

OM HOLDINGS LIMITED

(ARBN 081 028 337)

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

Incorporated in Bermuda



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23 ASX Appendix 4D

28 August 2024

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

Dear Sir/Madam

The Board of OM Holdings Limited (“**OMH**”, or the “**Company**”, and together with its subsidiaries, the “**Group**”) is pleased to provide a copy of the consolidated interim financial report and the Group Appendix 4D for the half-year ended 30 June 2024.

HIGHLIGHTS

- **Profit after tax for the half-year ended 30 June 2024 (“1H 2024”) of US\$12.9 million as compared to a profit after tax of US\$19.3 million for the half-year ended 30 June 2023 (“1H 2023”)**
- **Earnings Before Interest, Tax, Depreciation and Amortisation (“EBITDA”) of US\$46.6 million for 1H 2024 compared with US\$56.9 million for 1H 2023**
- **Basic and diluted earnings per share of the Group of 1.67 US cents for 1H 2024 as compared to basic and diluted earnings per share of 2.59 US cents for 1H 2023**
- **Revenue from operating activities for 1H 2024 was US\$308.4 million, representing a 4% decrease over 1H 2023 revenue from operating activities of US\$319.7 million. This decrease was mainly due to lower ore volumes traded**
- **Gross profit margin decreased slightly to 19% in 1H 2024 from 21% in 1H 2023. This was predominantly attributed to lower average selling prices for Ferrosilicon (“FeSi”) and manganese alloys (“Mn alloys”) in 1H 2024**
- **Total borrowings decreased from US\$265.5 million as at 31 December 2023 to US\$213.2 million as at 30 June 2024 mainly due to principal repayments of the Sarawak Project Finance loans of approximately US\$24.8 million, repayment of revolving credit facility of US\$15.0 million in 1H 2024, and lower utilization of trade facilities as at 30 June 2024. As a result, total borrowings to equity ratio decreased from 0.64 times as at 31 December 2023 to 0.50 times as at 30 June 2024**

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



HIGHLIGHTS (CONT'D)

- **Net cash generated from operating activities of US\$69.4 million for 1H 2024**
- **Consolidated cash position decreased slightly to US\$66.5 million as at 30 June 2024 compared to US\$69.7 million as at 31 December 2023**
- **Net asset backing per ordinary share of the Group as at 30 June 2024 of 55.70 US cents per ordinary share, as compared to 54.25 US cents per ordinary share as at 31 December 2023**



OM HOLDINGS LIMITED – GROUP KEY FINANCIAL RESULTS

KEY DRIVERS (Tonnes)	Period Ended 30 June 2024	Period Ended 30 June 2023	Variance %
Sales volumes of Ores and Raw Materials	270,158	525,061	(49)
Sales volumes of Alloys	257,849	195,553	32

FINANCIAL RESULTS (US\$ million)			
Total revenue	308.4	319.7	(4)
Gross profit	59.2	68.4	(13)
Gross profit margin (%)	19%	21%	
Other income	1.0	2.0	(50)
Distribution costs	(18.2)	(12.9)	41
Administrative expenses	(7.4)	(7.2)	3
Other operating expenses	(5.5)	(16.1)	(66)
Foreign exchange gain	1.2	6.2	(81)
Finance costs	(14.9)	(13.1)	14
Share of results of associates ⁽¹⁾	2.5	3.2	(22)
Profit before tax	17.9	30.5	(41)
Income tax	(5.0)	(11.2)	(55)
Profit after tax	12.9	19.3	(33)
Non-controlling interests	(0.1)	(0.2)	(50)
Profit after tax attributable to owners of the Company	12.8	19.1	(33)

EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (US\$ million)	Period Ended 30 June 2024	Period Ended 30 June 2023
Profit after tax	12.9	19.3
Adjustments:		
Depreciation/amortisation ⁽²⁾	14.1	13.8
Finance costs (net of income)	14.6	12.6
Income tax	5.0	11.2
Adjusted EBITDA⁽³⁾	46.6	56.9

(1) Includes the 13% effective interest in the Tshipi Borwa Manganese Mine.

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

(3) 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.



FINANCIAL ANALYSIS

The Group recorded revenue of US\$308.4 million for 1H 2024, representing a 4% decrease from US\$319.7 million recorded in 1H 2023. The decrease in revenue was mainly attributed to lower ore volumes traded, and lower average selling prices in 1H 2024.

Average selling prices in 1H 2024 were lower as compared to 1H 2023 mainly due to the suppressed demand from steel mills amid higher energy costs and a weakening global steel market since mid 2022 through FY2023, and into 1Q 2024. Prices have since stabilised and silicomanganese ("SiMn") has rebounded in late 1H 2024. However, the overall average selling prices realised in 1H 2024 were still lower as compared to 1H 2023.

Platts reported that prices of FeSi stabilised in the first half of 2024, with prices decreasing slightly from US\$1,285 per tonne CIF Japan at the end of December 2023, to US\$1,210 per tonne CIF Japan at the end of March 2024, before increasing back to close at US\$1,290 per tonne CIF Japan at the end of June 2024.

The prices of SiMn rebounded sharply in late 1H 2024 on the back of stronger manganese ore prices. SiMn prices increased from US\$900 per tonne CIF Japan at the end of December 2023, to US\$920 per tonne CIF Japan at the end of March 2024, and further increased to US\$1,165 per tonne CIF Japan at the end of June 2024.

As an indication, the index manganese ore prices published by Fastmarkets MB increased from US\$4.17/dmtu CIF China at the end of December 2023, to US\$4.32/dmtu CIF China at the end of March 2024, before increasing significantly by 92% to close at US\$8.30/dmtu CIF China at the end of June 2024. The spike was mainly due to the reduction of supply following the halt in export operations of a key global manganese ore supplier due to infrastructure damage caused by a tropical cyclone.

As a result of the above, the Group recorded a lower gross profit of US\$59.2 million in 1H 2024 (with a gross profit margin of 19%) as compared to a gross profit of US\$68.4 million in 1H 2023 (with a gross profit margin of 21%).

Total distribution costs increased by approximately 41% in 1H 2024, despite a 27% decrease in total volume of products traded as compared to 1H 2023. This was mainly due to elevated freight rates in 1H 2024, as compared to 1H 2023.

Administrative expenses for 1H 2024 increased marginally by US\$0.2 million, representing a 3% increase as compared to 1H 2023.

Other operating expenses decreased to US\$5.5 million in 1H 2024 from US\$16.1 million in 1H 2023 mainly due to a US\$5.9 million write-off of property, plant and equipment in 1H 2023 as a result of major furnace maintenance works carried out by OM Sarawak. In addition, furnace shut down expenses were lower in 1H 2024 as there were more furnaces undergoing major maintenance in 1H 2023 as compared to the current period.

Foreign exchange gains of US\$1.2 million in 1H 2024 were lower as compared to US\$6.2 million in 1H 2023. This mainly arose from the translation of Malaysian Ringgit ("MYR") denominated payables to United States dollar ("USD"), and the decrease was due to the USD appreciating less against MYR in 1H 2024, as compared to 1H 2023.

Finance costs for 1H 2024 increased by approximately 14% to US\$14.9 million (as compared to US\$13.1 million for 1H 2023) mainly due to higher interest rates in 1H 2024.

The Group's share of results from its associates of US\$2.5 million was mainly contributed by its 13% interest in Tshipi é Ntle Manganese Mining (Pty) Ltd.

Income tax expense decreased by 55% to US\$5.0 million in 1H 2024 as compared to 1H 2023, mainly due to lower pre-tax profits.



In the backdrop of prolonged weaker global economic activities and the higher interest rate environment, the Group recorded a lower profit after tax of US\$12.9 million for 1H 2024 (against a profit after tax of US\$19.3 million for 1H 2023). The Group's basic and diluted profit per ordinary share for 1H 2024 was 1.67 US cents as compared to basic and diluted earnings per share of 2.59 US cents for 1H 2023.

The Group recorded a lower positive EBITDA of US\$46.6 million in 1H 2024 as compared with US\$56.9 million for 1H 2023, due to reasons stated above.

Results Contributions

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

US\$ million	Period ended 30 June 2024		Period ended 30 June 2023	
	Revenue*	Contribution	Revenue*	Contribution
Mining	–	(3.0)	–	(3.0)
Smelting	254.9	23.4	202.0	38.9
Marketing, logistics and trading	321.0	8.5	292.1	3.0
Others	22.8	1.1	23.3	1.0
Net profit before finance costs		30.0		39.9
Finance costs (net of income)		(14.6)		(12.6)
Share of results of associates		2.5		3.2
Profit before tax		17.9		30.5

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

Mining

This category includes 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 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.

As a result, there was no revenue in 1H 2024, and OMM recorded a negative contribution of US\$3.0 million for the period ended 30 June 2024.

Preparatory work for the Ultra Fines Plant ("UFP") restart is underway and is progressing as planned and in line with the budget. Production restart for the UFP remains targeted for Q4 2024.

Smelting

This business segment covers the operations of the FeSi and Mn alloy smelter operated by OM Sarawak, and the manganese alloy smelter operated by OM Materials (Qinzhou) Co Ltd ("OMQ") until the disposal of the Group's 90% interest in OMQ on 31 October 2023.

The smelting segment recorded revenue of US\$254.9 million for 1H 2024 as compared to US\$202.0 million for 1H 2023. The increase in revenue was mainly due to higher tonnages of ferroalloys produced and sold in 1H 2024. The Group produced 97,829 tonnes, 159,093 tonnes and 71,759 tonnes of FeSi, Mn alloys and manganese sinter ore respectively in 1H 2024 (1H 2023: 59,598 tonnes, 122,927 tonnes and 72,342 tonnes of FeSi, Mn alloys and manganese sinter ore respectively).



The smelting segment recorded a lower contribution of US\$23.4 million for 1H 2024 as compared to US\$38.9 million for 1H 2023 predominantly due to the lower prices for ferroalloys, particularly FeSi and SiMn, which resulted in lower margins.

Marketing, logistics and trading

Revenue from the Group's trading operations increased by 10%, from US\$292.1 million for 1H 2023 to US\$321.0 million for 1H 2024. This increase was primarily due to intersegment sales to the smelting segment for procurement of raw materials, driven by higher production volumes from the smelting segment. These are subsequently eliminated on consolidation. Correspondingly, the profit contribution from the Group's trading operations also increased to US\$8.5 million in the current period as compared to US\$3.0 million in 1H 2023.

Others

This segment includes the corporate activities of OMH as well as the procurement services rendered by a number of the Group's subsidiaries.

The revenue recognised in this segment mainly relates to procurement fees, logistics services and other services rendered by certain subsidiaries of the Group. The positive contribution of this segment of US\$1.1 million in 1H 2024 as compared to a positive contribution of US\$1.0 million in 1H 2023.

FINANCIAL POSITION

The Group's property, plant and equipment ("PPE") as at 30 June 2024 decreased to US\$416.7 million from US\$426.1 million as at 31 December 2023 mainly due to PPE depreciation charge and foreign exchange revaluation, offset by PPE additions for the period.

The Group's consolidated cash position decreased to US\$66.5 million (including cash collateral of US\$9.0 million) as at 30 June 2024 as compared to US\$69.7 million (including cash collateral of US\$9.2 million) as at 31 December 2023. For 1H 2024, the net cash generated from operating activities was US\$69.4 million as compared to net cash used in operating activities of US\$3.6 million for 1H 2023.

Inventories as at 30 June 2024 of US\$312.7 million was higher than the inventory balance of US\$292.3 million as at 31 December 2023 mainly due to higher raw material inventory balances, as the Group managed to procure more manganese ore before prices rose significantly in late 1H 2024. There was also a US\$12.7 million write-back of previously written-down inventories. The write-back was due to higher estimated net realisable value of inventories as at 30 June 2024. As at 30 June 2024, the Group's inventories under consignment arrangements amounted to US\$40,128,000 (31 December 2023 – US\$35,877,000).

Trade and other receivables increased by US\$ 2.9 million as at 30 June 2024 to US\$41.4 million, as compared to US\$38.5 million as at 31 December 2023. This increase was mainly due to timing differences between shipments and collections, and an increase in advances to suppliers.

The Group's total trade and other payables increased to US\$225.9 million as at 30 June 2024 from US\$190.3 million as at 31 December 2023 mainly due to timing differences between purchases and payments.

The Group's total borrowings decreased from US\$265.5 million as at 31 December 2023 to US\$213.2 million as at 30 June 2024. The decrease was mainly attributed to the principal repayments of the Sarawak Project Finance loans of approximately US\$24.8 million, repayments made for the revolving credit facility of US\$15.0 million, and net lower utilisation of trade financing facilities as at 30 June 2024 by US\$13.5 million. As a result, the Group's total borrowings to equity ratio decreased from 0.64 times as at 31 December 2023 to 0.50 times as at 30 June 2024.



The Group's net asset backing per ordinary share increased by 3% to 55.70 US cents per ordinary share as at 30 June 2024 as compared to 54.25 US cents per ordinary share as at 31 December 2023.

Capital Structure

As at 30 June 2024, the Company had on issue 766,256,801 ordinary shares.

As at 23 August 2024, a total of 102,663,836 shares were listed on Bursa Malaysia and 663,592,965 shares were listed on the Australian Securities Exchange.

The Board has resolved that there will be no interim dividend declared for 1H 2024.

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\$2.5 million for 1H 2024 compared to US\$3.2 million for 1H 2023.

In February 2024, Tshipi declared and paid a dividend of ZAR 300 million (approximately US\$15.6 million) to its two shareholders. The Group received its share of this dividend of ZAR 33.7 million (approximately US\$1.8 million, before withholding tax) from NMPL in April 2024.

Yours faithfully

OM HOLDINGS LIMITED

Heng Siow Kwee/Julie Wolseley
Joint Company Secretary



Important note from page 3

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:

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OM HOLDINGS LIMITED

A.R.B.N 081 028 337

Malaysian Registration No. 202002000012 (995782-P)

Appendix 4D

Half Yearly Report

For the period ended 30 June 2024

(previous corresponding period being the period ended 30 June 2023)

OM Holdings Limited and Controlled Entities
Half Yearly Report
APPENDIX 4D

Results for Announcement to the Market

OM Holdings Limited
For the period ended 30 June 2024

Name of Entity:	OM Holdings Limited	
ARBN:	081 028 337	
Malaysian Registration No:	202002000012 (995782-P)	
1. Details of the current and prior reporting period		
Current Period:	1 Jan 2024 to 30 Jun 2024	
Prior Period:	1 Jan 2023 to 30 Jun 2023	
2. Results for announcement to the market		
	US\$'000	US\$'000
2.1 Revenue	Down 11,332 to	308,416
2.2 Profit after taxation	Down 6,456 to	12,862
2.3 Net profit for the period attributable to owners of the Company	Down 6,373 to	12,737
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	
3. Consolidated statement of comprehensive income	Refer Interim consolidated financial statements	
4. Consolidated statements of financial position	Refer Interim consolidated financial statements	
5. Consolidated statement of cash flows	Refer Interim consolidated financial statements	
6. Details of dividends or distributions	N/A	
7. Consolidated statement of changes in equity	Refer Interim consolidated financial statements	
	Current Period US\$	Previous Corresponding Period (31 December 2023) US\$
8. Net asset backing per ordinary security	55.70 cents	54.25 cents

OM Holdings Limited and Controlled Entities
Preliminary Half Yearly Report
APPENDIX 4D

9. Control gained over entities during the period	N/A	
10. Other matters	Refer Interim consolidated financial statements	
11. Accounting Standards used by foreign entities	N/A	
12. Commentary on the result for the period		
	Current Period US\$	Previous Corresponding Period US\$
12.1 Profit per share	1.67 cents	2.59 cents
12.2 Segment results	Refer Interim consolidated financial statements	
13. Status of audit or review	The accounts have been subject to review	
14. Dispute or qualification – account not yet audited	N/A	
15. Qualifications of audit/review	N/A	

OM Holdings Limited
ARBN 081 028 337
(Incorporated in Bermuda)
and its subsidiaries

Interim consolidated financial statements
For the six months ended 30 June 2024

This interim consolidated financial statements do not include all the notes of the type normally included in the annual consolidated financial statements. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2023 and any public announcements made by OM Holdings Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Australian Securities Exchange (“ASX”) and Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Listing Rules.

Contents

	Page
Directors' statement	1
Review report to the members of OM Holdings Limited	2
Consolidated statement of financial position	3
Consolidated statement of comprehensive income	4
Consolidated statement of changes in equity	5
Consolidated statement of cash flows	6
Notes to the interim consolidated financial statements	8

Directors' statement

The Directors present their statement and the interim consolidated financial statements of OM Holdings Limited (the "Company") and its controlled entities (together the "Group") for the six months ended 30 June 2024.

In the opinion of the Directors,

- (a) the accompanying consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows, together with the notes thereon, are drawn up so as to give a true and fair view of the financial position of the Group as at 30 June 2024 and the financial performance, changes in equity and cash flows of the Group for the six months period 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 the interim consolidated financial statements for issue.

Directors

The Directors of the Company during the period were as follows:

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)

Review of Operations

The Board of OM Holdings Limited (ASX Code: OMH / Bursa Code: OMH (5298)) reported a consolidated net profit after tax and non-controlling interests of US\$12.7 million for the six months ended 30 June 2024, compared with a consolidated net profit after tax and non-controlling interests of US\$19.1 million for the previous corresponding period.

Signed in accordance with a resolution of the Directors.

On behalf of the Directors



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LOW NGEE TONG
Executive Chairman and Chief Executive Officer
Singapore

Dated: 28 August 2024

Review report to the members of OM Holdings Limited

Introduction

We have reviewed the accompanying consolidated statement of financial position of OM Holdings Limited (the “Company”) and its subsidiaries (the “Group”) as at 30 June 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the six months period then ended, and selected explanatory notes. Management is responsible for the preparation and fair presentation of these interim consolidated financial information in accordance with IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on these interim consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial information does not give a true and fair view of the financial position of the Group as at 30 June 2024, and of its financial performance, changes in equity and cash flows for the six months period then ended in accordance with IAS 34 *Interim Financial Reporting*.



Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Partner in charge: Mr Ling Guo Leng
(with effect from the financial year ended 31 December 2024)

Singapore,
28 AUG 2024

Consolidated statement of financial position

	Note	30 June 2024 US\$'000	31 December 2023 US\$'000
Assets			
Non-Current			
Property, plant and equipment		416,717	426,084
Land use rights		5,458	5,515
Exploration and evaluation costs		2,742	2,771
Mine development costs		1,112	1,388
Investment property		415	419
Right-of-use assets		6,531	5,704
Deferred tax assets		11,909	12,161
Interests in associates		83,185	84,107
		528,069	538,149
Current			
Inventories		312,677	292,349
Trade and other receivables		41,402	38,532
Capitalised contract costs		515	301
Prepayments		3,062	1,773
Derivatives		–	137
Cash and bank balances		66,504	69,701
		424,160	402,793
Total assets		952,229	940,942
Equity			
Capital and Reserves			
Share capital	7	32,976	32,976
Treasury shares		(2,058)	(2,058)
Reserves	11	391,429	380,439
		422,347	411,357
Non-controlling interests		3,348	3,269
Total equity		425,695	414,626
Liabilities			
Non-Current			
Borrowings	8	108,849	169,110
Lease liabilities		2,749	2,732
Trade and other payables		19,507	36,730
Provisions		4,196	4,579
Deferred tax liabilities		29,941	26,953
Deferred capital grant		6,281	6,564
		171,523	246,668
Current			
Borrowings	8	104,370	96,349
Lease liabilities		2,996	2,621
Trade and other payables		206,353	153,564
Provisions		170	–
Deferred capital grant		567	567
Contract liabilities		36,537	23,326
Income tax payables		4,018	3,221
		355,011	279,648
Total liabilities		526,534	526,316
Total equity and liabilities		952,229	940,942

Consolidated statement of comprehensive income

	Note	6 months to 30 June 2024 US\$'000	6 months to 30 June 2023 US\$'000
Revenue	5	308,416	319,748
Cost of sales		(249,249)	(251,351)
Gross profit		59,167	68,397
Other income		1,018	1,959
Distribution costs		(18,186)	(12,893)
Administrative expenses		(7,469)	(7,226)
Other operating expenses		(5,539)	(16,080)
Foreign exchange gain		1,278	6,218
Finance costs		(14,946)	(13,091)
Profit from operations		15,323	27,284
Share of results of associates		2,534	3,179
Profit before income tax		17,857	30,463
Income tax expense		(4,995)	(11,145)
Profit for the period		12,862	19,318
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)		(1,724)	(3,544)
Cash flow hedges	12	(23)	(24)
		(1,747)	(3,568)
Items that will not be reclassified subsequently to profit or loss			
Currency translation differences arising from foreign subsidiaries (attributable to non-controlling interests)		(46)	(107)
Other comprehensive loss for the period, net of tax		(1,793)	(3,675)
Total comprehensive income for the period		11,069	15,643
Profit attributable to:			
Owners of the Company		12,737	19,110
Non-controlling interests		125	208
		12,862	19,318
Total comprehensive income attributable to:			
Owners of the Company		10,990	15,542
Non-controlling interests		79	101
		11,069	15,643
Earnings per share			
- Basic	9	1.67	2.59
- Diluted	9	1.67	2.59

Consolidated statement of changes in equity

	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 translation 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 2024	32,976	(2,058)	164,864	1,419	(10,947)	225	(44,562)	269,440	411,357	3,269	414,626
Profit for the period	-	-	-	-	-	-	-	12,737	12,737	125	12,862
Other comprehensive loss for the period	-	-	-	-	-	(23)	(1,724)	-	(1,747)	(46)	(1,793)
Total comprehensive income for the period	-	-	-	-	-	(23)	(1,724)	12,737	10,990	79	11,069
At 30 June 2024	32,976	(2,058)	164,864	1,419	(10,947)	202	(46,286)	282,177	422,347	3,348	425,695
	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 translation 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 period	-	-	-	-	-	-	-	19,110	19,110	208	19,318
Other comprehensive loss for the period	-	-	-	-	-	(24)	(3,544)	-	(3,568)	(107)	(3,675)
Total comprehensive income for the period	-	-	-	-	-	(24)	(3,544)	19,110	15,542	101	15,643
Dividends	-	-	-	-	-	-	-	(7,304)	(7,304)	-	(7,304)
Transactions with owners	-	-	-	-	-	-	-	(7,304)	(7,304)	-	(7,304)
Transfer to statutory reserve	-	-	-	405	-	-	-	(405)	-	-	-
At 30 June 2023	32,035	(2,058)	156,920	8,327	(10,947)	248	(43,683)	263,506	404,348	3,725	408,073

Consolidated statement of cash flows

	6 months to 30 June 2024 US\$'000	6 months to 30 June 2023 US\$'000
Cash Flows from Operating Activities		
Profit before income tax	17,857	30,463
Adjustments for:		
Amortisation of land use rights	57	69
Amortisation of deferred capital grant	(283)	(283)
Amortisation of mine development costs	242	245
Depreciation of property, plant and equipment	12,378	12,548
Depreciation of right-of-use assets	1,414	950
Depreciation of investment property	4	4
Write off of property, plant and equipment	9	5,924
Loss on lease modification	7	–
Reclassification from hedging reserve to profit or loss	(23)	(24)
Interest expense	14,946	13,091
Interest income	(363)	(505)
Share of results of associates	(2,534)	(3,179)
Operating profit before working capital changes	43,711	59,303
Increase in inventories	(19,746)	(51,028)
Increase in trade receivables	(1,928)	(1,188)
Increase in capitalised contract cost	(214)	(130)
Increase in prepayments, deposits and other receivables	(2,216)	(1,333)
Increase in contract liabilities	13,211	3,006
Increase/(decrease) in trade payables	18,193	(10,815)
Increase in other payables and accruals	19,779	1,948
Decrease in provisions	(213)	(101)
Cash generated from/(used in) operations	70,577	(338)
Income tax paid	(1,138)	(3,256)
Net cash generated from/(used in) operating activities	69,439	(3,594)
Cash Flows from Investing Activities		
Payments for exploration and evaluation costs	(28)	(264)
Purchase of property, plant and equipment	(5,410)	(17,956)
Purchase of right-of-use assets	(487)	(12)
Dividends received from an associate	1,792	5,309
Interest received	363	505
Net cash used in investing activities	(3,770)	(12,418)
Cash Flows from Financing Activities		
Repayments of bank and other loans (Note A)	(54,368)	(18,596)
Proceeds from bank and other loans (Note A)	2,496	54,718
Principal repayment of lease liabilities (Note A)	(1,427)	(968)
Decrease in cash collateral	79	130
Dividends paid	–	(7,278)
Interest paid (Note A)	(15,086)	(12,854)
Net cash (used in)/generated from financing activities	(68,306)	15,152
Net decrease in cash and cash equivalents	(2,637)	(860)
Cash and cash equivalents at beginning of period	60,491	53,262
Exchange difference on translation of cash and cash equivalents at beginning of period	(315)	(688)
Cash and cash equivalents at end of period	57,539	51,714

Consolidated statement of cash flows (Cont'd)

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:

	Cash flows			Non-cash changes			30 June 2024 US\$'000		
	1 January 2024 US\$'000	Cash inflows US\$'000	Cash outflows US\$'000	Interest paid US\$'000	New leases US\$'000	Lease modification US\$'000		Foreign exchange difference US\$'000	Interest expense US\$'000
Lease liabilities	5,353	-	(1,427)	(141)	905	935	(21)	141	5,745
Borrowings	265,459	2,496	(54,368)	-	-	-	(476)	108 ⁽¹⁾	213,219
Trade and other payables	425	-	-	(14,945)	-	-	-	14,697	177
- Interest payables				<u>(15,086)</u>				<u>14,946</u>	
	Cash flows			Non-cash changes			30 June 2023 US\$'000		
1 January 2023 US\$'000	Cash inflows US\$'000	Cash outflows US\$'000	Interest paid US\$'000	New leases US\$'000	Lease modification US\$'000	Foreign exchange difference US\$'000		Interest expense US\$'000	
Lease liabilities	3,510	-	(968)	(71)	28	-	(74)	71	2,496
Borrowings	254,740	54,718	(18,596)	-	-	-	(786)	157 ⁽¹⁾	290,233
Trade and other payables	103	-	-	(12,783)	-	-	-	12,863	183
- Interest payables				<u>(12,854)</u>				<u>13,091</u>	

⁽¹⁾ Related to the amortisation of borrowing costs classified as "Finance costs".

Notes to the interim consolidated financial statements

1 Nature of operations

The interim consolidated financial statements of OM Holdings Limited (the “Company”) and its subsidiaries (the “Group”) for the period ended 30 June 2024 was authorised for issue in accordance with a resolution of the Directors on 28 August 2024.

The principal activities of the Company and the Group comprise the following:

- processing and sales of ferrosilicon, manganese alloys, silicon metal and manganese sinter ore
- development and operation of smelters and sintering projects in Malaysia
- trading of ore, ferrosilicon, manganese alloys and silicon metal
- exploration of manganese ore
- investment holdings, including the 13% effective interest in the Tshipi Borwa Mine
- evaluation and assessment of strategic investment and project opportunities

2 General information and basis of preparation

The interim consolidated financial statements are for the six months ended 30 June 2024 and are presented in United States Dollar (“USD”). The functional currency of the parent company is Australian Dollars (“AUD”). They have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with International Financial Reporting Standards, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2023.

OM Holdings Limited is the ultimate parent company of the Group. The Company is a limited liability company and domiciled in Bermuda. The address of OM Holdings Limited’s registered office is located at Clarendon House, 2 Church Street, Hamilton, HM11 Bermuda. OM Holdings Limited’s shares are dual listed on the Australian Securities Exchange (“ASX”) and Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

3 Accounting policies

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The adoption of these new standards does not result in significant changes to the Group’s accounting policies and has no material effect on the amounts or the disclosures reported for the current or prior reporting periods. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

4 Significant accounting estimates and judgments

Net realisable value of inventories

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 period and records any material realisable valuation adjustments accordingly. For the six months ended 30 June 2024, the Group recorded a reversal of previously written-down inventories of US\$12.7 million (1H 2023 - US\$35.1 million).

Income taxes

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.

Deferred tax assets

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.

Impairment of non-financial assets

Non-financial assets comprise property, plant and equipment, land use rights, exploration and evaluation costs, mine development costs and right-of-use assets. 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.

4 Significant accounting estimates and judgments (Cont'd)

Allowance for expected credit losses (ECL) of trade and other receivables

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.

The Group adopts a simplified approach and uses 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 Group applied 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.

5 Segment reporting

For management purposes, the Group is organised into the following reportable operating segments:

- *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

5 Segment reporting (Cont'd)

The revenues and profit/(loss) generated by each of the Group's operating segments and segment assets are summarised as follows:

	Mining	Smelting	Marketing and trading	Others¹	Total
6 months to 30 June 2024	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Revenue					
From external customers	-	66,206	242,143	67	308,416
Inter-segment sales	-	188,657	78,889	22,751	290,297
Segment revenues	-	254,863	321,032	22,818	598,713
Reportable segment (loss)/profit	(2,964)	23,411	8,499	960	29,906
Reportable segment assets as at 30 June 2024	45,095	707,459	113,056	86,619 ²	952,229
6 months to 30 June 2023					
Revenue					
From external customers	-	80,560	239,165	23	319,748
Inter-segment sales	-	121,442	52,911	23,270	197,623
Segment revenues	-	202,002	292,076	23,293	517,371
Reportable segment (loss)/profit	(2,994)	38,847	3,022	995	39,870
Reportable segment assets as at 30 June 2023	46,018	736,698	67,006	80,522 ²	930,244

¹ Others relate to the corporate activities of the Company as well as the engineering, logistics, procurement, design and technical services rendered by a number of its subsidiaries. None of these segments meet any of the quantitative thresholds for determining reportable segments.

² Amount includes interests in associates of US\$83,185,000 (30 June 2023 - US\$77,136,000).

The Group's reportable segment profit reconciles to the Group's profit before income tax as presented in its financial statements as follows:

	6 months to 30 June 2024 US\$'000	6 months to 30 June 2023 US\$'000
Reportable segment profit	29,906	39,870
Share of result of associates	2,534	3,179
Finance costs	(14,946)	(13,091)
Interest income	363	505
Group's profit before income tax	17,857	30,463

6 Analysis of selected items of the interim consolidated financial statements

The Group recorded revenue of US\$308.4 million for 1H 2024, representing a 4% decrease from US\$319.7 million recorded in 1H 2023. The decrease in revenue was mainly attributed to lower ore volumes traded, and lower average selling prices in 1H 2024.

Average selling prices in 1H 2024 were lower as compared to 1H 2023 mainly due to the suppressed demand from steel mills amid higher energy costs and a weakening global steel market since mid 2022 through FY2023, and into 1Q 2024. Prices have since stabilised and silicomanganese (“SiMn”) has rebounded in late 1H 2024. However, the overall average selling prices realised in 1H 2024 were still lower as compared to 1H 2023.

Platts reported that prices of FeSi stabilised in the first half of 2024, with prices decreasing slightly from US\$1,285 per tonne CIF Japan at the end of December 2023, to US\$1,210 per tonne CIF Japan at the end of March 2024, before increasing back to close at US\$1,290 per tonne CIF Japan at the end of June 2024.

The prices of SiMn rebounded sharply in late 1H 2024 on the back of stronger manganese ore prices. SiMn prices increased from US\$900 per tonne CIF Japan at the end of December 2023, to US\$920 per tonne CIF Japan at the end of March 2024, and further increased to US\$1,165 per tonne CIF Japan at the end of June 2024.

As an indication, the index manganese ore prices published by Fastmarkets MB increased from US\$4.17/dmtu CIF China at the end of December 2023, to US\$4.32/dmtu CIF China at the end of March 2024, before increasing significantly by 92% to close at US\$8.30/dmtu CIF China at the end of June 2024. The spike was mainly due to the reduction of supply following the halt in export operations of a key global manganese ore supplier due to infrastructure damage caused by a tropical cyclone.

As a result of the above, the Group recorded a lower gross profit of US\$59.2 million in 1H 2024 (with a gross profit margin of 19%) as compared to a gross profit of US\$68.4 million in 1H 2023 (with a gross profit margin of 21%).

Total distribution costs increased by approximately 41% in 1H 2024, despite a 27% decrease in total volume of products traded as compared to 1H 2023. This was mainly due to elevated freight rates in 1H 2024, as compared to 1H 2023.

Administrative expenses for 1H 2024 increased marginally by US\$0.2 million, representing a 3% increase as compared to 1H 2023.

Other operating expenses decreased to US\$5.5 million in 1H 2024 from US\$16.1 million in 1H 2023 mainly due to a US\$5.9 million write-off of property, plant and equipment in 1H 2023 as a result of major furnace maintenance works carried out by OM Sarawak. In addition, furnace shut down expenses were lower in 1H 2024 as there were more furnaces undergoing major maintenance in 1H 2023 as compared to the current period.

Foreign exchange gains of US\$1.2 million in 1H 2024 were lower as compared to US\$6.2 million in 1H 2023. This mainly arose from the translation of Malaysian Ringgit (“MYR”) denominated payables to United States dollar (“USD”), and the decrease was due to the USD appreciating less against MYR in 1H 2024, as compared to 1H 2023.

Finance costs for 1H 2024 increased by approximately 14% to US\$14.9 million (as compared to US\$13.1 million for 1H 2023) mainly due to higher interest rates in 1H 2024.

6 Analysis of selected items of the interim consolidated financial statements (Cont'd)

The Group's share of results from its associates of US\$2.5 million was mainly contributed by its 13% interest in Tshipi é Ntle Manganese Mining (Pty) Ltd.

Income tax expense decreased by 55% to US\$5.0 million in 1H 2024 as compared to 1H 2023, mainly due to lower pre-tax profits.

In the backdrop of prolonged weaker global economic activities and the higher interest rate environment, the Group recorded a lower profit after tax of US\$12.9 million for 1H 2024 (against a profit after tax of US\$19.3 million for 1H 2023). The Group's basic and diluted profit per ordinary share for 1H 2024 was 1.67 US cents as compared to basic and diluted earnings per share of 2.59 US cents for 1H 2023.

The Group recorded a lower positive EBITDA of US\$46.6 million in 1H 2024 as compared with US\$56.9 million for 1H 2023, due to reasons stated above.

The Group's property, plant and equipment ("PPE") as at 30 June 2024 decreased to US\$416.7 million from US\$426.1 million as at 31 December 2023 mainly due to PPE depreciation charge and foreign exchange revaluation, offset by PPE additions for the period.

The Group's consolidated cash position decreased to US\$66.5 million (including cash collateral of US\$9.0 million) as at 30 June 2024 as compared to US\$69.7 million (including cash collateral of US\$9.2 million) as at 31 December 2023. For 1H 2024, the net cash generated from operating activities was US\$69.4 million as compared to net cash used in operating activities of US\$3.6 million for 1H 2023.

Inventories as at 30 June 2024 of US\$312.7 million was higher than the inventory balance of US\$292.3 million as at 31 December 2023 mainly due to higher raw materials inventory balances, as the Group managed to procure more manganese ore before prices rose significantly in late 1H 2024. There was also a US\$12.7 million write-back of previously written-down inventories. The write-back was due to higher estimated net realisable value of inventories as at 30 June 2024. As at 30 June 2024, the Group's inventories under consignment arrangements amounted to US\$40,128,000 (31 December 2023 – US\$35,877,000).

Trade and other receivables increased by US\$ 2.9 million as at 30 June 2024 to US\$41.4 million, as compared to US\$38.5 million as at 31 December 2023. This increase was mainly due to timing differences between shipments and collections, and an increase in advances to suppliers.

The Group's total trade and other payables increased to US\$225.9 million as at 30 June 2024 from US\$190.3 million as at 31 December 2023 mainly due to timing differences between purchases and payments.

The Group's total borrowings decreased from US\$265.5 million as at 31 December 2023 to US\$213.2 million as at 30 June 2024. The decrease was mainly attributed to the principal repayments of the Sarawak Project Finance loans of approximately US\$24.8 million, repayments made for the revolving credit facility of US\$15.0 million, and net lower utilisation of trade financing facilities as at 30 June 2024 by US\$13.5 million. As a result, the Group's total borrowings to equity ratio decreased from 0.64 times as at 31 December 2023 to 0.50 times as at 30 June 2024.

The Group's net asset backing per ordinary share increased by 3% to 55.70 US cents per ordinary share as at 30 June 2024 as compared to 54.25 US cents per ordinary share as at 31 December 2023.

7 Share capital

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.

Shares authorised and issued are summarised as follows:

	No. of ordinary shares (amounts in thousand shares)		Amount	
	As at 30 June 2024 '000	As at 31 December 2023 '000	As at 30 June 2024 US\$'000	As at 31 December 2023 US\$'000
Authorised:				
Ordinary shares of A\$0.05 (2023 – A\$0.05) each	2,000,000	2,000,000	87,000	87,000
Issued and fully paid:				
Ordinary shares of US\$0.04304 (A\$0.05) (2023 - US\$0.04304 (A\$0.05)) each				
At beginning of period	766,257	738,623	32,976	32,035
Shares issuance	-	27,634	-	941
At end of period	766,257	766,257	32,976	32,976

8 Borrowings

	As at 30 June 2024 US\$'000	As at 31 December 2023 US\$'000
The Group		
Non-current		
Bank loans (Note 8.1)	88,307	148,172
Other borrowings (Note 8.2)	20,630	21,067
	108,937	169,239
Structuring and arrangement fee	(88)	(129)
	108,849	169,110
Current		
Bank loans (Note 8.1)	104,483	96,530
Structuring and arrangement fee	(113)	(181)
	104,370	96,349
Total	213,219	265,459

8.1 Bank loans

	As at 30 June 2024 US\$'000	As at 31 December 2023 US\$'000
The Group		
Bank loans, secured [Note (a)]	2,477	1,126
Bank loans, secured [Note (b)]	175,313	213,533
Bank loans, secured [Note (c)]	15,000	30,000
Bank loans, unsecured	-	43
	192,790	244,702
Amount repayable not later than one year	104,483	96,530
Amount repayable later than one year and not later than five years	88,307	148,172
	192,790	244,702

8 Borrowings (Cont'd)

8.1 Bank loans (Cont'd)

Notes:

- (a) These loans were secured by a charge over an office premise and a corporate guarantee from a subsidiary.
- (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;
 - a charge over certain bank accounts;
 - a charge over land use rights;
 - a debenture;
 - a borrower assignment;
 - an assignment of insurances;
 - a shareholder assignment;
 - an assignment of reinsurances; and
 - a corporate guarantee from OM Holdings Limited
- (c) This revolving credit facility is secured by a limited deed of debenture and a corporate guarantee from OM Holdings Limited.

8.2 Other borrowings

The Group	As at 30 June 2024 US\$'000	As at 31 December 2023 US\$'000
Bonds, unsecured	20,630	21,067
Amount repayable not later than one year	-	-
Amount repayable later than one year and not later than five years	20,630	21,067
	20,630	21,067

The bonds issued by a wholly-owned subsidiary of A\$30,926,000 (US\$20,630,000) to certain key management personnel, employees and investors of the Group in November 2022 are unsecured and are due for full repayment in November 2025. Coupon rate 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.

9 Earnings per share

The calculations of the basic and diluted earnings per share attributable to owners of the Company are based on the following data:

	6 months to 30 June 2024 US\$'000	6 months to 30 June 2023 US\$'000
Profit		
Net profit attributable to owners of the Company for the purpose of:		
- basic earnings per share	12,737	19,110
- diluted earnings per share	12,737	19,110
Number of shares	'000	'000
Weighted average number of ordinary shares for the purpose of:		
- basic earnings per share	764,324	736,690
- diluted earnings per share	764,324	736,690

10 Related party transactions

During the interim period, the Group entered into the following transactions with related parties:

(A) Related party transactions

	6 months to 30 June 2024 US\$'000	6 months to 30 June 2023 US\$'000
(a) <u>Trading and other transactions</u>		
Commission charged by an associate	(212)	(223)
Purchase of goods from an associate	(20,251)	(46,621)
Commission charged to an associate	460	946
(b) <u>Key management personnel</u>		
Bonds held by key management personnel at period end	4,912	5,005
Interest expense on bonds issued to key management personnel	241	249

(B) Compensation of directors and key management personnel

The remuneration of directors and key management personnel is set out below:

	6 months to 30 June 2024 US\$'000	6 months to 30 June 2023 US\$'000
Salaries, wages and other related costs	3,151	3,008
Defined contribution plans	232	213

11 Other components of equity

- (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.

11 Other components of equity (Cont'd)

(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 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.
- (v) The translation reserve comprises all foreign exchange differences arising on the translation of the financial statements of the Company, foreign subsidiaries and associates stated in a currency different from the Group’s presentation currency.
- (vi) 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, which is the maximum amount available for distribution to the shareholders.

12 Cash flow hedges

The Group	6 months to 30 June 2024 US\$'000	6 months to 30 June 2023 US\$'000
Cash flow hedges:		
Loss arising during the period	(23)	(24)

13 Commitments

13.1 Capital commitments

The following table summarises the Group's capital commitments:

The Group	As at 30 June 2024 US\$'000	As at 31 December 2023 US\$'000
Capital expenditure contracted but not provided for in the financial statements:		
- acquisition of property, plant and equipment	4,155	7,101

13.2 Environmental bonds

A subsidiary has environmental bonds to the value of US\$7,759,000 (31 December 2023 - US\$7,923,000) lodged with the Northern Territory Government (Department of Industry, Tourism and Trade) to secure environmental rehabilitation commitments. The US\$7,759,000 (31 December 2023 - US\$7,923,000) of bonds are secured by US\$6,953,000 (31 December 2023 - US\$7,100,000) of bonds issued under financing facilities and certain cash backed arrangements.

14 Contingencies

Construction claim

On 8 July 2022, one of the subsidiaries of the Group received a claim from a third party for the sum of approximately MYR 30 million (equivalent to approximately US\$6,359,000) and costs in respect of a construction project. As at the date of this report, no determination can be made of the possible outcome of the claim.