

Monday, 14 September 2015

MARKET ANNOUNCEMENT

Net Tangible Asset Backing – 31 August 2015

Month Ending:	% Change	31 August 2015 Consolidated	31 July 2015 Consolidated
Net tangible assets (NTA) (before tax)		\$8.720m	\$7.323m
Pre-Tax NTA Backing per share	+19.05%	\$0.550	\$0.462
Net tangible assets (after tax)		\$8.720m	\$7.323m
Post-Tax NTA Backing per share	+19.05%	\$0.550	\$0.462
Based on total issued share capital		15,849,228	15,849,228

The NTA position comprises the following items:

Net Tangible Assets	Current Month \$'millions	Previous Month \$'millions
Investment in listed Associated Entity:		
(a) Shares in Bentley Capital Limited (BEL)	4.227	3.584
Investments in other listed securities:		
(a) Shares in Strike Resources Limited (SRK)	0.851	0.851
(b) Other listed securities	0.092	0.101
Investment in units in managed fund	0.260	0.275
Investment in property (held for development/resale)	1.350	1.350
Agribusiness assets	2.041	1.207
Net cash/receivables/payables/other assets/provisions	(0.101)	(0.045)
Pre-Tax NTA	\$8.720	\$7.323
Tax Provisions:		
(a) Prior year tax	-	-
(b) Current year tax	-	-
(c) Net deferred tax asset / (liability)	-	-
Post-Tax NTA	\$8.720	\$7.323

On 1 September 2015, Associate entity, BEL, announced its intention to pay a fully-franked dividend of 0.5 cent per share on or about 25 September 2015. Orion's entitlement to such dividend would be \$102,569.



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Orion also notes that:

- BEL successfully closed its off-market 5.5 cents per share cash takeover bid for Strike Resources Limited (ASX: SRK) on 2 September 2015 with acceptances received totalling 52,553,493 SRK shares (representing a 36.16% relevant interest in SRK);
- Orion accepted under this takeover bid in respect of 6,690,802 SRK shares and received the bid consideration of \$367,994 on 14 September 2015;
- Orion retains 10,000,000 SRK shares (being a 6.88% relevant interest in SRK); and
- Inclusive of BEL's relevant interest in SRK (as described above)¹, Orion is deemed to have a 43.041% relevant interest in SRK shares.²

Notes:

- (1) The Company's investment in BEL, an Associated Entity (i.e. in which the Company has a greater than 20% interest), is accounted for under the equity method in the consolidated financial statements.

Under the equity method, the carrying amount of such investment is cost plus a share of the Associate Entity's net profit or loss (after tax) for the financial year to month end as provided to the Company by such Associated Entity (refer note 1.3 (Summary of Accounting Policies - Investments in Associates) at page 23 of the Company's [2015 Full Year Report](#)).

Accordingly, as at 31 August 2015, the Company's 20,513,783 shares (27.42% interest) (31 July 2015: 20,513,783 shares and 27.42%) in BEL have a carrying value of \$0.206 per share (\$4.227m); this compares with BEL's last bid price on ASX of \$0.155 per share (\$3.179m) and BEL's after-tax NTA backing of \$0.240 per share (\$4.929m) at month end.

- (2) The fair value of investments in ASX-listed Strike Resources Limited (SRK) comprise 16,690,802 shares (31 July 2015: 16,690,802 shares) with a value of \$0.051 per share (based on the closing bid price on 31 August 2015) (30 July 2015: \$0.051).
- (3) The fair value of investments in other listed securities is based on each security's last bid price on market at month end.
- (4) Units invested in the managed fund are valued at the audited unit price published by the investment manager, as at month end – the unit price reflects the net asset backing of the fund; there is no buy/sell spread price; there is no recognition of realisation costs as there are no exit fees charged on redemption of units.
- (5) Investment in property (held for resale) was valued by an independent qualified valuer (a Certified Valuer and Associate Member of the Australian Property Institute) as at 30 June 2015 (refer note 1.13 (Summary of Accounting Policies - Property held for Resale) at page 26 of the Company's 2015 Full Year Report).
- (6) Agribusiness assets comprise a 143 hectare property comprising olive grove freehold land (with a water licence entitlement³), olive trees (with approximately 64,500, 16 year old plantings) and depreciable plant and equipment. The land (with the water licence entitlement) was valued by an independent qualified valuer (a Certified Valuer and Associate Member of the Australian Property Institute) as at 30 June 2015 and the olive trees and depreciable plant and equipment are carried at net realisable value (refer note 1.14 (Summary of Accounting Policies - Property, Plant and Equipment) at page 26 of the Company's [2015 Full Year Report](#)).
- (7) Tax Provision Item (c) includes where applicable, a provision for income tax on net unrealised gains on the Company's investments in securities and its share of Associated Entities' after-tax net profit for the month (deferred tax liability) and the recognition of future income tax benefits on net unrealised losses on the Company's investments in securities and its share of Associated Entities' after-tax net loss for the month (deferred tax asset).

FURTHER INFORMATION:

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- 1 Orion is taken under section 608(3)(a) of the Corporations Act to have a relevant interest in securities in which Bentley has a relevant interest by reason of having greater than 20% voting power (i.e. shareholding) in Bentley.
- 2 Refer Orion's ASX Announcement dated [4 September 2015: Notice of Change in Interests of Substantial Holder in Strike](#)
- 3 With effect from this August 2015 NTA Backing Announcement