



15 August 2018
ASX Announcement

COMPANY UPDATE

ORH Limited (“**ORH**” or the “**Company**”) (ASX:ORH) together with its subsidiaries (the “**Group**”) is pleased to provide an update on its operations, strategic funding, financial reports and proposed approach to reinstatement on ASX.

Since the Company’s last announcement to market on 27 April 2018, the Group has continued to evaluate strategic funding partnerships and opportunities whilst operating its core business of designing and manufacturing specialised vehicles.

ORH has recently entered into a binding terms sheet with Changyuan Tiande Zhizhong New Energy Vehicle Co. Ltd. (“**Changyuan**”), a development, production and distribution company for electric vehicles, under which Changyuan has agreed to invest a total of A\$3m into ORH for a 70% interest in the Company (“**Proposed Transaction**”). The key terms and conditions of the Proposed Transaction are set out below. The Company also advises that it has chosen to terminate its funding contract with HEWUYUE Investment Limited (“**HEWUYUE**”) on the basis of non-performance.

The Company advises investors that the ASX has not assessed the Proposed Transaction and has given no indication whether the Proposed Transaction will be sufficient for the purposes of the Company’s reinstatement to trading on the ASX. The Company will continue to update the market as discussions with ASX regarding the reinstatement of the Company progress.

Proposed Transaction

The Company has entered into a binding terms sheet with Changyuan, under which Changyuan has agreed to invest a total of A\$3m into ORH for a 70% interest in the Company. It is proposed that the funding received from Changyuan will be primarily used by the Company for working capital purposes, to meet current orders and to enable the Company to facilitate a reinstatement to trading on the ASX (an indicative use of funds as at the date of this announcement is set out in further detail below).

The key terms of the Proposed Transaction are as follows:

- **Conditions precedent:** the Proposed Transaction is conditional on the Company obtaining all necessary shareholder approvals pursuant to the Corporations Act and ASX Listing Rules (including, but not limited to, approval pursuant to item 7 of section 611 of the Corporations Act) and the approval of the FIRB (if required).
- **Funding:** a total of AUD\$3m is to be invested on the following basis:
 - \$500,000, within 2 weeks of signing of the memorandum of understanding with Changyuan, which must be refunded in full where the Company is not reinstated to trading. The Company confirms it has received the \$500,000; and
 - \$2.5 million, upon ORH receiving shareholder approval for the proposed transaction and the conditional approval of ASX to reinstate the securities of ORH to trading on the official list of the ASX.
- **Subscription:** subject to shareholder approval, the Company will issue Changyuan that number of fully paid ordinary shares in the capital of the Company, such that it holds a 70% interest in the Company.



- **Board Changes:** Changyuan may appoint up to 3 directors to the board of the Company upon the Company receiving shareholder approval for the transaction. Immediately following completion, there will be a maximum of 5 directors. It is currently proposed that if required, Mr Boelio Muliari will resign as a director of the Company.

Changyuan was established in January 2016 and is focused on an integrated business model of developing, producing and distributing commercial new energy electric vehicles including the electric vehicle, tourist car, aged care scooter and special purpose vehicles. Changyuan also provides full solutions with after-sale services to its electric vehicles. The company has patented the design of its electric vehicle, allowing the company to be more competitive in the Chinese market.

Changyuan owns a factory, office building, warehouse and staff accommodation in Changyuan, Henan Province in China and has developed a significant China distribution network covering both North and South China with more than 18 distributors. This year, Changyuan was awarded a tender from the Chinese Government to supply special purpose vehicles to the local police, which strongly supports the growth of the company.

Indicative capital structure

The indicative capital structure of ORH as at the date of this announcement and assuming completion of the Proposed Transaction is set out below.

	Number of Shares	Percentage Interest
Currently on issue	1,318,934,612	
Post consolidation (1:20)	65,946,730	30%
Issue of Shares to Changyuan on completion	153,875,705	70%
Total	219,822,435	100%

Proposed use of funds

An indicative two year expenditure budget for the funds raised under the Proposed Transaction as at the date of this announcement is set out below:

Item	A\$
Cost of finalising proposal and re-listing	\$80,000
Payment of re-listing fees (estimated)	\$20,000
Advisory fee	\$300,000
Funding for second-hand trucks business	\$400,000
Evaluating potential acquisition / partnerships*	\$600,000
Working capital**	\$1,600,000
Total	\$3,000,000

Notes:

* Potential acquisitions will focus on significantly increasing the Group's share of the east coast market (where the Group does not currently hold a significant market share) and increasing the portfolio of products offered.



*** The Company's core business of designing and manufacturing specialised vehicles is working capital intensive. The Company has implemented a second labour shift to meet current demand and the funding will enable the Company to boost production from 10-12 trucks per month to 16-18 trucks per month. This labour expense, as well as the increase in steel and part components required for the manufacture of the trucks, increases the requirement for working capital. Labour, steel and parts are paid during the manufacturing process, with the majority of the funds received from the sale of the truck received once delivery occurs.*

The Company notes that the above expenditure budget is indicative only and may change.

Current activities and level of operations

As set out above, the main business undertaking of the Group has continued over the years. Currently, the Group generates revenue from:

- designing, manufacturing and selling trucks, carts and specialised vehicles;
- selling spare parts;
- servicing and refurbishment of vehicles; and
- sale of used trucks.

The Group has sought to expand its product lines with the addition of, skip lifters, rear loaders and front loaders, which have all been designed and built in-house. This has enabled the business to diversify from being predominantly mining industry focused (which resulted in poor results in the 2016 financial year when that industry was adversely affected), to also include the waste management, transport and construction industries. The new waste management and servicing components of the Group's operations provide regular and diversified revenue in addition to truck sales, particularly the Group's new bins' fabrication and maintenance business. Incorporating these changes into the Group's business strategy has resulted in a strong order book and the Group continues to employ approximately 40 staff.

An overview of the Group's results from ongoing business is as follows:

	2018 Unaudited \$	2017 Audited \$	2016 Audited \$	2015 Audited \$	2014 Audited \$
Sales revenue	16,981,052	11,836,278	7,236,638	17,554,827	25,066,913
Gross margin	4,231,729	3,035,301	1,279,899	3,687,380	4,795,214
EBITDA	(797,870)	(1,785,531)	(3,087,971)	(1,154,520)	(1,640,239)

Proposed activities moving forward

On completion of the Proposed Transaction, the Company intends to focus on:

- expanding its product portfolio offering to the existing industries it is working with, in order to increase its market share and penetration, relying on its high-quality products, as well as expanding its market share;
- expanding its market to other industries that might have the need for the Group's products;
- exploring entry into new business niches that are related to its core activity of trucks manufacturing;
- exploring entry into distributing new product lines in Australia; and
- increasing its market share in the used trucks sales segment.

The Company notes that the Group has traded profitably in the first two months of this financial year.



Other matters

The Company is in the process of:

- liaising with ASX in relation to the Proposed Transaction and the conditions of the Company's reinstatement and will continue to update the market as matters progress;
- preparing a notice of meeting under which it will seek shareholder approval for the Proposed Transaction and confirms it has engaged Hall Chadwick, (as independent expert) to report on the Proposed Transaction;
- preparing its notices of annual general meetings for 2015, 2016 and 2017 which it intends to dispatch to shareholders on or before 31 August 2018;
- finalising all outstanding reports and is intending to lodge these by 31 August 2018; and
- paying all outstanding fees to ASX.

-ENDS-

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Disclaimer

Certain statements included in this release constitute forward looking information. This information is based upon a number of estimates and assumptions made on a reasonable basis by the Company in light of its experience, current conditions and expectations of future developments, as well as other factors that the Company believes are appropriate in the circumstances. While these estimates and assumptions are considered reasonable, they are inherently subject to business, economic, competitive, political and social uncertainties and contingencies, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward looking information and statements. Whilst the Company considers all the material assumptions to be based on reasonable grounds, there is no certainty that they will prove correct or that the outcomes indicated in the announcement will be achieved.

Forward-looking statements are statements that are not historical facts. Words such as "expect(s)", "feel(s)", "believe(s)", "will", "may", "anticipate(s)", "potential(s)" and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration programs and results. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by, or on behalf of, the Company. Such factors include, among other things, risks relating to lithium and other commodity prices and currency fluctuations; exploration risks; risks relating to the interpretation of exploration, sampling, drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, development risks, operating risks; competition; time delays, regulatory restrictions; environmental harm and liability and additional funding requirements. Further, despite the Company having attempted to identify all material factors that may cause actual results to differ, there may be other factors that cause results not to be as anticipated, estimated or intended. Forward-looking information is no guarantee of future performance and,



accordingly, investors are cautioned not to put undue reliance on forward-looking information due to the inherent uncertainty therein. Forward-looking information is made as at the date of this release (or as otherwise specified) and except as required by applicable law the Company does not undertake any obligation to update publicly such forward-looking information, whether as a result of new information, future events or results or otherwise.



15 August 2018
ASX 公告

公司更新

ORH 有限公司（“ORH”或“公司”）(ASX:ORH) 与其附属公司（“集团”）欣然公布其运营，战略资金，财务报告和准备 ASX 复牌的最新信息。

自本公司前一次 2018 年 4 月 27 日的公告，集团持续评估其战略投资合作伙伴关系及机遇，同时经营其设计和制造专用车辆的核心业务。

ORH 近期与长垣天地之中新能源车业有限公司（“长垣”）签署了具有约束力的投资条款协议，长垣是一间电动汽车开发生产和销售的公司，长垣同意投资 300 万澳元以购买 ORH 的 70% 的股权。该拟议交易的主要条款和条件如下。公司亦建议基于重庆和五岳投资（集团）有限公司未能履行合约的基础选择终止与和五岳投资（集团）有限公司的投资协议。

本公司需要告知投资者，ASX 尚未评估该拟议交易，并未表明该拟议交易是否可以使的本公司在 ASX 复牌交易。就本公司的复牌交易，本公司将持续更新与 ASX 的讨论进展。

拟议交易

本公司已与长垣签订具有约束力的投资条款协议，根据该条款，长垣已经同意投资 300 万澳元以购买本公司 70% 的股权。从长垣收到的投资款项主要作为本公司的营运资金，已满足当前的订单需求并使公司促进在 ASX 复牌交易（截止本公告日期，投资资金的指示性用途详情将如下列所示）。

拟议交易的主要条款如下：

- **先决条件：**该拟议交易的条件是公司根据“公司法”和 ASX 上市规则获得所有必要的股东批准（包括但不限于根据“公司法”第 611 条第 7 项的批准）和 FIRB 的批准（如适用）
- **资金：**总计 300 万澳元将根据以下基础投资：
 - \$500,000 澳元，在与长垣签署谅解备忘录后的 2 周内支付，如公司未能如约复牌，则全额退还该部分资金。公司确认已经收到\$500,000 澳元；和
 - 250 万澳元将基于 ORH 获取该拟议交易获得必要的股东批准以及 ASX 的有条件的预批准在其官方列表上进行交易的前提支付
- **认购：**经股东批准，公司将向长垣发行等同于本公司 70% 的股权的缴足普通股份
- **董事会变更：**本公司基于股东的批准，长垣可委任最多 3 名董事加入本公司董事会。变更完成后，最多将有 5 名董事。目前提议，必要情况下 Boelio Muliari 先生将辞去本公司董事职务。

长垣成立于 2016 年 1 月，主要从事新能源电动汽车，包含旅游观光车，老年代步车和特殊用途汽车。长垣还为其电动汽车提供完整的售后服务解决方案。该公司持有其电动汽车设计专利，让公司在中国市场上更具有竞争力。



长垣在中国河南省长垣县拥有工厂，办公楼，仓库和员工宿舍，并在中国南北方设立了重要的分销网络，目前全中国拥有超过 18 家分销点。今年，长垣成为当地政府的采购商，为当地警察提供特殊用途车辆，这无疑对长垣的增长有巨大推动力。

指示性资本结构

ORH 于本公布日期及假设完成拟议交易的指示性资本结构如下。

	股票数量	投资比例
当前股票发行数量	1,318,934,612	
并股（20 并 1）	65,946,730	30%
交易完成后发行给长垣的股票数量	153,875,705	70%
合计	219,822,435	100%

拟资金用途

截止本公告日期，根据拟议交易筹集的资金两年的指示性支出预算如下：

项目	A\$
确认复牌提案费用	\$80,000
澳交所复牌所缴纳手续费费用（预估）	\$20,000
咨询费用	\$300,000
二手卡车业务资金	\$400,000
评估潜在的收购/合作伙伴*	\$600,000
营运资金**	\$1,600,000
合计	\$3,000,000

备注：

*潜在的收购将主要针对增加集团在东海岸市场的份额（本集团目前在该地区并无占有重大市场份额）及增加可供产品组合。

**公司设计和制造专用车辆的核心业务是营运资金主要投入的部分。公司已实施第二次劳务转移以满足当前需求，该营运资金的投入将使公司将目前产量从每月 10-12 辆卡车提高到每月 16-18 辆卡车。这种劳动力费用以及制造卡车所需的钢材和零件的增加增加了营运资金的需求。在制造过程中支付的劳动力，钢材和零件的资金将在卡车销售和交付后回收。

本公司的支出预算仅供参考，可能会有所变动。

目前活动和业务水平

如上所述，本公司及其附属公司（本集团）的主要业务已经持续经营多年。目前，本集团的主要收入来自：

- 设计，制造和销售卡车，运货车和专用车辆；



- 销售零配件；
- 车辆维修和翻新服务；和
- 销售二手卡车。

本集团已寻求通过增加提升机，后装载机和前装载机以扩大其产品线，所有这些产品都是通过集团工厂设计和组装。这将使得集团从以往主要依赖于采矿业为主（而 2016 财年因采矿业不景气，集团受到不利影响）而转向废物管理，运输和建筑行业。除卡车销售以外，本集团的废物车辆管理以及维修组件提供固定和多元化的收益，尤其是本集团新的卡车后箱制造以及维修业务。集团这一系列的战略已经产生供不应求的订货单。本集团将持续雇佣约 40 名员工。

本集团持续业务的业绩概览如下：

	2018	2017	2016	2015	2014
	未审计	审计	审计	审计	审计
	\$	\$	\$	\$	\$
销售收入	16,981,052	11,836,278	7,236,638	17,554,827	25,066,913
毛利率	4,231,729	3,035,301	1,279,899	3,687,380	4,795,214
EBITDA	(797,870)	(1,785,531)	(3,087,971)	(1,154,520)	(1,640,239)

未来的经营计划

在下一个即将来临的财政年度，本集团将专注于：

- 将产品组合扩展到与其合作的现有行业，以增加其市场份额和渗透率，依靠其高质量的产品扩大其市场份额；
- 将市场发展至其他有发展潜力的产业；
- 进入与其核心业务卡车制造相关的新业务领域；
- 在澳大利亚分销新的产品线；和
- 增加二手卡车销售在市场的份额。

本公司在该财政年度首两个月已经取得盈利。

其他事项

公司正在进行以下进程：

- 就拟议交易和本公司的复牌与 ASX 联络，并随着事态发展，向市场持续更新进程；
- 准备会议通知，根据该通知，它将寻求股东批准拟议的交易，并聘请 Hall Chadwick（作为独立专家）对拟议交易进行报告；
- 编制 2015，2016 及 2017 年度股东大会的通告，并于 2018 年 8 月 31 日或之前向股东派发；
- 最终确定所有未完成的报告，并打算在 2018 年 8 月 31 日前提交；和
- 向 ASX 支付所有未付费用

-结束-