OM HOLDINGS LIMITED

(ARBN 081 028 337)
(Malaysian Registration No. 202002000012 (995782-P))
Incorporated in Bermuda

No. of Pages Lodged:	1	Cover Page
	167	Annual Report

20 April 2023

ASX Market Announcements
ASX Limited
4th Floor
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

2022 ANNUAL REPORT

Please find attached a copy of the 2022 Annual Report for OM Holdings Limited.

Yours faithfully
OM HOLDINGS LIMITED

Heng Siow Kwee/Julie Wolseley
Joint Company Secretary

Further enquiries please contact:
Ms Jenny Voon | Ng Ruiqi
T: +65 6346 5515
E: investor.relations@ommaterials.com

This ASX announcement was authorised for release by the Board of OM Holdings Limited.

Singapore Office:
10 Eunos Road 8, #09-03A
Singapore Post Centre, Singapore 408600
Tel: 65-6346 5515 Fax: 65-6342 2242
Email address: om@ommaterials.com
Website: www.omholdingsltd.com

Malaysian Registered Office:
Unit 30-01, Level 30, Tower A
Vertical Business Suite Avenue 3
Bangsar South, No.8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia

ASX Code: OMH | Bursa Code: OMH (5298)

OM HOLDINGS LIMITED

Incorporated in Bermuda
(ARBN 081 028 337)
(Malaysian Registration No. 202002000012 (995782-P))

ANNUAL REPORT 2022

CONTENTS

CHAIRMAN'S REPORT	01
DIRECTORS	02
KEY MANAGEMENT	04
CORPORATE DIRECTORY	05
CORPORATE STRUCTURE	06
FINANCIAL HIGHLIGHTS	07
GROUP OVERVIEW	08
PROCESSING AND SMELTING OPERATIONAL REVIEW	10
MARKETING AND TRADING OPERATIONAL REVIEW	14
BOOTU CREEK MINE	17
TSHIPI É NTLE MANGANESE MINING (PTY) LTD	24
ASX LISTING RULE 5.8.1	25
SUSTAINABILITY STATEMENT	34
GRI CONTENT INDEX	70
CORPORATE GOVERNANCE	74
DIRECTORS' STATEMENT	92
INDEPENDENT AUDITOR'S REPORT	95
STATEMENTS OF FINANCIAL POSITION	98
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	99
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	100
CONSOLIDATED STATEMENT OF CASH FLOWS	101
NOTES TO THE FINANCIAL STATEMENTS	103
ASX & BURSA SECURITIES ADDITIONAL INFORMATION	162

WHO WE ARE

OM Holdings Limited is a manganese and silicon smelting company, with vertical exposure in mining and trading. We are engaged in the business of trading raw ores, smelting, and marketing of processed ferroalloys. With over 25 years in the industry, we are listed on both the ASX and Bursa Malaysia, and have operations across Australia, China, Malaysia, Singapore and South Africa.

Today, the Group is one of the world's leading suppliers of manganese ores and ferroalloys and seeks to be the main ferroalloy supply partner to major steel mills and other industries.

OUR PURPOSE

Our purpose is to create sustainable value for our shareholders and stakeholders through developing and acquiring cost competitive resource assets, managing them in a safe and optimised manner, and realizing their full potential by marketing effectively.

OUR VALUES

We will fulfil our purpose by adhering to the following values:

• Safety and Wellbeing • Care and Respect • Integrity and Accountability • Innovation and Entrepreneurial • Collaboration

CHAIRMAN'S REPORT

Dear Shareholders,

2022 started on a strong note, with markets still running on a post-COVID stimulus rush carried over from 2021. The sentiment for ferroalloy pricing was also lifted with the outbreak of the war in Ukraine, before settling down as weaker global demand weighed in on markets. The anticipated shortage of ferroalloys caused by the war did not materialize, with Russia still an exporter of ferrosilicon, and with Ukraine's output largely displaced by the continued growth in production and exports from India.

These factors, acting in conjunction with a weak global macro environment in the second half of the year given energy prices in Europe and general lethargy in China, led ferroalloy prices to fall by 11% from 2021 to 2022. Nevertheless, as we previously shared, the Company was able to secure strong contracts in Q4 2021 which were subsequently delivered in 2022, allowing us to grow profit after tax by 10.2%. Prices further corrected towards the end of 2022, with ferroalloy markets in attrition mode, marked by strong price competition and with weaker producers reducing production or closing. This will be the dominant theme of 2023, exacerbated by inventory being released by traders (partly due to elevated costs of holding given high interest rates). It will be a challenging year but will also set in motion the conditions for the next market rally.

Energy security remains a dominant theme, viewed against the backdrop of current geopolitical uncertainty and Europe's power situation last winter. We believe that any company able to lock in power costs to produce a basic commodity efficiently and cleanly will be creating value, and OM Sarawak is in a unique position to do so.

Our production at OM Sarawak for the year was 357,000 tonnes, well within the guidance we gave at the beginning of the year. As previously mentioned, production was frontloaded to capture better prices in the first half of the year before macroeconomic conditions deteriorated. Consequently, major maintenance was pushed to commence in June 2022, and we are pleased to share that all maintenance for our manganese alloy furnaces has been completed as of April 2023. From production we generated an EBITDA of US$163 million, and US$197.0 million in cashflow from operations. Cash generation was elevated largely due to changes in working capital, with the unwinding (i.e. consumption) of raw material safety stock maintained during the COVID period when supply chains were considerably more fragile. Depreciation and amortisation as a share of EBITDA has also come down, with the accelerated depreciation of our mining assets in 2021 with the closure of the Bootu Creek mine in that year.

The cash generated from our operations was largely used to finance our acquisition of the remaining 25% of OM Sarawak from our former joint venture partner in December 2022 for US$120 million. We are pleased to have completed the acquisition and remain confident that this will allow us to focus growing organically at OM Sarawak through further investments in our final expansion phase. Besides the acquisition, we also repaid US$26 million to project finance lenders as part of our objective to continue lowering our gearing ratio.

After a series of engagement sessions with institutional investors in 2022, we recently formally implemented a dividend policy for 2023 onward. While a A$1.5 cents dividend was declared for FY2022, going forward the Company will target a distribution of 10-30% of net profit after tax, subject to the board's approval. As we continue working on reinvigorating our register, the dividend policy will allow us to pay a sustainable dividend even as we grow, and most importantly, allow institutional investors to forecast their returns. After our expansion and growth projects at OM Sarawak, we will be able to distribute more of our earnings to shareholders.

While we have been able to successfully complete the modification of two silicon metal furnaces, one furnace was suspended as of 12 April 2023 as it was not operating as anticipated within the framework of the Engineering, Procurement and Construction contract. A review is now underway in relation to rectification.

In addition, we have also made significant progress in our efforts to promote diversity and inclusion in our workforce. We firmly believe that a diverse and inclusive workplace is essential for our success and are committed to creating an environment where everyone feels valued and respected.

This year, we made advancements in obtaining assurances for our greenhouse gas (GHG) emissions. The level of assurance obtained required site visits with inspectors to verify data collection methods, ensuring that accurate and reliable numbers are reported. To have a comprehensive understanding of our products' total footprint, a cradle-to-gate Life Cycle Analysis (LCA) was also conducted on manganese ore and manganese alloy, in collaboration with the International Manganese Institute. Information gathered allowed us to provide transparent data to customers while assessing our emission impact.

I am confident that our continued focus on sustainability and responsible business practices will not only benefit our Company but also contribute to building a better world for future generations.

I would like to express my gratitude to our shareholders, customers, and employees for their unwavering support, which has been critical to our success. We remain committed to creating value for our stakeholders and contributing to the betterment of society, growing as a sustainable ferroalloy producer to the world's steelmakers.

LOW NGEE TONG
Executive Chairman

DIRECTORS

LOW NGEE TONG
Executive Chairman

Mr Low is a qualified Mechanical Engineer, having graduated from the National University of Singapore. He has over 42 years of experience in the steel, ferro alloy and building materials industries in Asia. That experience was gained with Chiyoda Limited, a global Japanese civil engineering group, Intraco Limited, Intraco Resources Pte Limited, and C Itoh Limited, a significant Japanese metals trading house. Mr Low has demonstrated a significant network for marketing in China and internationally. He was the Chief Executive Officer of OMH since its incorporation and subsequent listing in 1998. In October 2008, Mr Low became the Executive Chairman of OMH. Mr Low's business relationships and reputation with several large multinational corporations in Asia have enabled OMH to successfully establish its profitable operations based in Singapore and extending to China, Malaysia, South Africa and Australia.

ZAINUL ABIDIN RASHEED
Independent
Deputy Chairman

Mr Zainul Abidin graduated with a Bachelor of Arts (Honours) in Economics and Malay Studies from the University of Singapore. Mr Zainul was a Member of Parliament (from 1997-2011) and served as the Senior Minister of the State for the Ministry of Foreign Affairs of the Government of Singapore, a position he held since 2006. Prior to serving in government service, Mr Zainul had an illustrious career in journalism which included the positions of Editor of Berita Harian, The Singapore Business, The Sunday Times and Associate Editor of The Straits Times.

Mr Zainul currently serves as the Ambassador to Kuwait (Non-Resident) and was formerly the Foreign Minister's Special Envoy to the Middle East. Mr Zainul also used to serve as a Corporate Adviser to Singapore's Temasek International Pte Ltd, and is now a member of the Temasek Foundation Cares Board of Directors. He is a member of the Nanyang Technological University Board of Trustees and Board of Directors of Mediacorp.

Mr Zainul served numerous government agencies, councils and civic organizations including Executive Secretary of the Singapore Port Workers' Union, a member of the Board of Directors of the Port of Singapore Authority, President of the Singapore Islamic Religious Council, Chairman of the Malay Heritage Foundation, Chief Executive Officer of the Council for the Development of the Malay/Muslim Community (MENDAKI), the Council for Security Co-operation in the Asia Pacific, the National University of Singapore Council as well as being the Patron of the Singapore Rugby Union and Adviser to the Hockey Federation.

Mr Zainul Abidin is a member of the Company's Remuneration Committee.

JULIE ANNE WOLSELEY
Non-Executive Director &
Joint Company
Secretary

Ms Wolseley holds a Bachelor of Commerce degree and is a Chartered Accountant. She is the Principal of a corporate advisory company and has over 31 years of experience as Company Secretary to a number of ASX-listed companies operating primarily in the resources sector. Previously Ms Wolseley was an Audit Manager both in Australia and overseas for an international accounting firm. Her expertise includes corporate secretarial, management accounting, financial and management reporting in the mining industry, IPOs, capital raisings, cash flow modelling and corporate governance. Ms Wolseley is also a board member of Aquinas College, an independent school for boys in Perth, Western Australia.

Ms Wolseley is a member of the Company's Audit and Remuneration Committees.

DIRECTORS

TAN PENG CHIN
Independent
Non-Executive
Director

Mr Tan Peng Chin was the founder, managing director and consultant of Tan Peng Chin LLC until he retired from the firm on 31 December 2015. Mr Tan was also a Notary Public and Commissioner for Oaths from 1995 to 2015. He was an Accredited Mediator with the Singapore Mediation Center. Mr Tan's legal expertise includes corporate finance, banking, company and commercial laws, international trade, joint ventures and issues concerning shareholders and directors. In addition, Mr Tan has acted in numerous cross border transactions in the course of his legal career spanning more than 37 years. Mr Tan has served as an Independent Director in numerous Singapore-listed companies since 1996.

He was also a member of the Institutional Review Board of the Singapore National Cancer Center from 2007 to 2014. Mr Tan was instrumental in setting up Clarity Singapore Limited in 2010, a charity under the auspices of Caritas (the Catholic Church) to assist persons suffering from mental illnesses and was Chairman / Vice Chairman of the Board until his retirement from the Board in Oct 2021. Mr Tan has also volunteered with various charities including Christian Outreach for the Handicapped and the Roman Catholic Prison Ministry. He is also a director of Orchestra of Music Makers Ltd.

With his board experience in various companies in Asia and his legal expertise, Mr Tan is able to assist the Company in its strategic pursuits. He has been a Non-Executive Director since 14 September 2007.

Mr Tan is the Chairman of the Remuneration Committee.

DATO' ABDUL HAMID BIN SH MOHAMED
Independent
Non-Executive
Director

Dato' Abdul Hamid Bin Sh Mohamed is a Fellow of the Association of Chartered Certified Accountant. He started off his career in an accounting firm before joining Bumiputera Merchant Bankers Berhad, a merchant and investment bank, and subsequently Amanah Capital Malaysia Berhad, another financial institution group owned by the largest unit trust fund in Malaysia then.

He eventually joined the Kuala Lumpur Stock Exchange ("KLSE"), now known as Bursa Malaysia, where he rose from Senior Vice President Strategic Planning & International Affairs, subsequently to Deputy President (Strategy and Development) and finally to the position of Chief Financial Officer. During his 5 years with KLSE, he led several major projects including the acquisition of Kuala Lumpur Options and Financial Futures Exchange, Commodity and Monetary Exchange of Malaysia and the subsequent merger of both exchanges to form the Malaysian Derivatives Exchange, as well as the acquisition of Malaysian Exchange of Securities Dealing and Automated Quotation. He also led KLSE's demutualisation exercise.

He holds directorships in various companies in Malaysia including Lembaga Tabung Haji (the National Pilgrims Fund Board), MMC Corporation Berhad (a listed company on Bursa Malaysia which was recently privatised), Maybank Investment Bank Berhad (a subsidiary and investment banking arm of Malayan Banking Berhad which is also listed on Bursa Malaysia), and Ekuiti Nasional Berhad (a Malaysian government-linked private equity company). He is currently the Executive Director (and major shareholder) of Symphony House Sdn Bhd, a privately owned investment holding company.

Other directorships outside Malaysia include Maybank IBG Holdings Limited in Singapore and PT Maybank Sekuritas Indonesia where both companies are involved with dealings in securities.

Dato' Abdul Hamid Bin Sh Mohamed is the Chairman of the Company's Audit Committee.

TAN MING-LI
Independent
Non-Executive
Director

Ms Tan Ming-li is currently a partner of the Malaysian legal firm, Chooi & Company + Cheang & Ariff. She graduated with a double degree in Law (Hons) and Science from the University of Melbourne. She was called to the Malaysian Bar in 1994 and has been in legal practice for over 26 years. Her areas of expertise include corporate and securities laws where she is involved in advising on capital market transactions, mergers and acquisitions, corporate restructuring and corporate finance related work.

She currently serves as an independent director for CapitaLand Malaysia Trust, BP Plastics Holding Berhad and from 1 April 2023, she has been redesignated as a non-independant non-executive director of Tune Protect Group Berhad (companies listed on Bursa Malaysia) and Tune Insurance Malaysia Berhad, a subsidiary of Tune Protect Group Berhad.

KEY MANAGEMENT

NAME	POSITION
Heng Siow Kwee	Director, Group HR , Joint Company Secretary
Daphne Ang	Joint Group Financial Controller
Eugene Tan	Joint Group Financial Controller
Chen Xiao Dong	Managing Director, OM Sarawak
Dai Han Ping	Deputy Managing Director, OM Sarawak
Adrian Low	Managing Director, OMS
Fanie Van Jaarsveld	Managing Director, OMM
Don Heng	Managing Director, OMML
Goh Ping Choon	General Manager, Corporate, OMS
Mustapha Bin Ismuni	Director, OM Sarawak
Lisa Chee	General Manager, HR, OM Sarawak
Choi Pik Choing	Deputy General Manager, Finance, OM Sarawak
Liu Xian Feng	General Manager, OMQ
Pu Guo Liang	General Manager, Engineering, OMA
Chen Hui Zhi	General Manager, Trades, OMQT

CORPORATE DIRECTORY

Directors

Low Ngee Tong	(Executive Chairman)
Zainul Abidin Rasheed	(Independent Deputy Chairman)
Julie Anne Wolseley	(Non-Executive Director)
Tan Peng Chin	(Independent Non-Executive Director)
Dato' Abdul Hamid Bin Sh Mohamed	(Independent Non-Executive Director)
Tan Ming-li	(Independent Non-Executive Director)

Company Secretaries

Heng Siow Kwee
Julie Anne Wolseley
Conyers Corporate Services (Bermuda) Limited

ADDRESS OF COMPANY AND REGISTRIES

The address of the Corporate Office of the Company:

10 Eunos Road 8
#09-03A Singapore Post Centre
Singapore 408600
Telephone : (65) 6346 5515
Facsimile : (65) 6342 2242
Email : om@ommaterials.com

The address of the Bermuda Registered Office:

Clarendon House
2 Church Street, Hamilton HM 11
Bermuda

The address of the Company's Principal Share Registry in Bermuda:

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street, Hamilton HM 11
Bermuda

The address of the Company's Branch Share Registry in Australia:

Computershare Investor Services Pty Ltd
Level 11
172 St Georges Terrace
Perth, Western Australia 6000
Telephone : (618) 9323 2000
Facsimile : (618) 9323 2033
Website : www.computershare.com

The address of the Company's Branch Share Registry in Malaysia:

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8 Jalan Kerinchi
59200 Kuala Lumpur
Malaysia
Telephone : (603) 2783 9299

Name of Principal Bankers

Bank of China
Citibank N.A., Singapore Branch
Commonwealth Bank of Australia
Export-Import Bank of Malaysia Berhad
Malayan Banking Berhad
RHB Bank Berhad
Standard Chartered Bank
United Overseas Bank Limited

Name and Address of Auditors

Foo Kon Tan LLP
Public Accountants and Chartered Accountants
24 Raffles Place, #07-03
Clifford Centre
Singapore 048621

Name and Address of Appointed Australian Agent and Australian Registered Office:

OM Holdings (Australia) Pty Ltd
102 Angelo Street
South Perth, WA 6151

Name of Bermuda Resident Representative

Conyers Corporate Services (Bermuda) Limited

Website : www.omholdingsltd.com

ASX Code : OMH

Bursa Code : OMH(5298.KL)

CORPORATE STRUCTURE
as at 31 December 2022

OM HOLDINGS LIMITED
(Incorporated in Bermuda)
(Malaysia Registration No.) 202002000012 (995782-P)
Listed on ASX on 19 March 1998
Listed on Bursa Malaysia on 22 June 2021

Subsidiaries
Associates

100%
(OMM)
OM (Manganese) Ltd
(Incorporated in Australia)

100%
(OMH BVI)
OM Holdings (B.V.I) Limited
(Incorporated in B.V.I)

100%
(OMH MU)
OMH (Mauritius) Corp.
(Incorporated in Mauritius)

99.99%
(OMR HK)
OM Resources (HK) Limited
(Incorporated in Hong Kong)

26%
(NMPL)
Ntsimbintle Mining Proprietary Limited
(Incorporated in South Africa)

50%
(Tshipi Mines)
Tshipi e Ntle Manganese Mining (Pty)
(Incorporated in South Africa)

100%
(OMMY)
OM Resources (M) Sdn.Bhd.
(Incorporated in Malaysia)

100%
(OMS)
OM Materials (S) Pte Ltd
(Incorporated in Singapore)

100%
(OMST)
OM Materials Trade (S) Pte Ltd
(Incorporated in Singapore)

60%
(OMMR)
OM (ANR) Resources Sdn.Bhd.
(Incorporated in Malaysia)

100%
(OMME)
OM Engineering Tech (M) Sdn Bhd
(Incorporated in Malaysia)

100%
(OMQT)
OM Materials Trading (Qinzhou) Co Ltd
(Incorporated in China)

100%
(OMMP)
OM Property Development Sdn Bhd
(Incorporated in Malaysia)

100%
(OMML)
OM Materials & Logistics (M) Sdn Bhd
(Incorporated in Malaysia)

100%
(OMSM)
OM Materials (Samalaju) Sdn.Bhd.
(Incorporated in Malaysia)

50%
(WOSL)
Wen Ocean Shipping & Logistics Sdn. Bhd.
(Incorporated in Malaysia)

100%
(OMSA)
OM Materials (Sarawak) Sdn Bhd
(Incorporated in Malaysia)

80%
(OMA)
OM Hujin Science & Trade (Shanghai) Co Ltd
(Incorporated in China)

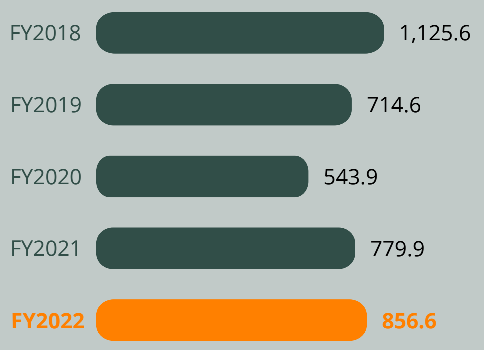
100%
(OMQ)
OM Materials (Qinzhou) Co Ltd
(Incorporated in China)

33.33%
(OMJ)
OM Materials Japan Co.,Ltd
(Incorporated in Japan)

Revenue (US$'million)

FY2021 779.9

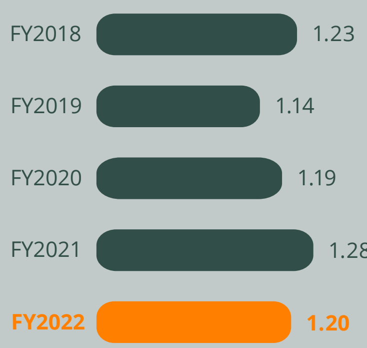
FY2022 856.6



Total Assets Per Share (US$)

FY2021 1.28

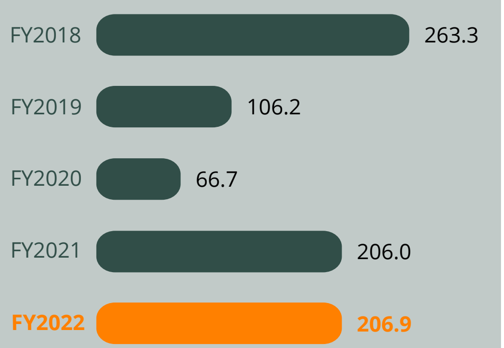
FY2022 1.20



Gross Profit (US$'million)

FY2021 206.0

FY2022 206.9



FINANCIAL HIGHLIGHTS

as at 31 December 2022

5 YEAR'S GROUP FINANCIAL HIGHLIGHTS

Financial years ended 31 December	2022 US$'million	2021 US$'million	2020 US$'million	2019 US$'million	2018 US$'million
Revenue	**856.6**	779.9	543.9	714.6	1,125.6
Profit/(loss) before income tax	**105.6**	84.5	(3.5)	41.0	176.5
Profit attributable to owners of the Company	**67.8**	61.5	3.5	39.4	120.5
Total assets	**886.0**	943.6	874.0	842.6	902.2
Shareholders' funds	**396.1**	368.0	309.3	297.7	274.3
Net tangible assets	**399.7**	443.7	361.7	355.8	318.4
	US$	**US$**	**US$**	**US$**	**US$**
Total assets per share	**1.20**	1.28	1.19	1.14	1.23
	US$ cents	**US$ cents**	**US$ cents**	**US$ cents**	**US$ cents**
Net asset backing per share	**54.3**	60.2	49.1	48.3	43.4
Basic profit per share	**9.2**	8.4	0.5	5.3	16.4
	2022	**2021**	**2020**	**2019**	**2018**
Gross profit (US$ millions)	**206.9**	206.0	66.7	106.2	263.3
Gross profit margin (%)	**24.2**	26.4	12.3	14.9	23.4

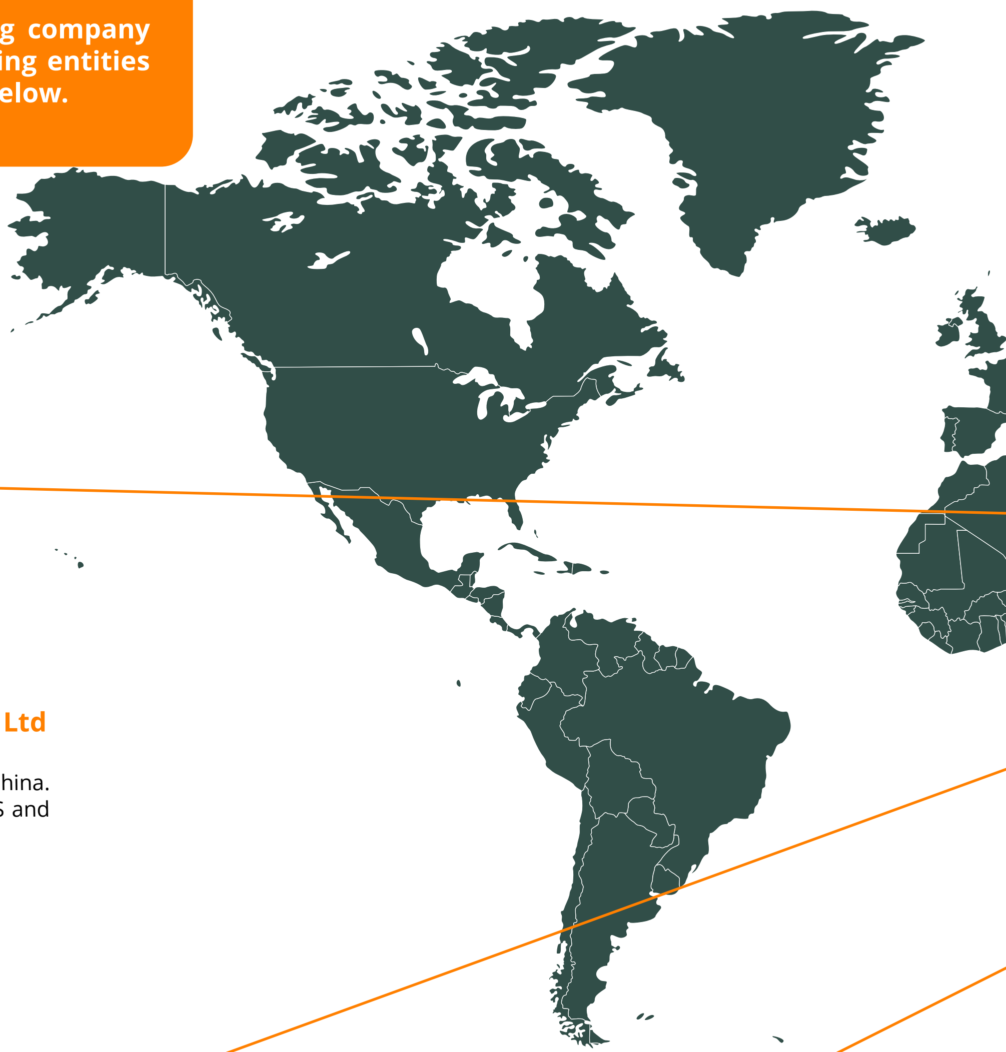
SALES BY INTERNATIONAL REGIONS

Region	2022	2021	2020	2019	2018
	%	%	%	%	%
Asia Pacific	**77.4**	86.4	86.1	83.6	82.1
Americas	**13.7**	3.7	1.7	4.6	2.6
Europe	**6.1**	6.3	5.5	7.7	9.8
Middle East	**2.7**	3.6	6.3	3.9	5.5
Africa	**0.1**	0.0	0.4	0.2	0.1
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

OMH GROUP OVERVIEW

KEY OPERATING ENTITIES OF OM HOLDINGS GROUP

OMH is the investment holding company of the Group. The main operating entities within the Group are outlined below.



OM Materials (Qinzhou) Trading Co Ltd ("OMQT")

OMQT is the distribution arm of OMS in China. This company supports the operations of OMS and distributes and trades materials in China.

OM Materials Qinzhou Co Ltd ("OMQ")

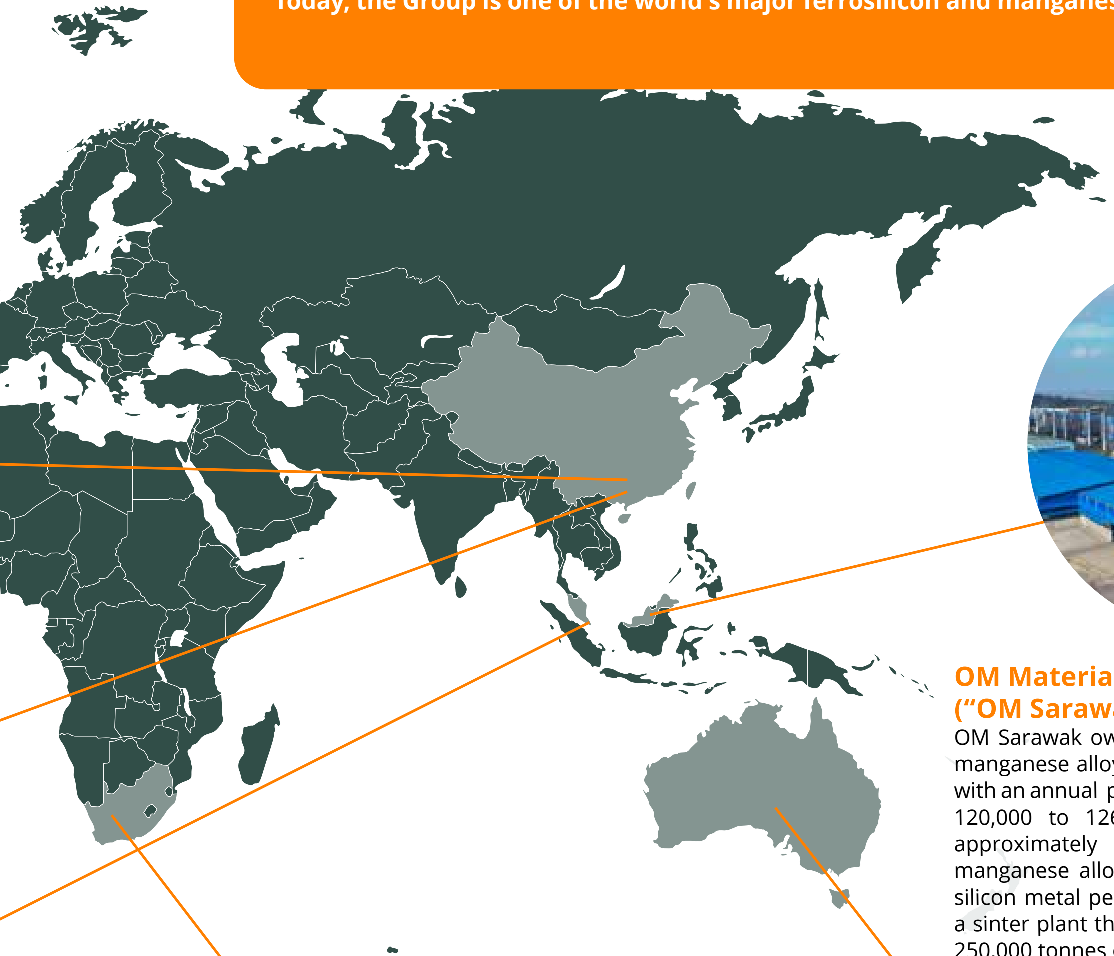
OMQ owns a manganese alloy smelter in Qinzhou, Guangxi province, China. The smelter is located approximately 1km from the Qinzhou port, providing OMQ a competitive advantage with respect to ease of access to seaborne manganese ore. OMQ also provides the Group with intangible benefits such as market intelligence and insights into smelter economics in China. Production ceased in 2022 due to elevated power-tariffs in China.

OM Materials (S) Pte Ltd ("OMS")

OMS, based in Singapore is the strategic trading hub of the Group. It handles the logistics, marketing, product flow and distribution activities of the Group. Core businesses of OMS include marketing of OM Sarawak's alloy production, as well as the distribution of third party ores to the Group's global network of customers.

OM Holdings Limited ("OMH" or the "Company") and its subsidiaries (collectively the "Group") has an established track record of over 25 years in exploration, project development, operations and marketing and trading. The Group's core businesses comprise the production of manganese alloys and ferrosilicon, and the marketing and trading of manganese ore and ferroalloys.

Today, the Group is one of the world's major ferrosilicon and manganese alloy producers.



OM Materials (Sarawak) Sdn Bhd ("OM Sarawak / OMSA")

OM Sarawak owns and operates a ferrosilicon and manganese alloy smelter in Sarawak, East Malaysia, with an annual production capacity of approximately 120,000 to 126,000 tonnes of ferrosilicon, and approximately 333,000 to 400,000 tonnes of manganese alloys and 21,000 to 24,500 tonnes of silicon metal per annum. The plant also consists of a sinter plant that has a design capacity to produce 250,000 tonnes of sinter ore per annum.

OMH (Mauritius) Corp ("OM MU")

OM Mauritius has a 13% effective interest in the Tshipi Borwa Manganese mine located in the world-class Kalahari Manganese field located in the Northern Cape of South Africa. The Tshipi Borwa Manganese mine currently has a production rate of approximately 3.3 to 3.6 million tonnes per annum and the Group also markets its 13% effective interest of the mine's annual production.

OM (Manganese) Ltd ("OMM")

OMM owns the Bootu Creek manganese mine located in Northern Territory, Australia. The Bootu Creek mine is located approximately 110km north of Tennant Creek. Mining operations commenced in November 2005 and the first batch of ore was processed in April 2006. Mining operations ceased on 13 December 2021. The mine was placed under care and maintenance mode since the end of January 2022.

PROCESSING AND SMELTING OPERATIONAL REVIEW
SAMALAJU SMELTING COMPLEX

ANNUAL PRODUCTION

140,355 tonnes	**216,813** tonnes
Ferrosilicon	Manganese Alloys

SOLD AND EXPORTED

146,646 tonnes	**216,604** tonnes
Ferrosilicon	Manganese Alloys

PROCESSING AND SMELTING OPERATIONAL REVIEW
SAMALAJU SMELTING COMPLEX

Casting of silicon metal production

OVERVIEW

OM Materials (Sarawak) Sdn Bhd ("OM Sarawak") owns the Ferroalloy Smelting Project in Sarawak, Malaysia (the "Plant"). The Plant consists of 8 main workshops with a total of 16 units of 25.5 MVA furnaces, of which 6 furnaces were allocated for the production of ferrosilicon, 8 units to produce manganese alloys and 2 units to produce silicon metal. The Plant has a design production capacity of 120,000 to 126,000 tonnes of ferrosilicon, 333,000 to 400,000 tonnes of manganese alloys and 21,000 to 24,500 tonnes of silicon metal per annum upon completion of conversion works. The Plant also consists of a sinter plant that has a design capacity to produce 250,000 tonnes of sinter ore per annum.

PLANT CONSTRUCTION & DEVELOPMENT

In July 2022, the Plant successfully converted two of its ferrosilicon furnaces to produce manganese alloys. Commercial production was achieved in August 2022, increasing the total manganese alloys furnaces from 6 units to 8 units, bringing the Plant's manganese alloys production capacity to 330,000 to 400,000 tonnes per annum. The sinter plant also achieved commercial production in Q4 2022 following contractors' onsite rectification and fine-tuning works. Training was provided to local operators to ensure smooth operation of the sinter plant.

The Plant commenced hot commissioning and performance testing for the first silicon metal furnace on 20 December 2022. The production team has been collaborating with onsite contractors to refine and acquaint themselves with the production processes to meet the standard specifications for silicon metal.

As of 12 April 2023, production for the silicon metal furnace was suspended as it was not operating as anticipated within the framework of the Engineering, Procurement and Construction contract.

OPERATIONS

In transitioning to the COVID-19 endemic phase, numerous countries have loosened their border policies and eased COVID-19 restrictions, including Malaysia, which reopened its international borders on 1 April 2022.

Despite the reopening of borders, Malaysia immigration authorities maintained strict regulations on issuing work permits for foreigners. Similarly, as part of their COVID-19 control measures, the Chinese government continued to enforce strict border crossing control between the provinces and countries, which affected the recruitment of Chinese workers by OM Sarawak in 2022.

Major scheduled maintenance works commenced in June 2022, beginning with manganese alloy furnaces followed by FeSi furnaces. The ongoing major maintenance works alleviated the manpower constraints, and were conducted in stages to minimise disruptions to ongoing operations. As at 31 December 2022, 10 out of 16 furnaces were in operation with 5 furnaces producing ferrosilicon, 4 furnaces producing manganese alloys and 1 furnace producing silicon metal. Of the remaining 6 furnaces, 5 were shut down for major maintenance while 1 was undergoing the conversion process to produce silicon metal.

The annual production of ferrosilicon and manganese alloys (which included silicomanganese and high carbon ferromanganese) amounted to 140,355 tonnes of 216,813 tonnes respectively. There was a 7.1% increase in ferrosilicon production and slight 0.1% increase in manganese alloy production compared to 2021. The manganese alloys production fell short of the intended annual capacity design due to furnace shutdowns in stages as part of the major maintenance program.

PROCESSING AND SMELTING OPERATIONAL REVIEW SAMALAJU SMELTING COMPLEX

Sales volumes for ferrosilicon and manganese alloys increased by 28.9% and 6.2% respectively in 2022. The increase in ferrosilicon sales volumes were mainly attributed to the shipments delays from 2021 being carried over to 2022, along with an increase in ferrosilicon production volumes.

Product (tonnes)	Years ended 31 December				
	2022	2021	2020	2019	2018
Production					
Ferrosilicon (FeSi)	140,355	131,059	167,443	230,735	220,515
Manganese Alloys (SiMn, HCFeMn)	216,813	216,539	227,406	248,163	242,341
Manganese Sinter Ore	112,711	99,824	24,125	-	-
Sales					
Ferrosilicon (FeSi)	146,646	113,783	171,502	219,828	225,749
Manganese Alloys (SiMn, HCFeMn)	216,604	203,938	231,129	240,280	241,166
Manganese Sinter Ore	-	7,132	-	-	-

In 2022, several operational milestones were achieved, which included:

- Signing of a Memorandum of Understanding with the Universiti of Malaysia (Sarawak) in February 2022 for the Certificate in Manufacturing Technology (Smelting) program
- Commencement of the accreditation program for ISO 14001: 2015 Environmental management system and ISO 45001: 2018 Occupational health and safety management system in August 2022
- Signing of a Memorandum of Understanding with the Sarawak Forestry Corporation (SFC) in November 2022 for the rewilding of Sarawak's Urban Totally Protected Areas through habitat restoration at Similajau National Park program.
- Receiving the Merit Awards for the 10th Premier of Sarawak Environmental Award (PSEA) 2021/2022.

As at 31 December 2022, OM Sarawak had a total workforce of 1,539 employees, of which 74% were local Sarawakians. In an effort to localise manpower, a Memorandum of Agreement was signed with Universiti Malaysia Sarawak (UNIMAS) in February 2022 for the Certificate in Manufacturing Technology (Smelting) Program. The programme aims to nurture a skilled smelting workforce in Sarawak, and reduce reliance on foreign skilled manpower for core furnace skilled positions. A total of 12 candidates successfully completed the program, and a graduation ceremony was conducted on 5th December 2022.

For more information, refer to Sustainability Statement: Internship and Career Exposure Opportunities Pg.61

MARKETING & TRADING OPERATIONAL REVIEW

2022

1,447,897 tonnes

Ores and Alloys

2021

2,367,957 tonnes

Ores and Alloys

MARKETING & TRADING OPERATIONAL REVIEW

OVERVIEW AND UPDATE IN 2022

With COVID-19 vaccinations rolled out globally since 2021, most countries lifted restrictions and there was a return to normality. Global trading activities tracked the pick up in both Western and Asian countries during the year.

The conflict between Ukraine and Russia created uncertainty in the global supply of ferroalloys. Both countries are majors in commodity export, as a result, trade flow of certain commodities, including steel, metals, grain, ferroalloy, ores, among others were greatly disrupted. This led to a temporary rise in prices in the first half of 2022, however the anticipated shortage of ferroalloys caused by the war did not materialize as Russia was still an exporter of ferrosilicon and Ukraine's output was displaced by India. Prices eventually stabilized as global demand weakened.

For the Group, by forging strong relationships with major steel conglomerates, regional sales in the Asia Pacific market has remained stable despite supply chain disruption. On the other hand, the Group has swiftly expanded its reach to the Western market during the year to fill the void caused by turmoil in Eastern Europe.

Sailing through the first half of the year, we faced challenging conditions in the second half of 2022. The focus for 2023 is to strengthen longer term relationships with end users to weather through the cycle and to be prepared for unforeseen incidents in a fast-changing world.

2022 SALES BY GEOGRAPHICAL SEGMENT

	2022	2021	2020	2019	2018
Region	%	%	%	%	%
Asia Pacific	77.4	86.4	86.1	83.6	82.1
Americas	13.7	3.7	1.7	4.6	2.6
Europe	6.1	6.3	5.5	7.7	9.8
Middle East	2.7	3.6	6.3	3.9	5.5
Africa	0.1	0.0	0.4	0.2	0.1
Total	100.0	100.0	100.0	100.0	100.0

OPERATIONAL REVIEW BOOTU CREEK MINE

ANNUAL PRODUCTION

18,071 tonnes

an average grade of 28.69% Mn

SALES

191,696 tonnes

an average grade of 28.66 % Mn

*The tonnages reflected in the quarterly announcement of 144,352 tonnes (dated 30 January 2023) excluded 1 vessel tonnage sold of 47,344 tonnes sold.

MINERAL RESOURCES

6.86 million tonnes

13.18% Mn as at 31 December 2022

OPERATIONAL REVIEW BOOTU CREEK MINE

OVERVIEW

OM (Manganese) Ltd ("OMM") is a wholly owned subsidiary with its main activities being exploration and mining (up until December 2021) of manganese ore at the Bootu Creek Mine. The Bootu Creek Mine is located 110 km north of Tennant Creek in the Northern Territory of Australia. OMM's principal administration office is in Perth, Western Australia.

The exploration and subsequent development of the Bootu Creek Project commenced in September 2001. Mining operations commenced in November 2005 and the first batch of ore was processed in April 2006.

The main mineral lease (ML24031) is in the Bootu Creek area on pastoral leases, where the mining and processing operations were based and where the currently defined Mineral Resources (excluding Renner West deposit, located on EL28041) have been identified.

A preliminary feasibility study including metallurgical test work and mine assessment of the Renner West Inferred Resource commenced in 2020 with the view of upgrading the deposit to Ore Reserve status. The Renner Springs Project area is located approximately 70 km northwest of the Bootu Creek mine site, covering an extensive dolomite-siltstone sequence which hosts several shallow dipping and flat lying manganese occurrences.

Mining at the Bootu Creek Mine was carried out using a conventional open-cut method of mining, blasting and excavation using hydraulic excavators and dump trucks.

The Bootu Creek plant was a relatively simple crushing and screening operation, followed by heavy media separation (HMS) to concentrate the manganese minerals. The plant comprised of three separately built processing plants. The original primary processing plant (PPP) was commissioned in 2006 and processed the Run of Mine (ROM) ore. The secondary processing plant (SPP) commissioned in December 2009 abutted the PPP and selectively processed drum plant rejects and washed fines from the PPP and previously stockpiled drum plant rejects.

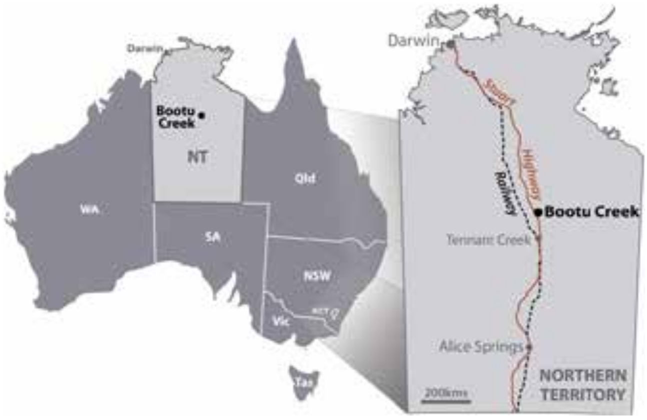


Figure 1. Locality Plan

The Ultra Fines Plant (UFP) abuts the SPP and is designed to process the PPP scrubber tails, recovered rejects and historical tailings deposits. The PPP was designed to produce a nominal 550,000 tonnes of product per annum, comprising about 420,000 tonnes of lump and about 130,000 tonnes of fines. Numerous capital upgrades and improvements increased the PPP's production capacity to approximately 800,000 tonnes of product per annum. The commissioning of the SPP in 2009 added a further capacity of approximately 200,000 tonnes bringing the combined production capacity from the two plants to approximately 1 million tonnes per annum dependent upon the characteristics of the ore being fed.

The addition of the UFP (i.e., the third plant) in March 2020, is designed to treat the tailings streams and produce a nominal 250,000 tonnes per annum. There has been a number of start-up issues associated with the UFP including poor screening efficiencies which affected the downstream separation and optimisation of the classifiers. This contributed to lower product grades and yields. Several screen media have been trialled to improve the screening efficiencies and rectification works are ongoing with measures implemented aimed at optimising the performance of the UFP.

The processing of manganese ore is described diagrammatically below:

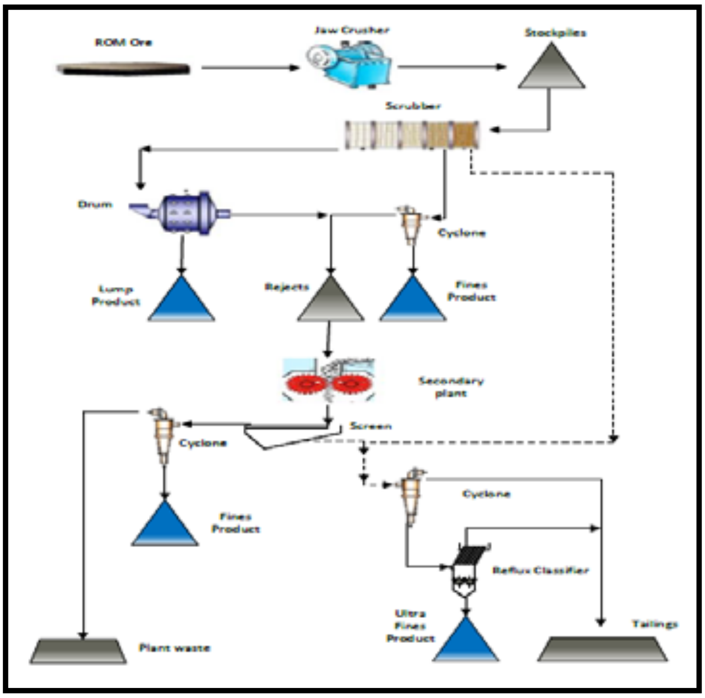


Figure 2. Bootu Creek Manganese Processing Plant Schematic

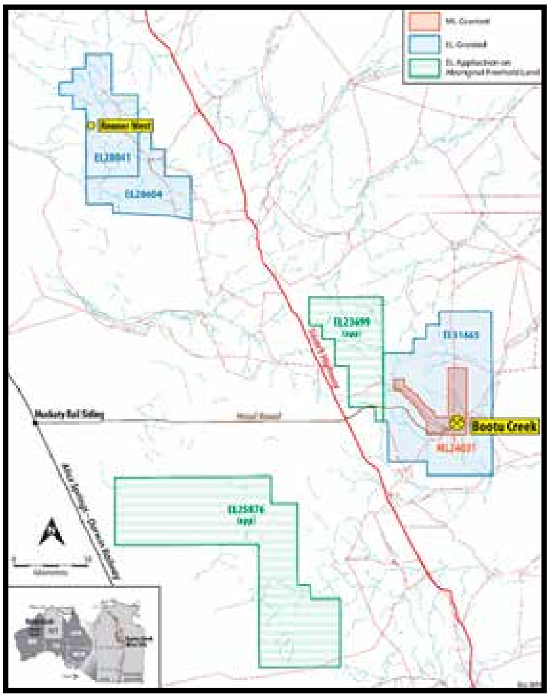


Figure 3. Bootu Creek location and Tenement plan

Manganese product produced on the mine site was transported 60 km to the Muckaty Rail Siding on a sealed private road and then approximately 800 km to the Port of Darwin via the Alice Springs to Darwin rail line.

Manganese product was stockpiled at the rail head at the Port of Darwin prior to being transported to the port ship loader and loaded onto vessels for shipping to overseas markets. OMM achieved production of 18,071 tonnes at an average grade of 28.69% Mn for the year ended 31 December 2022.

Production ceased on 25 January 2022 and the Bootu Creek Mine was placed on Care and Maintenance.

Rehabilitation Activities conducted during Care and Maintenance

During Care and Maintenance, OMM utilised available resources to rehabilitate Waste Rock Dump's (WRD) and satellite Run of Mine (ROM's) stockpile areas. The primary focus was to make ready, survey, and cross-rip designated areas in preparation for the forecasted early rainfall by mid-October and complete aerial seeding by the end of November.

At the end of October 2022, 243ha (WRD and ROM) was ready to be seeded, due to limited seed stock only 98 ha was revegetated using a drone. Harvesting of the additional seed has commenced and the remaining 143ha will be seeded ahead of the normal seasonal wet season during October/November 2023.

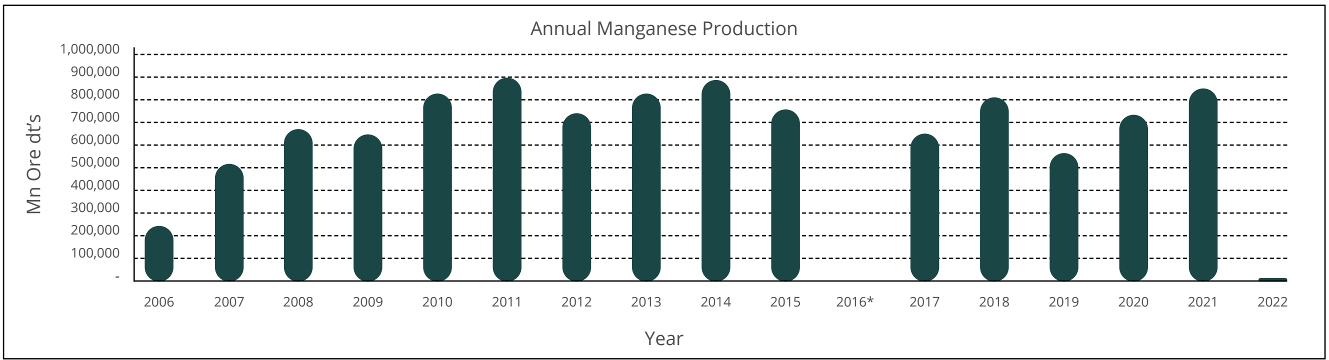
Figure 4: Profiling, topsoil spread, drainage and cross-rip completed.

OPERATIONAL REVIEW BOOTU CREEK MINE

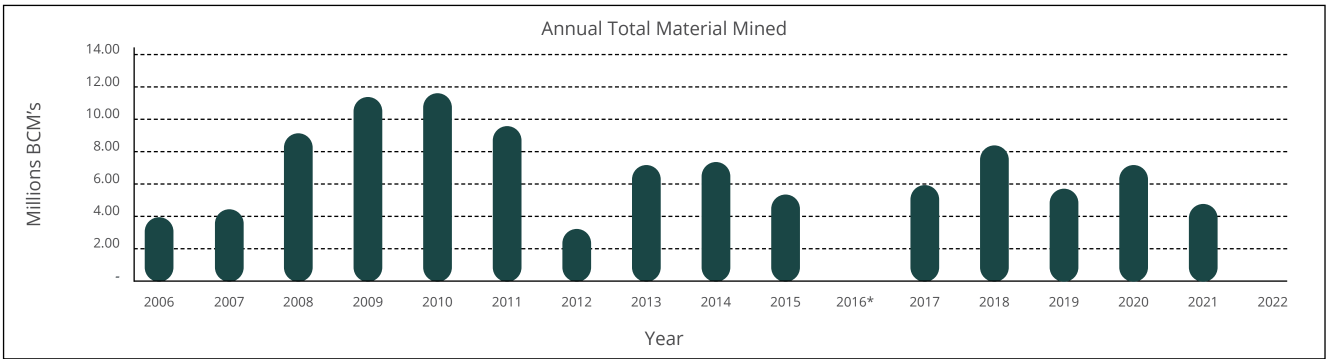
During the 2022 financial year, a total of *191,696 tonnes of manganese product was exported through the Port of Darwin.
*The tonnages reflected in the quarterly announcement of 144,352 tonnes on 30 January 2023 excluded 1 vessel of 47,344 tonnes sold.

		Years ended 31 December				
	Unit	**2022**	**2021**	**2020**	**2019**	**2018**
Mining						
Total Material Mined	bcms	–	4,737,723	7,411,431	5,748,339	8,426,107
Ore Mined - Tonnes	dt	–	1,131,066	1,008,015	1,034,190	1,819,012
Ore Mined - Mn Grade	%	–	20.85	19.19	20.48	21.94
Production						
Lump - Tonnes	dt	12,643	678,337	607,411	438,509	622,279
Lump - Mn Grade	%	29.27	27.25	26.72	32.83	35.50
Fines/SPP/UFP - Tonnes	dt	5,608	176,150	130,608	131,581	191,761
Fines/SPP/UFP - Mn Grade	%	26.82	32.95	34.51	36.62	36.64
Total Production - Tonnes	**dt**	**18,071**	**854,487**	**738,019**	**570,090**	**814,040**
Total Production - Mn Grade	**%**	**28.69**	**28.42**	**28.10**	**33.71**	**35.77**
Sales						
Lump - Tonnes	dt	164,400	551,448	553,976	452,774	593,778
Lump - Mn Grade	%	28.28	27.09	26.56	32.91	35.66
Fines/SPP/UFP - Tonnes	dt	27.296	145,879	88,755	168,772	203,238
Fines/SPP/UFP - Mn Grade	%	33.2	33.77	35.34	36.40	36.62
Total Sales - Tonnes	**dt**	**191,696**	**697,328**	**642,731**	**621,546**	**797,015**
Total Sales - Mn Grade	**%**	**28.66**	**28.49**	**27.78**	**33.86**	**35.90**

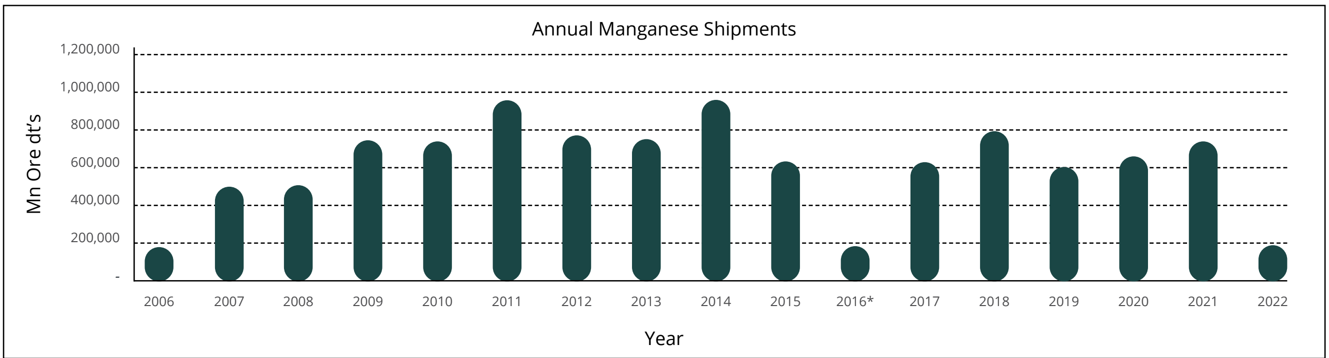
Table 1. Production and Sales FY2018 - FY2022



**Note – No production and mining activity conducted in FY2016 and FY2022*



**Note – No production and mining activity conducted in FY2016*



Bootu Creek Mineral Resource

There was no ore mined at Bootu Creek in 2022. The 31 December 2022 Mineral Resource of 6.86 million tonnes was derived by depleting the 31 December 2021 Mineral Resource by the processing of 32,325 tonnes of stockpiled ROM ore prior to the closure of the HMS plant on 25 January 2022. A further trial of 37,318 tonnes of tailings was processed through the UFP plant in January 2022.

Undiluted	Measured		Indicated		Inferred		Combined	
Deposit:	Mt	%Mn	Mt	%Mn	Mt	%Mn	Mt	%Mn
CFN			0.35	23.09			0.35	23.09
Masai 5			0.13	26.47			0.13	26.47
Tourag			0.67	22.69			0.67	22.69
ZuluSouth			0.23	20.91			0.23	20.91
Renner West			0.28	22.26			0.28	22.26
Insitu Resource	**0.00**	**0.00**	**1.66**	**22.75**	**0.00**	**0.00**	**1.66**	**22.75**
ROM Stocks			0.13	13.50			0.13	13.50
SPP Stocks			0.05	14.50			0.05	0.00
UFP Rejects			2.07	12.10			2.07	12.10
UFP Tailings			2.95	8.55			2.95	8.55
Total Resource	**0.00**	**0.00**	**6.86**	**13.19**	**0.00**	**0.00**	**6.86**	**13.19**

Table 2. Bootu Creek Mineral Resource as at 31 December 2022

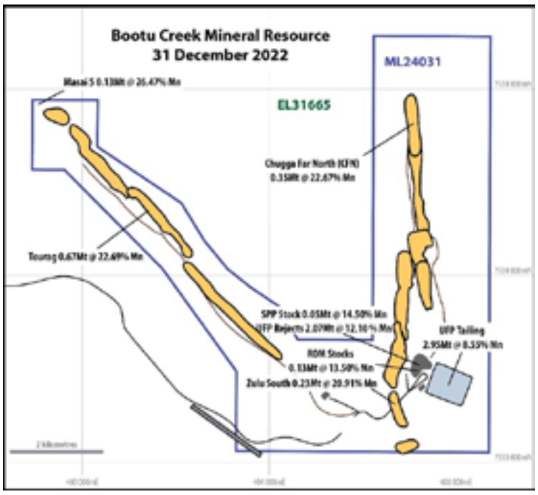


Figure 5. Location Plan for the Bootu Creek Mineral Resources as at 31 December 2022

	Dec 2021 at 15% Mn cutoff			Dec 2022 at 15% Mn cutoff			Change
	Mt	%Mn	Pit Base	Mt	%Mn	Pit Base	Mt
CFN	0.35	23.09	195	0.35	23.09	195	0.00
Masai	0.13	26.47	245	0.13	26.47	245	0.00
Tourag	0.67	22.69	220	0.67	22.69	220	0.00
Zulu South	0.23	20.91	230	0.23	20.91	230	0.00
Renner West	0.28	22.26	255	0.28	22.26	255	0.00
Insitu Total	1.66	22.75		1.66	22.75		0.00
ROM Stocks	0.16	13.50		0.13	13.50		-0.03
SPP Stocks	0.04	14.50		0.05	14.50		0.01
UFP Rejects	2.07	12.10		2.07	12.10		0.00
UFP Tailings	2.99	8.59		2.95	8.55		-0.04
Grand Total	6.92	13.18		6.86	13.19		-0.06

Table 3: 31 December 2022 Mineral Resource vs 31 December 2021 Mineral Resource

There is no current Life of Mine Plan or Ore Reserve for Bootu Creek.

OPERATIONAL REVIEW BOOTU CREEK MINE

2022 Bootu Creek Exploration Program

The Bootu Creek and Renner Springs exploration programs planned for 2022 were deferred to 2023, owing to the Bootu Creek operation being placed on Care and Maintenance in January 2022.

Exploration – Bryah Basin Manganese Joint Venture (OMM 51%, Bryah 49%)

In April 2019 OMM entered into a Farm-In and Joint Venture Agreement with Bryah Resources Limited (ASX:BYH) (Bryah) for the manganese rights in approximately 660 km^2 of exploration tenements in the Bryah Basin, located approximately 150 km north of the town of Meekatharra in central Western Australia. The agreement includes the historic Horseshoe South manganese mine which has been the largest, and highest grade, manganese mine in the Murchison region.

Under the terms of the agreement, OMM paid Bryah A$500,000 in two cash instalments and funded an additional A$500,000 of exploration expenditure in the initial exploration program to earn an initial 10% Joint Venture interest at the end of August 2019.

The results of the initial exploration drilling were sufficiently encouraging for OMM to proceed with Stage 2 of the Joint Venture. OMM funded a further A$2.0 million (in 4 separate tranches of A$0.5 million each) on exploration, to eventually earn a 51% interest in the Joint Venture in March 2022. OMM assumed management of the Joint Venture in July 2022. OMM and Bryah co-contributed A$700,000 on a 51%:49% basis up to the end of September 2022. OMM is currently sole funding the next A$1.8 million in exploration to earn a 60% interest in the Joint Venture.

Bryah released a maiden Joint Venture Inferred and Indicated JORC 2012 compliant Mineral Resource estimate totalling 1.84 million tonnes at 21.0% Mn[1] covering the Horseshoe South, Horseshoe Extended, Brumby Creek East, Brumby Creek West, Area 74, and Black Hill deposits in March 2022.

Two Gradient Array Induced Polarisation (GAIP) geophysical programs, covering 6km of strike length, were completed in April and November 2022, and together with outcrop mapping and rock chip sampling have identified several new targets which are currently waiting on Heritage survey clearance before drill testing. 3 Reverse Circulation (RC) exploration drill programs were completed in 2022 including 64 holes (2,498 metres) in March 2022, 39 holes (1,458 metres) in June 2022 and 41 holes (1,557 metres) in December 2022.

Assay results from the March 2022 RC drill program[2,3] confirmed a southern extension of Brumby West deposit and the Redrum GAIP target as a new deposit. Assay intersections at a 15% Mn cut off included:-

Brumby West:

- BBRC185 – 7m at 24.6% Mn from 18m
- BBRC185 – 4m at 30.2% Mn from 31m
- BBRC186 – 5m at 25.1% Mn from 17m
- BBRC187 – 18m at 23.3% Mn from 11m
- BBRC188 – 9m at 22.2% Mn from 21m
- BBRC189 – 12m at 23.4% Mn from 13m
- BBRC192 – 10m at 21.3% Mn from 20m

Redrum:

- RRRC030 – 15m at 24.8% Mn from 4m
- RRRC031 – 5m at 23.0% Mn from 10m
- RRRC032 – 4m at 25.7% Mn from 12m
- RRRC033 – 3m at 29.7% Mn from 15m
- RRRC036 – 6m at 22.0% Mn from 11m
- RRRC037 – 4m at 25.2% Mn from 11m

Assay results for the June 2022 RC drill program testing selected geophysical buried channel targets in the Black Hill, Black Beauty, Brumby Creek, and Horseshoe South areas which returned isolated low-grade intersections, though full access was restricted by limited Heritage survey coverage.

The December 2022 RC drill program further extends the Brumby Creek West deposit to the south and the infill drilling at Redrum deposit will be used for Mineral Resource delineation. An update of the current Joint Venture Inferred and Indicated Mineral Resource estimate will be undertaken following receipt of assay results from the December 2022 drill program.

1 Refer Bryah Resources Limited (ASX: BYH) ASX announcement dated 3 March 2022 "Maiden Bryah Basin Manganese Mineral Resource"
2 Refer Bryah Resources Limited (ASX: BYH) ASX announcement dated 1 August 2022 "New Manganese mineralisation identified at Redrum Prospect"
3 Refer Bryah Resources Limited (ASX: BYH) ASX announcement dated 31 August 2022 "Continued Manganese drilling Success at Redrum and Brumby West"
4 Refer Bryah Resources Limited (ASX: BYH) ASX announcement dated 22 December 2022 "Manganese RC Drilling Completed"

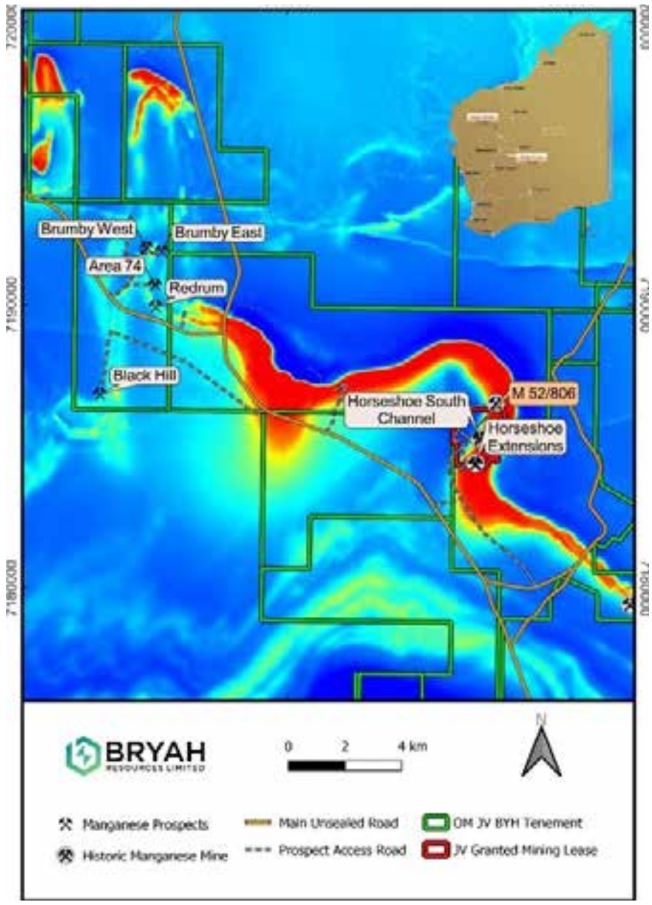


Figure 6. Deposit Location Plan for the Bryah Basin Manganese Joint Venture

Bulk Ore Sorter trials were undertaken with Steinert Australia Pty Ltd in Q1 2022. Three composite samples were selected from 7 PQ diamond core holes to represent 3 different styles of Bryah Basin manganese mineralisation. The bulk test work proved that a colour-based sort program, together with XRT-3D for low density rejection can be used to upgrade + 8mm feed material. Product grades ranged from 36.6% Mn, 32.2% Mn and 29.3% Mn for composites 1,2 and 3 respectively.

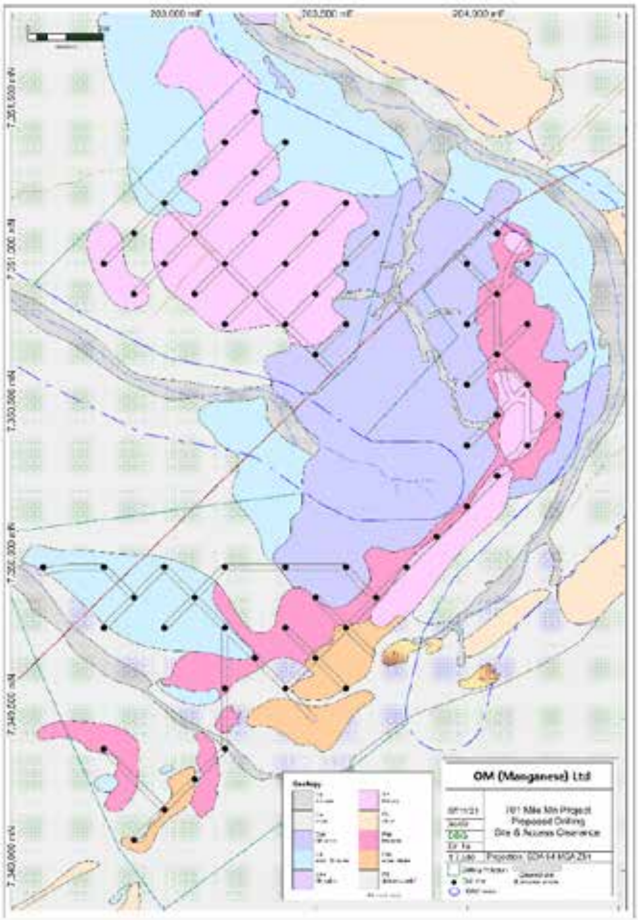


Figure 7. Proposed Initial 70-hole RC drill program

701 Mile Manganese Project with Great Sandy Pty Ltd

OMM executed a Farm-in and Exploration Joint Venture Agreement with Great Sandy Pty Ltd ("701 Mile JV Agreement") in April 2021. The 701 Mile Manganese Project is located approximately 90km southeast of Newman in Western Australia, on E52/3587.

Ethnographic and Archaeological surveys were completed in November 2021. The area was cleared of any significant Aboriginal sites. A Land Access Agreement with the pastoral lease owner was executed in March 2022.

An initial wide spaced drill program of 56 RC holes (1,393m) was completed in June 2022. Assay results have outlined a wide area of mineralisation with manganese grades typically associated with other manganese shale deposits in the East Pilbara. Drill hole locations and assay results were listed in the OMH September 2022 Quarterly Production and Market Update (refer to ASX Announcement dated 26 October 2022).

The A$0.25 million "Due Diligence" phase of the 701 Mile JV Agreement has been completed and an Option Fee of A$50,000 paid by OMM in October 2022 to advance to the Stage 1 Exploration phase. Stage 1 Exploration phase comprise an expenditure budget requirement of A$1.25 million within the next 3 years for OMM to earn a 51% interest in the 701 Mile Manganese Joint Venture.

The proposed initial Stage 1 RC drill program is intended to infill and extend the mineralised areas of interest. The Plan of Works ("PoW") to extend the project area has been approved by the Department of Mines, Industry Regulation and Safety (DMIRS) and a request for further Heritage Clearance was submitted in September 2022 and is scheduled for March 2023.

Weelarrana Project Area

E52/3892 is a 100% Exploration Licence owned by OMM located approximately 5km to the west of the 701 Mile Manganese Project area. The Exploration Licence was granted in September 2021 has since been trimmed to 30 blocks.

Geological mapping has commenced, and a 90 square kilometre high resolution image and Lidar aerial survey was completed in May 2022. A PoW for the proposed initial RC drill program was submitted to the DMIRS in August 2022 and approved in November 2022, and a request for Heritage Clearance of the proposed drill area and access track was submitted in September 2022 and is pending approval.

Competent Person Statement

The information in this announcement that relates to Exploration Results and Mineral Resource estimation is based on information compiled by Mr Craig Reddell, who is a Member of the Australian Institute of Geoscientists. Craig Reddell is an employee of OM (Manganese) Ltd. Craig Reddell has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Craig Reddell consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

TSHIPI É NTLE MANGANESE MINING PROPRIETARY LTD ("TSHIPI")

TSHIPI EXPORTS TOTALLED

3,333,767 tonnes

2022

- **A world-class low cost long-life manganese asset.**
- **Largest manganese mine in South Africa in terms of production and export and one of the five largest manganese mines globally.**
- **Tshipi commenced exporting manganese ore in 2012.**
- **Total exports included both lump and fines.**

Tshipi Project Location

The Tshipi Borwa Mine is located on the south western outer rim of the Kalahari Manganese Field making the ore resources shallower and more amenable to open pit mining.

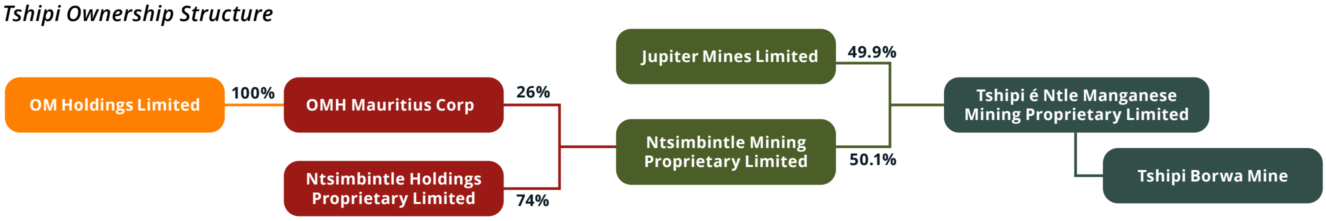
Overview

OMH has an effective 13% interest in Tshipi through its 26% strategic partnership with Ntsimbintle Holdings Proprietary Limited, the majority 50.1% owner of Tshipi. The remaining 49.9% share is owned by Jupiter Mines Limited.

Tshipi owns a manganese property in the world-class Kalahari Manganese Field located in the Northern Cape of South Africa. The Kalahari Manganese Field, which stretches for 35km long and is approximately 15km wide, hosts a significant portion of the world's economically mineable high grade manganese ore resources.

The Tshipi Borwa mine is an open pit manganese mine with an integrated ore processing plant which commenced production in October 2012. As of 28 February 2022, Tshipi Borwa Mine has a total Mineral Resource Estimation of circa 423 million tonnes in accordance with JORC Code (2012). In 2022, Tshipi exported a total of 3,333,767 tonnes of manganese ore.

Tshipi Ownership Structure



The Tshipi Borwa ore body commences at a depth of 70m below the surface and the ore body is contained within a 30m to 45m thick mineralised zone which occurs along the entire Borwa Property. The ore layer dips gradually to the north-west at approximately 5 degrees.

Tshipi's strategy is to mine and process the lower 15m of the mineralised zone, commonly known as the bottom cut, as it bears a higher grade ore. A portion of the upper 15m mineralised zone, referred to as the top cut, is planned to be stockpiled for possible use later.

Mining of Tshipi Borwa is a relatively simple truck and shovel open cast operation. Once exposed the manganese ore is drilled, blasted and loaded onto trucks and hauled to the main ROM stockpile.

The ROM stockpile feeds the processing plant which is designed to treat approximately 3.3 to 3.6 million tonnes per annum of manganese ore.

These products are stockpiled before loading through a state-of-the art load-out station onto railway trains or road trucks.

Inland transportation of manganese products from the mine site is carried out by rail, and complemented by a combination of road and rail solutions to increase logistics capacity.

Tshipi's product is then exported through (i) the Port Elizabeth multi-purpose terminal, including Coega; (ii) the Saldanha multi-purpose terminal; (iii) the Luderitz port in Namibia; or (iv) the Durban Bulk Connections terminal.

ASX LISTING RULES 5.8.1 & 5.9.1 SUMMARY INFORMATION

Mineral Resource estimation summary:

The Bootu Creek manganese deposits are strata-bound, located at the contact between the underlying dolomite-siltstone Attack Creek Formation and the overlying ridge forming sandstone of the Bootu Formation in the Tomkinson Group, within the Ashburton Province of the Palaeozoic Tennant Creek Inlier. The mineralised manganese bearing sandstone horizon is folded around the gentle NNW plunging Bootu Syncline, can be traced for 24km and dips around 30° towards the fold axis.

The manganese ore is supergene enriched within a deeply weathered profile. The Bootu Creek pre-mining manganese resource models have a combined strike length of 16 km, with deposit models ranging from 0.7 km to 2.9 km in length. Mineralisation widths vary from 3 m to 15 m and ore mineralogy consists predominately of Pyrolusite and Cryptomelane in a silica rich gangue within the supergene zone, overlaying a Rhodochrosite and Braunite unweathered zone at depths of greater than 90m from surface.

All Bootu Creek resource models, other than Renner West, are located within Mineral Lease ML24031, located 120 km north of Tennant Creek, Northern Territory, Australia. The Renner West Inferred Mineral Resource is located on EL28041 and located 70 km NW of the Bootu Creek mine site. Both tenements are granted, 100% owned by OMM and have no security of tenure issues at the time of reporting.

Resources at Bootu Creek ("BC") are predominantly sampled by vertical 5.5" face sampling Reverse Circulation (RC) drilling (91% of total drilled), HQ3 diamond (DD) drilling (2%) and open percussion (PC) drilling (7%), based on a nominal 50 m x 25 m spaced grid. Hole depths range from 12 m to 156 m and collar locations are picked up by Mine Surveyors using MGA94 co-ordinates. The 31 December 2021 BC resource delineation dataset for Bootu Creek (trimmed to remaining resource models) comprised 390 drill holes for 25,338 metres and the Renner West (RW) dataset had 145 drill holes for 6,284 metres. Tailings in TSF1, TSF2 and TSF 3 at Bootu Creek were sampled by 49 core holes for 455 metres, drilled utilising a track mounted Power Probe earth core drill. The 17 diamond holes drilled at Bootu Creek and Renner Springs in 2019-2021, within current or since mined resource models, were drilled to provide core in order to assess geotechnical parameters and metallurgical characteristics. All recovered drill core is photographed.

Sampling of RC holes is done on 1 metre downhole intervals and rotary split to produce approximately 3 kg samples. Intervals selected for analysis are generally limited to visible manganese mineralisation and adjacent host rock. Mineralised diamond core is quarter sawn to obtain 1 metre or geological intervals, with half core retained for density determination and metallurgical test work. Earth core samples were at 1.2 metre downhole intervals and split lengthways for assay and metallurgical samples. All drill samples are crushed, dried and pulverised (total prep) to produce a sub sample for XRF analysis. Field quality control procedures involve the use of field duplicates, certified BC standards (at an insertion rate of approx. 1:130) and use of a number of commercial laboratories for analysis.

The sample preparation of RC and earth core samples involve oven drying and full pulverisation before splitting off an XRF assay sub-sample. Diamond core assay samples are quarter sawn, jaw crushed and follow the same sample preparation technique. A pulp sub-sample is collected for analysis by XRF for the following elements: Mn, Fe, Al_2O_3, SiO_2, P, Pb, S, TiO_2, MgO, K_2O, BaO, CaO, Cu, Zn and Co_3O_4. LOI (loss on ignition) is assessed by thermo-gravimetric determination. Laboratory QAQC involves the use of internal laboratory standards using certified reference material, blanks, splits and replicates as part of the in house procedures.

OM (Manganese) Ltd ("OMM") developed 6 reference standards in 2007 and 2010 for a range of manganese grade values, using blends of Mn, Fe and quartz material. These were sent to 10 commercial laboratories with returned values in the +-2% range against of the mean value. BC standards are submitted with each assay batch and results monitored to maintain an independent check on laboratory assays.

There is a high degree of confidence in the geological interpretation of the Bootu Creek manganese deposits gained through extensive close spaced drill testing, a relatively planar strata-bound geological setting and several years of active mining at this mature mining operation. Ore mineralogy was determined by XRD analysis and optical petrology on selected drill core, RC chip and lump product (gravity concentrate) samples.

Resource models were digitised and wire-framed from updated interpreted geological and assay drill cross sections prepared by OMM. These wireframes were used to select resource drill intersections and composite data was extracted for Mn, Fe, SiO_2, Al_2O_3, BaO and P based on one metre sample increments. The nugget effect from variography represented only 20% - 30% of the total variability, suggesting low inherent random behaviour for the manganese mineralisation, and did not warrant grade capping.

The models were estimated using the Ordinary Kriging (OK) estimation technique with Surpac resource estimation software, and coded with attributes for material type, resource classification, model domain and against OMM survey pit pickups. Block Model Parent Cells are 25 m (Y) by 10 m (X) by 5 m (Z) and compare favourably with maximum drill spacing of 50 m by 25 m or 40 m by 20 m. The along strike search radius varied from 130 m in the shorter or faulted models through to 290 m for the highly continuous Chugga-Gogo. The number of samples was set at a minimum of 15 and a maximum of 32 for passes 1 & 2. Pass 3 used a minimum of 2 samples to fill model extents. Search ranges varied from 130 m up to 290 m in the deposits of up to 3 km strike length. The search ellipsoids were flattened disc shapes in the plane of the mineralisation with varying anisotropic ratios designed to model shallowly plunging manganese trends within the domains.

Current bulk density regression formulae are based on 366 waxed (or waxed equivalent) HQ3 core samples selected from 52 metallurgical composites distributed through all deposits included in the Ore Reserve. The bulk density measurements were determined in 2009 by Amdel (Perth) using the wet and dry methodology. Six density regressions were determined for Chugga/Gogo, Shekuma, Xhosa, Masai/Tourag, Yaka and Zulu deposits. Renner West, Foldnose and Zulu South use the Yaka (most conservative) regression option. Bulk density of Tailings is estimated at 1.60 kg/m^3 and Rejects at 1.73 kg/m^3 on a dry tonnes' basis, both assessed on historical site data.

ASX LISTING RULES 5.8.1 & 5.9.1 SUMMARY INFORMATION

The mineralised domains have demonstrated continuity in both geology and grade to support the definition of Mineral Resource and Ore Reserves, and the classifications applied under the JORC Code (2012 edition). The nominal drillhole spacing of 50 m by 25 m was considered to provide adequate geological and grade continuity definition to assign an Indicated Mineral Resource classification to the majority of the deposits at Bootu Creek. Measured Mineral Resources were restricted to closely drilled resource blocks within 15 m vertically of a mined pit floor, reflecting the high level of geological and grade confidence.

Metallurgical assumptions are based on test work conducted on 93 composites selected from 79 diamond holes drilled into all deposits included in Ore Reserves. The test work consists largely of individual particle pyknometry (IPP) on lump ore and Heavy Liquid Separation (HLS) test work on fines (+1 mm). The heavy media treatment plant reconciliation factors, product yield and recovery are reviewed annually. The Inferred Mineral Resource at Renner West was upgraded to an Indicated Mineral Resource following encouraging inhouse HLS metallurgical test work conducted on 3 diamond core holes drilled in late 2019.

Heavy Liquid Separation (HLS) and screened assay analysis, washability and process simulation test work (conducted by Nagrom) on earth core sampling of the Tailing Storage Facilities TSF 1, TSF2 and TSF 3 has been utilised to justify the newly constructed Ultra Fines Plant (UFP). The UFP Rejects Mineral Resource is based surveyed stockpiles and the same metallurgical test work as used to assess the UFF Tailings.

The input data is comprehensive in its coverage of the mineralisation and does not favour or misrepresent in-situ mineralisation. Bootu Creek manganese deposits are located within a well-defined geological setting and this allows definition of mineralised zones based on a high level of geological understanding. The Mineral Resource models have been validated by open pit mining since 2006 which reconcile well against the resource estimates.

Mineral Resource estimates are economically constrained within optimised pit shells, utilising Whittle mining software, based on current mining, processing and logistics costs, projected sales revenue, geotechnical and deposit specific analysis of yield and recovery parameters.

Ore Reserve estimation summary:

No 31 December 2022 Ore Reserve is quoted for the Bootu Creek Operation as it was placed under Care and Maintenance following suspension of mining on 13 December 2021 and processing of Run of Mine (ROM) ore was completed on 7 January 2022.

There is no current mine plan for the Bootu Creek operation. Any future re-estimation of the Bootu Creek Ore Reserve will require re-optimisation of the remaining Mineral Resource based on updated product prices and specifications, production costs and geotechnical parameters.

ASX LISTING RULES 5.8.1 & 5.9.1 SUMMARY INFORMATION

JORC (2012 Edition) Table 1
Section 1 Sampling Techniques and Data

Criteria	Explanation
Sampling Techniques - Nature and quantity of sampling	• Mineral Resources at Bootu Creek ("**BC**") were sampled by 91% Reverse Circulation (RC), 2% Diamond Drill (DD) and 7% open percussion (PC) drilling on a nominal 50m x 25m spaced grid. • The 31 December 2022 **BC** Bootu Creek resource dataset (trimmed to remaining resource models) comprised a total of 390 drill holes for 25,338 metres, and the Renner West dataset comprised a total of 145 drill holes for 6384 metres. • Collar locations are picked up by Mine Surveyors using MGA94 co-ordinates and by DGPS or handheld GPS at the Renner Springs project. • RC holes are sampled at 1 metre intervals, rotary split to produce 2-3 kg samples. Sample intervals selected for analysis are generally limited to visible manganese mineralisation and adjacent host rock. Diamond core is submitted for assay as half or quarter core intervals selected by geology and intensity of mineralisation. • All drill samples are crushed, dried and pulverised (total prep) to produce a sub sample for XRF analysis. Mineralised diamond core is quarter sawn to obtain 1 metre or geological intervals for XRF analysis, with half core retained for density determination and metallurgical test work. • Sampling is carried out under OM (Manganese) Ltd ("OMM") protocols to ensure the representivity of drill samples. • Tailings sampling in TSF1, TSF2 and TSF3 at Bootu Creek was undertaken by drilling 49 earth core holes varying in depth from 7 to 12 metres.
Drilling Technique	• RC drilling with 4.5" drill rods and a 5.5" face sampling drill bit. • Diamond core generally drilled using a HQ3 core barrel. • Drilling is predominately vertical, and diamond core drilled prior to 2019 was not oriented. • Holes range from 12 to 156 metres in depth. • Tailings sample holes were drilled utilised a track mounted Power Probe earth core drill.
Drill Sample Recovery	• RC drill sample recovery is visually estimated and recorded in geology drill log. Diamond core recovery is measured and recorded. • RC rods and the sample cyclone are cleared as frequently as required to maintain satisfactory drill sample recovery and representivity. • DD holes use HQ3 size triple tube core barrels to maximise sample recovery. • The mineralisation style and consistency of mineralised intervals are considered to preclude any issue of sample bias due to recovery. • Tailings drill core samples were recovered from 1.2m length sample casings.
Logging	• RC chip and diamond drill core samples are geologically logged to the level of detail required to support the Mineral Resource estimate. Logging records lithology, mineralogy, weathering, mineralisation, alteration, colour and other features of the samples. • Geotechnical information is collected from the **BC** operations open pits and from specifically drilled Geotechnical diamond drill core holes. • All diamond drill core and tailings earth core photographed and logged for geology and geotechnical core holes are logged for geotechnical parameters. • The total length of all exploration and resource delineation drilling is logged.
Sub-sampling	• Diamond core assay samples are quarter sawn, oven dried, jaw crushed and fully pulverised before splitting off an XRF assay sub-sample. • RC samples are rotary split to produce a sample of an approximately 3 kg in weight. High volume, high pressure air is used when RC drilling to ensure the sample return is kept as dry as possible. • RC samples submitted for assay are oven dried, jaw crushed and fully pulverised before splitting off an XRF assay sub-sample. • QAQC procedures involve the use of field duplicates, certified **BC** standards (insertion rate of approx. 1:130) and commercial laboratories standards. • Appropriate industry standard sample preparation techniques and quality control procedures (ISO4296/2) are utilised by the onsite laboratory and offsite commercial laboratories to maximise sample representivity. • Drill sample field duplicates are taken to ensure sampling is representative of the in-situ sample material collected. • Sample sizes are appropriate for the grain size of the material being sampled based on the mineralisation style, intersection thickness and percent assay ranges for the primary elements. • Tailings earth core samples were cut in half lengthways for assay, with the remaining half retained for metallurgical test work.

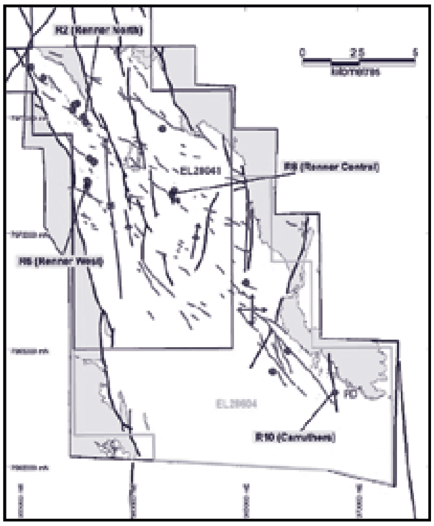
ASX LISTING RULES 5.8.1 & 5.9.1 SUMMARY INFORMATION

Criteria	Explanation
Quality of assay data and laboratory tests	• The analytical techniques use a mine site laboratory XRF multi element suite, assaying for Mn, Fe, Al_2O_3, SiO_2, P, Pb, S, TiO_2, MgO, K_2O, BaO, CaO, Cu, Zn and Co_3O_4. LOI (loss on ignition) is assessed by thermo-gravimetric determination technique. • No geophysical tools were used to determine any element concentrations used in any of the resource estimates. • Laboratory QAQC involves the use of internal laboratory standards using certified reference material, blanks, splits and replicates. • **BC** independently developed 6 reference standards in 2007 and 2010 for a range of grade values, using blends of Mn, Fe and quartz material. These were sent to 10 commercial laboratories with returned values in the +/-2% range against the expected value. The **BC** standards are submitted with each assay batch and monitored to maintain an independent check on laboratory assays.
Verification of sampling and assaying	• Significant drill intersections are verified by alternative company personnel, generally the Geology Manager for OMM. • Twined holes were used in initial exploration/pre-feasibility phase but are not considered necessary in the current mature mining phase. • Data entry, verification and storage protocols are in place and were managed by a dedicated GIS/ Database Manager and recently by the Geology Manager. • No adjustments of primary assay data (high grade cuts, etc.) are considered necessary.
Location of data points	• Drill collars used for Mineral Resource delineation are surveyed using the mine based DGPS survey equipment. • All locations are picked up and quoted in MGA94 grid format. • Mine lease topography is based on ortho-rectified aerial photography (2013) to produce a DTM based on a 5 m x 5 m centred grid with +/- 0.5 m RL accuracy.
Data spacing and distribution	• Data spacing is generally based on a 50 m x 25 m drill grid within the Mineral Resource boundaries. • The data spacing and distribution is close enough to establish the degree of geological and grade continuity appropriate for the Mineral Resource classification being quoted and for the Ore Reserve estimate. • Sample support is consistent with 1 m RC composite sample length applied and utilised for Mineral Resource estimate.
Orientation of data in relation to geological structure	• The manganese deposits at Bootu Creek are shallow dipping (average dip 30º–40º), strata-bound and relatively planar. • Drill orientation is predominately vertical and any interaction with local faults or fold structures is not considered to introduce bias to the sampling results.
Sample Security	• Sample security is not considered a significant risk. • Most exploration samples are processed by the mine site laboratory and results are validated against the drill hole geology logs.
Audit or reviews	• No recent audits or reviews of sampling techniques, other than ongoing internal review, have been conducted. The database was last reviewed by Optiro for the 31 December 2012 Mineral Resource estimate. • Minor infill delineation drilling conducted since that audit (within the remaining resource models) included 5 RC holes in CFN and 30 RC holes in Masai 5. • 6 new diamond core holes drilled in 2019 were for geotechnical assessment of the Shekuma and CFN pits. • 3 new diamond core holes drilled in 2019 were for metallurgical test work at the Renner West deposit. • 8 new diamond core holes drilled in 2020 and 2021 were for geotechnical assessment of the Tourag, Zulu South and Masai 5 proposed pits

Section 2 Reporting of Exploration Results

Criteria	Explanation
Mineral tenement and land tenure status	• The relevant tenements for 2021 exploration are EL28041 and EL28604, collectively referred to as the Renner Springs project. • The tenements were granted in 2010 and 2011 respectively and are 100% owned by OMM with no security of tenure issues at the time of reporting.
Exploration done by other parties	• Keys Resources NL were the last to explore the Renner Springs area, intersecting 9m @ 36.7%Mn in percussion hole W38. (Ferenczi, 2001).

ASX LISTING RULES 5.8.1 & 5.9.1 SUMMARY INFORMATION

Criteria	Explanation
Geology	• The Renner Springs project is predominately located within the Namerinni Group in the Ashburton Province of the Tennant Creek Inlier. The favourable manganese bearing horizon is hosted principally by the Shillinglaw Formation. • The Renner Springs manganese horizons are generally shallow dipping and present with a breccia/ conglomerate texture in low outcrops. • The Bootu Creek manganese deposits are strata-bound, located at the contact between the underlying dolomite-siltstone Attack Creek Formation and the overlying ridge forming sandstone of the Bootu Formations in the Tomkinson Group, within the Ashburton Province of the Palaeozoic.
Drill hole Information	• There was no exploration or resource delineation drilling undertaken in 2022.
Data aggregation methods	• Reported assays are length weighted with no top-cuts applied. • No metal equivalents are used for reporting exploration results.
Relationship between mineralisation width and intercept length	• The 3 diamond drill program was undertaken to provide core for metallurgical test work at the Renner West Mineral Resource. • The 6 RC drill program at Carruthers North prospect was a first pass test of a low laying manganese outcrop, discovered while ground checking a gradient array IP anomaly. • The RC intersections are quoted as drill intersection lengths, as the dip of the mineralisation is yet the be confirmed.
Diagrams	• The Renner West Mineral Resource is located at R6 in figure below. • The Carruthers North prospect referred in this announcement is located midway between prospects R8 and R10 shown in the figure below. 
Balanced reporting	• All results are reported when publishing exploration reports.
Further work	• Follow up RC drilling is planned for the Carruthers North and Renner Central prospects in 2023.

ASX LISTING RULES 5.8.1 & 5.9.1 SUMMARY INFORMATION

Section 3 Estimation and Reporting of Mineral Resources

<table>
<tr><th>Criteria</th><th>Explanation</th></tr>
<tr><td>Database integrity</td><td>

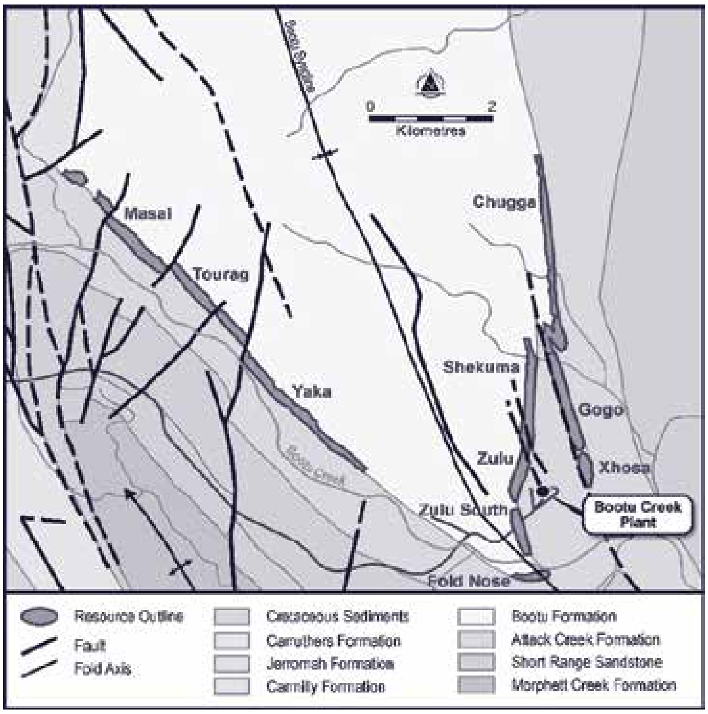
- Location data was imported from DGPS export files.
- Assay data was imported from the original laboratory issued csv files.
- All exploration drill data was moved to an Access database in 2017 and all new drill hole data is uploaded to that database.
- Geology logs are validated for errors on import, locations checked, and assay data quality is ensured by use of lab and field standards. Further internal validation for duplication, overlaps, etc is carried out using Surpac software prior to any resource estimation.

</td></tr>
<tr><td>Site visits</td><td>

- The Mineral Resource is located within an active mine camp and is visited regularly by OMM Competent Persons.

</td></tr>
<tr><td>Geological Interpretation</td><td>

- There is a high degree of confidence in the geological interpretation of the Bootu Creek manganese deposits gained through extensive close spaced drill testing, a relatively planar strata-bound geological setting and over 15 years of active mining at this mature mining operation.
- Ore mineralogy was determined by XRD analysis and optical petrology on selected drill core, RC chip and mineral product (gravity concentrate) samples.
- The geological controls at BC are well understood from ongoing mining activity and form the basis for the resource interpretations.
- Factors affecting continuity of grade and geology include local high and low angle faulting, local internal and adjacent high Fe associated with faulting, and the intensity and depth of supergene alteration from weathering.
- The geological interpretation is refined on an ongoing basis following the review of close spaced grade control sampling and in pit observation and mapping of second order fault structures not modelled in the original broader spaced resource delineation drilling.
- This figure is inserted for reference to geological setting and deposit locations at Bootu Creek.



</td></tr>
<tr><td>Dimensions</td><td>

- The Bootu Creek manganese resource models have a combined strike length of 16km, with individual models ranging from 0.7km to 2.9km
- Bootu Creek resource models are generally limited in vertical depth by economic constraints (imposed by strip ratios and cost of mining), by faulting or by the depth of weathering and supergene alteration, rather than a depth termination of the mineralisation.
- Individual resource model depth extents range from 50m to 120m below surface. All mining is by open pit.
- Bootu Creek resource model widths (true width) range from the minimum width of 3m to a maximum of around 15m.
- The Renner West manganese deposit extends over a strike length of 450m and to a depth of around 25m below surface.

</td></tr>
</table>

Criteria	Explanation
Estimation and modelling techniques	• Estimation and modelling undertaken by independent resource consultants Optiro Pty Ltd, and since updated by OMM technical staff. • Resource models are digitised and wire-framed from interpreted geological and assay drill cross sections prepared by OMM. These wireframes are used to select resource intersections and composite data is extracted for Mn, Fe, SiO_2, Al_2O_3, BaO and P based on one metre sample increments. • 'Supervisor' geostatistical software was used for continuity analysis to determine variograms for grade estimation. Optiro found that the 10% Mn population generated more robust variograms with lower nugget effects that were applied to the resource composite data during estimation. • The nugget effect from variography was found to represent only 20-30% of the total variability, suggesting a low inherent random behaviour for the manganese mineralisation and no grade capping is warranted. • Block models are estimated using Ordinary Kriging (OK), using Surpac resource estimation software, and coded with attributes for material type, resource classification, model domain and for OMM survey pit pickups. • Block Model Parent Cells are 25m (Y) by 10m (X) by 5m (Z) and compare favourably with maximum drill spacing of 50m x 25m or 40m x 20m and with along strike search radius varying from 130m in the shorter or faulted models through to 290m for the highly continuous Chugga-Gogo. • The number of samples is set at a minimum of 15 and a maximum of 32 for passes 1 & 2. The pass 3 minimum was set to 2 samples to fill model extents. • Search ranges varied from 130 m up to 290 m in deposits of up to 2.9 km strike length. The search ellipsoids are flattened disc shapes in the plane of the mineralisation with varying anisotropic ratios designed to model shallowly plunging manganese trends within the domains. • Geological interpretation prepared by OMM has been used to construct digital wireframes and control assay extraction from the database but are not otherwise used to control the resource estimate. • The only assumed correlation between variables is that used for the density regression calculated against manganese grade. There is a noted inverse relationship between manganese vs SiO_2 or Al_2O_3. There is a variable relationship between manganese and iron and correlations between other elements were poor. • No selective mining units were assumed in the estimates. • Graphical 3D validation of block grades versus composite samples, used to compare modelled grade trends against the spatial distribution of the samples, demonstrated that estimated low and high grades were consistent with the composite samples. Density was also checked to confirm interpolated block values honour the regression formulas. • Validation swathe plots by Optiro show that the block model estimated grades honoured local grades. All volumetric checks are within 1% of wireframes. • The significant elements specific to product quality are assayed and modelled with the only potential issue being high Fe content in product, which is managed in the mine plan by local grade control. • Mineral Resource estimates are depleted for mining up to 31 December 2022 and reported above a cut-off grade of 15% Mn. • There was no mining activity in 2022.
Moisture	• All tonnage is estimated on a dry tonne's basis.
Cut-off parameters	• The existing 15% Mn cut-off grade had been affirmed after several years of processing Bootu Creek ore for target product grades of plus 33% Mn. • Manganese product derived from the DMS (gravity) plant is not linear in relation to head grade and product yield and/or product grade decreases rapidly below the 15% Mn cut-off grade. • Since 2020, low grade mineralisation (10%-15% Mn) defined by in pit grade control has been mined outside of the 15% Mineral Resource models. • It has been possible to process this lower grade material by reducing the target product grade to around 28% Mn.
Mining factors or assumptions	• The Mineral Resource estimates were optimised by OMM technical staff utilising Whittle mining software to limit economic open pit extents based on long term revenue, mining, processing, and logistic parameters set by OMM. • All mining is by open pit mining methods. • Parameters for determining economic extraction are based on data derived from the current mining and processing operations at Bootu Creek.
Metallurgical factors and assumptions	• Metallurgical assumptions are based on test work conducted on 93 composites selected from 79 diamond holes drilled into all deposits included in Ore Reserves. The test work consists largely of individual particle pyknometry (IPP) on lump ore and Heavy Liquid Separation (HLS) on fines. • More recent HLS and screened assay analysis, washability and process simulation test work (conducted by Nagrom) on earth core sampling of the Tailing Storage Facilities TSF 1, TSF2 and TSF 3 has been utilised to justify the newly constructed Ultra Fines Plant (UFP). • The UFP Rejects Mineral Resource is based on surveyed stockpiles and the same metallurgical test work as used to assess the UFP Tailings. • Plant factors including product grade, yield and recovery are reviewed annually. • Product yield assumptions for resource optimisation are now based on statistical analysis of the resource delineation drill sample grade distribution, on a pit by pit basis, with due attention to the extent of weathering. • Average grade is no longer considered a reliable indicator of product yield.

ASX LISTING RULES 5.8.1 & 5.9.1 SUMMARY INFORMATION

Criteria	Explanation
Environmental factors or assumptions	• Bootu Creek was an operating mine site and processing plant up to the end of 2021, with Mine Management Plans submitted and approved for waste rock and tailings storage by the Northern Territory Department of Industry, Tourism and Trade. • Bootu Creek is currently operating on Care and Maintenance basis and continuing with the rehabilitation of mine waste dump, open pit surrounds and associated infrastructure. • No significant sulphides are present in the ore or mine-waste.
Bulk Density	• Current bulk density regression formulae are based on 366 waxed (or waxed equivalent) HQ3 core samples selected from 52 metallurgical composites distributed through all deposits included in the 31 December 2020 Ore Reserve. • The bulk density measurements were determined in 2009 by Amdel (Perth) using the wet and dry methodology. Six individual density regressions were determined for Chugga/Gogo, Shekuma, Xhosa, Masai/Tourag, Yaka and Zulu deposits. Renner West, Foldnose and Zulu South use the Yaka (most conservative) regression option.
Classification	• Measured Mineral Resource – this classification is restricted to well drilled resource blocks located within 15m (vertical) of a mined pit floor, reflecting a high level of geological and grade confidence. No Measured Mineral Resources are quoted in the 31 December 2022 Mineral Resource. • Indicated Mineral Resource – classified based on established grade and geological continuity defined by the tabular nature of the Bootu Creek mineralised zones, the regular drill spacing of 50m x 25m or better, estimation parameters such as kriging efficiency and the demonstrated mining history in most of the deposits. • The Mineral Resource estimate appropriately reflects the view of the Competent Person. • All OMM Mineral Resources are economically constrained on an annual basis by optimised pit shells using updated OMM cost, revenue, and physical parameters (see Mining Factors and Assumptions).
Audits and reviews	• Independent resource consultant Optiro Pty Ltd conducted a Client Review of wireframes, block models, classification criteria, volumetric comparison, composite versus block model grades and XYZ plots on the Mineral Resource estimate for 31 December 2013. • Only a limited amount of additional resource delineation drilling has occurred since 2013, with 23 RC infill holes drilled in 2017 and 2018 and a further 27 RC infill holes in 2020 and 2021. • The more significant changes applied in recent Mineral Resource estimation process account Mineral Resource depletion by mining and/or pit backfill, updated pit optimisation parameters, product yield estimation, and to update geological interpretation based on minor faults observed during mining activity since 2013.
Discussion of relative accuracy/confidence	• The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resource as per the guidelines of the 2012 JORC Code. • This statement relates to the global estimates of tonnes and grades. • Annual reconciliation compares mine production with pre-mining Mineral Resource estimates, and to update mining factors and assumptions.

Section 4 Estimation and Reporting of Ore Reserves

Criteria	Explanation
No Ore Reserve quoted for 31 December 2021	• The Bootu Creek Operation was placed under Care and Maintenance following suspension of mining on 13 December 2021 and processing of ROM ore was completed on 7 January 2022. • There is no current Mine Plan for the Bootu Creek Operation.

ASX LISTING RULES 5.8.1 & 5.9.1 SUMMARY INFORMATION

Table 2.
Drilling Results - Renner West (using a cut-off grade of 15% Mn)

Hole ID	Easting mE	Northing mN	RL (m) approx.	Azimuth & Dip	Hole Depth (m)	Interval From (m)	Interval To (m)	Interval Width (m)	Mn %	Fe %
RSDD001	358071	7971873	279	-90	26.9	2.90 4.00 10.00 20.40	3.30 8.80 11.00 21.20	0.40 4.80 1.00 0.80	22.39 27.63 30.15 20.75	1.74 4.76 1.51 20.88
RSDD002	358022	7971998	278	-90	27.6	4.60 10.20 15.50 18.10	7.30 11.20 15.60 21.30	2.70 1.00 0.10 3.20	28.20 42.10 49.17 33.65	11.88 2.00 0.76 3.11
RSDD003	358008	7972120	275.5	-90	17.1	0.00 2.60 6.80 12.60	2.20 6.80 11.10 13.40	2.20 4.20 4.30 0.80	19.79 26.81 33.98 39.54	4.18 4.81 3.60 0.96

Table 2.
Drilling Results - Carruthers North Prospect (using a cut-off grade of 15% Mn)

Hole ID	Easting mE	Northing mN	RL (m) approx.	Azimuth & Dip	Hole Depth (m)	Interval From (m)	Interval To (m)	Interval Width (m)	Mn %	Fe %
RSRC0321	366096	7965923	275	-90	61	0 15 38	7 16 40	7 1 2	27.67 25.16 37.41	5.5 21.4 5.5
RSRC0322	366112	7965924	275	-90	56				nsv	
RSRC0323	366089	7965979	275	-90	67	0	5	5	24.22	7.4
RSRC0324	366106	7965983	275	-90	55	14	15	1	18.75	9.1
RSRC0325	366083	7966016	275	-90	61				nsv	
RSRC0326	366120	7965955	275	-90	49	6	7	1	26.84	13.4

nsv – no significant value

SUSTAINABILITY STATEMENT

CONTENTS

ABOUT THIS REPORT	**36**
SUSTAINABILITY GOVERNANCE	**42**
SUSTAINABLE GOALS LEAD THE WAY	**42**
SUSTAINABLE ECONOMIC GROWTH	**44**
Our Solutions Shape the Future	**45**
ENTERING A GOLDEN AGE OF COMMODITIES	**46**
RESPONSIBLE SUPPLY CHAIN	**47**
Building Tomorrow's Supply Chain	**48**
FOCUS ON ETHICS AND COMPLIANCE	**48**
Corruption	**49**
Anti-Bribery and Corruption Committee	**50**
Political Contributions	**50**
GRIEVANCE MECHANISMS	**50**
Whistleblowing	**50**
MANAGING SUSTAINABILITY RISK	**50**
Climate Scenario Analysis	**50**
Risks & Opportunities	**51**
ENVIRONMENT	**52**
ENVIRONMENTAL POLICY	**52**
ENVIRONMENTAL MANAGEMENT SYSTEM	**52**
USING LIFECYCLE ANALYSIS TO ADDRESS ENVIRONMENTAL CONCERNS	**52**
CLIMATE CHANGE MANAGEMENT	**53**
The Importance of Steel in a Zero-Emission Society	**53**
Emissions Management	**53**
RAW MATERIALS (CIRCULARITY MEASURES)	**54**
ENERGY MANAGEMENT AND CONSUMPTION	**54**
BIODIVERSITY	**55**
WASTE MANAGEMENT	**56**
WATER MANAGEMENT & EFFLUENTS MANAGEMENT	**56**
LAND REMEDIATION, CONTAMINATION OR DEGRADATION	**57**
SOCIETY	**57**
COMMUNITY RELATIONS	**57**
TACKLING FOOD SYSTEM WASTE	**58**
SUPPORTING LOCAL ENTREPRENEURS	**58**
SPONSORSHIP FOR BINTULU SINGLE MOTHER ASSOCIATION	**58**
FIRE EXTINGUISHERS SPONSORSHIP	**58**
COMMUNITY GIVING	**58**
OUR PEOPLE	**58**
A DIVERSE AND EQUITABLE ORGANISATION	**58**
Gender Diversity	**60**
INVESTING IN TALENT	**60**
Helping Our Employees Level Up	**60**
Internship and Career Exposure Opportunities	**61**
ENGAGING EMPLOYEES	**61**
FAIR REMUNERATION AND BENEFITS	**61**
HEALTH AND SAFETY	**62**
Occupational Health And Safety Management Systems	**62**
Health and Safety Compliance	**62**
Health And Safety Governance	**63**
Safety Training	**64**
Safety Performance	**64**
Collaboration, Engagement and Other Safety Initiatives	**64**
HUMAN RIGHTS	**65**
OPERATING RESPONSIBLY	**65**
PRODUCT SAFETY	**65**
PRODUCT QUALITY	**65**
CYBERSECURITY AND DATA PRIVACY	**66**
GROUP SUSTAINABILITY PERFORMANCE DATA	**67**

ABOUT THIS REPORT

Scope & Boundary

This annual Sustainability Statement ("Statement") outlines a consolidation of OMH's Economic, Environmental, Social and Governance ("EESG") information for the financial year 2022 ("FY2022") from 1 January to 31 December 2022. It is a progression for the Company in its corporate reporting and strengthening of its reporting transparency.

Unless stated otherwise, the Statement covers the major subsidiaries of OMH, including OM (Manganese) Ltd. ("OMM") – Australia, OM Materials (S) Pte. Ltd. ("OMS") – Singapore and OM Materials (Sarawak) Sdn. Bhd. ("OM Sarawak") - Malaysia. Please refer to the Corporate Structure section in this Annual Report for more detailed information on OMH's subsidiaries and the Group's primary business streams.

OM Materials (S) Pte. Ltd. ("OMS") - Singapore
OMS primarily manages the logistics, marketing, product flow and distribution of OMH's products. There is a focus on Supply Chain Management and Product Quality and Safety.

OM Materials (Sarawak) Sdn. Bhd. ("OM Sarawak") – Malaysia
OM Sarawak is OMH's flagship ferrosilicon and manganese alloy smelter in Malaysia. Performance data for environmental and social matters will primarily come from this entity.

OM (Manganese) Ltd. ("OMM") - Australia
OMM owns the Bootu Creek manganese mine. There is a particular focus on this entity when managing and addressing Land Remediation, Contamination or Degradation, as well as Community Development with a focus on the Rights of Indigenous Peoples. The entity ceased mining operations in December 2021.

Reporting Framework

OMH aligned this Statement with the Bursa Malaysia Sustainability Reporting Guide (3rd Edition) and the Global Reporting Initiative ("GRI") Universal Standard (Core Option). The Company has also considered other sustainability guidelines and principles, such as the United Nations Sustainable Development Goals ("UNSDGs") and Task Force on Climate-Related Financial Disclosures ("TCFD"), while preparing this Statement.

This Statement complies with Bursa Malaysia Securities Berhad Listing Requirements. Meanwhile, unless stated otherwise, the Corporate Governance Statement outlines governance practices for FY2022 in compliance with the ASX Corporate Governance Council recommendations.

References to 'OMH', 'the Group', 'the Company' and 'the Organisation' refer to OMH or its operating companies.

The Group Sustainability Committee reviewed the accuracy of this Sustainability Statement content before presenting it to the Board for approval.

External Assurance

BSI Services Malaysia was engaged to provide an independent verification of the Greenhouse Gas ("GHG") emissions calculations in FY2022 for OM Sarawak in accordance with ISO 14064-1:2018 and the principles of ISO 14065. The scope of verifications included:

- Category 1 – Direct emissions: fuel consumption and industrial process
- Category 2 – Imported electricity
- Category 3 – Employees commuting

Feedback

OMH welcomes stakeholder support and feedback for improvements as it progresses on its sustainability journey. Please direct queries and comments to investor.relations@ommaterials.com

Stakeholder Engagement

OMH's stakeholders are individuals and groups impacted by its business practices and those influencing its business decisions. We understand that stakeholders are essential to the Group's long-term success. We have continuously engaged relevant stakeholder groups, keeping them apprised and obtaining feedback on their priorities. By understanding their concerns and expectations, we can prioritise more effectively as we develop strategies to create value for our stakeholders.

We conducted a stakeholder identification and prioritisation exercise as part of our inaugural materiality assessment process. We engaged internal and external stakeholders to identify OMH's material Economic, Environmental and Social ("EES") topics. The following table summarises OMH's engagement with these key stakeholders.

Legend for engagement frequency

Annually	● (dark green)	Ongoing	● (orange)
Semi-annually	● (pale yellow)	As needed	● (red)
Quarterly	● (peach)		

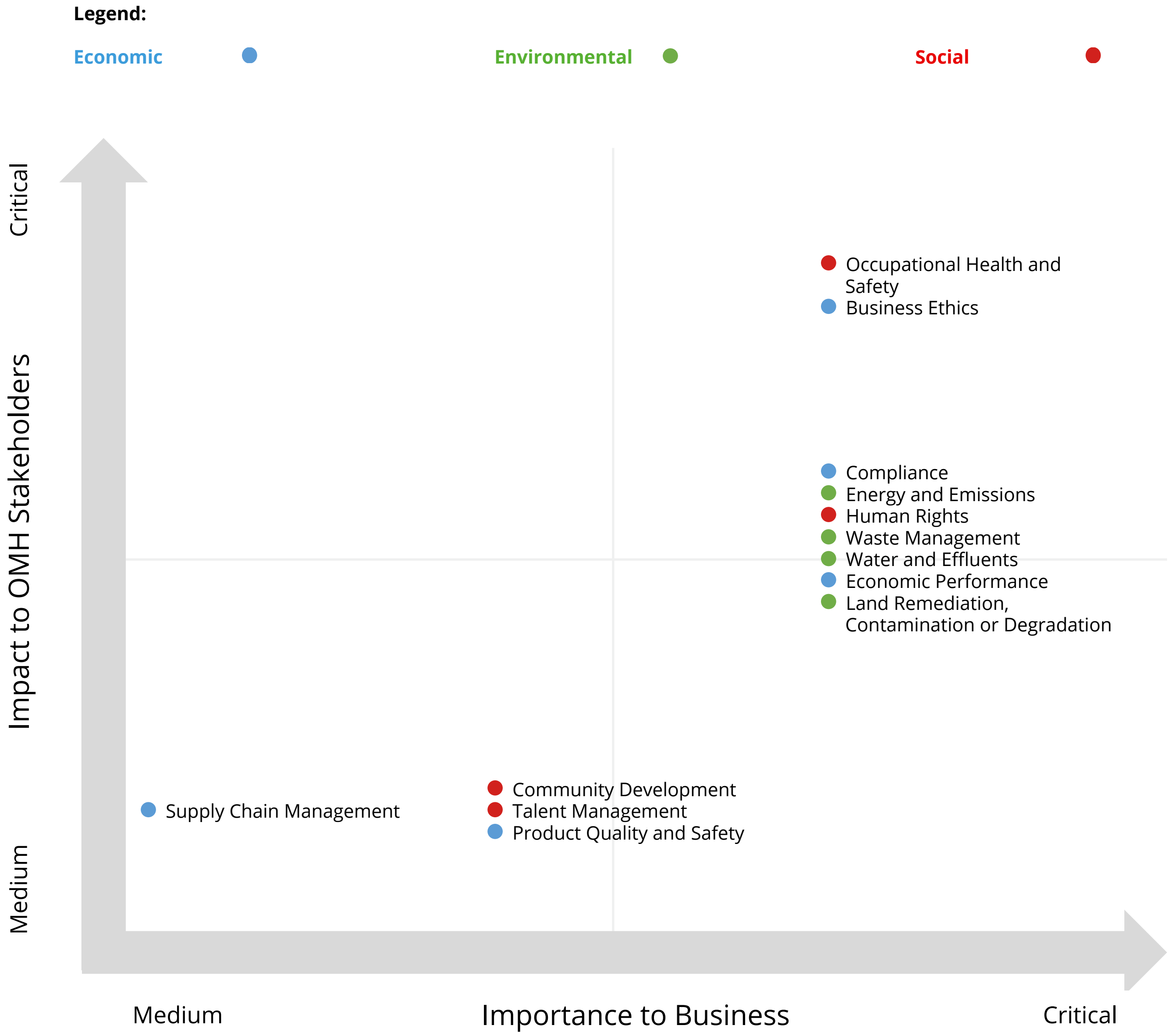
Key Stakeholders	Methods of Engagement & Frequency of Engagement	Areas of Interest	Link to Material Matter
Board of Directors and Employees	(Quarterly) Board meetings (As needed) Meetings and briefings (Annually) Employee performance appraisals (Ongoing) Training and development (Annually) Team building and activities (Annually) Townhall sessions	• Group's performance, direction, and strategy • Corporate governance • Occupational health and safety • Training and career advancement • Workplace and accommodation environment	• Economic performance • Occupational health and safety • Talent management • Human rights
Government and Regulators	(As needed) Regular compliance report (As needed) Ad-hoc surveys and reports	• Compliance with laws and regulations • Economic impact	• Compliance • Economic performance • Business ethics
Customers	(Ongoing) Regular communication via telephone and emails (As needed) Ad-hoc visits	• Maintaining customer relationships • Potential collaborations • Quality of products supplied	• Product quality and safety
Suppliers	(As needed) Supplier surveys (Ongoing) Regular communications via telephone and emails (As needed) Ad-hoc visits	• Maintaining supplier relationships • Potential collaborations • Quality of products procured	• Supply chain management
Financial Communities	(Semi-annually) Financial statements (Ongoing) ASX and Bursa Malaysia announcements (As needed) Compliance reporting (Annually) Annual reports (Quarterly / As needed) Company presentations	• Business and financial performance • Future prospects and plans • Environmental, Social and Governance ("ESG") and sustainability matters	• Economic performance • Energy and emissions • Waste management • Water and effluents • Land remediation, contamination or degradation
Investors / Investment Community	(Annually) Annual General Meeting (Annually) Annual reports (Quarterly / As needed) Company presentations (Ongoing) ASX and Bursa Malaysia announcements (As needed) Analyst and retail briefings	• Business and financial performance • Future prospects and plans • ESG and sustainability matters	• Economic performance • Energy and emissions • Waste management • Water and effluents • Land remediation, contamination or degradation • Occupational health and safety
Local Communities	(Ongoing) Regular community projects (Ongoing) Annual back to school programmes (As needed) Sponsorships and donations	• Community development • Employment opportunities • Environmental preservation	• Community development • Human rights • Waste management
JV Partners	(Ongoing) Regular communications via telephone and emails (Ongoing) ASX and Bursa Malaysia announcements (Quarterly) Internal Board meetings (Ongoing) Joint venture reporting and meetings	• Maintaining partnerships	• Economic performance

Materiality Matrix

In 2021, OMH conducted a comprehensive materiality assessment. The Group identified 13 material matters for generating its first materiality matrix. This matrix focused on the most critical sustainability topics for stakeholders and operations. It focused on topics that potentially affect or affected OMH's business. An external advisor conducted an extensive data study of the emerging industry trends, comparing them against the material issues of OMH's main peers, customers and suppliers.

OMH's senior management team and the OMH Board validated and approved the matrix. This year, we reviewed the matrix and found it still relevant. It serves as a guide for shaping the Company's future sustainability priorities, initiatives and strategies.

Primarily, OMH's work related to sustainability focuses on the following four goals:



The Value Creation Model provides a holistic overview on how OMH deploys its capital resources, connecting the purpose and strategies of the Company, and the value creation process across relevant capitals, outcomes and impacts.

RESOURCE INPUTS

FINANCIAL CAPITAL:

Appropriate cash, equity and debt levels for organic growth

- Share Capital: US$32.0m
- Equity: US$399.7m
- Debt: US$254.7m

INTELLECTUAL CAPITAL

- More than two decades of know-how in the manganese ore and ferroalloy industry
- Continuous innovation and improvements through internal processes, maintenance, systems and controls

MANUFACTURING & SUPPLY CHAIN CAPITAL

- Owns and operates a ferroalloy and silicon metal smelter complex in Sarawak, Malaysia, the core asset of the Group.
- Supplies manganese ore to China, and ferroalloys to over 10 countries

HUMAN CAPITAL

- Over 553 talents hired across the Group
- By Geography

Malaysia 98.0%	Singapore 1.1%
China 0.7%	Australia 0.2%

SOCIAL & RELATIONSHIP CAPITAL

- Over 600 suppliers engaged
- Diversified customer base
- Community engagement
- Collaboration with local universities
- Industry and government participation

NATURAL CAPITAL

- Electricity: 7.8 million GJ
- Water: 1.32 million m^3

VISION, STRATEGY, VALUES, SUSTAINABILITY TARGETS

PURPOSE & STRATEGY

Our purpose is to create sustainable value for our shareholders and stakeholders through developing and acquiring cost competitive resource assets, managing them in a safe and optimised manner, and realizing their full potential by marketing effectively

STRATEGIC OBJECTIVES

Strive to deliver stable margins

Grow as a sustainable ferroalloy producer to the world's steelmakers

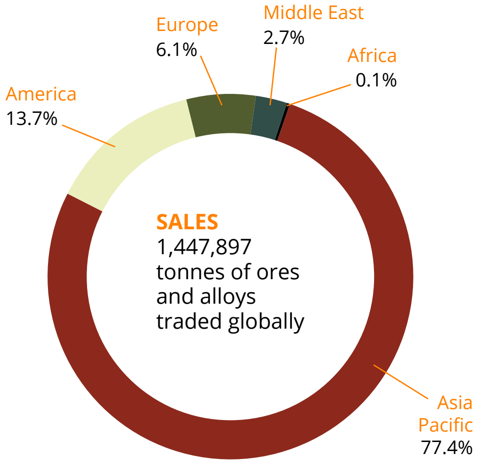
Continue to optimize the capital structure by balancing total debt and sustainable dividends

Strive to achieve highest purity grade for silicon metal to diversify into the polysilicon industry

OUTPUTS

PRODUCTION

- Ferrosilicon: 140,355 tonnes
- Manganese alloy: 216,813 tonnes



EMISSIONS AND WASTE

- Emissions into the air: 1,187.2 kilotonnes of CO_2-eq
- Solid Waste: 0.35 kilo tonnes
- Hazardous Waste: 151 kilo tonnes
- Scheduled Waste: 18.1 kilo tonnes
- Recycled Waste: 157.8 kilo tonnes

HIGH SOCIO-ECONOMIC RETURN

- RM73 million per month contributed to Sarawak economy in FY2022 through purchases of raw materials, goods and services

OUTCOME

DIRECT ECONOMIC VALUE CREATED & DISTRIBUTED TO STAKEHOLDERS

Direct Economic Value Generated:

Revenue: US$856.6m

Economic Value Distributed:

- Operating Costs (excluding employee wages and benefits) : US$697.0m
- Employee wages and benefits: US$47.7m
- Payments to providers of capital: US$28.6m
- Taxes paid: US$6.6m
- Donations to and sponsor of local activities: US$17k

Economic Value Retained:

US$ 76.7m

SUSTAINABLE OFFERING

- Ferroalloys produced have lower GHG emissions as a result of lower Scope 2 emissions

SUSTAINABLE OPERATIONS

- Smelter complex powered predominantly by hydropower
- Continuous optimization of smelter processes resulting in less than 1% of unscheduled downtime in FY2022 over total operational hours

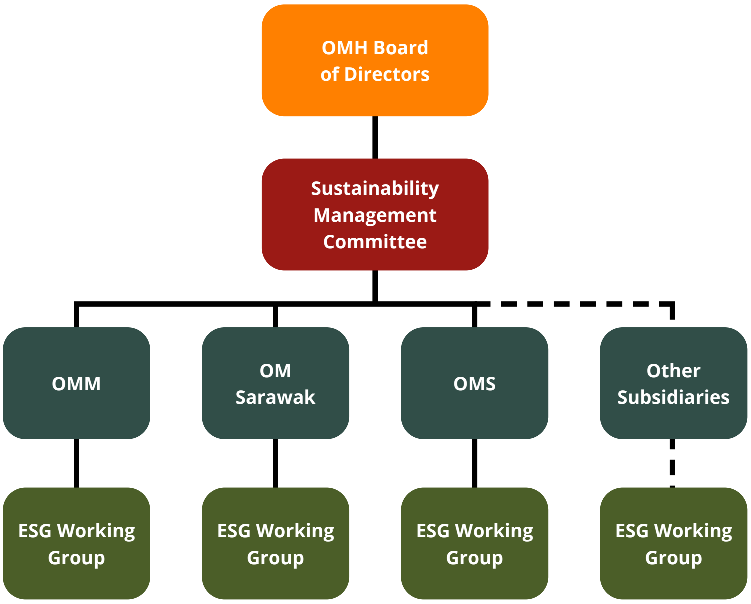
RESPONSIBLE PARTNER

- A safe, healthy and diverse work environment for OMH's employees and contractors
- Opportunities for competence and career development for employees
- Long-term contracts and relationships with suppliers
- Creation of local employment through own operations and local sourcing
- Local sponsorships and internships

SUSTAINABILITY GOVERNANCE

OMH's highest governance level, the Board of Directors ("Board"), oversees the development and adoption of sustainability strategies and related policies. The Sustainability Management Committee sets out the execution plans and oversees the implementation of strategies approved by the Board.

Establishing working groups at each material subsidiary helps manage the business's environmental, social and governance aspects, explicitly focusing on delivering and implementing the respective strategies and initiatives. These working groups comprise relevant representatives from the material subsidiaries and relevant departments. A dedicated Environmental Regulatory Compliance Monitoring Committee and Environmental Performance Monitoring Committee monitor the implementation and effectiveness of environmental policies and formulate additional implementation if necessary.



OMH Board of Directors
Sets the strategic roadmap, reviews and approves the Group's Sustainability Statement.

Sustainability Management Committee
1. *Sets out the execution plans, oversees and reviews the implementation of sustainability strategies approved by the Board.*
2. *Responsible to review and update the materiality matrix when required.*
3. *Reports to the Board.*

Subsidiaries
1. *Implements and delivers sustainability strategies.*
2. *Responsible for monitoring and providing quantitative reporting as well as identifying key improvement areas.*
3. *Reports to the Sustainability Management Committee.*

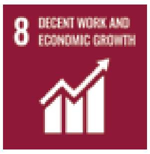
SUSTAINABLE GOALS LEAD THE WAY

UN Sustainable Development Goals reflect three dimensions:

• Climate and environment
• Economy
• Social conditions

The Sustainable Development Goals adopted by all United Nations member states provide a shared blueprint for people and the planet to eliminate poverty, fight inequality and stop climate change before 2030.

OMH's work relating to sustainability focuses on the following four goals:



OMH practices advocate an excellent ethical framework, emphasising health and safety for employees, supply chain partners and all other workers and contractors. Our employment practices protects human rights, the environment and other determined requirements. Together, we deliver inclusive and sustainable economic growth.

OMH contributes to this goal by supplying manganese ores and ferroalloys, essential components required in the manufacturing of high quality steel required for infrastructure and new industrial operations. OMH also contributes to economic growth based on sustainable industrialisation through research and development to continuously create cleaner and environmentally-friendly production technologies. Steadily upgrading infrastructure meets future sustainability challenges. Innovation and prioritising science and technology are requirements for sustainable industrialisation and economic growth.

OMH continues to invest in research and development, continuous improvement and reducing resource consumption and emissions. Responsible consumption and production involve doing more with less: reducing resource use, avoiding climatic emissions and limiting adverse environmental effects while creating economic growth.

OMH increases energy utilisation by optimising its process performances and operational activities by exploring energy recovery and utilisation solutions.

OMH Short-term Sustainability Targets

Economic	Environmental	Social
Supply Chain Management	**Energy & Emissions**	**Occupational Health & Safety**
• Extend current Supplier Performance Evaluations by 90% of suppliers • Establish 1 Local Vendor Programme	• Achieve ISO 14001 (Environmental Management System) in FY2023 • Enhance Air Pollution Control System performance	• Commit to Zero Workplace Fatality Cases • Achieve ISO 45001 (Occupational Health & Safety Management System) in FY2023
	Waste Management	**Talent Management**
	• Repurpose at least 80% of scheduled waste generated by FY2030	• To provide internship opportunities for at least 5 students from local universities or collages • To complete a minimum of 700 manhours of training under the Management Development Programme • To ensure that a minimum of 80% of employees receive at least one performance review a year

Material Topics	Major Targets set in 2022	Progress
Supply Chain Management	Prepare and send Suppliers a Code of Conduct	OM Sarawak distributed its Supplier Code of Conduct, which 34% out of 294 eligible suppliers acknowledged
	Audit 5 suppliers for quality control, child or forced labour, workplace health & safety, conditions at work and dormitory	Due to travel restrictions, OM Sarawak has opted for an assessment conducted through a questionnaire sent via email to suppliers. Six key suppliers responding to the Supplier Code of Conduct Questionnaire.
Occupational Health & Safety	Commit to Zero Workplace Fatality Cases	Zero workplace fatality reported in FY2022 for the Group
	Achieve ISO 45001 (Occupational Health & Safety Management System) in FY2023	Ongoing work in progress
Talent Management	60 local employees trained to replace foreign staff at OM Sarawak	A total of 72 local employees were trained to replace foreign staff
Energy & Emissions	Comply with Malaysian Ambient Air Quality Guideline (“MAAAQG”)	OM Sarawak complies with MAAAQG
	Achieve ISO 14001 (Environmental Management System) in FY2023	Ongoing work in progress
	Complete tapping de-duster pilot plant trials by 1H 2023	Ongoing work in progress
Waste Management	Repurpose at least 80% of scheduled waste generated each year	In 2022, 93% scheduled waste was recycled
Water & Effluents	Ensure effluent water monitoring parameters are within the permissible limits	Complied. Weekly inspection of sedimentation pond with sample collected and analysed on a monthly basis to establish trend line for better modelling

SUSTAINABLE ECONOMIC GROWTH

OMH faces the future with ambitions of further growth and increased value creation, which will benefit customers, owners and employees and respond to the demands for a greener future.

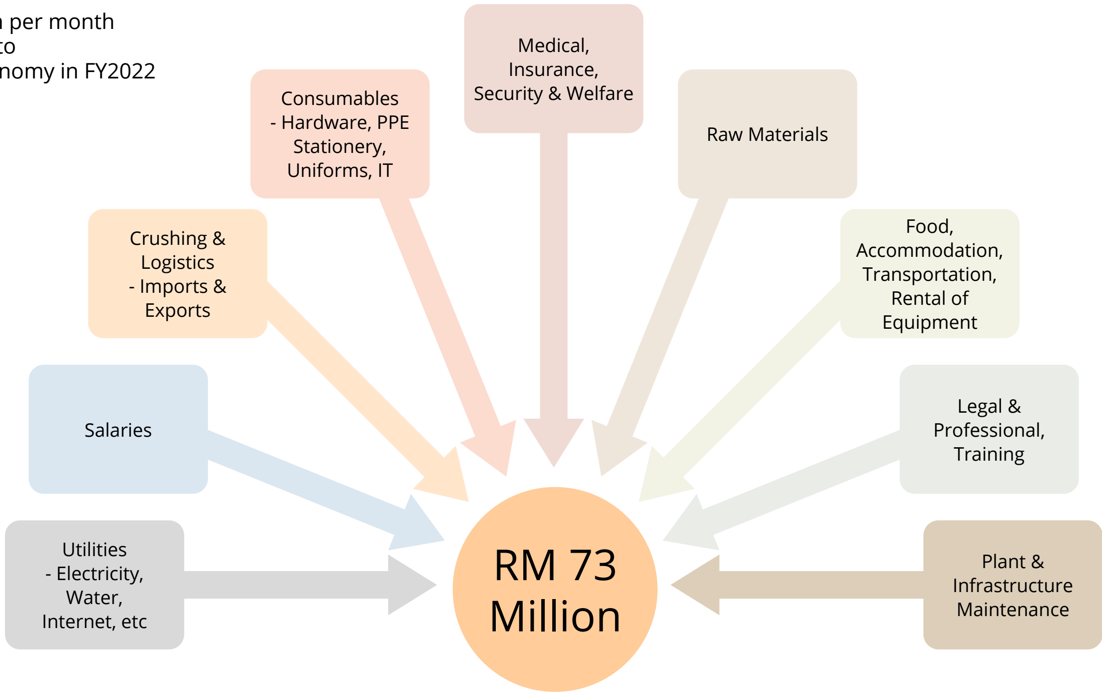
OMH is proud to be one of the most efficient manganese and silicon companies in the region in terms of economic competitiveness and climate and environmental standing, a position acquired through years of systematic knowledge building, targeted investments and continuous organisational development. This work is ongoing as all operations set, and work towards, new ambitious improvement goals in technology and working methods.

OUR SOLUTIONS SHAPE THE FUTURE

Our flagship smelter in Sarawak produces ferrosilicon and manganese alloys, additives essential to steelmaking and other industrial applications. There are no substitutes for these ferroalloys and they are required to produce the most basic steel products – a vital element for transitioning to a low-carbon economy and support sustainable solutions globally. Our operations contribute significantly to Sarawak's economy through considerable expenditures and investments.

HIGH SOCIO-ECONOMIC RETURN

RM73 million per month contributed to Sarawak economy in FY2022



Mining & Exploration

- Manganese is one of the world's most commonly used industrial metals, with no available substitutes. The Group previously mined manganese ore from its wholly-owned Bootu Creek mine in Australia, which ceased production in December 2021. OMH has a 13% interest in the Tshipi Borwa mine in South Africa through a strategic partnership with a local partner. The Group undertakes various exploration projects to secure a long-term material pipeline for its customers and smelters.

Smelting & Sintering

- Smelting converts raw ores mined from the ground into semi-finished alloys used in various industrial applications. Sintering is the process of heating and fusing powdered ore into higher-grade, semi-processed ores. The Group owns and operates two smelting plants in Samalaju (Sarawak, Malaysia) and Qinzhou (Guangxi, China). The flagship smelter complex in Samalaju produces ferrosilicon, silicomanganese and high-carbon ferromanganese, while the smelter in Qinzhou produces high-carbon ferromanganese and sintered ore. Production at the Qinzhou plant ceased in December 2021 due to high power tariffs in China.

Marketing & Trading

- With origins in marketing and distributing ores and ferroalloys, the Group has retained its extensive distribution network and edge in connecting raw materials with buyers and users. Based in Singapore, the division is active in ore and ferroalloy markets and leverages economies of scale of the Group's operations to streamline raw material procurement and product sales. The division also operates in China, distributing manganese ore domestically since 1994.

Investments

- We constantly evaluate opportunities on the horizon to expand our resource base and build a pipeline of quality materials, from investments in greenfield projects to farm-in partnerships with proven resource companies. Our long history and experience influences our investment strategy in marketing ores and ferroalloys. We only invest in assets that produce products we can price and market effectively.

In addition, exports help develop the nation. Exports facilitate international trade and stimulate domestic economic activity by creating employment, production and revenues. OM Sarawak exports approximately 90% of its products to Japan, South Korea, Taiwan and South East Asia.

Today, the Group supplies manganese ore, manganese alloys and ferrosilicon and seeks to be the leading ferroalloy supply partner to distributors and major steel mills globally. We supply products from our Asia-Pacific base to customers worldwide through our global trading network.

OMH attributes its success to decades of continuous focus on talent development, improvement, change, harvesting the benefits of economies of scale and increased process efficiencies, from purchasing raw materials through to production to selling of finished products.

We minimise the adverse impacts of our activities by building partnerships to support sustainable development and growth. OMH is a member of the International Manganese Institute ("IMnI"), which facilitates transformative change in the manganese industry through collaborative efforts with industry peers.

What is steel made from? Many people know that steel is made of iron, but fewer realise it contains manganese and silicon. Although the amount of manganese and silicon used to create a tonne of steel is minimal (approximately 3 to 4 kilograms per tonne of regular carbon steel), it is just as essential as iron to produce this fundamental building block of modern industrial societies. Simply put, you can't make steel without manganese and silicon.

ENTERING A GOLDEN AGE OF COMMODITIES

Eco-friendly OMH is one of the world's lowest-quartile ferroalloy smelting operators. Economic recovery and a structural supply disruption caused by global decarbonisation have created significant demand. These conditions place OMH as a prime beneficiary of the commodities supercycle.

Aluminium, silicone, semiconductor and solar applications consume silicon as silicon metal. Primarily consumed by the aluminium and silicones sectors, the consumption growth of silicon metal is anticipated to grow with a surge in demand from the solar industry. We aim to produce the highest grade possible for silicon metal, as higher purity levels result in higher profit margins.

Energy costs account for a substantial share of smelting costs. Silicon metal production requires twice as much energy as ferrosilicon production. OM Sarawak's access to clean and renewable energy contracted at fixed prices over a 20-year Power Purchase Agreement (valid until 2033) strengthens the average long-term margins compared to other producers. Access to clean, renewable and competitive energy also lowers the smelter's total carbon footprint compared to our peers.

WHAT'S IN THE PIPELINE
OMH plans to expand its future manganese alloy production capacity. This year, the Group is progressing with plans to extend its existing product range to produce silicon metal to diversify into applications for electronic, chemical and solar industries. The OMH Development Plan 2022 & Beyond involves:

- Converting two of four idling FeSi furnaces to produce manganese alloy
- Converting the remaining two FeSi furnaces to produce silicon metal 30ktpa
- Building two new 33MVA manganese alloy furnaces

Maintaining existing core products for the steel industry with diversification into electronic, chemical and solar industries

Metals for today and tomorrow

Ferroalloys	Silicon Metal
TODAY	**TOMORROW**

- First quartile cost producer
- Large demand base
- Hydropower green credentials

- Solar a key renewable, fully dependent on the supply of silicon metal
- Supply security concerns

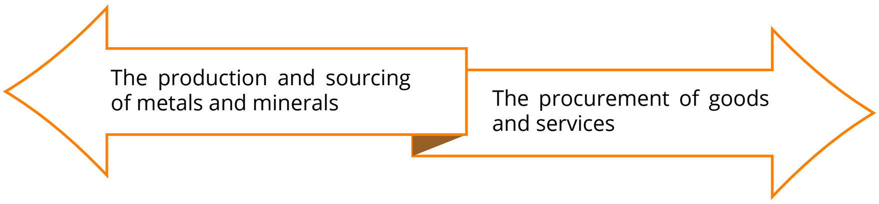
Supplying → **Steel Mills + Foundries**

Supplying → **Polysilicon + Silicone + Aluminum Plants**

RESPONSIBLE SUPPLY CHAIN

OM Sarawak has standard operating procedures for annual performance evaluations for spare parts, auxiliary and service providers. The review covers five criteria: Price, Delivery, Quality, Technical and Responsiveness. We perform performance evaluations for raw material suppliers at OMS, our Singapore subsidiary, which handles the Group's overall product and trade flow.

Considerations of Our Risk-Based Responsible Sourcing Strategy



We support our sustainable operations by incorporating social, ethical and environmental considerations in relationships with our suppliers and customers. We are committed to understanding and addressing the risk of human rights violations, environmental impacts and other concerns in our supply chain.

Risk-based due diligence, part of our responsible sourcing approach, identifies and assesses risks relating to Conflict-Affected and High-Risk Areas ("CAHRAs"). We take a collaborative approach to managing and mitigating risk to the identified human rights risks within our supply chain.

Since 2018, all raw material suppliers must provide a Declaration Letter of Compliance concerning the employment of sustainable practices and the non-employment of child and forced labour.

Due to travel restrictions imposed by some governments due to COVID-19, OM Sarawak has opted for an assessment conducted through a questionnaire sent via email to suppliers.

Topics in Supplier Code of Conduct Self-Assessment Questionnaire

Currently, OM Sarawak is incorporating ISO 14001 and ISO 45001 requirements in the Supplier Code of Conduct. The Group has appointed consultants and aims to be certified with these standards by December 2023.

In FY2022, 34% out of 294 eligible suppliers signed the Supplier Code of Conduct declaration, with six key suppliers responding to the Supplier Code of Conduct Questionnaire. OMH has not disqualified any suppliers due to ethical and human rights violations.

OMH prioritises procuring goods and services from local suppliers whenever possible to support the local economy. Auxiliary materials suppliers and service providers are primarily domestic. In FY2022, we engaged 526 suppliers, of which approximately 94% were local.

However, given the highly specialised nature of ferroalloy production, specific feedstock, such as ore or metallurgical coke, are only available in particular geographies. As such, bulk raw materials are often purchased from foreign suppliers as they are unavailable locally.

As at 31 December 2022, the Group has 526 suppliers for its production entities, providing raw materials, energy, goods, services and logistics. OMH monitors supplier and purchasing information for all production entities.

Company	No. of Suppliers	Supplier Location (%)		Purchase Location (%)	
		Local	Foreign	Local	Foreign
OMM (Australia)	130	100%	-	100%	-
OM Sarawak (Malaysia)	353	91%	9%	8%	92%
OMQ (China)	43	98%	2%	73%	27%

Building Tomorrow's Supply Chain

The COVID-19 pandemic was not the first disruption to the supply chain, and the recent crisis between Russia and Ukraine makes it clear that it won't be the last either. Tensions between Russia and Ukraine, the trade conflict between China and the US, and the ongoing pressure on supply chains will cause an imbalance between supply and demand, as well as rising inflation and stagnation of the economy.

OMH introduced a contingency plan in FY2022, increasing its safety stock to sustain supply chains during unforeseen events as part of its risk management strategy. During the year, OMH enhanced its relationships with second-tier suppliers, as relying on one supplier for a critical resource can be disastrous.

FOCUS ON ETHICS AND COMPLIANCE

OMH relies on employees and business partners to know and follow the ethical, legal and policy requirements specific to their jobs and report any suspected violations of the law or the Group's Code of Conduct. The Company creates a working environment where everyone is empowered to speak up and perform to the highest standards. This empowerment is instrumental in consistently delivering excellence to stakeholders while complying with relevant laws and regulations.

OMH's Code of Conduct details its standards and legal responsibilities and guides expected behaviours. It covers various topics such as business ethics, conflicts of interest, fair competition, sustainability, human rights and community care. Business partners sign an acknowledgement to the Code of Conduct before entering an agreement.

OM Sarawak issued an Anti-Bribery and Anti-Corruption Policy in FY2022 to seek to keep the Company:

- Corruption and bribery-free
- In compliance with all applicable laws and regulations in Malaysia, including the Malaysian Anti-Corruption Commission Act 2009, the Companies Act 2006 and the Penal Code

Corruption

OMH is committed to conducting its operations and business affairs ethically, complying with all applicable laws and regulations, and has zero tolerance towards bribery and corruption.

OMH Anti-Bribery and Corruption Standard sets personnel's responsibilities, including dealing with and through third parties.

Protecting personnel seeking to comply with this standard	Deals with false reports	Investigations	Consequences for breaches
Examples of improper conduct (including red flags)	Contact with government officials	Donations, noncash gifts and corporate hospitality	Political and charitable contributions and sponsorships
Facilitation payments	Secret commissions	Money laundering	

OMH - ANTI-BRIBERY AND CORRUPTION STANDARD

OM Sarawak introduced a new anti-corruption policy in FY2022 which is consistent with the Malaysian Anti-Corruption Commission (MACC) guidelines. This policy reinforces OM Sarawak's position on bribery and corruption, gifts, entertainment, corporate hospitality, facilitation payments and dealing with suppliers, business partners and public officials.

The policy applies to all employees at all levels. Employees must read, understand and comply with the policy at all times during work, outside work and in their personal lives. This policy also applies to business associates and all parties who have dealings with the company.

Responsibilities of Employees and Business Associates

Employees	Business Associates
• Read and comply with the policy, seeking guidance for any unclear matters • Attend mandated anti-bribery and corruption training • Report any suspected violations of laws through the whistleblowing hotline • The Managing Director, Board and Department Heads must familiarise themselves with the policy and ensure it is available and adhered to by all employees	• Must act in a way that is consistent with the policy at all times • Acknowledge and agree to read and comply with the policy as part of their contractual agreements • Sign a declaration form to abide by the terms of the policy • Report any suspected violations of laws through the whistleblowing hotline

The policy also lists some red flags: unusual payments, bypassing the usual process, unusual behaviour, illogical decision-making, no checks and balances and non-beneficial contracts.

OM Sarawak delivered anti-bribery and corruption training to its employees in FY2022. Over 80% of middle and senior management completed this training, which covered what constitutes bribery and provided information about improper practices and likely risk areas.

ANTI-BRIBERY AND CORRUPTION COMMITTEE

OM Sarawak is planning to establish an Anti-Bribery and Corruption Committee ("ABCC") to monitor, review, communicate, implement and enforce the Anti-Bribery and Corruption policy. The ABCC will comprise personnel with the appropriate qualifications, skills, authority, independence, competencies and experience.

The ABCC will aim to conduct operations risk assessments periodically in the form of a due diligence audit. This audit will cover all areas of operations, identifying risk areas in internal processes, dubious financial transactions and adherence to processes and procedures regulating OM Sarawak's dealings with business associates and third parties. The ABCC will deliver regular training and communication to employees.

The ABCC will provide information, guidance and advice on all anti-bribery and corruption issues. It will also be responsible for consistently monitoring, measuring, analysing and evaluating the anti-bribery and compliance programme, providing regular reports to the Board on effectiveness, performance and enforcement.

Political Contributions

Often considered bribes in disguise, OM Sarawak does not donate to political parties locally or overseas. OM Sarawak always avoid political affiliations and controversies. For as long as OM Sarawak employs them, employees should also not make political donations in a personal capacity.

GRIEVANCE MECHANISMS

All operations have legitimate, accessible, predictable and transparent grievance processes that follow the effectiveness criteria of the United Nations Guiding Principles ("UNGP"). These processes encourage employees and stakeholders to raise concerns without fear of recrimination. We are committed to investigating all matters in a manner that respects the complainant's rights.

OMH briefs all new employees on the Group's Grievance Policy, including during induction. Displaying posters in multiple languages (English, Mandarin and Malay) in offices and plant buildings raises employees' and contractors' awareness of the grievance mechanism. OMH resolved all of the 32 cases received in FY2022.

Whistleblowing

OMH is committed to delivering outstanding performance for shareholders and employees and aspires to be the leader in its field while operating openly, with honesty, integrity and responsibility and maintaining a strong sense of corporate social responsibility. In defending its corporate social responsibility, OMH conducts business ethically and according to its values, encourages community initiatives, considers the environment and provides a safe, equal and supportive workplace.

We rely on and encourage our employees, officers and contractors to speak up about any unlawful, improper or unethical conduct within our organisation. OMH adopted a comprehensive Whistleblowing Standard to provide a safe and confidential environment where whistleblowers can raise concerns without fear of reprisal or detrimental treatment.

This policy covers who is eligible for making a disclosure and matters protected. It also contains a detailed process for reporting breaches and types of protection accorded to the whistleblowers against victimisation.

OMH – WHISTLEBLOWER PROTECTION STANDARD

MANAGING SUSTAINABILITY RISK

The Company has formalised its approach to risk in its Policy for Risk Management. This policy aims to mitigate ESG risks, including sustainability risks from the environment, human capital, sustainability, occupational health and safety, and ethical conduct.

OMH considers the reasonable expectations of stakeholders, particularly to preserve the business's reputation and success.

The Company's risk management system is evolving. It is an ongoing process and will will grow to commensurate with the development and growth of the Company's activities.

OMH – POLICY FOR RISK MANAGEMENT

Climate Scenario Analysis

OMH performs climate scenario analysis using the World Bank's Climate Change Knowledge Portal, with reference, particularly to the Third Biennial Update Report (2020) and Malaysia Climate Risk Country Profile. Malaysia has diverse climate conditions across its regions, with Peninsular Malaysia differing from East Malaysia due to the influence of maritime weather. This analysis focuses solely on Sarawak, where the Company's primary smelting asset is located. The reliability and sustainability of an electricity supply are critical to ensure production continuity for our smelting operations.

Sarawak is located along the northwest coast of Borneo, covering an area of 124,449.51 square kilometres. According to the analysis, Sarawak's average annual temperature and rainfall will increase from 2021 to 2030. A preliminary assessment also indicated Sarawak may be experiencing a rise in sea level by 2030 and 2050.

Projected Average Annual Temperature and Average Annual Rainfall for Regions in Sarawak

Parameter	Observed (1970 - 2000)	Projected for 2030	Projected for 2050
Average Annual Temperature	24.8 – 26.2°C	25.6 – 26.8°C (0.6 to 0.8°C increase)	26.4 – 27.5°C (1.3 to 1.6 °C increase)
Average Annual Rainfall	3551 – 3907 mm	3597 – 4144 mm (1 to 6 % increase)	3574 – 4124 mm (1 to 5 % increase)

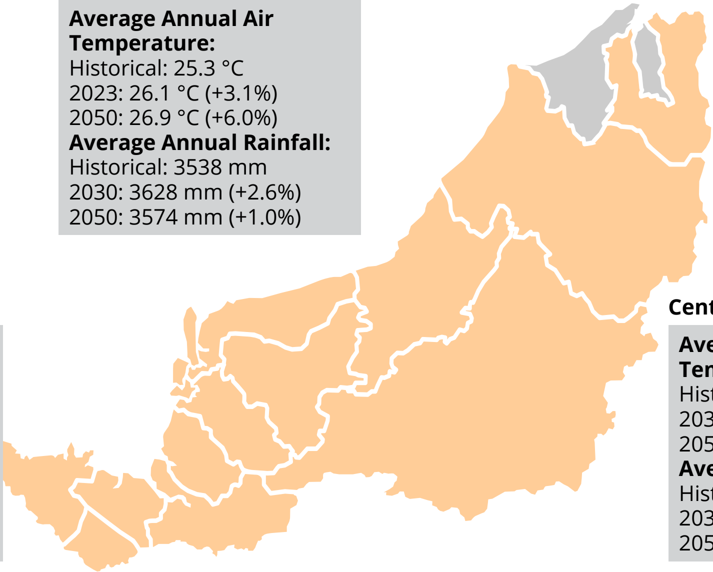
Observed and Projected Climate Change and Sea Level Rise

Parameter	Observed Rate (1993 - 2010)	Projected for 2030	Projected for 2050
Sea Level Rise	3.82 – 5.11 mm/year	0.04 – 0.12m	0.15 – 0.22 m

Projected Average Annual Temperature and Average Annual Rainfall for the Regions in Malaysia

Northern Sarawak

Average Annual Air Temperature:
Historical: 25.3 °C
2023: 26.1 °C (+3.1%)
2050: 26.9 °C (+6.0%)
Average Annual Rainfall:
Historical: 3538 mm
2030: 3628 mm (+2.6%)
2050: 3574 mm (+1.0%)



Southern Sarawak

Average Annual Air Temperature:
Historical: 26.2 °C
2030: 26.8 °C (+2.6%)
2050: 27.5 °C (+5.3%)
Average Annual Rainfall:
Historical: 3907 mm
2030: 4144 mm (+6.1%)
2050: 4124 mm (+5.5%)

Central Sarawak

Average Annual Air Temperature:
Historical: 24.8 °C
2030: 25.6 °C (+3.4%)
2050: 26.4 °C (+6.3%)
Average Annual Rainfall:
Historical: 3551 mm
2030: 3597 mm (+1.3%)
2050: 3578 mm (+0.8%)

Risks & Opportunities

Based on the climate scenario analysis, the following table summarises the transitional physical risks and opportunities and climate-related risks, mainly related to our core smelting asset in Sarawak.

Climate-Related Risks	
Physical Risks	**Acute** - Climate-related risk can increase the frequency and intensity of extreme weather events such as hurricanes, floods and wildfires. Unfavourable weather, climatic conditions and natural disasters may damage the company's infrastructure, disrupt operations, reduce productivity and increase operational costs. Climate-related risk can also affect the availability of raw materials and energy sources, disrupting OMH's supply chain and increasing costs. **Physical** - Longer-term shifts in climate patterns, such as chronic heat waves, can disrupt labour productivity, especially among workers at our manufacturing plant with constant outdoor exposure. Periods of low rainfall may affect the water level at the dam and the capacity to generate electricity.
Transitional Risks	
Regulatory Risks	Governments may introduce policies and regulations to reduce greenhouse gas emissions, such as carbon pricing or trading schemes. These policies can increase the Company's compliance costs and affect competitiveness. The entire supply chain costs can increase significantly as companies from various stages throughout the supply chain work towards increased disclosure and transparency on GHG emissions and climate-related risk management and compliance.
Reputation Risks	Companies perceived as contributing to climate change or taking insufficient action to address such issues may face reputational damage, harming OMH's brand and customer loyalty.
Market Risks	As steel mills try to reduce indirect emissions, they may demand and prioritise sourcing from low-carbon ferroalloys producers. Such a move would cascade down the entire supply chain.
Transitional Opportunities	
Innovation and technology	Climate-related opportunities for the smelting industry to develop and implement new technologies and processes that reduce greenhouse gas emissions and potentially increase resource and energy efficiency, such as installing an energy recovery system that recycles waste heat to preheat feedstock before smelting.
Low climate footprint ferroalloys	The ability to produce ferroalloys with high resource and energy efficiency will have a competitive advantage as it is greener, more attractive and improves profitability.
Access to Capital	Increasingly, investors and the financial institutions and lenders seek companies that address climate change and may be more willing to invest in companies with lower climate footprints.
Improved stakeholder relations	Companies that take climate change seriously and take action to address it may enjoy improved stakeholder relations with customers, employees and communities.

ENVIRONMENT

The carbothermic reduction of metal oxides in manganese alloy and ferrosilicon production generates carbon dioxide (CO_2) emissions. These emissions cannot be reduced beyond their physical limit and represent incompressible CO_2 emission levels resulting from the chemical reactions. The current CO_2 emission levels are very close to the theoretical chemical and physical limits.

OMH remains committed to protecting the environment by systematically improving its operational performance, implementing sustainable practices and reducing its carbon footprint. We recognise the importance of responsible stewardship of our natural resources and continually strive to improve our environmental performance through innovation and best practices.

OM Sarawak was recognised for its environmental sustainability initiatives at the 10th Premier of Sarawak Environmental Award ("PSEA") 2021/2022.

ENVIRONMENTAL POLICY

OMH is committed to ensuring effective environmental management across all its operations. The Group established an Environmental Policy for OMH to achieve high environmental performance across all functions by:

- Complying with applicable environmental laws, regulations, codes, corporate and industry standards and other legal and contractual requirements;
- Identifying, assessing and managing all environmental risks and impacts related to Group operations;
- Implementing industry practices and environmental management systems at all levels, including exploration, development, operations, decommissioning, closure and rehabilitation;
- Preventing and mitigating pollution from Group operations;
- Regularly reviewing environmental performance;
- Reporting environmental performance transparently;
- Establishing grievance mechanisms for all stakeholders where environmental complaints can be received and addressed; and
- Ensuring all personnel are aware of this policy and their environmental-related responsibilities, raising awareness and minimising the potential environmental impacts of the Group's operations.

The Executive Chairman/Chief Executive Officer is accountable to the Board for effectively implementing this policy. The Group delivers training and awareness sessions on this policy as required.

OMH – ENVIRONMENTAL POLICY

ENVIRONMENTAL MANAGEMENT SYSTEM

Responsible environmental management within the resources sector is essential for delivering sustainability in all operating regions. OMH's operating subsidiaries demonstrate solid performance in managing and minimising the environmental impact of all mining and smelting projects. The Group complies with legislative requirements while working closely with stakeholders to meet community expectations.

OMH's operating subsidiaries have implemented Environmental Management Systems to deliver consistent and optimal environmental management across their mining and smelting projects. Every project undertaken involves careful planning from inception throughout all operational stages to identify environmental obligations and set management procedures. Engaging environmental professionals to monitor compliance with these obligations encourages positive behaviours and delivers high-quality outcomes. Aligning all OMH operating subsidiaries with international ISO 14001 Environmental Management Systems and industry best practices ensures operations adopt the highest environmental standards. External agencies monitor compliance with applicable legislation, standards and site-specific authorisations regularly. These best practices demonstrate management's commitment to improving the Company's environmental performance and business efficiency.

OM Sarawak engaged a consultant to help implement an Environmental Management System following ISO 14001:2015 standards.

USING LIFECYCLE ANALYSIS TO ADDRESS ENVIRONMENTAL CONCERNS

In FY2022, the Company conducted a 'cradle-to-gate' Life Cycle Analysis ("LCA") on manganese ore and manganese alloys in collaboration with the International Manganese Institute (IMnI). This LCA helped us understand our environmental footprint more clearly and benchmark ourselves against other producers in the industry. The LCA covered all processes inside the plant gate, such as the extraction of resources and processing (smelting).

We submitted data to the appointed consultant to run LCA modelling using GaBi software. We will also conduct LCA on ferrosilicon alloys in the future. These assessments help customers and major steel mills in the region, make environmentally beneficial decisions as they enhance sustainability in their supply chains.

CLIMATE CHANGE MANAGEMENT

The world is facing a green industrial revolution. The Intergovernmental Panel on Climate Change has declared that a 2° Celsius increase in the Earth's average temperature is the maximum nature can withstand to control climate change. Greenhouse gas emissions must reduce by 95 per cent by 2050 for the world to achieve this goal. Greenhouse gas emissions should reduce in our industry within the next 35 years, so "business as usual" is no longer an option.

The Importance of Steel in a Zero-Emission Society

The world requires a drastic reduction of air and water emissions to prevent major climate changes and significant biodiversity loss. Despite being resource-intensive, steel, manganese alloy and ferrosilicon production are crucial for society's zero-emission vision.

Steel is 100% recyclable and can be recycled indefinitely without losing its properties. In 2021, the global steel industry recycled around 680 million tonnes of scrap, saving nearly 1 billion tonnes of CO_2 emissions that would have been emitted from the production of virgin steel*.

One tonne of steel consumes approximately 3 to 4 kg of ferrosilicon and 10 kg of manganese alloy. Highly valued due to its durability and resistance to torsion, majority of the world's ferrosilicon and manganese alloy production are used in steel production.

Steel consumption has increased sevenfold since 1950; by 2050, it will grow an estimated 50 per cent compared to today's levels*. Steel is a crucial component to achieve the goals of the green paradigm shift and satisfy the zero emissions vision.

**Worldsteel Association: Sustainable Steel*

Emissions Management

OM Sarawak's emissions management involves optimising production processes to minimise emissions, waste, and energy consumption and using pollution control technologies such as bag filter systems to reduce emissions.

OM Sarawak complies with the Environmental Quality Act 1974, the Environmental Quality (Clean Air) Regulations 2014, and the Malaysia Ambient Air Quality Standard 2020.

OM Sarawak conducted Ambient Air Quality Monitoring for ambient air quality, which consists of Particulates Matter 10 m (PM10), Particulates Matter 2.5 m (PM2.5), Carbon Monoxide (CO), Sulphur Dioxide (SO_2), and Nitrogen Dioxide (NO_2). Our readings during the FY2022 monitoring period were well below the Malaysian Ambient Air Quality Standard Concentration Limit.

A Continuous Emissions Monitoring System ("CEMS") is installed in the plant to monitor the total particulate matter ("TPM") emissions through the stacks. TPM and gas analysers installed at emission stacks continuously track stack emissions. Readings are recorded and stored in the CEMS and automatically sent to the Department of Environment Malaysia.

A quarterly Relative Response Audit ("RRA") is performed on the CEMS to ensure:

- Its generated data is complete, accurate, precise, traceable and reliable
- The total PM analysers are operating within their accuracy criteria and are representative of the pollutant concentrations in the dust stream

Quarterly Stack Emission Monitoring ("SEM") ensures compliance with the Malaysian Ambient Air Quality Standard Concentration Limit. OM Sarawak uses this data to:

- Assess the environmental impact of the production processes
- Identify potential pollution sources
- Implement measures to minimise emissions and improve air quality

The ferrosilicon and manganese alloy production furnaces are integrated with an air pollution control system ("APCS") consisting of thrombone air coolers, twin cyclones, baghouse systems, extraction fans, and chimneys to preserve the air quality of the environment. OM Sarawak installs fibreglass filter bags with expanded polytetrafluoroethylene ("ePTFE") membrane in the baghouse.

Benefits of ePTFE Membrane

Better dust filtration efficiency	Extended filter bag life	Minimimal bag changeouts
Chemical resistance	Thermal stability up to 260°C	Reduced stack emissions well within limits

The Utilities and Dedusting System Department ("UDSD"), supervised by competent personnel, operate and maintain OM Sarawak's APCS. All operators are Certified Environmental Professionals in Bag Filter Operations ("CePBFO") endorsed by Department of Environment ("DOE"). The UDSD personnel also perform daily inspections, preventive maintenance, and filter bag changeouts when necessary to manage air pollution sources.

OM Sarawak is committed to reducing fugitive fume emissions and began upgrading one ferrosilicon tapping dedusting system with a more efficient alternative. OM Sarawak awarded this project to an equipment contractor in December 2022 and expects the project to be completed by November 2023.

RAW MATERIALS (CIRCULARITY MEASURES)

Most of our by-products are recycled and reused as raw materials for production to reduce waste.

Products	Generated By-products	Recycling and Repurposing
Ferrosilicon (FeSi)	FeSi Slag	Recycled as Si unit for the SiMn smelting process, with a total of 6,085.9 tonnes recycled as at December 2022
	Silica Fume or Micro silica	Reused for ingot tray preparation before casting
Silicomanganese (SiMn)	SiMn dust	Collected from the SiMn production process's de-duster and fed into sintering lines to agglomerate into sintered ore lumps and recycled in manganese alloys production
High Carbon Ferromanganese (HCFeMn)	Mn-rich Slag	Recycled as Mn unit feed for the SiMn smelting process
Sinter Ore	Manganese ore fines	Collected from manganese alloy production for reuse as raw materials for manganese alloys

The Company repurposes wood from broken wooden pallets and other wood waste materials to preheat the start-up furnace following major maintenance.

SILICA FUME – A SUCCESS STORY

Silica fume, a by-product of silicon and ferrosilicon production, is a success story resulting from decades of investment, research, innovation and applications of the ferroalloy and silicon industry. These combined initiatives have contributed to the growth of construction industries and provided many jobs to the local communities.

A dust collection system (baghouse filters) captures silica fume and reduces atmospheric emissions, significantly improving workplace conditions while keeping valuable materials from landfill.

Several hundred thousand tonnes of silica fume, or microsilica, are used worldwide. Several different industrial applications use this internationally-tradable product. It improves buildings' sustainability by reducing their carbon footprint and achieving a circular economy. This success story helps to meet the objectives of industrial emissions, carbon footprint, resource efficiency, circular economy, workplace legislation, industrial specifications, waste, air and innovation policies.

ENERGY MANAGEMENT AND CONSUMPTION

OM Sarawak occupies 202.35 hectares of land within the Samalaju Industrial Park ("SIP"), which was developed specifically for energy-intensive industries. We have secured a 20-year power purchase agreement ("PPA") with the State's power company during the plant's inception. This PPA will run until 2033 for the continuous supply of competitively priced electricity at an initial capacity of 350 MW. Electricity supplied is predominantly generated from renewable sources. While the primary smelting operations consume electricity, diesel fuel is also used for logistics operations and for on-land transportation of raw materials and finished goods.

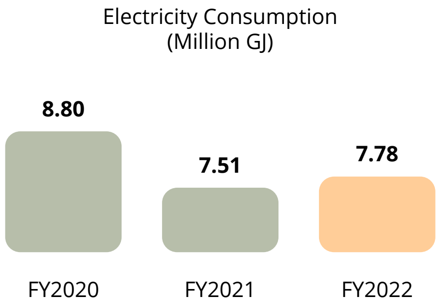
Examples of OM Sarawak's Energy-Efficiency Initiatives

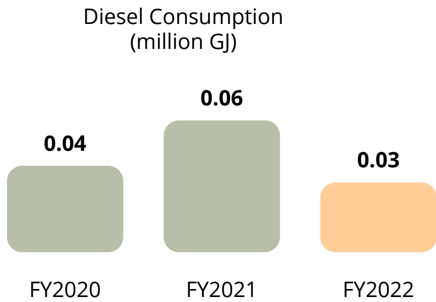
Implementing a Supervisory Control and Data Acquisition ("SCADA") system to monitor and optimise energy use	Replacing outdated equipment with new, energy-efficient models	Installing an energy efficient lighting system

Scheduled maintenance also ensures equipment efficiency, which helps reduce energy loss from unplanned downtime.

Our operations require a constant electricity supply for the high-temperature smelting processes to convert raw materials into ferroalloys. The electric arc furnace operates at temperatures over 1200°C, depending on the required metal oxide reduction for various ferroalloys. The electricity for production operations is predominantly from hydropower which significantly reduces our carbon footprint. We monitor our energy consumption monthly and review our performance targets annually.

The total consumption of diesel fuel in FY2022 was 31,536 GJ. Diesel fuel is mainly used to power the sinter plant, for logistics operations and for on-land transportation of raw materials and finished goods.





	2020	2021	2022
Energy consumption (million GJ)	8.84	7.57	7.81
Energy intensity (GJ/Tonne of Ferrosilicon)	31.22	31.97	31.78
Energy intensity (GJ/Tonne of Manganese Alloy)	13.69	13.89	13.86
GHG emissions (Kilotonnes of CO_2-eq)			
- Scope 1	894.00	724.00	759.51
- Scope 2	498.00	*413.08	*427.64
Total GHG Emissions (Scope 1 + 2)	**1392.00**	**1137.08**	**1187.15**
GHG emission intensity by product (CO_2-eq of per tonne product produced)			
- Ferrosilicon	5.27	4.92	5.28
- Manganese Alloy	2.66	2.50	2.20

**Note: Emissions factors for FY2020 to FY2022 are based on figures provided by Sarawak Energy Berhad. FY2021 Scope 2 calculation was reassessed and revised based on Sarawak Energy Berhad's 2021 emission factor. Emission factor in 2021 was also used as a basis for FY2022 figure and this will be reassessed in the coming year once data is available.*

BIODIVERSITY

Biodiversity conservation through rewilding is critical for restoring degraded habitats and combating climate change while preserving the original flora and fauna of the land. It reflects our commitment to the United Nations Sustainable Development Goal 15 to halt and reverse land degradation and biodiversity loss through forest management.

OMH signed a Memorandum of Understanding ("MoU") with Sarawak Forestry Corporation ("SFC") to undertake a rewilding project at the Similajau National Park. The project will restore 10 hectares of degraded ecosystems in Totally Protected Areas ("TPAs") by planting 10,000 native tree species, including indigenous food trees, that can help wildlife survive and restore the ecosystem of the degraded areas.

OMH will contribute RM482,600 over three years, from 2022 to 2025; SFC will contribute RM396,000 over 19 years to collect and monitor plant growth and biomass data to assess its effectiveness in restoring degraded areas. Botanists and other SFC experts will guide the process in line with the SFC Restoration Framework.

OMH collaborates with Sarawak Forestry Corporation for Re-wilding Initiative, contributed RM482,600 towards tree planting operations at Similajau National Park

SARAWAK FORESTRY CORPORATION PARKS & WILD LIFE

OM HOLDINGS LIMITED

WASTE MANAGEMENT

Waste management forms an integral part of OMH's environmental responsibility. The Group embedded the Reduce, Reuse and Recycle ("3R") concept within waste management procedures. OM Sarawak also established an open scrap yard to manage and recycle scrap and minimise paper usage by:

- Favouring electronic forms
- Reusing scrap paper
- Developing Google Forms for easy data entry

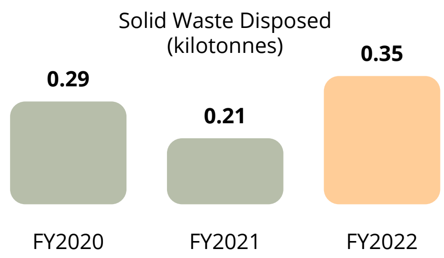
In December 2022, OM Sarawak introduced a 3R Centre Project to manage waste segregation.

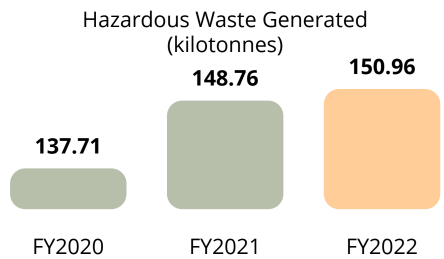
OM Waste Management Highlights

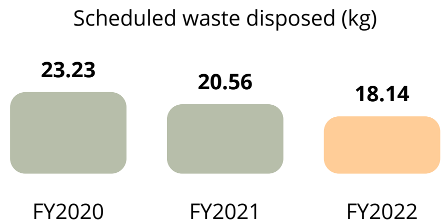
- ✓ A DOE-certified third-party auditor conducts an annual Silica fume Compliance Audit
- ✓ Developed Guidelines for Silica Fume (SW104) Special Management for on-site recovery
- ✓ Perform weekly self-regulated inspections and audits

Scheduled waste management is regulated. Guided by its Environmental Management System, OM Sarawak manages its waste following the Environmental Quality (Scheduled Wastes) Regulations 2005. Waste generated is recorded in the Electronic Scheduled Waste Information System ("eSWIS") and submitted monthly to the DOE. Scheduled waste storage facilities are also available on-site, designed to contain and prevent waste from contaminating the environment. In FY2022, we generated 18.14 kilotonnes of scheduled waste, an 11.8% reduction from FY2021.

SIRIM Behad ("SIRIM"), a national industrial research and technology organisation in Malaysia, has conducted tests for silicomanganese slag and silica fume according to DOE Guidelines for Application of Special Management of Scheduled Waste under Regulation 7 (1). SIRIM certified both silicomanganese slag and silica fume as non-reactive and unlikely to endanger human health except through oral and nasal consumption. Both by-products are within the threshold limits for organics and inorganics based on the Toxicity Characteristic Leaching Procedure ("TCLP") analysis.







Aggregate data from OM Sarawak

At the Bootu Creek Mine in Australia, waste rock and processing tails are stored on-site and are not acid generating. We manage these wastes following Waste Management Plans for waste rock and tailings storage approved by the Northern Territory Department of Industry, Tourism and Trade.

WATER MANAGEMENT & EFFLUENTS MANAGEMENT

Water forms an essential component of our business. OMH works to manage water resources adequately across operations. OM Sarawak is committed to optimising water usage and treating effluent to meet the regulatory water quality standards before being released into the environment.

OM Sarawak's municipal water supply is not extracted from sensitive or protected water bodies. The Company's water reservoir stores up to 48 hours of continuous water flow for plant operations in case of water supply disruption from the Municipal Water Supply Board.

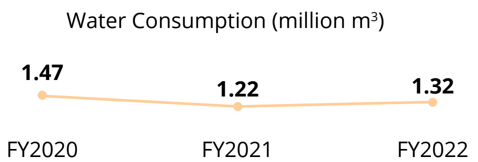
Primarily, plant production operations consume water for furnace system cooling and silica quartz washing. The cooling water for the furnace system is a closed-loop system, with most cooling water loss being due to vaporisation from the cooling tower. A dedicated sediment pond treats water from silica quartz washing. Heavier particles and sediments settle, making clean water available for washing the silica quartz.

Domestic wastewater generated mainly from the sanitary system and canteen operations is piped directly to SIP's centralised sewage treatment plant for treatment that meets the limits under Standard B of the Environmental Quality (Sewage) Regulations 2009.

Typically, effluent is generated from surface runoff. A sedimentation pond removes suspended solids and reduces the overall environmental impact. During FY2022, the discharged effluent was within permissible limits as stated by the Environmental Quality (Industrial Effluent) Regulations, 2009.

Other Water Management Initiatives

Recording daily water consumption	Limiting pressure for hydrant pump piping	Inspecting piping daily to detect leakage
Limiting water consumption to less than 3800m³/ month from the water pump station	Implementing a water recirculation (closed-loop water cooling) system	Installing flowmeters to monitor daily water withdrawal
	Utilising dual-flush in some buildings	



LAND REMEDIATION, CONTAMINATION AND DEGRADATION

Land and soil management is an integral component of mining in the semi-arid temperate climate of the Northern Territory, Australia. Mining can adversely affect the environment; identifying and managing these impacts is vital when managing business operations. Implementing appropriate objectives, strategies and targets to achieve good soil and land management ensures that OMM can maintain high levels of environmental performance, ensure compliance with its regulators and governing acts, and benefit stakeholders, including landowners and shareholders.

This section focuses on the land remediation and rehabilitation processes for our mining entity, OMM, the owner of the Bootu Creek Mine located in the Northern Territory, Australia. Mining activities ceased in December 2021, and the final ore processing occurred in January 2022.

Rehabilitation of disturbed areas is a key closure criterion upon completion of mining activities and returning the lease area to landowners. OMM rehabilitated infrastructure areas pre-closure and will remediate tracks, roads and exploration areas when operations no longer use them.

OMM progressively rehabilitated and revegetated various waste rock dumps across the site to minimise erosion, weed introduction and waterway pollution.

OMM's timeline for land remediation at the Bootu Creek Mine.

2019
Bioremediation of hydrocarbon-contaminated areas

2020
Trial to small test areas

2021
A wider bioremediation campaign commenced in FY2021 to treat contained contaminated areas which resulted in successful remediation, confirmed by laboratory analysis of Total Recoverable Hydrocarbons ("TRH")

2022
All Hydrocarbon contaminated areas successfully remediated

OMM conducted overarching environmental aspects and an impact assessment before commencing operations at the Bootu Creek Mine. OMM's Environmental Management Plan presented the outcomes and management strategies for rehabilitation of the mine site, and this was reviewed by the Northern Territory Department of Industry, Tourism and Trade ("DITT").

SOCIETY

OMH envisages a better-shared future for the local communities where we live and work. Community involvement is vital as it brings positive, measurable change to local communities and businesses.

We aim to drive local community development by improving the living standards of underprivileged communities. Our efforts at every region are unique as they vary based on local needs.

COMMUNITY RELATIONS

Exploration, mining, smelting, marketing and trading activities are central to sustainable community development by acting as a catalyst for positive economic and social change.

When operating in various international jurisdictions, we understand that we work in a "visitor" capacity and must respectfully engage in all interactions with the local community. OMH balances the economic, environmental and social needs in all phases of its projects.

OMH introduced a Community Relations Policy, providing a framework for working with the communities where it operates. OMH achieves its community relations objectives by:

- Following the laws and regulations of host countries;
- Considering how our decisions impact the community;
- Respecting and responding to local customs, traditions and cultures unless they conflict with OMH policies and standards;
- Contributing to the economic development of the local communities;
- Being open and transparent in all communications and dealings with local communities and responding in a timely fashion to any community-based grievances;
- Establishing grievance mechanisms for all stakeholders where community-related complaints can be received and addressed;
- Investing in projects that are mutually beneficial to OMH and the local community;
- Ensuring that any unavoidable resettlement complies with local laws and such that resettled parties are constructively engaged and fairly treated with the principles of free prior informed consent and consultation;
- Embracing sound principles of local procurement and employment practices that contribute to local economic development;
- Encouraging, where practical, suppliers and contractors to adopt the same or similar policies, standards and practices; and
- Undertaking activities that help ensure the local operating company remains a responsible community member.

OMH – COMMUNITY RELATIONS POLICY

TACKLING FOOD SYSTEM WASTE

Food loss and waste is a global crisis, with one-third of all food produced lost or discarded. OM Sarawak launched the Food Waste Recycling Project with a third-party local food waste processing entity. The recycling project converts food waste into organic fertiliser. In FY2022, we produced 310 kg of organic fertiliser from 6,200 kg of food waste. This initiative helped minimise food waste disposal at our plant.

SUPPORTING LOCAL ENTREPRENEURS

OM Sarawak supports local entrepreneurs by providing trading space to local vendors at the Ramadan Bazaar at its factory canteen. Four local vendors participated in this Bazaar from 23 March to 21 April 2022.

SPONSORSHIP FOR BINTULU SINGLE MOTHER ASSOCIATION

OM Sarawak sponsored the purchase of school necessities, such as uniforms, school bags and stationery, for children of Sarawak Single Mother's Association or Persatuan Ibu Tunggal Sarawak ("PITSA") under the Back-to-School programme. Seventy-seven children benefited from this community giving. The Company hopes this sponsorship program will ease the single mothers' burden and excite these children before the new school term.

FIRE EXTINGUISHERS SPONSORSHIP

OM Sarawak donated 21 fire extinguishers to Rumah Jacub and Rumah Banggu to develop a fire safety culture in the Samalaju villagers. The fire department (BOMBA) demonstrated using the fire extinguishers to residents.

COMMUNITY GIVING

OMH has a clear focus on sustainability and corporate social responsibility. We continue to support causes that benefit the community and those closely linked to our beliefs, such as education, philanthropy, sports, culture and heritage, and community building.

In FY2022, we donated approximately US$17,000 to non-profit organisations and good causes benefiting mainly the local communities where our Sarawak plant operates.

Examples of Sponsorships and Donations


Sports sponsorships


Donation to homes


Blood donations


Sponsorship to support non-profit organisations and government bodies


Underprivileged community
-Single mothers
-Less fortunate children.

OUR PEOPLE

Our employees are fundamental to our success. We foster a supportive environment where we value the diverse backgrounds, cultures and beliefs of our employees and stakeholders. We strongly discourage and do not tolerate any form of racial and sexual discrimination, and workplace harassment of our employees. Treating people with fairness, dignity, and respect ensures we protect and uphold fundamental human rights within the Company.

We value employing people of any gender, age, cultural background, ethnicities, nationalities and religion. The Company recognizes and upholds our employee's right to a work environment that is safe, free from association, where they can be collectively represented and fairly compensated, and be provided with job security and personal development opportunities.

A DIVERSE AND EQUITABLE ORGANISATION

Global operations require us to understand and adapt to different cultures and customs while maintaining our corporate culture and standards. Diversity encompasses gender, race, ethnicity, disability, age, sexual orientation, gender identity, marital or family status, and religious or cultural background. The Group's commitment to diversity at all levels forms part of its merit-based organisational culture dedicated to recruiting and retaining the best available talent at all levels, including the Board. Embracing workplace diversity helps achieve our corporate objectives and enhances the Company's reputation. It enables the Group to recruit and retain the right people from a diverse pool of talented candidates.

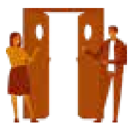
Formalising its commitment, and OMH's Diversity and Inclusion Policy aims to:

- Foster an inclusive workplace that embrace and values diversity
- Upholds the principle of meritocracy
- Supports and facilitates an inclusive work environment that embraces differences and recognises the benefits that such differences provide to the business and its people.

OMH's Commitment to Diversity

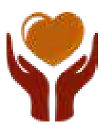

Providing access to equal opportunities at all levels of work based on merit


Fostering a corporate culture that embraces diversity


Welcoming people from diverse backgrounds

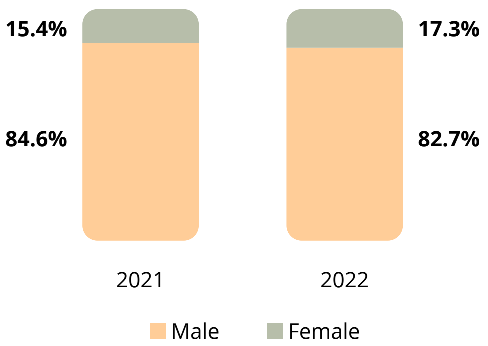

Not tolerating workplace discrimination, harassment, vilification and victimisation


Operating as an equal-opportunity employer

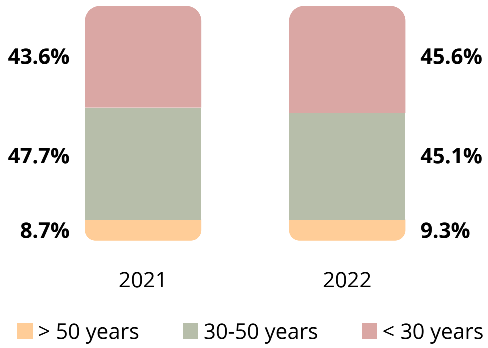

Respect the diversity of its customers, clients and stakeholders.

OMH – DIVERSITY AND INCLUSION POLICY

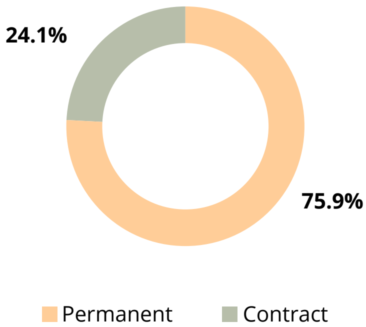
Workforce Breakdown by Gender



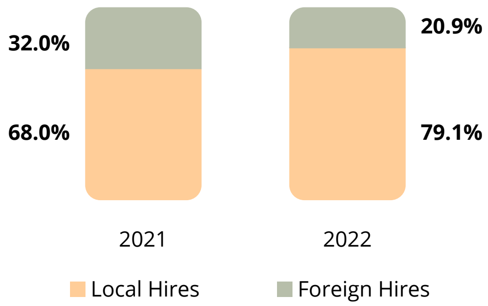
Workforce Breakdown by Age Group



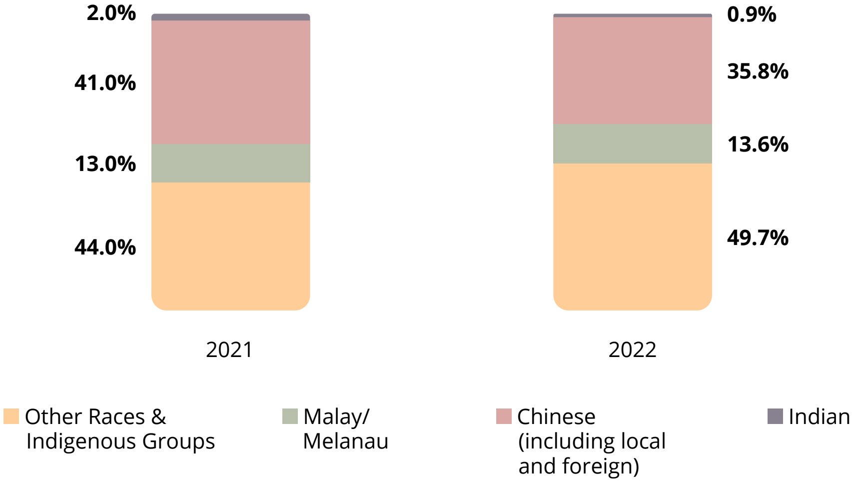
Workforce Breakdown by Employment Type in 2022



Workforce Breakdown by Employment Arrangement



Workfoce Breakdown by Ethnicity



*Please refer to the Group Performance Data Table on page 68-69 of this Report for the Group's detailed workforce statistics

Gender Diversity

OMH is committed to equitable and fair representation of people of different genders. The Group's Diversity and Inclusion Policy contains provisions for gender diversity.

OMH is committed to establishing appropriate and measurable objectives for achieving gender diversity and requires relevant senior management to report on their achievement. OMH also implements policies and programmes that address impediments to gender workplace diversity, such as parental leave and flexible working arrangements that assist all employees in fulfilling their domestic responsibilities. The Group is also committed to reviewing, assessing and reporting against the measurable objectives for achieving gender diversity and its progress on an annual basis.

INVESTING IN TALENT

We review our Company's training and development programs to ensure they deliver business value and opportunities for our people. Maintaining a solid pool of talent remains our focus.

Training	Unit	FY2020	FY2021	FY2022
Total time	hours	19,701	74,510	93,680
Average hours of training per year per employee	hours	11.55	46.63	60.87

All employees should be able to learn new skills, grow and build their careers as they develop along their professional journey. OM collaborates with local universities to improve training content for local operators.

Examples of Internal and External Training Programmes in FY2022

Rigging and slinging	Fire safety	Radiation safety awareness	ISO 17025: Internal Audit
Risk management and continuous improvement	Basic knowledge of chemical reactions in producing ferrosilicon and manganese alloy	Overhead crane training programme	Machinery safety
ISO14001:2015 and ISO45001:2018 training	Thermal hazard assessment	Understanding wastewater quality analysis in industrial effluent	

During the year, the Company introduced the Managerial Development Programme, which includes Leadership Development, Managing Disruptive Behaviours and Workplace Coaching Skills and Managing Performance.

Helping Our Employees Level Up

Every employee should pursue their passion and goals. Upskilling programmes help employees gain in-demand skill sets that propel them into the next phase of their career. Upskilling creates pathways to careers in fields that will continue growing. This commitment allows us to offer different skills training and education programmes, including helping trainees progress in their careers.

Internship and Career Exposure Opportunities

OM Sarawak collaborates with Universiti Malaya Sarawak ("UNIMAS") in a Certificate in Manufacturing Technology (Smelting) programme. Graduates from this programme have a well-rounded, holistic knowledge and experience including theoretical modules and industrial training. 12 trainees completed this programme in FY2022.


Graduation Ceremony for the Certificate in Manufacturing Technology (Smelting) program by UNIMAS and OM Sarawak

ENGAGING EMPLOYEES

OMH organised various activities and engagement sessions to create a vibrant working environment, including festive celebrations such as Gawai in Sarawak, sports tournaments, sports carnivals, annual dinners and other get-togethers.


OMS Neon Pop themed Annual Dinner and OM Sarawak's Winter Wonderland Annual Dinner 2022

FAIR REMUNERATION AND BENEFITS

OMH established a fair and transparent process for remuneration, ensuring that the Group evaluates employees' performance on merit. Providing workers with a good living wage supports economies and fosters growth. Our Human Resources Team regularly assesses the fixed compensation paid to all our full-time direct employees to ensure it exceeds the minimum legal requirements. In 2022, OM Sarawak revised the salaries of 257 employees to comply with the Malaysian Minimum Wages Order FY2022.

Leave:
Annual, maternity and paternity

Retirement benefits

Flexible working arrangements

Transportation and accommodation

Allowances, subsidies and reimbursements

Medical benefits
- General hospitalisation scheme
- General personal accident
- On-site healthcare facility and treatment
- Yearly health check programme (for employees who have served at least one year)
- Panel clinic and in-house ambulance

HEALTH AND SAFETY

Our industrial and mining activities employ complex technical processes and operations, which require constant anticipation and strict vigilance to prevent incidents and deliver good health and safe working conditions for all employees, contractors and third parties.

Safety of our employees and stakeholders is out top priority. Reflected in our Occupational Health and Safety Policy, this philosophy extends to all operations under management control. We have implemented this policy by rigorously managing our activities and following the highest standards in occupational risk prevention. We also undertake regular risk assessments and verify our regulatory compliance.

OM Sarawak adequately evaluated all work activities in the prescribed Hazard Identification, Risk Assessment, and Risk Control ("HIRARC") procedures. OM Sarawak is working towards implementing a Safety Management System following ISO 45001:2018 standards by December 2023.

Occupational Health and Safety Management Systems

Occupational Health and Safety Management Systems at all our operating subsidiaries comply with national work health and safety legislation, code of practice and applicable International Standards. Our operations are subject to continuous audits by external auditors and compliance officers. The OMH operating subsidiaries manage risk through:

- A planned and careful approach focusing on hazard identification, assessment, monitoring and control procedures; and
- Continuously reviewing and improving safety procedures and performance.

Through our health and safety management systems, we aim to create a risk-free environment for all employees and stakeholders involved in our business and operations. We also strive to minimise the number of workplace incidents/accidents based on shared responsibility, in which each person plays a crucial role in creating a safe working environment.

Implementing specific prevention plans before starting relevant service contracts with third party contractors and service providers and requesting to inspect service personnel and contractor's staff's work permits protects our contractors. We also provide customised briefings, especially for new workers and contractors, including specific safety training for different safety risks. We also provide our employees with effective PPE of the required standard to ensure their safety and well-being while they carry out their responsibilities. Personal Protective Equipment ("PPE") and have made myriad ergonomic improvements.

OMH continues to apply the COVID-19 preventive and safety recommendations and measures of the respective health authorities. The Company's safety team assesses the effectiveness of the implemented COVID-19 measures, such as wearing face masks, physical distancing, regular self-tests and and flexible work-from-home arrangements to curb and minimise the spread of COVID-19 within the work environment and local community.

Health and Safety Compliance

Australia

- Despite being in care and maintenance, OMM, our mining entity that owns the Bootu Creek Mine in Northern Territory, Australia, must comply with the Occupational Health and Safety ("OHS") requirements in the Work Health and Safety (National Uniform Legislation) Act 2011 that sets out the legislative health and safety requirements of a mine site and the activities associated with mining.

Malaysia

- Our smelting operations in Sarawak, Malaysia, must comply with the Occupational Safety and Health Act 1994 and its regulations, Guidelines and Code of Practices as enforced by the Department of Occupational Safety and Health ("DOSH") under the Ministry of Human Resources Malaysia.
- We are also governed by the Factories and Machinery Act 1967, under which DOSH officers periodically inspect our lifting and hoisting equipment, unfired pressure vessels and general installations in our Sarawak plant.
- Three safety audits were conducted as part of the Safety Improvement and Management Hazards Campaign (SIMHAC) in FY2022. Upon receiving the report on significant findings, corrective actions relating to electrical hazards and water intrusions were taken.

China

- Although production ceased in 2021, our China operations are subject to the Law on Production Safety, which requires us to implement standards to ensure work safety and satisfy conditions set by applicable laws, administrative regulations and national industrial standards.

Health and Safety Governance

OM Sarawak established a Health and Safety Committee that meets quarterly to discuss OHS matters. The committee provides a platform for consultation and cooperation between employers, management and employees in developing and implementing safety and health measures and monitoring programmes. OM Sarawak's Managing Director and Deputy Chief Engineer chair the committee assisted by the Health and Safety Manager as secretary and a balanced quorum of employees from management and non-managerial levels.

Health and Safety Committee Primary Functions

Various Committee Functions

Medical Team	• Comprises professional medical personnel • Organises health awareness talks and programmes for employees • Provides 24-hour on-site treatment
Fire Protection and Rescue Team	• Maintains the plant fire protection equipment • Conducts emergency and fire drills with 11 emergency drills undertaken in FY2022 and the gaps, findings and recommendations being rectified immediately
Emergency Response Team	• Maintains a current and accurate accounting of emergency response activities • Responds to accidents and incidents in accordance with the Emergency Response Plan ("ERP")
Recovery Team	• Monitors affected areas, such as asset damage by fire, hazardous chemical spillage, natural disasters and structural failure

SAFETY TRAINING

OM Sarawak delivers extensive coaching and training to its employees and contractors and provides safety refresher training for all workers.

FY2022 Safety Training Highlights

Types of Training	No. of Training Sessions	No. of Training Hours
Safety induction	491	3,954
Internal OSH training:		
Topics include confined space entry training, machine crushing safety awareness, smelting front liner refresher training, forklift training, rigging and slinging training, noise exposure awareness, fire safety, health talk and excavator training.	95	101
Health talks	3	4.5
External OSH training:		
Topics include rigging and slinging training, Construction Industry Development Board ("CIDB") training, first aid, radiation safety, authorised gas tester and entry supervisor, HIRARC training and ISO 45001:2018 awareness.	40	642

Safety and Performance

Description	FY2020	FY2021	FY2022
Fatality Cases	0	1	0
Lost Time Injury Cases	5	4	5
Lost Time Injury Frequency Rate	1.06	1.37	1.37
Total Manhours Worked	4,728,852	3,660,593	3,661,227

COLLABORATION, ENGAGEMENT AND OTHER SAFETY INITIATIVES

A safe and healthy culture is a critical component of good science. Various initiatives promoting a collaborative safety and health culture include:

- Collaborating with external agencies (General Hospital Bintulu (BGH) and Fire Department's HAZMAT team) on a joint emergency drill. We were the first company in SIP to organise a joint emergency drill.
- Collaborating with Bintulu General Hospital on a blood donation drive at OM Sarawak Plant on 16 June 2022
- Collaborating with the National Institute of Occupational Safety and Health Malaysia, a Ministry of Human Resources government body, on developing a National Institute of Occupational Safety and Health ("NIOSH") OM Safety Passport ("NOMSP")
- Completed installation, testing and commissioning of the fire sprinkler system for the B07-B08 warehouse on 24 May 2022

OM Sarawak conducted an emergency drill in collaboration with Bintulu General Hospital and the Bintulu and Samalaju Fire departments.

The drill involved a scenario of spillage of hazardous chemical substances in the laboratory, causing toxic fume contamination in the building and gas intoxication of employees working in the building.

HUMAN RIGHTS

Human rights are moral principles or norms for certain standards of human behaviour and are regularly protected in municipal and international law. These rights are inherent to all human beings and they guide our conduct in all aspects of our operations. OMH strives to be a fair and responsible employer and recognises its responsibility to respect, fulfil and support human rights in all our business activities.

OMH formalised its approach to human rights by implementing a Human Rights Policy. This policy demonstrates the Group's commitment to respecting human rights throughout the business and upholding the laws and regulations of the countries in which we operate.

Human rights are fundamental principles of personal dignity and universal equality. Respect for human rights foster social progress, better standards of living and greater freedom for all individuals.

The policy is a framework that helps protect stakeholders' human rights and prevents human rights violations from occurring. The Company commits to:

- Respecting the rights and dignity of employees, contractors, partners, local communities and those affected by the Group's businesses;
- Providing equal opportunity and an environment free from discrimination, including support for the principles of freedom of association and collective bargaining;
- Neither condoning nor using forced, compulsory, or child labour;
- Protecting personnel and assets in a secure environment for business operations.

The Company supports and respects, where applicable, international guidance documentation on human rights and seeks to conduct business following the relevant spirit and intent. OMH holds training or awareness sessions on this policy when required. All employees and stakeholders must comply with the terms of the Human Rights Policy and communicate any human rights incidents or violations to management.

OMH is responsible for protecting the human rights of our employees and stakeholders, including our suppliers, communities, indigenous people and other members of society. Our human rights responsibilities include equality and non-discrimination, decent wages, humane working hours, fair employee representation, security, primary health care, supply chain labour rights and informed consultation. We specifically concentrate on the impact of our activities on the human rights of vulnerable groups, such as indigenous people, women and children.

At OM Sarawak, we ensure strict compliance with our Labour Policy which prohibits the employment of children and young persons, where 'child' is defined as a person under 15 years of age and 'young persons' as those above 15 years but below 18 years of age, based on the Sarawak Labour Ordinance. We ensure that our suppliers, business partners, and all parties we engage with do not use child or forced labour in their operations. Where applicable, all new and existing suppliers and business partners must undergo human rights risk assessment as part of the Company's due diligence in managing and assessing human rights risks.

OPERATING RESPONSIBLY

Change and continuous improvement are essential for improving our competitiveness and long-term sustainability. In FY2022, we enhanced our sustainability efforts by collaborating with the International Manganese Institute ("IMnI") on a 'cradle-to-gate' Life Cycle Analysis ("LCA") of manganese ore. This collaboration helped us understand our environmental footprint more clearly and benchmark ourselves against other producers in the industry. The scope of the LCA covered processes from extracting resources to processing (smelting) within our operations. This assessment helps customers, who are major steel mills within the region, make environmentally sound decisions as they enhance sustainability in their supply chains.

PRODUCT SAFETY

Our products (ferrosilicon, silicomanganese and high carbon ferromanganese) are tested according to the "United Nations Recommendations on the Transport of Dangerous Goods, Manual of Tests and Criteria Part III – 33.4.1.4". Our products are not classified as Class 4.3 Dangerous Goods, but we have various safety measures in place to ensure employee safety, including first-aid, firefighting, handling and storage.

PRODUCT QUALITY

OM Sarawak's Quality Inspection Center ("QIC") oversees product quality management at the smelting plant. The QIC is responsible for developing the quality control management system, including monitoring the weighing, sampling and issuing analysis reports for all incoming feedstock and finished products. The QIC delivers natural blocks to the respective crushing areas based on their grade.

Quality and Inspection Procedures For Raw Materials and Finished Products

Raw materials

- The QIC samples and analyses each raw material upon arrival and sends the analysis report to the Raw Materials Warehouse ("RMW") and relevant department
- A third-party surveyor performs additional sampling and analysis at the loading and discharging port to ensure the accuracy of product volumes and tracking of any variances recorded.

Finished product

- The QIC takes ladle sampling, analyses and grades the natural block from each tapping. Different grades are processed separately based on product grading. The QIC inspects the crushing process to ensure quality.
- Third-party surveyors conduct sampling and analysis before shipping.

In FY2022, OM Sarawak's laboratory participated in a round-robin test with other laboratories to:

- Compare analysis results and assess the accuracy
- Maintain close communication with other laboratories to learn and improve

Product testing conducted by the QIC is done using advance equipment, which includes but is not limited to an X-ray fluorescence Spectrometer ("XRF") and Inductively Coupled Plasma Spectrometer ("ICP").

CYBERSECURITY AND DATA PROTECTION AND PRIVACY

The privacy and security of the information of our customers, employees and stakeholders provided to the Company is of paramount importance to us.

Our Group-wide Data Protection and Privacy practices deliver a robust approach to securing information assets across the Group. Employees receive regular training and communication on cybersecurity best practices, updates on new cyber threats and regular updates and refresher sessions on the Company's policies.

IMPLEMENTATION, UPGRADING AND MAINTENANCE WORKS DONE IN FY2022 INCLUDE:

✓ Upgraded the firewall
✓ Implemented Two-Factor Authentication for email accounts and mandatory password resets for email accounts every six months
✓ Installed Microsoft Defender on all employee email accounts
✓ Performed Monthly IT maintenance
✓ Auto-synced and backed-up files from company servers to cloud servers
✓ Introduced software to control the accessibility of removable devices to prevent data loss
✓ Purchased Endpoint Security Software

GROUP SUSTAINABILITY PERFORMANCE DATA

	2021	2022
Economic		
Sustainable Procurement		
Local suppliers engaged (%)	94.3%	93.7%
Foreign suppliers engaged (%)	5.7%	6.3%
Local supplier purchases (%)	6.5%	12.0%
Foreign supplier purchases (%)	93.5%	88.0%
Anti-Corruption & Anti-Bribery		
Percentage of employees who have received training on anti-corruption in FY2022, for each employee category		
Non-executive		0.2%
Executive		5.4%
Management		`81.3%
C-Suite (including Managing Director)		80.0%
Note: Aggregate data from OM Sarawak		

	2020	2021	2022
Environment			
Energy			
Electricity consumption (Million GJ)	8.80	7.51	7.78
Diesel consumption (Million GJ)	0.04	0.06	0.03
Total energy consumption (Million GJ)	8.84	7.57	7.81
Energy intensity (GJ/Tonne of Ferrosillicon)	31.22	31.97	31.78
Energy intensity (GJ/Tonne of Manganese Alloy)	13.69	13.89	13.86
Water			
Water consumption (million m^3)	1.47	1.22	1.32
Emissions (CO_2-eq of per tonne product produced)			
- Ferrosilicon	5.27	4.92	5.28
- Manganese Alloy	2.66	2.50	2.20
Waste (kilotonnes)			
Total solid waste disposed	0.29	0.21	0.35
Total hazardous waste generated	137.71	148.76	150.96
Non-recyclable waste	0.00	0.00	0.00
Waste recycled	0.00	0.00	0.00
Total scheduled waste disposed	23.23	20.56	18.14
Water (effluent) discharge	0.00	0.00	0.00
Recycled Waste	137.80	143.74	157.75
Note: Aggregate data from OM Sarawak			

	2021	2022
Social		
Workforce Strength		
Total number of employees	2,086	1,990
Number of New Hires	297	553
Percentage of Contractors/Temporary Staff (%)	NA	24.1%
Workforce Breakdown by Nationality		
Malaysian	1,418 (68.0%)	1,574 (79.0%)
Non-Malaysian	668 (32.0%)	416 (21.0%)
Workforce Breakdown by Gender		
Male	1,773 (85.0%)	1,646 (82.7%)
Female	313 (15.0%)	344 (17.3%)
Workforce Breakdown by Age Group		
>50 years old	188 (9.0%)	185 (9.3%)
39- 50 years old	1,001 (48.0%)	898 (45.1%)
<30 years old	897 (43.0%)	907 (45.6%)
Workforce Breakdown by Employment Type		
Permanent	NA	1,511 (75.9%)
Contract	NA	479 (24.1%)
Workforce Breakdown by Ethnicity		
Other races & indigeneous groups	918 (44.0%)	989 (49.7%)
Malay / Melanau	271 (13.0%)	270 (13.6%)
Chinese (including local and foreign)	855 (41.0%)	712 (35.8%)
Indian	42 (2.0%)	19 (0.9%)
New Hires		
Male	241 (81.1%)	464 (83.9%)
Female	56 (18.9%)	89 (16.1%)
>50 years old	12 (4.0%)	20 (3.6%)
30 – 50 years old	71 (23.9%)	180 (32.6%)
<30 years old	214 (72.0%)	353 (63.8%)
Employee Turnover		
Total employee turnover	493	733
Employee turnover rate	23.6%	36.8%
Male	434	637
Female	59	96
>50 years old	57	71
30 – 50 years old	255	372
<30 years old	181	290

	2021	2022
Social		
Health and Safety		
Number of work-related fatalities	1	0
Lost-time incident rate	1.37	1.37
Training		
Total hours of training	74,510	93,680
Human Rights		
Number of substantiated complaints concerning human rights violations	0	0
Data Privacy and Cybersecurity		
Number of substantiated complaints concerning breaches of customer privacy and loss of customer data	0	0

Note: The Group's Sustainability Statement was first published in FY2021, with aggregate data collected from its major operating subsidiaries (OMS, OMSA, OMM). Social data from FY2022 reflects Group data which included all subsidiaries.

GRI CONTENT INDEX

Statement of use: **OM Holdings Limited**
GRI 1 used: **GRI 1: Foundation 2021**

CODE	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021		
2-1	Organizational details	8-9
2-2	Entities included in the organization's sustainability reporting	6,36
2-3	Reporting period, frequency and contact point	36
2-4	Restatements of information	No restatement of information in this report
2-5	External assurance	The Sustainability Statement has not undergone any verification by an external assurer. However, it was reviewed by the management and approved by the Board. Only external assurance on GHG emission was undertaken, disclosed on page 36
2-6	Activities, value chain and other business relationships	8-9
2-7	Employees	59
2-8	Workers who are not employees	68
2-9	Governance structure and composition	74-75
2-10	Nomination and selection of the highest governance body	79-81
2-11	Chair of the highest governance body	2-4, 74-75
2-12	Role of the highest governance body in overseeing the management of impacts	78
2-13	Delegation of responsibility for managing impacts	76-78
2-14	Role of the highest governance body in sustainability reporting	42
2-15	Conflicts of interest	78, 81-82
2-16	Communication of critical concerns	37-38, 84
2-17	Collective knowledge of the highest governance body	2-4, 74-76
2-18	Evaluation of the performance of the highest governance body	80
2-19	Remuneration policies	80
2-20	Process to determine remuneration	80
2-21	Annual total compensation ratio	80, 88
2-22	Statement on sustainable development strategy	43
2-23	Policy commitments	40-41, 44-45
2-24	Embedding policy commitments	40-41, 44-45
2-25	Processes to remediate negative impacts	44-44
2-26	Mechanisms for seeking advice and raising concerns	37
2-27	Compliance with laws and regulations	44, 47-48
2-29	Approach to stakeholder engagement	37
2-30	Collective bargaining agreements	OMH does not have an internal union. Employees are free to join unions of their choice.

CODE	DISCLOSURE	LOCATION
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	38
3-2	List of material topics	38
3-3	Management of material topics	38
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	40-41, 99
201-2	Financial implications and other risks and opportunities due to climate change	50-51
201-3	Defined benefit plan obligations and other retirement plans	61
GRI 203: Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	57-58
203-2	Significant indirect economic impacts	45, 57-58
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	47-48, 67
GRI 205: Anti-corruption 2016		
205-2	Communication and training about anti-corruption policies and procedures	48-50, 84
205-3	Confirmed incidents of corruption and actions taken	48-49
GRI 301: Materials 2016		
301-1	Materials used by weight or volume	54
301-2	Recycled input materials used	54
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	55
302-2	Energy consumption outside of the organization	55
302-3	Energy intensity	55
302-4	Reduction of energy consumption	55
GRI 303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	56
303-2	Management of water discharge-related impacts	56
303-5	Water consumption	56
GRI 304: Biodiversity 2016		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	55, 57
304-2	Significant impacts of activities, products and services on biodiversity	55, 57
304-3	Habitats protected or restored	55, 57
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	55
305-2	Energy indirect (Scope 2) GHG emissions	55
305-4	GHG emissions intensity	55
305-5	Reduction of GHG emissions	55

GRI CONTENT INDEX

CODE	DISCLOSURE	LOCATION
GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	56
306-2	Management of significant waste-related impacts	56
306-3	Waste generated	56
306-4	Waste diverted from disposal	56
306-5	Waste directed to disposal	56
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	47-48
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	68
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	61
401-3	Parental leave	61
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	62
403-2	Hazard identification, risk assessment, and incident investigation	62
403-3	Occupational health services	62, 64
403-4	Worker participation, consultation, and communication on occupational health and safety	63
403-5	Worker training on occupational health and safety	64
403-6	Promotion of worker health	62, 64
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	63-64
403-8	Workers covered by an occupational health and safety management system	62-63
403-9	Work-related injuries	64
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	60
404-2	Programs for upgrading employee skills and transition assistance programs	60-61
404-3	Percentage of employees receiving regular performance and career development reviews	43
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	59, 68, 82-83
GRI 407: Freedom of Association and Collective Bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	47
GRI 408: Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	47
GRI 409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	47

CODE	DISCLOSURE	LOCATION
GRI 411: Rights of Indigenous Peoples 2016		
411-1	Incidents of violations involving rights of indigenous peoples	65
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	57-58
413-2	Operations with significant actual and potential negative impacts on local communities	57-58
GRI 415: Public Policy 2016		
415-1	Political contributions	50
GRI 416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	65
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	66, 69

CORPORATE GOVERNANCE

OM Holdings Limited (the "**Company**") is committed to implementing and maintaining high standards of corporate governance. In determining what those high standards should involve, the Company has had regard to the fourth edition of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations 4th Edition (February 2019)*. The ASX Listing Rules require the Company to report on the extent to which it has followed those principles and recommendations during its 2022 financial year.

This statement outlines the main corporate governance practices in place during the 2022 financial year, all of which comply with the ASX Corporate Governance Council recommendations unless stated otherwise.

Further information about the Company's corporate governance practices is set out on the Company's website at www.omholdingsltd.com.

The Company's Board of Directors (the "**Board**") is responsible for corporate governance, that is, the system by which the Company and its subsidiaries (together, the "**OMH Group**") are managed.

For the year ended 31 December 2022 the OMH Group remained resilient throughout the COVID-19 pandemic. The OMH Group continues to prioritise the health and wellbeing of its employees, contractors and stakeholders by maintaining stringent protocols to limit the impact of the COVID-19 pandemic at its various operational sites globally.

1. BOARD OF DIRECTORS

1.1 Role of the Board and Management

The Board's role is to govern the OMH Group. In governing the OMH Group, the Board must act in the best interests of the OMH Group as a whole. It is the role of senior management to manage the OMH Group in accordance with the directions and delegations of the Board and it is the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

In carrying out its governance role, one of the primary tasks of the Board is to drive the performance of the OMH Group. The Board must also ensure that the OMH Group complies with all of its contractual, statutory and any other legal obligations, including the requirements of any relevant regulatory body. The Board has the final responsibility for the successful operations of the OMH Group.

To assist the Board in carrying out its functions, it has developed a Code of Ethics and Conduct to guide the Company's directors ("Directors"), key executives and all employees in the performance of their respective roles. The Code of Ethics and Conduct, along with a number of the Company's other policies and protocols, is available on the Company's website at http://www.omholdingsltd.com/aboutus/corporate-governance/

The Board represents shareholders' interests in relation to optimising the Company's investment in its ferro alloy smelter and sinter ore facilities, manganese mining operations, marketing and trading businesses. This objective extends to managing its various strategic investments in the carbon steel materials industry and its development and operational initiatives in Malaysia, Singapore, Australia, China and South Africa. This integrated strategy seeks to achieve medium to long-term financial returns for shareholders while seeking to minimise risk. The Board believes that this diversified strategy will ultimately result in the interests of all stakeholders being appropriately addressed when making business decisions.

The Board is responsible for ensuring that the OMH Group is managed in such a way so as to best achieve this desired result. Given the comparative size of the OMH Group's mining, smelting, marketing and trading activities commensurate with its market share, the Board currently undertakes an active, not passive role in its management of the Company's business and investment goals.

The Board is responsible for evaluating and setting the strategic direction of the OMH Group, establishing goals for management and monitoring the achievement of these goals. The Executive Chairman (Chief Executive Officer) is responsible to the Board for the day-to-day management of the OMH Group.

Among other things, the Board has sole responsibility for the following matters:

- appointing (and where appropriate removing) the Chief Executive Officer, any other executive director and the Company Secretary and determining their respective remuneration and conditions of employment;
- determining the strategic direction of the OMH Group and measuring the performance of management against approved strategies;
- monitor the operational and financial position of the Company specifically and the Group generally;
- reviewing the adequacy of resources for management to properly carry out approved strategies and business plans;
- adopting operating (including production), capital and development expenditure budgets at the commencement of each financial year and ensuring adherence to those budgets by monitoring both financial and non-financial key performance indicators;
- monitoring the OMH Group's medium-term capital, exploration and cash flow requirements;
- approving and monitoring financial and other reporting to regulatory bodies, shareholders and other key stakeholders;
- determining that satisfactory arrangements are in place for auditing the OMH Group's financial affairs;
- setting the OMH Group's values and standards;
- appointing the external auditors of the OMH Group;
- reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and compliance with all applicable legislative requirements;
- ensuring the health, safety and well-being of employees in conjunction with management, and monitoring and reviewing the effectiveness of occupational health, safety and environmental practices at each of the OMH Group operations;
- authorising the issue of shares, options, equity instruments or other securities;
- authorising borrowings, other than in the ordinary course of business, and the granting of any security over the undertakings of the OMH Group or any of its assets;
- approving the acquisition, establishment, disposal or cessation of any significant business of the OMH Group; and
- ensuring that policies and compliance systems consistent with the OMH Group's objectives and best practice are in place and that the OMH Group and its officers act legally, ethically and responsibly at all times.

The Board's role, and the OMH Group's corporate governance practices, are being continually reviewed and improved as the OMH Group's businesses further expand.

The Board may from time to time delegate some of its responsibilities listed above to its senior management team.

The Executive Chairman (Chief Executive Officer) is responsible for managing the operations of the OMH Group (in accordance with the requirements of his Executive Service Agreement) under delegated authority from the Board and for implementing the policies and strategy set by the Board. In carrying out his responsibilities, the Chief Executive Officer must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the OMH Group's operational results and financial position.

The role of management is to support the Executive Chairman (Chief Executive Officer) and implement the running of the general operations and financial business of the OMH Group, in accordance with the delegated authority of the Board.

1.2 Composition of the Board

To add value to the OMH Group, the Board, which comprises of a majority of independent Directors has been formed so that it has an effective composition, size and commitment to adequately discharge it responsibilities and duties. The names of the Directors and their qualifications and experience are disclosed in the 'Directors' section of the Annual Report. Directors are appointed based on the specific governance skills required by the OMH Group and on the independence of their decision-making and judgment. The OMH Group ensures that each Director and senior executive enters into a written agreement with the OMH Group which sets out the terms of their appointment.

The current Executive Chairman and five Non-Executive Directors have a mix of legal, commercial, exploration, project development, mining, commodities processing, ore and alloy trading and financial skills and experience. Accordingly the composition, diversity of skills and experience is appropriate to effectively review and challenge the performance of management and to exercise independent judgement in discharging their responsibilities and in making decisions.

CORPORATE GOVERNANCE

In addition to the Directors' experience outlined in the Annual Report, the below table sets out the skills, attributes and experience of the Directors serving on the Board as at 31 December 2022.

Domain Area	Board Skills and Experience		As at 31 December 2022 (out of 6 Directors)
Legal and Governance	Experience in a large organisation with a strong focus on and adherence to high governance standards		6
	Listed entity board and/or sub-committee experience		6
	Experience in corporate legal affairs and/or regulatory/governmental departments		6
	Relevant legal tertiary degree or professional qualification		2
	Constructively challenge and contribute to Board discussions and communicate effectively with management and other Directors. Build consensus, negotiate and obtain stakeholder support for Board decisions.		6
Executive Management	Experience as Director, CEO, CFO or other office holder or similar in medium to large entities		6
Strategy	Identifying and critically assessing strategic opportunities and threats to the OMH Group and developing and implementing successful strategies in context to an organisations policies and business objectives		6
Mining, Production, Manufacturing Resources, Marketing, Commodity Expertise	Mining, production, manufacturing, marketing or resources industry executive management	Senior executive, advisory or board experience in a large mining, production, manufacturing or resources organisation	3
	Technical skills	Senior executive responsibility for exploration or production or processing or long-term board experience in a large mining and resources organisation with exploration, production or processing as a key part of its business	1
	Health, Safety Environment and Community	Executive or board sub-committee experience in a mining and resources organisation with responsibility for health and workplace safety, and/or environmental and social responsibility	4
	Capital projects, engineering and construction	Senior executive experience with capital projects and/or engineering in a mining or resources environment; tertiary or professional engineering qualification. Includes contract negotiations, project management and projects with long term investment horizons	1
	Government relations	Senior executive experience working in diverse international, political, cultural, regulatory business environments	3
	Senior executive expertise in commodities, mining, trading or resources sector.		4
Human Resources/ Organisational Development & Culture	Senior executive management in people management and remuneration policy development or board remuneration and nomination sub-committee experience		6
Finance, Commerce and Accounting	Financial accounting and reporting, internal financial and risk controls, corporate finance and, restructuring corporate transactions (eg: joint ventures, listings etc).		5
	Board audit sub-committee experience		5
	Relevant tertiary degree or professional qualification		2
Risk Management	Senior executive experience in risk management		4
	Board risk sub-committee experience		4

The OMH Group recognises the importance of independent Non-Executive Directors and the external perspective and advice that such Directors can offer. The Board consists of the following independent Non-Executive Directors: Mr Zainul Abidin Rasheed, Mr Tan Peng Chin, Mr Thomas Teo Liang Huat (prior to his retirement on 20 May 2022), Dato Abdul Hamid Bin Sh Mohamed and Ms Tan Ming-li (both appointed on 10 May 2021). Ms Julie Wolseley is also a Non-Executive Director but is not viewed as independent due to her also providing company secretarial services to the OMH Group. It should be noted however, that the value of such services is not considered to constitute a material supply arrangement to the Company.

While the Board strongly believes that boards need to exercise independence of judgment, it also recognises (as noted in Principle 2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations 4th Edition)* that the need for independence is to be balanced with the need for skills, commitment and a workable board size. The Board believes it has recruited members with the skills, experience and character necessary to discharge its duties and that any greater emphasis on independence would be at the expense of the Board's effectiveness.

As the OMH Group's activities increase in size, nature and scope, the size of the Board will be reviewed and the optimum number of Directors required for the Board to properly perform its responsibilities and functions will continue to be re-assessed. The Remuneration Committee is responsible for conducting the appropriate checks prior to the appointment of a person as a director of the Company or prior to putting forward to shareholders a new candidate for election as a director. These processes are governed by the Group's Remuneration Committee Charter. Checks undertaken may include checks as to the person's character, experience, education, criminal record and bankruptcy history. Material information relevant to a decision on whether to elect or re-elect a Director is provided to shareholders in all Notices of Meeting which contain director election or re-election resolutions.

Appropriate background checks are also conduct on senior executives before employment, where deemed necessary.

The Company's current Executive Chairman and Chief Executive Officer, Mr Low, is not considered by the Board to be independent having regard to the relationships set out in Box 2.3 entitled 'Factors relevant to assessing the independence of a director' in the *ASX Corporate Governance Council's Principles and Recommendations 4th Edition*. The Board has regard to the relationships set out in Box 2.3, among other things, together with the Company's materiality thresholds, when forming a view as to the independent status of a Director.

Notwithstanding Recommendation 2.5 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations 4th Edition* (being the requirement for the Chairman of the Company to be an independent director and for the position of Chairman to not be fulfilled by the same person who fulfils the position of Chief Executive Officer), the Board considers that Mr Low's position as Executive Chairman (and Chief Executive Officer) is appropriate given his world-wide experience and specialised understanding of the global manganese industry. The Board believes that Mr Low has the range of skills, knowledge, and experience necessary to effectively govern the Company and understand the industries and market segments in which the Company operates. Mr Low was a founding Director of the Company and has been a major force in its evolution and success. Mr Low has been instrumental in advancing the OMH Group's Malaysian development and operational strategy which represents a unique opportunity for the OMH Group to be an active participant in one of the world's lowest cost and strategically located ferro alloy plants with unparalleled competitive advantages. In particular, Mr Low has proactively sought and secured the Malaysian smelting project's unique competitive advantages including, but not limited to, access to competitively priced long term hydroelectric power supply, identification of coastal industrial land with direct access to dedicated port facilities, geographical proximity to both raw materials and Asian steel mills and tax incentives as well as comprehensive purpose-built industrial infrastructure. The Board believes that there are sufficient internal controls in place to ensure adequate accountability, transparency and effective oversight by the Board such that an appropriate balance of power and authority is exercisable by the Board for objective decision-making in the best interests of the OMH Group. The Board is therefore of the view that given Mr Low's technical, commercial and financial experience and knowledge of the Company, and his continuing contribution to the Board, it is appropriate that he remain in his current position and that it is currently unnecessary to effect a separation of the role of Executive Chairman from that of Chief Executive Officer to facilitate the Company's decision-making and implementation process. Mr Zainul Abidin Rasheed is the independent Deputy Chairman who has regular and direct contact with the Executive Chairman and seeks to ensure in conjunction with the Executive Chairman, that the Board is effective, has the right balance of diversity, skills, experience and independence.

The membership of the Board, together with its activities and composition, are subject to periodic review and renewal. The criteria for determining the identification and appointment of a suitable candidate for the Board includes the quality of the individual, their background of experience and achievement, their compatibility with other Board members, their intellectual ability to contribute to Board duties and their physical ability to undertake Board duties and responsibilities.

The Board believes that renewal is an important responsibility of the Board. The Board recognises the importance of renewal to facilitate new ideas and independent thinking whilst retaining adequate expertise and corporate knowledge. Additionally, as part of its assessment, the Board will review its composition and size, to ensure that it is appropriate to support the effective functioning and decision making ability of the Board and its Committees and remains appropriate for the size, nature, and complexity of the OMH Group's operations located in various international jurisdictions.

Directors are initially appointed by the Board subject to re-election by shareholders at the subsequent Annual General Meeting. Under the Company's Bye-laws, the tenure of Directors (other than the Chief Executive Officer) is subject to re-appointment by shareholders not later than the third anniversary following his/her last appointment by shareholders. Subject to the requirements of the law, the Board does not subscribe to the principle of retirement age and there is no maximum period of service as a Director. A Chief Executive Officer may be appointed for any period and on any terms the Directors think fit and, subject to the terms of any agreement entered into, the Board may revoke that appointment.

CORPORATE GOVERNANCE

1.3 Responsibilities of the Board

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the OMH Group. It is required to do all things that may be necessary to be done in order to carry out the objectives and strategic imperatives of the OMH Group.

Without limiting the authority and role of the Board, the principal functions and responsibilities of the Board include the following:

1. Leadership of the OMH Group - overseeing the OMH Group and establishing codes, policies and protocols that reflect the values of the OMH Group and guide the conduct of the Board, management and employees;
2. Strategy Formulation - working with senior management to set and review the overall strategy and goals for the OMH Group and ensuring that there are policies in place to govern the operations of the OMH Group;
3. Overseeing Planning Activities - overseeing the development of the OMH Group's strategic plans (including operating, capital, exploration and development programmes and initiatives) and approving such plans as well as the annual budget;
4. Shareholder Liaison - ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings of the Company;
5. Monitoring, Compliance and Risk Management - overseeing the OMH Group's risk management, compliance, control and accountability systems and monitoring and directing the operational and financial performance of the OMH Group;
6. OMH Group Finances - approving expenditure in excess of that which falls outside the approved authority matrix, approving expenditure materially outside the annual budget and approving and monitoring acquisitions, divestments and financial and other reporting;
7. Human Resources - appointing, and where appropriate, removing the Chief Executive Officer as well as reviewing the performance of the Chief Executive Officer and monitoring the performance of senior management in their implementation of the OMH Group's strategy;
8. Ensuring the Health, Safety and Well-Being of Employees - in conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of the OMH Group's work health and safety systems to ensure the well-being of all employees; and
9. Delegation of Authority - delegating appropriate powers to the Chief Executive Officer to ensure effective day-to-day management of the OMH Group and establishing and determining the powers and functions of the various Committees of the Board.

Full details of the Board's role and responsibilities are contained in the Board Charter, a summary of which is contained on the Company's website.

1.4 Board Policies

1.4.1 Conflict of Interest
Directors must:

- disclose to the Board any actual or potential conflict of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of the OMH Group; and
- if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove or mitigate any such conflict of interest.

If a Director cannot or is unwilling to remove a conflict of interest then the Director must, in accordance with the requirements of the law, remove himself/herself from the boardroom when discussion in relation to or concerning matters relating to that conflict occur and/or abstain from voting on matters about which the conflict relates.

1.4.2 Commitments
Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company.

1.4.3 Confidentiality
In accordance with legal requirements and agreed ethical standards, the Directors, key executives and all employees of the OMH Group have agreed to keep confidential, information received in the course of the exercise of their duties, and will not disclose non-public information except where disclosure is authorised or legally mandated.

1.4.4 Independent Professional Advice
The Board collectively and, each Director individually, has the right to seek independent legal, accounting or other professional advice at the OMH Group's expense, up to specified limits, to assist it or them (as applicable) in carrying out its or their (as applicable) responsibilities.

1.4.5 Board Access to Information
Subject to the Directors' Conflict of Interest guidelines referred to in Section 1.4.1 above, Directors have direct access to the Company's management and to all Company information in the possession of management.

1.4.6 Related Party Transactions

Related party transactions include any financial transaction between a Director and the OMH Group. Unless there is an exemption under the Companies Act 1981 of Bermuda or any other relevant laws or regulation (including the ASX Listing Rules) from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction.

1.5 Board Meetings

The Executive Chairman (who is also the Chief Executive Officer), in conjunction with the Company Secretary[1], sets the agenda for each meeting of the Board. Any Director may request a matter be included on the agenda.

Typically, at Board Meetings the agenda will include:

- minutes of the previous Board meeting and matters arising;
- the Executive Chairman's/Chief Executive Officer's Report;
- the Group Financial Controllers' Report;
- operating and financial reports from each key business unit;
- reports on major projects and current issues; and
- specific business proposals.

All Directors and Committees of OMH have access to the Company Secretary for advice and services.

The number of meetings of the Directors held in the period each Director held office during the 2022 financial year and the number of meetings attended by each Director were:

Director	Board of Directors' Meetings	
	Held	*Attended*
Low Ngee Tong	4	4
Julie Wolseley	4	4
Tan Peng Chin	4	4
Thomas Teo	1	1
Zainul Abidin Rasheed	4	4
Dato Abdul Hamid Bin Sh Mohamed	4	3
Tan Ming-li	4	4

During the financial year there were four general Directors' meetings for which formal notice of meeting was given.

2. BOARD COMMITTEES

Except for the Committees mentioned in Sections 2.1 and 2.2 below, the Board considers that the affairs of the OMH Group are not sufficiently complex to justify the formation of numerous special Board committees at this time. The Board as a whole is able to address the governance aspects relating to the full scope of the OMH Group's activities and to ensure that it adheres to appropriate ethical standards.

The Board has however established a framework for the management of the OMH Group, including a system of internal controls, a business risk management process and the establishment of appropriate ethical standards.

The Board also holds meetings at such times as may be necessary to address any general or specific matters as required.

If the OMH Group's activities increase in size, scope and nature, the establishment of separate or special Board committees will be considered and implemented, if appropriate.

2.1 Audit Committee

To ensure the integrity of the financial statements of the OMH Group and the independence of the external auditor, an Audit Committee has been formally established by the Board. Prior to 20 May 2022, the Audit Committee comprised of three independent Non-Executive Directors, being Mr Thomas Teo Liang Huat (chairman of the Audit Committee), Ms Julie Wolseley and Dato Abdul Hamid Bin Sh Mohamed. With effect from 20 May 2022, the Audit Committee comprised of two independent Non-Executive Directors, being Dato Abdul Hamid Bin Sh Mohamed (chairman of the Audit Committee), Ms Tan Ming-li and Non-Executive Director Ms Julie Wolseley. All Audit Committee members have sufficient financial expertise and experience to discharge the Audit Committee's mandate.

During the financial year ended 31 December 2022, the Audit Committee held two meetings and all committee members were in attendance.

[1] In accordance with Recommendation 1.4, the company secretary of the Company is directly accountable to the Board, through the Executive Chairman, on all matters to do with the proper functioning of the Board.

The Audit Committee is responsible for reviewing the annual and half-yearly financial statements of the Company and any reports which accompany those financial statements.

The Board, in conjunction with the Audit Committee, considers the appointment of the external auditor and reviews the appointment of the external auditor, their independence, the audit fee and any questions of resignation or dismissal. The Audit Committee also reviews the scope of work of the internal audit function and reviews the internal audit reports tabled by the internal auditors. The Board is responsible for establishing, and ensuring adherence to, policies on risk oversight and management.

The role of the Audit Committee is to assist the Board to meet its oversight responsibilities in relation to the Company's financial reporting, compliance with legal and regulatory requirements, internal control structure and the external audit function.

Key activities undertaken by the Audit Committee include:

- approval of the scope, plan and fees for the external audit;
- reviewing the independence and performance of the external auditor;
- reviewing significant accounting policies and practices;
- appointment of the internal auditor and approving the scope, plan and fees for the internal auditor;
- reviewing OMH Group's half year and annual financial statements; and
- review IA reports.

Members of the Audit Committee and their qualifications are outlined in the Directors' section of the Annual Report.

The Audit Committee Charter is available on the Company's website.

2.2 Remuneration Committee

The Remuneration Committee reviews and makes recommendations to the Board on remuneration policies applicable to executive officers and Directors of the OMH Group. The Remuneration committee comprised of two Independent Non-Executive Directors, being Mr Tan Peng Chin (chairman of the Remuneration Committee), Mr Zainul Abidin Rasheed and Non-Executive Director Ms Julie Wolseley.

A copy of the Remuneration Committee Charter is on the Company's website.

The role of the Remuneration Committee is to assist the Board in reviewing human resources and compensation policies and practices which:

- enable the Company to attract, retain and motivate employees who achieve operational excellence and create value for shareholders; and
- reward employees fairly and responsibly, having regard to the results of the OMH Group, individual performance and general remuneration conditions.

The Remuneration Committee works with the Board on areas such as setting policies for senior officers' remuneration, setting the terms and conditions of employment for the Executive Chairman and the Chief Executive Officer, reviewing superannuation arrangements, reviewing the remuneration of Non-Executive Directors and undertaking an annual review of the Chief Executive Officer's performance.

The OMH Group is committed to remunerating its senior executives in a manner that is market competitive and consistent with best practice as well as supporting the interests of shareholders and will continually review and assess the remuneration structure in place to achieve this in accordance with the Remuneration Charter.

Non-Executive Directors are paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of Non-Executive Directors. The annual aggregate maximum amount of remuneration paid to Non-Executive Directors was last approved by shareholders on 30 May 2019 and is currently A$1,300,000.

During the year ended 31 December 2022, no Remuneration Committees were held. A Remuneration Committee meeting is planned to be held in 2023.

Nomination Committee

The Company does not have a separate nomination committee as the Board as a whole undertakes such duties including the consideration of potential candidates to the Board or other key positions.

The responsibilities of the Board as a whole include devising criteria for Board membership, regularly reviewing the need for various skills and experience on the Board and identifying specific individuals for nomination as Directors for review by the Board. The Board also oversees management succession plans, including the Chief Executive Officer and his direct reports, and evaluates the Board's performance and makes recommendations for the appointment and removal of Directors.

Directors are appointed based on the specific governance skills required by the OMH Group. Given the size of the OMH Group and the businesses that it operates, the OMH Group aims at all times to have at least one Director with substantial experience in the metals trading and mining industries. In addition, the Board should consist of members that have a blend of expertise and professional experience in:

- accounting and financial management;
- legal skills;
- technical skills; and
- in relation to the Executive Chairman (Chief Executive Officer) - business experience and commercial acumen.

Prior to appointing a director or recommending a new candidate for election as a director the Board ensures that appropriate checks are undertaken as to the persons character, experience, education, criminal record and bankruptcy history.

In addition the Board ensures that all material information relevant to a decision on whether or not to elect or re-elect a Director must be provided to security holders in the Notice of Meeting containing the resolution to elect or re-elect a Director. The Board will ensure this material information is included in the Company's 2022 Notice of Annual General Meeting.

3. ETHICAL STANDARDS

The Board acknowledges the need for continued maintenance of the highest standard of corporate governance and ethical conduct by all Directors and employees of the OMH Group.

The Board has adopted a Values Statement which articulates its guiding principles that define how the Company wishes to conduct itself in its relationships with the industry and the communities within which it operates. The Values Statement is disclosed on the Company's website.

The Board actively promotes ethical and responsible decision making aiming to maintain the highest standard of ethical behaviour in business and in all its dealings with customers, clients, shareholders, governments, suppliers, employees and the community.

As a minimum the Board and employees will:

- act within applicable laws;
- act with fairness and respect;
- encourage co-operation and rational debate with a view to achieving shared goals;
- act with courtesy; and
- foster an environment which encourages diversity in all its forms across the OMH Group.

3.1 Code of Ethics and Conduct for Directors and Key Executives

The Board has adopted a Code of Ethics and Conduct for Directors, key executives and all employees to promote ethical and responsible decision-making as per Recommendation 3.1 of the ASX Corporate Governance Council's Principles and Recommendations 4th Edition. This code outlines how the OMH Group expects its Directors, key executives and employees to behave and conduct business in the workplace on a range of issues. The OMH Group is committed to the highest level of integrity and ethical standards in all business practices. Directors and employees must conduct themselves in a manner consistent with current community and corporate standards and in compliance with all applicable legislation. In addition, the Board subscribes to the Statement of Ethical Standards as published by the Australian Institute of Company Directors.

A summary of the Company's Code of Ethics and Conduct is available on the Company's website.

All Directors, key executives and employees are expected to act with the utmost integrity and objectivity, always striving to enhance the reputation and performance of the Company.

3.2 Code of Ethics and Conduct

As noted above, the OMH Group has implemented a Code of Ethics and Conduct, which provides guidelines aimed at maintaining the highest ethical standards, corporate behaviour and accountability at all times within the OMH Group.

All Directors, senior executives and employees are expected to:

- respect the law and act in accordance with it;
- respect confidentiality and not misuse OMH Group information, assets or facilities;
- value and maintain professionalism;
- avoid any real or perceived conflict of interests;
- act in the best interests of shareholders;
- by their actions contribute to the OMH Group's reputation as a good 'corporate citizen' that seeks the respect of the community and environment in which it operates;
- perform their duties in a way that minimises environmental impacts and maximises workplace safety;
- exercise fairness, courtesy, respect, consideration and sensitivity in all dealings within their workplace and with customers, suppliers, community members, indigenous people and the public generally; and
- act with honesty, integrity, decency and responsibility at all times.

An employee that breaches the Code of Ethics and Conduct may face disciplinary action. If an employee suspects that a breach of the Code of Ethics and Conduct has occurred or will occur, he or she must advise that breach to management. No employee will be disadvantaged or prejudiced if he or she reports in good faith a suspected breach. All reports will be acted upon and kept confidential.

As part of its commitment to recognising the legitimate interests of stakeholders, the OMH Group has established the Code of Ethics and Conduct to guide compliance with legal and other obligations to legitimate stakeholders. These stakeholders include employees, customers, government authorities, creditors and the community as whole. This Code includes the following:

Responsibilities to Shareholders and the Financial Community Generally

The OMH Group complies with the spirit as well as the letter of all laws and regulations that govern shareholders' rights. The OMH Group has processes in place to ensure the truthful and factual presentation of the OMH Group's financial position and prepares and maintains its accounts fairly and accurately in accordance with the generally accepted accounting and international financial reporting standards.

Employment Practices

The OMH Group endeavours to provide a safe workplace in which there is equal opportunity for all employees at all levels of the OMH Group. The OMH Group does not tolerate the offering or acceptance of bribes or the misuse of OMH Group assets or resources.

Responsibilities to the Community

As part of the community, the OMH Group:

- is committed to conducting its business in accordance with applicable environmental laws and regulations and encourages all employees to have regard for the environment when carrying out their jobs; and
- encourages all employees to engage in activities beneficial to their local community.

Responsibilities to the Individual

The OMH Group is committed to keeping private information confidential which has been provided by employees and investors and protect such information from uses other than those for which it was provided.

Conflict of Interests

Employees and Directors must avoid conflicts as well as the perception of conflicts between personal interests and the interests of the OMH Group.

How the OMH Group Monitors and Ensures Compliance with its Code

The Board, management and all employees of the OMH Group are committed to implementing this Code of Ethics and Conduct and each individual is accountable for such compliance.

Disciplinary measures may be taken for violating the Code of Ethics and Conduct.

The Board is required to be informed of any material breaches to the Code of Ethics and Conduct.

3.3 Whistleblower Policy

In line with the Code of Ethics and Conduct, the Company has a Whistleblower Policy which has been endorsed by the Board and ensures that persons who make a report in good faith can do so without fear of intimidation, disadvantage or reprisal. The Whistleblower Policy assists to create a culture within the OMH Group that encourages employees to speak up and raise concerns regarding breaches of internal rules or policy, or conduct that is illegal, unacceptable or undesirable, or concealment of such conduct relating to the Company, its subsidiaries, Directors, officers, and employees. It encourages the reporting of behaviour that may result in financial or non-financial loss, or reputational damage to the Company and plays a key role in detecting reportable conduct and maintaining good corporate governance.

The Whistleblower Policy complies with Recommendation 3.3 of the ASX Corporate Governance Council.

Subject to the confidentiality obligations, the Whistleblower protection officer must provide the Board a report on a quarterly basis of any active whistleblower matters.

4. DIVERSITY

The OMH Group recognises the value contributed to the group's operations by employing people with varying skills, cultural backgrounds, ethnicity and experience. The OMH Group's diverse workforce is the key to continued growth, improved productivity and performance. The OMH Group actively values and embraces the diversity of its employees and is committed to creating an inclusive workplace where everyone is treated equally and fairly, and where discrimination, harassment and inequality are not tolerated.

Whilst the Company has not stated measurable objectives for achieving gender diversity it is committed to workplace diversity and to ensuring that a diverse mix of skills and talent exists amongst its Directors, officers and employees to enhance Company performance. The Board has adopted a Diversity Policy which addresses equal opportunities in the hiring, training and career advancement of Directors, officers and employees. The Diversity Policy outlines the strategies and processes according to which the Board will set measurable objectives to achieve the aims of its Diversity Policy, with particular focus on gender diversity within the Company and representation of indigenous individuals. The Board is responsible for monitoring Company performance in meeting the Diversity Policy requirements, including the achievement of diversity objectives.

Information relating to the total current representation of women employees in the OMH Group, including those women employees holding senior executive positions and those women employees on the Board as at 31 December 2022 was follows:

	Number of Women	%
Board of Directors	2	33.3%
Senior Executives[2]	4	25.0%
Total OMH Group employees	346	17.3%

A copy of the Company's Diversity Policy is available on the Company's website.

4.1 Measurable Objectives

The Board has not set measurable objectives specifically for the financial year ended 31 December 2022. It does however continually review the diversity within its workforce and as reported above does have a culturally diverse and gender diverse workforce with operations in Australia, Malaysia, China and Singapore.

Certain of the Objectives and Outcomes reviewed by the Board are outlined below

Objective	Outcome
Review and amend where appropriate the Diversity Policy	The Board has reviewed OMH's Committee Charters and other policies to reflect the objectives of the Diversity Policy.
Undertake a gender general assessment of the current diversity levels within the OMH Group operations and across jurisdictions.	The OMH Group undertakes reviews through its human resources departments at its operations to establish gender mix and cultural backgrounds.
Establish procedures to track the gender mix of the OMH Group over time	The OMH Group has compiled a summary of employees including gender and cultural diversity and will continue to do so.
Structure recruitment and selection processes to recognise the value of diversity.	The OMH Group is continually reviewing its practices.
Have clear and transparent governance process around reward and recognition.	The OMH Group has a Remuneration Charter which encourages rewards to be transparent.

5. KEY MANAGEMENT PERSONNEL DEALING IN COMPANY SHARES

The Company has a formal trading policy relating to the trading of securities by key management personnel (including Directors) of the Company which complies with ASX Listing Rule 12.12. A copy of the Company's Securities Trading Policy is available on the Company's website.

6. DISCLOSURE OF INFORMATION

6.1 Continuous Disclosure to ASX

The Company has a formal Continuous Disclosure and Information Policy as required by Recommendation 5.1 of the *ASX Corporate Governance Council's Principles and Recommendations 4th Edition*. This policy was introduced to ensure that the Company achieves best practice in complying with its continuous disclosure obligations under the ASX Listing Rules and also to ensure that the Company and individual officers do not contravene the ASX Listing Rules.

The Company is committed to ensuring that shareholders and the market are provided with equal and timely access to material information concerning the Company (including of its financial position, performance, ownership and governance), and that all stakeholders have equal opportunity to receive externally available information issued by the Company.

The Chief Executive Officer is responsible for interpreting and monitoring the Company's disclosure policy and, where necessary, informing the Board. The Company Secretary has been nominated as the person responsible for communications with the ASX.

[2] A Senior Executive of the OMH Group is a person having the authority and responsibility for planning, directing and controlling the activities of the entity.

The Continuous Disclosure Policy requires all executives and Directors to inform the Chief Executive Officer (or, in his absence, the Company Secretary) of any potentially material information as soon as practicable after they become aware of that information.

Information is material if it is likely that the information is market sensitive information, such as would influence investors who commonly acquire securities on ASX and/or Bursa Malaysia in deciding whether to buy, sell or hold the Company's securities, or would otherwise have a material effect on the price or value of the Company's securities.

The Company Secretary ensures that all Board members receive copies of all market announcements promptly after they have been made. Continuous disclosure is discussed at all regular board meetings and on an ongoing basis the Board ensures that all activities are reviewed to assess the need for disclosure to the market.

All substantive investor or analyst presentations by the Company are released via the ASX Market Announcements Platform and Bursa Malaysia announcements platform before the commencement of the relevant presentation.

All information disclosed to the ASX is posted on the Company's website as soon as it is disclosed to the ASX and released to the market by the ASX. The Company's website also includes a "Corporate Governance" landing page that discloses all relevant corporate governance information, including policies and procedures.

6.2 Communication with Shareholders

The Company places considerable importance on effective communication with shareholders and has adopted a Shareholder Communications Strategy which sets out the OMH Group's commitment to effectively communicating with shareholders. A copy of the Shareholder Communications Strategy is available on the Company's website. Directors recognise that shareholders, as the ultimate owners of the Company, are entitled to receive timely and relevant high quality information about their investment. Similarly, prospective new investors are entitled to be able to make informed investment decisions when considering the purchase of the Company's shares.

The Company aims to communicate with shareholders and other stakeholders in an open, regular and timely manner so that the market has sufficient information to make informed investment decisions on the operations and results of the OMH Group. The strategy provides for the use of internal processes and protocols that ensures a regular and timely release of information about the OMH Group is provided to shareholders.

OMH Group's Continuous Disclosure Policy encourages effective communication with its shareholders by requiring:

- the timely and full disclosure of material information about the OMH Group's activities in accordance with the disclosure requirements contained in the ASX Listing Rules;
- that all information released to ASX also be released to Bursa Malaysia;
- that all information released to the market be placed on the Company's website following release;
- that the Company's market announcements be maintained on the Company's website for at least three years; and
- that all disclosures, including notices of meetings and other shareholder communications, are drafted clearly and concisely.

The Board encourages full participation of Shareholders at annual general meetings to ensure a high level of accountability and understanding of the OMH Group's strategy and goals. Copies of the addresses by the Executive Chairman are disclosed to the market and posted to the Company's website. The meetings are conducted to allow questions and feedback to the Board. All shareholder meeting documents are in English and all Directors can understand and speak English.

OMH's practice at all security holder meetings, including the Annual General Meeting, is that all resolutions are decided by a poll rather than by a show of hands.

Despite the Company being foreign incorporated in Bermuda, it has in the past and will continue to do so in the future hold its Annual General Meetings in Australia or Singapore (or at a suitable alternative country where its operations are located) so as to enable as many shareholders to attend. Despite prevailing COVID-19 restrictions the 2022 Annual General Meeting was held physically in Perth, Western Australia. The 2023 Annual General Meeting will be held physically in Kuala Lumpur, Malaysia.

Furthermore, the Company's external auditor attends the Company's annual general meeting to answer shareholder questions about the conduct of the audit, the preparation and content of the audit report, the accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit. The amount of fees paid to the external auditors is provided in a note to the financial statements.

The Company's significant briefings with major institutional investors and analysts are lodged with the ASX and Bursa Malaysia and are made available on the Company's website.

The Company aims to promote effective communication to and from shareholders. Members are encouraged to register with the Company's share registry whether that be in Australia or Malaysia to receive formal notices and material electronically and to communicate electronically. The Company operates an investor relations department.

7. RISK MANAGEMENT

7.1 Approach to Risk Management and Internal Control

The Board recognises that risk management and internal compliance and control are key elements of good corporate governance.

The OMH Group's Risk and Internal Control policy describes the manner in which the Company:

- identifies, assesses, monitors and manages business and operational risks;
- identifies material changes to the Company's risk profile; and
- designs, implements and monitors the effectiveness of the internal compliance and control framework.

The Company considers that effective risk management is about achieving a balanced approach to risk and reward. Risk management enables the Company to capitalise on potential opportunities while mitigating potential adverse effects. Both mitigation and optimisation strategies are considered equally important in risk management.

The Board monitors the adequacy of its risk management framework annually to ensure that it continues to be sound and deals adequately with contemporary and emerging risks and that the OMH Group is operating with due regard to the risk appetite set by the Board and discloses that reviews have taken place at the end of each reporting period. Members of the Board have an extensive range of experience in exploration, mining, smelting, trading, human resource and capital management, legal, finance, financial reporting, corporate strategy and governance across a range of industries to apply to the risk evaluation process.

7.2 Risk Management Roles and Responsibilities

The Company does not have a risk committee. The Board has decided that no efficiencies will be achieved by establishing a separate risk committee. The full Board is responsible for reviewing and approving the Company's risk management strategy, policy and key risk parameters, including determining the OMH Group's appetite for country specific risk and major investment decisions.

The Board is also responsible for satisfying itself that management has developed and implemented a sound system of risk management and internal control. Rather than separately constituting an additional committee of the Board, the Board has delegated oversight of the risk and internal control policy, including review of the effectiveness of the OMH Group's internal control framework and risk management process, to the key executive management team in conjunction with the Board. The Board considers this structure to be the most effective means of (i) managing the various risks that are relevant to the OMH Group and (ii) monitoring the OMH Group's compliance with the Risk and Internal Control policy.

Management is responsible for designing, implementing, reviewing and providing assurance as to the effectiveness of the risk and internal control policy. This responsibility includes developing business risk identification, implementing appropriate risk mitigation strategies and controls, monitoring effectiveness of controls and reporting on risk management capability.

Each business unit reports annually to the Board on its business plan, risk profile and management of risk.

The Board is responsible for the oversight of the OMH Group's risk management and control framework. Responsibility for control and risk management is delegated to the appropriate level of management within the OMH Group with the Chief Executive Officer (with the support of the OMH Group's most senior financial executives) having ultimate responsibility to the Board for the risk management and control framework.

Risk management is reviewed at Board meetings and risk management culture is encouraged amongst employees and contractors.

7.3 Internal Audit

Since 2009, BDO LLP has been engaged to provide internal audit services to the OMH Group. The internal audit function is tendered every two years.

The internal audit function is independent of both business management and of the activities it reviews. Internal audit provides assurance that the design and operation of the OMH Group's risk management and internal control systems are effective. A risk-based audit approach is used to ensure that the higher risk activities in each business unit are targeted by the internal audit program. All audits are conducted in a manner that conforms to international auditing standards. The assigned internal audit team has all the necessary access to OMH Group management and information. The Audit Committee oversees and monitors the internal auditor's activities. It approves the annual audit program and receives reports from the internal auditor concerning the effectiveness of internal control and risk management. The Audit Committee members have access to the internal auditors without the presence of other management. The internal auditor has unfettered access to the Audit Committee and its Chairman.

Internal audit and external audit are separate and independent of each other.

7.4 Integrity of Financial Reporting

Each year, the OMH Group's Executive Chairman/Chief Executive Officer and Group Financial Controller report in writing to the Board that:

- the financial statements of the OMH Group for each half and full year present a true and fair view, in all material aspects, of the OMH Group's financial condition and results and are in accordance with accounting standards;
- the above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- the OMH Group's risk management and internal compliance and control framework is operating efficiently and effectively in all material respects.

The Board confirms that such a report was provided by the Executive Chairman and Group Financial Controller for the 2022 financial year.

The Company provides interim (currently quarterly) updates of the OMH Group's progress across all areas of its operations. The Executive Chairman and the OMH senior management team are responsible for all such updates, which are reviewed by the Board. Individual components are also reviewed by senior management with responsibility for the specific component subject matter.

7.5 Role of External Auditor

The OMH Group's practice is to invite the external auditor to attend each annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

The Board (i) ensures that the appointment of the external auditor is limited in scope so as to maintain the independence of the external auditor; and (ii) assesses, on a case by case basis, whether the provision of any non-audit services by the external auditor that may be proposed, is appropriate.

The services considered unacceptable for provision by the external auditor include:

- internal audit;
- acquisition accounting due diligence where the external auditor is also the auditor of the other party;
- transactional support for acquisitions or divestments where the external auditor is also the auditor of the other party;
- book-keeping and financial reporting activities to the extent such activities require decision-making ability and/or posting entries to the ledger;
- the design, implementation, operation or supervision of information systems and provision of systems integration services;
- independent expert reports;
- financial risk management; and
- taxation planning and taxation transaction advice.

It is a requirement that there is a rotation of the external audit partner at least every five years and there is a prohibition in relation to the re-involvement of a previous audit partner in the audit service for two years following rotation.

7.6 Periodic Corporate Reports

From time to time, OMH releases periodic corporate reports which are not subject to review or audit by OMH's external auditors. An example in OMH's case is the Quarterly Market Update Reports. Where a periodic report is not subject to review/audit, OMH ensures it employs processes which minimise the chance of error in the report. The processes adopted depend to some extent on the nature of the report being issued. Generally, this involves engaging with relevant internal stakeholders throughout the report generation process from start to finish, culminating in internal sign-off by relevant stakeholders that the portion of the report to which they have contributed is accurate.

All periodic reports are also subject to approval from the Board before release and this approval process includes confirmation from management to the Directors that the relevant report has been reviewed and is accurate.

7.7 Economic, Environmental and Social Sustainability Risks

The OMH Group undertakes mining, smelting and marketing and trading operations in varying jurisdictions and, as such, faces risks inherent to its businesses, including financing and economic, environmental and social sustainability risks, which may materially impact the OMH Group's ability to create or preserve value for security holders over the short, medium or long term.

The OMH Group believes that long-term success hinges on sustainable development that benefits the business, stakeholders and the environment. To this end, each business unit has adopted a policy of responsible, proactive environmental management and will work to ensure compliance with relevant legislative obligations during its exploration and development activity. The OMH Group is committed to delivering favourable results for shareholders while at the same time ensuring that its economic success is balanced alongside its environmental and social responsibilities.

The OMH Group appreciates the importance of community consultation and facilitates the involvement and awareness of relevant communities and their representatives when undertaking any exploration or development activity. Through a proactive policy of self-regulation, legislative compliance and community involvement, the OMH Group is working hard to deliver on its short and long-term business objectives while ensuring that relevant social and environmental considerations are included as part of any decision-making process.

The OMH Group will continue its policy of sustainable development in the interests of meeting the expectations of its shareholders without compromising the health or vitality of both the natural and social environment.

The OMH Group prepares and publishes a Sustainability Statement in its Annual Report and on its website.

The Company has adopted an Environmental Policy, a Human Rights Policy and a Community Relations Policy, to assist with monitoring environmental and social sustainability risks. The Company is committed to respecting Human Rights throughout the countries in which it operates and to ensuring that sound environmental management and safety practices are carried out in its operational activities. Resources have been focussed on establishing and maintaining a culture of best practice through the implementation of Occupational Health and Safety Plans and Environmental Management Plans at each of the key OMH Group operations.

7.8 Anti-Bribery and Corruption

Bribery and corruption have a serious impact on the social, economic and political environment of many countries. The effects of bribery and corruption impact both individuals and businesses in the world's poorest countries. The Company is committed to the fight against bribery and corruption and expects all of its employees and representatives to comply with both the letter and spirit of the laws that govern OMH Group's operations in Australia, Malaysia, China and Singapore.

The Company has adopted an Anti-Bribery and Corruption Standard Policy in compliance with Recommendation 3.4 of the ASX Corporate Governance Council. The Policy provides an overview of requirements arising from Foreign Bribery Laws and the various laws prohibiting fraudulent and corrupt behaviour generally. This Policy is intended to be a common sense manual to enable OMH employees and representatives to understand and comply with their obligations under these laws.

The Company is committed to ensuring that its corporate culture, in all of its offices and operations worldwide, discourages fraudulent and corrupt conduct. Notwithstanding laws to the contrary, the fact that bribery and corruption may be tolerated or encouraged in some of the countries in which OMH operates does not affect a commitment to best business practice.

Subject to confidentiality obligations, the reporting of any such incidents must occur annually to the Board and half yearly to the Audit Committee. Otherwise if material or potentially involves a breach of any law, then the matter will be immediately referred to the Chairman of the Audit Committee.

The Company's Anti-Bribery and Corruption Policy can be found on the Company's website.

8. ENCOURAGE ENHANCED PERFORMANCE

Board and management effectiveness are dealt with on a continuous basis by management and the Board, with differing degrees of involvement from various Directors and management, depending upon the nature of the matter.

The Board aims to periodically evaluate its performance and the performance of its Committees and individual directors to determine whether or not it is functioning effectively by reference to the Board Charter and current best practice. Given the COVID-19 pandemic the Board did not conduct a formal review or self-evaluation process, during the 2022 financial year. However, an annual review was undertaken in relation to the composition and skills mix of the Directors.

The performance of all Directors is reviewed by the Executive Chairman on an ongoing basis and any Director whose performance is considered unsatisfactory may be asked to retire. The Executive Chairman's performance is reviewed by the other Board members.

The Company has established firm guidelines to identify the measurable and qualitative indicators of the Director's performance during the course of the year. Those guidelines include:

- attendance at all Board meetings. Missing more than three consecutive meetings without reasonable excuse will result in that Director's position being reviewed; and
- attendance at the Company's shareholder meetings. Non-attendance without reasonable excuse will result in that Director's position being reviewed.

The performance of each Director retiring at the next annual general meeting is taken into account by the Board in determining whether or not the Board should support the re-election of each such Director. Board support for a Director's re-election is not automatic and is subject to satisfactory Director performance.

Arrangements put in place by the Board to monitor the performance of the OMH Group's Executive Directors and senior executives include:

- a review by the Board of the OMH Group's financial performance;
- annual performance appraisal meetings incorporating analysis of key performance indicators with each individual; and
- regular reporting from the Chief Executive Officer which monitors the performance of the Company's executives to ensure that the level of reward is aligned with respective responsibilities and individual contributions made to the success of the OMH Group.

The Remuneration Committee reviews and makes recommendations to the Board on the criteria for and the evaluation of the performance of the Executive Chairman and the Chief Executive Officer.

The Board confirms that a formal review was not conducted in 2022 but is planned for 2023 in accordance with these arrangements, in relation to the performance of the Company's Executive Directors and senior management during the 2022 financial year.

All senior Executives and Directors are encouraged to attend professional education courses relevant to their roles.

Executive Remuneration Policy

The OMH Group's remuneration policy aims to reward executives fairly and responsibly in accordance with the international market for executives and ensure that the Company:

- provides competitive rewards that attract, retain and motivate executives of the highest calibre;
- sets demanding levels of performance which are clearly linked to an executive's remuneration;
- structures remuneration at a level that reflects the executive's duties and accountabilities and is, where required, competitive within Australia and, for certain roles, internationally;
- benchmarks remuneration against appropriate comparable groups;
- aligns executive incentive rewards with the creation of value for shareholders; and
- complies with applicable legal requirements and appropriate standards of governance.

Executive remuneration is reviewed annually having regard to individual and business performance (compared against agreed financial and non-financial performance measures set at the start of the year), relevant comparative information and expert advice from both internal and independent external sources.

Remuneration consists of the following key elements:

- fixed remuneration (which includes base salary, superannuation contributions or equivalents and other allowances such as motor vehicle and health insurance); and
- variable annual reward (related to the Company's and/or individual performance dictated by benchmark criteria).

The operational targets for the Executive Directors and senior executives consist of a number of key performance indicators including safety, production, operating expenditure, return on shareholders' funds, enhancing corporate credibility and creation of value for shareholders.

At the end of the calendar year the Board assesses the actual performance of the consolidated entity and an individual against the key performance indicators previously set. Any cash incentives (including bonuses) and/or options granted require Board approval. Options proposed to be granted to any Directors also require shareholder approval. The entry into hedging arrangements in respect of any unvested incentive securities is not permitted.

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced Directors. The Board seeks independent advice on the appropriateness of remuneration packages, given trends in comparative companies both locally and internationally. Remuneration packages include fixed remuneration with bonuses or equity-based remuneration entirely at the discretion of the Board based on the performance of the OMH Group.

As OMH is incorporated in Bermuda, it is not required to disclose the nature and amount of remuneration for each Director. However, in the interests of good corporate governance, the following table provides the remuneration details of all Directors of the Company (and the nature and amount of their remuneration) for the year ended 31 December 2022.

	Primary			Post Employment	
Director	**Base Remuneration**	**Directors Fees**	**Performance Bonus**	**Defined Contributions**	**Total**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Low Ngee Tong[(i)]	943	-	1,458[(viii)]	6	2,407
Zainul Abidin Rasheed[(ii)]	-	90	-	-	90
Julie Wolseley[(iii)]	-	118[(ix)]	-	-	118
Tan Peng Chin[(iv)]	-	83	-	-	83
Thomas Teo[(v)]	-	42	-	-	42
Dato Abdul Hamid Bin Sh Mohamed[(vi)]	-	83	-	-	83
Tan Ming-li[(vii)]	-	83	-	-	83

	943	**499**	**1,458**	**6**	**2,906**

(i) Mr Low Ngee Tong has been the Executive Chairman since October 2008 (and was subsequently appointed as Chief Executive Officer).
(ii) Mr Zainul Abidin Rasheed was first appointed as a Director on 3 October 2011.
(iii) Ms Julie Wolseley was first appointed as a Director on 24 February 2005.
(iv) Mr Tan Peng Chin was first appointed as a Director on 14 September 2007.
(v) Mr Thomas Teo Liang Huat was first appointed as a Director on 17 July 2008 and restired as at 20 May 2022
(vi) Dato Hamid was first appointed as a Director on 10 May 2021.
(vii) Ms Tan Ming-li was first appointed as a Director on 10 May 2021.
(viii) Inclusive of US$1,458,000 for profit sharing for 2022 that has been accrued and is expected to be paid in 2023.
(ix) Inclusive of director's fee of US$35,000 paid to Directors who are non-executive directors of OMM

The Non-Executive Directors of the Company do not earn additional fees for undertaking their respective duties on the Audit Committee and Remuneration Committee.

9. RECOGNISE THE LEGITIMATE INTERESTS OF STAKEHOLDERS

The Company has introduced a formal Privacy Policy. The Company is committed to respecting the privacy of stakeholders' personal information. This Privacy Policy sets out the Company's personal information management practices and covers the application of privacy laws, personal information collection, the use and disclosure of personal information, accessing and updating stakeholders' information and the security of stakeholders' information.

Other than the introduction of a formal Privacy Policy, the Board has not adopted any other additional formal codes of conduct to guide compliance with legal and other obligations to legitimate stakeholders, as it considers, in the context of the size and nature of the Company, that it would not improve the present modus operandi.

As at 31 December 2022, the Company complied in all material respects with each of the Corporate Governance Principles and the corresponding Recommendations as published by the ASX Corporate Governance Council except as noted below:

As the Company's activities increase in size, scope and/or nature, the Company's corporate governance principles will continue to be reviewed by the Board and amended as appropriate.

Recommendation Reference	Notification of Departure	Explanation for Departure
1.5	Disclose the measurable objectives for achieving gender diversity	The Diversity Policy outlines the strategies and process according to which the Board will set measurable objectives to achieve the aims of its Diversity Policy, with particular focus on gender diversity within the Company and representation from indigenous communities. The Board did not set measurable gender diversity objectives for the past financial year because the Board considered the application of a measurable gender diversity objective requiring a specified proportion of women on the Board and in senior executive roles would, given the relative size of the Company and the Board, unduly limit the Company from applying the Diversity Policy as a whole and the Company's policy of appointing based on skills and merit. The Board is committed to appointing the best person into any position. The Company also builds strong relationships with its Indigenous communities and has training and employment programs in place to encourage greater participation in the Company's workforce. The Board is responsible for monitoring Company performance in meeting the Diversity Policy requirements, including the achievement of diversity objectives. The Board may establish appropriate measurable objectives and to report progress against them in future Annual Reports.
1.6 and 1.7	Disclose whether a performance evaluation of the Board and Senior Executives has been undertaken	A formal performance evaluation process of the Board and Senior Executives was not performed in 2022 but is planned for 2023. The Executive Chairman does however informally review the composition of the Board and its committees and does where required meet with individual Board members.

CORPORATE GOVERNANCE

Recommendation Reference	Notification of Departure	Explanation for Departure
2.1	A separate Nomination Committee should be established	The Board of the Company has not formed a separate nomination committee. The Board as a whole undertakes the process of reviewing the skill base and experience of existing Directors to enable identification of the attributes required in new Directors. The Board has decided that no efficiencies will be achieved by establishing a separate nomination committee. Where appropriate, independent consultants are engaged to identify possible new candidates for the Board. The Board ensures that prior to appointing a director or recommending a new candidate for election as a director that appropriate checks are undertaken as to the persons character, experience, education, criminal record and bankruptcy history.
2.5	The chair should be an independent director and should not be the same person as the Chief Executive Officer	The Company's current Executive Chairman and Chief Executive Officer, Mr Low, is not considered by the Board to be independent in the light of the factors outlined in Box 2.5 of the ASX Corporate Governance Council's Principles and Recommendations 4th Edition which indicate when a director may not be considered to be an independent director. Refer Section 1.2 of the Corporate Governance Statement. However the Board considers that Mr Low's position as both Executive Chairman and CEO is appropriate given his world-wide experience and specialised understanding of the global manganese industry. Furthermore, the Board believes that Mr Low has the range of skills, knowledge, and experience necessary to effectively govern the Company and to understand the economic sectors in which the Company operates. In addition, it should be noted that Mr Low is a substantial and longstanding shareholder of the Company and, as such, is able to clearly identify with the interests of shareholders as a whole. Mr Low was instrumental in the formation of the Company and has for over 25 years overseen its rapid growth and success. The dual role of Mr Low is balanced by the Deputy Chairman Mr Zainul Abidin Rasheed who is an independent Non-Executive Director. In this role Mr Zainul chairs the discussions of the Non-Executive Directors. The Board believes that there are sufficient internal controls in place to ensure adequate accountability, transparency and effective oversight by the Board such that an appropriate balance of power and authority is exercisable by the Board for objective decision-making in the best interests of the OMH Group. Accordingly Mr Low is the best person to undertake the Executive Chairman role and the Board does not believe it is necessary at this stage to appoint an independent chair of the Board.
2.6	A listed entity should have a program for inducting new directors	The Company does not consider it necessary, in the light of the size of the Board and the relatively low turn-over of Directors, to have a separate formal induction program for new Directors. All new Directors are given sufficient support from the Board in order to familiarise themselves with the Company and its governance protocols as well as being adequately briefed about the OMH Group's activities, strategies and actual and budgeted financial positions. All new Directors are appointed through a written agreement with the Company that sets out all their duties, rights and responsibilities. New Directors are also provided with the Board Meeting schedule and have the opportunity to visit the operations each year on a rotational basis as part of the familiarisation process.

Recommendation Reference	Notification of Departure	Explanation for Departure
7.1	The board of a listed entity should have a committee or committees to oversee risk.	Rather than separately constituting an additional committee of the Board, the entire Board has delegated oversight of the risk and internal control policy, including review of the effectiveness of OMH's internal control framework and risk management process, to the key executive management team in conjunction with the Board. The Board considers this structure to be the most effective means of (i) managing the various risks that are relevant to the OMH Group and (ii) monitoring the OMH Group's compliance with the Risk and Internal Control policy. In addition from a Board perspective the following processes occur to oversee the entity's risk management framework: • 'Risk' is a standing agenda item at each monthly Board meeting; and • Prior to the approval of the Company's statutory financial statements, the Audit Committee has the opportunity to meet with the Company's auditors as appropriate. The Company is committed to the identification, monitoring and management of material business risks of its activities via its risk management framework which includes health and safety, environmental governance, community, operational risk management, business risk management and legal and regulatory compliance.
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	The Company does not currently have an equity-based remuneration scheme in operation and this recommendation is therefore not applicable.

Approved by the Board 18 April 2023.

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of OM Holdings Limited ("the Company") and its subsidiaries (collectively, the "Group") for the financial year ended 31 December 2022 and the statement of financial position of the Company as at 31 December 2022.

In the opinion of the Directors,

(a) the consolidated financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has on the date of this statement, authorised these financial statements for issue.

Names of Directors
The Directors of the Company in office at the date of this statement were:

Low Ngee Tong	(Executive Chairman and Chief Executive Officer)
Zainul Abidin Rasheed	(Independent Deputy Chairman)
Julie Anne Wolseley	(Non-Executive Director and Joint Company Secretary)
Tan Peng Chin	(Independent Non-Executive Director)
Dato' Abdul Hamid Bin Sh Mohamed	(Independent Non-Executive Director)
Tan Ming-li	(Independent Non-Executive Director)

In accordance with Bye-law 88(1) of the Company's Bye-laws, one-third of the Directors (excluding the Chief Executive Officer) retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

Arrangements to enable Directors to acquire shares or debentures
Other than as disclosed in the financial statements, during and at the end of the financial year, neither the Company nor any of its subsidiaries was a party to any arrangement of which the object was to enable the Directors to acquire benefits through the acquisition of shares in or debentures of the Company or any other corporate body.

Directors' interests in shares
None of the Directors who held office at the end of the financial year had any interests in the shares of the Company or its related corporation, except as follows:

	Holdings registered in the name of director or nominee		Holdings in which director is deemed to have an interest	
	As at 1.1.2022	**As at 31.12.2022**	As at 1.1.2022	**As at 31.12.2022**
The Company -				
	Number of ordinary shares fully paid			
Low Ngee Tong	68,110,631	**68,861,231**	–	**–**
Julie Anne Wolseley	5,562,002	**5,562,002**	–	**–**
Tan Peng Chin	[1] 2,035,200	**[1] 2,035,200**	–	**–**

Note:
[1] 2,035,200 (2021 - 2,035,200) shares are held by bank brokerage firms on behalf of Mr Tan Peng Chin.

Shares Options
No options were granted during the financial year to take up unissued shares of the Company or any corporation in the Group.

No shares of the Company or any corporation in the Group were issued during the financial year by virtue of the exercise of options.

There were no unissued shares of the Company or any corporation in the Group under option at the end of the financial year.

Audit Committee
The Audit Committee at the end of the financial year comprised the following members:

Dato' Abdul Hamid Bin Sh Mohamed (Chairman)
Julie Anne Wolseley
Tan Ming-li

The Audit Committee performs the functions set out in the Audit Committee Charter available on the Company's website. The Company has also considered the fourth edition of the Corporate Governance Principles and Recommendations with relevant amendments developed by the ASX Corporate Governance Council. In performing those functions, the Audit Committee has reviewed the following:

i. overall scope of both the internal and external audits and the assistance given by the Company's officers to the auditors. It has met with the Company's internal and external auditors to discuss the results of their respective examinations and their evaluations of the Company's system of internal accounting controls;

ii. the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit; and

iii. the half-yearly financial information and the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2022 as well as the auditor's report thereon.

Audit Committee (Cont'd)
The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any Director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditor and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditor and has recommended to the Board of Directors that the auditor, Foo Kon Tan LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

Independent auditor
The independent auditor, Foo Kon Tan LLP, Public Accountants and Chartered Accountants, has expressed its willingness to accept the re-appointment.

On behalf of the Directors

LOW NGEE TONG
Executive Chairman and Chief Executive Officer

Dated: 17 March 2023

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of OM Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Company and the Group as at 31 December 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the International Financial Reporting Standards (IFRSs) so as to give a true and fair view of the financial position of the Company and the consolidated financial position of the Group as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Professional Conduct and Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter:	**Risk**:	**Our response and work performed:**
Impairment of non-financial assets	The Group's non-financial assets comprise property, plant and equipment, land use rights, exploration and evaluation costs, mine development costs and right-of-use assets amounted to US$460.4 million as at 31 December 2022. Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is based on certain key assumptions, such as cash flow projections covering a five-year period and the budgeted gross margin, the perpetual growth rate and discount rate per cash generating unit (CGU). A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. These assumptions which are determined by management are judgmental. In determining appropriate CGU level, the Group has considered whether there are: active markets for intermediate products; external users of the processing assets; mining or smelting operations through the use of shared infrastructure; stand-alone mines or smelting plants operated on a portfolio basis. Significant judgement is required by management to determine whether multiple assets should be grouped to form a CGU. Due to the uncertain global economic environment, there are higher inherent risks relating to the impairment of the Group's non-financial assets.	Our audit procedures included among others, assessing appropriateness of CGUs identified by management, evaluating management's assessment for impairment indications, reviewing the valuation model and assumptions used, and challenging management's assumptions in our evaluation of the model. We evaluated whether there had been significant changes in the external and internal factors considered by the Group in assessing whether indicators of impairment exist. In the assessment of impairment, the Group takes into account the indicative open market prices of the finished products from independent experts and publication reports, and uses inputs, such as market growth rate, weighted average cost of capital and other factors, typical of similar mining and smelting industries. Senior management has applied its knowledge of the business in its regular review of these estimates. We also focused on the adequacy of disclosures about key assumptions and sensitivities. The disclosures about the Group's property, plant and equipment, land use rights, exploration and evaluation costs, mine development costs and right-of-use assets are included in Notes 4, 5, 6, 7 and 9 to the financial statements respectively.

Key Audit Matters (Cont'd)

Key audit matter:	Risk:	Our response and work performed:
Recognition of deferred tax assets	The Group recognised deferred tax assets based upon unutilised tax losses and other temporary differences. The Group exercised its judgement to determine the amount of deferred tax assets that can be recognised, to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. As at 31 December 2022, the Group recognised deferred tax assets and deferred tax liabilities of US$12.6 million and US$18.4 million respectively. In addition, the Group has no unrecorded deferred tax assets as at 31 December 2022.	Our audit procedures included among others, review of the component auditors' audit working papers to understand the local tax regulations and their work performed on the recognition of deferred tax assets. We have also assessed the profit forecast to evaluate the reasonableness of the recognition of deferred tax assets. We discussed with the Group's key management and considered their views on the Group's recoverability of deferred tax assets, to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilised. We also focused on the adequacy of disclosures about key assumptions and sensitivities. The disclosures about the Group's deferred tax assets and liabilities are included in Note 10 to the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report. The annual report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with ISAs.

Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The responsibilities of those charged with governance include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mr Ho Teik Tiong.

FooKonTanLLP

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore,
17 March 2023

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

		The Company			The Group		
	Note	**31 December 2022 US$'000**	31 December 2021 US$'000	1 January 2021 US$'000	**31 December 2022 US$'000**	31 December 2021 US$'000	1 January 2021 US$'000
Assets							
Non-Current							
Property, plant and equipment	4	**-**	-	-	**445,556**	443,975	472,894
Land use rights	5	**-**	-	-	**6,533**	6,755	6,872
Exploration and evaluation costs	6	**-**	-	-	**2,255**	2,142	1,791
Mine development costs	7	**-**	-	-	**1,878**	1,951	12,882
Investment property	8	**-**	-	-	**427**	434	442
Right-of-use assets	9	**-**	-	-	**4,163**	5,858	1,535
Deferred tax assets	10	**-**	-	-	**12,578**	13,408	10,621
Interests in subsidiaries	11	**102,532**	104,245	109,460	**-**	-	-
Interests in associates	12	**-**	-	-	**80,875**	86,572	97,686
Other investment		**-**	-	-	**-**	-	1,454
		102,532	104,245	109,460	**554,265**	561,095	606,177
Current							
Inventories	13	**-**	-	-	**235,415**	256,376	166,602
Trade and other receivables	14	**6,380**	6,833	9,668	**31,783**	40,900	48,519
Capitalised contract costs	15	**-**	-	-	**538**	1,077	1,429
Prepayments		**1**	91	68	**1,620**	2,664	2,718
Cash and bank balances	16	**24**	32	32	**62,383**	81,524	48,560
		6,405	6,956	9,768	**331,739**	382,541	267,828
Total assets		**108,937**	111,201	119,228	**886,004**	943,636	874,005
Equity							
Capital and Reserves							
Share capital	17	**32,035**	32,035	32,035	**32,035**	32,035	32,035
Treasury shares	18	**(2,058)**	(2,058)	(2,058)	**(2,058)**	(2,058)	(2,058)
Reserves	19	**14,271**	31,831	33,880	**366,133**	338,009	279,288
		44,248	61,808	63,857	**396,110**	367,986	309,265
Non-controlling interests		**-**	-	-	**3,624**	75,727	52,387
Total equity		**44,248**	61,808	63,857	**399,734**	443,713	361,652
Liabilities							
Non-Current							
Borrowings	20	**-**	-	-	**204,817**	214,866	222,026
Lease liabilities	21	**-**	-	-	**1,753**	3,029	320
Trade and other payables	22	**-**	-	-	**54,323**	39,417	42,200
Provisions	23	**-**	-	-	**4,778**	5,786	8,371
Deferred tax liabilities	10	**-**	-	-	**18,393**	938	948
Deferred capital grant	24	**-**	-	-	**7,131**	7,698	8,264
		-	-	-	**291,195**	271,734	282,129
Current							
Borrowings	20	**-**	-	10,785	**49,923**	81,927	97,640
Lease liabilities	21	**-**	-	-	**1,757**	2,565	967
Trade and other payables	22	**64,689**	49,393	44,586	**126,604**	128,241	119,975
Provisions	23	**-**	-	-	**188**	1,390	1,392
Deferred capital grant	24	**-**	-	-	**567**	564	567
Contract liabilities	25	**-**	-	-	**10,536**	7,028	4,670
Income tax payables		**-**	-	-	**5,500**	6,474	5,013
		64,689	49,393	55,371	**195,075**	228,189	230,224
Total liabilities		**64,689**	49,393	55,371	**486,270**	499,923	512,353
Total equity and liabilities		**108,937**	111,201	119,228	**886,004**	943,636	874,005

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	**Year ended 31 December 2022 US$'000**	Year ended 31 December 2021 US$'000
Revenue	3	**856,552**	779,893
Cost of sales		**(649,686)**	(573,932)
Gross profit		**206,866**	205,961
Other income	26	**3,966**	10,719
Distribution costs		**(48,547)**	(51,534)
Administrative expenses		**(15,970)**	(16,205)
Other operating expenses		**(30,451)**	(53,641)
Finance costs	27	**(18,652)**	(14,823)
Profit from operations		**97,212**	80,477
Share of results of associates		**8,417**	4,057
Profit before income tax	27	**105,629**	84,534
Income tax expense	28	**(23,038)**	(2,451)
Profit for the year		**82,591**	82,083
Other comprehensive income, net of tax:			
Items that may be reclassified subsequently to profit or loss			
Currency translation differences arising from foreign subsidiaries (attributable to owners of the Company)		**(6,014)**	(4,393)
Cash flow hedges	29	**(47)**	2,125
		(6,061)	(2,268)
Items that will not be reclassified subsequently to profit or loss			
Currency translation differences arising from foreign subsidiaries (attributable to non-controlling interests)		**(419)**	(34)
Other comprehensive income for the year, net of tax		**(6,480)**	(2,302)
Total comprehensive income for the year		**76,111**	79,781
Profit attributable to:			
Owners of the Company		**67,842**	61,520
Non-controlling interests		**14,749**	20,563
		82,591	82,083
Total comprehensive income attributable to:			
Owners of the Company		**61,789**	58,721
Non-controlling interests		**14,322**	21,060
		76,111	79,781
Profit per share		**Cents**	Cents
- Basic	30	**9.21**	8.35
- Diluted	30	**9.21**	8.35

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Share capital US$'000	Treasury shares US$'000	Share premium US$'000	Non-distributable reserve US$'000	Capital reserve US$'000	Hedging reserve US$'000	Exchange fluctuation reserve US$'000	Retained profits US$'000	Total attributable to equity holders of the parent US$'000	Non-controlling interests US$'000	Total equity US$'000
At 1 January 2022	**32,035**	**(2,058)**	**156,920**	**7,643**	**12,138**	**(818)**	**(33,032)**	**195,158**	**367,986**	**75,727**	**443,713**
Profit for the year	-	-	-	-	-	-	-	**67,842**	**67,842**	**14,749**	**82,591**
Other comprehensive income for the year	-	-	-	-	-	**(39)**	**(6,014)**	-	**(6,053)**	**(427)**	**(6,480)**
Total comprehensive income for the year	-	-	-	-	-	**(39)**	**(6,014)**	**67,842**	**61,789**	**14,322**	**76,111**
Dividends	-	-	-	-	-	-	-	**(10,525)**	**(10,525)**	**(438)**	**(10,963)**
Acquisition of non-controlling interests (Note 11)	-	-	-	-	**(23,176)**	**1,129**	**(1,093)**	-	**(23,140)**	**(85,987)**	**(109,127)**
Transactions with owners	-	-	-	-	**(23,176)**	**1,129**	**(1,093)**	**(10,525)**	**(33,665)**	**(86,425)**	**(120,090)**
Transfer to statutory reserve	-	-	-	**279**	**91**	-	-	**(370)**	-	-	-
At 31 December 2022	**32,035**	**(2,058)**	**156,920**	**7,922**	**(10,947)**	**272**	**(40,139)**	**252,105**	**396,110**	**3,624**	**399,734**

	Share capital US$'000	Treasury shares US$'000	Share premium US$'000	Non-distributable reserve US$'000	Capital reserve US$'000	Hedging reserve US$'000	Exchange fluctuation reserve US$'000	Retained profits US$'000	Total attributable to equity holders of the parent US$'000	Non-controlling interests US$'000	Total equity US$'000
At 1 January 2021	32,035	(2,058)	156,920	7,643	12,138	(2,412)	(28,639)	133,638	309,265	52,387	361,652
Profit for the year	-	-	-	-	-	-	-	61,520	61,520	20,563	82,083
Other comprehensive income for the year	-	-	-	-	-	1,594	(4,393)	-	(2,799)	497	(2,302)
Total comprehensive income for the year	-	-	-	-	-	1,594	(4,393)	61,520	58,721	21,060	79,781
Capital injection from non-controlling interest (Note 11)	-	-	-	-	-	-	-	-	-	2,280	2,280
Transactions with owners	-	-	-	-	-	-	-	-	-	2,280	2,280
At 31 December 2021	32,035	(2,058)	156,920	7,643	12,138	(818)	(33,032)	195,158	367,986	75,727	443,713

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	**Year ended 31 December 2022 US$'000**	Year ended 31 December 2021 US$'000
Cash Flows from Operating Activities			
Profit before income tax		**105,629**	84,534
Adjustments for:			
Amortisation of land use rights	5, 27	**143**	145
Amortisation of deferred capital grant	24, 27	**(564)**	(567)
Amortisation of mine development costs	7, 27	**392**	9,622
Depreciation of property, plant and equipment	4, 27	**24,750**	28,684
Depreciation of right-of-use assets	9, 27	**2,356**	4,405
Depreciation of investment property	8, 27	**7**	8
(Gain)/loss on disposal of property, plant and equipment	27	**(3)**	14
Write-off of property, plant and equipment	27	**10,052**	5,490
Gain on disposal of other investment	26	**-**	(581)
Unwinding of discount on non-current trade payables	27	**-**	63
Reclassification from hedging reserve to profit or loss	29	**(47)**	2,125
Write-down of inventories to net realisable value	13, 27	**561**	2,830
Gain from derecognition of financial liabilities	26	**-**	(6,681)
Write-off of exploration and evaluation costs	6, 27	**130**	114
Impairment loss on trade and other receivables	14, 27	**-**	484
Interest expense	27	**18,652**	14,823
Interest income	26	**(1,205)**	(223)
Share of results of associates		**(8,417)**	(4,057)
Operating profit before working capital changes		**152,436**	141,232
Decrease/(increase) in inventories		**23,216**	(82,476)
Decrease in trade receivables		**4,328**	4,928
Decrease in capitalised contract costs		**539**	353
Decrease/(increase) in prepayments, deposits and other receivables		**5,642**	(1,899)
Increase in contract liabilities		**3,508**	2,358
Increase in trade payables		**26,388**	14,249
Decrease in other payables		**(10,111)**	(5,111)
Decrease in provisions		**(2,398)**	(2,585)
Cash generated from operations		**203,548**	71,049
Income tax paid		**(6,590)**	(813)
Net cash generated from operating activities		**196,958**	70,236
Cash Flows from Investing Activities			
Payments for exploration and evaluation costs	6	**(395)**	(547)
Purchase of property, plant and equipment	4	**(39,402)**	(7,038)
Purchase of right-of-use asset		**(166)**	(15)
Proceeds from disposal of other investment		**-**	2,035
Dividends received from an associate	12	**7,868**	9,697
Interest received		**1,205**	223
Net cash (used in)/generated from investing activities		**(30,890)**	4,355

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	**Year ended 31 December 2022 US$'000**	Year ended 31 December 2021 US$'000
Cash Flows from Financing Activities			
Repayment of bank and other loans (Note A)		**(65,964)**	(38,343)
Proceeds from bank and other loans (Note A)		**22,826**	15,830
Principal repayment of lease liabilities (Note A)		**(2,484)**	(4,208)
Acquisition of non-controlling interests	11	**(109,127)**	-
Capital contribution by non-controlling interest		**-**	2,280
Decrease in cash collateral		**2,610**	789
Dividend paid		**(10,948)**	-
Interest paid (Note A)		**(17,661)**	(16,501)
Net cash used in financing activities		**(180,748)**	(40,153)
Net (decrease)/increase in cash and cash equivalents		**(14,680)**	34,438
Cash and cash equivalents at beginning of the year		**69,793**	36,040
Exchange difference on translation of cash and cash equivalents at beginning of the year		**(1,851)**	(685)
Cash and cash equivalents at end of the year	16	**53,262**	69,793

Note A Reconciliation of liabilities arising from financing activities

The following is the disclosure of the reconciliation of items for which cash flows have been, or will be, classified as financing activities, excluding equity items:

					Non-cash changes				
	1 January 2022 US$'000	**Cash inflows US$'000**	**Cash outflows US$'000**	**Interest paid US$'000**	**New leases US$'000**	**Write-off US$'000**	**Foreign exchange difference US$'000**	**Interest expense US$'000**	**31 December 2022 US$'000**
Lease liabilities	**5,594**	**-**	**(2,484)**	**(171)**	**567**	**(7)**	**(160)**	**171**	**3,510**
Borrowings – bank and other borrowings	**296,793**	**22,826**	**(65,964)**	**-**	**-**	**-**	**26**	**1,059[1]**	**254,740**
Trade and other payables - Interest payables	**171**	**-**	**-**	**(17,490)**	**-**	**-**	**-**	**17,422**	**103**

					Non-cash changes				
	1 January 2021 US$'000	Cash inflows US$'000	Cash outflows US$'000	Interest paid US$'000	Derecognition of financial liabilities US$'000	New leases US$'000	Foreign exchange difference US$'000	Interest expense US$'000	31 December 2021 US$'000
Lease liabilities	1,287	-	(4,208)	(251)	-	8,696	(181)	251	5,594
Borrowings – bank and other borrowings	319,666	15,830	(38,343)	-	(6,681)	-	5,326	995[1]	296,793
Trade and other payables - Interest payables	2,844	-	-	(16,250)	-	-	-	13,577	171

(1) This is related to the amortisation of "borrowing costs" and "finance costs" in the Consolidated Statement of Comprehensive Income.

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

1 General information

The financial statements of the Company and of the Group for the financial year ended 31 December 2022 were authorised for issue in accordance with a resolution of the Directors on the date of the Directors' Statement.

The Company is incorporated as a limited liability company listed on both the Australian Securities Exchange and Bursa Malaysia, and is domiciled in Bermuda.

The registered office is located at Clarendon House, 2 Church Street Hamilton, HM11 Bermuda.

2(a) Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRSs"), which collectively includes all applicable individual IFRSs and Interpretations approved by the International Accounting Standard Board ("IASB"), and all applicable individual International Accounting Standards ("IASs") and Interpretations as originated by the Board of the International Accounting Standards Committee and adopted by the IASB.

The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in United States Dollars (USD) whilst the functional currency of the Company is Australian Dollars (AUD). All financial information is presented in USD, unless otherwise stated.

As at 31 December 2022, the Company has net assets of US$44,248,000 (2021 – US$61,808,000) and net current liabilities of US$58,284,000 (2021 – US$42,437,000). Included in the Company's current liabilities as at 31 December 2022 are non-trade amounts owing to OM Materials (S) Pte Ltd ("OMS") and OMH (Mauritius) Corp ("OMH MU"), both wholly-owned subsidiaries, of US$54,513,000 (2021 – US$46,832,000) and US$8,150,000 (2021 – US$737,000) respectively. OMS has provided a letter of undertaking that it shall provide continuing financial support to the Company, and both OMS and OMH MU have provided a letter of undertaking that they will not demand immediate repayment for debts owing to them. Therefore, the Company is of the view that the preparation of financial statements on a going concern basis is appropriate.

Significant accounting estimates and judgements
The preparation of the financial statements in conformity with IFRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The critical accounting estimates and assumptions used and areas involving a high degree of judgement are described below.

Significant judgements in applying accounting policies

Income taxes (Note 28)
The Group has exposures to income taxes in numerous jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such a determination is made.

Determination of functional currency
The Group measures foreign currency translation in the respective currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

Allowance for expected credit losses (ECL) of trade and other receivables (Note 14)
Allowance for ECL of trade and other receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the ECL calculation, based on the Group's past collection history, existing market conditions as well as forward looking estimates at each reporting date. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

2(a) Basis of preparation (Cont'd)

Significant accounting estimates and judgements (Cont'd)

Significant judgements in applying accounting policies (cont'd)

Allowance for expected credit losses (ECL) of trade and other receivables (Note 14) (Cont'd)
The Company and the Group adopt a simplified approach and use a provision matrix to calculate ECL for receivables which are trade in nature. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and forecast economic conditions.

The Company and the Group apply the 3-stage general approach to determine ECL for receivables which are non-trade in nature. ECL is measured as an allowance equal to 12-month ECL for stage-1 assets, or lifetime ECL for stage-2 or stage-3 assets. An asset moves from stage-1 to stage-2 when its credit risk increases significantly and subsequently to stage-3 as it becomes credit-impaired. In assessing whether credit risk has significantly increased, the Company considers qualitative and quantitative reasonable and supportable forward looking information. Lifetime ECL represents ECL that will result from all possible default events over the expected life of a financial instrument whereas 12-month ECL represents the portion of lifetime ECL expected to result from default events possible within 12 months after the reporting date.

Deferred tax assets (Note 10)
The Group reviews the carrying amount of deferred tax assets at the end of each reporting period. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilised. This involves judgement regarding future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised. Management has assessed that it is reasonable to recognise deferred tax assets based on probable future taxable income.

Determination of cash-generating units (CGU) for non-financial assets
A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. In determining appropriate CGU level, the Group has considered whether there are: active markets for intermediate products; external users of the processing assets; mining or smelting operations through the use of shared infrastructure; stand-alone mines or smelting plants operated on a portfolio basis. Significant judgement is required by management to determine whether multiple assets should be grouped to form a CGU. Management has identified the appropriate CGU level to be the mine or smelting plant together with their direct processing assets at the same location.

Critical assumptions used and accounting estimates in applying accounting policies

Impairment of non-financial assets
Non-financial assets comprise property, plant and equipment (Note 4), land use rights (Note 5), exploration and evaluation costs (Note 6), mine development costs (Note 7) and right-of-use assets (Note 9). Determining whether the carrying value is impaired requires an estimation of the value in use of the cash-generating units. This requires the Group to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of cash flows. The carrying amounts of non-financial assets are disclosed in the consolidated statement of financial position.

Mine development costs (Note 7)
The fair value of the mine development costs was determined based on the property's highest and best use, using the income approach. If the fair value of the mine development costs increases/decreases by 10% from management's determination, the Group's profit for the year will increase/decrease by approximately US$188,000 (2021 – US$195,000).

Impairment of investment in subsidiaries (Note 11)
Determining whether an investment in a subsidiary is impaired requires an estimation of the value-in-use of that investment. The value-in-use calculation requires the Company to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows. Management has evaluated the recoverability of the investment based on such estimates and assessed that no impairment was required. If the present value of estimated future cash flows decreased by 1% from management's estimates, it is not likely to materially affect the carrying amount.

Net realisable value of inventories (Note 13)
Net realisable value of inventories is the estimated selling price in the ordinary course of business, less the estimated cost necessary to make the sale. These estimates are based on the current market conditions and historical experiences of selling products of similar nature. It could change significantly as a result of competitor actions in response to changes in market conditions. Management reassesses the estimations at the end of each reporting date. The carrying amount of the inventories carried at net realisable value as at 31 December 2022 is US$162,000 (2021 – US$14,519,000). If the net realisable value of the inventories decreases by 10% from management's estimates, the Group's profit for the year will decrease by US$16,200 (2021 – US$1,452,000).

2(a) Basis of preparation (Cont'd)

Significant accounting estimates and judgements (Cont'd)

Critical assumptions used and accounting estimates in applying accounting policies (cont'd)

Estimation of the incremental borrowing rate ("IBR")
For the purpose of calculating the right-of-use asset and lease liability, an entity applies the interest rate implicit in the lease ("IRIIL") and, if the IRIIL is not readily determinable, the entity shall use its IBR applicable to the lease asset. The IBR is the rate of interest that the entity would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. For most of the leases whereby the Group is the lessee, the IRIIL is not readily determinable. Therefore, the Group estimates the IBR relevant to each lease asset by using observable inputs (such as market interest rate and asset yield) when available, and then making certain lessee specific adjustments (such as a group entity's credit rating). The carrying amounts of the Group's right-of-use assets and lease liabilities are disclosed in Note 9 and 21 respectively. An increase/decrease of 50 basis points in the estimated IBR will not significantly decrease/increase the Group's right-of-use assets and lease liabilities.

2(b) Adoption of new and revised standards effective for the current financial year

On 1 January 2022, the Company and the Group have adopted all the new and revised IFRS, IFRS Interpretations ("IFRS INT") and amendments to IFRS, effective for the current financial year that are relevant to them. The adoption of these new and revised IFRS pronouncements does not result in significant changes to the Group's and the Company's accounting policies and has no material effect on the amounts or the disclosures reported for the current or prior reporting periods:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to IFRS 16	*COVID-19 - Related Rent Concessions beyond 30 June 2021*	1 April 2021
Amendments to IAS 16	*Property, Plant and Equipment – Proceeds before* Intended Use	1 January 2022
Amendments to IAS 37	*Onerous Contracts – Cost of Fulfilling a Contract*	1 January 2022
Amendments to IFRS 3	*Reference to the Conceptual Framework*	1 January 2022
Amendments to IFRS 9	*Fees in the '10 per cent' Test for Derecognition of Financial Liabilities*	1 January 2022

2(c) New and revised IFRS in issue but not yet effective

At the date of authorisation of these financial statements, the Company and the Group have not adopted the new and revised IFRS, Interpretations and amendments to IFRS that have been issued but not yet effective to them. Management anticipates that the adoption of these new and revised IFRS pronouncements in future periods will not have a material impact to the Company's and the Group's accounting policies in the period of their initial application:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*	1 January 2023
Amendments to IAS 8	*Definition of Accounting Estimates*	1 January 2023
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to IAS 1	*Non-current Liabilities with Covenants*	1 January 2024
Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*	1 January 2024
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined

2(c) New and revised IFRS in issue but not yet effective (Cont'd)

Amendments to IAS 1 and IFRS Practice Statement 2 *Disclosure of Accounting Policies*

The amendments provide guidance and examples to help a reporting entity apply materiality judgement to accounting policy disclosures. The amendments aim to help the entity to provide accounting policy disclosures that are more useful by replacing the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies and by adding guidance on how the entity applies the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are effective for reporting periods beginning on or after 1 January 2023 and are applied prospectively. Early application is permitted. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

There is no material impact expected to the financial statements on initial application.

Amendments to IAS 8 *Definition of Accounting Estimates*

The amendments replace the definition of 'change in accounting estimates' with a definition of 'accounting estimates'. The amendments clarify the distinction between change in accounting estimates and change in accounting policies and correction of errors, and that entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for reporting periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of the period of initial application. Early application is permitted.

There is no material impact expected to the financial statements on initial application.

Amendments to IAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations.

IAS 12 *Income Taxes* specifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future.

In specified circumstances, companies are exempted from recognising deferred tax when they recognise assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations – transactions for which companies recognise both an asset and a liability.

The amendments clarify that the exemption does not apply and that companies are required to recognise deferred tax on such transactions. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with early application permitted.

Amendments to IAS 1 *Classification of Liabilities as Current or Non-current*

The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on the rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise the right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer of cash, equity instruments, other assets or services to the counterparty.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted.

Amendments to IAS 1 Non-current Liabilities with Covenants

The amendments specify that covenants with which a reporting entity must comply after the reporting date do not affect the classification of a liability as current or non-current at the reporting date. The amendments require the entity to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

The amendments are applied retrospectively for reporting periods beginning on or after 1 January 2024. Early application is permitted.

2(c) New and revised IFRS in issue but not yet effective (Cont'd)

Amendments to IFRS 16 Lease Liability in a Sale and Leaseback

The amendments add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained. The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease.

The amendments are effective for reporting periods beginning on or after 1 January 2024. Early application is permitted. The amendments are applied retrospectively to sale and leaseback transactions that have been entered into on or after the date of initial application of IFRS 16.

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify the accounting treatment for sales or contribution of assets between an investor and their associates or joint ventures. The amendments confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business' as defined in IFRS 3.

Where the non-monetary assets constitute a business, the investor shall recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture.

The effective date of the amendments has yet to be set, but early application is permitted. The amendments are applied prospectively.

2(d) Summary of significant accounting policies

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2021, except for the adoption of new standards effective as of 1 January 2022 and change in presentation currency as disclosed below.

Functional and presentation currency

The Company and the Group's presentation currency has been changed from AUD to USD effective from 1 January 2022. The change in presentation currency in the consolidated financial statements is to provide more relevant information about the Company and the Group's financial positions, and the Group's financial performance and cashflows, as most of the Group's assets, liabilities, revenue and expenses are denominated in USD.

The change in presentation currency is a voluntary change which is accounted for retrospectively. All other accounting policies are consistent with those adopted in the annual report for the year ended 31 December 2021. The consolidated financial statements have been restated to USD using the procedures outlined below:

- Consolidated statement of comprehensive income and Consolidated statement of cash flows have been translated into USD using average foreign currency rates prevailing for the relevant period
- Assets and liabilities in the Statements of financial position have been translated into USD at the closing foreign currency rates on the relevant balance sheet dates
- The Equity section of the Statements of financial position, including foreign currency translation reserve, retained earnings, share capital and the other reserves, have been translated into USD using historical rates
- All resulting exchange differences were recognised in Other comprehensive income
- Earnings per share and dividend disclosures have also been restated to USD to reflect the change in presentation currency

The presentation currency of the Company and the Group is now in USD, whilst the functional currency of the Company remains as AUD and its subsidiaries' functional currencies remains unchanged.

As this is an accounting policy applied retrospectively, the Company and the Group has presented a third statement of financial position as at the beginning of the preceding period.

Group accounting

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to the reporting date each year. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

2(d) Summary of significant accounting policies (Cont'd)

Group accounting (Cont'd)

Basis of consolidation (Cont'd)
When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in the profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to ensure conformity with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in the profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in the profit or loss. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in the profit or loss.

Business combinations
Business combination is accounted for using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether it includes, as a minimum, an input and substantive process, and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional 'concentration test' is met, and the acquired set of activities and assets is not a business, if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

2(d) Summary of significant accounting policies(Cont'd)

Group accounting (Cont'd)

Business combinations (Cont'd)
The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in the profit or loss as incurred.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in the profit or loss. The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another IFRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in the profit or loss on the acquisition date.

Joint operations

A joint arrangement is an arrangement in which two or more parties have joint control. Joint control is the contractually agreed sharing of control such that decisions about the relevant activities of the arrangement (those that significantly affect the returns) require the unanimous consent of the parties sharing control.

A joint operation is a joint arrangement in which the parties that share joint control have rights to the assets, and obligations for the liabilities, relating to the arrangement. This includes situations where the parties benefit from the joint activity through a share of the output, rather than by receiving a share of the results of trading. In relation to its interest in a joint operation, the Group recognises: its share of assets and liabilities; revenue from the sale of its share of the output and its share of any revenue generated from the sale of the output by the joint operation; and its share of expenses. All such amounts are measured in accordance with the terms of the arrangement, which is in proportion to the Group's interest in the joint operation. These amounts are recorded in the Group's consolidated financial statements on the appropriate line items.

Associates

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

The Group accounts for its investments in associates using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the investments in associates are carried in the Group's statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. The profit or loss reflects the share of results of operations of the associates. Distributions received from associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss, on the Group's investment in the associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired.

If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the profit or loss.

The financial statements of the associates are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2(d) Summary of significant accounting policies (Cont'd)

Associates (Cont'd)

Upon loss of significant influence or joint control over the associate, the Group measures any retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in the profit or loss.

The Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would have been required if that associate or joint venture had directly disposed of the related assets or liabilities.

When an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not re-measure the retained interest.

If the Group's ownership interest in an associate is reduced, but the Group continues to apply the equity method, the Group reclassifies to the profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to the profit or loss on the disposal of the related assets or liabilities.

Intangible assets

Intangible assets are accounted for using the cost model with the exception of goodwill. Capitalised costs are amortised on a straight-line basis over their estimated useful lives for those considered as finite useful lives. After initial recognition, they are carried at cost less accumulated amortisation and accumulated impairment losses, if any. In addition, they are subject to annual impairment testing. Indefinite life intangibles are not amortised but are subject to annual impairment testing.

Intangible assets are written off where, in the opinion of the Directors, no further future economic benefits are expected to arise.

<u>Goodwill</u>
Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in the profit or loss as a bargain purchase gain.

Goodwill arising from acquisition of associates and joint ventures represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associates and joint ventures is included in the carrying amount of the investments.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

<u>Exploration and evaluation costs</u>
Exploration and evaluation costs relate to mineral rights acquired and exploration and evaluation expenditures capitalised in respect of projects that are at the exploration/pre-development stage.

Exploration and evaluation assets are initially recognised at cost. Subsequent to initial recognition, they are stated at cost less any accumulated impairment losses. These assets are reclassified as mine development costs upon the commencement of mine development, when technical feasibility and commercial viability of extracting mineral resources becomes demonstrable.

Exploration and evaluation expenditures in the relevant area of interest comprises costs which are directly attributable to acquisition, surveying, geological, geochemical and geophysical, exploratory drilling, land maintenance, sampling, and assessing technical feasibility and commercial viability.

Exploration and evaluation expenditures also include the costs incurred in acquiring mineral rights, the entry premiums paid to gain access to areas of interest and amounts payable to third parties to acquire interests in existing projects. Capitalised costs, including general and administrative costs, are only allocated to the extent that these costs can be related directly to operational activities in the relevant area of interest, where the existence of a technically feasible and commercially viable mineral deposit has been established.

2(d) Summary of significant accounting policies (Cont'd)

Intangible assets (Cont'd)

Exploration and evaluation costs (Cont'd)
The carrying amount of the exploration and evaluation assets is reviewed annually and adjusted for impairment in accordance with IAS 36 *Impairment of Assets* whenever one of the following events or changes in facts and circumstances indicate that the carrying amount may not be recoverable (the list is not exhaustive):

(a) the period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be recovered;
(b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
(c) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities in the specific area; or
(d) sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

An impairment loss is recognised in the profit or loss whenever the carrying amount of an asset exceeds its recoverable amount.

Mine development costs
Costs arising from the development of the mine site (except for the expenditures incurred for building the mine site and the purchase of machinery and equipment for the mining operation which are included in property, plant and equipment) are accumulated in respect of each identifiable area of interest and are capitalised and carried forward as an asset to the extent that they are expected to be recouped through the successful mining of the areas of interest.

Accumulated costs in respect of an area of interest subsequently abandoned are written off to the profit or loss in the reporting period in which the Directors' decision to abandon is made.

Amortisation is not charged on the mine development costs carried forward in respect of areas of interest until production commences. Where mining of a mineral deposit has commenced, the related exploration and evaluation costs are transferred to mine development costs. When production commences, carried forward mine development costs are amortised on a unit of production basis. The unit of production basis results in an amortisation charge proportional to the depletion of the estimated economically recoverable mineral resources.

Pre-production operating expenses and revenues were accumulated and capitalised into the Bootu Creek mine development costs until 31 August 2006 as the mine was involved in the commissioning phase which commenced in November 2005. Subsequent to 31 August 2006, the Directors of the Company determined that the processing plant was in the condition necessary for it to be capable of operating in the manner intended so as to seek to achieve design capacity rates. These costs were carried forward to the extent that they are expected to be recouped through the successful mining of the area of interest.

The amortisation of capitalised mine development costs commenced from 1 September 2006 and continues to be amortised over the life of the mine according to the rate of depletion of the economically recoverable mineral resources.

Property, plant and equipment

Property, plant and equipment, other than construction in progress ("CIP"), are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is computed using the straight-line method to allocate the depreciable amount of these assets over their estimated useful lives as follows:

Buildings and infrastructure	3 to 20 years
Plant and machinery	3 to 20 years
Computer equipment, office equipment and furniture	1 to 10 years
Motor vehicles	5 to 10 years

Plant and machinery includes Plant and equipment - Process facility. These are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is computed using the unit of production method to allocate the depreciable amount of these assets over the estimated useful lives as follows:

Plant and equipment - Process facility	Life of mine

2(d) Summary of significant accounting policies (Cont'd)

Property, plant and equipment (Cont'd)

CIP represents assets in the course of construction for production or for its own use purpose. CIP is stated at cost less any impairment loss and is not depreciated. Cost includes direct costs incurred during the periods of construction, installation and testing plus interest charges arising from borrowings used to finance these assets during the construction period. CIP is reclassified to the appropriate category of property, plant and equipment and depreciation commences when the construction work is completed and the asset is ready for use.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent expenditures relating to property, plant and equipment that have been recognised are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial period in which it is incurred.

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition to the month before disposal respectively. Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognized in the profit or loss when the changes arise.

Investment property

Investment property comprises leasehold property that is held for long-term rental yields and for capital appreciation. Investment property is not occupied by the Group.

The Group applies the cost model. Investment property is initially recognised at cost and subsequently carried at cost less accumulated depreciation, less any impairment in value similar to that for property, plant and equipment. Such costs include costs of renovation or improvement of the existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day to day servicing of an investment property. Depreciation is computed using the straight-line method over the estimated useful life of the investment property of 73 years.

Investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal or retirement of an investment property, the difference between any disposal proceeds and the carrying amount is recognised in the profit or loss.

The carrying value of investment property is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amounts.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from the investment property when and only when, there is a change in use, evidenced by the commencement of owner-occupation or commencement of development with a view to sell.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs include all direct expenditure and production overheads based on the normal level of activity. The costs incurred in bringing each product to its present location and condition are accounted for as follows:

(a) Raw materials at purchase cost on a weighted average basis; and
(b) Finished goods and work in progress at cost of materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

2(d) Summary of significant accounting policies (Cont'd)

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when and only when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

<u>Classification</u>
Financial assets are classified, at initial recognition, in the following measurement categories: amortised cost; fair value through other comprehensive income (FVOCI); and fair value through the profit or loss (FVTPL). The classification depends on the Group's business model for managing the financial assets and the contractual terms of their cash flows determining whether those cash flows represent 'solely payment of principal and interest' (SPPI).

For assets measured at fair value, gains and losses will either be recorded in the profit or loss or other comprehensive income (OCI). For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity instruments at FVOCI. The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

<u>Recognition and derecognition</u>
Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

<u>Measurement</u>
At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of a third party, if the trade receivables do not contain a significant financing component at initial recognition.

<u>*Debt instruments*</u>
Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- *Amortised cost:* Financial assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in the profit or loss when the assets are derecognised or impaired, and through the amortisation process. The Company's and the Group's debt instruments at amortised cost include trade and other receivables, and cash and cash equivalents (including cash collateral).

- *FVOCI:* Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognized in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognized in the profit or loss. The cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

- *FVTPL:* Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through the profit or loss. A gain or loss on debt instruments that are subsequently measured at fair value through the profit or loss and are not part of a hedging relationship is recognized in the profit or loss in the period in which it arises.

2(d) Summary of significant accounting policies (Cont'd)

Financial assets (Cont'd)

Equity instruments
The Group subsequently measures all equity investments at fair value. The Group's equity instrument at FVTPL includes other investment.

Impairment
The Group assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost and FVOCI. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. ECL are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognized for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For receivables which are trade in nature, the Group applies a simplified approach in calculating ECL. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Significant increase in credit risk
In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. The Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Credit-impaired financial asset
A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Definition of default
The Group considers the following as constituting an event of default for internal credit risk management purposes, as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

2(d) Summary of significant accounting policies (Cont'd)

Financial assets (Cont'd)

Impairment (Cont'd)

Definition of default (Cont'd)
The Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Measurement of expected credit losses
The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by the default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

Write-off policy
The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in the profit or loss.

Determination of fair value of financial assets
The fair values of quoted financial assets are based on quoted market prices. If the market for a financial asset is not active, the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs. Where fair value of unquoted instruments cannot be measured reliably, fair value is determined by the transaction price.

Financial liabilities

The Company's and the Group's financial liabilities include borrowings, lease liabilities, trade and bill payables, accruals and other payables.

All interest-related charges are recognised as an expense in "finance cost" in the profit or loss. Financial liabilities are derecognised if the Company's and the Group's obligations specified in the contract expire or are discharged or cancelled.

Borrowings
Borrowings are recognised initially at the fair value of proceeds received less attributable transaction costs, if any. Borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the profit or loss over the period of the borrowings using the effective interest method. The interest expense is chargeable on the amortised cost over the period of the borrowings using the effective interest method.

Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the amortisation process.

Borrowings which are due to be settled within 12 months after the end of the reporting period are included in current borrowings in the statements of financial position even though the original terms were for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of the reporting period. Borrowings to be settled within the Company's and the Group's normal operating cycle are classified as current. Other borrowings due to be settled more than twelve months after the end of reporting period are included in non-current borrowings in the statements of financial position.

Borrowing costs that are directly attributable to the acquisition, construction or production of a part of the cost of the related asset are capitalised. Otherwise, borrowing costs are recognized as expenses when incurred. Borrowing costs consist of interest and other financing charges that the Company and the Group incur in connection with the borrowing of funds.

Capitalisation of borrowing costs commences when the activities to prepare the qualifying asset for its intended use are in progress and the expenditures for the qualifying asset and the borrowing costs have been incurred. Capitalisation of borrowing costs cease when substantially all the activities necessary to prepare the qualifying assets are completed for their intended use.

Foreign exchange differences arising from foreign currency borrowings are capitalized to the extent that they are regarded as an adjustment to interest costs.

2(d) Summary of significant accounting policies (Cont'd)

Financial liabilities (Cont'd)

Trade and bill payables/accruals and other payables
Trade and bill payables/accruals and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

Financial guarantees
The Company has issued corporate guarantees to banks for bank borrowings of its subsidiaries and some third-party suppliers. These guarantees are financial guarantee contracts as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantee contracts are initially recognised at their fair value plus transaction costs in the statement of financial position. The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Financial guarantee contracts are subsequently measured at the higher of the amount determined in accordance with the ECL model under IFRS 9 and the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15.

Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

There are 3 types of hedges as follows:

(a) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);
(b) hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge);
(c) hedges of a net investment in a foreign operation (net investment hedge).

However, the Group only designates certain derivatives as cash flow hedge.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Movements on the hedging reserve in other comprehensive income are shown in Note 19. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedges
For cash flow hedges, the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss. For hedging instruments used to hedge bank borrowings that finance the construction of a subsidiary's ferrosilicon production facility, any ineffective portion is capitalised as part of the cost of the ferrosilicon production facility ("construction-in-progress").

Amounts accumulated in equity are reclassified to the profit or loss in the periods when the hedged item affects the profit or loss (for example, when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps which hedge variable rate borrowings is recognised in the profit or loss within 'finance income/cost'. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or fixed assets), the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in cost of goods sold in the case of inventory or in depreciation in the case of the fixed assets.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the profit or loss.

2(d) Summary of significant accounting policies (Cont'd)

Derivative financial instruments and hedging activities (Cont'd)

Derivative financial instruments not designated as hedging instrument
Derivative financial instruments that are not designated as hedging instruments, in individual contracts or separated from hybrid financial instruments, are initially recognised at fair value on the date of the derivative contract is entered into and subsequently re-measured at fair value. Such derivative financial instruments are accounted for as financial assets or financial liabilities at fair value through the profit or loss. Gains or losses arising from changes in fair value are recorded directly in the profit or loss for the year.

The changes in fair value of the derivative financial instruments not designated as hedges are capitalised as part of the cost of the ferrosilicon production facility ("construction-in-progress") if these derivatives are used to hedge the bank borrowings that finance the construction of the ferrosilicon production facility.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and balances on hand, demand deposits with banks and highly liquid investments with original maturities of 3 months or less which are readily convertible to cash and which are subject to an insignificant risk of changes in value.

Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the consideration paid including any directly attributable incremental cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained earnings of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued pursuant to the employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognized in the capital reserve of the Company.

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

Share premium

Any excess of the proceeds received over the par value of the shares is recorded in share premium.

Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to the profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Government grants related to income
Government grants shall be recognised in the profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in the profit or loss, either separately or under a general heading such as "Other income".

Provisions and contingent liabilities

Provisions are recognized when the Company and the Group have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Present obligations arising from onerous contracts are recognized as provisions.

The Directors review the provisions annually and where in their opinion, the provision is inadequate or excessive, due adjustment is made.

Where the time value of money is material, provisions are discounted using a current pretax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in provision due to the passage of time is recognized as finance costs.

2(d) Summary of significant accounting policies (Cont'd)

Provisions and contingent liabilities (Cont'd)

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Group are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent liabilities are not recognised in the statements of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably measured. Contingent liabilities are recognised in the course of the allocation of the purchase price to the assets and liabilities acquired in a business combination. They are initially measured at fair value at the date of acquisition and subsequently measured at the higher of the amount that would be recognised in a comparable provision as described above and the amount initially recognised less any accumulated amortisation, if appropriate.

Leases

(i) The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

(a) *Lease liability*

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in the profit or loss in the periods that trigger those lease payments.

For all contracts that contain both lease and non-lease components, the Group has elected to not separate lease and non-lease components and account these as one single lease component.

The lease liabilities are presented as a separate line item in the statement of financial position.

The lease liability is subsequently measured at amortised cost, by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (with a corresponding adjustment to the related right-of-use asset or to the profit or loss if the carrying amount of the right-of-use asset has already been reduced to nil) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

2(d) Summary of significant accounting policies (Cont'd)

Leases (Cont'd)

(i) <u>The Group as lessee (Cont'd)</u>

(b) Right-of-use asset
The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Depreciation on right-of-use assets is calculated using the straight-line method to allocate their depreciable amounts over the shorter period of lease term and useful life of the underlying asset, are as follows:

Leasehold buildings	:	over lease term of 1 to 4 years
Plant and machinery	:	1 to 5 years
Office equipment	:	5 years
Motor vehicles	:	5 to 10 years

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Costs prepaid for the usage of land in the PRC and Malaysia under leasing agreements form part of the Group's right-of-use assets and are presented as land use rights in the statement of financial position. Amortisation of land use rights is calculated on a straight-line method over the term of use being 50 to 60 years.

The right-of-use assets, except for land use rights, are presented as a separate line item in the statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

(ii) <u>The Group as lessor</u>
When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received from investment property under operating leases as income on a straight- line basis over the lease term within "other income" in the profit or loss.

Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

2(d) Summary of significant accounting policies (Cont'd)

Income taxes (Cont'd)

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the end of reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in the profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Current tax assets and current tax liabilities are presented net if, and only if,

(a) the Group has the legally enforceable right to set off the recognised amounts; and
(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities net if, and only if,

(a) the Group has a legally enforceable right to set off deferred tax assets against deferred tax liabilities; and

(b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

    (i) the same taxable entity; or
    (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Royalties and Special Mining Taxes

Other tax expense includes the cost of royalty and special mining taxes payable to governments that are calculated on a percentage of taxable profit whereby profit represents net income adjusted for certain items defined in applicable legislation.

Employee benefits

Defined contribution plan
Retirement benefits to employees are provided through defined contribution plans, as provided by the laws of the countries in which it has operations. The Singapore incorporated companies in the Group contribute to the Central Provident Fund ("CPF"). The Australian subsidiary in the Group is required to contribute to employee superannuation plans and such contributions are charged as an expense as the contributions are paid or become payable.

The Australian subsidiary contributes to individual employee accumulation superannuation plans at the statutory rate of the employees' wages and salaries, in accordance with statutory requirements, so as to provide benefits to employees on retirement, death or disability. Contributions are made based on a percentage of the employees' basic salaries.

The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of its payroll costs to the central pension scheme.

The Malaysian subsidiaries of the Group participate in the national pension scheme as defined by the laws of Malaysia. These subsidiaries make contributions to the Employees' Provident Fund in Malaysia, a defined contribution pension scheme.

These contributions are charged to the profit or loss in the period to which the contributions relate. The Group's obligations under these plans are limited to the fixed percentage contributions payable.

2(d) Summary of significant accounting policies (Cont'd)

Employee benefits (Cont'd)

Employee leave entitlements
Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the end of the reporting period.

Key management personnel
Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain general managers are considered key management personnel.

Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company and the Group if that person:

- (i) has control or joint control over the Company;
- (ii) has significant influence over the Company; or
- (iii) is a member of the key management personnel of the Company or the Group

(b) An entity is related to the Company and the Group if any of the following conditions applies:

- (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) both entities are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
- (viii) the entity, or any member of a group which is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Impairment of non-financial assets

The carrying amounts of the Company's and the Group's non-financial assets subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the company at which management controls the related cash flows.

Individual assets or cash-generating units that include goodwill and other intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the assets or cash-generating units' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

2(d) Summary of significant accounting policies (Cont'd)

Impairment of non-financial assets (Cont'd)

Any impairment loss is charged to the profit or loss unless it reverses a previous revaluation in which case it is charged to equity.

With the exception of goodwill,

- An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.
- An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.
- A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the profit or loss, a reversal of that impairment loss is recognised as income in the profit or loss.

An impairment loss in respect of goodwill is not reversed, even if it relates to an impairment loss recognised in an interim period that would have been reduced or avoided had the impairment assessment been made at a subsequent reporting or the end of a reporting period.

Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

<u>Sale of goods</u>
Revenue from the sale of goods is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied and the customer obtains control of the goods. Control of an asset refers to an entity's ability to direct the use of and obtain substantially all of the remaining benefits (that is, the potential cash inflows or savings in outflows) from the asset. The amount of revenue recognised is based on the estimated transaction price, which comprises the contractual price, net of the estimated volume discounts and adjusted for expected returns.

The Group supplies ores into the China market and international shipments. For the China market, transfer of goods and control is passed to the customers upon full payment and notification to take deliveries. For majority of the Group's international shipments, as the Group does not have the right to re-direct shipments and the risk of shipments loss in transit and at destination ports is covered by the buyers' insurance, the transfer of goods and control is passed to the customers upon loading of the goods onto the relevant carrier at the port of shipment. The majority of customers are required to make full payment before the loading of goods at the port of shipment.

<u>Transportation of goods sold on CFR or CIF Incoterms</u>
Revenue from rendering service for transportation of goods sold is on Cost & Freight (CFR) or Cost, Insurance & Freight (CIF) Incoterms and is recognised over the period of transportation to the customer. A significant proportion of the Group's products are sold under CFR or CIF Incoterms, in which the Group is responsible for providing transportation of the goods after the date that the Group transfers control of the goods to the customers at the loading port.

The Group's provision of transportation service for contracts under CFR and CIF Incoterms is a distinct service and, therefore, a separate performance obligation. The total sales price or transaction price is allocated to the separate performance obligations comprising of: (a) the product sold; and (b) the transportation service including insurance and freight. Revenue earned from transportation of goods is recognised over time as the customer simultaneously receives the benefits provided as the Group performs the transportation service

<u>Interest income</u>
Interest income is recognised on a time-apportioned basis using the effective interest rate method.

<u>Dividend income</u>
Dividend income is recognised when the right to receive the dividend has been established.

Contract liabilities

Contract liabilities relate to the Group's obligation to perform services for which the Group has received advances from customers. Contract liabilities are recognised as revenue as the Group performs the service under the contract.

2(d) Summary of significant accounting policies (Cont'd)

Capitalised contract costs

Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue. An impairment loss is recognised in the profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the services to which the contract costs relate, less the costs that relate directly to providing the services and that have not been recognised as an expense.

Functional currencies

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Company and the Group are presented in United States Dollars whilst the functional currency of the Company is Australian Dollars.

Conversion of foreign currencies

Transactions and balances
Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in the profit or loss.

However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any borrowings forming part of the net investment of the foreign operation are repaid, a proportionate share of the accumulated translation differences is reclassified to the profit or loss, as part of the gain or loss on disposal.

All other foreign exchange gains and losses impacting the profit or loss are presented in the consolidated statement of comprehensive income within "other operating expenses".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the transactions.

Group entities
The results and financial position of all the entities within the Group that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the end of the reporting period;
(ii) Income and expenses for each statement presenting the profit or loss and other comprehensive income (i.e. including comparatives) shall be translated at exchange rates at the dates of the transactions; and
(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are translated at the closing rates at the reporting date. For acquisitions prior to 1 January 2010, the goodwill and fair value adjustments are translated at the exchange rates at the dates of acquisition.

Operating segments

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive Directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive Directors are determined following a review of the Group's major products and services.

The Group has identified the following reportable segments:

Mining	Exploration and mining of manganese ore
Smelting	Production of manganese ferroalloys, ferrosilicon, silicon metal and manganese sinter ore
Marketing and trading	Trading of manganese ore, manganese ferroalloys, ferrosilicon, and sinter ore

2(d) Summary of significant accounting policies (Cont'd)

Operating segments (Cont'd)

Each of these operating segments is managed separately as they require different resources as well as operating approaches.

The reporting segment results exclude finance income and costs and share of results of associate which are not directly attributable to the business activities of any operating segment, and are not included in arriving at the operating results of the operating segment.

Segment assets exclude interests in associates which are not directly attributable to the business activities of any operating segment.

Segment liabilities comprise operating liabilities of each operating segment.

3 Principal activities and revenue

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are as stated in Note 11.

Revenue is turnover derived from activities related to the sales of ore and ferroalloy products and related services which represent the invoiced value of goods or services sold, net of discounts, goods and services tax and other sales taxes.

3 Principal activities and revenue (Cont'd)

Disaggregation of the Group's total revenue

Segments	Mining		Smelting		Marketing and Trading		Others		Total Revenue	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
	US$'000	US$'000	**US$'000**	US$'000	**US$'000**	US$'000	**US$'000**	US$'000	**US$'000**	US$'000
Primary geographical markets										
Asia Pacific	**-**	-	**260,526**	186,245	**401,575**	487,468	**657**	57	**662,758**	673,770
Europe	**-**	-	**223**	-	**52,123**	48,909	**-**	-	**52,346**	48,909
Middle East	**-**	-	**176**	16	**22,664**	28,209	**-**	-	**22,840**	28,225
Africa	**-**	-	**-**	-	**976**	48	**-**	-	**976**	48
America	**-**	-	**27,949**	-	**89,683**	28,941	**-**	-	**117,632**	28,941
	-	-	**288,874**	186,261	**567,021**	593,575	**657**	57	**856,552**	779,893
Major product or service lines										
Ores	**-**	-	**-**	-	**133,788**	200,450	**-**	-	**133,788**	200,450
Alloys	**-**	-	**278,290**	181,714	**408,372**	358,316	**-**	-	**686,662**	540,030
Services	**-**	-	**10,584**	4,547	**24,861**	34,809	**657**	57	**36,102**	39,413
	-	-	**288,874**	186,261	**567,021**	593,575	**657**	57	**856,552**	779,893
Timing of transfer of goods or services										
At a point in time	**-**	-	**278,290**	181,714	**542,160**	558,766	**657**	57	**821,107**	740,537
Over time	**-**	-	**10,584**	4,547	**24,861**	34,809	**-**	-	**35,445**	39,356
	-	-	**288,874**	186,261	**567,021**	593,575	**657**	57	**856,552**	779,893

4 Property, plant and equipment

The Group	Construction -in-progress US$'000	Buildings and infrastructure US$'000	Plant and machinery US$'000	Computer equipment, office equipment and furniture US$'000	Motor vehicles US$'000	Total US$'000
Cost						
At 1 January 2021	16,262	19,066	580,744	4,639	1,518	622,229
Additions	4,093	239	1,832	828	46	7,038
Transfers (Note 9)	(8,926)	230	8,641	(5)	-	(60)
Written off	(4,678)	(58)	(1,395)	(330)	(216)	(6,677)
Exchange realignment	(713)	432	(1,480)	(69)	75	(1,755)
At 31 December 2021 and 1 January 2022	**6,038**	**19,909**	**588,342**	**5,063**	**1,423**	**620,775**
Additions	**37,477**	**350**	**969**	**489**	**117**	**39,402**
Transfers	**(11,455)**	**16**	**11,066**	**373**	**-**	**-**
Written off	**-**	**-**	**(15,464)**	**(56)**	**(2)**	**(15,522)**
Disposal	**-**	**-**	**-**	**(7)**	**(100)**	**(107)**
Exchange realignment	**(1,379)**	**(1,444)**	**(3,504)**	**(109)**	**(57)**	**(6,493)**
At 31 December 2022	**30,681**	**18,831**	**581,409**	**5,753**	**1,381**	**638,055**
Accumulated depreciation and impairment loss						
At 1 January 2021	-	10,369	134,273	3,319	1,374	149,335
Depreciation for the year (Note 27)	-	1,068	27,042	522	52	28,684
Transfers (Note 9)	-	168	19	(188)	-	(1)
Written off	-	(2)	(654)	(318)	(214)	(1,188)
Exchange realignment	-	223	(252)	(74)	73	(30)
At 31 December 2021 and 1 January 2022	**-**	**11,826**	**160,428**	**3,261**	**1,285**	**176,800**
Depreciation for the year (Note 27)	**-**	**955**	**23,022**	**713**	**60**	**24,750**
Transfers	**-**	**-**	**(26)**	**26**	**-**	**-**
Written off	**-**	**-**	**(5,429)**	**(39)**	**(2)**	**(5,470)**
Disposal	**-**	**-**	**-**	**(5)**	**(86)**	**(91)**
Exchange realignment	**-**	**(854)**	**(2,539)**	**(44)**	**(53)**	**(3,490)**
At 31 December 2022	**-**	**11,927**	**175,456**	**3,912**	**1,204**	**192,499**
Net book value						
At 31 December 2022	**30,681**	**6,904**	**405,953**	**1,841**	**177**	**445,556**
At 31 December 2021	6,038	8,083	427,914	1,802	138	443,975

As of 31 December 2022, property, plant and equipment with a total net carrying amount of US$409,746,000 (2021 - US$425,490,000) had been pledged for banking facilities granted to subsidiaries (Note 20.1).

The Group evaluates any indication of impairment in the property, plant and equipment at the end of each reporting period. Cash flow projections used in these calculations are based on financial budgets approved by management. Cash flows beyond the budget period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate of the industry in which the CGU operates.

These assumptions are used for the analysis of each CGU within the business segment. Management determines budgeted gross margins based on past performance and its expectations of market developments. The weighted average growth rates used are consistent with forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments. A further decrease in the budgeted gross margin by 1% (2021 - 1%) would not result in indication of impairment of the carrying amount of property, plant and equipment.

4 Property, plant and equipment (Cont'd)

Key assumptions used for value-in-use calculations:

	2022			2021		
	People's Republic of China	**Malaysia**	**Australia**	People's Republic of China	Malaysia	Australia
	Smelting operations			Smelting operations		
Gross margin[1]	**2%**	**12%**	**31%**	3%	18%	29%
Growth rate[2]	**0 - 1% before 2027, 0% after 2027**	**1 - 2% before 2027, 0% after 2027**	**0% before 2027, 0% after 2027**	0% before 2026, 0% after 2026	2% - 3% before 2026, 0% after 2026	0% before 2026, 0% after 2026
Discount rate[3]	**4.3%**	**6.6%**	**12.8%**	4.9%	6.3%	12.8%

1 Budgeted gross margin. The gross margin differs due to the different operating efficiencies of the various subsidiaries located in different geographical locations.
2 Weighted average growth rate used to extrapolate cash flows beyond the budget period.
3 Pre-tax discount rates applied to the pre-tax cash flow projections. The discount rates vary due to the geographical locations of the businesses.

5 Land use rights

The Group	**2022 US$'000**	2021 US$'000
At beginning of the year	**6,755**	6,872
Amortisation for the year (Note 27)	**(143)**	(145)
Exchange realignment	**(79)**	28
At end of the year	**6,533**	6,755

The land use rights, that form part of the Group's right-of-use assets, are for leasehold land located in the PRC and Malaysia.

The land use rights for leasehold land located in Malaysia had a net carrying value of US$5,630,000 (2021 - US$5,745,000) and were pledged as security for borrowings referred to in Note 20.1(b).

Information about the Group's leasing activities are disclosed in Note 33.

6 Exploration and evaluation costs

The Group	**2022 US$'000**	2021 US$'000
At beginning of the year	**2,142**	1,791
Costs incurred during the year	**395**	547
Written off during the year (Note 27)	**(130)**	(114)
Exchange realignment	**(152)**	(82)
At end of the year	**2,255**	2,142

The Group has a 51% (2021 – 40%) interest in a joint arrangement in Australia which is involved in the exploration of manganese. This interest in the joint arrangement is accounted for as a joint operation. In 2022 and 2021, the expenditure capitalised during the year related to the Group's share of exploration expenditure invested in the joint operation. The joint operation has no contingent liabilities or commitments as at 31 December 2022 and 2021.

7 Mine development costs

The Group	2022 US$'000	2021 US$'000
At beginning of the year	**1,951**	12,882
Adjustments to rehabilitation provisions (Note 23)	**450**	(901)
Amortisation for the year (Note 27)	**(392)**	(9,622)
Exchange realignment	**(131)**	(408)
At end of the year	**1,878**	1,951

8 Investment property

The Group	2022 US$'000	2021 US$'000
Cost		
Balance at beginning of year and at end of year	**566**	566
Accumulated depreciation		
Balance at beginning of year	**132**	124
Depreciation for the year (Note 27)	**7**	8
Balance at end of year	**139**	132
Net book value	**427**	434
Rental income	**94**	96
Direct operating expenses arising from investment property that generates rental income	**(17)**	(17)
Depreciation for the year	**(7)**	(8)
Gross profit arising from investment property	**70**	71

The following are details of the investment property of the Group:

Property Name	Location	Description	Total net lettable area (sq m)	Tenure
Parkway Parade	80 Marine Parade Road, #08-08 Parkway Parade, Singapore 449269	Office premises	148	73-year leasehold commenced from 31 August 2005

Fair value hierarchy

	Fair value measurements using		
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	US$'000	US$'000	US$'000
2022	**-**	**-**	**2,460**
2021	-	-	2,140

Valuation techniques used to derive fair values

As of 31 December 2022, the fair value of investment property amounted to approximately US$2,460,000 (2021 – US$2,140,000) as determined by management with reference to recent market transactions of comparable properties in close proximity, adjusted for differences in key attributes such as property size, which is based on the property's highest and best use.

9 Right-of-use assets

The Group	Leasehold buildings US$'000	Plant and machinery US$'000	Office equipment US$'000	Motor vehicles US$'000	Total US$'000
Cost					
At 1 January 2021	4,061	7,984	26	366	12,437
Additions	6,085	2,626	-	-	8,711
Transfers (Note 4)	(42)	102	-	-	60
Write-off	(2,560)	-	-	-	(2,560)
Exchange realignment	(41)	(332)	-	(1)	(374)
At 31 December 2021 and at 1 January 2022	**7,503**	**10,380**	**26**	**365**	**18,274**
Additions	**9**	**697**	**27**	**-**	**733**
Write-off	**-**	**-**	**(26)**	**-**	**(26)**
Exchange realignment	**(63)**	**(454)**	**-**	**(1)**	**(518)**
At 31 December 2022	**7,449**	**10,623**	**27**	**364**	**18,463**
Accumulated depreciation and impairment					
At 1 January 2021	3,699	7,000	12	191	10,902
Depreciation (Note 27)	1,639	2,723	6	37	4,405
Transfers (Note 4)	-	1	-	-	1
Write-off	(2,560)	-	-	-	(2,560)
Exchange realignment	(36)	(295)	-	(1)	(332)
At 31 December 2021 and at 1 January 2022	**2,742**	**9,429**	**18**	**227**	**12,416**
Depreciation (Note 27)	**1,649**	**665**	**5**	**37**	**2,356**
Write-off	**-**	**-**	**(18)**	**-**	**(18)**
Exchange realignment	**(46)**	**(407)**	**-**	**(1)**	**(454)**
At 31 December 2022	**4,345**	**9,687**	**5**	**263**	**14,300**
Carrying amount					
At 31 December 2022	**3,104**	**936**	**22**	**101**	**4,163**
At 31 December 2021	4,761	951	8	138	5,858

Leasehold buildings are located in Malaysia, Singapore and Australia.

Information about the Group's leasing activities are disclosed in Note 33.

10 Deferred taxation

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset deferred income tax assets against deferred income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting in similar tax legislations, are shown on the statement of financial position as follows:

The Group	**2022** **US$'000**	2021 US$'000
Deferred tax assets		
At gross	**13,791**	61,626
Less: Set off of tax in similar legislations	**(1,213)**	(48,218)
At net	**12,578**	13,408
Deferred tax liabilities		
At gross	**(53,336)**	(938)
Less: Set off of tax in similar legislations	**34,943**	-
At net	**(18,393)**	(938)
Deferred tax assets		
To be recovered within one year	**-**	-
To be recovered after one year	**12,578**	13,408
	12,578	13,408
Deferred tax liabilities		
To be settled within one year	**-**	-
To be settled after one year	**(18,393)**	(938)
	(18,393)	(938)

The movement in deferred tax assets and liabilities (after offsetting of balances within the same tax jurisdiction) are as follows:

The Group	Temporary differences on qualifying property, plant and equipment, and mine development costs US$'000	Provisions US$'000	Tax losses US$'000	Others US$'000	Total US$'000
Deferred tax assets:					
At 1 January 2021	(49,654)	3,824	56,554	(103)	10,621
Credited/(charged) to profit or loss (Note 28)	3,415	(1,031)	809	33	3,226
Exchange difference on translation	61	(188)	(312)	-	(439)
At 31 December 2021 and 1 January 2022	**(46,178)**	**2,605**	**57,051**	**(70)**	**13,408**
Credited/(charged) to profit or loss (Note 28)	**46,455**	**(1,228)**	**(45,455)**	**246**	**18**
Exchange difference on translation	**(29)**	**(145)**	**(670)**	**(4)**	**(848)**
At 31 December 2022	**248**	**1,232**	**10,926**	**172**	**12,578**

10 Deferred taxation (Cont'd)

The Group	Temporary differences on qualifying property, plant and equipment US$'000	Provisions US$'000	Tax losses US$'000	Others US$'000	Total US$'000
Deferred tax liabilities					
At 1 January 2021	(328)	-	-	(620)	(948)
(Charged)/credited to profit or loss (Note 28)	50	-	-	(50)	-
Exchange difference on translation	10	-	-	-	10
At 31 December 2021 and 1 January 2022	**(268)**	**-**	**-**	**(670)**	**(938)**
(Charged)/credited to profit or loss (Note 28)	**(50,351)**	**11,914**	**22,209**	**(1,245)**	**(17,473)**
Exchange difference on translation	**18**	**-**	**-**	**-**	**18**
At 31 December 2022	**(50,601)**	**11,914**	**22,209**	**(1,915)**	**(18,393)**

11 Subsidiaries

The Company	**2022 US$'000**	2021 US$'000
Unquoted equity investments, at cost		
At beginning of the year	**5,815**	6,172
Exchange difference on translation	**(386)**	(357)
At end of the year	**5,429**	5,815
Amounts due from subsidiaries	**153,618**	158,957
Less: Accumulated impairment losses		
At beginning of the year	**(60,527)**	(64,247)
Exchange difference on translation	**4,012**	3,720
At end of the year	**(56,515)**	(60,527)
	97,103	98,430
Total	**102,532**	104,245

The amounts due from subsidiaries are loans to subsidiaries, representing an extension of its investments in the subsidiaries. These amounts are unsecured with indeterminate repayment terms.

The Company evaluates any indication of impairment on the investment in subsidiaries at the end of each reporting period. The Company carries out a review of the recoverable amount of its investment in subsidiaries based on the higher of its fair value less cost to sell and value in use.

Cash flow projections used in these calculations are based on financial budgets approved by management. Cash flows beyond the budget period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate of the industry in which the CGU operates.

These assumptions are used for the analysis of each CGU within the business segment. Management determines budgeted gross margins based on past performance and its expectations of market developments. The weighted average growth rates used are consistent with forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments. A further decrease in the budgeted gross margin by 1% (2021 – 1%) would not result in indication of impairment of the carrying amount of the investments in subsidiaries.

11 Subsidiaries (Cont'd)

Key assumptions used for value-in-use calculations:

	2022			2021		
	People's Republic of China	**Malaysia**	**Australia**	People's Republic of China	Malaysia	Australia
	Smelting operations			Smelting operations		
Gross margin[1]	**2%**	**12%**	**31%**	3%	18%	29%
Growth rate[2]	**0 – 1% before 2027, 0% after 2027**	**1 – 2% before 2027, 0% after 2027**	**0% before 2027, 0% after 2027**	0% before 2026, 0% after 2026	2% - 3% before 2026, 0% after 2026	0% before 2026, 0% after 2026
Discount rate[3]	**4.3%**	**6.6%**	**12.8%**	4.9%	6.3%	12.8%

[1] Budgeted gross margin. The gross margin differs due to the different operating efficiencies of the various subsidiaries located in different geographical locations.
[2] Weighted average growth rate used to extrapolate cash flows beyond the budget period.
[3] Pre-tax discount rate applied to the pre-tax cash flow projections. The discount rates vary due to the geographical locations of the businesses.

Details of the Group's material subsidiaries at the end of the reporting period are set out below:

Name	Place of incorporation/ operation	Proportion of ownership interest and voting rights held by the Group		Principal activities
		2022 **%**	2021 %	
Held by the Company OM (Manganese) Ltd. [(1)]	Australia	**100**	100	Operation of manganese mine[(5)] and exploration
Held by OM Resources (HK) Limited OM Materials (S) Pte. Ltd. [(2)]	Singapore	**100**	100	Investment holding and trading of metals and ferroalloy products
Held by OM Materials (S) Pte. Ltd. OM Materials (Sarawak) Sdn. Bhd. [(3)]	Malaysia	**100**	75	Sales and processing of ferroalloys and ores
OM Materials (Qinzhou) Co. Ltd. [(4)]	PRC	**100**	100	Sales and processing of ferroalloys and ores
Held by OM Materials Trade (S) Pte. Ltd. OM Materials Trading (Qinzhou) Co. Ltd [(4)]	PRC	**100**	100	Trading of metals and ferroalloys products

Note:
(1) audited by Grant Thornton Audit Pty Ltd
(2) audited by Foo Kon Tan LLP
(3) audited by Ernst & Young PLT, Malaysia
(4) audited by Guangxi JiaHai Accountant Affairs Office Co. Ltd. for statutory purposes and reviewed by Foo Kon Tan LLP for group consolidation
(5) Production ceased on 25 January 2022 and the mine was placed on care and maintenance

11 Subsidiaries (Cont'd)

The principal activities of other subsidiaries that are not material to the Group at the end of the reporting period are summarised as follows:

Principal activities	Place of incorporation/ operation	Number of subsidiaries	
		2022	2021
Investment holding	The British Virgin Islands	**1**	1
Investment holding	Mauritius	**1**	1
Investment holding	Hong Kong	**1**	1
Investment holding	Singapore	**1**	1
Logistics services and rental of machinery	Malaysia	**1**	1
Engineering, procurement and construction services, and trading of metals and ferroalloy products	PRC	**1**	1
Project development and project management services	Malaysia	**2**	1
Exploration and mining of minerals	Malaysia	**2**	2
Engineering services	Malaysia	**1**	1
		11	10

Additional investment in OM Materials (Sarawak) Sdn. Bhd. ("OM Sarawak")
On the 4 March 2021, pursuant to the Equity Injection Notice dated 24 February 2021 from OM Sarawak, OM Materials (S) Pte Ltd ("OMS") contributed US$6,839,250, its proportionate share of the additional share capital injection in OM Sarawak, by subscribing 27,685,284 ordinary shares at an issue price of RM1.00 per share.

Acquisition of non-controlling interests ("NCI") in OM Sarawak and OM Materials (Samalaju) Sdn Bhd ("OM Samalaju")
On 6 December 2022, the Company's wholly owned subsidiary, OMS, completed the acquisition of the remaining 25% interests in OM Sarawak and OM Samalaju. The total consideration was US$120,000,000, which comprised US$109,127,000 for the acquisition of the shares in OM Sarawak and OM Samalaju, and US$10,873,000 for the repayment of loans to the non-controlling interests (Note 20.2).

Immediately prior to the acquisition, the carrying amount of the existing 25% non-controlling interests in OM Sarawak and OM Samalaju was US$85,987,000. The Group recognised a decrease in non-controlling interests of US$85,987,000, and a decrease in equity attributable to owners of the Company of US$23,140,000 (comprising a decrease in capital reserve of US$23,176,000, an increase in hedging reserve of US$1,129,000, and a decrease in exchange fluctuation reserve of US$1,093,000). The effect on the equity attributable to the owners of the Company arising from this transaction with non-controlling interests is summarised as follows:

	2022 US$'000
Total consideration	**120,000**
Less: Loan repayment to NCI	**(10,873)**
	109,127
Carrying amount of NCI acquired	**(85,987)**
Excess of consideration paid recognised within equity attributable to owners of the Company	**23,140**

11 Subsidiaries (Cont'd)

As at 31 December 2021, the material non-controlling interest of the Group comprised the 25% non-controlling interest in OM Sarawak. The details of OM Sarawak as at 31 December 2021 was as follows:

Name	Place of Incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests	Profit allocated to non-controlling interests	Accumulated non-controlling interests
		2021 %	2021 US$'000	2021 US$'000
OM Materials (Sarawak) Sdn. Bhd.	Malaysia	25	22,008	68,230

In 2022, the profit attributable to this non-controlling interest from 1 January 2022 to 6 December 2022 amounted to US$14,558,000. Summarised financial information in respect of the above subsidiary as at 31 December 2021 is set out below.

	2021 US$'000
OM Materials (Sarawak) Sdn. Bhd.	
Summarised Statement of Comprehensive Income	
Revenue	436,579
Expenses	(348,547)
Profit for the year	88,032
Summarised Statement of Financial Position	
Current assets	282,179
Non-current assets	429,026
Current liabilities	(170,092)
Non-current liabilities	(263,007)
Other summarised information	
Net cash inflow from operating activities	33,545
Net cash outflow from investing activities	(4,987)
Net cash outflow from financing activities	(20,561)
Net cash inflow	7,997

12 Interests in associates

The Group	**2022 US$'000**	2021 US$'000
Cost of investment in associates [1]		
At beginning of the year	**56,358**	59,821
Exchange difference on translation	**(3,736)**	(3,463)
At end of the year	**52,622**	56,358
Share of post-acquisition profits and reserves, net of dividends	**28,253**	30,214
	80,875	86,572

[1] Comprised unquoted equity shares at cost and advances to associates net of repayments. The advances to associates represent extensions of the investment in associates which are unsecured with indeterminate repayment terms.

12 Interests in associates (Cont'd)

Details of the Group's material associate at the end of the reporting period was as follows:

Name	Country of incorporation	Proportion of effective ownership interest and voting rights held by the Group		Principal activities
		2022 %	2021 %	
Ntsimbintle Mining Proprietary Limited ("NMPL") [1]	South Africa	**26**	26	Investment holding
Held by NMPL [2] Tshipi é Ntle Manganese Mining Proprietary Limited ("Tshipi Mining") [1]	South Africa	**13**	13	Exploration and exploitation of minerals

(1) audited by KPMG Inc.
(2) NMPL holds a 50.1% interest joint venture in Tshipi Mining whose results are equity-accounted in NMPL.

Shares in the Group's material associate are held by a wholly-owned subsidiary of the Company, OMH (Mauritius) Corp.

All of the Group's associates are accounted for using the equity method in the Group's consolidated financial statements.

The financial year end date of NMPL is 28 February. For the purposes of applying the equity method accounting, the management accounts of NMPL for the year ended 31 December 2022 have been used and appropriate adjustments have been made as necessary.

Summarised financial information in respect of the Group's material associate are set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRS.

	Ntsimbintle Mining Proprietary Limited	
	2022 US$'000	2021 US$'000
Current assets	**2,773**	3,414
Non-current assets [1]	**138,255**	127,916
Current liabilities	**-**	(55)
Non-current liabilities	**(93,713)**	(113,363)
Net assets	**47,315**	17,912
Income [1]	**52,139**	30,020
Profit for the year	**32,080**	15,656
Total comprehensive income for the year	**32,080**	15,656
Dividends received from associate	**7,868**	9,697

(1) Inclusive of equity-accounted results of Tshipi Mining.

12 Interests in associates (Cont'd)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	Ntsimbintle Mining Proprietary Limited		Total	
	2022 US$'000	2021 US$'000	**2022 US$'000**	2021 US$'000
Net assets of the associate	**47,315**	17,912	**47,315**	17,912
Shareholder loans	**93,713**	113,363	**93,713**	113,363
	141,028	131,275	**141,028**	131,275
Proportion of the Group's ownership interest in the associate	**36,667**	34,132	**36,667**	34,132
Goodwill	**40,543**	43,421	**40,543**	43,421
Currency translation difference	**3,579**	9,010	**3,579**	9,010
Carrying value	**80,789**	86,563	**80,789**	86,563
Add:				
Carrying value of individually immaterial associates			**86**	9
Carrying value of Group's interest in associates			**80,875**	86,572

Aggregate information of associates that are not individually material

The summarised financial information of the individually immaterial associates are as follows:

	2022 US$'000	2021 US$'000
- Profit/(loss) for the year	**228**	(40)
- Total comprehensive income for the year	**228**	(40)

	2022 US$'000	2021 US$'000
The Group's share of profit/(loss)	**76**	(13)

13 Inventories

The Group	**2022 US$'000**	2021 US$'000
At cost		
Raw materials	**92,064**	155,938
Work-in-progress	**14,339**	13,454
Finished goods	**82,329**	72,465
	188,732	241,857
At net realisable value		
Raw materials, work-in-progress and finished goods	**46,683**	14,519
Total	**235,415**	256,376
Recognised as expenses and included in cost of sales:		
Cost of inventories (Note 27), inclusive of:	**649,686**	573,932
Write-down of inventories to net realisable value	**51,181**	-
Recognised as expenses and included in other operating expenses:		
Write-down of inventories to net realisable value (Note 27)	**561**	2,830

14 Trade and other receivables

	The Company		The Group	
	2022 US$'000	2021 US$'000	**2022 US$'000**	2021 US$'000
Trade receivables (i)	**-**	-	**27,443**	32,625
Other receivables:				
Amounts due from subsidiaries (non-trade)	**6,380**	6,833	**-**	-
Deposits and other receivables:				
- third party	**-**	-	**4,818**	8,936
- associate	**-**	-	**220**	37
	6,380	6,833	**5,038**	8,973
Less: Allowance for impairment of other receivables:				
At beginning of the year	**-**	-	**(698)**	(214)
Impairment loss (Note 27)	**-**	-	**-**	(484)
At end of the year	**-**	-	**(698)**	(698)
Net other receivables (ii)	**6,380**	6,833	**4,340**	8,275
Total (i) + (ii)	**6,380**	6,833	**31,783**	40,900

The non-trade amounts due from subsidiaries, representing advances, are interest-free, unsecured and repayable on demand.

Included in the Group's deposits and other receivables from third parties is tax recoverable of US$99,000 (2021 - US$333,000) from tax authorities.

14 Trade and other receivables (Cont'd)

Trade and other receivables are denominated in the following currencies:

	The Company		The Group	
	2022 US$'000	2021 US$'000	**2022 US$'000**	2021 US$'000
Australian Dollar	**6,380**	6,833	**119**	1,117
Renminbi	**-**	-	**2,726**	6,246
United States Dollar	**-**	-	**28,148**	30,623
Malaysian Ringgit	**-**	-	**703**	404
Others	**-**	-	**87**	2,510
	6,380	6,833	**31,783**	40,900

The credit risk for trade and other receivables is as follows:

	The Company		The Group	
	2022 US$'000	2021 US$'000	**2022 US$'000**	2021 US$'000
<u>By geographical areas</u>				
Asia Pacific	**6,380**	6,833	**19,932**	29,452
Europe	**-**	-	**-**	4,534
Africa	**-**	-	**484**	3,660
America	**-**	-	**11,367**	3,254
	6,380	6,833	**31,783**	40,900

<u>Neither past due nor impaired</u>
Trade and other receivables that were neither past due nor impaired amounting to US$6,380,000 (2021 - US$6,833,000) and US$31,693,000 (2021 - US$40,876,000) for the Company and the Group respectively related to a wide range of debtors for whom there was no recent history of default.

<u>Past due but not impaired</u>
The ageing analysis of trade and other receivables past due but not impaired is as follows:

	The Company		The Group	
	2022 US$'000	2021 US$'000	**2022 US$'000**	2021 US$'000
Past due 0 to 3 months	**-**	-	**74**	21
Past due 3 to 6 months	**-**	-	**-**	-
Past due over 6 months	**-**	-	**16**	3
	-	-	**90**	24

Trade and other receivables that were past due but not impaired related to a number of debtors that have a good credit track record with the Group. Based on historical default rates, the Group believes that no further impairment allowance is necessary in respect of trade and other receivables not past due or past due.

15 Capitalised contract costs

The Group	**2022 US$'000**	2021 US$'000
Costs to fulfil service rendered for transportation of goods sold under CFR and CIF Incoterms	**538**	1,077
Amortisation recognised as cost of sales during the year	**1,077**	1,429

The Group's capitalised contract costs relate to fulfilment costs of freight and insurance for the transportation of goods sold under CFR and CIF Incoterms. These costs are charged to the profit or loss on a basis consistent with the pattern of recognition of the associated revenue.

16 Cash and bank balances

	The Company		The Group	
	2022 US$'000	2021 US$'000	**2022 US$'000**	2021 US$'000
Cash at bank and on hand	**24**	32	**50,192**	69,106
Short-term bank deposits	**-**	-	**3,070**	687
Total cash and cash equivalents	**24**	32	**53,262**	69,793
Add: Cash collateral	**-**	-	**9,121**	11,731
Cash and bank balances	**24**	32	**62,383**	81,524

Included in the cash collateral were amounts of US$1,025,000 (2021 - US$1,015,000) and US$7,984,000 (2021 - US$10,595,000) which were pledged to banks as security for banking facilities and the issuance of environmental bonds (Note 34.4) respectively.

Cash and bank balances (including cash collateral) are denominated in the following currencies:

	The Company		The Group	
	2022 US$'000	2021 US$'000	**2022 US$'000**	2021 US$'000
Australian Dollar	**22**	30	**9,473**	13,846
Renminbi	**-**	-	**5,127**	11,817
United States Dollar	**2**	2	**37,374**	50,873
Malaysian Ringgit	**-**	-	**9,844**	3,884
Others	**-**	-	**565**	1,104
	24	32	**62,383**	81,524

The short-term bank deposits have an average maturity of 1 month (2021 - 3 months) from the end of the financial year with the following effective interest rates:

The Group	**2022 Per annum**	2021 Per annum
United States Dollar	**2.48% to 3.11%**	0.10%
Malaysia Ringgit	**1.90%**	1.15%

17 Share capital

The Company and The Group	No. of ordinary shares 2022 '000	2021 '000	Amount 2022 US$'000	2021 US$'000
Authorised:				
Ordinary shares of US$0.04337 (A$0.05) (2021 – US$0.04337 (A$0.05)) each	**2,000,000**	2,000,000	**87,000**	87,000
Issued and fully paid:				
Ordinary shares of US$0.04337 (A$0.05– (2021 - US$0.04337 (A$0.05)) each				
At 1 January and 31 December	**738,623**	738,623	**32,035**	32,035

The holders of ordinary shares (excluding treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares (excluding treasury shares) rank equally with regard to the Company's residual assets.

18 Treasury shares

The Company and The Group	No. of ordinary shares 2022 '000	2021 '000	Amount 2022 US$'000	2021 US$'000
At 1 January and 31 December	**1,933**	1,933	**2,058**	2,058

Treasury shares relate to ordinary shares of the Company that are held by the Company. During the year, the Company acquired Nil shares (2021 - Nil shares) in the Company through on-market purchase on the Australian Securities Exchange or on Bursa Malaysia.

19 Reserves

		The Company 2022 US$'000	2021 US$'000	The Group 2022 US$'000	2021 US$'000
Share premium	[Note (i)]	**156,920**	156,920	**156,920**	156,920
Non-distributable reserve	[Note (ii)]	**-**	-	**7,922**	7,643
Capital reserve	[Note (iii)]	**-**	-	**(10,947)**	12,138
Contributed surplus	[Note (iv)]	**2,593**	2,593	**-**	-
Hedging reserve	[Note (v)]	**-**	-	**272**	(818)
Exchange fluctuation reserve	[Note (vi)]	**(39,758)**	(36,286)	**(40,139)**	(33,032)
(Accumulated losses)/Retained profits	[Note (vii)]	**(105,484)**	(91,396)	**252,105**	195,158
		14,271	31,831	**366,133**	338,009
Share premium					
At 1 January and 31 December		**156,920**	156,920	**156,920**	156,920
Non-distributable reserve					
At 1 January		**-**	-	**7,643**	7,643
Transfer to statutory reserve		**-**	-	**279**	-
At 31 December		**-**	-	**7,922**	7,643
Capital reserve					
At 1 January		**-**	-	**12,138**	12,138
Acquisition of non-controlling interests (Note 11)		**-**	-	**(23,176)**	-
Transfer to statutory reserve		**-**	-	**91**	-
At 31 December		**-**	-	**(10,947)**	12,138

19 Reserves (Cont'd)

		The Company		The Group	
		2022	2021	**2022**	2021
		US$'000	US$'000	**US$'000**	US$'000
Contributed surplus					
At 1 January and 31 December		**2,593**	2,593	**-**	-
Hedging reserve					
At 1 January		**-**	-	**(818)**	(2,412)
Cash flow hedges		**-**	-	**(39)**	1,594
Acquisition of non-controlling interests (Note 11)		**-**	-	**1,129**	-
At 31 December		**-**	-	**272**	(818)
Exchange fluctuation reserve					
At 1 January		**(36,286)**	(32,533)	**(33,032)**	(28,639)
Acquisition of non-controlling interests (Note 11)		**-**	-	**(1,093)**	-
Currency translation differences		**(3,472)**	(3,753)	**(6,014)**	(4,393)
At 31 December		**(39,758)**	(36,286)	**(40,139)**	(33,032)
(Accumulated losses)/Retained profits					
At 1 January		**(91,396)**	(93,100)	**195,158**	133,638
Profit for the year		**(3,563)**	1,704	**67,842**	61,520
Dividends	[Note viii)]	**(10,525)**	-	**(10,525)**	-
Transfer to statutory reserve		**-**	-	**(370)**	-
At 31 December		**(105,484)**	(91,396)	**252,105**	195,158

Notes:

(i) The share premium reserve comprises the value of shares that have been issued at a premium, meaning the price paid was in excess of the share's quotient value. The amount received in excess of the quotient value was transferred to the share premium reserve.

(ii) In accordance with the accounting principles and financial regulations applicable to Sino-foreign joint venture enterprises, the subsidiaries in the PRC are required to transfer part of their profits after tax to the "Statutory Reserves Fund", the "Enterprise Expansion Fund" and the "Staff Bonus and Welfare Fund", which are non-distributable, before profit distributions to joint venture partners. The quantum of the transfers is subject to the approval of the board of directors of these subsidiaries.

The annual transfer to the Statutory Reserves Fund should not be less than 10% of profit after tax, until it aggregates to 50% of the registered capital. However, foreign enterprises may choose not to appropriate profits to the Enterprise Expansion Fund.

The Statutory Reserves Fund can be used to make good previous years' losses while the Enterprise Expansion Fund can be used for the acquisition of property, plant and equipment and financing daily funds required. The Staff Bonus and Welfare Fund is utilised for employees collective welfare benefits and is included in other payables under current liabilities in the statements of financial position.

(iii) Capital reserve relates to:
a) Difference between the consideration paid and the carrying amount of the non-controlling interests acquired, and
b) Capitalisation of various reserves and retained profits in one of the Sino-foreign joint ventures of the Group. The purpose of the capitalisation is to increase the registered capital of the joint venture.

(iv) The contributed surplus of the Company represents the difference between the nominal value of the Company's shares issued for acquisition of the subsidiaries and the aggregate net asset value of the subsidiaries acquired. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus can be distributable to shareholders under certain circumstances. At the Group level, the contributed surplus is eliminated against the cost of investment in subsidiaries.

19 Reserves (Cont'd)

(v) The hedging reserve represents hedging gains and losses recognised on the effective portion of cash flow hedges. The cumulative deferred gain or loss on the hedge recognised in other comprehensive income and accumulated hedging reserves is reclassified to the profit or loss when the forecast transaction is ultimately recognised in the profit or loss.

(vi) The translation reserve comprises all foreign exchange differences arising on the translation of the financial statements of foreign subsidiaries and associates stated in a currency different from the Group's presentation currency.

(vii) Retained earnings comprise the distributable reserves recognised in the preceding year less any dividend declared. The total of such profits brought forward and the profit derived during the period constitute the total distributable reserves, that is the maximum amount available for distribution to the shareholders.

(viii)

The Group and The Company	**2022 US$'000**	2021 US$'000
Final tax-exempt (one-tier) dividend of US$0.01429 (A$0.02) per share for 2021	**10,525**	-
	10,525	-

On 27 February 2023, the Company declared a final dividend of A$0.015 per share to be paid to shareholders on 26 May 2023. The dividend is payable to all shareholders on the register of members on 5 May 2023. The total estimated dividend to be paid is US$7,506,000 (A$11,079,000), which will be accounted for in the shareholder's equity as an appropriation of retained earnings in the financial year ended 31 December 2023.

20 Borrowings

The Group	**2022 US$'000**	2021 US$'000
Non-current		
Bank loans (Note 20.1)	**175,675**	204,721
Other borrowings (Note 20.2)	**29,452**	10,731
	205,127	215,452
Structuring and arrangement fee	**(310)**	(586)
	204,817	214,866
Current		
Bank loans (Note 20.1)	**50,200**	73,538
Other borrowings (Note 20.2)	**-**	8,814
	50,200	82,352
Structuring and arrangement fee	**(277)**	(425)
	49,923	81,927
	254,740	296,793

20 Borrowings (Cont'd)

20.1 Bank loans

The Group	**2022 US$'000**	2021 US$'000
Bank loans, secured [Note (a)]	**2,976**	6,295
Bank loans, secured [Note (b)]	**222,899**	271,964
	225,875	278,259
Amount repayable not later than one year	**50,200**	73,538
Amount repayable after one year:		
Later than one year and not later than five years	**175,675**	204,721
	225,875	278,259

Notes:

(a) These loans are secured by a charge over certain Buildings and infrastructure and Plant and machinery, as disclosed in Note 4.

(b) These loans are secured by:

- shares of OM Materials (Sarawak) Sdn Bhd, a company incorporated in Malaysia;
- a charge over its property, plant and equipment (Note 4);
- a charge over certain bank accounts;
- a charge over land use rights (Note 5);
- a debenture;
- a borrower assignment;
- an assignment of insurances;
- a shareholder assignment;
- an assignment of reinsurances; and
- a corporate guarantee from OM Holdings Limited

20.2 Other borrowings

The Group	**2022 US$'000**	2021 US$'000
Loan from non-controlling interest, unsecured [Note (a)]	**-**	2,231
Loan from non-controlling interest, unsecured [Note (b)]	**-**	8,189
Bonds, unsecured [Note (c)]	**20,952**	-
Third party loan, secured [Note (d)]	**8,500**	8,500
Third party loan, unsecured	**-**	625
	29,452	19,545
Amount repayable not later than one year	**-**	8,814
Amount repayable after one year:		
Later than one year and not later than five years	**29,452**	8,500
Later than five years	**-**	2,231
	29,452	10,731
	29,452	19,545

20 Borrowings (Cont'd)

20.2 Other borrowings (Cont'd)

Notes:

(a) These loans were unsecured. The non-controlling interest was not entitled to demand or receive payment or any distribution in respect of any loans from the Group. Repayment may be made subject to satisfaction of pre-agreed tests typical for a project financing of this nature. The loan was repaid on 6 December 2022 as part of consideration paid for the acquisition of the non-controlling interests in OM Sarawak and OM Samalaju (Note 11), and disclosed in the Consolidated statement of cash flows under repayment of bank and other loans.

(b) The loan was unsecured and repayable on demand. The loan was repaid on 6 December 2022 as part of consideration paid for the acquisition of the non-controlling interests in OM Sarawak and OM Samalaju (Note 11), and disclosed in the Consolidated statement of cash flows under repayment of bank and other loans.

(c) The bonds issued by a wholly owned subsidiary of A$30,926,000 in November 2022 are unsecured and are due for full repayment in 2025. Coupon of 10% is paid semi-annually in arrears on 30 May and 30 November each year, commencing on 30 May 2023 and continuing throughout the 3 years term. The subsidiary has the right to redeem the outstanding principal amount together with unpaid accrued interest, on or after the second anniversary of the issue date with prior written notice.

(d) The loan is secured by a corporate guarantee from OM Holdings Limited. In December 2021, the repayment date was extended to 4 January 2023. In December 2022, the repayment date was extended to 4 January 2024.

20.3 Currency risk

Total borrowings are denominated in the following currencies:

The Group	**2022** **US$'000**	2021 US$'000
United States Dollar	**230,812**	289,873
Renminbi	**2,976**	6,295
Australian Dollar	**20,952**	625
	254,740	296,793

20.4 Effective interest rates

The weighted average effective interest rates of total borrowings at the end of the reporting period are as follows:

The Group	**2022**	2021
	Per annum	
Bank loans (Note 20.1)	**2.83% to 5.42%**	1.88% to 5.07%
Other borrowings (Note 20.2)	**4.67% to 10.00%**	1.24% to 4.53%

21 Lease liabilities

The Group	**2022 US$'000**	2021 US$'000
Undiscounted lease payments due:		
- Year 1	**1,882**	2,524
- Year 2	**1,657**	1,818
- Year 3	**131**	1,596
- Year 4 and onwards	**47**	3
	3,717	5,941
Less: Unearned interest cost	**(207)**	(347)
Lease liabilities	**3,510**	5,594
Presented as:		
- Non-current	**1,753**	3,029
- Current	**1,757**	2,565
	3,510	5,594

Interest expense on lease liabilities of US$171,000 (2021 - US$251,000) is recognised within "finance costs" in the Consolidated statement of comprehensive income.

Rental expenses not capitalised in lease liabilities but recognised in the profit or loss are set out below:

The Group	**2022 US$'000**	2021 US$'000
Short-term leases	**2,962**	7,148
Leases of low-value assets	**33**	14

Total cash outflows for all leases in the year amounted to US$2,655,000 (2021 - US$4,459,000).

As at 31 December 2022, the Group's short-term lease commitments at the reporting date are not substantially dissimilar to those giving rise to the Group's short-term lease expense for the year.

The Group's lease liabilities are secured by the lessors' title to the leased assets.

Further information about the financial risk management are disclosed in Note 37 and leasing activities in Note 33.

Lease liabilities are denominated in the following currencies:

The Group	**2022 US$'000**	2021 US$'000
Australian Dollar	**25**	539
Malaysian Ringgit	**2,910**	4,150
Others	**575**	905
	3,510	5,594

22 Trade and other payables

	The Company		The Group	
	2022 US$'000	2021 US$'000	**2022 US$'000**	2021 US$'000
Non-current				
Trade payables - third party	**-**	-	**54,224**	39,301
Other payables	**-**	-	**99**	85
Retention monies	**-**	-	**-**	31
	-	-	**54,323**	39,417
Current				
Trade payables				
- third party	**-**	-	**111,990**	101,191
Amount due to subsidiaries (non-trade)	**62,874**	47,631	**-**	-
Accruals	**1,793**	1,621	**3,238**	10,788
Other payables	**22**	141	**7,300**	12,744
Retention monies	**-**	-	**3,331**	1,317
Welfare expense payable	**-**	-	**642**	2,030
Interest payables	**-**	-	**103**	171
	64,689	49,393	**14,614**	27,050
	64,689	49,393	**126,604**	128,241
Total	**64,689**	49,393	**180,927**	167,658

Non-current trade payables relate to payables to vendors which bear interest of 5.5% (2021 - 5.5%) per annum.

The current amount due to subsidiaries (non-trade) represents advances which are unsecured, interest-free and repayable on demand.

Trade and other payables are denominated in the following currencies:

	The Company		The Group	
	2022 US$'000	2021 US$'000	**2022 US$'000**	2021 US$'000
Australian Dollar	**40,793**	28,482	**1,905**	9,774
Renminbi	**-**	-	**7,589**	10,638
United States Dollar	**23,746**	20,762	**62,653**	32,718
Malaysian Ringgit	**-**	-	**108,530**	114,256
Others	**150**	149	**250**	272
	64,689	49,393	**180,927**	167,658

All trade payables are generally on 30 to 120 (2021 - 30 to 120) days' credit terms.

23 Provisions

The Group	**2022 US$'000**	2021 US$'000
Rehabilitation		
At beginning of the year	**7,176**	9,763
Adjustments from mine development costs (Note 7)	**450**	(901)
Utilisation	**(2,223)**	(1,188)
Exchange realignment	**(437)**	(498)
At end of the year	**4,966**	7,176
Non-current	**4,778**	5,786
Current	**188**	1,390
	4,966	7,176

According to the Mine Management and Environmental Management Plans submitted to the Northern Territory Government in Australia, the wholly-owned subsidiary, OM (Manganese) Ltd is obligated for the rehabilitation and restoration of areas disturbed arising from mining activities conducted by OM (Manganese) Ltd. Mine rehabilitation costs are provided for at the present value of future expected expenditure when the liability is incurred. Although the ultimate cost to be incurred is uncertain, the Group has estimated its costs based on the rates outlined by the Northern Territory Department of Industry, Tourism and Trade using current restoration standards and techniques.

24 Deferred capital grant

The Group	**2022 US$'000**	2021 US$'000
Government grant	**7,698**	8,262
Non-current	**7,131**	7,698
Current	**567**	564
	7,698	8,262

A government grant was awarded for the construction of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached. The movement in the deferred capital grant is due to amortisation of US$564,000 (2021 - US$567,000) (Note 27) and foreign currency translation differences.

25 Contract liabilities

The Group	**2022 US$'000**	2021 US$'000
Transportation of goods sold under CFR and CIF Incoterms	**10,536**	7,028

The Group's contract liabilities relate to the Group's obligation to transport goods sold to customers under CFR and CIF Incoterms for which the Group has received advance payments from these customers.

Unsatisfied performance obligations in relation to contract liabilities at the end of the reporting period are:

The Group	**2022 US$'000**	2021 US$'000
Aggregate amount of transaction price allocated to contracts that are partially or fully unsatisfied at the end of the year	**10,536**	7,028

The Group expects that 100% of the transaction price allocated to the unsatisfied performance obligations at the end of the current year may be recognised as revenue during the next reporting period.

26 Other income

The Group	2022 US$'000	2021 US$'000
Interest income from banks	**1,205**	223
Commission income	**1,607**	876
Government grant	**170**	378
Gain on disposal of other investment	**-**	581
Gain from derecognition of financial liabilities	**-**	6,681
Sundry income	**984**	1,980
	3,966	10,719

27 Profit before income tax

The Group	Note	2022 US$'000	2021 US$'000
Profit before income tax has been arrived at after charging:			
Depreciation of property, plant and equipment:			
- cost of sales		**16,213**	16,468
- other operating expenses		**8,537**	12,216
	4	**24,750**	28,684
(Gain)/loss on disposal of property, plant and equipment [1]		**(3)**	14
Write off of property, plant and equipment [1]		**10,052**	5,490
Amortisation of land use rights [1]	5	**143**	145
Write-off of exploration and evaluation costs [1]	6	**130**	114
Amortisation of mine development costs [1]	7	**392**	9,622
Depreciation of investment property [1]	8	**7**	8
Depreciation of right-of-use assets [1]	9	**2,356**	4,405
Cost of inventories recognised as expenses and included in cost of sales	13	**649,686**	573,932
Write-down of inventories to net realisable value [1]	13	**561**	2,830
Impairment loss on trade and other receivables [1]	14	**-**	484
Unwinding of discount on non-current trade payables [1]		**-**	63
Amortisation of deferred capital grant [2]	24	**(564)**	(567)
Foreign exchange (gain)/loss - net [1]		**(592)**	8,818
Rental expenses:			
- short-term leases	21	**2,962**	7,148
- leases of low-value assets	21	**33**	14
Finance costs:			
- loans		**17,447**	13,877
- lease liabilities		**171**	251
- others		**1,034**	695
		18,652	14,823
Employee benefits expenses	31	**47,656**	63,935

[1] These are included under "Other operating expenses" in the Consolidated statement of comprehensive income.
[2] This is included under "Cost of sales" in the Consolidated statement of comprehensive income.

28 Income tax expense

A provision for enterprise income tax on the subsidiaries operating in the People's Republic of China ("PRC") has been made in accordance with the Income Tax Law of PRC concerning Foreign Investment Enterprises and Foreign Enterprises and various local income tax laws.

A Global Trader Programme is granted by the Singapore Ministry of Trade and Industry to a Singapore subsidiary, OM Materials (S) Pte. Ltd., for a concessionary rate of 10% valid up to December 2023, subject to the fulfilment of specific conditions.

In November 2017, OM Materials (Sarawak) Sdn. Bhd. ("OM Sarawak") was awarded Pioneer Status by the Malaysian Investment Development Authority ("MIDA"), which entitles OM Sarawak exemption from tax for a period of 5 years effective 1 December 2016 to 30 November 2021 on 100% of statutory income derived from the production of ferro-silicon, silicon manganese and high carbon ferromanganese. OM Sarawak has provided for 24% tax on 100% of its taxable income for the financial year ended 31 December 2022, and is currently working towards meeting all the conditions set by MIDA to be eligible for a second 5 year tax exemption period (from 1 December 2021 to 30 November 2026) on 70% of its statutory income. Upon satisfaction by OM Sarawak of the MIDA conditions, OM Sarawak's annual tax position will be adjusted accordingly.

Taxation has been provided at the appropriate tax rates prevailing in Australia, Singapore, Malaysia, Hong Kong and PRC in which the Group operates on the estimated assessable profits for the year. These rates generally range from 10% to 30% for the reporting period.

The Group	**2022 US$'000**	2021 US$'000
Current taxation:		
- Singapore income tax (concessionary tax rate of 10%)	**2,754**	2,063
- PRC tax (tax rate of 25%)	**1,441**	2,115
- Other jurisdictions	**642**	305
Deferred taxation	**17,455**	(3,504)
	22,292	979
Overprovision in prior years:		
- current taxation	**(27)**	(532)
- deferred taxation	**-**	278
	(27)	(254)
Income tax	**22,265**	725
Other taxation:		
- withholding tax	**516**	498
- profits-based royalty and special mining taxes	**257**	1,228
	23,038	2,451

A reconciliation of the income tax applicable to the accounting profit at the applicable tax rates to the income tax expense for the reporting period was as follows:

The Group	**2022 US$'000**	2021 US$'000
Profit before income tax	**105,629**	84,534
Tax at applicable tax rates	**26,211**	18,779
Tax effect of non-taxable revenue[1]	**(137)**	(17,078)
Tax effect of non-deductible expenses[2]	**1,556**	5,129
Tax effect of allowances and concessions given by tax jurisdictions	**(2,058)**	(1,502)
Utilisation of deferred tax assets on temporary difference not recognised in previous years	**(2,021)**	(3,739)
Effects of share of results of associates	**(1,259)**	(610)
Overprovision in prior years	**(27)**	(254)
	22,265	725

(1) In 2021, non-taxable revenue relates mainly to Pioneer Income contributed by OM Sarawak.

(2) Non-deductible expenses relate mainly to depreciation and amortisation of non-qualifying assets, overseas accrued interest expenses and provision of expenses.

29 Cash flow hedges

The Group	2022 US$'000	2021 US$'000
Cash flow hedges:		
(Loss)/gain arising during the year	**(47)**	2,125

30 Profit per share

The Group

Basic profit per share is calculated based on the consolidated profit attributable to owners of the parent divided by the weighted average number of shares (excluding treasury shares) on issue of 736,690,000 (2021 - 736,690,000) ordinary shares during the financial year.

Fully diluted profit per share is calculated based on the consolidated profit attributable to owners of the parent divided by 736,690,000 (2021 - 736,690,000) ordinary shares (excluding treasury shares). The number of ordinary shares was calculated based on the weighted average number of shares on issue during the financial year adjusted for the effects of all dilutive convertible bonds and warrants. Dilutive potential ordinary shares are deemed to have been converted into ordinary shares at the beginning of the year or if later, the date of the issue of the potential ordinary shares.

The following table reflects profit or loss and share data used in the computation of basic and diluted profit per share from continuing operations for the years ended 31 December:

The Group	2022 '000	2021 '000
Weighted average number of ordinary shares for the purpose of basic profit per share	**736,690**	736,690
Effect of dilutive potential ordinary shares:	**-**	-
Weighted average number of ordinary shares for the purpose of diluted profit per share	**736,690**	736,690

Profit figures were calculated as follows:

	2022 US$'000	2021 US$'000
Profit for the year attributable to owners of the Company	**67,842**	61,520
Effect of dilutive potential ordinary shares:	**-**	-
Profit for the purposes of diluted profit per share	**67,842**	61,520

31 Employee benefits expense

The Group	2022 US$'000	2021 US$'000
Directors' fees	**499**	604
Directors' remuneration other than fees:		
- Directors of the Company	**2,401**	2,234
- Directors of the subsidiaries	**1,847**	1,233
- Defined contributions plans	**80**	61
Key management personnel (other than Directors):		
- Salaries, wages and other related costs	**3,125**	3,337
- Defined contributions plans	**261**	299
	8,213	7,768
Other than key management personnel:		
- Salaries, wages and other related costs	**36,967**	52,189
- Defined contributions plans	**2,476**	3,978
	47,656	63,935

32 Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following amounts are transactions with related parties based upon commercial arm's length terms and conditions:

The Group	2022 US$'000	2021 US$'000
(a) Trading and other transactions		
Commission charged to an associate	**1,607**	1,632
Commission charged by an associate	**(549)**	(250)
Sales of goods to an associate	**1,864**	6,520
Purchases of goods from an associate	**(77,096)**	(75,306)
(b) Key management personnel		
Bonds invested by key management personnel (Note 20.2(c))	**5,124**	-
Interest expense on bonds invested by key management personnel	**43**	-

33 Leases

(i) The Group as lessee

(a) Properties

The Group leases several land and buildings for operational and storage purposes (Note 9).

The Group makes prepayments for usage of land (Note 5) in the PRC and Malaysia under leasing agreements where the Group constructs buildings and infrastructure for office and operational use.

There are no externally imposed covenants on these property lease arrangements.

(b) Plant and machinery, office equipment and motor vehicles

The Group makes monthly lease payments to acquire plant and machinery and office equipment used for manufacturing and operational activities. The Group also acquires motor vehicles under hire purchase arrangements to render internal logistics support. These plant and machinery, office equipment and motor vehicles are recognised as the Group's right-of-use assets (Note 9). The lease agreements for plant and machinery, office equipment and motor vehicles prohibit the Group from subleasing them to third parties.

Information regarding the Group's right-of-use assets and lease liabilities are disclosed in Note 9 and 21 respectively.

33 Leases (Cont'd)

(ii) The Group as lessor

Investment property

Operating leases, in which the Group is the lessor, relate to investment property (Note 8) owned by the Group with a remaining lease term of 7 months. The operating lease contract contains market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

The Group's revenue from rental income received on the investment properties are disclosed in Note 8.

The future minimum rental receivable under non-cancellable operating leases contracted for the reporting date are as follows:

The Group	**2022 US$'000**	2021 US$'000
Undiscounted lease payments to be received:		
- Year 1	**57**	96
- Year 2	**-**	56
	57	152

34 Commitments

34.1 Capital commitments

The following table summarises the Group's capital commitments:

The Group	**2022 US$'000**	2021 US$'000
Capital expenditure contracted but not provided for in the financial statements:		
- acquisition of property, plant and equipment	**23,370**	11,855

34.2 Other operating commitments

Other contracted operating commitments represent the provision of processing services, catering, cleaning and village management, electrical power services, road haulage and rail haulage. These commitments are contracted for but not provided for in the financial statements.

The Group	**2022 US$'000**	2021 US$'000
Not later than one year	**-**	1,988
Later than one year and not later than five years	**-**	-
Later than five years	**-**	-
	-	1,988

34.3 Mineral Tenements

In order to maintain the mineral tenements in which a subsidiary is involved, the subsidiary has committed to fulfil the minimum annual expenditures in accordance with the requirements of the Northern Territory Department of Industry, Tourism and Trade for the next financial year, as set out below:

The Group	**2022 US$'000**	2021 US$'000
Mineral tenements annual expenditure commitments	**81**	111

34 Commitments (Cont'd)

34.4 Environmental bonds

A subsidiary had environmental bonds to the value of US$7,984,000 (2021 - US$10,595,000) lodged with the Northern Territory Government (Department of Industry, Tourism and Trade) to secure environmental rehabilitation commitments. The US$7,984,000 (2021 - US$10,595,000) of bonds are secured by US$7,062,000 (2021 - US$9,472,000) of bonds issued under financing facilities and certain cash backed.

35 Other matters

Sponsor Guarantee issued under the terms of the Power Purchase Agreement with Syarikat Sesco Berhad

Pursuant to the Amended Power Purchase Agreement ("PPA") between a subsidiary, OM Materials (Sarawak) Sdn. Bhd. ("OM Sarawak"), and Syarikat Sesco Berhad ("SSB"), the Company issued guarantees to SSB for certain obligations of OM Sarawak under the PPA.

The guarantees disclosed above do not fall into the category of financial guarantees as they do not relate to debt instruments. The purpose of these guarantees is essentially to enable SSB to provide the power supply to OM Sarawak on the condition that these guarantees are provided by the Company in the event that there are any unpaid claims arising from the PPA owed to SSB. There are no bank loans involved in these guarantees. As such, there is no need for the guarantees to be fair valued.

Project Support guarantee issued under the terms of the Facilities Agreement and the Project Support Agreement

OM Sarawak, a subsidiary of the Company, entered into a project finance Facilities Agreement ("FA") for a limited recourse senior project finance debt facility.

Concurrently, the Company and OM Material (S) Pte Ltd ("OMS"), the ultimate and immediate holding company of OM Sarawak, entered into a Project Support Agreement ("PSA") in relation to the project finance debt facility. The PSA governs the rights and obligations of the Company and OMS. These obligations and liabilities severally liable.

The PSA will lapse upon the final payment of the project financing facilities.

36 Operating segments

For management purposes, the Group is organised into the following reportable operating segments:

Mining	Exploration and mining of manganese ore
Smelting	Production of manganese ferroalloys, ferrosilicon, silicon metal and manganese sinter ore
Marketing and Trading	Trading of manganese ore, manganese ferroalloys, ferrosilicon and sinter ore

Each of these operating segments is managed separately as they require different resources as well as operating approaches.

The reporting segment results exclude the finance income and costs and share of results of associates, which are not directly attributable to the business activities of any operating segment, and are not included in arriving at the operating results of the operating segment.

Sales between operating segments are carried out at arm's length.

Segment performance is evaluated based on the operating profit or loss which in certain respects, as set out below, is measured differently from the operating profit or loss in the consolidated financial statements.

36 Operating segments (Cont'd)

	Mining		Smelting		Marketing and Trading		Others		Total	
	2022 US$'000	2021 US$'000	**2022 US$'000**	2021 US$'000	**2022 US$'000**	2021 US$'000	**2022 US$'000**	2021 US$'000	**2022 US$'000**	2021 US$'000
Reportable segment revenue										
Sales to external customers	**-**	-	**288,874**	186,262	**567,021**	593,574	**657**	57	**856,552**	779,893
Inter-segment sales	**19,822**	62,997	**359,790**	292,746	**90,382**	100,090	**52,492**	27,767	**522,486**	483,600
Elimination	**(19,822)**	(62,997)	**(359,790)**	(292,746)	**(90,382)**	(100,090)	**(52,492)**	(27,767)	**(522,486)**	(483,600)
	-	-	**288,874**	186,262	**567,021**	593,574	**657**	57	**856,552**	779,893
Reportable segment profit	**(5,744)**	(26,283)	**103,045**	104,711	**21,058**	21,751	**(3,700)**	(5,102)	**114,659**	95,077
Reportable segment assets	**48,320**	70,915	**809,893**	780,176	**540,745**	405,889	**139,185**	132,465	**1,538,143**	1,389,445
Elimination									**(733,014)**	(532,381)
Investment in associates									**80,875**	86,572
Total assets									**886,004**	943,636
Reportable segment liabilities	**119,541**	142,988	**429,520**	460,822	**283,660**	175,558	**79,676**	64,140	**912,397**	843,508
Elimination									**(426,127)**	(343,585)
Total liabilities									**486,270**	499,923
Other segment information										
Purchase of property, plant and equipment	**94**	1,239	**38,900**	5,429	**78**	101	**330**	269	**39,402**	7,038
Depreciation of property, plant and equipment	**947**	4,510	**23,085**	23,468	**72**	123	**646**	583	**24,750**	28,684
Write off of property, plant and equipment	**-**	91	**10,051**	665	**-**	56	**1**	4,678	**10,052**	5,490
(Gain)/loss on disposal of property, plant and equipment	**-**	-	**(3)**	14	**-**	-	**-**	-	**(3)**	14
Amortisation of land use rights	**-**	-	**143**	145	**-**	-	**-**	-	**143**	145
Addition of evaluation and exploration costs	**367**	467	**-**	-	**-**	-	**28**	80	**395**	547
Amortisation of mine development costs	**392**	9,622	**-**	-	**-**	-	**-**	-	**392**	9,622
Depreciation of right-of-use assets	**461**	2,575	**1,305**	1,309	**366**	330	**224**	191	**2,356**	4,405
Depreciation of investment property	**-**	-	**-**	-	**7**	8	**-**	-	**7**	8
Write off of evaluation and exploration costs	**-**	-	**-**	-	**-**	-	**130**	114	**130**	114
Write-down of inventories to net realisable value	**211**	2,830	**39**	-	**311**	-	**-**	-	**561**	2,830
Impairment loss on trade and other receivables	**-**	-	**-**	-	**-**	-	**-**	484	**-**	484
Amortisation of deferred capital grant	**-**	-	**(564)**	(567)	**-**	-	**-**	-	**(564)**	(567)

36 Operating segments (Cont'd)

Reconciliation of the Group's reportable segment profit to the profit before income tax is as follows:

The Group	**2022 US$'000**	2021 US$'000
Reportable segment profit	**114,659**	95,077
Finance income	**1,205**	223
Share of results of associates	**8,417**	4,057
Finance costs	**(18,652)**	(14,823)
Profit before income tax	**105,629**	84,534

The Group's revenues from external customers and its non-current assets (other than deferred tax assets) are divided into the following geographical areas:

	Revenue from external customers		Non-current assets	
	2022 US$'000	2021 US$'000	**2022 US$'000**	2021 US$'000
Asia Pacific	**662,759**	673,770	**460,898**	461,125
Europe	**52,346**	48,909	**-**	-
Middle East	**22,840**	28,225	**-**	-
Africa	**976**	48	**80,789**	86,562
America	**117,631**	28,941	**-**	-
	856,552	779,893	**541,687**	547,687

The geographical location of customers is based on the locations at which the goods were delivered. The geographical location of non-current assets is based on the physical location of the assets.

37 Financial risk management objectives and policies

The Company and the Group are exposed to financial risks arising from its operations and use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Company's and the Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Company's and the Group's financial performance.

Risk management is carried out by the Finance Division under policies approved by the Board of Directors. The Finance Division identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign currency risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and investing excess liquidity.

There has been no change to the Company's and the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

37.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group's exposure to credit risk arises primarily from trade receivables, cash and cash equivalents and other financial assets. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Company and the Group adopt the policy of dealing only with high credit quality counterparties.

The Company's and the Group's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by management based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management.

37 Financial risk management objectives and policies (Cont'd)

37.1 Credit risk (Cont'd)

Exposure to credit risk
As the Company and the Group do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position.

The Company's and the Group's major classes of financial assets are bank deposits and trade and other receivables. Cash is held with reputable financial institutions. Further details of credit risks on trade and other receivables are disclosed in Note 14.

Guarantees
The Company provides corporate guarantees to its subsidiaries on their bank borrowings. The Company's maximum exposure to credit risk in respect of the intra-group corporate guarantees at the reporting date is equal to the facilities drawn down by the subsidiaries in the amounts of US$312,086,000 (2021 - US$352,235,000). At the reporting date, the Company does not consider it probable that a claim will be made against the Company under these intragroup corporate guarantees.

There is no impact on the corporate guarantee as there are no differential rates given by the financial institutions.

Undrawn credit facilities
The Group has undrawn credit facilities of approximately US$69,829,000 (2021 - US$38,747,000) at the reporting date.

37.2 Liquidity risk

Liquidity risk is the risk that the Company or the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company's and the Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's and the Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The table below analyses the maturity profile of the Company's and the Group's financial liabilities based on contractual undiscounted cash flows:

The Group	Less than 1 year US$'000	Between 2 and 5 years US$'000	Over 5 years US$'000	Total US$'000	Total carrying amount US$'000
As at 31 December 2022					
Trade and other payables	**129,912**	**57,847**	**-**	**187,759**	**180,927**
Borrowings	**69,558**	**239,615**	**-**	**309,173**	**254,740**
Lease liabilities	**1,882**	**1,835**	**-**	**3,717**	**3,510**
	201,352	**299,297**	**-**	**500,649**	**439,177**
As at 31 December 2021					
Trade and other payables	128,874	42,227	-	171,101	167,658
Borrowings	91,079	237,226	2,231	330,536	296,793
Lease liabilities	2,524	3,417	-	5,941	5,594
	222,477	282,870	2,231	507,578	470,045

37 Financial risk management objectives and policies (Cont'd)

37.2 Liquidity risk (Cont'd)

The Company	Less than 1 year US$'000	Between 2 and 5 years US$'000	Over 5 years US$'000	Total US$'000	Total carrying amount US$'000
As at 31 December 2022					
Trade and other payables	**64,689**	**-**	**-**	**64,689**	**64,689**
	64,689	**-**	**-**	**64,689**	**64,689**
Intragroup financial guarantees	**376,230**	**-**	**-**	**376,230**	**-**
As at 31 December 2021					
Trade and other payables	49,393	-	-	49,393	49,393
	49,393	-	-	49,393	49,393
Intragroup financial guarantees	352,235	-	-	352,235	-

The above table analyses the financial instruments of the Group for which contractual maturities are essential for an understanding of the timing of the cash flows into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

The Group has various lines of credit with major financial institutions for the purpose of drawing upon short term borrowings, through the pledging of bills receivables or inventories. Further, management closely monitors the Group's capital structure to ensure that there are adequate funds to meet all its obligations in a timely and cost effective manner.

The Group manages its liquidity risk by ensuring there are sufficient cash and current assets to meet all their normal operating commitments in a timely and cost-effective manner and having adequate amount of credit facilities. The Group has the ability to generate additional working capital through financing from financial institutions.

37.3 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the Company's and the Group's financial instruments will fluctuate because of changes in market interest rates.

The Company's and the Group's exposure to interest rate risk arises primarily from their bank borrowings, cash collaterals and fixed deposits.

Sensitivity analysis for interest rate risk
At the end of the reporting period, if United States Dollar ("USD"), Renminbi ("RMB") and Malaysian Ringgit ("MYR") interest rates had been 75 (2021 - 75) basis points lower/higher with all other variables held constant, the Company's and the Group's profit net of tax would have been higher/lower by the amounts shown below, arising mainly as a result of lower/higher interest expense on bank borrowings and lower/higher interest income on cash and bank balances.

		The Company Resulting effect: profit/(loss)		The Group Resulting effect: profit/(loss)	
		2022 US$'000	2021 US$'000	**2022 US$'000**	2021 US$'000
United States Dollar (USD)	- lower 75 basis points (2021 - 75 basis points)	**-**	-	**1,107**	1,344
	- higher 75 basis points (2021 - 75 basis points)	**-**	-	**(1,107)**	(1,344)

37 Financial risk management objectives and policies (Cont'd)

37.4 Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Group operates and sells its products in several countries and transacts in foreign currencies. As a result, the Group is exposed to movements in foreign currency exchange rates arising from normal trading transactions, primarily with respect to AUD, RMB and MYR.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the AUD, RMB and MYR exchange rates against USD, with all other variables held constant, of the Company's and the Group's profit before income tax.

		2022	2021
The Group		**Resulting effect - profit/(loss) US$'000**	Resulting effect - profit/(loss) US$'000
Australian Dollar	- strengthened 5% (2021 - 5%)	**(664)**	201
	- weakened 5% (2021 - 5%)	**664**	(201)
Renminbi	- strengthened 5% (2021 - 5%)	**(136)**	57
	- weakened 5% (2021 - 5%)	**136**	(57)
Malaysian Ringgit	- strengthened 5% (2021 - 5%)	**(5,045)**	(5,706)
	- weakened 5% (2021 - 5%)	**5,045**	5,706
The Company			
Australian Dollar	- strengthened 5% (2021 - 5%)	**(1,720)**	(1,081)
	- weakened 5% (2021 - 5%)	**1,720**	1,081

38 Capital risk management

The Company's and the Group's objectives when managing capital are:

- to safeguard the Company's and the Group's abilities to continue as a going concern;
- to support the Company's and the Group's stability and growth;
- to provide capital for the purpose of strengthening the Company's and the Group's risk management capability; and
- to provide an adequate return to shareholders.

The Company and the Group actively and regularly review and manage its capital structure to ensure optimal capital structure and shareholders' returns, taking into consideration the future capital requirements of the Company and the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Company has formalised a dividend policy in February 2023, to maintain an annual dividend payout of between 10% to 30% of net profit after tax attributable to owners, subject to a cap of 50% of free cash flow, and other considerations as determined by the Board of Directors. This dividend policy takes effect from the year commencing 1 January 2023.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company and the Group, is reasonable.

38 Capital risk management (Cont'd)

The Company monitors capital using a gearing ratio, which is net debt divided by total equity:

The Group	**2022 US$'000**	2021 US$'000
Borrowings	**254,740**	296,793
Less: Cash and bank balances (including cash collateral)	**(62,383)**	(81,524)
Net debt	**192,357**	215,269
Total equity	**399,734**	443,713
Gearing ratio	**0.48**	0.49

There were no changes in the Company's and the Group's approach to capital management during the year.

39 Financial instruments

Accounting classifications of financial assets and financial liabilities

31 December 2022	Note	Debt instruments (at amortised cost) US$'000	Total US$'000
The Group			
Financial assets			
Trade and other receivables [1]	14	**29,247**	**29,247**
Cash and bank balances (including cash collateral)	16	**62,383**	**62,383**
		91,630	**91,630**
The Company			
Financial assets			
Trade and other receivables	14	**6,380**	**6,380**
Cash and bank balances	16	**24**	**24**
		6,404	**6,404**
31 December 2021			
The Group			
Financial assets			
Trade and other receivables [1]	14	34,025	34,025
Cash and bank balances (including cash collateral)	16	81,524	81,524
		115,549	115,549
The Company			
Financial assets			
Trade and other receivables	14	6,833	6,833
Cash and bank balances	16	32	32
		6,865	6,865

(1) Excluded tax recoverable of US$122,000 (2021 - US$740,000) and advance to suppliers of US$2,414,000 (2021 - US$6,135,000) from trade and other receivables

39 Financial instruments (Cont'd)

Accounting classifications of financial assets and financial liabilities (Cont'd)

	Note	Other financial liabilities (at amortised cost)	Total
31 December 2022		US$'000	US$'000
The Group			
Financial liabilities			
Borrowings	20	**254,740**	**254,740**
Lease liabilities	21	**3,510**	**3,510**
Trade and other payables [1]	22	**177,427**	**177,427**
		435,677	**435,677**
The Company			
Financial liabilities			
Trade and other payables	22	**64,689**	**64,689**
		64,689	**64,689**
31 December 2021			
The Group			
Financial liabilities			
Borrowings	20	296,793	296,793
Lease liabilities	21	5,594	5,594
Trade and other payables [1]	22	161,207	161,207
		463,594	463,594
The Company			
Financial liabilities			
Trade and other payables	22	49,393	49,393
		49,393	49,393

(1) Excluded tax payable of US$808,000 (2021 - US$1,268,000), advance from customers of US$2,692,000 (2021 - US$5,183,000) from trade and other payables

40 Fair value measurement

Definition of fair value
IFRSs define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value hierarchy
Financial assets and financial liabilities measured at fair value in the statements of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: unobservable inputs for the asset or liability.

40 Fair value measurement (Cont'd)

Financial assets and liabilities that are not carried at fair value but whose carrying amounts approximate that of fair value

The carrying amounts of trade and other receivables (Note 14), cash and bank balances (Note 16), current trade and other payables (Note 22), current lease liabilities (Note 21) and current borrowings (Note 20) are reasonable approximations of fair values due to their short-term nature.

The carrying amounts of non-current trade and other payables (Note 22), non-current lease liabilities (Note 21) and non-current borrowings (Note 20) are reasonable approximations of fair values as their interest rate approximates the market lending rate.

41 Contingencies

Tourag Fatality

On 24 August 2020 a significant wall failure in Tourag pit resulted in the death of an employee of OM (Manganese) Ltd. ("OMM"). The incident was immediately reported to NT Police, the Department of Industry, Tourism and Trade and NT Worksafe, with mining operations suspended immediately.

OMM has complied with all notices issued by NT WorkSafe and the Northern Territory Coroner to provide all information to assist with their investigations.

On 30 August 2021, NT WorkSafe served OMM with a summons to attend court, charging OMM with contraventions of Division 5 of the Work Health and Safety (National Uniform Legislation) Act 2011 (NT) ("Act"). OMM has indicated its intention to enter a guilty plea to a "Category Two" failure to comply with a work health and safety duty, contrary to section 32 of the Act. The maximum penalty for this offence is A$1.5 million. A final outcome is expected by the middle of 2023.

Construction claim

On 8 July 2022, one of the subsidiaries of the Group received a claim for the sum of approximately MYR 30 million (equivalent to approximately US$6,798,000) and costs in respect of a construction project. As at the date of this report, no determination has been made of the possible outcome.

ASX & BURSA SECURITIES ADDITIONAL INFORMATION

Pursuant to the listing requirements of the Australian Securities Exchange ("ASX"), the shareholder information set out below was applicable as at 3 April 2023.

1. SHAREHOLDER INFORMATION

A. Distribution of Equity Securities

Distribution schedule and number of holders of equity securities as at 3 April 2023

Distribution	Fully Paid Ordinary Shares (OMH)	% of Issued Capital
1 – 1,000	701	0.05
1,001 – 5,000	884	0.34
5,001 – 10,000	343	0.37
10,001 – 100,000	478	1.98
More than 100,000	163	97.25
TOTAL	2,569	100.00

There were 288 holders holding less than a marketable parcel of ordinary shares on ASX.

B. Twenty Largest Shareholders

The names of the twenty largest holders of quoted shares are listed below:

Shareholder Name	Listed Ordinary Shares	
	Number	*Percentage Quoted*
CITICORP NOMINEES PTY LIMITED	187,860,984	25.43%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	147,918,756	20.03%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	68,931,336	9.33%
BNP PARIBAS NOMS PTY LTD <DRP>	48,228,645	6.53%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	46,928,396	6.35%
HANWA CO LTD	32,500,000	4.40%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	28,512,902	3.86%
UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	15,044,036	2.04%
LOW NGEE TONG	10,000,000	1.35%
MS HENG SIOW KWEE	9,029,800	1.22%
CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR UBS AG HONG KONG (FOREIGN)	8,843,000	1.20%
CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD.	7,382,800	1.00%
CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENTA/C-NR)	6,983,800	0.95%
MS JULIE ANNE WOLSELEY	5,562,002	0.75%
MR HAMID MAHDAVI ARDABILI	4,995,000	0.68%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,926,221	0.67%
HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR MORGAN STANLEY & CO. INTERNATIONAL PLC (CLIENT)	4,837,100	0.65%
STRATFORD SUN LIMITED	4,650,000	0.63%
CIMB GROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR DBS BANK LTD (SFS-PB)	3,679,700	0.50%
MR GLENN RUSSELL STEDMAN + MRS NUTCHARAT STEDMAN <STEDMAN FAMILY S/F A/C>	3,400,000	0.46%
TOTAL HELD BY 20 LARGEST SHAREHOLDERS	**650,214,478**	**88.03%**
OTHERS	**88,408,859**	**11.97%**
TOTAL	**738,623,337**	**100.00%**

C. Substantial Shareholders

An extract of the Company's Register of Substantial Shareholders (who hold 5% or more of the issued capital) is set out below.

Shareholder Name	Listed Ordinary Shares	
	Number of Shares	% of Shares
Huang Gang	103,618,830	14.03%
Amplewood Resources Ltd	100,260,653	13.57%
Low Ngee Tong	68,861,231	9.32%
Heng Siow Kwee	66,081,669	8.95%

D. Restricted Securities

There were no restricted securities on issue as at 3 April 2023.

E. Voting Rights

Subject to the Bye-laws of the Company and to any rights or restrictions attaching to any class of shares, every member is entitled to be present at a meeting in person, by proxy, representative or attorney. In accordance with the Company's Bye-laws, voting rights in respect of ordinary shares are on a show of hands whereby each member present in person or by proxy or representative shall have one vote and upon a poll each member present in person or by proxy or representative shall have one vote for every share held.

2. TAXATION

The Company was incorporated in Bermuda and is not taxed as a company in Australia.

3. ON-MARKET BUY-BACK

The Company is not currently undertaking an on-market buy-back.

4. INVESTOR INFORMATION

(a) Stock Exchange Listing

OM Holdings Limited shares are listed on the Australia Securities Exchange (ASX).
The Company's ASX code is OMH.

OM Holdings Limited shares are listed on the Bursa Malaysia Securities Berhad (Bursa Securities).
The Company's Bursa code is OMH (5298)

(b) Company Information Contact

For further information about OM Holdings Limited please contact the Singapore head office:

OM Holdings Limited
#09 – 03A Singapore Post Centre
10 Eunos Road 8
Singapore 408600

Telephone: (65) 6346 5515
Facsimile: (65) 6342 2242
Email: om@ommaterials.com
Website: www.omholdingsltd.com

ASX & BURSA SECURITIES ADDITIONAL INFORMATION

(c) Share Registry Enquiries

Shareholders who require information about their shareholdings, dividend payments, notification of tax file numbers, changes of name, address or bank account details or related administrative matters should contact the Company's share registry:

Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace
PERTH WA 6000

Postal Address:
GPO Box D182
PERTH WA 6840

Telephone:	(within Australia) 1300 850 505
Telephone:	(outside Australia) (61) 3 9415 4000
Facsimile:	(61) 3 9473 2500
Website:	www.computershare.com
Email:	web.queries@computershare.com.au

Tricor Investor & Issuing House Services Sdn Bhd
Registration No.: 197101000970 (11324-H)

Address:
Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3,
Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur

Telephone:	+603-2783 9299
Facsimile:	+603-2783 9222
Email:	is.enquiry@my.tricorglobal.com

Each enquiry should refer to the shareholder number which is shown on the issuer sponsored holding statements and dividend statements.

OM HOLDINGS LIMITED

(incorporated in Bermuda) A.R.B.N 081 028 337