OM HOLDINGS LIMITED

(ARBN 081 028 337)

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

28 August 2015

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

Dear Sir/Madam

HIGHLIGHTS

- **Lower H1 2015 revenue of A$148.3 million (H1 2014: A$259.9 million) due mainly from lower global demand for ores and alloys and the related softening of prices**
- **A total of 838,313 tonnes of ores (H1 2014: 1,291,780 tonnes) and 18,695 tonnes of alloys (H1 2014: 46,745 tonnes) were sold during H1 2015**
- **Smelting operations generated a profit contribution of A$5.4 million in H1 2015 (H1 2014: loss of A$3.4 million) despite recording lower revenue of A$23.8 million (H1 2014: A$56.8 million)**
- **OM Sarawak produced a total of 31,361 tonnes of ferrosilicon in H1 2015 with a revenue contribution of A$12.6 million**
- **Production and shipments of Bootu Creek ore in H1 2015 were 348,724 (H1 2014: 446,785) tonnes and 288,178 (H1 2014: 492,536) tonnes respectively**
- **Bootu Creek's H1 2015 C1 cash operating costs was A$3.79/dmtu (H1 2014: A$4.36/dmtu)**
- **Sales of 8,316 tonnes of High Carbon Ferro Manganese in H1 2015 (H1 2014: 43,721 tonnes) on a production volume of 7,129 tonnes (H1 2014: 46,510 tonnes) due to the temporary cessation of manganese alloy production for furnace relining and maintenance from November 2014 to end April 2015**
- **Cash reserves of A$56.1 million as at 30 June 2015**

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OM HOLDINGS LIMITED – GROUP KEY FINANCIAL RESULTS

KEY DRIVERS (Tonnes)	Period Ended 30 Jun 2015	Period Ended 30 Jun 2014	Variance %
Sales volumes of Ores (Manganese, Chrome and Iron Ore)	**838,313**	1,291,780	(35)
Sales volumes of Alloys	**18,695**	46,745	(60)

FINANCIAL RESULTS			
Total sales	**148.3**	259.9	(43)
Gross profit	**(0.7)**	16.0	(104)
Gross profit margin (%)	**(0.5%)**	6.2%	
Other income	**0.6**	0.7	(14)
Distribution costs	**(6.6)**	(13.6)	(51)
Administrative & other operating expenses	**(19.2)**	(16.4)	17
Finance costs	**(8.5)**	(8.3)	2
Share of results of associates	**4.4**	2.6	69
Loss before income tax	**(30.0)**	(19.0)	58
Income tax	**0.4**	0.7	(43)
Loss for the period	**(29.6)**	(18.3)	62
Non-controlling interests	**(1.7)**	(0.5)	240
Loss after tax attributable to owners of the Company	**(31.3)**	(18.8)	66

OPERATING RESULTS ADJUSTED FOR NON-CASH ITEMS		
Net loss after tax	**(29.6)**	(18.3)
Adjust for non-cash items:		
Inventory write-down (reversal)/write-down, net	**3.2**	(0.2)
Impairment charge	**1.3**	-
Fair value gain	**(0.5)**	-
Depreciation/amortisation(2)	**14.2**	9.0
Finance costs (net of income)	**8.3**	8.2
Income tax expenses	**(0.4)**	(0.7)
Adjusted EBITDA(1)	**(3.5)**	(2.0)

(1) Adjusted EBITDA is defined as operating profit before depreciation and amortisation, impairment write-back/expense, non-cash inventory write-downs, deferring stripping, and other non-cash items. Adjusted EBITDA is not a uniformly defined measure and other companies in the mining industry may calculate this measure differently. Consequently, the Group's presentation of Adjusted EBITDA may not be readily comparable to other companies' figures.

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

FINANCIAL ANALYSIS

The Group achieved revenue of A$148.3 million in H1 2015, representing a 43% decrease from the A$259.9 million recorded in H1 2014. All three operating segments of the Group recorded lower revenue as the tonnage of ores traded from the Group's wholly-owned Bootu Creek Manganese Mine, third party ores (including ores from the Tshipi Borwa Mine) and ferro-manganese alloys decreased 36% from 1,338,525 tonnes in H1 2014 to 857,008 tonnes in H1 2015.

The challenging market environment in manganese ores and ferro-manganese alloys continued to soften prices and impacted sales and gross profit margins. Gross profit margins across all product groups were impacted, and the Group's overall margin declined from positive 6.2% in H1 2014 to negative 0.5% in H1 2015.

Distribution costs decreased by 51% to A$6.6 million in H1 2015 in line with lower sales volume and revenue. Finance costs increased marginally by 2.0% to A$8.5 million.

Administration & other operating costs increased to A$19.2 million from A$16.4 million (H1 2014) mainly due to the higher depreciation and amortization expenses from our Australian subsidiary as it made its move from a contract miner to an owner operator model. In addition, additional administrative and operating expenses were incurred in our Sarawak subsidiary with the commencement of production in late Q3 2014.

The Group's loss per share increased to A$0.043 in H1 2015 from A$0.026 in H1 2014.

Results Contributions

The contributions from the OMH Group business segments were as follows:

A$ million	**Period ended 30 Jun 2015**		**Period ended 30 Jun 2014**	
	Revenue*	**Contribution**	Revenue*	Contribution
Mining	**38.9**	**(20.2)**	73.8	(11.0)
Smelting	**23.8**	**5.4**	56.8	(3.4)
Marketing, logistics and trading	**150.6**	**(6.7)**	234.8	2.4
Other	**0.2**	**(4.5)**	5.5	(1.4)
Net loss before finance costs		**(26.0)**		(13.4)
Finance costs (net of income)		**(8.3)**		(8.2)
Share of results of associates		**4.4**		2.6
Loss before tax **		**(30.0)**		(19.0)

** revenue contribution from segments is subsequently adjusted for intercompany sales on consolidation*
*** numbers may not add due to rounding*

Mining

This category includes the contribution from the Bootu Creek Manganese Mine.

The Bootu Creek Manganese Mine (100% owned and operated by the Company's wholly owned subsidiary OM (Manganese) Ltd ("OMM")) produced 348,724 tonnes grading 35.59% Mn in the six months ended 30 June 2015 as compared to 446,785 tonnes grading 35.55% Mn for the same corresponding period in 2014. OMM shipped 288,178 dry tonnes of ore grading 35.62% in H1 2015 compared to 492,536 dry tonnes of ore grading 35.64% during H1 2014.

Revenue for H1 2015 amounted to A$38.9 million compared to A$73.8 million for H1 2014, a direct result of decreased tonnages shipped and also impacted by the lower realised prices. This downward price trend is also reflected in the Metal Bulletin manganese index ore price (44% Mn grade), which declined from US$4.30/dmtu in January 2015 to US$3.00/dmtu CIF China in June 2015.

As part of the mine's operating strategy to respond to the current low price environment, various cost saving measures were implemented, and consequently, the C1 unit cash operating cost improved to A$3.79/dmtu in for H1 2015 as compared to A$4.36/dmtu for H1 2014.

Smelting

This business segment currently covers the operations of the Qinzhou manganese alloy smelter operated by OM Materials (Qinzhou) Co Ltd ("OMQ"), as well as OM Materials (Sarawak) Sdn Bhd ("OM Sarawak"), which has 3 workshops in production while construction of the remaining workshops is still ongoing.

The smelting operations in OMQ and OM Sarawak recorded revenue of A$23.8 million for H1 2015 against A$56.8 million for H1 2014. The decline in revenue was mainly due to the cessation of manganese sinter ore sales to third parties, as well as the temporary cessation of manganese alloy production for furnace relining and maintenance from November 2014 to end April 2015 in OMQ. OM Sarawak produced a total of 31,361 tonnes of ferrosilicon in H1 2015 with a revenue contribution of A$12.6 million for the period ended 30 June 2015.

Marketing, logistics and trading

Revenue from the Group's trading operations decreased by 36% from A$234.8 million (H1 2014) to A$150.6 million (H1 2015), primarily due to lower volume of manganese ores traded in H1 2015. Overall trading margin was also impacted by the weaker realised prices.

Other

This segment includes the corporate activities of OMH as well as the engineering, design and technical marketing services of OM Hujin Science and Trade (Shanghai) Co Ltd ("OMA").

The revenue recognised in this segment relates to engineering and design fees earned by OMA for the Malaysian smelters. The loss in this segment was mainly the result of a non-cash impairment charge amounting to A$0.8 million on the Company's investments as well as non-cash unrealised exchange losses of A$3.1 million.

FINANCIAL POSITION

The Group's property, plant and equipment increased from A$532.1 million (31 December 2014) to A$594.0 million (30 June 2015) as progress payments associated with the construction and procurement activities at OM Sarawak continued to be made during the period. Funds were drawn from the project finance loan facility for these payments.

The Group's consolidated cash position was $56.1 million (including cash collateral of A$17.3 million) as at 30 June 2015 as compared to A$64.9 million (including cash collateral of A$26.1 million) as at 31 December 2014. During the six months ended 30 June 2015, the cash used in operating activities before tax was A$40.4 million (H1 2014: cash generated of A$21.9 million).

Inventories increased to A$258.3 million as at 30 June 2015 from A$166.5 million as at 31 December 2014. This is mainly a result of a portion of the unconsumed power cost from OM Sarawak of A$107.2 million which has been included as inventories as at 30 June 2015, as compared to A$47.6 million as at 31 December 2014.

Receivables (including trade and other receivables and prepayments) decreased to A$34.9 million as at 30 June 2015 from A$41.0 million as at 31 December 2014. This decline is consistent with the decrease in ore sales for the period ended 30 June 2015.

Available for sale financial assets as at 30 June 2015 totaled A$0.9 million (31 Dec 2014: A$2.7 million) and comprised the following:

- 11% of NFE's ordinary shares valued at A$0.5 million based upon a market price of A$0.01 per share as at 30 June 2015.

- 4% of SRR's shares valued at A$0.4 million based upon a market price of A$0.01 per share as at 30 June 2015.

The above investments were marked to market based upon the closing share prices on the ASX as at the financial period end date. An additional impairment charge of A$1.3 million was recognized through the profit and loss account of the Group during the six-month period ended 30 June 2015.

The Group's total borrowings increased to A$557.6 million as at 30 June 2015 from A$482.0 million as at 31 December 2014, mainly from further draw down on the project finance loan facility. These funds were used to finance the construction of the ferrosilicon smelter owned by OM Sarawak. The amount drawn down as at 30 June 2015 was A$358.9 million (as at December 2014 was A$283.6 million).

Trade and other payables increased to A$249.2 million as at 30 June 2015 from A$187.4 million as at 31 December 2014 mainly from OM Sarawak with 6 furnaces in production as at end June 2015 as compared to 2 furnaces in production as at end December 2014.

Capital Structure

As at 30 June 2015, the Company had 733,423,337 ordinary shares, 25,000,000 convertible notes and 31,200,000 unlisted warrants on issue.

No interim dividend has been declared during the period.

Yours faithfully
OM HOLDINGS LIMITED

Heng Siow Kwee/Julie Wolseley
Company Secretary

Important note

Earnings before interest, taxation, depreciation and amortisation (ie 'EBITDA') and earnings before interest and tax (ie 'EBIT') are non-IFRS profit measures based on statutory net profit after tax adjusted for significant items and changes in the fair value of financial instruments. 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. In addition, these profit measures also remove changes in the fair value of financial instruments recognised in the statement of comprehensive income to remove the volatility caused by such changes.

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 not necessarily presented uniformly across the various listed entities in a particular industry or generally.

BACKGROUND PROFILE OF OM HOLDINGS LIMITED

OMH Holdings Limited (OMH) was listed on the ASX in March 1998 and has its foundations in metals trading – incorporating the sourcing and distribution of manganese ore products.

OMH is involved in mining manganese product in Australia and South Africa and smelting in Sarawak.

The smelter in Sarawak, Malaysia is 75% owned by OMH and is nearing construction completion.

The first phase of the Sarawak smelter project commenced production in September 2014 and will ramp up to full production by the end of 2015. When completed the ferrosilicon production facility's capacity of 308,000 tonnes per annum will make it one of the largest ferrosilicon smelters globally.

OMH, through a wholly owned subsidiary, owns the Bootu Creek manganese mine in the Northern Territory. This mine has the capacity to produce up to 1,000,000 tonnes of manganese product per annum.

OMH also owns a 26% investment in Ntsimbintle Mining (Proprietary) Ltd, which, in turn owns 50.1% interest in the world class Tshipi Borwa ("Tshipi") manganese mine in South Africa. This mine has the capacity to produce up to 2,400,000 tonnes of manganese product per annum when the permanent processing plant is completed.

The manganese products of Bootu Creek, and those from Tshipi, are exclusively marketed through the OMH's trading division and OM Tshipi Pte Ltd (33.33% owned) respectively. Through all these activities OMH has established itself as a significant manganese supplier to the Chinese market.

OM HOLDINGS LIMITED

A.R.B.N 081 028 337

Appendix 4D

Half Yearly Report

For the period ended 30 June, 2015

(previous corresponding period being the period ended 30 June, 2014)

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 2015

Name of Entity:	OM Holdings Limited	
ARBN:	081 028 337	
1. Details of the current and prior reporting period		
Current Period:	1 Jan 2015 to 30 Jun 2015	
Prior Period:	1 Jan 2014 to 30 Jun 2014	
2. Results for announcement to the market		
		A$'000
2.1 Revenue	Down 43% to	148,331
2.2 Loss after taxation	Down 62% to	(29,557)
2.3 Net loss for the period attributable to owners of the Company	Down 67% to	(31,310)
2.4 Dividend distributions	Amount per security	Franked amount per security
	Nil	Nil
2.5 Record date for determining entitlements to the dividend	Nil	
3. Consolidated statement of comprehensive income	Refer Interim Financial Report	
4. Consolidated statements of financial position	Refer Interim Financial Report	
5. Consolidated statement of cash flows	Refer Interim Financial Report	
6. Details of dividends or distributions	N/A	
7. Consolidated statement of changes in equity	Refer Interim Financial Report	
	Current Period A$	Previous Corresponding Period A$
8. Net asset backing per ordinary security	**30.03 cents**	39.40 cents

9. Control gained over entities during the period	N/A	
10. Other matters	Refer Interim Financial Report	
11. Accounting Standards used by foreign entities	N/A	
12. Commentary on the result for the period		
	Current Period A$	Previous Corresponding Period A$
12.1 Loss per share	**4.28 cents**	2.58 cents
12.2 Segment results	Refer Interim Financial Report	
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 Financial Report
For the six months ended 30 June 2015

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2014 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") Listing Rules.

Contents

Directors' report

The Directors present their report and the interim financial statements of OM Holdings Limited (the "Company") and its controlled entities (together the "Group") for the six months ended 30 June 2015.

DIRECTORS

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

Low Ngee Tong	(Executive Chairman)
Zainul Abidin Rasheed	(Independent Deputy Chairman)
Julie Anne Wolseley	(Non-Executive Director and Joint Company Secretary)
Tan Peng Chin	(Independent Non-Executive Director)
Thomas Teo Liang Huat	(Independent Non-Executive Director)
Peter Church OAM	(Independent Non-Executive Director)
Ivo Philipps	(Non-Executive Director)

REVIEW OF OPERATIONS

The Board of OM Holdings Limited (ASX Code: OMH) reported a consolidated net loss after tax and non-controlling interests of A$31.3 million for the six months ended 30 June 2015, compared with a consolidated net loss after tax and non-controlling interests of A$18.7 million for the previous corresponding period.

Signed in accordance with a resolution of the Directors.

On Behalf of the Directors,

....
LOW NGEE TONG
Executive Chairman
Singapore

Dated: 28 August 2015

Statement by Directors

In the opinion of the Directors, the accompanying consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows, together with the notes thereon, are drawn up so as to give a true and fair view of the state of affairs of the Group as at 30 June 2015 and of the results of the business, changes in equity and cash flows of the Group for the six month period ended on that date and as 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.

On behalf of the Directors

....
LOW NGEE TONG
Executive Chairman

Dated: 28 August 2015

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 2015, and the related statements of consolidated comprehensive income, consolidated changes in equity and consolidated cash flows for the six months period then ended, and selected explanatory notes. Management is responsible for the preparation and fair presentation of this consolidated interim financial information in accordance with the provisions of the International Financial Reporting Standards. Our responsibility is to express a conclusion on this consolidated interim 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 consolidated interim financial information does not present fairly, in all material respects, the financial position of the Group as at 30 June 2015, and of the Group's financial performance for the six months then ended and its cash flows for the six months then ended in accordance with the International Financial Reporting Standards.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Partner in charge: Mr Ong Soo Ann
(with effect from the financial year ended 31 December 2011)

Singapore,
28 August 2015

Consolidated statement of financial position

	Note	**30 June 2015 A$'000**	31 December 2014 A$'000
Assets			
Non-Current			
Property, plant and equipment		**593,961**	532,052
Land use rights		**17,489**	32,164
Exploration and evaluation costs		**1,692**	1,479
Mine development costs		**11,942**	14,076
Goodwill		**2,065**	2,065
Deferred tax assets		**10,081**	8,996
Interests in associates		**112,396**	107,881
		749,626	698,713
Current			
Inventories		**258,273**	166,512
Trade and other receivables		**34,058**	39,905
Prepayments		**875**	1,113
Available-for-sale financial assets		**887**	2,727
Land use rights		**22,053**	6,698
Cash collateral		**17,265**	26,122
Cash and cash equivalents		**38,837**	38,751
		372,248	281,828
Total assets		**1,121,874**	980,541
Equity			
Capital and Reserves			
Share capital	7	**36,671**	36,671
Treasury shares		**(2,330)**	(2,330)
Reserves		**147,205**	172,796
		181,546	207,137
Non-controlling interests		**38,092**	32,522
Total equity		**219,638**	239,659
Liabilities			
Non-Current			
Borrowings	8	**438,992**	402,602
Land use rights obligation		**3,243**	3,229
Derivative financial liabilities		**74,027**	48,859
Trade and other payables		**39,827**	36,621
Provisions		**6,867**	6,560
		562,956	497,871
Current			
Trade and other payables		**209,411**	150,822
Derivative financial liabilities		**-**	483
Borrowings	8	**118,594**	79,410
Land use rights obligation		**3,503**	3,488
Income tax payables		**7,772**	8,808
		339,280	243,011
Total equity and liabilities		**1,121,874**	980,541

Consolidated statement of comprehensive income

	Note	**6 months to 30 June 2015 A$'000**	6 months to 30 June 2014 A$'000
Revenue		**148,331**	259,934
Cost of sales		**(149,007)**	(243,902)
Gross (loss)/profit		**(676)**	16,032
Other revenue		**580**	683
Distribution costs		**(6,640)**	(13,591)
Administrative expenses		**(9,438)**	(5,322)
Other operating expenses		**(9,730)**	(11,142)
Finance costs		**(8,460)**	(8,298)
Loss from operations		**(34,364)**	(21,638)
Share of results of associates		**4,359**	2,647
Loss before income tax		**(30,005)**	(18,991)
Income tax benefit		**448**	703
Loss after taxation		**(29,557)**	(18,288)
Other comprehensive (expenses)/income, net of tax:			
Net fair value loss on available-for-sale financial assets and financial derivative	12	**(579)**	(3,710)
Currency translation differences		**12,417**	(5,201)
Cash flow hedges	13	**(25,002)**	10,008
Other comprehensive (expenses)/income for the period, net of tax		**(13,164)**	1,097
Total comprehensive expense for the period		**(42,721)**	(17,191)
(Loss)/profit attributable to:			
Owners of the Company		**(31,310)**	(18,740)
Non-controlling interests		**1,753**	452
		(29,557)	(18,288)
Total comprehensive (expense)/income attributable to:			
Owners of the Company		**(41,444)**	(18,095)
Non-controlling interests		**(1,277)**	904
		(42,721)	(17,191)
Loss per share	9	**Cents**	Cents
- Basic		**(4.28)**	(2.58)
- Diluted		**(4.28)**	(2.58)

Consolidated statement of changes in equity

	Share capital A$'000	Share premium A$'000	Treasury shares A$'000	Non-distributable reserve A$'000	Capital reserve A$'000	Fair value reserve A$'000	Hedging reserve A$'000	Exchange fluctuation reserve A$'000	Retained profits/ (accumulated losses) A$'000	Total attributable to equity holders of the parent A$'000	Non-controlling interests A$'000	Total equity A$'000
Balance at 1 January 2015	**36,671**	**176,563**	**(2,330)**	**5,553**	**572**	**833**	**(37,119)**	**8,241**	**18,153**	**207,137**	**32,522**	**239,659**
Loss for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(31,310)**	**(31,310)**	**1,753**	**(29,557)**
Other comprehensive (expenses)/income for the period (Note 12)	**-**	**-**	**-**	**-**	**-**	**(579)**	**(19,886)**	**10,331**	**-**	**(10,134)**	**(3,030)**	**(13,164)**
Total comprehensive (expenses)/income for the period	**-**	**-**	**-**	**-**	**-**	**(579)**	**(19,886)**	**10,331**	**(31,310)**	**(41,444)**	**(1,277)**	**(42,721)**
Disposal of non-controlling interests without a change in control	**-**	**-**	**-**	**-**	**15,854**	**-**	**-**	**-**	**-**	**15,854**	**6,846**	**22,700**
Balance at 30 June 2015	**36,671**	**176,563**	**(2,330)**	**5,553**	**16,426**	**254**	**(57,005)**	**18,572**	**(13,157)**	**181,547**	**38,091**	**219,638**

	Share capital A$'000	Share premium A$'000	Treasury shares A$'000	Non-distributable reserve A$'000	Capital reserve A$'000	Share option reserve A$'000	Fair value reserve A$'000	Hedging reserve A$'000	Exchange fluctuation reserve A$'000	Retained profits A$'000	Total attributable to equity holders of the parent A$'000	Non-controlling interests A$'000	Total equity A$'000
Balance at 1 January 2014	36,671	176,563	(2,330)	5,553	139	5,975	5,809	(20,123)	(7,176)	74,764	275,845	26,437	302,282
Loss for the period	-	-	-	-	-	-	-	-	-	(18,740)	(18,740)	452	(18,288)
Other comprehensive (expenses)/income for the period (Note 12)	-	-	-	-	-	-	(3,710)	8,006	(3,651)	-	645	452	1,097
Total comprehensive (expenses)/income for the period	-	-	-	-	-	-	(3,710)	8,006	(3,651)	(18,740)	(18,095)	904	(17,191)
Issue of warrants	-	-	-	-	401	-	-	-	-	-	401	-	401
Share option lapsed	-	-	-	-	-	(5,975)	-	-	-	5,975	-	-	-
Dividend forfeited	-	-	-	-	-	-	-	-	-	9	9	-	9
Capital injection from non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	4,773	4,773
Transfer to statutory reserve	-	-	-	-	55	-	-	-	22	(108)	(31)	31	-
Balance at 30 June 2014	36,671	176,563	(2,330)	5,553	595	-	2,099	(12,117)	(10,805)	61,900	258,129	32,145	290,274

Consolidated statement of cash flows

	6 months to 30 June 2015 A$'000	6 months to 30 June 2014 A$'000
Cash Flows from Operating Activities		
Loss before taxation	**(30,005)**	(18,991)
Adjustments for:		
Amortisation land use rights	**157**	334
Amortisation of mine development costs	**2,230**	1,399
Depreciation of property, plant and equipment	**11,816**	7,303
Write off of exploration and evaluation costs	**280**	355
Write-down of inventories to net realisable value	**3,249**	407
Loss on disposal of property, plant and equipment	**22**	59
Fair value gain on financial assets through the profit or loss	**(483)**	-
Impairment loss of available-for-sale financial assets	**1,260**	-
Interest expense	**8,460**	12,971
Interest income	**(131)**	(173)
Share of results of associates	**(4,359)**	(2,647)
Operating (loss)/profit before working capital changes	**(7,504)**	1,017
Increase in inventories	**(102,324)**	(18,617)
Decrease in trade receivables	**830**	28,883
Decrease/(increase) in prepayments, deposits and other receivables	**2,579**	(6,242)
Increase/(decrease) in trade and bill payables	**88,531**	(17,594)
Decrease in other payables and accruals	**(22,859)**	(3,741)
Long term liabilities:		
- Increase/(decrease) in lease obligation	**27**	(4,115)
- Increase in provision for restoration	**136**	3,395
- Increase in retirement benefit obligation	**148**	78
- Increase in other long term payables	**-**	38,876
Cash (used in)/generated from operations	**(40,436)**	21,940
Overseas income tax paid	**(1,673)**	(7,442)
Net cash (used in)/generated from operating activities	**(42,109)**	14,498
Cash Flows from Investing Activities		
Payments for exploration and evaluation costs	**(493)**	(828)
Payments for mine development costs	**(95)**	(940)
Payment for forward contracts	**(9,371)**	-
Purchase of property, plant and equipment	**(47,377)**	(83,792)
Proceeds from disposal of property, plant and equipment	**-**	147
Net proceeds from disposal of subsidiaries	**22,700**	-
Loan to an associate	**-**	(1,163)
Interest received	**131**	173
Net cash used in investing activities	**(34,505)**	(86,403)
Cash Flows from Financing Activities		
Repayment of bank and other loans	**(5,440)**	(35,165)
Proceeds from loans	**78,944**	120,828
Payment to finance lease creditors	**(1,136)**	(78)
Capital contribution by non-controlling interests	**-**	4,773
Decrease in cash collateral	**8,857**	2,948
Interest paid	**(8,460)**	(12,971)
Net cash generated from financing activities	**72,765**	80,335
Net (decrease)/increase in cash and cash equivalents	**(3,849)**	8,430
Cash and cash equivalents at the beginning of period	**38,751**	36,052
Exchange differences on translation of cash and bank balances at beginning of period	**3,935**	(3,196)
Cash and cash equivalents at the end of period	**38,837**	41,286

Notes to the Interim Consolidated Financial Statements

1 Nature of operations

The interim financial report of OM Holdings Limited ("the Company") and its subsidiaries ("the Group") for the period ended 30 June 2015 was authorised for issue in accordance with a resolution of the Directors on 27 August 2015.

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

- production of manganese product from the Bootu Creek Manganese Mine
- processing and sales of sinter ore and ferro alloy products
- trading of ore and ferro alloy products
- exploration and development activities aimed at further extending the mine life of the Bootu Creek Manganese Mine
- evaluation and assessment of strategic investment and project opportunities
- investment holdings, including the 13% effective interest in the Tshipi Borwa mine and other investments in ASX listed entities
- development of smelters and sintering projects in Malaysia

2 General information and basis of preparation

The interim consolidated financial statements are for the six months ended 30 June 2015 and are presented in Australian Dollars (AUD), which is the functional currency of the parent company. 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 IFRS, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2014.

OM Holdings Limited is the Group's ultimate parent company. 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 listed on the Australian Securities Exchange ("ASX").

3 Significant accounting policies

The interim consolidated financial statements have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year ended 31 December 2014, except for the adoption of the following accounting standards that became effective from 1 January 2015:

Reference	Description
Amendments to IAS 19	Employee Benefits
Annual improvements 2010 - 2012 Cycle	
- IFRS 2	Share-based Payment
- IFRS 3	Business Combination
- IFRS 8	Operating Segments
- IAS 16	Property, Plant and Equipment
- IAS 24	Related Party Disclosures
- IAS 38	Intangible Assets
Annual improvements 2011 - 2013 Cycle	
- IFRS 3	Business Combination
- IFRS 13	Fair Value Measurement
- IAS 40	Investment Property

The adoption of these new or amended IFRSs and IAS, where relevant to the Group, did not result in substantial changes to the Group's accounting policies or any significant impact on the Group's financial statements, except as follows:

Annual Improvements 2010 to 2012 Cycle IAS 24 - Related Party Disclosures
Annual Improvements to IAS 24 Related Party Disclosures clarify that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. As this is a disclosure standard, it will not have any impact on the financial performance or the financial position of the Group when applied in.

Annual Improvements 2010 to 2012 Cycle IFRS 8 Operating Segments
Annual Improvements to IFRS 8 Operating Segments clarifies that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly. In addition, the entity is required to disclose the judgements made by management in applying the aggregation criteria to operating segments. As this is a disclosure standard, it will not have any impact on the financial performance or the financial position of the Group when applied in.

4 Estimates

The Group carries certain financial assets and liabilities at fair value. Where the fair values of financial assets and financial liabilities recorded on the statements of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of the mathematical models. The input to these models are derived from observable market data where possible. Where observable data are not available, judgement are required to establish the fair value. The judgement includes considerations of liquidity and model inputs such as volatility and discount rate, prepayment rates and default rate assumptions, which fair value would differ if the Group utilised different valuation methodology. Any changes in fair values of these financial assets and liabilities would affect directly the Group's profit or loss.

5 Segment reporting

The Group identifies its operating segments based on the regular internal financial information reported to the executive Directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive Directors are determined following the Group's major products and services. The Group has identified the following reportable segments:

- *mining* - exploration and mining of manganese ore
- *smelting* - production of manganese ferroalloys and manganese sinter ore
- *marketing and trading* - trading of manganese ore, manganese ferroalloys and sinter ore, chrome ore and iron ore

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

	Mining	Smelting	Marketing and trading	Others*	Total
6 months to June 2015	**A$'000**	**A$'000**	**A$'000**	**A$'000**	**A$'000**
Revenue					
From external customers	**896**	**12,463**	**134,741**	**231**	**148,331**
From other segments	**38,038**	**11,327**	**15,821**	**-**	**65,186**
Segment revenues	**38,934**	**23,790**	**150,562**	**231**	**213,517**
Segment operating (loss)/profit before tax	**(20,197)**	**5,437**	**(6,756)**	**(4,519)**	**(26,035)**
Segment assets	**110,600**	**823,882**	**70,857**	**116,535**	**1,121,874**

	Mining	Smelting	Marketing and trading	Others*	Total
6 months to June 2014	A$'000	A$'000	A$'000	A$'000	A$'000
Revenue					
From external customers	-	56,809	203,125	-	259,934
From other segments	73,781	-	31,658	5,538	110,977
Segment revenues	73,781	56,809	234,783	5,538	370,911
Segment operating (loss)/profit before tax	(11,044)	(3,378)	2,362	(1,405)	(13,465)
Segment assets	153,030	495,511	104,258	116,037	868,836

* Others relate to the corporate activities of the Company as well as the engineering, design and technical marketing services of one of its subsidiaries. None of these segments meet any of the quantitative thresholds for determining reportable segments.

5 Segment reporting (cont'd)

The Group's segment operating loss reconciles to the Group's loss before tax as presented in its financial statement as follows:

	6 months to 30 June 2015 A$'000	6 months to 30 June 2014 A$'000
Group loss before tax		
Segment results	**(26,035)**	(13,465)
Share of associate's result	**4,359**	2,647
Finance costs	**(8,460)**	(8,298)
Finance income	**131**	125
Group loss before tax	**(30,005)**	(18,991)

6 Analysis of selected items of the consolidated interim financial statements

The Group achieved revenue of A$148.3 million in H1 2015, representing a 43% decrease from the A$259.9 million recorded for H1 2014. All three operating segments of the Group recorded lower revenue as the tonnage of ores traded from Bootu Creek Manganese Mine, third party ores (including ores from the Tshipi Borwa Mine) and ferro-manganese alloys decreased 36% from 1,338,525 tonnes in H1 2014 to 857,008 tonnes in H1 2015.

The challenging market environment in manganese ores and ferro-manganese alloys continued to soften prices and impacted sales and gross profit margins. Gross profit margins across all product groups were impacted, and the Group's overall margin declined from positive 6.2% in H1 2014 to negative 0.5% in H1 2015.

Distribution costs decreased in H1 2015 in line with lower sales volume and revenue. Finance costs increased marginally by 2.0% to A$8.5 million.

Administration & other operating costs increased to A$19.2 million from A$16.4 million (H1 2014) mainly due to the higher depreciation and amortization expenses from our Australian subsidiary as it made its move from a contract miner to an owner operator model. In addition, additional administrative and operating expenses were incurred in our Sarawak subsidiary with the commencement of production in late Q3 2014.

The Group's loss per share increased to A$0.043 in H1 2015 from A$0.026 in H1 2014.

The Group's property, plant and equipment increased from A$532.1 million (31 December 2014) to A$594.0 million (30 June 2015) as progress payments associated with the construction and procurement activities at OM Sarawak continued to be made during the period. Funds were drawn from the project finance loan facility for these payments.

The Group's consolidated cash position was $56.1 million (including cash collateral of A$17.3 million) as at 30 June 2015 as compared to A$64.9 million (including cash collateral of A$26.1 million) as at 31 December 2014. During the six months ended 30 June 2015, the cash used in operating activities before tax was A$40.4 million (H1 2014: cash generated of A$21.9 million).

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

Inventories increased to A$258.3 million as at 30 June 2015 from A$166.5 million as at 31 December 2014. This is mainly a result of a portion of the unconsumed power cost from OM Sarawak of A$107.2 million which has been included as inventories as at 30 June 2015, as compared to A$47.6 million as at 31 December 2014.

Receivables (including trade and other receivables and prepayments) decreased to A$34.9 million as at 30 June 2015 from A$41.0 million as at 31 December 2014. This decline is consistent with the decrease in ore sales for the period ended 30 June 2015.

Available for sale financial assets as at 30 June 2015 totaled A$0.9 million (31 Dec 2014: A$2.7 million) and comprised the following:

- 11% of NFE's ordinary shares valued at A$0.5 million based upon a market price of A$0.01 per share as at 30 June 2015.

- 4% of SRR's shares valued at A$0.4 million based upon a market price of A$0.01 per share as at 30 June 2015.

The above investments were marked to market based upon the closing share prices on the ASX as at the financial period end date. An additional impairment charge of A$1.3 million was recognised through the profit and loss account of the Group during the six-month period ended 30 June 2015.

The Group's total borrowings increased to A$557.6 million as at 30 June 2015 from A$482.0 million as at 31 December 2014, mainly from further draw down on the project finance loan facility. These funds were used to finance the construction of the ferrosilicon smelter owned by OM Sarawak. The amount drawn down as at 30 June 2015 was A$358.9 million (as at December 2014 was A$283.6 million).

Trade and other payables increased to A$249.2 million as at 30 June 2015 from A$187.4 million as at 31 December 2014 mainly from OM Sarawak with 6 furnaces in production as at end June 2015 as compared to 2 furnaces in production as at end December 2014.

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 regards to the Company's residual assets.

Shares issued and authorised are summarised as follows:

	No. of ordinary shares *(amounts in thousand shares)*		Amount	
	As at 30 June 2015 '000	As at 31 December 2014 '000	**As at 30 June 2015 A$'000**	As at 31 December 2014 A$'000
Authorised:				
Ordinary shares of A$0.05 (2014 - A$0.05) each	**2,000,000**	2,000,000	**100,000**	100,000
Issued and fully paid:				
Ordinary shares of A$0.05 (2014 - A$0.05) each as at beginning and end of year/period	**733,423**	733,423	**36,671**	36,671

8 Borrowings

The Group	**As at 30 June 2015 A$'000**	As at 31 December 2014 A$'000
Non-current		
Obligations under finance leases (Note 8.1)	**3,725**	4,349
Bank loans, secured (Note 8.2)	**409,716**	351,548
5% Convertible Note (Note 8.3)	**-**	19,264
Other loans (Note 8.4)	**25,551**	27,441
	438,992	402,602
Current		
Obligations under finance leases (Note 8.1)	**3,818**	4,329
Bank loans, secured (Note 8.2)	**83,277**	75,081
5% Convertible Note (Note 8.3)	**19,780**	-
Other loans (Note 8.4)	**11,719**	-
	118,594	79,410
	557,586	482,012

8.1 Obligations under finance leases

The Group	**As at 30 June 2015 A$'000**	As at 31 December 2014 A$'000
Minimum lease payments payable:		
Due not later than one year	**4,244**	4,891
Due later than one year and not later than five years	**4,059**	4,710
	8,303	9,601
Less: Finance charges allocated to future periods	**(760)**	(923)
Present value of minimum lease payments	**7,543**	8,678
Present value of minimum lease payments:		
Due not later than one year	**3,818**	4,329
Due later than one year and not later than five years	**3,725**	4,349
	7,543	8,678

8 Borrowings (cont'd)

8.1 Obligations under finance leases (cont'd)

The Group leases motor vehicles from non-related parties under finance lease. The lease agreements do not have renewal clauses but provide the Group with options to purchase the leased assets at nominal values at the end of the lease term. The finance lease obligations are secured by the underlying assets.

8.2 Bank loans

The Group	**As at 30 June 2015 A$'000**	As at 31 December 2014 A$'000
Bank loans, secured [Note (a)]	**-**	3,848
Bank loans, secured [Note (b)]	**-**	2,828
Bank loans, secured [Note (c)]	**13,796**	13,973
Bank loans, secured [Note (d)]	**55,940**	53,109
Bank loans, secured [Note (e)]	**-**	6,917
Bank loans, secured [Note (f)]	**354,086**	283,595
Bank loans, secured [Note (g)]	**69,171**	62,359
	492,993	426,629
Amount repayable not later than one year	**83,277**	75,081
Amount repayable after one year	**409,716**	351,548
	492,993	426,629

Notes:

(a) The loans were secured by a charge over certain bank deposits, holdings in NFE, OMH (Mauritius) Corp. and its holding in Main Street 774 (Proprietary) Limited, and corporate guarantees provided by the Company and a subsidiary.

(b) The loans were secured by charges over certain bank deposits and bills receivables.

(c) The loan is secured by a charge over leasehold land and an irrevocable and unconditional corporate guarantee provided by the Company.

(d) The loans were secured by charges over certain bank deposits.

(e) The loans are secured by charges over certain inventories.

(f) These loans are project finance loans for OM Sarawak ferroalloy project and are secured by the Company's holding of 75% (2014 – 80%) shares of OM Materials (Sarawak) Sdn Bhd, charge over certain bank deposits and land use rights, debenture, shareholder assignment, assignment of insurances and reinsurances, and corporate guarantees from the Company and Chaya Mata Sarawak Berhad.

(g) The loans are secured by a charge over certain bank deposits, holdings in NFE, certain subsidiaries and an associated company, and corporate guarantees from the Company and a subsidiary.

8 Borrowings (cont'd)

8.3 5% Convertible Note

On 7 March 2012 the Company issued to Hanwa Co. Ltd 25,000,000 convertible notes at an aggregate principal amount of A$19,945,953 (US$21,447,261) with a nominal interest of 5.0%, due on 6 March 2016 and convertible in accordance with the terms and conditions of issue including an initial conversion price of A$0.80 per share. As at the end of the reporting period, the host debt contract amounting to A$19,780,000 (2014 - A$19,264,000), to be amortised over 4 years, and the conversion option valued at A$Nil (2014 - A$483,000) are recognised as current liability.

8.4 Other loans

The Group	**As at 30 June 2015 A$'000**	As at 31 December 2014 A$'000
Shareholder loan, unsecured [Note (a)]	**11,410**	3,642
Loan, secured [Note (b)]	**11,719**	10,980
Loan, secured [Note (c)]	**14,141**	12,819
	37,270	27,441
Amount repayable not later than one year	**11,719**	-
Amount repayable after one year	**25,551**	27,441
	37,270	27,441

(a) The loan is unsecured. Until all the secured borrowings as disclosed in Note 8.2(f) have been irrevocably paid in full, neither shareholders shall demand or receive payment or any distribution in respect of these loans.

(b) The loan is repayable on 31 December 2015 and is guaranteed by the Company.

(c) The loan has similar securities as disclosed in Note 8.2 (g).

9 Loss per share

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

	6 months to 30 June 2015 A$'000	6 months to 30 June 2014 A$'000
Loss		
Net loss attributable to owners of the Company	**31,310**	18,740
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**731,490**	725,478
Effect of dilutive potential ordinary shares in respect of share options	**-**	-
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**731,490**	725,478

10 Dividend

There were no dividends paid during the six months to 30 June 2015.

11 Related parties transactions

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

(A) Related parties transactions

	6 months to 30 June 2015 A$'000	6 months to 30 June 2014 A$'000
Legal fees paid to a firm of which a Director is a director and beneficial shareholder	**-**	62

(B) Compensation of directors and key management personnel

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

	6 months to 30 June 2015 A$'000	6 months to 30 June 2014 A$'000
Directors		
- Directors of the Company	**426**	670
- Directors of the subsidiaries	**836**	844
- Defined contribution plans	**49**	67
Key management personnel (other than directors)		
- Salaries, wages and other related costs	**1,693**	1,028
- Defined contribution plans	**125**	94

12 Other components of equity

The following tables show the movements in other components of equity:

	Hedging reserve A$'000	**Exchange fluctuation reserve A$'000**	**Fair value reserve A$'000**	**Total A$'000**
Balance at 1 January 2015	**(37,119)**	**8,241**	**833**	**(28,045)**
Other comprehensive income for the period (all attributable to the parent)	**(19,886)**	**10,331**	**(579)**	**(10,134)**
Balance at 30 June 2015	**(57,005)**	**18,572**	**254**	**(38,179)**

12 Other components of equity (cont'd)

	Hedging reserve A$'000	Exchange fluctuation reserve A$'000	Fair value reserve A$'000	Total A$'000
Balance at 1 January 2014	(20,123)	(7,176)	5,809	(21,490)
Transfer to statutory reserve	-	22	-	22
Other comprehensive income for the period (all attributable to the parent)	8,006	(3,651)	(3,710)	645
Balance at 30 June 2014	(12,117)	(10,805)	2,099	(20,823)

13 Cash flow hedges

The Group	**6 months to 30 June 2015 A$'000**	6 months to 30 June 2014 A$'000
Cash flow hedges:		
(Loss)/gain arising during the period	**(19,886)**	8,006
Non-controlling interest*	**(5,116)**	2,002
	(25,002)	10,008

* The Group has a 75% (2014 – 80%) shareholding in OM Materials (Sarawak) Sdn. Bhd., a subsidiary in which hedging takes place.

14 Contingent liabilities

Northern Territory Mineral Royalties

The Northern Territory *Mineral Royalty Act* ("MRA") is a profit based royalty regime that uses the net value of a mine's production to calculate royalties payable on the recovery of mineral commodities from a mine site. The determination of the net value of manganese produced from the Bootu Creek Manganese Mine is in dispute between a subsidiary and the Territory Revenue Office ("TRO") (the office responsible for administering the MRA). The central issue in the dispute relates to the calculation of the gross realisation by the subsidiary.

The TRO has issued mineral royalty Notices of Assessment for the years 2006 to 2011 totalling A$41,624,806. The subsidiary has paid each of the mineral royalty Notices of Assessment issued by the Territory Revenue Office for the years 2006 to 2011. The subsidiary has not received any Notices of Assessment for the royalty years 2012 to 2014 and expects that no mineral royalties will be payable in relation to such years as a result of Negative Net Values.

15 Contingent assets

Northern Territory Mineral Royalties

Notwithstanding payment by the subsidiary of the mineral royalty Notices of Assessments (required by law) as described in Note 14 above, the subsidiary disagrees with the Territory Revenue Office mineral royalty notices of assessments from years 2006 to 2011 and on 9 December 2014 lodged an appeal in the Supreme Court of the Northern Territory to a determination of an objection in relation to the royalty assessments. At the reporting date, the final amount of the subsidiary's claim against the TRO cannot be determined. The Supreme Court of the Northern Territory has listed the appeal for 5 days commencing 9 November 2015. A judgement is expected by the close of the first quarter 2016.

16 Other matters

GWA (North) Pty Ltd Wagon Derailment
On 15 June 2012 a subsidiary received correspondence from GWA (North) Pty Ltd ("GWAN") regarding a train derailment event which occurred on 7 June 2012. GWAN have issued demands to the subsidiary for the payment of A$5,470,352. The subsidiary has formally denied liability and put the owner of the wagons, CFCL Australia Pty Ltd ("CFCL") with whom the subsidiary has a rental agreement in relation to the wagons, on notice that the subsidiary reserves its legal rights against CFCL Australia Pty Ltd.

On 17 March 2014, the subsidiary's insurers – QBE Insurance – agreed to indemnify the subsidiary for any liability it may have to GWAN in respect of the claim and have instructed the lawyers to assume conduct of the claim on the subsidiary's behalf. The position of the claim remains unchanged.

On 5 June 2015, GWAN filed (and subsequently served) a statement of claim in the Supreme Court of South Australia naming the Company as the defendant in relation to the train derailment event. Pursuant to the statement of claim, GWAN is seeking to be indemnified by the Company, in accordance with the guarantee under the various agreements between the parties, for all losses and damage incurred by GWAN due to the event plus interest on such costs. The subsidiary's insurers have been informed and are currently handling the claim.

Sponsor Guarantee issued under the terms of the Power Purchase Agreement with Syarikat Sesco Berhad
Pursuant to the execution of the Power Purchase Agreement ("PPA") between a subsidiary and Syarikat Sesco Berhad ("SSB"), the Company issued the following guarantees as conditions precedent to the PPA:

The Company issued sponsor guarantee to SSB for its 75% (2014 – 80%) interest of the subsidiaries' obligations under the PPA. The sponsor guarantees include but are not limited to termination payments, late payment interest and guaranteed obligations under the PPA. Cahya Mata Sarawak Berhad ("CMSB") has correspondingly provided the sponsor guarantees for its 25% (2014 – 20%) interest held in the subsidiaries.

The sponsor guarantee mentioned above does not fall into the category of financial guarantees as they do not relate to debt instruments as the purpose of these guarantees is essentially to enable SSB to provide the power supply to the subsidiaries on the condition that these guarantees are provided by the ultimate holding company in the event that there are any unpaid claims on the interconnection fees owed to SSB during the term of the PPA. 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 Materials (Sarawak) Sdn Bhd, a subsidiary of the Company entered into a project finance Facilities Agreement ("FA") on 28 March 2013 for a limited recourse senior project finance debt facilities totaling USD215 million and MYR310 million for the total cost of the Project's Phase 1 ferrosilicon production facility and another MYR126 million credit line for the issuance of performance and payment guarantees to the power provider SSB, as part of its obligations under the Power Purchase Agreement.

Concurrently, the Company also executed a Project Support Agreement ("PSA") with OM Materials (Sarawak) Sdn Bhd (as Borrower), OM Materials (S) Pte. Ltd. (a wholly-owned subsidiary of the Company) and Samalaju Industries Sdn. Bhd and Cahya Mata Sarawak Berhad (as Obligors). The PSA governs the rights and obligations of the Obligors. These obligations and liabilities of the Company and the CMSB Group are several and pro-rata to their respective 75% (2014 – 80%) and 25% (2014 – 20%) shareholding in OM Materials (Sarawak) Sdn. Bhd.

The PSA will lapse and the Project will become non-recourse 18 months after the satisfaction of pre-agreed project completion tests typical for a project financing facility of this nature.