

# OM HOLDINGS LIMITED

(ARBN 081 028 337)

(Malaysian Registration No. 202002000012 (995782-P))

Incorporated in Bermuda



---

No. of Pages Lodged: 7      Covering letter  
15      ASX Appendix 4E – Preliminary Final Report

29 February 2024

ASX Market Announcements  
ASX Limited  
4<sup>th</sup> Floor  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

The Board of OM Holdings Limited (“**OMH**”, or the “**Company**”, together with its subsidiaries (the “**Group**”), is pleased to provide the financial results of the Group for the year ended 31 December 2023. A copy of the Group’s Appendix 4E for the financial year ended 31 December 2023 is attached to this announcement.

## HIGHLIGHTS

- **Net profit after tax attributable to owners of the Company for the year ended 31 December 2023 (“FY2023”) of US\$18.2 million as compared to US\$67.8 million for the year ended 31 December 2022 (“FY2022”).**
- **Earnings Before Interest, Tax, Depreciation and Amortisation (“EBITDA”) of US\$94.9 million for FY2023 compared with US\$150.7 million for FY2022.**
- **Basic and diluted earnings per ordinary share of the Group of 2.45 US cents for FY2023 as compared to 9.21 US cents for FY2022.**
- **Revenue from operating activities for FY2023 was US\$589.2 million, representing a 31% decrease over FY2022. This decrease was primarily attributed to lower average selling prices for the year, despite a 3% increase in total volumes of ores and alloys traded in FY2023.**
- **Gross profit margin declined to 16.1% in FY2023, from 24.2% in FY2022.**
- **The Group’s share of results from its associates for FY2023 was US\$5.1 million.**
- **Total borrowings increased from US\$254.7 million as at 31 December 2022 to US\$265.5 million as at 31 December 2023 which was mainly due to drawdowns on revolving credit facilities and higher utilisation of trade financing facilities as at 31 December 2023, offset by principal repayments of loans of approximately US\$47.6 million in FY2023. Total borrowings to equity ratio remained the same as at 31 December 2023 and 31 December 2022, at 0.64 times.**
- **Consolidated cash position of US\$69.7 million (included cash collateral of US\$9.2 million) as at 31 December 2023 as compared to US\$62.4 million (included cash collateral of US\$9.1 million) as at 31 December 2022.**
- **Net cash generated from operating activities of US\$30.3 million for FY2023.**
- **Net asset backing per ordinary share of the Group was 54.25 US cents as at 31 December 2023 as compared to 54.26 US cents per ordinary share as at 31 December 2022.**
- **Issuance of 27,633,464 ordinary shares to JFE Shoji Corporation on 4 December 2023, raised proceeds of A\$13.0 million (US\$8.9 million).**

---

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



## OM HOLDINGS LIMITED – GROUP KEY FINANCIAL RESULTS

KEY DRIVERS (Tonnes)	Year ended 31 December 2023	Year ended 31 December 2022	Variance %
Sales volumes of Ores	936,940	888,698	5
Sales volumes of Alloys	405,087	409,020	(1)

FINANCIAL RESULTS (US\$' million)			
<b>Total sales</b>	<b>589.2</b>	856.6	(31)
<b>Gross profit</b>	<b>94.8</b>	206.9	(54)
<b>Gross profit margin (%)</b>	<b>16.1</b>	24.2	
Other income	23.5	4.0	NM
Distribution costs	(29.0)	(48.5)	(40)
Administrative expenses	(14.8)	(16.0)	(8)
Other operating expenses	(24.0)	(31.1)	(23)
Exchange gain, net	4.6	0.6	NM
Finance costs	(27.5)	(18.7)	47
Share of results of associates	5.1	8.4	(39)
<b>Profit before tax</b>	<b>32.7</b>	105.6	(69)
Income tax expense	(14.3)	(23.0)	(38)
<b>Profit after tax</b>	<b>18.4</b>	82.6	(78)
Non-controlling interests	(0.2)	(14.8)	(99)
<b>Profit after tax attributable to owners of the Company</b>	<b>18.2</b>	67.8	(73)

OPERATING RESULTS ADJUSTED FOR NON-CASH ITEMS		
<b>Net profit after tax</b>	<b>18.4</b>	82.6
<b>Adjust for non-cash items:</b>		
Depreciation/amortisation <sup>(2)</sup>	35.7	27.7
Finance costs (net of income)	26.5	17.4
Income tax expense	14.3	23.0
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>94.9</b>	150.7
Less Depreciation/amortisation	(35.7)	(27.7)
<b>Adjusted EBIT</b>	<b>59.2</b>	123.0

(1) Adjusted EBITDA is defined as operating profit before depreciation and amortisation, net finance costs and income tax. Adjusted EBITDA is not a uniformly defined measure and other companies in similar industries may calculate this measure differently. Consequently, the Group's presentation of Adjusted EBITDA may not be readily comparable to other companies' disclosures.

(2) Inclusive of depreciation and amortisation charges recorded through cost of sales.



---

## FINANCIAL ANALYSIS

The Group recorded revenue of US\$589.2 million for FY2023, which was a 31% decrease from US\$856.6 million recorded for FY2022. The decrease in revenue was mainly attributed to lower average selling prices of ores and alloys, despite a 3% increase in total volumes of ores and alloys traded in FY2023.

Average selling prices in FY2023 were significantly lower as compared to FY2022 mainly due to higher prices in 1H 2022, driven by the strong global recovery from the COVID-19 pandemic, and the uncertainty caused by the conflict between Ukraine and Russia. The impact of these factors subsided in 2H 2022 and throughout 2023. In addition, the suppressed demand from steel mills amid higher energy costs and the weakening global steel market contributed to the decrease in ore and alloy prices since 2H 2022 and into FY2023.

Platts reported that prices of FeSi continued its downward trend since late 2022 into FY2023. FeSi prices decreased from US\$1,630 per tonne CIF Japan at the end of December 2022 to US\$1,285 per tonne CIF Japan at the end of December 2023, a decline of approximately 21%.

The prices of SiMn in FY2023 also followed a similar trajectory as FeSi declined approximately 13%. SiMn prices declined from US\$1,030 per tonne CIF Japan at the end of December 2022 to US\$900 per tonne CIF Japan at the end of December 2023.

As an indication, the index manganese ore prices (44% Mn published by Fastmarkets MB) increased from US\$5.13/dmtu CIF China at the end of December 2022, to US\$5.30/dmtu CIF China at the end of March 2023, before decreasing for the rest of the year to close at US\$4.17/dmtu CIF China at the end of December 2023.

The Group recorded a lower gross profit of US\$94.8 million in FY2023 (with a gross profit margin of 16%) as compared to a gross profit of US\$206.9 million in FY2022 (with a gross profit margin of 24%). This was in line with the lower revenue recorded for FY2023, offset by inventories written-back of US\$38.5 million (2022: inventories written-down of US\$51.2 million). Excluding the inventories written-back, the FY2023 gross profit margin was 10% (2022: 30%).

Other income increased by US\$19.5 million mainly due to a US\$20.2 million gain recognized in 4Q 2023 from the disposal of 90% of a subsidiary, OM Materials (Qinzhou) Co Ltd ("OMQ"). Sales proceeds from the divestment were US\$25.8 million, of which US\$10.4 million were received in 2023 and the residual balance of the proceeds are scheduled to be received in 2024.

Total distribution costs decreased by approximately 40% in FY2023, despite a slight 3% increase in total volumes of ores and alloys traded in FY2023 as compared to FY2022. This was mainly due to the elevated freight rates in FY2022, which peaked in the middle of FY2022 and have since softened.

Other operating expenses decreased to US\$24.1 million for FY2023, from US\$31.1 million in FY2022 mainly due to:

- lower furnace shut down expenses in FY2023; and
- lower fixed assets written-off in the current year as there were more furnaces undergoing major maintenance and conversion in FY2022.

A net foreign exchange gain of US\$4.6 million was recorded in FY2023 as compared to a net foreign exchange gain in FY2022 of US\$0.6 million, mainly due to the translation of Malaysian Ringgit ("MYR") denominated payables to United States Dollar ("USD") due to the weakening of the MYR against the USD in FY2023.

Finance costs for FY2023 increased by approximately 47% to US\$27.5 million (as compared to US\$18.7 million for FY2022) mainly due to higher interest rates in FY2023.

The Group's share of results from its associates of US\$5.1 million mainly related to the operating results of its 13% interest in Tshipi é Ntle Manganese Mining (Pty) Ltd ("Tshipi").

Income tax expense decreased by 38% to US\$14.3 million in FY2023 as compared to FY2022 which is in line with the lower pre-tax profits recorded.



Due to the weaker global economic activities and declining prices, the Group recorded a consolidated profit after tax of US\$18.4 million for FY2023 (against a consolidated profit after tax of US\$82.6 million for FY2022). The Group's basic and diluted profit per ordinary share for FY2023 was 2.45 US cents as compared to basic and diluted earnings per share of 9.21 US cents for FY2022.

The Group also recorded a lower EBITDA of US\$94.9 million in FY2023 as compared to US\$150.6 million in FY2022.

## Results Contributions

The contributions from the Group's business segments were as follows:

US\$ million	Year ended 31 December 2023		Year ended 31 December 2022	
	Revenue*	Contribution	Revenue*	Contribution
Mining	–	(4.8)	19.8	(5.7)
Smelting	388.8	31.6	648.7	103.0
Marketing and trading	602.1	23.6	657.4	21.0
Others	48.1	3.7	53.1	(3.7)
<b>Net profit before finance costs</b>		<b>54.1</b>		<b>114.6</b>
Finance costs (net of income)		(26.5)		(17.4)
Share of results of associates		5.1		8.4
Income tax expense		(14.3)		(23.0)
<b>Profit after tax</b>		<b>18.4</b>		<b>82.6</b>
Non-controlling interests		(0.2)		(14.8)
<b>Profit attributable to owners of the Company</b>		<b>18.2</b>		<b>67.8</b>

\* revenue contribution from segments is subsequently adjusted for intercompany sales on consolidation

## Mining

This category included the contribution from the Bootu Creek Manganese Mine (the "**Mine**").

The Mine is 100% owned and operated by the Company's wholly owned subsidiary OM (Manganese) Ltd ("**OMM**"). Mining activities ceased in December 2021 and the processing plant also ceased production on 24 January 2022. The Mine was placed under care and maintenance since the end of January 2022 with no further mining and processing activities. The last shipment of products was in 1H 2022.

As a result, there was no revenue in FY2023, and OMM recorded a negative contribution of US\$4.8 million for the year ended 31 December 2023 whilst the operation was under the care and maintenance phase.

A review of the Ultra Fines Plant ("UFP") rectification plan and the financial model was completed in November 2023 and the restart of the UFP was approved. Production restart is targeted to commence in Q4 2024.

## Smelting

This business segment covered the operations of the FeSi and manganese alloy smelter operated by OM Sarawak, and the manganese alloy smelter operated by OM Materials (Qinzhou) Co Ltd ("**OMQ**") until the disposal of OMQ on 31 October 2023.

The smelting segment recorded revenue of US\$388.8 million for FY2023 as compared to US\$648.7 million for FY2022. The decrease in revenue was mainly due to lower average prices of ferroalloys sold in FY2023. The Group produced 139,529 tonnes, 294,432 tonnes and 154,273 tonnes of FeSi, manganese alloys and manganese sinter ore respectively in FY2023 (FY2022: 140,355 tonnes, 216,813 tonnes and 112,711 tonnes of FeSi, manganese alloys and manganese sinter ore respectively).



---

OMQ suspended its operations in December 2021 due to elevated power-tariffs from power rationing imposed by the local government authorities in China. In FY2023, the Group completed the sale of 90% of OMQ, a wholly owned subsidiary of the Group, held by OM Materials (S) Pte Ltd (“OMS”), for cash consideration of RMB 182.6 million (approximately US\$25.8 million). OMQ’s result was consolidated into the Group results up to the disposal date.

The smelting segment recorded a lower contribution of US\$31.6 million for FY2023, as compared to US\$103.0 million for FY2022 predominantly due to the lower prices of ferroalloys, particularly FeSi and SiMn, which resulted in lower margins recorded.

### **Marketing and trading**

Revenue from the Group’s trading operations decreased by 8% from US\$657.4 million in FY2022 to US\$602.1 million in FY2023. This decrease was primarily due to lower average prices of ores and alloys traded in FY2023, despite slightly higher total volume of products sold. The profit contribution from the Group’s trading operations increased to US\$23.6 million in FY2023 as compared to US\$21.0 million in FY2022.

### **Others**

This segment included the corporate activities of OMH, logistics services as well as procurement services rendered by a number of the Group’s subsidiaries.

The revenue recognised in this segment mainly related to procurement fees, logistics services and other services rendered by certain subsidiaries of the Group. The positive contribution of this segment of US\$3.7 million in FY2023 as compared to a negative contribution of US\$3.7 million in FY2022, was mainly due to lower administrative expenses as there was a higher provision for profit sharing in FY2022 as a result of stronger financial performance of the Group in FY2022.

## **FINANCIAL POSITION**

As at 31 December 2023, the Group’s consolidated cash position was US\$69.7 million (including cash collateral of US\$9.2 million) as compared to US\$62.4 million (including cash collateral of US\$9.1 million) as at 31 December 2022. For FY2023, net cash generated from operating activities was US\$30.3 million as compared to net cash generated of US\$197.0 million for FY2022.

Inventories as at 31 December 2023 of US\$292.3 million were higher than the inventory balance of US\$235.4 million as at 31 December 2022 mainly due to a US\$38.5 million write-back of previously written-down inventories. The write-back was due to a higher estimated net realisable value of inventories as at 31 December 2023.

Trade and other receivables increased to US\$38.5 million as at 31 December 2023, compared to US\$31.8 million as at 31 December 2022 mainly due to an increase in other receivables relating to the residual balance of the proceeds due from the disposal of 90% of OMQ.

Total trade and other payables increased by approximately 5% to US\$190.3 million as at 31 December 2023 from US\$180.9 million as at 31 December 2022 mainly due to timing differences between purchases and payments to suppliers.

The Group’s total borrowings increased from US\$254.7 million as at 31 December 2022 to US\$265.5 million as at 31 December 2023. The increase was mainly attributed to the drawdown of revolving credit facilities and higher utilisation of trade financing facilities as at 31 December 2023, offset by principal repayments of loans of approximately US\$47.6 million in FY2023. The Group’s total borrowings to equity ratio remained the same as at 31 December 2023 and 31 December 2022, at 0.64 times.

The Group’s net asset backing per ordinary share was 54.25 US cents per ordinary share as at 31 December 2023 as compared to 54.26 US cents per ordinary share as at 31 December 2022.

---



---

## Capital Structure

As announced on 1 December 2023, OMH entered into a share subscription agreement with JFE Shoji Corporation to issue 27,633,464 fully paid ordinary shares at an issue price of A\$0.472 per share which raised A\$13.0 million (US\$8.9 million). The shares were issued and quoted on the ASX on 4 December 2023. As a result, the Company's ordinary shares on issue increased from 738,623,337 as at 31 December 2022, to 766,256,801 as at 31 December 2023.

As at 23 February 2024, a total of 99,989,136 shares were listed on Bursa Malaysia and 666,267,665 shares listed on the Australian Securities Exchange.

## INVESTMENT IN NTSIMBINTLE MINING PROPRIETARY LIMITED

OMH has an effective 13% interest in Tshipi through its 26% strategic partnership with Ntsimbintle Holdings Proprietary Limited.

OMH (26%) and Ntsimbintle Holdings Proprietary Limited (74%) are shareholders in Ntsimbintle Mining Proprietary Limited ("NMPL"). NMPL holds a 50.1% interest in Tshipi, an independently operated and managed black-empowered manganese mining company that operates the Tshipi Borwa Manganese Mine located in the world class Kalahari Manganese field in South Africa. The Tshipi Borwa Manganese Mine currently has a production capacity of 3.3 to 3.6 million tonnes per annum.

The Group equity accounts its 13% effective interest in Tshipi's results which equated to a contribution of US\$5.1 million for FY2023 compared to US\$8.4 million for FY2022.

In February 2023, Tshipi declared and paid a dividend of ZAR 750 million (approximately US\$43.1 million) to its two shareholders. The Group received its share of this dividend of ZAR 99 million (approximately US\$5.3 million, before withholding tax) from NMPL in March 2023.

## OTHERS

With the Group having recorded a consolidated net profit after tax attributable to owners of the Company of US\$18.2 million for FY2023, the Board has resolved not to declare a final dividend for FY2023 with a focus to retain cash for future organic growth initiatives and reducing debt. This is in line with the dividend policy announced on 28 February 2023, taking into consideration the cash flow requirements and future operating and investment needs of the Company.

Yours faithfully

**OM HOLDINGS LIMITED**

Heng Siow Kwee/Julie Wolseley

**Joint Company Secretary**



---

### **Important note from page 2**

Earnings before interest, taxation, depreciation and amortisation (ie 'EBITDA') and earnings before interest and tax (ie 'EBIT') are non-IFRS profit measures. The Company believes that such measures provide a better understanding of its financial performance and allows for a more relevant comparison of financial performance between financial periods.

The Company believes that EBITDA and EBIT are useful measures as they remove significant items that are material items of revenue or expense that are unrelated to the underlying performance of the Company's various businesses thereby facilitating a more representative comparison of financial performance between financial periods.

While the Company's EBITDA and EBIT results are presented in this announcement having regard to the presentation requirements contained in Australian Securities and Investment Commission Regulatory Guide 230 titled 'Disclosing non-IFRS financial information' (issued in December 2011) investors are cautioned against placing undue reliance on such measures as they are not necessarily presented uniformly across the various listed entities in a particular industry or generally.

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

Further enquiries please contact:

Ms Jenny Voon

Tel: +65 6346 5515

Email: [investor.relations@ommaterials.com](mailto:investor.relations@ommaterials.com)

# **OM HOLDINGS LIMITED**

**A.R.B.N 081 028 337**

**Malaysian Registration No. 202002000012 (995782-P)**

---

## **Appendix 4E**

### **Preliminary Final Report**

**For the year ended 31 December, 2023**

**(previous corresponding period being the year ended 31 December, 2022)**

---



OM Holdings Limited and Controlled Entities  
Preliminary Final Report  
APPENDIX 4E

**Results for Announcement to the Market**  
OM Holdings Limited  
For the year ended 31 December 2023

Name of Entity:	OM Holdings Limited	
ARBN:	081 028 337	
Malaysian Registration No:	202002000012 (995782-P)	
<b>1. Details of the current and prior reporting period</b>		
Current Period:	1 Jan 2023 to 31 Dec 2023	
Prior Period:	1 Jan 2022 to 31 Dec 2022	
<b>2. Results for announcement to the market</b>		
		US\$'000
2.1 Revenue from ordinary activities	Down 31% to	589,235
2.2 Profit for the year	Down 78% to	18,360
2.3 Net profit for the year attributable to owners of the Company	Down 73% to	18,136
2.4 Dividend distributions	Amount per security	Franked amount per security
	Nil	Nil
2.5 Record date for determining entitlements to the dividend	N/A	
<b>3. Consolidated statement of comprehensive income</b>	Refer Appendix 1	
<b>4. Statements of financial position</b>	Refer Appendix 2	
<b>5. Consolidated statement of cash flows</b>	Refer Appendix 3	
<b>6. Details of dividends or distributions</b>	N/A	
<b>7. Consolidated statement of changes in equity</b>	Refer Appendix 4	
	<b>Current Period US\$</b>	Previous Corresponding Period US\$
<b>8. Net asset backing per ordinary security</b>	<b>54.25 cents</b>	54.26 cents

OM Holdings Limited and Controlled Entities  
Preliminary Final Report

<b>9. Control gained over entities during the period</b>	N/A	
<b>10. Details of associate and joint venture entities</b>	Refer Note 3	
<b>11. Other significant information</b>	Refer Note 5	
<b>12. Accounting Standards used by foreign entities in compiling the report</b>	International Financial Reporting Standards	
<b>13. Commentary on the result for the period</b>	Refer accompanying ASX Announcement	
	<b>Current Period</b>	Previous Corresponding Period
13.1 Profit per share (basic and diluted)	<b>2.45 cents</b>	9.21 cents
13.4 Segment results	Refer Appendix 5	
<b>14. Status of audit or review</b>	This report is based on financial statements that are in the process of being audited.	
<b>15. Dispute or qualification - accounts not yet audited</b>	N/A	
<b>16. Qualifications of audit/review</b>	N/A	

## Consolidated statement of comprehensive income for the financial year ended 31 December 2023

	Note	Year ended 31 December 2023 US\$'000	Year ended 31 December 2022 US\$'000
Revenue		589,235	856,552
Cost of sales		(494,416)	(649,686)
Gross profit		94,819	206,866
Other income		23,508	3,966
Distribution costs		(28,985)	(48,547)
Administrative expenses		(14,782)	(15,970)
Other operating expenses		(19,469)	(30,451)
Finance costs		(27,519)	(18,652)
Profit from operations		27,572	97,212
Share of results of associates		5,135	8,417
Profit before income tax		32,707	105,629
Income tax expense		(14,347)	(23,038)
<b>Profit for the year</b>	1	<b>18,360</b>	<b>82,591</b>
<b>Other comprehensive income, net of tax:</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Currency translation differences arising from foreign subsidiaries (attributable to Owners of the Company)		(2,641)	(6,014)
Realisation of foreign exchange reserve upon disposal of subsidiary		(1,782)	-
Cash flow hedges		(47)	(47)
		(4,470)	(6,061)
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Currency translation differences arising from foreign subsidiaries (attributable to non-controlling interests)		(59)	(419)
		(59)	(419)
<b>Other comprehensive income for the year, net of tax</b>		<b>(4,529)</b>	<b>(6,480)</b>
<b>Total comprehensive income for the year</b>		<b>13,831</b>	<b>76,111</b>
<b>Profit attributable to:</b>			
Owners of the Company		18,136	67,842
Non-controlling interests		224	14,749
		18,360	82,591
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		13,666	61,789
Non-controlling interests		165	14,322
		13,831	76,111
<b>Profit per share</b>			
		<b>Cents</b>	<b>Cents</b>
- Basic		2.45	9.21
- Diluted		2.45	9.21

OM Holdings Limited and Controlled Entities  
Preliminary Final Report

**Statements of financial position**  
as at 31 December 2023

Appendix 2

	Note	The Company		The Group	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
		US\$'000	US\$'000	US\$'000	US\$'000
<b>Assets</b>					
<b>Non-Current</b>					
Property, plant and equipment		-	-	426,084	445,556
Land use rights		-	-	5,515	6,533
Exploration and evaluation costs	2	-	-	2,771	2,255
Mine development costs		-	-	1,388	1,878
Investment property		-	-	419	427
Right-of-use assets		-	-	5,704	4,163
Deferred tax assets		-	-	12,161	12,578
Interests in subsidiaries		93,193	102,532	-	-
Interests in associates	3	-	-	84,107	80,875
		<b>93,193</b>	<b>102,532</b>	<b>538,149</b>	<b>554,265</b>
<b>Current</b>					
Inventories		-	-	292,349	235,415
Trade and other receivables		14,448	6,380	38,532	31,783
Capitalised contract costs		-	-	301	538
Prepayments		172	1	1,773	1,620
Derivatives		-	-	137	-
Cash collateral		-	-	9,210	9,121
Cash and bank balances		13	24	60,491	53,262
		<b>14,633</b>	<b>6,405</b>	<b>402,793</b>	<b>331,739</b>
<b>Total assets</b>		<b>107,826</b>	<b>108,937</b>	<b>940,942</b>	<b>886,004</b>
<b>Equity</b>					
<b>Capital and Reserves</b>					
Share capital	4	32,976	32,035	32,976	32,035
Treasury shares		(2,058)	(2,058)	(2,058)	(2,058)
Reserves		16,123	14,271	380,439	366,133
		<b>47,041</b>	<b>44,248</b>	<b>411,357</b>	<b>396,110</b>
<b>Non-controlling interests</b>		-	-	3,269	3,624
<b>Total equity</b>		<b>47,041</b>	<b>44,248</b>	<b>414,626</b>	<b>399,734</b>
<b>Liabilities</b>					
<b>Non-Current</b>					
Borrowings		-	-	169,110	204,817
Lease liabilities		-	-	2,732	1,753
Trade and other payables		-	-	36,730	54,323
Provisions		-	-	4,579	4,778
Deferred tax liabilities		-	-	26,953	18,393
Deferred capital grant		-	-	6,564	7,131
		-	-	<b>246,668</b>	<b>291,195</b>
<b>Current</b>					
Borrowings		-	-	96,349	49,923
Lease liabilities		-	-	2,621	1,757
Trade and other payables		60,785	64,689	153,564	126,604
Provisions		-	-	-	188
Deferred capital grant		-	-	567	567
Contract liabilities		-	-	23,326	10,536
Income tax payables		-	-	3,221	5,500
		<b>60,785</b>	<b>64,689</b>	<b>279,648</b>	<b>195,075</b>
<b>Total liabilities</b>		<b>60,785</b>	<b>64,689</b>	<b>526,316</b>	<b>486,270</b>
<b>Total equity and liabilities</b>		<b>107,826</b>	<b>108,937</b>	<b>940,942</b>	<b>886,004</b>

OM Holdings Limited and Controlled Entities  
Preliminary Final Report

Appendix 3

## Consolidated statement of cash flows

for the financial year ended 31 December 2023

	Year ended 31 December 2023 US\$'000	Year ended 31 December 2022 US\$'000
<b>Cash Flows from Operating Activities</b>		
Profit before income tax	32,707	105,629
Adjustments for:		
Amortisation of land use rights	126	143
Amortisation of deferred capital grant	(567)	(564)
Amortisation of mine development costs	490	392
Depreciation of property, plant and equipment	32,204	24,750
Depreciation of right-of-use assets	2,853	2,356
Depreciation of investment property	8	7
Gain on disposal of property, plant and equipment	(396)	(3)
Gain on disposal of right-of-use assets	(173)	–
Write-off of property, plant and equipment	822	10,052
Gain on disposal of subsidiary	(20,157)	–
Reclassification from hedging reserve to profit or loss	(47)	(47)
Write-down of inventories to net realisable value	560	561
Write-off of exploration and evaluation costs	–	130
Interest expense	27,519	18,652
Interest income	(982)	(1,205)
Unrealised gain on derivatives	(137)	–
Share of results of associates	(5,135)	(8,417)
Operating profit before working capital changes	69,695	152,436
(Increase)/decrease in inventories	(59,030)	23,216
Decrease in trade receivables	4,705	4,328
Decrease in capitalised contract costs	236	539
Decrease in prepayments, deposits and other receivables	1,466	5,642
Increase in contract liabilities	12,791	3,508
Increase in trade payables	915	26,388
Increase/(decrease) in other payables	5,722	(10,111)
Decrease in provisions	(200)	(2,398)
Cash generated from operations	36,300	203,548
Income tax paid	(6,048)	(6,590)
Net cash generated from operating activities	30,252	196,958
<b>Cash Flows from Investing Activities</b>		
Payments for exploration and evaluation costs	(490)	(395)
Purchase of property, plant and equipment	(21,261)	(39,402)
Purchase of right-of-use asset	(21)	(166)
Proceeds from disposal of property, plant and equipment	458	–
Proceeds from disposal of right-of-use assets	174	–
Proceeds from disposal of subsidiary, net of cash disposed	10,332	–
Dividends received from an associate	5,305	7,868
Interest received	982	1,205
Net cash used in investing activities	(4,521)	(30,890)

OM Holdings Limited and Controlled Entities  
Preliminary Final Report

**Consolidated statement of cash flows (cont'd)**  
for the financial year ended 31 December 2023

	Year ended 31 December 2023 US\$'000	Year ended 31 December 2022 US\$'000
<b>Cash Flows from Financing Activities</b>		
Repayments of bank and other loans	(47,584)	(65,964)
Proceeds from bank and other loans	57,990	22,826
Principal repayments of lease liabilities	(2,636)	(2,484)
Acquisition of non-controlling interests	-	(109,127)
(Increase)/decrease in cash collateral	(45)	2,610
Dividend paid	(7,803)	(10,948)
Interest paid	(26,919)	(17,661)
Proceeds from shares issuance	8,885	-
Net cash used in financing activities	(18,112)	(180,748)
Net increase/(decrease) in cash and cash equivalents	7,619	(14,680)
Cash and cash equivalents at beginning of year	53,262	69,793
Exchange difference on translation of cash and cash equivalents at beginning of year	(390)	(1,851)
Cash and cash equivalents at end of year	60,491	53,262

OM Holdings Limited and Controlled Entities  
Preliminary Final Report

Appendix 4

## Consolidated statement of changes in equity for the financial year ended 31 December 2023

	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 2023	32,035	(2,058)	156,920	7,922	(10,947)	272	(40,139)	252,105	396,110	3,624	399,734
Profit for the year	-	-	-	-	-	-	-	18,136	18,136	224	18,360
Other comprehensive income for the year	-	-	-	-	-	(47)	(4,423)	-	(4,470)	(59)	(4,529)
Total comprehensive income for the year	-	-	-	-	-	(47)	(4,423)	18,136	13,666	165	13,831
Dividends	-	-	-	-	-	-	-	(7,304)	(7,304)	(520)	(7,824)
Shares issuance	941	-	7,944	-	-	-	-	-	8,885	-	8,885
Transactions with owners	941	-	7,944	-	-	-	-	(7,304)	1,581	(520)	1,061
Transfers from statutory reserve	-	-	-	(6,503)	-	-	-	6,503	-	-	-
<b>At 31 December 2023</b>	<b>32,976</b>	<b>(2,058)</b>	<b>164,864</b>	<b>1,419</b>	<b>(10,947)</b>	<b>225</b>	<b>(44,562)</b>	<b>269,440</b>	<b>411,357</b>	<b>3,269</b>	<b>414,626</b>

	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	-	-	-	-	(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)	-	-	-
<b>At 31 December 2022</b>	<b>32,035</b>	<b>(2,058)</b>	<b>156,920</b>	<b>7,922</b>	<b>(10,947)</b>	<b>272</b>	<b>(40,139)</b>	<b>252,105</b>	<b>396,110</b>	<b>3,624</b>	<b>399,734</b>

### **Operating segments**

For management purposes, OM Holdings Limited and its controlled entities (“Group”) are organised into the following reportable operating segments as follows:-

Mining	Exploration and processing of manganese ore
Smelting	Production of ferrosilicon, manganese alloys, silicon metal and manganese sinter ore
Marketing and Trading	Trading of manganese ore, ferrosilicon, manganese alloys, silicon metal and manganese 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.



OM Holdings Limited and Controlled Entities  
Preliminary Final Report

**Operating segments (cont'd)**

	Mining		Smelting		Marketing and Trading		Others		Total	
	2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
<b>Reportable segment revenue</b>										
Sales to external customers	-	-	114,543	288,874	474,628	567,021	64	657	589,235	856,552
Inter-segment sales	-	19,822	274,295	359,790	127,437	90,382	48,060	52,492	449,792	522,486
Elimination									(449,792)	(522,486)
	-	19,822	388,838	648,664	602,065	657,403	48,124	53,149	589,235	856,552
<b>Reportable segment (loss)/profit</b>	<b>(4,792)</b>	<b>(5,744)</b>	<b>31,603</b>	<b>103,045</b>	<b>23,550</b>	<b>21,058</b>	<b>3,748</b>	<b>(3,700)</b>	<b>54,109</b>	<b>114,659</b>
<b>Reportable segment assets</b>	<b>46,253</b>	<b>48,320</b>	<b>830,368</b>	<b>809,893</b>	<b>589,064</b>	<b>540,745</b>	<b>133,593</b>	<b>139,185</b>	<b>1,599,278</b>	<b>1,538,143</b>
Elimination									(742,443)	(733,014)
Interest in associates									84,107	80,875
Total assets									940,942	886,004
<b>Reportable segment liabilities</b>	<b>122,667</b>	<b>119,541</b>	<b>480,532</b>	<b>429,520</b>	<b>301,976</b>	<b>283,660</b>	<b>75,746</b>	<b>79,676</b>	<b>980,921</b>	<b>912,397</b>
Elimination									(454,605)	(426,127)
Total liabilities									526,316	486,270
<b>Other segment information</b>										
Purchase of property, plant and equipment	3	94	20,951	38,900	93	78	214	330	21,261	39,402
Depreciation of property, plant and equipment	810	947	30,688	23,085	74	72	632	646	32,204	24,750
Write off of property, plant and equipment	-	-	822	10,051	-	-	-	1	822	10,052
Gain on disposal of property, plant and equipment	(396)	-	-	(3)	-	-	-	-	(396)	(3)
Gain on disposal of right-of-use-assets	-	-	(173)	-	-	-	-	-	(173)	-
Gain on disposal of subsidiary	-	-	-	-	(20,157)	-	-	-	(20,157)	-
Amortisation of land use rights	-	-	126	143	-	-	-	-	126	143
Addition of exploration and evaluation costs	490	367	-	-	-	-	-	28	490	395
Amortisation of mine development costs	490	392	-	-	-	-	-	-	490	392
Depreciation of right-of-use-assets	26	461	2,248	1,305	363	366	216	224	2,853	2,356
Depreciation of investment property	-	-	-	-	8	7	-	-	8	7
Write off of evaluation and exploration costs	-	-	-	-	-	-	-	130	-	130
Write-down of inventories to net realisable value	384	211	-	39	176	311	-	-	560	561
Amortisation of deferred capital grant	-	-	(567)	(564)	-	-	-	-	(567)	(564)

OM Holdings Limited and Controlled Entities  
Preliminary Final Report

**Operating segment (cont'd)**

Reconciliation of the Group's reportable segment profit to the profit before income tax is as follows:

	<b>2023</b>	2022
	<b>US\$'000</b>	US\$'000
Reportable segment profit	<b>54,109</b>	114,659
Finance income	<b>982</b>	1,205
Share of results of associates	<b>5,135</b>	8,417
Finance costs	<b>(27,519)</b>	(18,652)
Profit before income tax	<b>32,707</b>	105,629

The Group's revenues from external customers and its non-current assets (other than deferred tax assets) are divided into the following geographical areas:

	<b>Revenue from external customers</b>		<b>Non-Current Assets</b>	
	<b>2023</b>	2022	<b>2023</b>	2022
Principal markets	<b>US\$'000</b>	US\$'000	<b>US\$'000</b>	US\$'000
Asia Pacific	<b>477,565</b>	662,759	<b>444,949</b>	460,898
Europe	<b>40,435</b>	52,346	-	-
Middle East	<b>18,997</b>	22,840	-	-
Africa	<b>2,405</b>	976	<b>81,039</b>	80,789
America	<b>49,833</b>	117,631	-	-
	<b>589,235</b>	856,552	<b>525,988</b>	541,687

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.

OM Holdings Limited and Controlled Entities  
Preliminary Final Report

**NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

**Note 1: Profit after taxation**

	<b>2023</b>	2022
The Group	<b>US\$'000</b>	US\$'000
Profit before income tax has been arrived at after charging/(crediting):		
Amortisation of land use rights	<b>126</b>	143
Amortisation of deferred capital grant	<b>(567)</b>	(564)
Amortisation of mine development costs	<b>490</b>	392
Depreciation of property, plant and equipment:		
- cost of sales	<b>18,168</b>	16,213
- other operating expenses	<b>14,036</b>	8,537
Depreciation of right-of-use assets	<b>2,853</b>	2,356
Depreciation of investment property	<b>8</b>	7
Write off of property, plant and equipment	<b>822</b>	10,052
Gain on disposal of subsidiary	<b>(20,157)</b>	-
Unrealised gain on derivatives	<b>(137)</b>	-
Write-down of inventories to net realisable value	<b>560</b>	561
Cost of inventories recognized as expenses and included in cost of sales	<b>494,416</b>	649,686
Foreign exchange gain, net	<b>(4,554)</b>	(592)
Rental expenses:		
- short-term leases	<b>1,103</b>	2,962
- leases of low-value assets	<b>13</b>	33
Interest income	<b>(982)</b>	(1,205)
Finance costs:		
- loans	<b>27,104</b>	17,447
- lease liabilities	<b>165</b>	171
- others	<b>250</b>	1,034
Employee benefits expenses	<b>41,008</b>	47,656

**Note 2: Exploration and evaluation costs**

	<b>2023</b>	2022
The Group	<b>US\$'000</b>	US\$'000
At beginning of year	<b>2,255</b>	2,142
Costs incurred during the year	<b>490</b>	395
Written off/impairment during the year	<b>-</b>	(130)
Exchange Realignment	<b>26</b>	(152)
At end of year	<b>2,771</b>	2,255

OM Holdings Limited and Controlled Entities  
Preliminary Final Report

**Note 3: Interests in associates**

	<b>2023</b>	2022
The Group	<b>US\$'000</b>	US\$'000
Interests in associates	<b>84,107</b>	80,875

The material associates are:

<u>Name of company</u>	<u>Country of incorporation</u>	<u>Percentage of equity held</u>		<u>Principal activities</u>
		2023	2022	
Ntsimbintle Mining Proprietary Limited ("NMPL")	South Africa	<b>26%</b>	26%	Investment holding
<u>Held by NMPL</u>				
Tshipi é Ntle Manganese Mining Proprietary Limited ("Tshipi Mining")	South Africa	<b>13%</b>	13%	Exploration and mining of minerals

**Note 4: Share capital**

The Company and The Group	<u>No. of ordinary shares</u>		<u>Amount</u>	
	2023 '000	2022 '000	2023 US\$'000	2022 US\$'000
<b>Authorised:</b>				
Ordinary shares of US\$0.04337 (A\$0.05) (2022 – US\$0.04337 (A\$0.05)) each	<b>2,000,000</b>	2,000,000	<b>87,000</b>	87,000
<b>Issued and fully paid:</b>				
Ordinary shares of US\$0.04304 (A\$0.05– (2022 - US\$0.04337 (A\$0.05)) each				
At 1 January	<b>738,623</b>	738,623	<b>32,035</b>	32,035
Shares issuance <sup>(1)</sup>	<b>27,634</b>	–	<b>941</b>	–
At 31 December	<b>766,257</b>	738,623	<b>32,976</b>	32,035

<sup>(1)</sup> 27,633,464 ordinary shares were issued to JFE Shoji Corporation on 4 December 2023

**Note 5: Other significant information**

**Sale of 90% interest in OM Materials (Qinzhou) Co Ltd ("OMQ")**

On 31 October 2023, the Group's wholly owned subsidiary, OM Materials (S) Pte Ltd ("OMS") executed a Share Sale Agreement, for the sale of its 90% equity interest in OMQ, to Beijing Kunpeng Hongsheng Metal Co. Ltd, for cash consideration of RMB 182.6 million (approximately US\$ 25.8 million). OMQ's profit or loss were consolidated in the Group results up to disposal date.

The Group, through OMS, retains a 10% equity interest in OMQ, which is accounted for as an associate as it retains significant influence in OMQ.

OM Holdings Limited and Controlled Entities  
Preliminary Final Report

**Note 5: Other significant information (cont'd)**

**Sponsor Guarantee issued under the terms of the Power Purchase Agreement with Syarikat Sesco Berhad**

Pursuant to the Power Purchase Agreement ("PPA") between a subsidiary, OM Materials (Sarawak) Sdn Bhd ("OM Sarawak"), and Syarikat Sesco Berhad ("SSB"), OM Holdings Limited ("OMH") 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 OMH 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 entered into a project finance Facilities Agreement ("FA") for a limited recourse senior project finance debt facility. Concurrently, OMH and 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 OMH and OMS. These obligations and liabilities are severally liable.

The PSA will lapse upon the final payment of the project financing facilities.

**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 had 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 plea hearing was held on 18 September 2023, and a decision was delivered on 11 October 2023, where OMM was convicted and ordered to pay A\$487,500 (US\$323,000) in fines and a levy in the amount of A\$1,000 (US\$660). OMM also agreed to pay the Work Health Authority's costs of and incidental to the proceedings in the amount of A\$193,000 (US\$128,000).

The amounts have been fully settled as at 31 December 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\$6,529,000) and costs in respect of a construction project. As at the date of this report, no determination has been made of the possible outcome.

OM Holdings Limited and Controlled Entities  
Preliminary Final Report

**Note 5: Other significant information (cont'd)**

**New IFRS issued and effective: Amendments to IAS 12 *International Tax Reform – Pillar Two Model Rules***

The amendments to IAS 12 have been introduced in May 2023, in response to the Organisation for Economic Co-operation and Development (“OECD”)’s Pillar Two model rules and includes:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity’s exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

The Group operates in jurisdictions where tax laws are being enacted or substantively enacted to implement the Pillar Two model rules. The Group is still assessing its impact, and has applied the mandatory exception, to not recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.