard industry practice, which tends to use a 30% premium for control as a standard.

Intermediate Levels of Ownership

There are several intermediate levels of ownership between a portfolio interest and 100% ownership. Different levels of ownership/strategic stakes will confer different degrees of control and rights as shown below.

- 90% - can compulsorily purchase remaining shares if certain conditions are satisfied
- 75% - the power to pass special resolutions
- < 50% - gives control depending on the structure of other interests (but not absolute control)
- < 25% - ability to block a special resolution
- < 20% - the power to elect directors, generally gives significant influence, depending on other shareholding blocks
- < 20% generally has only limited influence

Conceptually, the value of each of these interests lies somewhere between the portfolio value (liquid minority value) and the value of a 100% interest (control value). Each of these levels confers different degrees of control and therefore different levels of control premium or minority discount.

APPENDIX D

AUTHOR INDEPENDENCE AND INDEMNITY

This annexure forms part of and should be read in conjunction with the report of Stantons Corporate Finance Pty Ltd trading as Stantons Corporate Finance dated 23 December 2022, relating to the proposed Transaction.

At the date of this report, Stantons Corporate Finance does not have any interest in the outcome of the proposal. There are no relationships with ORH other than Stantons Corporate Finance acting as an independent expert for the purposes of this report. Stantons Corporate Finance Pty Ltd undertook an independence assessment and considered that there are no existing relationships between Stantons Corporate Finance and the parties participating in the Transaction detailed in this report which would affect our ability to provide an independent opinion. The fee (excluding disbursements) to be received for the preparation of this report is based on time spent at normal professional rates plus out of pocket expenses. Our fee for preparing this report is expected to be up to A\$45,000 exclusive of GST. The fee is payable regardless of the outcome. Except for that fee, neither Stantons Corporate Finance Pty Ltd nor Mr James Turnbull have received, nor will or may they receive any pecuniary or other benefits, whether directly or indirectly for or in connection with the preparation of this report.

Stantons Corporate Finance Pty Ltd does not hold any securities in ORH. There are no pecuniary or other interests of Stantons Corporate Finance Pty Ltd that could be reasonably argued as affecting its ability to give an unbiased and independent opinion in relation to the proposal. Stantons Corporate Finance and Mr James Turnbull have consented to the inclusion of this report in the form and context in which it is included as an annexure to the NoM.

QUALIFICATIONS

We advise Stantons Corporate Finance Pty Ltd is the holder of an Australian Financial Services License (No 448697) under the Corporations Act 2001 relating to advice and reporting on mergers, takeovers and acquisitions involving securities. Stantons Corporate Finance Pty Ltd has extensive experience in providing advice pertaining to mergers, acquisitions and strategic financial planning for both listed and unlisted businesses.

Mr James Turnbull, the person with overall responsibility for this report, has experience in the preparation of valuations for companies, particularly in the context of listed company corporate transactions, including the fairness and reasonableness of such transactions. The professionals employed in the research, analysis and evaluation leading to the formulation of opinions contained in this report, have qualifications and experience appropriate to the tasks they have performed.

DECLARATION

This report has been prepared at the request of ORH to assist Non-Associated Shareholders of ORH to assess the merits of the Transaction to which this report relates. This report has been prepared for the benefit of ORH shareholders and those persons only who are entitled to receive a copy for the purposes under the Corporations Act 2001 and does not provide a general expression of Stantons Corporate Finance's opinion as to the longer-term value of ORH, its subsidiaries and/or assets. Stantons Corporate Finance does not imply, and it should not be construed, that it has carried out any form of audit on the accounting or other records of ORH or their subsidiaries, businesses, other assets and liabilities. Neither the whole, nor any part of this report, nor any reference thereto, may be included in or with or attached to any document, circular, resolution, letter or statement, without the prior written consent of Stantons Corporate Finance Pty Ltd to the form and context in which it appears.

DISCLAIMER

This report has been prepared by Stantons Corporate Finance Pty Ltd with due care and diligence. However, except for those responsibilities which by law cannot be excluded, no responsibility arising in any way whatsoever for errors or omission (including responsibility to any person for negligence) is assumed by Stantons Corporate Finance Pty Ltd (and Stantons International Audit and Consulting Pty Ltd ("**SIAC**"), the parent company of Stantons Corporate Finance, its directors, employees or consultants) for the preparation of this report.

DECLARATION AND INDEMNITY

Recognising that Stantons Corporate Finance may rely on information provided by ORH and its officers (save whether it would not be reasonable to rely on the information having regard to Stantons Corporate Finance's experience and qualifications), ORH has agreed:

- (a) to make no claim by it or its officers against Stantons Corporate Finance Pty Ltd (and SIAC) to recover any loss or damage which ORH may suffer as a result of reasonable reliance by Stantons Corporate Finance Pty Ltd on the information provided by ORH; and
- (b) to indemnify Stantons Corporate Finance Pty Ltd against any claim arising (wholly or in part) from ORH, or any of its officers, providing Stantons Corporate Finance Pty Ltd with any false or misleading information or in the failure of ORH or its officers in providing material information, except where the claim has arisen as a result of wilful misconduct or negligence by Stantons Corporate Finance Pty Ltd.

A draft of this report was presented to ORH for a review of factual information contained in the report. The report contained an opinion that the proposed Transaction was not fair but reasonable. Subsequent to providing the draft report, the Company made changes to the terms of the Transaction, which led to a change in our opinion. Comments received relating to factual matters were considered, however, the valuation methodologies and conclusions did not change as a result of any feedback from ORH.

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