



## **OM HOLDINGS LIMITED**

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

**A N N U A L R E P O R T 2 0 2 3**

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## WHO WE ARE

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

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

## OUR PURPOSE

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

## OUR VALUES

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

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

Dear Shareholders,

In 2023 we saw a prolonged and sustained decline in ferroalloy prices throughout the year, with prices globally declining by more than 20% for the full year. This decline resulted in ferroalloy prices declining two years in a row from their peak in 2021, at the height of the supply chain and energy crisis caused by COVID and the stimulus policies of that time. As we shared last year, supply shortages anticipated from geopolitical conflicts did not materialize, and producers who added to capacity were left with a net surplus. Today, prices are firmly in pre-COVID territory, but nascent signals suggest that this longer than usual decline from a higher than usual peak has run its course.

Looking at the manganese alloy markets, we saw silicomanganese test the US\$840-850 CIF Japan price floor twice towards the end of 2023, during a particularly challenging quarter. Since then, prices have rebounded and remained firmly above US\$900, with certain contracts closing US\$100 higher than the bottom of the market. This suggests both supply discipline from certain producers, and declining capacity utilization in much of the developed world. For ferrosilicon, while we look to China as marginal suppliers to the market, much of 2024 will hinge on the outcome of the attempt to nationalize Russia's largest ferrosilicon producer. If this process is successful, it is likely that more consumers will shun products of Russian origin, depriving the global markets of a major supplier of ferrosilicon. These factors are also partially reflected in order books, with near term months selling down at a faster pace.

Our Sarawak Plant continues to operate from a unique position, with access to long-term competitive hydropower, anchoring its ability to produce energy-intensive ferroalloy efficiently and cleanly. Ferroalloy production for the year was 433,961 tonnes, 20% higher than the prior year, and outperforming initial guidance for the year. This was due to shorter downtime from maintenance, as well as re-purposing the modified silicon metal furnaces to capture margins for ferrosilicon. We anticipate restarting silicon metal commissioning this year.

We continue to carry out rehabilitation activities at our Bootu Creek Mine with a focus on repairing landforms to prepare for seeding after the year-end wet season. With an environmental bond of US\$7.9 million lodged with the Northern Territory Government in Australia, we are concurrently working on a revised Mine Management Plan which will outline the revised mine closure criteria, allowing for proportional refund applications. With planned rectification works in place, we expect to restart the Ultra Fines Plant in Q4 2024.

In 2023, we also concluded the sale of 90% of our smelter in China for consideration of approximately US\$25.8 million. The proceeds received to date of approximately US\$10.2 million have been deployed to working capital needs and sustaining capital expenditure. With a 10% retention stake in the asset, we continue to maintain a strategic relationship with the new owners and expect to provide marketing and procurement services when the production restarts.

Despite challenging market conditions, we managed to generate US\$94.9 million in EBITDA for the year. While overall production and trading volume increased, this was offset by lower average selling prices across all products, significantly compressing margins. Given the natural logistics time lag between importing raw materials, stocking at site, and shipping our products, performance will always be impacted in a declining market environment where raw material costs and selling prices are declining in tandem. We expect this effect to reverse itself as markets stabilize, and to work in our favour as prices start improving.

Total borrowings increased slightly as revolving credit facilities were drawn to facilitate the acquisition of the remaining 25% of OM Sarawak in December 2022. This was subsequently offset with ongoing principal loan repayments which amounted to US\$47.6 million in 2023, majority of which related to the Sarawak smelter project financing. For full year 2023, we effectively maintained total borrowings to equity at 0.64 times.

On the corporate front, we successfully placed 27,633,464 fully paid ordinary shares in December 2023 to JFE Shoji, our decade long business partner, for consideration of approximately A\$13 million. This coincides with the end of a term loan that JFE had maintained with the Company and had extended periodically, since the inception of the Sarawak Plant. We welcome JFE as a shareholder and look to strengthening the relationship for new developments and partnerships.

This year, we achieved a notable milestone in our sustainability journey as OM Sarawak received ISO 14001 and 45001 certifications for Environmental and Occupational Safety and Health management systems. These certifications, accredited by the United Kingdom Accreditation Service (UKAS), underscore our dedication to maintaining international standards and reflect our ongoing sustainability commitment.

As we enter the third year of our sustainability reporting, we've taken a significant step forward by incorporating Scope 3 data into our greenhouse gas (GHG) reporting. We are pleased to share that our GHG statement, prepared in accordance with ISO14064-1:2018, underwent thorough verification by a reputable third-party consultant, affirming its satisfactory status. We have also expanded our Life Cycle Analysis (LCA) exercise this year to include ferrosilicon, which complemented the analyses conducted on manganese ore and manganese alloys over the past two years. This gives us a more holistic understanding of our products' environmental impact across its lifecycle – from raw material extraction to production and use, allowing for more informed decision making on minimizing our footprint while maximizing resource efficiency.

Looking ahead, our long term vision remains clear despite headwinds in the market. While still prioritising the hot commissioning of the silicon metal furnaces, the decision to fully ramp up to commercial production and enter the market is strategic, as we aim to await the opportune moment to enter the market, ensuring optimal returns for our stakeholders.

While we continue to produce our core products – ferrosilicon and manganese alloys, we are also looking at developing various bespoke and higher value-added products in 2024, working closely with steel makers who supply specialized steel products to the EV motor supply chain. Cost management initiatives and operational efficiencies will remain a focus area to strengthen and support the Company's financial performance through the current round of market cycle recovery.

Beyond market fundamentals, the Company stands to benefit as the region's lowest cost quartile producer. This competitive advantage, combined with our operational expertise and market know-how in managing product flows flexibly, positions the Company favourably for a market recovery.

I would like to express my gratitude to all stakeholders, especially our long-term shareholders, employees, customers and suppliers for the unwavering support and confidence throughout this challenging period. We remain committed to creating value for all stakeholders and seek to be the region's leading suppliers, while pursuing organic growth sustainably.



**LOW NGE TONG**  
Executive Chairman

## DIRECTORS



**LOW NGEE TONG**  
Executive Chairman

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



**ZAINUL ABIDIN RASHEED**  
Independent  
Deputy Chairman

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

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

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

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



**JULIE ANNE WOLSELEY**  
Non-Executive Director &  
Joint Company  
Secretary

Ms Wolseley holds a Bachelor of Commerce degree and is a Fellow Chartered Accountant of the Australia and New Zealand Institute. She is the Principal of a corporate advisory company and has over 32 years of experience as Company Secretary to a number of ASX-listed companies operating primarily in the resources sector. Previously Ms Wolseley was an Audit Manager both in Australia and overseas for an international accounting firm. Her expertise includes corporate secretarial, management accounting, financial and management reporting in the mining industry, IPOs, capital raisings, cash flow modelling and corporate governance. Ms Wolseley is a member of the Company's Audit and Remuneration Committees.

Ms Wolseley is also a board member of Aquinas College, an independent school for boys in Perth, Western Australia.



**TAN PENG CHIN**  
Independent  
Non-Executive  
Director

Mr Tan Peng Chin was the founder, managing director and consultant of Tan Peng Chin LLC until he retired from the firm on 31 December 2015. Mr Tan was also a Notary Public and Commissioner for Oaths from 1995 to 2015. He was an Accredited Mediator with the Singapore Mediation Center. Mr Tan's legal expertise includes corporate finance, banking, company and commercial laws, international trade, joint ventures and issues concerning shareholders and directors. In addition, Mr Tan has acted in numerous cross border transactions in the course of his legal career spanning more than 38 years. Mr Tan has served as an Independent Director in numerous Singapore-listed companies since 1996. He graduated with a Bachelor of Laws (2nd Upper Class) from the National University of Singapore in 1982.

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

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

Mr Tan is the Chairman of the Remuneration Committee.



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

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

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

He holds directorships in various companies in Malaysia including MMC Corporation Berhad (a listed company on Bursa Malaysia which was recently privatised), Maybank Investment Bank Berhad (a subsidiary and investment banking arm of Malayan Banking Berhad which is also listed on Bursa Malaysia), and Ekuiti Nasional Berhad (a Malaysian government-linked private equity company). He is currently the Executive Director (and major shareholder) of Symphony House Sdn Bhd, a privately owned investment holding company. Other directorship includes Maybank International Holdings Sdn Bhd and PT Maybank Sekuritas Indonesia.

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



**TAN MING-LI**  
Independent  
Non-Executive  
Director

Ms Tan Ming-li is currently a partner of the Malaysian legal firm, Cheang & Ariff. She graduated with a double degree in Law (Hons) and Science from the University of Melbourne. She was called to the Malaysian Bar in 1994 and has been in legal practice for over 30 years. Her areas of expertise include corporate and securities laws where she is involved in advising on capital market transactions, mergers and acquisitions, corporate restructuring and corporate finance related work.

She currently serves as an independent director for CapitalLand Malaysia Trust and BP Plastics Holding Berhad.

## KEY MANAGEMENT

as at 1 April 2024

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

## Directors

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

## Company Secretaries

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

## ADDRESS OF COMPANY AND REGISTRIES

### The address of the Corporate Office of the Company:

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

### The address of the Bermuda Registered Office:

Clarendon House  
2 Church Street, Hamilton HM 11  
Bermuda

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

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

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

Computershare Investor Services Pty Ltd  
Level 17  
221 St Georges Terrace  
Perth, Western Australia 6000  
Telephone : (618) 9323 2000  
Facsimile : (618) 9323 2033  
Website : www.computershare.com

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

Tricor Investor & Issuing House Services Sdn Bhd  
Unit 32-01, Level 32  
Tower A, Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8 Jalan Kerinchi  
59200 Kuala Lumpur  
Malaysia  
Telephone : (603) 2783 9299  
Website: : https://www.omholdingsltd.com/investor-relations/shareholder-services/

## Name of Principal Bankers

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

## Name and Address of Auditors

Foo Kon Tan LLP  
Public Accountants and Chartered Accountants  
1 Raffles Place, #04-61/62  
One Raffles Place Tower 2  
Singapore 048616

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

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

## Name of Bermuda Resident Representative

Conyers Corporate Services (Bermuda) Limited

**Website** : www.omholdingsltd.com

**ASX Code** : OMH

**Bursa Code** : OMH(5298.KL)

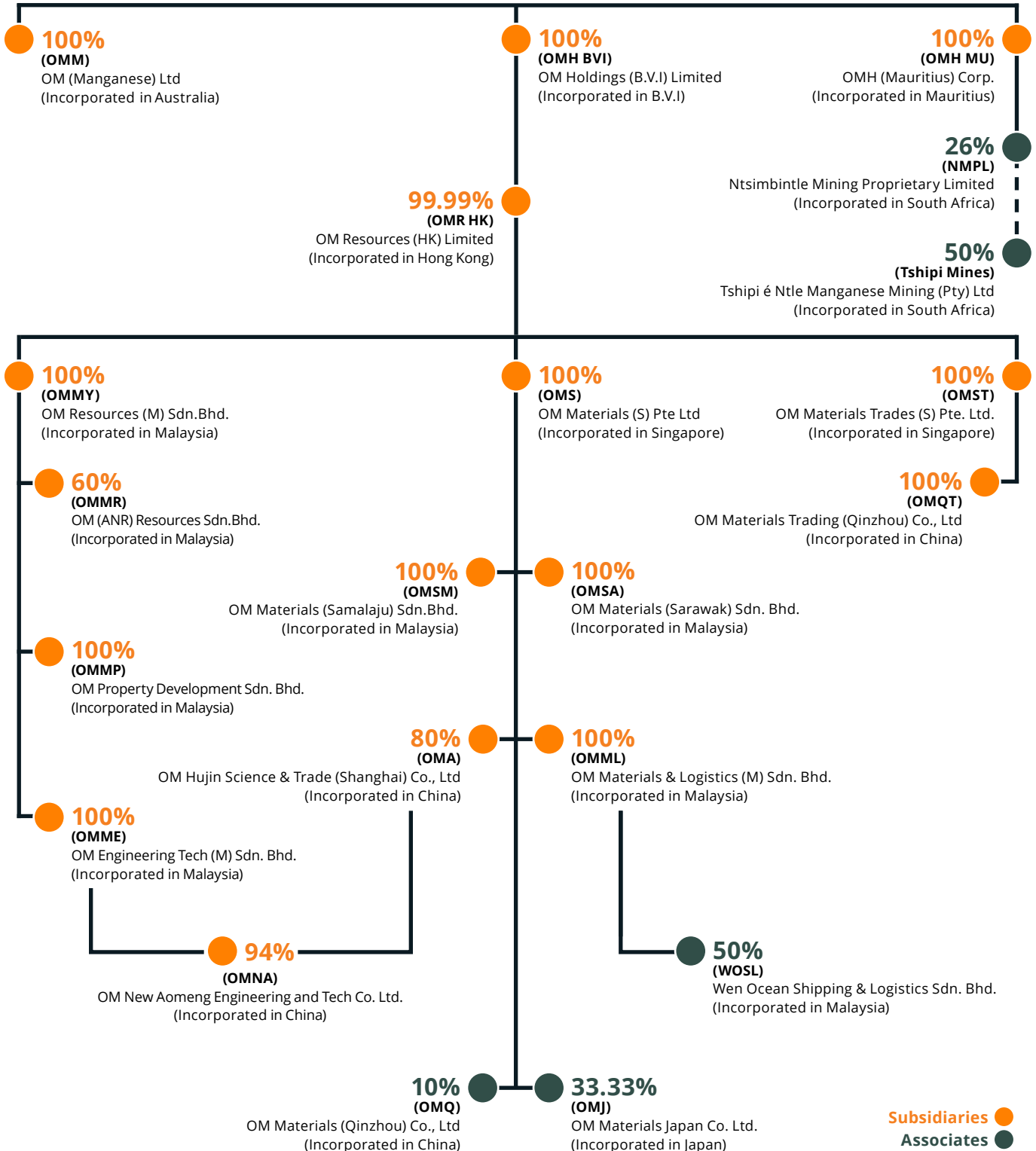
# CORPORATE STRUCTURE

as at 31 December 2023



## OM HOLDINGS LIMITED

(Incorporated in Bermuda ARBN 081 028 337)  
(Malaysia Registration No.) 202002000012 (995782-P)  
Listed on ASX on 19 March 1998  
Listed on Bursa Malaysia on 22 June 2021





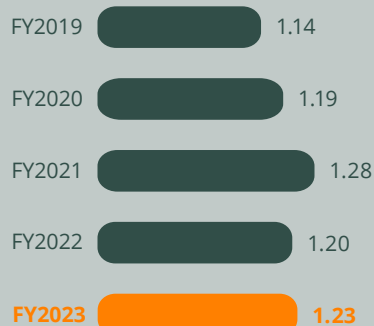
## Revenue (US\$'million)

**FY2022** 856.6  
**FY2023** 589.2



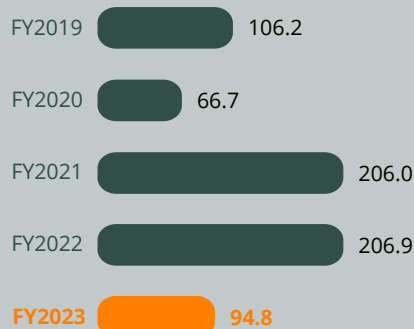
## Total Assets Per Share (US\$)

**FY2022** 1.20  
**FY2023** 1.23



## Gross Profit (US\$'million)

**FY2022** 206.9  
**FY2023** 94.8



## FINANCIAL HIGHLIGHTS

as at 31 December 2023

### 5 YEAR GROUP FINANCIAL HIGHLIGHTS

Financial year ended 31 December	2023 US\$'million	2022 US\$'million	2021 US\$'million	2020 US\$'million	2019 US\$'million
Revenue	589.2	856.6	779.9	543.9	714.6
Profit/(loss) before income tax	32.7	105.6	84.5	(3.5)	41.0
Profit attributable to owners of the Company	18.1	67.8	61.5	3.5	39.4
Total assets	940.9	886.0	943.6	874.0	842.6
Shareholders' funds	411.4	396.1	368.0	309.3	297.7
Net tangible assets	414.6	399.7	443.7	361.7	355.8
	US\$	US\$	US\$	US\$	US\$
Total assets per share	1.23	1.20	1.28	1.19	1.14
	US\$ cents	US\$ cents	US\$ cents	US\$ cents	US\$ cents
Net asset backing per share	54.2	54.3	60.2	49.1	48.3
Basic profit per share	2.5	9.2	8.4	0.5	5.3
	2023	2022	2021	2020	2019
Gross profit (US\$ millions)	94.8	206.9	206.0	66.7	106.2
Gross profit margin (%)	16.1	24.2	26.4	12.3	14.9
SALES BY INTERNATIONAL REGIONS					
Region	2023	2022	2021	2020	2019
	%	%	%	%	%
Asia Pacific	81.0	76.6	86.4	86.1	83.6
Americas	8.5	14.1	3.7	1.7	4.6
Europe	6.9	6.4	6.3	5.5	7.7
Middle East	3.2	2.8	3.6	6.3	3.9
Africa	0.4	0.1	0.0	0.4	0.2
Total	100.0	100.0	100.0	100.0	100.0

# OMH GROUP OVERVIEW

## KEY OPERATING ENTITIES OF OM HOLDINGS GROUP

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



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

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



### OM Materials (Qinzhou) Co Ltd ("OMQ")

OMQ owns a manganese alloy smelter in Qinzhou, Guangxi province, China. The smelter is located approximately 1km from the Qinzhou port, providing OMQ a competitive advantage with respect to ease of access to seaborne manganese ore. OMQ also provides the Group with intangible benefits such as market intelligence and insights into smelter economics in China. Production ceased since December 2021 due to elevated power-tariffs in China. A Share Sale Agreement for the sale of a 90% equity interest in OMQ to Beijing Kunpeng Hongsheng Metal Co. Ltd was executed on 1 November 2023. OMS has retained a 10% interest in OMQ.

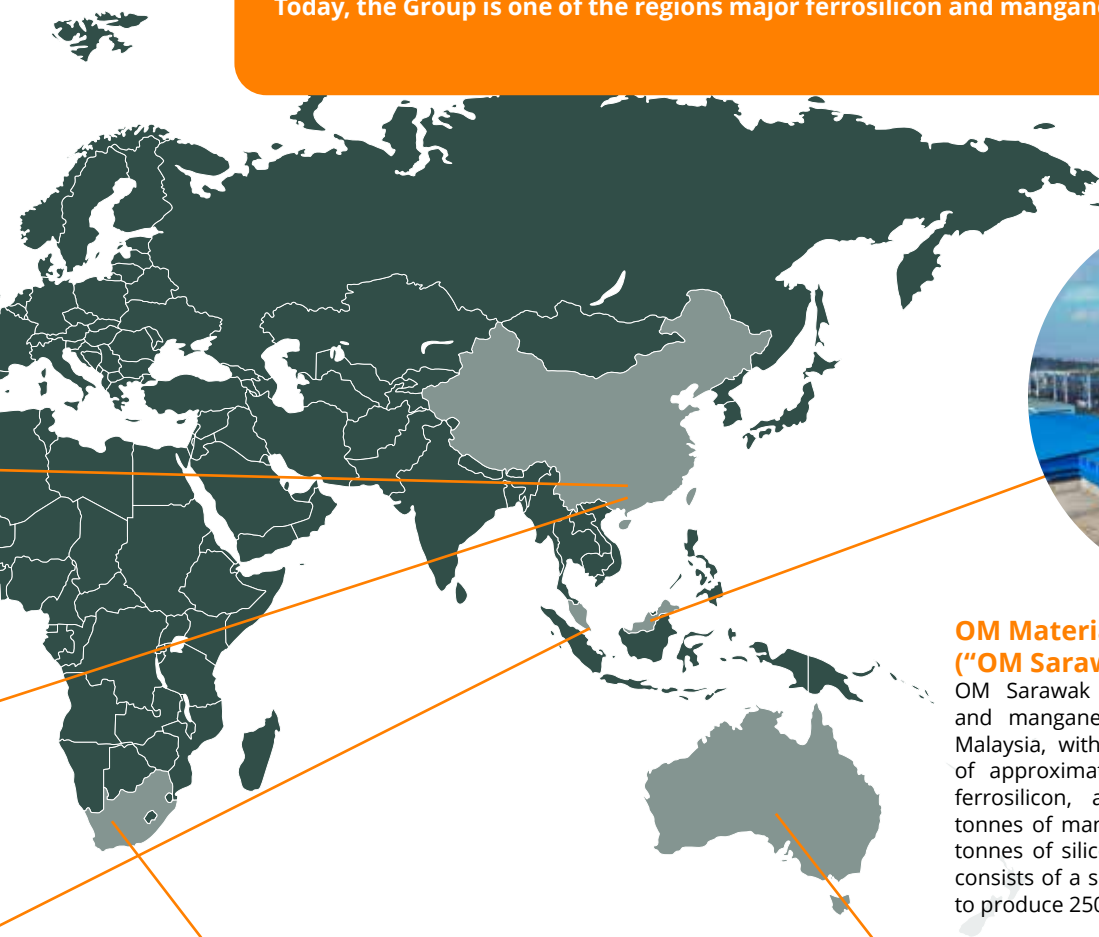


### OM Materials (S) Pte Ltd ("OMS")

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

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

Today, the Group is one of the regions major ferrosilicon and manganese alloy producers.



#### **OM Materials (Sarawak) Sdn Bhd (“OM Sarawak”)**

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



#### **OMH (Mauritius) Corp (“OM MU”)**

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



#### **OM (Manganese) Ltd (“OMM”)**

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



# PROCESSING AND SMELTING OPERATIONAL REVIEW SAMALAJU SMELTING COMPLEX

ANNUAL  
PRODUCTION

**139,529** tonnes

Ferrosilicon

**294,432** tonnes

Manganese Alloys

SOLD AND  
EXPORTED

**135,545** tonnes

Ferrosilicon

**290,770** tonnes

Manganese Alloys









# PROCESSING AND SMELTING OPERATIONAL REVIEW SAMALAJU SMELTING COMPLEX



Stoking of raw materials

## OVERVIEW

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

## PLANT CONSTRUCTION & DEVELOPMENT

In August 2023, the two ferrosilicon furnaces, which underwent conversion to produce manganese alloys, successfully completed a 12-month defect liability period with no reported defects or imperfections. According to production records, the combined output of these two furnaces reached 75,753 tonnes of silicomanganese and 11,078 tonnes of high carbon ferromanganese in 2023. These figures translates to an average operating rate of approximately 99% and an average daily production output of around 116 tonnes for silicomanganese and 156 tonnes for high carbon ferromanganese. The outstanding performance of the furnaces highlights the experience, expertise and knowledge of the Operations Team and underscores the reliability and efficiency of the furnace equipment.

As previously announced on 12 April 2023, the hot commissioning and performance testing for the first silicon metal furnace was temporarily suspended as the furnace was not operating as anticipated within the framework of the Engineering, Procurement and Construction contract. A comprehensive examination was conducted to identify and rectify the issues, with the implementation of corrective measures, including the replacement of specific machineries and parts. As fabrication works occurred offshore, the components were only delivered to the Plant at the end of December 2023. The installation process commenced in January 2024 and was completed in March 2024.

During the fabrication lead time, both silicon metal furnaces were repurposed for ferrosilicon production to maximize furnace utilization. The Plant intends to recommence hot commissioning and performance testing for one silicon metal furnace in the second quarter of 2024. This will be followed by the second unit of the silicon metal furnace in the second half of 2024, contingent upon the first unit meeting the performance acceptance criteria.

The Silicon Metal Warehouse Project successfully reached practical completion in July 2023. Commenced in August 2022, the project aimed to construct new raw materials storage yards and sheds for silicon metal production.



FeSi and Mn Alloys Workshops

## OPERATIONS

Since 1 April 2022, Malaysia has progressively transitioned into the COVID-19 endemic phase and reopened its international borders. This has eased the hiring of skilled foreign workers, with the local authorities shortening the processing time required for the application of foreign worker work permits. To ensure a sustainable workforce, OM Sarawak focuses on retaining experienced and highly skilled foreign workers for its core smelting and maintenance positions. OM Sarawak is concurrently working on its upskilling program for local individuals, empowering employees to take on pivotal production roles.

# PROCESSING AND SMELTING OPERATIONAL REVIEW

## SAMALAJU SMELTING COMPLEX

In 2023, OM Sarawak implemented various training programs, encompassing upskilling, management development, and safety and awareness programs, with a total of 171,652 training hours recorded. As at 31 December 2023, OM Sarawak had a total of 1,851 employees, of which 79% of employees were locals.

As at 31 December 2023, a significant milestone was achieved with 12 out of 16 furnaces having achieved the performance acceptance criteria outlined in the major maintenance contract. Of the remaining four furnaces, two furnaces are currently in the hot commissioning and performance testing stage, while the remaining two furnaces are scheduled for major maintenance in 2025 after a thorough examination of the existing furnace condition.

The annual production volume of ferrosilicon and manganese alloys amounted to 139,529 tonnes and 294,432 tonnes respectively. The production volume for manganese alloys recorded a substantial increase of 36% or 77,619 tonnes compared to the previous year. This was primarily attributed to the completion of major maintenance on all manganese alloys furnaces in 2023 and the successful conversion of two ferrosilicon furnaces to produce manganese alloys, which resulted in higher production capacity in 2023. Conversely, there was no significant change in ferrosilicon production volumes as the interim ferrosilicon production at the silicon metal furnaces compensated the capacity shortfall created by the four ferrosilicon furnaces that underwent major maintenance.

In terms of sales volumes, 135,545 tonnes of ferrosilicon and 290,770 tonnes of manganese alloys were shipped in 2023, representing 97% of total ferrosilicon production volume and 99% of total manganese alloys production volume.

Product (tonnes)	Past 5 Years Production and Sales Records				
	2023	2022	2021	2020	2019
<b>Production</b>					
<b>Ferrosilicon (FeSi)</b>	139,529	140,355	131,059	167,443	230,735
<b>Manganese Alloys (SiMn, HCFeMn)</b>	294,432	216,813	216,539	227,406	248,163
<b>Manganese Sinter Ore</b>	154,273	112,711	99,824	24,125	-
<b>Sales</b>					
<b>Ferrosilicon (FeSi)</b>	135,545	146,646	113,783	171,502	219,828
<b>Manganese Alloys (SiMn, HCFeMn)</b>	290,770	216,604	203,938	231,129	240,280
<b>Manganese Sinter Ore</b>	1,625	-	7,132	-	-

Additional operational achievements in 2023 were as follows:

- The launching ceremony for the Rewilding of Sarawak's Urban Totally Protected Areas through Habitat Restoration at Similajau National Park, which took place on 21 June 2023. 800 trees out of 10,000 trees were successfully planted during the initial phase of the project
- Attained accreditation for ISO 14001 and ISO 45001 on 4 December 2023
- Conducted OSHE Week in collaboration with various local authorities to promote safety, health and environmental awareness within the Samalaju community

### OSHE Week

OM Sarawak's first Occupational Safety and Health, and Environment (OSHE) week, held from 10 to 14 July 2023, was organized by the Safety and Health department in collaboration with Environment Department and Administrative Department. Over the course of 5 consecutive days, the events drew an average attendance of 30 individuals from various departments, as well as representatives from neighbouring plants. Participating in OM Sarawak's OSHE week program were representatives from the Bintulu/Samalaju branches of the following agencies:

- Department of Safety & Health, Malaysia (DOSH)
- Department of Environment, Malaysia (DOE)
- Fire and Rescue Department of Malaysia (BOMBA)
- Ministry of Health, Malaysia (KKM)
- National Anti-Drug Agency (AADK)
- National Institute of Safety and Health (NIOSH)
- Social Security Organization (SOC SO)
- Bintulu General Hospital



## MARKETING & TRADING OPERATIONAL REVIEW

2023

**1,909,869** tonnes

Ores and Alloys

2022

**1,447,897** tonnes

Ores and Alloys









# MARKETING & TRADING OPERATIONAL REVIEW



## OVERVIEW AND UPDATE IN 2023

The ferroalloys market experienced a consistent decline throughout 2023. According to Platts, the price of ferrosilicon opened at US\$1,630 per tonne CIF Japan and closed at US\$1,285 per tonne CIF Japan while the price of silicomanganese opened at US\$1,040 per tonne CIF Japan and closed at US\$905 per tonne CIF Japan.

Despite the optimism surrounding China's border reopening in early 2023 following the COVID-19 lockdown, the anticipated surge in downstream demand for ferroalloys failed to materialize. This was attributed to the subdued performance of the construction sector and lower-than-expected export orders in China, hindering the market's recovery despite initial positivity.

The expansion of silicomanganese production capacity in India has filled the supply gap which resulted from the Russia-Ukraine war, marking a new phase of market equilibrium. Following this expansion, Ukraine's output has been fully displaced by exports from India, leading to a subsequent decline in prices. This decline however, is seen as necessary to alleviate the inventory overhang accumulated during the period of market imbalance.

Recent shipping crisis and unusual weather patterns have underscored the vulnerability of the global shipping network. Missile incidents near the Suez Canal and extreme drought conditions affecting the Panama Canal have resulted in heightened freight rates for container and bulk cargo shipping. Consequently, these developments have added to the challenges in the movement of cargo worldwide, potentially impeding trade flows.

## SALES BY GEOGRAPHICAL SEGMENT

	2023	2022	2021	2020	2019
Region	%	%	%	%	%
Asia Pacific	81.0	76.6	86.4	86.1	83.6
Americas	8.5	14.1	3.7	1.7	4.6
Europe	6.9	6.4	6.3	5.5	7.7
Middle East	3.2	2.8	3.6	6.3	3.9
Africa	0.4	0.1	0.0	0.4	0.2
Total	100.0	100.0	100.0	100.0	100.0

# OPERATIONAL REVIEW BOOTU CREEK MINE

MINERAL  
RESOURCES

**6.86** million tonnes

13.18% Mn as at 31 December 2023



# OPERATIONAL REVIEW BOOTU CREEK MINE

## OVERVIEW

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

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

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

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

The addition of the UFP in March 2020, was designed to treat the tailings streams and produce a nominal 250,000 tonnes per annum. There has been a number of start-up issues

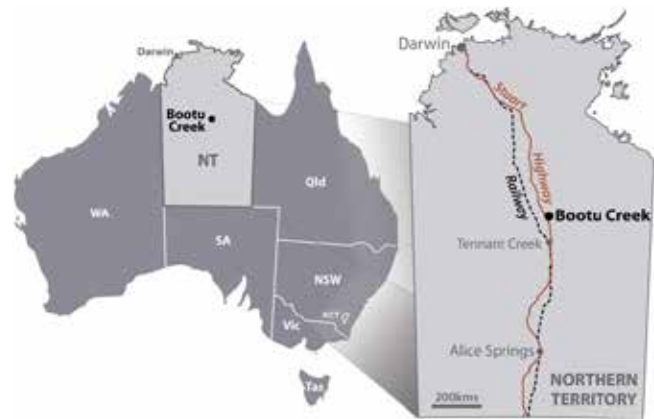


Figure 1. Locality Plan

associated with the UFP including poor screening efficiencies which affected the downstream separation and optimisation of the classifiers. This contributed to lower product grades and yields. Several screen media have been trialled to improve the screening efficiencies and rectification works are ongoing with measures implemented aimed at optimising the performance of the UFP.

In November 2023 OMM Board approved the financial model for the UFP restart. Critical orders have been placed and OMM targets to restart the UFP during Q4 2024.

The processing of manganese ore is described diagrammatically below:

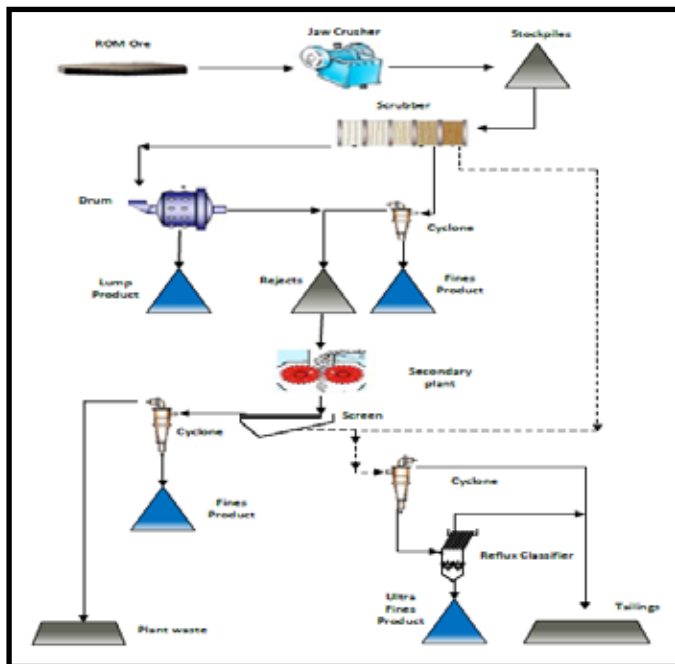


Figure 2. Bootu Creek Manganese Processing Plant Schematic

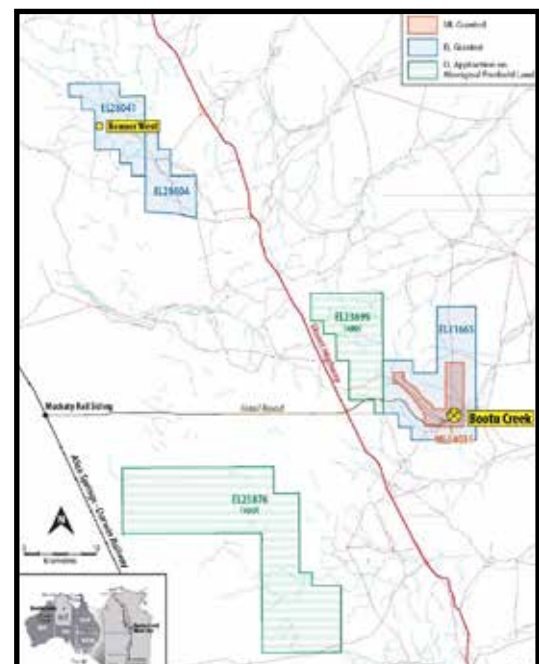


Figure 3. Bootu Creek location and Tenement plan



## OPERATIONAL REVIEW BOOTU CREEK MINE

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

Manganese product was stockpiled at the rail head at the Port of Darwin prior to being transported to the port ship loader and loaded onto vessels for shipping to overseas markets.

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

### Rehabilitation Activities conducted during Care and Maintenance

During Care and Maintenance, OMM utilised available resources to repair the damage to the Waste Rock Dump's (WRD) and satellite Run of Mine (ROM's) stockpile areas caused by the heavy rain brought on by the Tropical Cyclone Ellie. The primary focus was to repair and rock line the WRD to prevent and limit further damage and wash outs. Primary focus was also placed on cleaning and tidying up operational work areas. The extremely high rainfall affected the seeding done in November 2022 and the germination rate was negatively impacted as seeds were washed off the batters into the catchment bunds around the WRDs.

At the end of December 2023, 48.18ha (WRD and ROM) on the Western Limb was ready for seeding, which completed seeding in late February 2024. Tourag WRD works will be completed in 2024 and ready for seeding in December 2024.



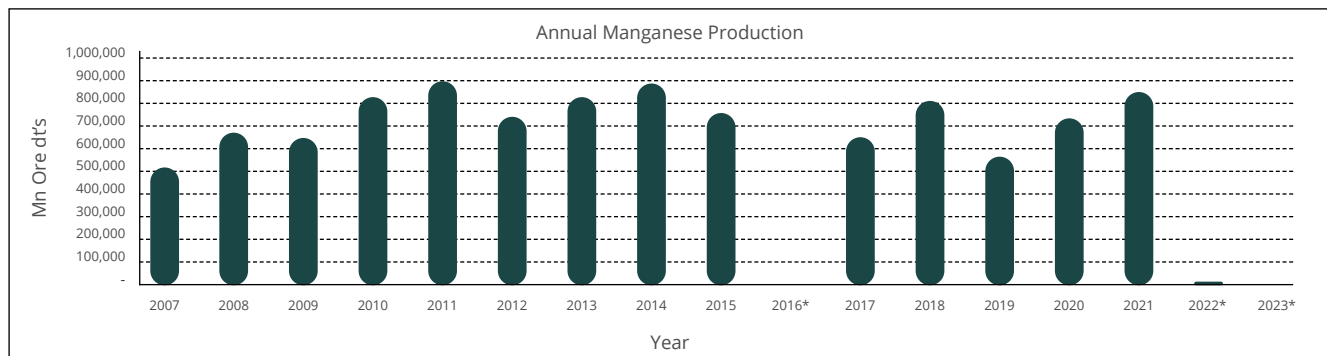
*Chugga WRD (looking South)*

# OPERATIONAL REVIEW BOOTU CREEK MINE

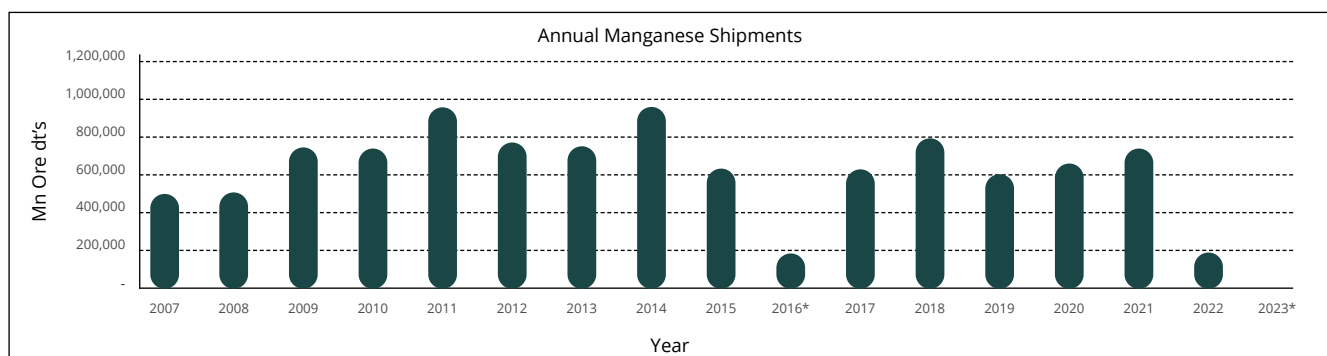
During the 2023 financial year, no manganese product was exported through the Port of Darwin.

		Years ended 31 December				
	Unit	2023	2022	2021	2020	2019
<b>Mining</b>						
Total Material Mined	bcms	—	—	4,737,723	7,411,431	5,748,339
Ore Mined - Tonnes	dt	—	—	1,131,066	1,008,015	1,034,190
Ore Mined - Mn Grade	%	—	—	20.85	19.19	20.48
<b>Production</b>						
Lump - Tonnes	dt	—	12,643	678,337	607,411	438,509
Lump - Mn Grade	%	—	29.27	27.25	26.72	32.83
Fines/SPP/UFP - Tonnes	dt	—	5,608	176,150	130,608	131,581
Fines/SPP/UFP - Mn Grade	%	—	26.82	32.95	34.51	36.62
<b>Total Production - Tonnes</b>	<b>dt</b>	<b>—</b>	<b>18,071</b>	<b>854,487</b>	<b>738,019</b>	<b>570,090</b>
<b>Total Production - Mn Grade</b>	<b>%</b>	<b>—</b>	<b>28.69</b>	<b>28.42</b>	<b>28.10</b>	<b>33.71</b>
<b>Sales</b>						
Lump - Tonnes	dt	—	164,400	551,448	553,976	452,774
Lump - Mn Grade	%	—	28.28	27.09	26.56	32.91
Fines/SPP/UFP - Tonnes	dt	—	27,296	145,879	88,755	168,772
Fines/SPP/UFP - Mn Grade	%	—	33.2	33.77	35.34	36.40
<b>Total Sales - Tonnes</b>	<b>dt</b>	<b>—</b>	<b>191,696</b>	<b>697,328</b>	<b>642,731</b>	<b>621,546</b>
<b>Total Sales - Mn Grade</b>	<b>%</b>	<b>—</b>	<b>28.66</b>	<b>28.49</b>	<b>27.78</b>	<b>33.86</b>

Table 1. Production and Sales FY2019 - FY2023



\*Note – No production and mining activity conducted in FY2016, FY2022 and FY2023



\*Note – There was no shipment in FY2023

# OPERATIONAL REVIEW BOOTU CREEK MINE

## Bootu Creek Mineral Resource

There was no ore mined at Bootu Creek in 2023. The 31 December 2023 Mineral Resource Estimate of 6.86 million tonnes remains unchanged.

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

Table 2. Bootu Creek Mineral Resource Estimate as at 31 December 2023

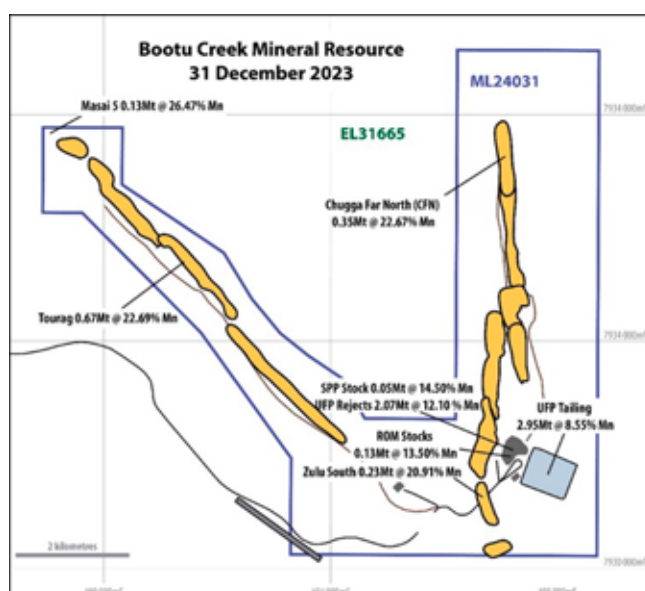


Figure 5. Location Plan for the Bootu Creek Mineral Resources as at 31 December 2023

## MINERAL RESOURCE STATEMENT

Mineral Resources at Bootu Creek remain unchanged at of 6.86Mt.

	Dec 2022 at 15% Mn cutoff			Dec 2023 at 15% Mn cutoff			Change
	Mt	%Mn	Pit Base	Mt	%Mn	Pit Base	Mt
CFN	0.35	23.09	195	0.35	23.09	195	0.00
Masai 5	0.13	26.47	245	0.13	26.47	245	0.00
Tourag	0.67	22.69	220	0.67	22.69	220	0.00
Zulu South	0.23	20.91	230	0.23	20.91	230	0.00
Renner West	0.28	22.26	255	0.28	22.26	255	0.00
<b>Insitu Total</b>	<b>1.66</b>	<b>22.75</b>		<b>1.66</b>	<b>22.75</b>		<b>0.00</b>
ROM Stocks	0.13	13.50		0.13	13.50		0.00
SPP Stocks	0.05	14.50		0.05	14.50		0.00
UFP Rejects	2.07	12.10		2.07	12.10		0.00
UFP Tailings	2.95	8.55		2.95	8.55		0.00
<b>Grand Total</b>	<b>6.86</b>	<b>13.19</b>		<b>6.86</b>	<b>13.19</b>		<b>0.00</b>

Table 3. Bootu Creek Mineral Resource Estimate as at 31 December 2022 vs 31 December 2023

# OPERATIONAL REVIEW BOOTU CREEK MINE

## 2023 Bootu Creek Exploration Program

The Bootu Creek and Renner Springs exploration programs planned for 2023 have been deferred to 2024, owing to the Bootu Creek Operation being placed on Care and Maintenance in January 2022.

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

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

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

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

On 2 March 2022, Bryah released the maiden Joint Venture Inferred and Indicated JORC 2012 compliant Mineral Resource estimate totalling 1.84 million tonnes at 21.0% Mn<sup>1</sup> covering the Horseshoe South, Horseshoe Extended, Brumby Creek East, Brumby Creek West, Area 74, and Black Hill deposits in March 2022.

Reverse Circulation (RC) drill program (94 holes for 3,296 metres) was carried during 2023 at Brumby Creek West and Redrum deposits, and at the Gold Trip, Black Hill Northeast and Epona prospects. Results were announced to ASX on 16 November 2023.<sup>2</sup>

A Mineral Resource update was announced by Bryah on 24 August 2023<sup>3</sup> with the current Mineral Resources standing at 3.066 Million tonnes (Mt) at 20.2% Mn. The Indicated Mineral Resource tonnage increased by 91% to 2.072 Mt at 20.9% Mn and the Inferred Mineral Resource increased by 32% to 0.994 Mt at 20.2% Mn. The Mineral Resource estimate included Area 74, Brumby Creek East, Brumby Creek West, Redrum and Black Hill deposits on E52/3237 and Horseshoe South and Horseshoe Extended on M52/806.

<sup>1</sup> Refer Bryah Resources Limited (ASX: BYH) ASX announcement dated 3 March 2022 "Maiden Bryah Basin Manganese Mineral Resource"

<sup>2</sup> Refer Bryah Resources Limited (ASX: BYH) ASX announcement dated 16 November 2023 "Manganese Drilling Results at West Brumby and Redrum continue to impress"

<sup>3</sup> Refer Bryah Resources Limited (ASX: BYH) ASX announcement dated 24 August 2023 "Manganese Mineral Resource Increases to 3.07 Million Tonnes at 20.2% Mn."

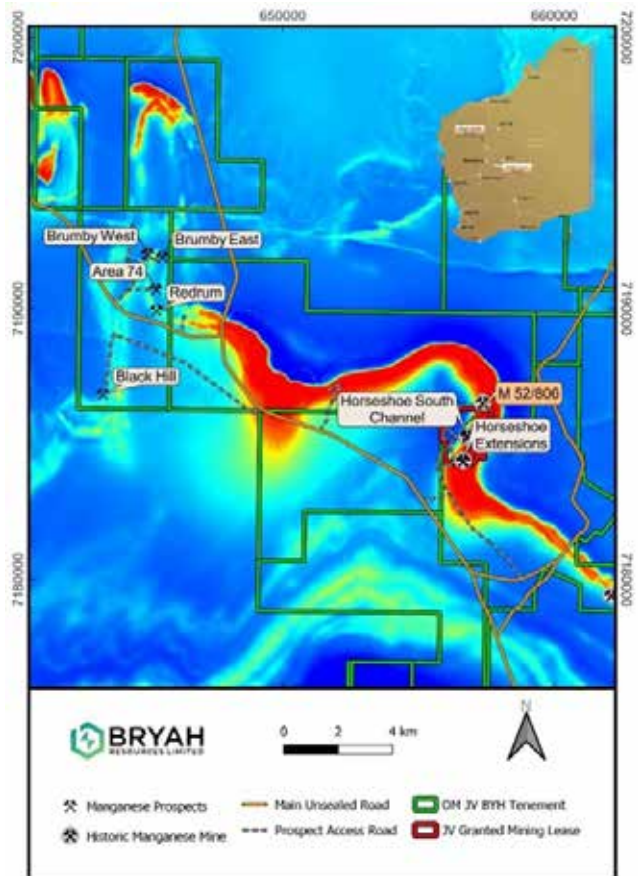


Figure 6. Deposit Location Plan for the Bryah Basin Manganese Joint Venture

## 701 Mile Manganese Project with Great Sandy Pty Ltd

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

Ethnographic and Archaeological surveys were completed during 2021 and 2022, and RC drilling in 2022, with results released in the OMH September 2022 Quarterly Production and Market Update (ASX 26 October 2022).

A A\$0.25 million "Due Diligence" phase of the 701 Mile JV Agreement was completed and an Option Fee of A\$50,000 paid by OMM in October 2022. OMM has subsequently deemed the project potential to be limited, and has withdrawn from the 701 Mile JV Agreement (on E52/3587) with Great Sandy Pty Ltd, with no retained equity.

## Weelarrana Project Area

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

Geological mapping and a 90 square kilometre high resolution image and Lidar aerial survey was completed in 2022.

OMM has subsequently deemed the project potential to be limited and surrendered the licence on 13 September 2023.



## OPERATIONAL REVIEW BOOTU CREEK MINE

The Company has entered a Joint Venture Agreement with Bryah Resources Limited (ASX:BYH) (Bryah) for the manganese rights in approximately 660 km<sup>2</sup> of exploration tenements in the Bryah Basin. During the year Bryah announced a Mineral Resource Estimate (MRE) update on 24 August 2023 with the current Mineral Resources standing at 3.066 Million tonnes (Mt) at 20.2% Mn. Refer to Bryah's ASX Release for full details.

Prospect	Category	2022 Estimate		2023 Estimate		kt % Change
		kt	Mn %	kt	Mn %	
Area 74		239	23.6	302	23.8	26
Brumby Creek		927	21.2	1,314	20.2	42
Horseshoe	Indicated + Inferred	646	20.5	646	20.5	nil
Redrum		nil	nil	781	18.6	New zone
Black Hill		24	29.7	24	29.7	nil
<b>Total</b>		<b>1,836</b>	<b>20.2</b>	<b>3,067</b>	<b>20.2</b>	<b>68</b>

Table 4. Bryah Basin Mineral Resource as at 31 December 2022 vs 31 December 2023

Figures are reported on a 100%-ownership basis. OMM interest is 51%, Bryah 49%.

The Company confirms that it is not aware of any new information that materially affects the content of this ASX release and that the material assumptions and technical parameters remain unchanged.

### Competent Person Statement

The information in this Annual Mineral Resource Statement that relates to the Bootu Creek Mineral Resources is based on and fairly represents information prepared by Mr Craig Reddell, a competent person, who was a consultant to the Company at the time. The supporting information has been reviewed by Mr Mark Menzies who is an independent consultant to the Company and who is a member of the Australian Institute of Geoscientists. Mr Menzies has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Menzies approves the mineral resource statement as a whole and consents to the inclusion of this information in the form and context in which it appears.

This report includes information that relates to Exploration Results and Mineral Resource estimates prepared and first disclosed under the JORC Code (2012) and extracted from previous ASX announcements, as follows:

- Bryah Resources Limited (ASX: BYH) ASX announcement dated 3 March 2022 "Maiden Bryah Basin Manganese Mineral Resource"
- Bryah Resources Limited (ASX: BYH) ASX announcement dated 1 August 2022 "New Manganese mineralisation identified at Redrum Prospect"
- Bryah Resources Limited (ASX: BYH) ASX announcement dated 31 August 2022 "Continued Manganese drilling Success at Redrum and Brumby West"
- Bryah Resources Limited (ASX: BYH) ASX announcement dated 24 August 2023 "Manganese Mineral Resource Increases to 3.07 Million Tonnes at 20.2% Mn."
- Bryah Resources Limited (ASX: BYH) ASX announcement dated 16 November 2023 "Manganese Drilling Results at West Brumby and Redrum continue to impress"

The Company has released all material information that relates to Exploration Results, Mineral Resources and Reserves on a continuous basis to the ASX and in compliance with JORC 2012. The Company confirms that it is not aware of any new information that materially affects the content of this ASX release and that the material assumptions and technical parameters remain unchanged.

### Ore Reserves

The Bootu Creek Operation was placed under Care and Maintenance following suspension of mining on 13 December 2021, with processing of Run of Mine (ROM) ore completed on 7 January 2022. No Ore Reserves are reported for Bootu Creek, and there is no current mine plan. Any future re-estimation of the Bootu Creek Ore Reserve will require re-optimisation of the remaining Mineral Resource based on updated product prices and specifications, production costs and geotechnical parameters.

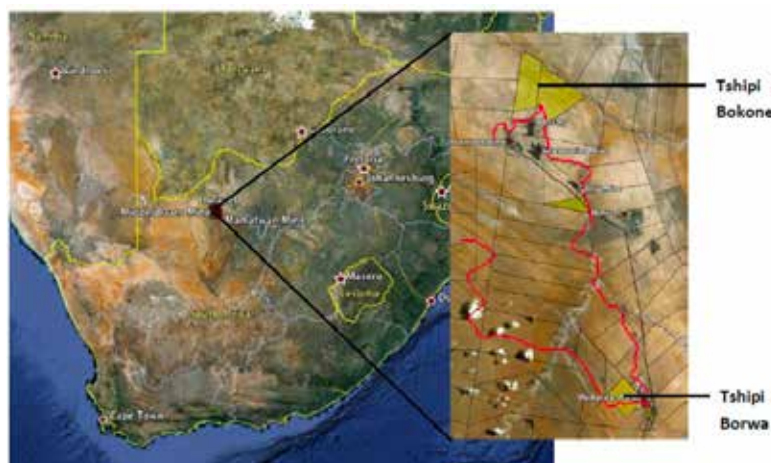
# TSHIPI É NTLÉ MANGANESE MINING PROPRIETARY LTD ("TSHIPI")

## TSHIPI EXPORTS TOTALLED

**3,215,949** tonnes  
2023

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

## Tshipi Project Location



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

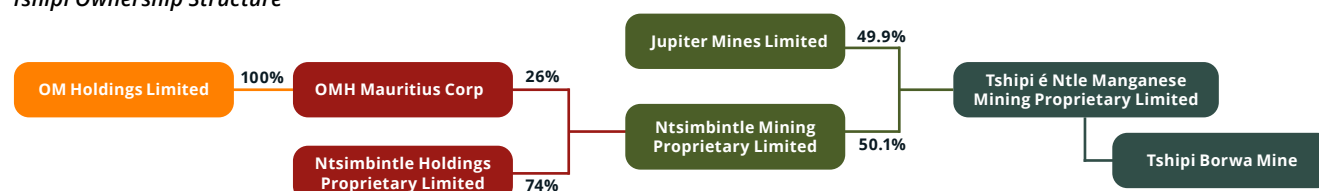
## Overview

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

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

The Tshipi Borwa mine is an open pit manganese mine with an integrated ore processing plant which commenced production in October 2012. As of 28 February 2023, Tshipi Borwa Mine has a total Mineral Resource Estimation of circa 425 million tonnes in accordance with JORC Code (2012). In 2023, Tshipi exported a total of 3,215,949 tonnes of manganese ore.

## Tshipi Ownership Structure



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

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

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

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

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

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

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

# ASX LISTING RULES 5.8.1 & 5.9.1 SUMMARY INFORMATION

## **Mineral Resource estimation summary:**

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

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

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

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

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

The sample preparation of RC and earth core samples involve oven drying and full pulverisation before splitting off an XRF assay sub-sample. Diamond core assay samples are quarter sawn, jaw crushed and follow the same sample preparation technique. A pulp sub-sample is collected for analysis by XRF for the following elements: Mn, Fe, Al<sub>2</sub>O<sub>3</sub>, SiO<sub>2</sub>, P, Pb, S, TiO<sub>2</sub>, MgO, K<sub>2</sub>O, BaO, CaO, Cu, Zn and Co<sub>3</sub>O<sub>4</sub>. LOI (loss on ignition) is assessed by thermo-gravimetric determination. Laboratory QA/QC involves the use of internal laboratory standards using certified reference material, blanks, splits and replicates as part of the in house procedures.

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

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

Resource models were digitised and wire-framed from updated interpreted geological and assay drill cross sections prepared by OMM. These wireframes were used to select resource drill intersections and composite data was extracted for Mn, Fe, SiO<sub>2</sub>, Al<sub>2</sub>O<sub>3</sub>, BaO and P based on one metre sample increments. The nugget effect from variography represented only 20% - 30% of the total variability, suggesting low inherent random behaviour for the manganese mineralisation, and did not warrant grade capping.

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

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

## ASX LISTING RULES 5.8.1 & 5.9.1 SUMMARY INFORMATION

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

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

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

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

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

### **Ore Reserve estimation summary:**

No 31 December 2023 Ore Reserve is quoted for the Bootu Creek Operation as it was placed under Care and Maintenance following suspension of mining on 13 December 2021 and processing of Run of Mine (ROM) ore was completed on 7 January 2022.

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

# ASX LISTING RULES 5.8.1 & 5.9.1 SUMMARY INFORMATION

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

Criteria	Explanation
<b>Sampling Techniques - Nature and quantity of sampling</b>	<ul style="list-style-type: none"> <li>Mineral Resources at Bootu Creek ("BC") were sampled by 91% Reverse Circulation (RC), 2% Diamond Drill (DD) and 7% open percussion (PC) drilling on a nominal 50m x 25m spaced grid.</li> <li>The 31 December 2021 BC Bootu Creek resource dataset (trimmed to remaining resource models) comprised a total of 390 drill holes for 25,338 metres, and the Renner West dataset comprised a total of 145 drill holes for 6384 metres.</li> <li>Collar locations are picked up by Mine Surveyors using MGA94 co-ordinates and by DGPS or handheld GPS at the Renner Springs project.</li> <li>RC holes are sampled at 1 metre intervals, rotary split to produce 2-3 kg samples. Sample intervals selected for analysis are generally limited to visible manganese mineralisation and adjacent host rock. Diamond core is submitted for assay as half or quarter core intervals selected by geology and intensity of mineralisation.</li> <li>All drill samples are crushed, dried and pulverised (total prep) to produce a sub sample for XRF analysis. Mineralised diamond core is quarter sawn to obtain 1 metre or geological intervals for XRF analysis, with half core retained for density determination and metallurgical test work.</li> <li>Sampling is carried out under OM (Manganese) Ltd ("OMM") protocols to ensure the representivity of drill samples.</li> <li>Tailings sampling in TSF1, TSF2 and TSF3 at Bootu Creek was undertaken by drilling 49 earth core holes varying in depth from 7 to 12 metres.</li> </ul>
Drilling Technique	<ul style="list-style-type: none"> <li>RC drilling with 4.5" drill rods and a 5.5" face sampling drill bit.</li> <li>Diamond core generally drilled using a HQ3 core barrel.</li> <li>Drilling is predominately vertical, and diamond core drilled prior to 2019 was not oriented.</li> <li>Holes range from 12 to 156 metres in depth.</li> <li>Tailings sample holes were drilled utilised a track mounted Power Probe earth core drill.</li> </ul>
Drill Sample Recovery	<ul style="list-style-type: none"> <li>RC drill sample recovery is visually estimated and recorded in geology drill log. Diamond core recovery is measured and recorded.</li> <li>RC rods and the sample cyclone are cleared as frequently as required to maintain satisfactory drill sample recovery and representivity.</li> <li>DD holes use HQ3 size triple tube core barrels to maximise sample recovery.</li> <li>The mineralisation style and consistency of mineralised intervals are considered to preclude any issue of sample bias due to recovery.</li> <li>Tailings drill core samples were recovered from 1.2m length sample casings.</li> </ul>
Logging	<ul style="list-style-type: none"> <li>RC chip and diamond drill core samples are geologically logged to the level of detail required to support the Mineral Resource estimate. Logging records lithology, mineralogy, weathering, mineralisation, alteration, colour and other features of the samples.</li> <li>Geotechnical information is collected from the BC operations open pits and from specifically drilled Geotechnical diamond drill core holes.</li> <li>All diamond drill core and tailings earth core photographed and logged for geology and geotechnical core holes are logged for geotechnical parameters.</li> <li>The total length of all exploration and resource delineation drilling is logged.</li> </ul>
Sub-sampling	<ul style="list-style-type: none"> <li>Diamond core assay samples are quarter sawn, oven dried, jaw crushed and fully pulverised before splitting off an XRF assay sub-sample.</li> <li>RC samples are rotary split to produce a sample of an approximately 3 kg in weight. High volume, high pressure air is used when RC drilling to ensure the sample return is kept as dry as possible.</li> <li>RC samples submitted for assay are oven dried, jaw crushed and fully pulverised before splitting off an XRF assay sub-sample.</li> <li>QAQC procedures involve the use of field duplicates, certified BC standards (insertion rate of approx. 1:130) and commercial laboratories standards.</li> <li>Appropriate industry standard sample preparation techniques and quality control procedures (ISO4296/2) are utilised by the onsite laboratory and offsite commercial laboratories to maximise sample representivity.</li> <li>Drill sample field duplicates are taken to ensure sampling is representative of the in-situ sample material collected.</li> <li>Sample sizes are appropriate for the grain size of the material being sampled based on the mineralisation style, intersection thickness and percent assay ranges for the primary elements.</li> <li>Tailings earth core samples were cut in half lengthways for assay, with the remaining half retained for metallurgical test work.</li> </ul>

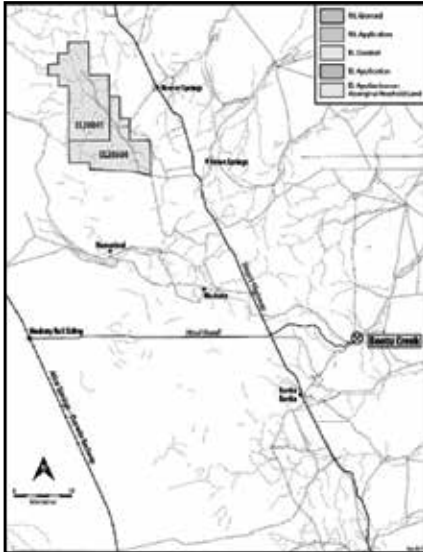
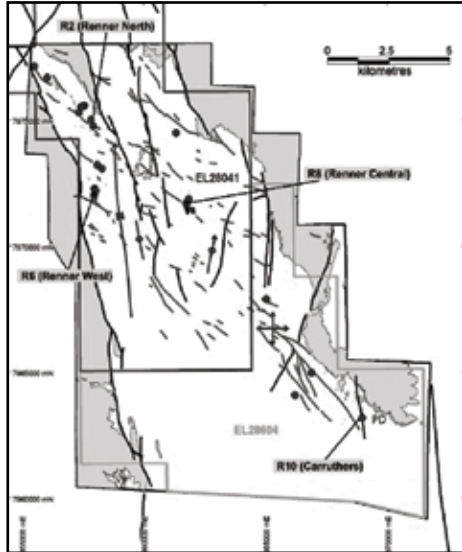
## ASX LISTING RULES 5.8.1 & 5.9.1 SUMMARY INFORMATION

Criteria	Explanation
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>The analytical techniques use a mine site laboratory XRF multi element suite, assaying for Mn, Fe, Al<sub>2</sub>O<sub>3</sub>, SiO<sub>2</sub>, P, Pb, S, TiO<sub>2</sub>, MgO, K<sub>2</sub>O, BaO, CaO, Cu, Zn and Co<sub>3</sub>O<sub>4</sub>. LOI (loss on ignition) is assessed by thermo-gravimetric determination technique.</li> <li>No geophysical tools were used to determine any element concentrations used in any of the resource estimates.</li> <li>Laboratory QAQC involves the use of internal laboratory standards using certified reference material, blanks, splits and replicates.</li> <li><b>BC</b> independently developed 6 reference standards in 2007 and 2010 for a range of grade values, using blends of Mn, Fe and quartz material. These were sent to 10 commercial laboratories with returned values in the +/-2% range against the expected value. The <b>BC</b> standards are submitted with each assay batch and monitored to maintain an independent check on laboratory assays.</li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>Significant drill intersections are verified by alternative company personnel, generally the Geology Manager for OMM.</li> <li>Twined holes were used in initial exploration/pre-feasibility phase but are not considered necessary in the current mature mining phase.</li> <li>Data entry, verification and storage protocols are in place and were managed by a dedicated GIS/ Database Manager and recently by the Geology Manager.</li> <li>No adjustments of primary assay data (high grade cuts, etc.) are considered necessary.</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>Drill collars used for Mineral Resource delineation are surveyed using the mine based DGPS survey equipment.</li> <li>All locations are picked up and quoted in MGA94 grid format.</li> <li>Mine lease topography is based on ortho-rectified aerial photography (2013) to produce a DTM based on a 5 m x 5 m centred grid with +/- 0.5 m RL accuracy.</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>Data spacing is generally based on a 50 m x 25 m drill grid within the Mineral Resource boundaries.</li> <li>The data spacing and distribution is close enough to establish the degree of geological and grade continuity appropriate for the Mineral Resource classification being quoted and for the Ore Reserve estimate.</li> <li>Sample support is consistent with 1 m RC composite sample length applied and utilised for Mineral Resource estimate.</li> </ul>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>The manganese deposits at Bootu Creek are shallow dipping (average dip 30°–40°), strata-bound and relatively planar.</li> <li>Drill orientation is predominately vertical and any interaction with local faults or fold structures is not considered to introduce bias to the sampling results.</li> </ul>
Sample Security	<ul style="list-style-type: none"> <li>Sample security is not considered a significant risk.</li> <li>Most exploration samples are processed by the mine site laboratory and results are validated against the drill hole geology logs.</li> </ul>
Audit or reviews	<ul style="list-style-type: none"> <li>No recent audits or reviews of sampling techniques, other than ongoing internal review, have been conducted. The database was last reviewed by Optiro for the 31 December 2012 Mineral Resource estimate.</li> <li>Minor infill delineation drilling conducted since that audit (within the remaining resource models) included 5 RC holes in CFN and 30 RC holes in Masai 5.</li> <li>6 new diamond core holes drilled in 2019 were for geotechnical assessment of the Shekuma and CFN pits.</li> <li>3 new diamond core holes drilled in 2019 were for metallurgical test work at the Renner West deposit.</li> <li>8 new diamond core holes drilled in 2020 and 2021 were for geotechnical assessment of the Tourag, Zulu South and Masai 5 proposed pits</li> </ul>

### Section 2 Reporting of Exploration Results

Criteria	Explanation
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <li>The relevant tenements for 2021 exploration are EL28041 and EL28604, collectively referred to as the Renner Springs project.</li> <li>The tenements were granted in 2010 and 2011 respectively and are 100% owned by OMM with no security of tenure issues at the time of reporting.</li> </ul>
Exploration done by other parties	<ul style="list-style-type: none"> <li>Keys Resources NL were the last to explore the Renner Springs area, intersecting 9m @ 36.7%Mn in percussion hole W38. (Ferenczi, 2001).</li> </ul>

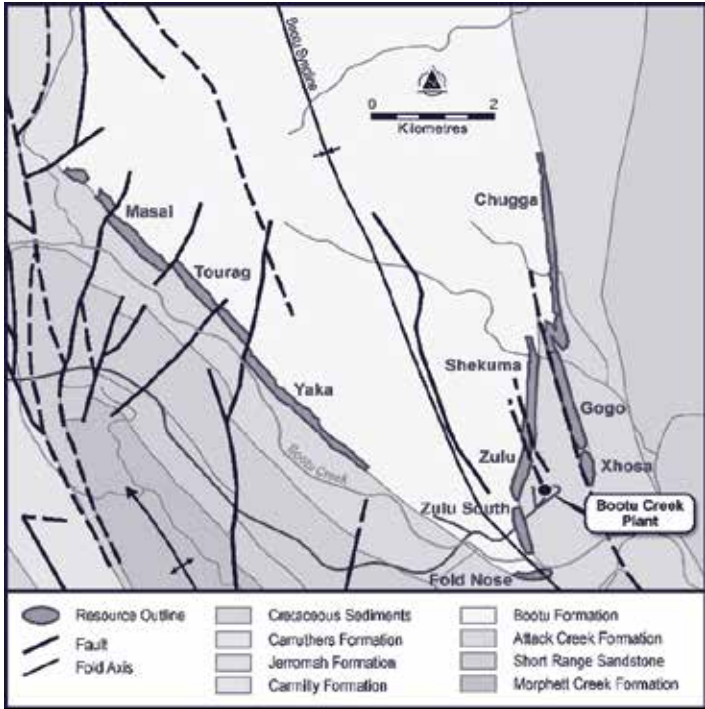
## ASX LISTING RULES 5.8.1 & 5.9.1 SUMMARY INFORMATION

Criteria	Explanation
Geology	<ul style="list-style-type: none"> <li>The Renner Springs project is predominately located within the Namerinni Group in the Ashburton Province of the Tennant Creek Inlier. The favourable manganese bearing horizon is hosted principally by the Shillinglaw Formation.</li> <li>The Renner Springs manganese horizons are generally shallow dipping and present with a breccia/ conglomerate texture in low outcrops.</li> <li>The Bootu Creek manganese deposits are strata-bound, located at the contact between the underlying dolomite-siltstone Attack Creek Formation and the overlying ridge forming sandstone of the Bootu Formations in the Tomkinson Group, within the Ashburton Province of the Palaeozoic.</li> </ul>
Drill hole Information	<ul style="list-style-type: none"> <li>3 diamond core holes were drilled at the Renner West deposit and 6 RC holes were drilled at the recently discovered Carruthers North prospect in 2019.</li> <li>Refer to the accompanying table of the ASX announcement for details of sample locations and assay results.</li> </ul>
Data aggregation methods	<ul style="list-style-type: none"> <li>Reported assays are length weighted with no top-cuts applied.</li> <li>No metal equivalents are used for reporting exploration results.</li> </ul>
Relationship between mineralisation width and intercept length	<ul style="list-style-type: none"> <li>The 3 diamond drill program was undertaken to provide core for metallurgical test work at the Renner West Mineral Resource.</li> <li>The 6 RC drill program at Carruthers North prospect was a first pass test of a low laying manganese outcrop, discovered while ground checking a gradient array IP anomaly.</li> <li>The RC intersections are quoted as drill intersection lengths, as the dip of the mineralisation is yet to be confirmed.</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>The Renner West Mineral Resource is located at R6 in figure below.</li> <li>The Carruthers North prospect referred in this announcement is located midway between prospects R8 and R10 shown in the figure below.</li> </ul> <div style="display: flex; justify-content: space-around;">   </div>
Balanced reporting	<ul style="list-style-type: none"> <li>All results are reported when publishing exploration reports.</li> </ul>
Further work	<ul style="list-style-type: none"> <li>Follow up RC drilling is planned for the Carruthers North and Renner Central prospects in 2024.</li> </ul>



# ASX LISTING RULES 5.8.1 & 5.9.1 SUMMARY INFORMATION

## Section 3 Estimation and Reporting of Mineral Resources

Criteria	Explanation
Database integrity	<ul style="list-style-type: none"> <li>Location data was imported from DGPS export files.</li> <li>Assay data was imported from the original laboratory issued csv files.</li> <li>All exploration drill data was moved to an Access database in 2017 and all new drill hole data is uploaded to that database.</li> <li>Geology logs are validated for errors on import, locations checked, and assay data quality is ensured by use of lab and field standards. Further internal validation for duplication, overlaps, etc is carried out using Surpac software prior to any resource estimation.</li> </ul>
Site visits	<ul style="list-style-type: none"> <li>The Mineral Resource is located within an active mine camp and is visited regularly by OMM Competent Persons.</li> </ul>
Geological Interpretation	<ul style="list-style-type: none"> <li>There is a high degree of confidence in the geological interpretation of the Bootu Creek manganese deposits gained through extensive close spaced drill testing, a relatively planar strata-bound geological setting and over 15 years of active mining at this mature mining operation.</li> <li>Ore mineralogy was determined by XRD analysis and optical petrology on selected drill core, RC chip and mineral product (gravity concentrate) samples.</li> <li>The geological controls at BC are well understood from ongoing mining activity and form the basis for the resource interpretations.</li> <li>Factors affecting continuity of grade and geology include local high and low angle faulting, local internal and adjacent high Fe associated with faulting, and the intensity and depth of supergene alteration from weathering.</li> <li>The geological interpretation is refined on an ongoing basis following the review of close spaced grade control sampling and in pit observation and mapping of second order fault structures not modelled in the original broader spaced resource delineation drilling.</li> <li>This figure is inserted for reference to geological setting and deposit locations at Bootu Creek.</li> </ul> 
Dimensions	<ul style="list-style-type: none"> <li>The Bootu Creek manganese resource models have a combined strike length of 16km, with individual models ranging from 0.7km to 2.9km</li> <li>Bootu Creek resource models are generally limited in vertical depth by economic constraints (imposed by strip ratios and cost of mining), by faulting or by the depth of weathering and supergene alteration, rather than a depth termination of the mineralisation.</li> <li>Individual resource model depth extents range from 50m to 120m below surface. All mining is by open pit.</li> <li>Bootu Creek resource model widths (true width) range from the minimum width of 3m to a maximum of around 15m.</li> <li>The Renner West manganese deposit extends over a strike length of 450m and to a depth of around 25m below surface.</li> </ul>



## ASX LISTING RULES 5.8.1 & 5.9.1 SUMMARY INFORMATION

Criteria	Explanation
Estimation and modelling techniques	<ul style="list-style-type: none"> <li>Estimation and modelling undertaken by independent resource consultants Optiro Pty Ltd, and since updated by OMM technical staff.</li> <li>Resource models are digitised and wire-framed from interpreted geological and assay drill cross sections prepared by OMM. These wireframes are used to select resource intersections and composite data is extracted for Mn, Fe, SiO<sub>2</sub>, Al<sub>2</sub>O<sub>3</sub>, BaO and P based on one metre sample increments.</li> <li>'Supervisor' geostatistical software was used for continuity analysis to determine variograms for grade estimation. Optiro found that the 10% Mn population generated more robust variograms with lower nugget effects that were applied to the resource composite data during estimation.</li> <li>The nugget effect from variography was found to represent only 20-30% of the total variability, suggesting a low inherent random behaviour for the manganese mineralisation and no grade capping is warranted.</li> <li>Block models are estimated using Ordinary Kriging (OK), using Surpac resource estimation software, and coded with attributes for material type, resource classification, model domain and for OMM survey pit pickups.</li> <li>Block Model Parent Cells are 25m (Y) by 10m (X) by 5m (Z) and compare favourably with maximum drill spacing of 50m x 25m or 40m x 20m and with along strike search radius varying from 130m in the shorter or faulted models through to 290m for the highly continuous Chugga-Gogo.</li> <li>The number of samples is set at a minimum of 15 and a maximum of 32 for passes 1 &amp; 2. The pass 3 minimum was set to 2 samples to fill model extents.</li> <li>Search ranges varied from 130 m up to 290 m in deposits of up to 2.9 km strike length. The search ellipsoids are flattened disc shapes in the plane of the mineralisation with varying anisotropic ratios designed to model shallowly plunging manganese trends within the domains.</li> <li>Geological interpretation prepared by OMM has been used to construct digital wireframes and control assay extraction from the database but are not otherwise used to control the resource estimate.</li> <li>The only assumed correlation between variables is that used for the density regression calculated against manganese grade. There is a noted inverse relationship between manganese vs SiO<sub>2</sub> or Al<sub>2</sub>O<sub>3</sub>. There is a variable relationship between manganese and iron and correlations between other elements were poor.</li> <li>No selective mining units were assumed in the estimates.</li> <li>Graphical 3D validation of block grades versus composite samples, used to compare modelled grade trends against the spatial distribution of the samples, demonstrated that estimated low and high grades were consistent with the composite samples. Density was also checked to confirm interpolated block values honour the regression formulas.</li> <li>Validation swathe plots by Optiro show that the block model estimated grades honoured local grades. All volumetric checks are within 1% of wireframes.</li> <li>The significant elements specific to product quality are assayed and modelled with the only potential issue being high Fe content in product, which is managed in the mine plan by local grade control.</li> <li>Mineral Resource estimates are depleted for mining up to 31 December 2021 and reported above a cut-off grade of 15% Mn.</li> </ul>
Moisture	<ul style="list-style-type: none"> <li>All tonnage is estimated on a dry tonne's basis.</li> </ul>
Cut-off parameters	<ul style="list-style-type: none"> <li>The existing 15% Mn cut-off grade had been affirmed after several years of processing Bootu Creek ore for target product grades of plus 33% Mn.</li> <li>Manganese product derived from the DMS (gravity) plant is not linear in relation to head grade and product yield and/or product grade decreases rapidly below the 15% Mn cut-off grade.</li> <li>Since 2020, low grade mineralisation (10%-15% Mn) defined by in pit grade control has been mined outside of the 15% Mineral Resource models.</li> <li>It has been possible to process this lower grade material by reducing the target product grade to around 28% Mn.</li> </ul>
Mining factors or assumptions	<ul style="list-style-type: none"> <li>The Mineral Resource estimates were optimised by OMM technical staff utilising Whittle mining software to limit economic open pit extents based on long term revenue, mining, processing, and logistic parameters set by OMM.</li> <li>All mining is by open pit mining methods.</li> <li>Parameters for determining economic extraction are based on data derived from the current mining and processing operations at Bootu Creek.</li> </ul>
Metallurgical factors and assumptions	<ul style="list-style-type: none"> <li>Metallurgical assumptions are based on test work conducted on 93 composites selected from 79 diamond holes drilled into all deposits included in Ore Reserves. The test work consists largely of individual particle pyknometry (IPP) on lump ore and Heavy Liquid Separation (HLS) on fines.</li> <li>More recent HLS and screened assay analysis, washability and process simulation test work (conducted by Nagrom) on earth core sampling of the Tailing Storage Facilities TSF 1, TSF2 and TSF 3 has been utilised to justify the newly constructed Ultra Fines Plant (UFP).</li> <li>The UFP Rejects Mineral Resource is based on surveyed stockpiles and the same metallurgical test work as used to assess the UFP Tailings.</li> <li>Plant factors including product grade, yield and recovery are reviewed annually.</li> <li>Product yield assumptions for resource optimisation are now based on statistical analysis of the resource delineation drill sample grade distribution, on a pit by pit basis, with due attention to the extent of weathering.</li> <li>Average grade is no longer considered a reliable indicator of product yield.</li> </ul>

## ASX LISTING RULES 5.8.1 & 5.9.1 SUMMARY INFORMATION

Criteria	Explanation
Environmental factors or assumptions	<ul style="list-style-type: none"> <li>• Bootu Creek was an operating mine site and processing plant up to the end of 2021, with Mine Management Plans submitted and approved for waste rock and tailings storage by the Northern Territory Department of Industry, Tourism and Trade.</li> <li>• Bootu Creek is currently operating on Care and Maintenance basis and continuing with the rehabilitation of mine waste dump, open pit surrounds and associated infrastructure.</li> <li>• No significant sulphides are present in the ore or mine-waste.</li> </ul>
Bulk Density	<ul style="list-style-type: none"> <li>• Current bulk density regression formulae are based on 366 waxed (or waxed equivalent) HQ3 core samples selected from 52 metallurgical composites distributed through all deposits included in the 31 December 2020 Ore Reserve.</li> <li>• The bulk density measurements were determined in 2009 by Amdel (Perth) using the wet and dry methodology. Six individual density regressions were determined for Chugga/Gogo, Shekuma, Xhosa, Masai/Tourag, Yaka and Zulu deposits. Renner West, Foldnose and Zulu South use the Yaka (most conservative) regression option.</li> </ul>
Classification	<ul style="list-style-type: none"> <li>• Measured Mineral Resource – this classification is restricted to well drilled resource blocks located within 15m (vertical) of a mined pit floor, reflecting a high level of geological and grade confidence. No Measured Mineral Resources are quoted in the 31 December 2021 Mineral Resource.</li> <li>• Indicated Mineral Resource – classified based on established grade and geological continuity defined by the tabular nature of the Bootu Creek mineralised zones, the regular drill spacing of 50m x 25m or better, estimation parameters such as kriging efficiency and the demonstrated mining history in most of the deposits.</li> <li>• The Mineral Resource estimate appropriately reflects the view of the Competent Person.</li> <li>• All OMM Mineral Resources are economically constrained on an annual basis by optimised pit shells using updated OMM cost, revenue, and physical parameters (see Mining Factors and Assumptions).</li> </ul>
Audits and reviews	<ul style="list-style-type: none"> <li>• Independent resource consultant Optiro Pty Ltd conducted a Client Review of wireframes, block models, classification criteria, volumetric comparison, composite versus block model grades and XYZ plots on the Mineral Resource estimate for 31 December 2013.</li> <li>• Only a limited amount of additional resource delineation drilling has occurred since 2013, with 23 RC infill holes drilled in 2017 and 2018 and a further 27 RC infill holes in 2020 and 2021.</li> <li>• The more significant changes applied in recent Mineral Resource estimation process account Mineral Resource depletion by mining and/or pit backfill, updated pit optimisation parameters, product yield estimation, and to update geological interpretation based on minor faults observed during mining activity since 2013.</li> </ul>
Discussion of relative accuracy/confidence	<ul style="list-style-type: none"> <li>• The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resource as per the guidelines of the 2012 JORC Code.</li> <li>• This statement relates to the global estimates of tonnes and grades.</li> <li>• Annual reconciliation compares mine production with pre-mining Mineral Resource estimates, and to update mining factors and assumptions.</li> </ul>

### Section 4 Estimation and Reporting of Ore Reserves

Criteria	Explanation
No Ore Reserve quoted for 31 December 2023	<ul style="list-style-type: none"> <li>• The Bootu Creek Operation was placed under Care and Maintenance following suspension of mining on 13 December 2021 and processing of ROM ore was completed on 7 January 2022.</li> <li>• There is no current Mine Plan for the Bootu Creek Operation.</li> </ul>

## ASX LISTING RULES 5.8.1 & 5.9.1 SUMMARY INFORMATION

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

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

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

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

nsv - no significant value

# SUSTAINABILITY STATEMENT

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## ABOUT THIS REPORT

### Scope & Boundary

Welcome to OMH's Sustainability Statement 2023. This annual Sustainability Statement ("Statement") outlines a consolidation of OMH's Economic, Environmental, Social and Governance ("EESG") information for the financial year 2023 ("FY2023") from 1 January to 31 December 2023. It is a progression for the Company in its corporate reporting and strengthening of its reporting transparency. Unless stated otherwise, the statement covers major subsidiaries: OM (Manganese) Ltd. ("OMM") – Australia, OM Materials (S) Pte. Ltd. ("OMS") – Singapore and OM Materials (Sarawak) Sdn. Bhd. ("OM Sarawak") – Malaysia. Please refer to the Corporate Structure section in this Annual Report for more details of OMH's subsidiaries and primary business streams.



#### OM Materials (S) Pte. Ltd. ("OMS") - Singapore

OMS primarily manages the logistics, marketing, product flow and distribution of OMH's products. There is a focus on Supply Chain Management and Product Quality and Safety.



#### OM Materials (Sarawak) Sdn. Bhd. ("OM Sarawak") – Malaysia

OM Sarawak is OMH's flagship ferrosilicon and manganese alloy smelter in Malaysia. Performance data for environmental and social matters will primarily come from this entity.



#### OM (Manganese) Ltd. ("OMM") - Australia

OMM owns the Bootu Creek manganese mine. There is a particular focus on this entity when managing and addressing Land Remediation, Contamination or Degradation, as well as Community Development with a focus on the Rights of Indigenous Peoples. The entity ceased mining operations in December 2021, and targets to restart the UFP in Q4 2024.

### Reporting Framework

OMH aligned this Statement with the Bursa Malaysia Enhanced Sustainability Reporting Guide and the Global Reporting Initiative ("GRI") Universal Standards (2021). While preparing this Statement, the Company has also considered other sustainability guidelines and principles, including the United Nations Sustainable Development Goals ("UNSDGs"), the Taskforce on Climate-related Financial Disclosures ("TCFD"), the Taskforce on Nature-related Financial Disclosures ("TNFD") and feedback from diverse ESG rating agencies' indexes.

As OMH is listed on the Bursa Malaysia Securities Berhad and ASX, we have incorporated the respective requirements from these securities exchanges. Unless specified otherwise, the Corporate Governance statement delineates governance practices for FY2023, aligning with the ASX Corporate Governance Council recommendations.

References to 'OMH', 'the Group' and 'the Company' refer to OMH and its operating entities. References to 'the Plant' refer to the ferroalloy smelting plant in Sarawak, Malaysia, owned and operated by OM Sarawak.

The Sustainability Management Committee thoroughly reviewed the content of this Statement to ensure its accuracy and integrity before Board approval.

### External Assurance

OMH engaged BSI Services Malaysia to provide independent verification of the Greenhouse Gas ("GHG") emissions calculations in FY2023. The verification was carried out in accordance with ISO 14064-1:2018 and the principles of ISO 14065:2013. The verification was conducted at a reasonable level of assurance at a materiality of 10%. The GHG inventory report was prepared in accordance with the requirements of ISO 14064-1:2018 Greenhouse Gases, the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, and the Greenhouse Gas Protocol Corporate Value Chain (Scope 3).

### Feedback

OMH welcomes stakeholder support and feedback for improvements as it progresses on its sustainability journey. Please direct queries and commitments to [investor.relations@ommaterials.com](mailto:investor.relations@ommaterials.com).

## Stakeholder Engagement

OMH values its stakeholders, including those affected by operations and those influencing its decisions. Recognising their importance to the Group's long-term success, we have continuously engaged these stakeholders, keeping them informed and gathering feedback on their priorities. Understanding their concerns and expectations helps us prioritise effectively and develop strategies that create value for them.

As part of our materiality assessment, we conducted a stakeholder identification and prioritisation exercise to identify OMH's material Economic, Environmental, and Social ("EES") topics. This assessment engaged both internal and external stakeholders. The table below summarises OMH's engagement.

*Legend for engagement frequency*

Annually	●	Ongoing	●
Semi-annually	●	As needed	●
Quarterly	●		

Key Stakeholders	Methods of Engagement & Frequency of Engagement	Areas of Interest	Link to Material Matter
<b>Board of Directors and Employees</b>	<ul style="list-style-type: none"> <li>● Board meetings</li> <li>● Meetings and briefings</li> <li>● Employee performance appraisals</li> <li>● Training and development</li> <li>● Team building and activities</li> <li>● Townhall sessions</li> </ul>	<ul style="list-style-type: none"> <li>• Group's performance, direction, and strategy</li> <li>• Corporate governance</li> <li>• Occupational health and safety</li> <li>• Training and career advancement</li> <li>• Workplace and accommodation environment</li> <li>• Climate-related risks and sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Economic performance</li> <li>• Occupational health and safety</li> <li>• Talent management</li> <li>• Human rights</li> <li>• Critical incident risk management</li> <li>• Climate change and energy</li> </ul>
<b>Government and Regulators</b>	<ul style="list-style-type: none"> <li>● Regular compliance report</li> <li>● Ad-hoc surveys and reports</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with laws and regulations</li> <li>• Economic impact</li> </ul>	<ul style="list-style-type: none"> <li>• Regulatory compliance</li> <li>• Economic performance</li> <li>• Business ethics, values and governance</li> <li>• Waste management</li> <li>• Water and effluents</li> <li>• Pollution and non-GHG emissions</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>● Regular communication via telephone and emails</li> <li>● Ad-hoc visits</li> </ul>	<ul style="list-style-type: none"> <li>• Maintaining customer relationships</li> <li>• Potential collaborations</li> <li>• Climate change and sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Product quality and safety</li> <li>• Climate change and energy</li> <li>• Data privacy and security</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>● Supplier surveys</li> <li>● Regular communications via telephone and emails</li> <li>● Ad-hoc visits</li> </ul>	<ul style="list-style-type: none"> <li>• Maintaining supplier relationships</li> <li>• Potential collaborations</li> <li>• Quality of products procured</li> <li>• Upholding fundamental human rights</li> </ul>	<ul style="list-style-type: none"> <li>• Supply chain management</li> <li>• Human rights</li> </ul>
<b>Financial Communities</b>	<ul style="list-style-type: none"> <li>● Financial statements</li> <li>● ASX and Bursa Malaysia announcements</li> <li>● Compliance reporting</li> <li>● Annual reports</li> <li>● Company presentations</li> </ul>	<ul style="list-style-type: none"> <li>• Business and financial performance</li> <li>• Future prospects and plans</li> <li>• Environmental, Social and Governance ("ESG") and sustainability matters</li> </ul>	<ul style="list-style-type: none"> <li>• Economic performance</li> <li>• Climate change and energy</li> <li>• Waste management</li> <li>• Water and effluents</li> <li>• Land remediation, contamination and degradation</li> </ul>
<b>Investors / Investment Community</b>	<ul style="list-style-type: none"> <li>● Annual General Meetings</li> <li>● Annual reports</li> <li>● Company presentations</li> <li>● ASX and Bursa Malaysia announcements</li> <li>● Analyst and retail briefings</li> </ul>	<ul style="list-style-type: none"> <li>• Business and financial performance</li> <li>• Future prospects and plans</li> <li>• ESG and sustainability matters</li> </ul>	<ul style="list-style-type: none"> <li>• Economic performance</li> <li>• Climate change and energy</li> <li>• Waste management</li> <li>• Water and effluents</li> <li>• Land remediation, contamination and degradation</li> <li>• Pollution and non-GHG emissions</li> <li>• Ecological impacts</li> <li>• Human rights</li> </ul>
<b>Local Communities</b>	<ul style="list-style-type: none"> <li>● Regular community projects</li> <li>● Annual back to school programmes</li> <li>● Sponsorships and donations</li> </ul>	<ul style="list-style-type: none"> <li>• Community development</li> <li>• Employment opportunities</li> <li>• Environmental preservation</li> </ul>	<ul style="list-style-type: none"> <li>• Community development</li> <li>• Human rights</li> <li>• Waste management</li> <li>• Water and effluents</li> <li>• Pollution and non-GHG emissions</li> </ul>
<b>JV Partners</b>	<ul style="list-style-type: none"> <li>● Regular communications via telephone and emails</li> <li>● ASX and Bursa Malaysia announcements</li> <li>● Internal Board meetings</li> <li>● Joint venture reporting and meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Maintaining partnerships</li> </ul>	<ul style="list-style-type: none"> <li>• Economic performance</li> </ul>



## IDENTIFYING AND PRIORITISING MATERIALITY IN OUR OPERATIONS

The OMH materiality study thoroughly explores critical factors influencing organisational impact. Analysing material aspects steers the Group towards well-informed decision-making and responsible resource allocation, fostering resilience for the future. This approach ensures that our customised sustainability initiatives effectively address pressing concerns, aligning our efforts with the pivotal aspects of our business and societal impact.

### THE METHODOLOGY

During the last quarter of FY2023, OMH engaged an external consultant to conduct an updated materiality analysis, ensuring the confidentiality of respondents. The previous analysis was conducted in 2021. A survey was administered to stakeholders, soliciting their evaluations on the significance of 18 sustainability areas. Respondents used a 5-point Likert Symmetric Scale, ranging from “very unimportant” (1) to “very important” (5), with a midpoint of (3) denoting neutrality. The Board and Senior Management Team actively participated, contributing valuable insights to OMH’s comprehensive understanding.

*Stakeholder Groups Involved in OMH Materiality Study 2023*















The Group ensures its sustainability practices contribute to local stakeholders and broader goals. The material topics are aligned with the SASB Standards for the Metals & Mining industry. The following table maps each material matter against the corresponding GRI topics and UNSDGs.

*Description of Materiality Study Topics*

Topic	What We Do	Corresponding GRI Topics & UNSDGs	Sections of the Report
<b>Economic Performance</b>	Our Sarawak flagship smelter produces vital ferrosilicon and manganese alloys essential for steelmaking and industrial applications, driving the transition to a low-carbon economy and significantly contributing to the local economy.	<ul style="list-style-type: none"> <li>Economic Performance</li> <li>Tax</li> </ul>   	<ul style="list-style-type: none"> <li>Defining Tomorrow Through Innovative Solutions</li> <li>Entering a Golden Age of Commodities</li> </ul>
<b>Regulatory Compliance</b>	We ensure compliance through regular audits, including annual Silica Fume Compliance and Special Waste Management audits. Our operations undergo frequent external audits and compliance checks to maintain stringent oversight, as required by our ISO certifications. We received no reports of non-compliance with operations, ethical conduct, labour standards, or environmental issues during the year.	<ul style="list-style-type: none"> <li>Anti-Corruption</li> <li>Anti-Competitive Behaviour</li> <li>Tax</li> </ul> 	<ul style="list-style-type: none"> <li>Defining Tomorrow Through Innovative Solutions</li> <li>Ethics and Compliance</li> <li>Environmental Compliance</li> <li>Our People</li> </ul>
<b>Supply Chain Management</b>	We have integrated our sustainability supply chain approach into our commitment to ethical, social, and environmental principles. This process includes implementing measures such as a Supplier Assessment Questionnaire (“SAQ”), incorporating ISO 14001 and ISO 45001 requirements into the Supplier Code of Conduct, requiring suppliers to declare adherence to our Supplier Code of Conduct, and extending relevant policies such as our Anti-Bribery and Corruption Policy to all suppliers.	<ul style="list-style-type: none"> <li>Indirect Economic Impacts</li> <li>Procurement Practices</li> <li>Supplier Environmental Assessment</li> <li>Supplier Social Assessment</li> </ul>  	<ul style="list-style-type: none"> <li>Responsible Supply Chain</li> </ul>



# SUSTAINABILITY STATEMENT

Topic	What We Do	Corresponding GRI Topics & UNSDGs	Sections of the Report
<b>Business Ethics, Values &amp; Governance</b>	OMH has implemented a comprehensive Code of Conduct that extends to all operations, including business partners, supplemented by supporting documents such as the Anti-Bribery and Anti-Corruption Policy, Employee Handbook, and Environmental Management Systems.	<ul style="list-style-type: none"> <li>• Anti-Corruption</li> <li>• Anti-Competitive Behaviour</li> <li>• Public Policy</li> </ul> 	<ul style="list-style-type: none"> <li>• Ethics and Compliance</li> </ul>
<b>Critical Incident Risk Management</b>	We conduct materiality assessments to manage risks, exercise precaution, and align strategy. The Company has formalised its approach to ESG risk in its Policy for Risk Management. In response to the climate crisis, we have conducted comprehensive climate scenario analysis and mapped climate-related risks and potential impacts.	<ul style="list-style-type: none"> <li>• Material Topics</li> <li>• Economic Performance</li> </ul> 	<ul style="list-style-type: none"> <li>• Identifying and Prioritising Materiality in Our Operations</li> <li>• Managing Sustainability Risk</li> </ul>
<b>Climate Change &amp; Energy</b>	<p>Our operations demand a consistent electricity supply, especially for the high-temperature smelting processes crucial in transforming raw materials into ferroalloys. Through our climate change response strategy, we aim to expand renewable energy usage, reduce operational emissions, and enhance energy efficiency across our manufacturing processes.</p> <p>Initiating ISO 50001:2018 certification in 2024 will further improve energy performance and contribute to our decarbonisation journey.</p>	<ul style="list-style-type: none"> <li>• Energy</li> <li>• Emissions</li> </ul> 	<ul style="list-style-type: none"> <li>• Addressing Climate Change</li> <li>• Energy Management and Consumption</li> </ul>
<b>Pollution &amp; Non-GHG Emissions</b>	OM Sarawak minimises non-greenhouse gas emissions by optimising production processes and employing pollution control technologies. We conduct regular Ambient Air Quality Monitoring and equip furnaces with Air Pollution Control Systems (APCS). In FY2023, we upgraded one tapping deduster, which increased its capacity to reduce air emissions and pollution. We plan to optimise the system further by upgrading six more.	<ul style="list-style-type: none"> <li>• Emissions</li> </ul>  	<ul style="list-style-type: none"> <li>• Emissions Management</li> </ul>
<b>Ecological Impacts</b>	<p>OMH collaborated with the International Manganese Institute ("IMnI") to conduct a thorough 'cradle-to-gate' Life Cycle Analysis ("LCA") focusing on manganese ore and alloys, providing insight into environmental impact. In FY2023, we expanded the LCA scope to include ferrosilicon.</p> <p>We have partnered with SFC to restore 10 hectares of degraded forest in Similajau National Park.</p>	<ul style="list-style-type: none"> <li>• Biodiversity</li> </ul>  	<ul style="list-style-type: none"> <li>• Using Lifecycle Analysis to Address Environmental Concerns</li> <li>• Biodiversity and Conservation</li> </ul>
<b>Waste Management</b>	We uphold a robust waste management procedure aligned with ISO 14001:2015, emphasising efficiency and incorporating the principles of 3R ("Reduce, Reuse, Recycle"). We follow regulated scheduled management practices outlined in the Environmental Quality (Scheduled Wastes) Regulations 2005, guided by our Environmental Management System.	<ul style="list-style-type: none"> <li>• Waste</li> </ul>  	<ul style="list-style-type: none"> <li>• Waste Management</li> </ul>
<b>Resource Use</b>	OM Sarawak recycles and reuses most of its by-products (slags, dust and fines) as raw materials for production to reduce waste. We are exploring repurposing SiMn slag as a substitute for natural aggregates in concrete.	<ul style="list-style-type: none"> <li>• Materials</li> </ul> 	<ul style="list-style-type: none"> <li>• Towards Zero Waste and Circularity</li> </ul>
<b>Water &amp; Effluents</b>	OM Sarawak's municipal water supply is sourced away from sensitive or protected water bodies, while cooling water for the furnace system operates within a closed-loop system, treated and recycled with minimal loss from vaporisation in the cooling tower. Effluent discharge consistently meets permissible limits set by the Environmental Quality (Industrial Effluent) Regulations, 2009, throughout FY2023.	<ul style="list-style-type: none"> <li>• Water and Effluents</li> </ul>  	<ul style="list-style-type: none"> <li>• Water and Effluents Management</li> </ul>

# SUSTAINABILITY STATEMENT

Topic	What We Do	Corresponding GRI Topics & UNSDGs	Sections of the Report
<b>Land Remediation, Contamination &amp; Degradation</b>	We have set precise objectives, strategies, and targets for effective soil and land management. OMM undertakes the rehabilitation of infrastructure areas before closure, with plans to remediate tracks, roads, and exploration areas that are no longer in use.	<ul style="list-style-type: none"> <li>Biodiversity</li> </ul> 	<ul style="list-style-type: none"> <li>Land Remediation, Contamination and Degradation</li> </ul>
<b>Community Development</b>	<p>We adhere to a Community Relations Policy that serves as a framework for our engagements with society.</p> <p>In 2023, we exemplified our commitment to social responsibility by making a total of RM800,000 in donations.</p>	<ul style="list-style-type: none"> <li>Local Communities</li> </ul>     	<ul style="list-style-type: none"> <li>Community Relations</li> <li>Sponsorship, Donation and Community Giving</li> </ul>
<b>Human Rights</b>	The Company and the Group's operations follows local and international human rights codes. The Group has formalised its Human Rights Policy, which covers its commitment to protecting the rights of employees, partners, local communities, and all those affected by OMH's operations.	<ul style="list-style-type: none"> <li>Labour Management Relations</li> <li>Diversity and Equal Opportunity</li> <li>Non-Discrimination</li> <li>Freedom of Association and Collective Bargaining</li> <li>Child Labour</li> <li>Forced or Compulsory Labour</li> <li>Security Practices</li> <li>Rights of Indigenous Peoples</li> </ul>   	<ul style="list-style-type: none"> <li>Human Rights</li> </ul>
<b>Talent Management</b>	<p>OMH believes in fair remuneration and provides attractive benefits to its employees.</p> <p>We also provide customised training to equip every employee with the necessary skills and opportunities for job performance and career advancement. Additionally, we collaborate with UNIMAS on a Certificate in Manufacturing Technology (Smelting) programme, to foster talent development in the local community.</p>	<ul style="list-style-type: none"> <li>Market Presence</li> <li>Training and Education</li> </ul>    	<ul style="list-style-type: none"> <li>Honouring Contributions With Equitable and Fair Remuneration</li> <li>Unlocking Potential Through Talent Enrichment</li> </ul>

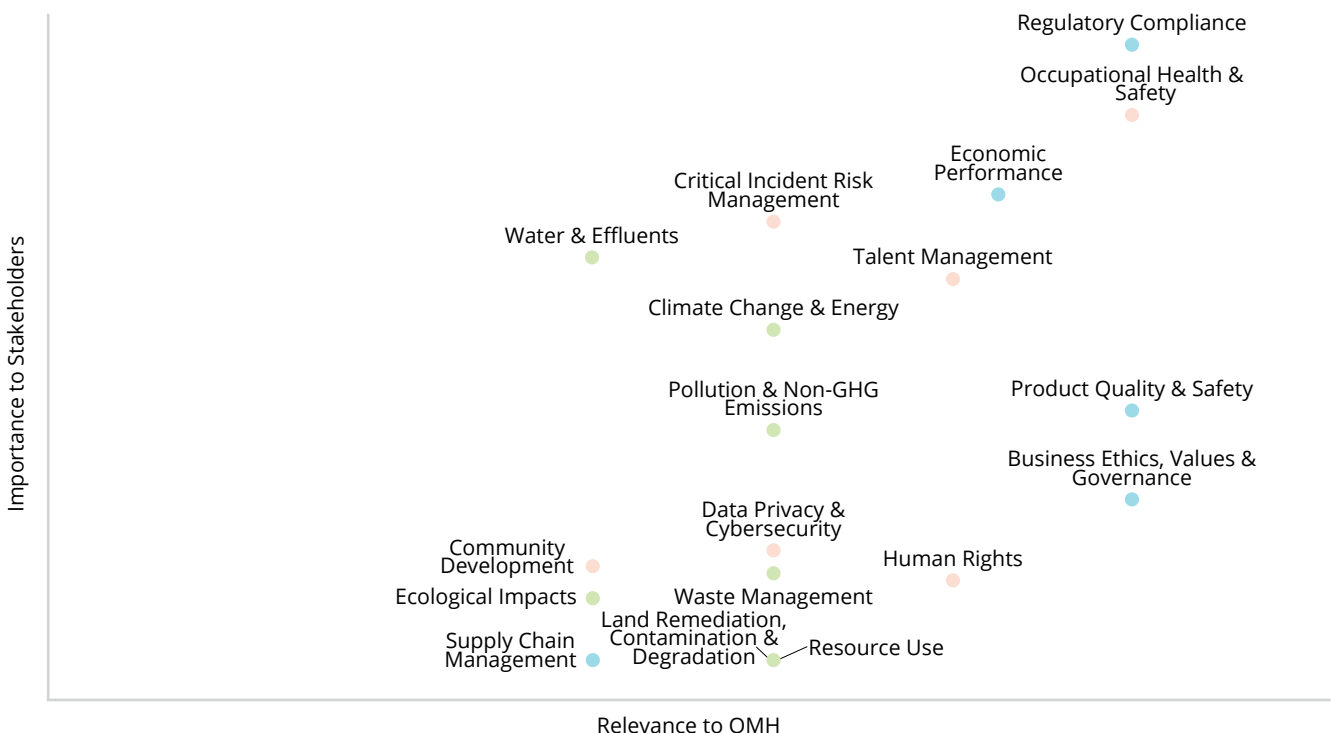
# SUSTAINABILITY STATEMENT

Topic	What We Do	Corresponding GRI Topics & UNSDGs	Sections of the Report
<b>Occupational Health &amp; Safety</b>	<p>We ensure compliance in every country where we operate. For example, in the Northern Territory of Australia, we adhere to the Work Health and Safety (National Uniform Legislation) Act 2011, while in Malaysia, we comply with requirements set by the Department of Occupational Safety and Health (“DOSH”).</p> <p>Our operations undergo regular external audits and compliance checks to maintain stringent oversight. OM Sarawak obtained ISO 45001:2018 certification in 2023.</p>	<ul style="list-style-type: none"> <li>Occupational Health and Safety</li> </ul>   	<ul style="list-style-type: none"> <li>Health and Safety</li> </ul>
<b>Product Quality &amp; Safety</b>	<p>We subject our products to rigorous testing following the “United Nations Recommendations on the Transport of Dangerous Goods, Manual of Tests and Criteria Part III – 33.4.1.4”. Additionally, as part of our quality control system, we have established quality and inspection procedures for raw materials and finished products.</p>	<ul style="list-style-type: none"> <li>Customer Health and Safety</li> <li>Marketing and Labelling</li> </ul> 	<ul style="list-style-type: none"> <li>Product Safety</li> <li>Product Quality</li> </ul>
<b>Data Privacy &amp; Cybersecurity</b>	<p>We enforce Data Protection and Privacy practices throughout the Group. Additionally, OMH maintains a robust cybersecurity infrastructure, bolstering its digital defences against cyber threats.</p>	<ul style="list-style-type: none"> <li>Customer Privacy</li> </ul> 	<ul style="list-style-type: none"> <li>Cybersecurity and Data Privacy</li> </ul>

## MATERIALITY MATRIX

The results of our FY2023 materiality assessment showed a similar trend as the 2021 assessment. Five new material topics were identified, namely, Pollution & Non-GHG Emissions, Ecological Impacts, Resource Use, Data Privacy & Cybersecurity, and Critical Incident Risk Management. Regulatory Compliance, Talent Management, and Product Quality & Safety increased in importance, while Land Remediation, Contamination & Degradation, Waste Management, and Water & Effluents have decreased in importance.

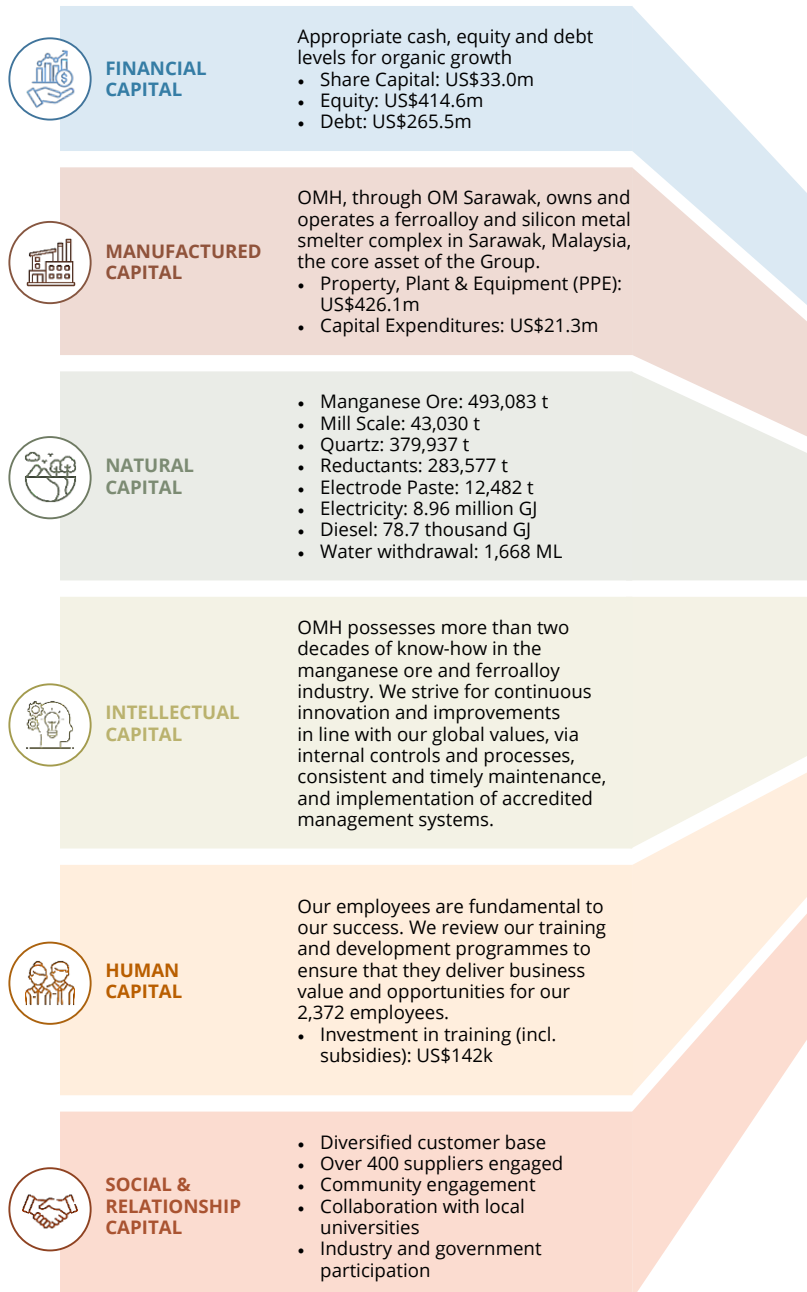
Legend: ● Economic ● Environmental ● Social



## SUSTAINABLE VALUE CREATION

Our value creation model illustrates how OMH harnesses valuable resource inputs, or “capitals”, to deliver long-term value for customers, investors, employees, society and the Company. We aligned the capital categories with the International Integrated Reporting Framework. All capitals are interrelated, and business activities often require a mix of capital. We aim to allocate our resources based on these capitals effectively by maximising their potential value and minimising their negative impacts as part of our continuous drive to improve. The created shared value strengthens the capitals and becomes a source of further value creation. By repeating this cycle, we strive to achieve sustainable growth.

### INPUTS



### OUR PURPOSE

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



### STRATEGIC OBJECTIVES

- Strive to deliver stable margins
- Grow as a sustainable ferroalloy producer to the world's steelmakers
- Continue to optimise the capital structure by balancing total debt and sustainable dividends
- Strive to achieve highest purity grade for silicon metal to diversify into the polysilicon industry

#### Units

t: tonne

kt: kilotonne

GJ: gigajoule

ML: megalitre

## OUTPUTS

## OUTCOMES

### DIRECT ECONOMIC VALUE CREATED & DISTRIBUTED TO STAKEHOLDERS

**Revenue:** US\$589.2m

#### Economic Value Distributed:

- Operating Costs (excl. employee wages and benefits): US\$516.7m
- Employee wages and benefits: US\$41.0m
- Payments to providers of capital: US\$34.7m
- Taxes paid: US\$6.0m
- Donations to and sponsor of local activities: US\$180k

Contributed RM70 million per month to Sarawak economy in FY2023 via purchases of raw materials, goods & services

#### PRODUCTION

Ferrosilicon: 139,529 t

Manganese alloys: 294,432 t

#### SALES

1,909,869 t of ores and alloys traded globally

#### SUSTAINABLE OPERATIONS

- Smelter complex powered predominantly by hydropower
- Continuous optimisation of smelter processes resulting in less than 1% of unscheduled downtime in FY2023 over total operational hours

#### EMISSIONS & WASTE

- GHG Emissions: 1,759.23 kt CO<sub>2</sub>e
- Non-GHG Emissions: 760.7 kt
- Scheduled Waste generated: 174.6 kt
- Solid Waste generated: 0.31 kt
- Scheduled Waste reused: 110 kt
- Water discharge: 20.14 ML

#### SUSTAINABLE OFFERING

- OM Sarawak achieved ISO 14001 (Environmental Management System) certification in FY2023
- Completed upgrading of first tapping deduster in FY2023 to reduce air emissions and pollution
- 800 trees planted and RM74,500 contributed to the local community as part of the Rewilding Project

#### RELIABLE PARTNER

OMH continues to retain long-term contracts and strong relationships with stakeholders as proof of our commitment to upholding high standards of service and conducting continuous improvements.

#### A SAFE WORK ENVIRONMENT WITH GOOD OPPORTUNITIES

Opportunities for competence and career development for employees

- Average training hours per employee: 74.3 hr

A healthy and safe work environment for OMH's employees and contractors with zero fatalities

- LTIR (employees & workers who are not employees): 3.79 per million manhours
- OM Sarawak achieved ISO 45001 (Occupational Health & Safety Management System) certification in FY2023

#### SUPPLY CHAIN

- Supplies manganese ore to China
- Supplies ferroalloys to over 10 countries, predominantly Japan, South Korea, Taiwan, USA and the EU

#### RESPONSIBLE PARTNER

Creation of local employment through own operations and local sourcing

- Local employment: >1,400
- Local suppliers engaged: 92.3%

# SUSTAINABILITY STATEMENT

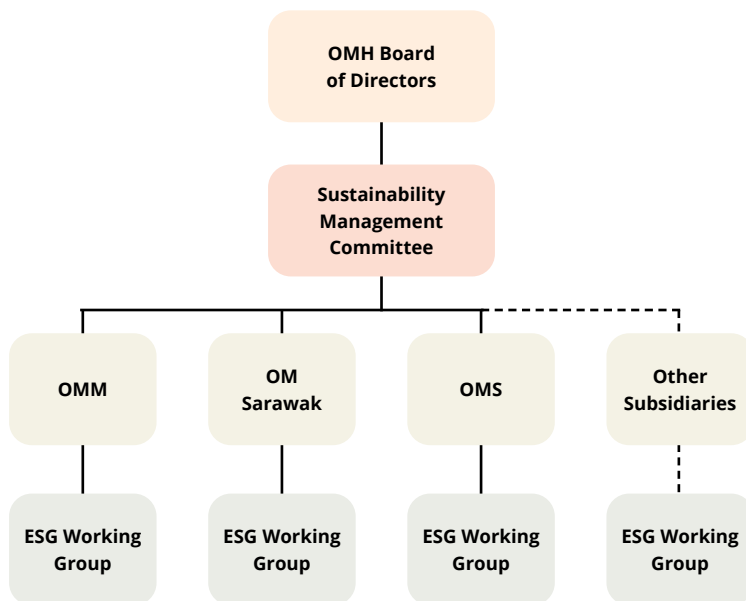
## SUSTAINABILITY GOVERNANCE

At OMH's top governance level, the Board of Directors ("Board") supervises the formulation and adoption of sustainability strategies alongside related policies. The Sustainability Management Committee is responsible for outlining execution plans and overseeing the implementation of Board-sanctioned strategies.

Every significant subsidiary instituted working groups dedicated to overseeing the business's environmental, social, and governance aspects. These groups specifically concentrate on executing and

implementing corresponding strategies and initiatives. These working groups comprise representatives from the material subsidiaries and relevant departments.

We also established a dedicated Environmental Regulatory Compliance Monitoring Committee and Environmental Performance Monitoring Committee. These committees monitor the implementation and efficacy of environmental policies and formulate additional implementation measures if deemed necessary.



### OMH Board of Directors

*Sets the strategic roadmap, reviews and approves the Group's Sustainability Statement.*

### Sustainability Management Committee

1. Sets out the execution plans, oversees and reviews the implementation of sustainability strategies approved by the Board.
2. Responsible for reviewing and updating the materiality matrix when required.
3. Reports to the Board.

### Subsidiaries

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

## SUSTAINABLE GOALS LEAD THE WAY

The 2030 Agenda for Sustainable Development, adopted by all United Nations member states, provides a blueprint for people and the planet to eliminate poverty, fight inequality, safeguard our oceans and forests and halt climate change. UNSDGs reflect three dimensions: Climate and Environment, Economy, and Social Conditions.

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



OMH upholds a robust ethical framework, prioritising the health and safety of employees, supply chain partners, and all workers and contractors. Our employment practices safeguard human rights, the environment, and other determined requirements. Together, we deliver inclusive and sustainable economic growth.



OMH actively contributes to this goal by providing manganese ores and ferroalloys, essential elements for manufacturing high-quality steel required to transition to a low-carbon economy. OMH promotes economic growth through sustainable industrialisation, focusing on research and development to consistently develop cleaner and environmentally friendly production technologies. Continual infrastructure enhancements help meet forthcoming sustainability demands. Our emphasis on innovation, science and technology remains imperative to achieving sustainable industrialization and driving economic growth.



OMH remains committed to investing in research and development, continually striving for improvement, and actively reducing resource consumption and emissions. Our dedication to responsible consumption and production involves optimising resource use, mitigating emissions, reducing waste, and minimising environmental impacts while fostering sustainable economic growth.



OMH optimises energy usage through process refinement and operational enhancements, and exploring energy recovery solutions. OMH also invests in new and alternative technologies to reduce direct carbon emissions from production operations. This proactive approach aligns with the Company's commitment to sustainable practices for improved energy efficiency and decreased intensity of greenhouse gas emissions across operations.

# SUSTAINABILITY STATEMENT

## OMH's Short-Term Sustainability Targets

Material Topics	Short-Term Targets (2023-2026)	Target Year	Progress
<b>Occupational Health and Safety</b>	Achieve Zero (0) workplace fatalities	Continuous	✓ Target achieved. Zero workplace fatalities reported in FY2023
	Achieve ISO 45001 Occupational Health and Safety Management System	2023	✓ Target achieved. Certification obtained in December 2023
<b>Talent Management</b>	60 local employees trained to replace foreign staff at OM Sarawak	Continuous	✓ Target achieved. A total of 91 local employees were trained to replace foreign staff in FY2023
	Achieve 75% localisation rate for key smelting operation positions* by prioritising local talent recruitment and training & development	2025	🕒 Ongoing work in progress. Year 2023: Stoking Operator: 79% Tapping Operator: 50% Smelter Lifting Operator: 48% Power Distribution Operator: 50%
	<i>*Consists of stoking operators, smelter listing operators and tapping operators</i>		
<b>Environmental Management</b>	Achieve ISO 14001 Environmental Management System certification	2023	✓ Target achieved. Certification obtained in December 2023
<b>Energy Management</b>	Achieve ISO 50001 Energy Management System	2024	🕒 Ongoing work in progress. Implementation expected to take 9-10 months.
<b>Air Emissions</b>	To eliminate fugitive fumes from tapping process. Complete 3 tapping deduster construction for 3 FeSi production workshops.	2024-2026	🕒 Ongoing work in progress. Construction of tapping deduster for 1 workshop completed on 2 January 2024.
<b>Climate Change</b>	Establish Decarbonisation Plan	2024	🕒 Ongoing work in progress
	Achieve ISO 14067 Product Carbon Footprint Certification	2026	🕒 Ongoing work in progress
	Complete feasibility study for waste heat recovery and power generation	2026	🕒 Feasibility study in progress
<b>Waste Management</b>	Repurpose 80% of scheduled waste within the circular economy framework	Continuous	✓ Target achieved. >90% scheduled waste recycled in FY2023
	Achieve ISO/IEC 17025 Silica Fume Lab Accreditation	2024	🕒 Ongoing work in progress
	Establish "Green Aggregate Product" for silicomanganese slag	2025	🕒 Ongoing work in progress
<b>Quality Management</b>	Achieve ISO 9001 Quality Management System	2025	🕒 Ongoing work in progress
<b>Biodiversity</b>	To plant 10,000 native tree species in Similajau National Park	2026	🕒 Ongoing work in progress. Planted 800 trees in FY2023. To continue to plant 2,528 trees in 2024, 3,336 trees in 2025 and 3,336 trees in 2026
<b>Responsible Supply Chain</b>	100% of suppliers to comply with OMH's Supplier Code of Conduct, and Anti-Bribery & Corruption Policy	2026	🕒 Ongoing work in progress. Year 2023: Code of Conduct: 61% Anti-Bribery & Corruption: 87%



## SUSTAINABLE ECONOMIC GROWTH

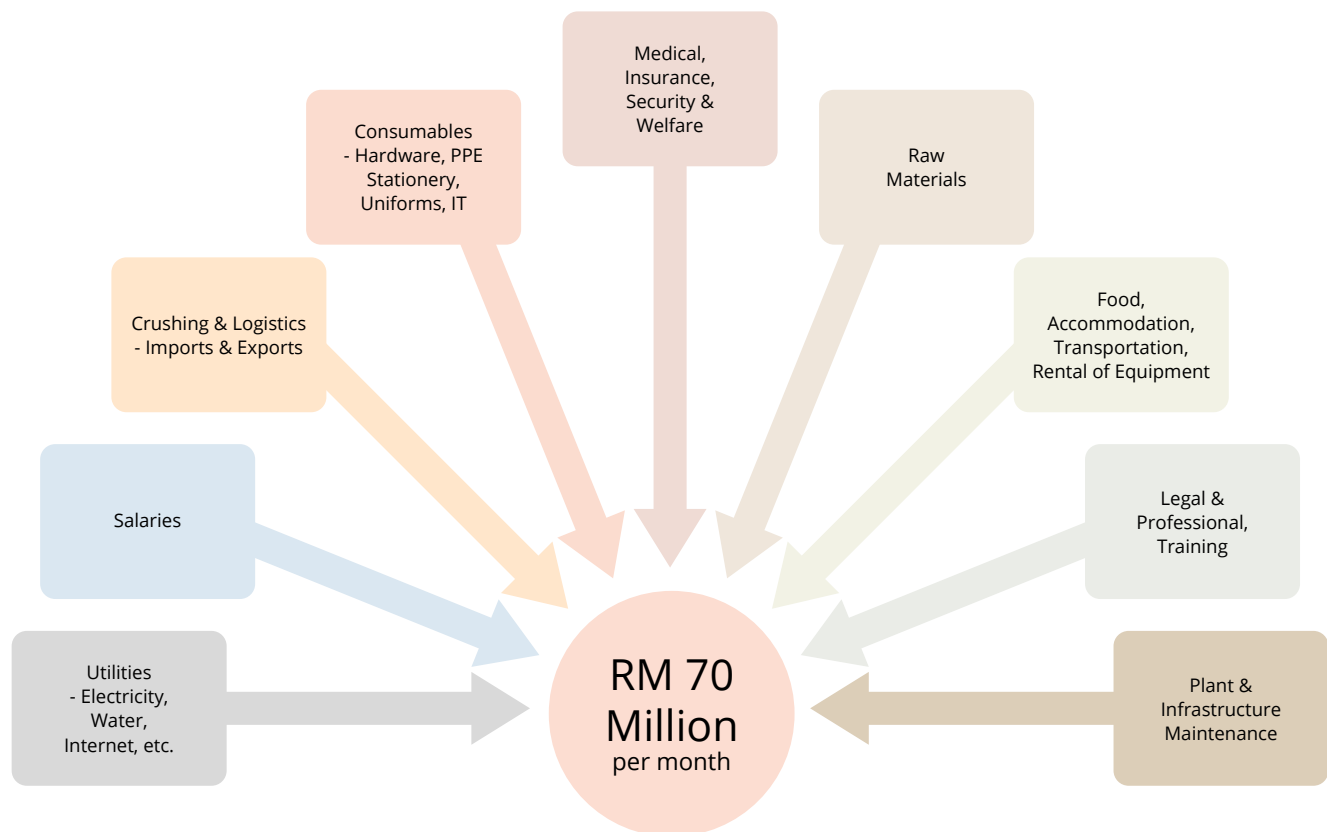
OMH remains steadfast in its commitment to driving growth and value creation, benefiting customers, shareholders and employees while responding to the imperative for a sustainable future. As a leading manganese and silicon company in the region, we consistently excel in economic competitiveness and environmental standards, owing to our extensive knowledge accumulation, targeted investments, and ongoing organisational development. Continuously pursuing advancements in technology and operations, OMH strengthens its position and contributes to economic sustainability, setting pioneering industry benchmarks and propelling the nation towards a more sustainable future.

## DEFINING TOMORROW THROUGH INNOVATIVE SOLUTIONS

Our flagship smelter in Sarawak manufactures ferrosilicon and manganese alloys, essential additives in steelmaking and various industrial applications. These ferroalloys have no substitutes and are critical for producing the most fundamental steel products, playing a crucial role in transitioning to a low-carbon economy and promoting global sustainable solutions. Our operations substantially contribute to Sarawak's economy through significant expenditures and investments.

## HIGH SOCIO-ECONOMIC RETURN

*RM70 million per month contributed to Sarawak economy in FY2023*



## OMH's Key Activities



### Mining & Exploration

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



### Smelting & Sintering

Smelting converts raw ores mined from the ground into semi-finished alloys used in various industrial applications. Sintering is the process of heating and fusing powdered ore into higher-grade, semi-processed ores. The Group owns two smelting plants in Samalaju (Sarawak, Malaysia) and Qinzhou (Guangxi, China). The flagship smelter complex in Samalaju produces ferrosilicon, silicomanganese and high-carbon ferromanganese, while the smelter in Qinzhou has the capacity to produce high-carbon ferromanganese and sintered ore. Production at the Qinzhou plant ceased in December 2021 due to high power tariffs in China. A Share Sale Agreement for the sale of a 90% equity interest in OMQ was executed on 1 November 2023 and OMS has retained a 10% interest in OMQ.



### Marketing & Trading

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



### Investments

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

Exports help develop the nation, facilitating international trade and stimulating domestic economic activity by creating employment, production and revenues. OM Sarawak exports approximately 90% of its products, primarily to Japan, South Korea, Taiwan, Southeast Asia, USA and the EU.

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

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

# SUSTAINABILITY STATEMENT

OMH attributes its success to sustained emphasis on talent development, operational improvements, leveraging economies of scale, and increased efficiencies across the supply chain from raw material procurement to manufacturing and product sales.

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

## TAX PRACTICES

Taxes are crucial in generating government revenue, shaping fiscal policies and maintaining macroeconomic stability within nations. As a good corporate citizen, it is our responsibility to adhere to tax laws and be accountable for maintaining high standards in tax management.

*Read more about our tax practices within the FY2023 Financial Statements.*

## THRIVING IN THE GLOBAL SHIFT - PRODUCING YESTERDAY'S COMMODITIES TODAY, SUSTAINABLY

OMH is one of the world's lowest-quartile ferroalloy smelting operators. Economic recovery and a structural supply disruption caused by global decarbonisation have created significant demand. These conditions make OMH a prime beneficiary of rising power prices and the global transition to renewables.

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

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

We are maintaining existing core products for the steel industry with diversification into electronic, chemical and solar sectors.

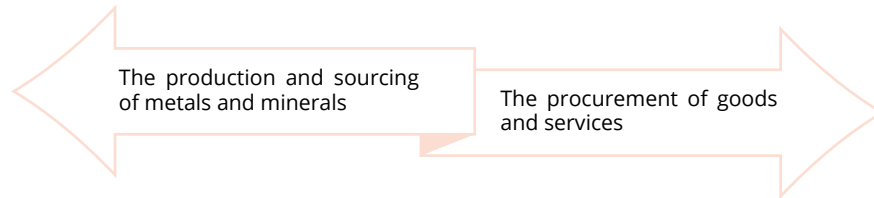
## Metals for today and tomorrow





## RESPONSIBLE SUPPLY CHAIN

OM Sarawak follows standard operating procedures for annual performance evaluations concerning spare parts, auxiliary equipment and service providers. The assessment encompasses five criteria: Price, Delivery, Quality, Technical Aspects, and Responsiveness, considering our Risk-Based Responsible Sourcing Strategy. In Singapore, OMS oversees the Group's product and trade flow and conducts performance evaluations for raw material suppliers.



We ingrained our sustainable supply chain approach in our commitment to ethical, social, and environmental principles. Prioritising these values in our interactions with suppliers and customers aligns our operations with sustainability goals.

Central to our approach is the comprehensive understanding and proactive management of risks related to human rights violations, environmental impacts, and other pertinent concerns within our supply chain. Through risk-based due diligence, an integral part of our responsible sourcing strategy, we identify and evaluate risks associated with Conflict-Affected and High-Risk Areas ("CAHRAs"). This meticulous assessment allows us to adopt a collaborative approach to mitigate these risks, particularly those linked to human rights violations, throughout the supply chain.

As part of our rigorous standards, all raw material suppliers since 2018 must furnish a Declaration Letter of Compliance. This declaration verifies their adherence to sustainable practices and confirms the absence of child and forced labour within their operations. This mandatory requirement ensures that our suppliers align with our commitment to ethical and responsible practices, fostering a sustainable and conscientious supply chain ecosystem.

This year, OMS implemented a Supplier Self-Assessment Questionnaire ("SAQ") for its primary suppliers to enhance our supply chain due diligence. The SAQ gained deeper insights into how suppliers identify and manage their Environmental, Social, and Governance impacts and risks. This initiative allowed us to engage our key suppliers actively, demonstrating our commitment to responsible sourcing.

### Topics in Supplier Code of Conduct Self-Assessment Questionnaire



OM Sarawak has integrated ISO 14001 and ISO 45001 requirements into its Supplier Code of Conduct. In FY2023, 61% of 244 eligible suppliers signed the Supplier Code of Conduct declaration. No suppliers were disqualified due to ethical or human rights violations in FY2023.

OM Sarawak extended its Anti-Bribery and Corruption Policy to suppliers as part of our continued monitoring of risks across the supply chain. As of FY2023, 87% of the 244 suppliers had submitted the Anti-Bribery and Corruption policy.

As at 31 December 2023, the Group has 422 suppliers providing its production entities, with raw materials, energy, goods, services and logistics. OMH diligently oversees and maintains detailed supplier and purchasing information for these subsidiaries.

# SUSTAINABILITY STATEMENT

OMH prioritises sourcing and procuring goods and services from local suppliers, fostering support for the local economy. Auxiliary materials suppliers and service providers are primarily domestic. In FY2023, we engaged 422 suppliers, of which approximately 92% were local. However, given the highly specialised nature of ferroalloy production, specific feedstock, such as ore or metallurgical coke, are only available in particular geographic locations. As such, we often purchase bulk raw materials from foreign suppliers as they are unavailable locally. In FY2023, foreign supplier purchases accounted for approximately 90% of total purchases.

Company	No. of Suppliers	Supplier Location (%)		Purchase Location (%)	
		Local	Foreign	Local	Foreign
OMM (Australia)	48	100%	-	100%	-
OM Sarawak (Malaysia)	359	91.0%	9.0%	9.7%	90.3%
OMQ (China)	15	100%	-	100%	-

## ETHICS AND COMPLIANCE

Upholding ethical conduct and compliance is the cornerstone of our organisational ethos. We trust our employees and business partners to understand and adhere to the ethical, legal and job-specific policy requirements. Any perceived breaches of the law or our Group's Code of Conduct are strongly encouraged to be reported, fostering a culture of accountability and transparency.

Our Code of Conduct is a comprehensive guide, meticulously outlining our standards, legal responsibilities, and expected behaviour. Covering essential facets, including business ethics, conflict resolution, fair competition, sustainability, human rights, and community welfare, it serves as a guiding beacon for ethical conduct within OMH. The Code of Conduct stipulates that we must conduct all business dealings solely in the business's best interests and actively avoid conflicts of interest.

We encourage our business partners to acknowledge and affirm their commitment to upholding the Code of Conduct before formalising any agreements in alignment with our dedication to ethical practices. This pledge ensures a shared commitment to ethical conduct, sustainability, and the well-being of our communities, fostering an ecosystem built on integrity and responsibility.

OM Sarawak implemented an Anti-Bribery and Anti-Corruption Policy in 2022 as a proactive measure to ensure operations remain free from any form of corruption or bribery. This policy strictly follows all relevant laws and regulations in Malaysia, including the Malaysian Anti-Corruption Commission Act 2009, the Companies Act 2006, and the Penal Code.

## Anti-Bribery and Corruption

OMH maintains a staunch commitment to ethical business practices, adhering to laws and regulations while maintaining a zero-tolerance policy towards bribery and corruption.

OMH Anti-Bribery and Corruption Standard sets personnel's responsibilities, including dealings with and through third parties. This Standard applies to all directors, full-time and part-time employees, agents, suppliers, contractors, business partners, intermediaries and other parties acting for or representing the Group.

### 📌 OMH - ANTI-BRIBERY AND CORRUPTION STANDARD



# SUSTAINABILITY STATEMENT

OM Sarawak aligned its anti-corruption policy with the Malaysian Anti-Corruption Commission (“MACC”) guidelines. This policy strongly supports OM Sarawak’s stance against bribery and corruption. It regulates gifts, entertainment, corporate hospitality, facilitation payments, and interactions with suppliers, business partners and public officials. The policy also lists some red flags: unusual payments, bypassing the usual process, unusual behaviour, illogical decision-making, no checks and balances and non-beneficial contracts.

## Responsibilities of Employees and Business Associates

Employees	Business Associates
<ul style="list-style-type: none"> <li>• Read and comply with the policy, seeking guidance for any unclear matters</li> <li>• Attend mandated anti-bribery and corruption training</li> <li>• Report any suspected violations of laws through the whistleblowing hotline</li> <li>• The Managing Director, Board of Directors and Department Heads must familiarise themselves with the policy and ensure it is available and adhered to by all employees</li> </ul>	<ul style="list-style-type: none"> <li>• Must act in a way that is consistent with the policy at all times</li> <li>• Acknowledge and agree to read and comply with the policy as part of their contractual agreements</li> <li>• Sign a declaration form to abide by the terms of the policy</li> <li>• Report any suspected violations of laws through the whistleblowing hotline</li> </ul>

OM Sarawak organised refresher training sessions on anti-bribery and corruption throughout the current year as part of our ongoing commitment. Staff members received comprehensive training and reminders regarding OM Sarawak’s anti-corruption policy, which includes a thorough understanding of bribery prevention. 46% of the OM Sarawak management completed the refresher training in FY2023.

OMS conducted Anti-Bribery and Corruption training sessions for specific departments. This targeted training encompassed key functional areas: Trade, Finance, Supply Chain, and Trade Operations. The goal was to provide relevant departments with insights and knowledge to effectively navigate and mitigate risks associated with bribery and corruption within their respective domains. 100% of employees from the key functional areas completed the training.

## Anti-Bribery and Corruption Committee

OM Sarawak is planning to establish an Anti-Bribery and Corruption Committee (“ABCC”) to oversee, communicate, implement and enforce the Anti-Bribery and Corruption Policy. The ABCC will consist of personnel possessing the necessary qualifications, skills, authority, independence, competencies, and experience.

The ABCC will aim to regularly conduct comprehensive risk assessments on operations related to ethical conduct, including bribery and corruption, through the implementation of due diligence audits. These audits will cover all operational areas, identifying potential risk factors within internal processes, questionable financial transactions, and adherence to protocols governing OM Sarawak’s engagements with business partners and third parties. OM Sarawak has established procedures to address corruption in operations deemed “high risk,” providing comprehensive coverage of corruption and bribery.

The ABCC will deliver regular training sessions and communication initiatives for employees and serves as a resource centre, offering information, guidance, and advice on all matters concerning anti-bribery and corruption issues.

The Board exercises comprehensive oversight of anti-corruption initiatives, ensuring a thorough and encompassing approach to addressing anti-corruption measures. The ABCC will be responsible for providing the Board with regular reports on the effectiveness of the programmes, their performance, and enforcement measures taken.

## Political Contributions

OMH’s policy is not to make political donations at the departmental or OMH site level. The OMH Board must authorise any political donations, disclose them as required by law and record them in the corporate accounts.

### ➤ OMH – ANTI-BRIBERY AND CORRUPTION STANDARD

## GRIEVANCE MECHANISMS

All operations have legitimate, accessible, predictable and transparent grievance processes. These carefully designed processes align with the effectiveness criteria outlined in the United Nations Guiding Principles (“UNGP”). They serve as an open invitation for employees and stakeholders to voice their concerns without fear of retribution. We are committed to conducting thorough investigations into all reported matters.

As part of our comprehensive onboarding process, OMH ensures that each new employee receives thorough briefings on the Group’s Grievance Policy, including during their induction into OMH. Displaying informative posters in multiple languages (English, Mandarin, and Malay) across our office premises and plant buildings heightens awareness and accessibility, ensuring that employees and contractors know our grievance mechanism.

During the year, the Group received and resolved 23 grievances.

## Whistleblowing

OMH actively encourages employees, officers, and contractors to report unlawful, improper, or unethical conduct within the organisation. To facilitate this, OMH has implemented a comprehensive Whistleblower Protection Standard. This standard provides a secure and confidential avenue where whistleblowers can voice their concerns anonymously without fearing reprisals or detrimental treatment. Our whistleblowing system addresses instances of bullying and harassment with managers trained in handling such cases.

The Whistleblower Protection Standard outlines the eligibility criteria for disclosures and the specific matters this policy protects. It further delineates a well-defined process for reporting breaches. It enumerates the protections available to whistleblowers, protecting individuals who raise concerns and supporting them throughout the process, and shielding them against potential victimisation.

### ➤ OMH – WHISTLEBLOWER PROTECTION STANDARD

## MANAGING SUSTAINABILITY RISK

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

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

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

### 📌 OMH – POLICY FOR RISK MANAGEMENT

## Climate Scenario Analysis

The effects of global warming are becoming increasingly apparent, with governments across the globe committing to decarbonisation. Businesses must understand and manage their climate-related risks to remain sustainable and competitive in transitioning to a low-carbon economy. In line with the TCFD recommendations, OMH conducted its second climate scenario analysis in FY2023. The Company conducted a qualitative assessment of both physical and transition risks and opportunities across the Group's key operations, adopting two different climate scenarios developed by the Network for Greening the Financial System ("NGFS"). The assessment also referred to the following resources:

- The World Bank Group and the Asian Development Bank (Climate Risk Country Profile),
- World Resources Institute (WRI Aqueduct Floods), and
- Climate Impact Explorer (Climate Analytics).

## Climate Scenarios – Characteristics

	< 2°C scenario	> 2°C scenario
<b>NGFS Scenario *</b>	Orderly scenario: Below 2°C	Too-little too-late scenario: Fragmented World
<b>Description</b>	<ul style="list-style-type: none"> <li>• Climate policies are introduced immediately and become gradually more stringent</li> <li>• Net-zero CO<sub>2</sub> emissions achieved after 2070</li> <li>• Relatively low physical and transition risks</li> </ul>	<ul style="list-style-type: none"> <li>• Delayed and divergent climate policy ambition globally</li> <li>• Countries with net zero targets achieve them only partially (80% of the target), while other countries follow current policies</li> <li>• Elevated transition risks in some countries</li> <li>• High physical risks internationally due to the overall ineffectiveness of the transition</li> </ul>
<b>Temperature Rise by 2100</b>	1.7°C	2.3°C
<b>Policy Reaction</b>	Immediate and smooth	Delayed & fragmented
<b>Technology Change</b>	Moderate change	First, slow, then fragmented
<b>Carbon Dioxide Removal</b>	Medium use	Low-medium use
<b>Regional Policy Variation</b>	Low variation	High variation

\* Details of the NGFS scenarios taken from the NGFS scenario portal

OMH assessed these risks and opportunities over the short term (0-5 years), medium term (5-10 years) and long term (>10 years). OMH's senior management team and the OMH Board validated the scenario analysis. The findings of the scenario analysis are a crucial component of the Company's overall risk management, long-term roadmap planning and business strategy.



## Climate-Related Risks and Potential Impacts

	Climate-related Risks	Time Horizon	Potential Impacts
Physical	<u>Acute</u> <ul style="list-style-type: none"> <li>Increased frequency and severity of extreme weather events</li> </ul>	Medium – long term	Global warming is likely to cause an increase in the intensity and frequency of extreme weather events. Exposure to heatwaves and droughts can increase operational costs, decrease productivity, and, in extreme cases, halt operations, particularly for our manufacturing plant in Sarawak, due to the nature of smelting operations. With the smelting complex near Sungai Similajau, a projected increase in floods frequency could also cause operational disruptions, affecting long-term financial planning due to damage to the Plant's infrastructure.
	<u>Chronic</u> <ul style="list-style-type: none"> <li>Rising mean temperatures</li> <li>Altered precipitation patterns</li> <li>Rising sea level</li> </ul>	Long term	<p>Longer-term shifts in climate patterns, particularly higher average temperatures, can reduce labour productivity. Most notably, our manufacturing plant in Sarawak is at high risk due to our workers' constant exposure to the outdoors and the nature of smelting operations. There might be a need to increase expenditure on facilities and amenities to ensure a conducive and safe environment for work, adapt to the changing climate and prevent disruptions in operations.</p> <p>Changes in precipitation resulting in more severe dry spells may affect water supply, with surface water being the plant's primary source. Furthermore, as the plant is predominantly powered by hydropower, water scarcity may cause the plant's electricity supply to be reduced or disrupted.</p> <p>The sea level around the Sarawak coastline is projected to rise by ~1m by 2100, and the smelting plant is within 1km of the coastline. Coastal flooding risks affect operations and potentially result in increased operational costs.</p>
Transition	<u>Policy and Legal</u> <ul style="list-style-type: none"> <li>Enhanced emissions-reporting obligations</li> <li>Increased pricing of GHG emissions</li> </ul>	Short – medium-term	<p>Governments may progressively implement carbon pricing mechanisms to reduce greenhouse gas emissions to meet their Nationally Determined Contributions. A prime example is the EU Carbon Border Adjustment Mechanism (CBAM), which will be phased in from 2026. The Sarawak government passed the Environment (Reduction of Greenhouse Gases Emission) Bill in 2023, which includes annual carbon emissions reporting, setting carbon emissions thresholds, and potential carbon levies.</p> <p>Such developments in carbon pricing and associated enhanced reporting requirements may increase compliance costs and affect competitiveness. The entire supply chain costs can increase significantly as companies from various stages throughout the value chain work towards increased disclosure and transparency on GHG emissions and climate-related compliance. OMH has begun to improve its internal systems and data reporting processes in anticipation of more stringent reporting requirements, incorporating carbon pricing within its CAPEX planning.</p>
	<u>Technological</u> <ul style="list-style-type: none"> <li>Costs to transition to lower emissions technology</li> </ul>	Medium – long term	With the transition towards a low-carbon economy, companies may be expected to invest more in R&D and alternative technologies to transition to low-carbon products, raising overall capital expenditures.
	<u>Market</u> <ul style="list-style-type: none"> <li>Changing customer behaviour</li> <li>Increased cost of raw materials</li> </ul>	Short term	In line with the steel industry's efforts to decarbonise, steel mills are anticipated to increasingly prioritise raw materials with lower carbon emissions. Such a move may cause increased competition from ferroalloy producers with low-carbon product lines. In addition, demand for low-carbon materials may cause increased costs throughout the supply chain as companies invest to reduce their carbon intensity and enhance their carbon reporting.
	<u>Reputational</u> <ul style="list-style-type: none"> <li>Increased stakeholder concern</li> </ul>	Medium-term	Companies perceived as contributing to climate change or taking insufficient action to address such issues may face reputational damage, harming their brand and customer loyalty.

## Climate-Related Opportunities and Potential Impacts

Climate-related Opportunities	Time Horizon	Potential Impacts
Growth in demand for low-carbon ferroalloys	Short term	As governments and the industrial market continue to push for decarbonisation, the demand for low-carbon products will increase across the value chain. This shift presents an opportunity for OMH to retain a competitive edge with our low-carbon product offerings. The Group plans to invest in alternative technologies and continue conducting R&D to further reduce the carbon intensity of its products, enhance our competitiveness and increase our market share.
Reduced costs of low-carbon technologies and increased access to capital	Long term	<p>A significant source of carbon emissions from ferroalloy production is using fossil carbon as a reductant. New and alternative technologies often face barriers to entry, such as higher production costs. With increased demand for low-carbon ferroalloys and projected increases in carbon taxes, such technologies are anticipated to become more readily available and cost-competitive. As such, there is an opportunity to enhance OMH's low-carbon product offerings and market competitiveness. OMH plans to explore and implement such alternative technologies where economically viable.</p> <p>Furthermore, investors, financial institutions and lenders increasingly seek companies that address climate change and may be more willing to finance projects that aim to reduce the Company's overall climate impact.</p>
Increased availability of low-emission energy sources	Medium – long term	In line with its commitments to the Paris Agreement, Malaysia has announced a carbon-neutrality target of 2050, including continued efforts to decarbonise its national energy grid. This commitment provides an opportunity to reduce the carbon intensity of OMH's products, as energy usage during ferroalloy production is a significant source of carbon emissions. OMH will continue to engage with the relevant stakeholders to capitalise on opportunities to maintain low production emissions.

## ENVIRONMENT

The production of manganese alloy and ferrosilicon is an energy-intensive chemical process which requires carbon sources to serve as reductants in the carbothermic reduction of metal oxides. This smelting process generates emissions of carbon dioxide ("CO<sub>2</sub>"), nitrogen oxides ("NO<sub>x</sub>"), sulfur oxides ("SO<sub>x</sub>") and dust. In light of the effects of global warming and the transition towards a low-carbon economy, companies must decarbonise their operations or face substantial transition risks. Moreover, with biodiversity declining at an unprecedented rate, critical ecosystem services, upon which businesses and societies rely on, are diminishing, posing significant challenges to economies worldwide. Due to the nature of the chemical reactions involved in ferroalloy smelting, significant emissions reductions rely on technological advancements. Innovative strategies are implemented by systematically improving operational performance to mitigate the environmental impact associated with these manufacturing processes.

### THE CHALLENGE

*The world is undergoing a green industrial revolution. The Intergovernmental Panel on Climate Change stipulated that limiting the Earth's average temperature increase to 2°C is critical for controlling climate change. Achieving this goal requires a 95% reduction in greenhouse gas emissions by 2050. Greenhouse gas emissions should be reduced in our industry within the next 35 years, making the status quo unsustainable.*

## ENVIRONMENTAL POLICY

OMH is committed to implementing robust environmental management practices across all its operations. To achieve elevated environmental performance across all functions, the Group has instituted a comprehensive Environmental Policy which covers:

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

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

### ➤ OMH – ENVIRONMENTAL POLICY

# SUSTAINABILITY STATEMENT

## ENVIRONMENTAL MANAGEMENT SYSTEM

Effective environmental stewardship is crucial for sustainability across operational areas. OMH's subsidiaries integrate Environmental Management Systems to maintain consistent and optimal environmental practices throughout its smelting operations. Projects undergo thorough planning and environmental responsibility identification, and management protocols are implemented from inception to operation. Oversight by environmental professionals ensures compliance, fostering positive practices and delivering excellent outcomes.



OM Sarawak achieved ISO 14001:2015 Environmental Management Systems certification on 4 December 2023, underscoring the Plant's commitment to environmental sustainability.

OMH's flagship smelter in Sarawak aligns with ISO 14001 Environmental Management Systems and industry standards, ensuring adherence to top-tier environmental practices. The Group complies with legislative requirements while working closely with stakeholders to meet community expectations. These practices highlight management's dedication to enhancing the Company's environmental performance and operational efficiency.

## USING LIFECYCLE ANALYSIS TO ADDRESS ENVIRONMENTAL CONCERNS

Previously, OMH partnered with the IMnI to conduct a comprehensive 'cradle-to-gate' LCA focusing on manganese ore and manganese alloys. This evaluation enabled a clearer understanding of our environmental impact and allowed benchmarking against industry peers. The LCA encompassed all processes within the plant gate, covering resource extraction and processing (smelting). The LCA model was subsequently analysed further using GaBi software.

In FY2023, we extended the LCA to include ferrosilicon alloys. These assessments are valuable for our customers and major regional steel mills, helping them make environmentally sound decisions to enhance sustainability in their supply chains.

## ADDRESSING CLIMATE CHANGE

Climate change is a critical threat to humanity, significantly impacting our business operations. We recognise the significance of climate change risks and their direct relevance to our business. We have implemented a climate change response strategy that expands renewable energy use, reduces operating gases, and improves energy efficiency throughout our manufacturing process.

### THE IMPORTANCE OF STEEL IN A ZERO-EMISSION SOCIETY

*Despite being resource-intensive, steel, manganese alloy, and ferrosilicon are crucial for achieving a zero-emission vision. Steel is 100% recyclable, with the global steel industry recycling 680 million tonnes in 2021, saving nearly 1 billion tonnes of CO<sub>2</sub> emissions\*. Steel consumption surged sevenfold since 1950 and is projected to increase by 50% by 2050. Steel relies on ferrosilicon and manganese alloy, which are highly valued for their durability, with 3-4 kg and 10 kg used per tonne of steel, respectively. Its importance lies in its pivotal role in sustainable development and meeting the goals of a green paradigm shift.*

*\*Worldsteel Association: Sustainable Steel*

We recognise the devastating effects of climate change and its associated short and long term business risks. OMH remains firmly committed to mitigating these effects by enhancing operational efficiency. Our climate change strategy encompasses collaboration with employees and supply chain partners to implement energy-saving processes and comprehensively assess climate change risks.

Our ferroalloy production is inherently energy-intensive. With our Sarawak plant located at Samalaju Industrial Park, electricity supplied is predominantly generated from renewable sources. We are also committed to addressing the issue of climate change and improving efficiency by adopting new and green technology in development and implementing energy efficiency measures, where applicable.

We recognise the potential risks associated with climate change, both physical and regulatory. As part of climate-related risk management, we have included a climate risk scenario analysis (pg 52-54), which forms part of the foundation for formulating the business strategy and selecting future R&D and technological investments. We also work closely with regulators, such as the Department of Environment ("DOE"), and regularly consult on ways to address challenges brought by climate change, such as through public policy implementation.

# SUSTAINABILITY STATEMENT

Our Sustainability Management Committee sets out execution plans and oversees and reviews the implementation of sustainability strategies, including climate-related initiatives to manage and minimise our environmental footprint. Progress reports on energy management, pollution monitoring and other sustainability proposals and progress are presented to the Board.

Climate change affects operating costs ("OPEX") and capital expenditure ("CAPEX"). Efficiency, output and performance of assets and equipment can decrease due to changing climate conditions. Additional CAPEX may be required due to asset damage or to upgrade facilities and equipment to comply with regulatory demands. OPEX may increase as a result of reduction in labour productivity due to heat stress, and increased cost of raw materials, amongst other climate-related impacts.

As part of our sustainability initiatives, we are exploring the development of a decarbonisation roadmap that will outline a clear path towards a low-carbon future for OMH. This roadmap will consider various strategies, including further investments in renewable energy sources, technological advancements and operational optimisation initiatives.

## Greenhouse Gas Verification



*Site visit was conducted from 27 to 30 November 2023 at the Sarawak Plant as part of the GHG verification procedure*

The Group conducted an independent verification of its GHG emissions for FY2023 to establish a base year inventory, facilitate this process and track progress over time. The GHG inventory report was prepared in accordance with the requirements of ISO 14064-1:2018, the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, and the Greenhouse Gas Protocol Corporate Value Chain (Scope 3). The Group has adopted an Operational Control consolidation approach to quantify its GHG emissions.

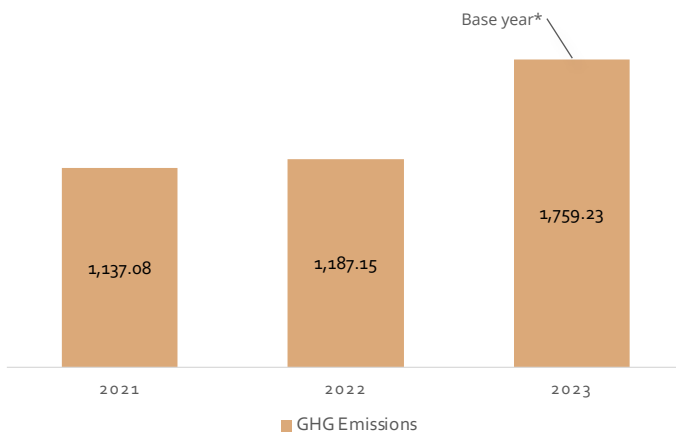
### Scope of GHG Verification

ISO 14064-1: 2018	GHG Protocol
Category 1: Direct GHG emissions and removals	Scope 1: Direct GHG emissions
Category 2: Indirect GHG emissions from imported energy	Scope 2: Indirect emissions from purchased electricity
	Scope 3, Category 3: Fuel and energy-related activities
Category 3: Indirect GHG emissions from transportation	Scope 3, Category 4: Upstream transportation and distribution
	Scope 3, Category 6: Business travel
	Scope 3, Category 7: Employee commuting
Category 4: Indirect GHG emissions from products used by the organisation	Scope 3, Category 1: Purchased goods and services
	Scope 3, Category 2: Capital goods
	Scope 3, Category 5: Waste generated in operations
Category 5: Indirect GHG emissions associated with the use of products from the organisation	Scope 3, Category 10: Processing of sold products
Category 6: Indirect GHG emissions from other sources	Scope 3, Category 15: Investments



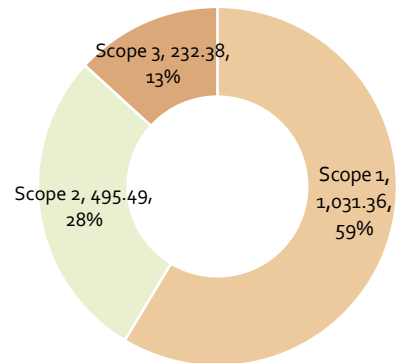
# SUSTAINABILITY STATEMENT

Greenhouse gas emissions (kilotonnes CO<sub>2</sub>e)



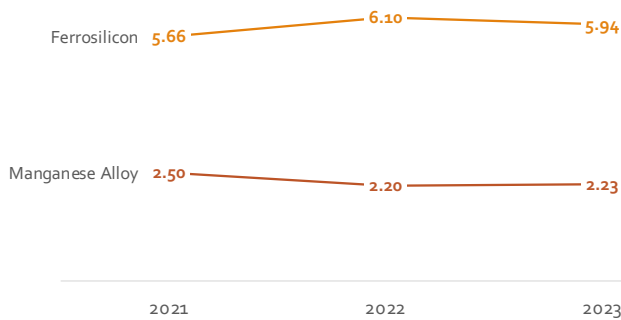
\*FY2023 has been designated as the base year for OMH, which includes Scope 1, 2 and 3 emissions. In FY2021-2022, only Scope 1 and 2 emissions were examined.

Breakdown of greenhouse gas emissions for FY2023 (kilotonnes CO<sub>2</sub>e)



The breakdown of Scope 3 emissions can be found in the Performance Summary table (pg 79).

Greenhouse gas emissions intensity (kilotonnes CO<sub>2</sub>e / tonne of product)



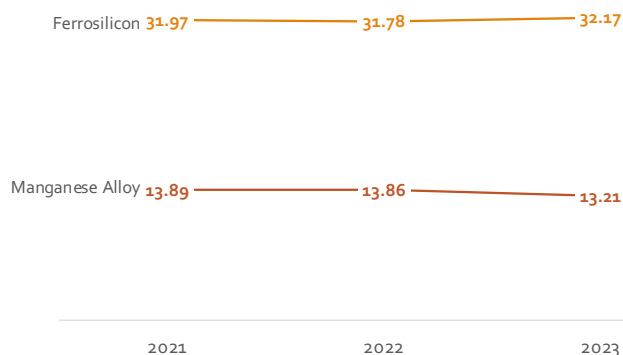
## ENERGY MANAGEMENT AND CONSUMPTION

The Group is formally committed to addressing energy use, aiming to reduce environmental impact and enhance overall efficiency. OM Sarawak operates on a 202.35-hectare site within the Samalaju Industrial Park ("SIP"), designed explicitly for energy-intensive industries. At the inception of our plant, we secured a 20-year power purchase agreement ("PPA") with the State's power company. This agreement ensures a consistent and competitively priced electricity supply until 2033, initially set at a capacity of 350 MW. The electricity predominantly comes from renewable sources. However, our primary smelting operations are electricity-dependent; diesel fuel powers logistics and on-land transportation of raw materials and finished goods.



# SUSTAINABILITY STATEMENT

## Energy Intensity (GJ / tonne of product)



Our operations demand a consistent electricity supply, especially for the high-temperature smelting processes crucial in transforming raw materials into ferroalloys. The electric arc furnace operates at temperatures over 1200°C, reducing metal oxides to create various ferroalloys. Powering our production processes with predominantly hydroelectricity significantly reduces our carbon footprint. Diesel fuel is used in the sintering process and logistics operations, including on-land transportation of raw materials and finished goods. Monitoring our monthly energy consumption helps us assess our performance and set annual targets.

OM Sarawak will begin its ISO 50001:2018 Energy Management Systems certification in 2024. Implementing ISO 50001:2018 in OM Sarawak would benefit OM Sarawak's Energy Management System by establishing and implementing a structured, process-based energy management framework to improve energy performance, thereby significantly reducing energy consumption and costs over time.

## Examples of OM Sarawak's Energy-Efficiency Initiatives

Static Vac ("SVC") system

Supervisory Control and Data Acquisition ("SCADA") system

Furnace maintenance plan

Furnace power factor compensator system

Implementing a SVC system at the plant's high-voltage substation provides energy management advantages. This system acts as a dynamic voltage regulator, injecting or absorbing reactive power to maintain stable voltage levels, especially during periods of fluctuating load. This process minimises energy losses from voltage drops and improves the overall stability and reliability of the plant's electrical system.

In FY2023, the upgrading of the plant's Substation SCADA system contributed significantly to enhanced energy management. A modern SCADA system provides real-time data on energy consumption and equipment performance, allowing for better energy usage monitoring, analysis, and optimisation.

Periodic substation preventative maintenance ensures equipment efficiency and reduces energy wastage caused by unexpected downtimes.

OM Sarawak has worked on and implemented a robust furnace maintenance plan. By minimising downtime and ensuring optimal operation, furnaces can significantly reduce their energy consumption per tonne of produced product through regular inspections, timely repairs, and optimising smelting settings and insulation to minimise heat losses. A well-maintained furnace saves energy and extends its lifespan, reducing operational costs.

OM Sarawak also utilises a power factor compensator system specifically designed for the plant's smelting furnace. This system corrects the phase difference between voltage and current, leading to a closer unity power factor. This adjustment reduces the reactive power demand on the grid, lowering energy costs and improving overall smelting efficiency.

## EMISSIONS MANAGEMENT



## SUSTAINABILITY STATEMENT

OM Sarawak's approach to air emissions management revolves around optimising production processes to minimise the generation of non-greenhouse gas (non-GHG) emissions. Additionally, we employ pollution control technologies such as bag filter systems to reduce atmospheric pollution.

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

OM Sarawak conducted Ambient Air Quality Monitoring for ambient air quality, measuring key pollutants such as particulate matter ("PM<sub>10</sub>" and PM<sub>2.5</sub>"), carbon monoxide ("CO"), sulfur dioxide ("SO<sub>2</sub>"), and nitrogen dioxide ("NO<sub>2</sub>"). Our readings during the FY2023 monitoring period were well below the Malaysian Ambient Air Quality Standard Concentration Limit, except for PM<sub>10</sub> and PM<sub>2.5</sub> at one sampling point within the plant boundary that exceeded the stipulated limit during the first quarter. However, readings for PM<sub>10</sub> and PM<sub>2.5</sub> at the sampling point outside the plant boundary were well below the limit, which indicated that dust dispersion was localised within the plant boundaries.

Within the plant, a Continuous Emissions Monitoring System ("CEMS") oversees the emission of total particulate matter ("TPM") through the stacks. Gas analysers positioned at emission stacks continuously monitor and measure the emissions. The collected readings are recorded and stored within the CEMS and automatically transmitted to the DOE for monitoring and regulatory purposes.

Quarterly Stack Emission Monitoring ("SEM") ensures the Plant's adherence to the Malaysian Ambient Air Quality Standard Concentration Limit. OM Sarawak utilises this data for several critical purposes:

- Assessing the environmental impact resulting from production processes
- Identifying potential sources of pollution
- Implementing strategies to minimise emissions and enhance air quality

We have equipped the ferrosilicon and manganese alloy furnaces with an Air Pollution Control System ("APCS"). This system includes trombone air coolers, twin cyclones, baghouse systems, extraction fans, and chimneys to safeguard air quality. The Utilities and Dedusting System Department ("UDSD") at OM Sarawak, overseen by competent personnel, manages and maintains the Plant's APCS. All operators in this department are Certified Environmental Professionals in Bag Filter Operations ("CePBFO") accredited by the DOE. UDSD personnel perform daily inspections and preventive maintenance, changing filter bags as needed to manage air pollution effectively.

Recognising the need to enhance the efficiency of our APCS, OM Sarawak implemented a pilot project utilising high-quality bag filter filtration media. We successfully tested ePTFE membranes in several key dedusters, achieving a demonstrably positive impact on dust filtration efficiency. OM Sarawak regularly engages with external experts who specialise in APCS and bag filters to enhance the APCS.

### *Benefits of ePTFE Membrane*

Better dust  
filtration  
efficiency

Extended  
filter bag life

Minimal bag  
changeouts

Chemical  
resistance

Thermal stability  
up to 260°C

Reduced stack  
emissions well  
within limits

OM Sarawak is committed to reducing air pollution (i.e. fugitive fume emissions). In FY2023, OM Sarawak completed the upgrading of one tapping deduster, significantly enhancing its capacity. Following the success of the upgrading works, OM Sarawak intends to further optimise the system by upgrading an additional six tapping dedusters.

## BIODIVERSITY AND CONSERVATION

OMH recognises the importance of environmental stewardship and biodiversity conservation. Similajau National Park lies within a 3 km radius of our flagship smelting complex. The National Park consists of a mixture of habitats, including rainforests, mangroves and beaches, and boasts a rich diversity of local flora and fauna, which should be conserved.

We are dedicated to addressing biodiversity concerns, and this commitment involves actively working towards reducing and avoiding adverse impacts on biodiversity. OM Sarawak conducts Quarterly Environmental Monitoring, which includes monitoring the concentrations of pollutants (such as manganese, iron, silica and sulfur) in foliar and fruits. Our quarterly readings for FY2023 were well below the baseline concentration limits identified during the Detailed Environmental Impact Assessment ("DEIA") conducted before the smelting complex's construction.

Committed to responsible business practices, OM Sarawak is collaborating with local experts to develop a comprehensive Biodiversity Management Plan. This plan underscores our commitment to mitigating our operations' potential ecological impacts and preserving the unique biodiversity of Similajau National Park and the surrounding ecosystem.



## REWILDING – CONTRIBUTING TO THE ENVIRONMENT & LOCAL COMMUNITY

Biodiversity conservation through rewilding is crucial for rejuvenating damaged habitats, combating climate change, and safeguarding the original flora and fauna of the land.

OMH signed a Memorandum of Understanding (“MoU”) with the Sarawak Forestry Corporation (“SFC”) on 29 November 2022 to undertake a rewilding project within Similajau National Park. The project aims to restore 10 hectares of degraded ecosystems in Totally Protected Areas (“TPAs”) by planting 10,000 native tree species, including indigenous food trees, that support wildlife survival and ecosystem restoration in these degraded zones. It reflects our commitment to the UNSDG 15 to halt and reverse land degradation and biodiversity loss through forest management.



OMH, through OM Sarawak will contribute RM482,600 from 2022 to 2025 to this initiative; SFC will contribute RM396,000 over 19 years to gather and monitor plant growth and biomass data, assessing the project's effectiveness in restoring degraded areas. SFC botanists and other experts will oversee and guide the process following the SFC Restoration Framework.

The rewilding project also engages the local community and enhances local livelihoods. The project intends to turn “poachers” into “guardians” of the TPAs and facilitate community empowerment and ownership. The project hires the community to cultivate seedlings, prepare planting lines, plant seedlings at degraded sites, and maintain the transplanted seedlings. As of 2023, the project contributed RM 74,500 to the local community.



*Local community involvement in preparation and tree planting*



## WASTE MANAGEMENT

At OM Sarawak, a waste policy is implemented to address its commitment to reducing or avoiding the impact through improved efficiency. We formulate our processes with a keen emphasis on optimising resource use efficiency, and we consistently enhance our operations to minimise waste generation and prevent land pollution.

OM Sarawak has implemented a robust waste management plan aligned with ISO 14001:2015 Environment Management Systems. With effect from 1 March 2023, this procedure details clear and consistent instructions for safe, efficient, and environmentally responsible waste handling practices. It outlines best practices for handling, storing, disposing and reporting waste across OM Sarawak's operations.



OM Sarawak conducts regular waste management training to ensure staff are well-informed on proper procedures. An internal training on proper scheduled waste management and spillage handling was held on 17 July 2023.

OM Sarawak prioritises efficient waste management, integrating the 3R ("Reduce, Reuse, Recycle") principles. Within the Plant, the open scrap yard manages recyclable materials, complemented by strategies such as streamlined data entry with electronic forms, scrap paper reuse, and Google Forms. The 3R Centre, established in 2022, advocates sustainable waste practices, curbing environmental impact, and nurturing a circular economy. This centre is aligned with the Group's commitment to environmental sustainability.

### OM SARAWAK WASTE MANAGEMENT HIGHLIGHTS

- ✓ A DOE-certified third-party auditor conducted an annual Silica Fume Compliance Audit
- ✓ We developed Silica Fume (SW104) Special Management guidelines for on-site recovery
- ✓ We perform weekly self-regulated inspections and audits

Scheduled waste management is regulated. Guided by its Environmental Management System, OM Sarawak manages its waste following the Environmental Quality (Scheduled Wastes) Regulations 2005. The generated waste is recorded in the Electronic Scheduled Waste Information System ("eSWIS") and submitted monthly to the DOE. Purpose-built on-site scheduled waste storage facilities contain and prevent environmental contamination.

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

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

## TOWARDS ZERO WASTE AND CIRCULARITY

Businesses must shift from a linear process of take-make-waste to a circular economy approach to tackle climate change and other environmental issues such as pollution and biodiversity loss. A circular economy approach eliminates waste, recovers resources and reduces environmental pressure. OM Sarawak recycled and reused most of its by-products as raw materials for production to reduce waste.

Products	Generated By-products	Recycling and Repurposing
<b>Ferrosilicon (FeSi)</b>	FeSi Slag	In FY2023, 8,118 tonnes of FeSi slag was recycled as Si units for the SiMn smelting process.
	Silica Fume or Micro silica	Reused for ingot tray preparation before casting
<b>Silicomanganese (SiMn)</b>	SiMn dust	Collected from the SiMn production process's de-duster and fed into sintering lines to agglomerate into sintered ore lumps and recycled in manganese alloy production
<b>High Carbon Ferromanganese (HCFMn)</b>	Manganese-rich Slag	In FY2023, 34,398 tonnes of Mn-rich slag was recycled as Mn unit feed for the SiMn smelting process.
<b>Sinter Ore</b>	Manganese ore fines	Collected from manganese alloy production for reuse as raw materials for manganese alloys

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



### SILICA FUME

Silica fume, or microsilica, is a by-product collected from the FeSi smelting production's baghouse after the silica fume densification process. Globally, several hundred thousand tonnes of silica fume find applications across various industrial sectors. Due to its physical characteristics, it is a very fine pozzolanic material widely used in concrete materials and a valuable addition to the cement industry. Its international trade has diversified its usage across different industries. Notably, its utilisation contributes significantly to enhancing the sustainability of buildings by curbing their carbon footprint and fostering a circular economy approach.

OM Sarawak has undertaken a strategic initiative to repurpose these materials into saleable products. Implementing a robust dust collection system, specifically baghouse filters, is pivotal for capturing silica fume and reducing atmospheric emissions. This proactive measure significantly enhances workplace conditions while preventing valuable materials from being disposed of in landfills. To optimise the collection of silica fume, OM Sarawak has plans to install four additional densification silos.

The DOE approved managing silica fume as a recycled product under Reg. 7 Special Waste Management of Environmental Quality (Scheduled Waste) Regulation 2005 in 2019. OM Sarawak is required to conduct a third-party compliance audit at least once a year to ensure it fulfils all the requirements in this Special Waste Management.

OM Sarawak is seeking accreditation for silica fume testing in accordance with ISO 17025:2017 General Requirements for the Competence of Testing and Calibration Laboratories. This accreditation will be instrumental in ensuring the competence and reliability of OM Sarawak's silica fume testing laboratory, increasing test results accuracy and credibility, and promoting material quality, safety, and regulatory compliance. OM Sarawak is targeting to obtain ISO 17025:2017 accreditation in 2024.

This success story aligns closely with multiple objectives encompassing industrial emissions reduction, carbon footprint mitigation, resource efficiency, circular economy advocacy, adherence to workplace legislation, compliance with industrial specifications, waste reduction, air quality improvement, and the promotion of innovation policies.

## SUSTAINABILITY STATEMENT



SiMn slag has potential uses in various construction materials as a substitute for natural aggregates in concrete. OM Sarawak is collaborating with the local university, UNIMAS, to research the environmental safety and application of SiMn slag in construction, potentially transforming slag from waste into a valuable resource.

### WATER AND EFFLUENTS MANAGEMENT

Water is pivotal for business operations. OM Sarawak is firmly committed to optimising water usage and preventing water pollution by ensuring effluent meets stringent regulatory water quality standards before its release into the environment.

Regarding the water management plan, OM Sarawak's municipal water supply is not extracted from sensitive or protected water bodies. We do not source water from areas experiencing water stress. The Plant's water reservoir stores up to 48 hours of continuous water flow for plant operations in case of water supply disruption from the Municipal Water Supply Board.

We are committed to saving water and have implemented comprehensive measures throughout the Plant to reduce water use. OM Sarawak uses water in plant production operations, particularly in furnace system cooling and silica quartz washing. The cooling water utilised for the furnace system operates within a closed-loop system, where water is treated and recycled, with most water loss occurring from vaporisation in the cooling tower. A dedicated sediment pond efficiently treats water used in silica quartz washing, allowing heavier particles and sediments to settle, thereby enabling water reuse in the washing process.

OM Sarawak directly channels domestic wastewater from sanitary facilities and canteen operations to SIP's centralised sewage treatment plant. This treatment complies with Standard B of the Environmental Quality (Sewage) Regulations 2009.

Effluent is typically generated from surface runoff, and a sedimentation pond effectively eliminates suspended solids, reducing the overall environmental impact. Throughout FY2023, our discharged effluent consistently adhered to permissible limits stipulated by the Environmental Quality (Industrial Effluent) Regulations, 2009.

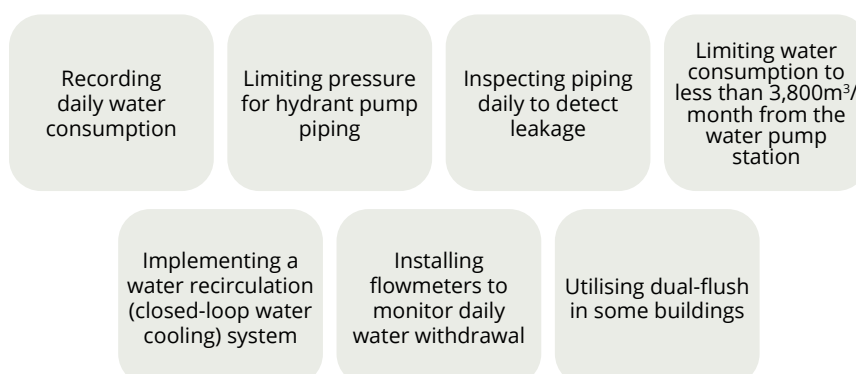
#### Monitoring Wastewater Quality

Parameter	Q1 2023		Q2 2023		Q3 2023		Q4 2023	
	Site 1	Site 2	Site 1	Site 2	Site 1	Site 2	Site 1	Site 2
Temperature (°C)	26.0	25.8	27.2	27.2	25.7	25.6	26.3	26.4
pH value	7.51	8.37	7.50	8.50	8.27	8.17	8.18	8.38
Iron (mg/L)	0.558	0.184	1.416	0.250	0.350	0.049	0.401	0.360
Manganese (mg/L)	0.273	0.080	0.779	0.339	0.098	N.D. (<0.01)	0.086	0.337
TSS (mg/L)	31	15	17	4	85	6	14	7

In FY2023, OM Sarawak implemented the following initiatives to enhance water management:

1. Installation of flowmeters at 41 locations to monitor daily water consumption
2. Retrofitted drift eliminators at three locations of cooling towers to reduce the loss of water from evaporation
3. Installation of a water chemical treatment automated dosing controller (NALCO 3D Trassar) at water pump stations to improve water quality and increase the efficiency of the cooling tower recirculation system

#### Other Ongoing Water Management Initiatives



## LAND REMEDIATION, CONTAMINATION AND DEGRADATION



Land and soil management are vital components within the mining operations conducted in Australia's Northern Territory, characterised by its semi-arid temperate climate. Given the potential environmental impacts of mining activities, we must identify and address these effects during business operations.

OMM, overseeing operations at the Bootu Creek Mine, establishes precise objectives, strategies, and targets for adequate soil and land management. This approach ensures regulatory compliance and benefits various stakeholders, including landowners and shareholders.

Post-mining activities, a significant criterion involves rehabilitating disturbed areas to restore the lease area to its original condition for landowners. OMM rehabilitates infrastructure areas before closure, with plans to remediate tracks, roads, and exploration areas no longer in use.

OMM demonstrates its commitment through progressive rehabilitation and revegetation initiatives across diverse waste rock dumps within the site to mitigate erosion, prevent the introduction of invasive plant species, and safeguard nearby waterways.

The Mine rehabilitation program in 2024 will continue to focus on the repair of damaged landforms (washouts and other water damage) and prepare the Tourag Waste Rock Dump for seeding during the dry season.

### OMM's Timeline for Land Remediation at the Bootu Creek Mine

**2019**

Bioremediation of hydrocarbon-contaminated areas

**2020**

Trial to small test areas

**2021**

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

**2022**

All Hydrocarbon contaminated areas successfully remediated

**2023**

Additional rehabilitation works were conducted. This consisted of clearing the wash-out areas that have previously been seeded, creating walls to prevent further erosion, clearing of weeds and parasitic plants, and preparation for the next seeding cycle.

## ENVIRONMENTAL COMPLIANCE

We have remained free from environmental fines or penalties throughout the year, underscoring our commitment to compliance and responsible practices. We have not experienced non-compliance with energy, waste and water quality/quantity permits, standards or regulations.

## OUR PEOPLE

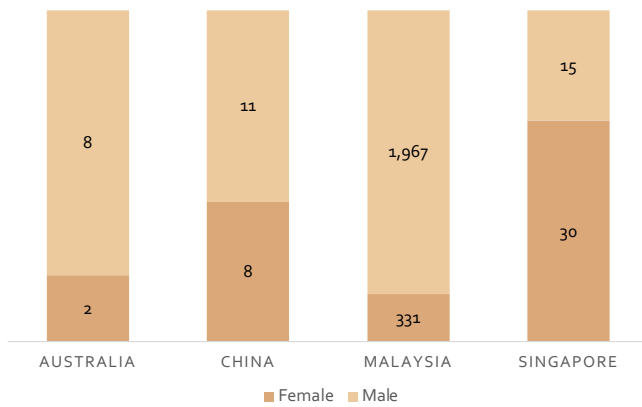
People are the cornerstone of our achievements. Within our environment, we foster inclusivity, embracing the rich tapestry of backgrounds, cultures, and beliefs. We nurture an inclusive culture, valuing diverse backgrounds, cultures, and beliefs while vehemently opposing all racial and sexual discrimination and workplace harassment. Upholding human rights is paramount as we prioritise fairness, dignity, and respect for everyone. We welcome and empower individuals irrespective of gender, age, cultural background, ethnicity, nationality, or religion, ensuring a safe, equitable workplace with fair compensation, job security, and ample development opportunities for all.

The Company's policy on labour standards is communicated to all employees and translated into relevant languages. As part of our due diligence process, we conduct labour issues risk assessments for both potential and existing operations and projects.

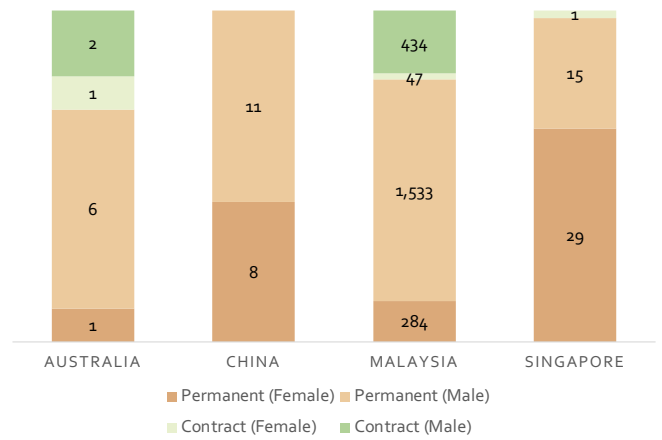


## EMPLOYEE DEMOGRAPHICS

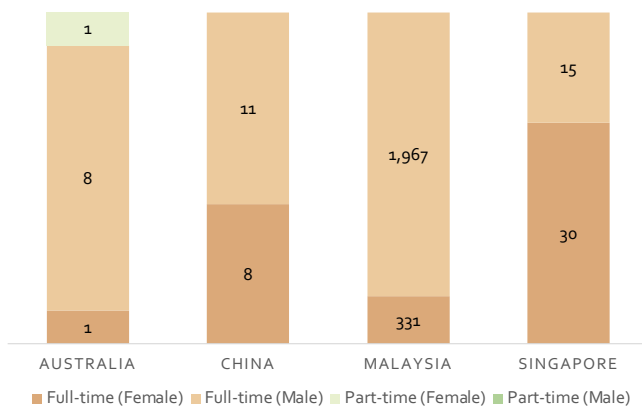
Employees by region and gender



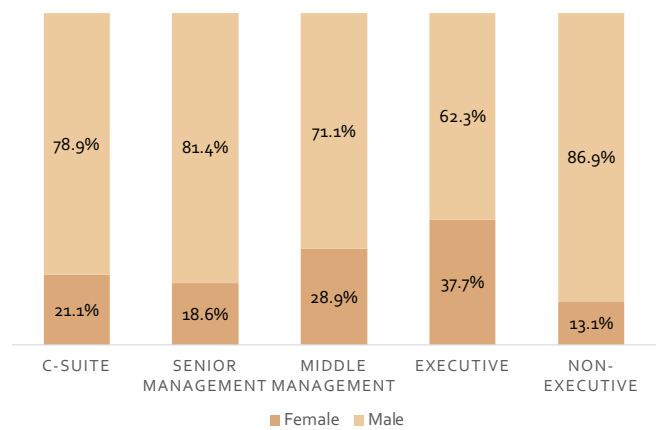
Employees by contract type and gender



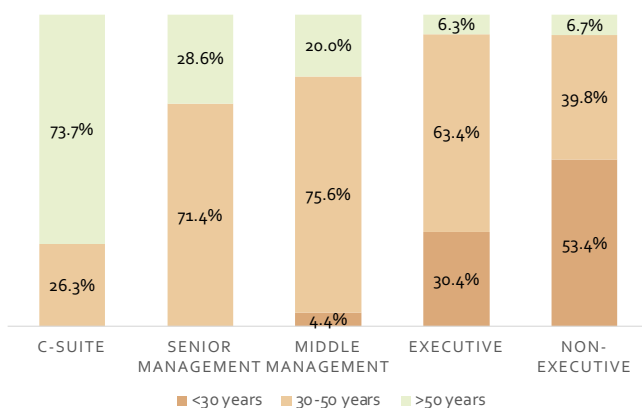
Employees by working time and gender



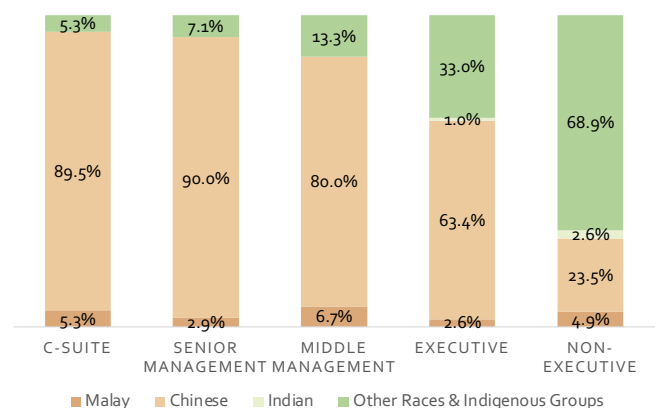
Employees by category and gender



Employees by category and age group

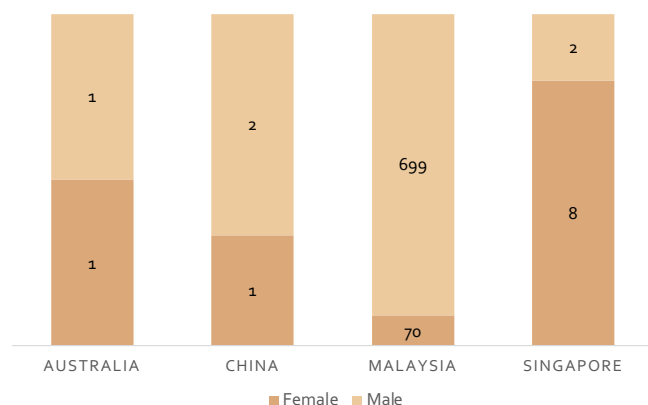


Employees by category and ethnicity

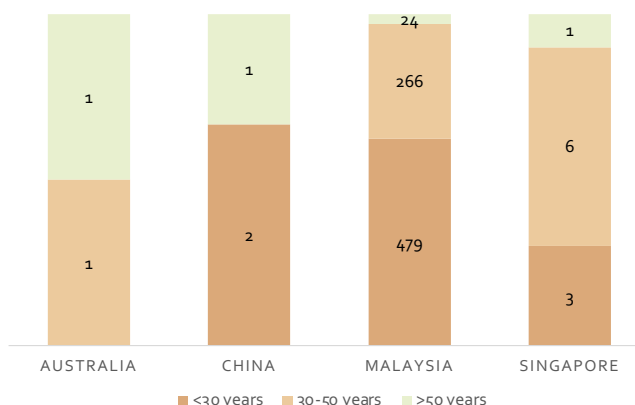


## Employee Hires and Turnover

New employee hires by region and gender



New employee hires by region and age group

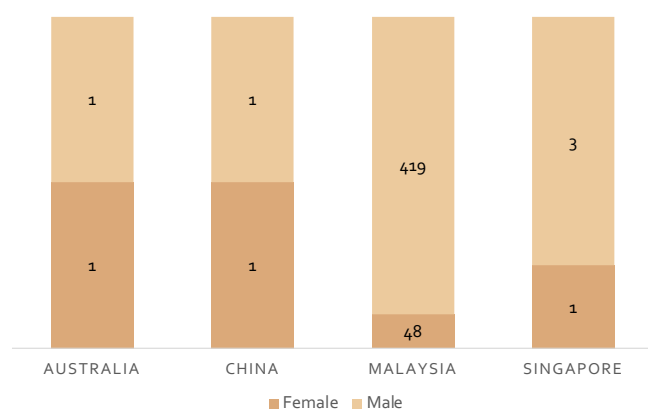


New employee hire rate*	Australia	China	Malaysia	Singapore	Total
Female	10.0%	5.3%	3.7%	20.5%	4.1%
Male	10.0%	10.5%	37.0%	5.1%	36.0%
<b>Total</b>	<b>20.0%</b>	<b>15.8%</b>	<b>40.7%</b>	<b>25.6%</b>	<b>40.1%</b>

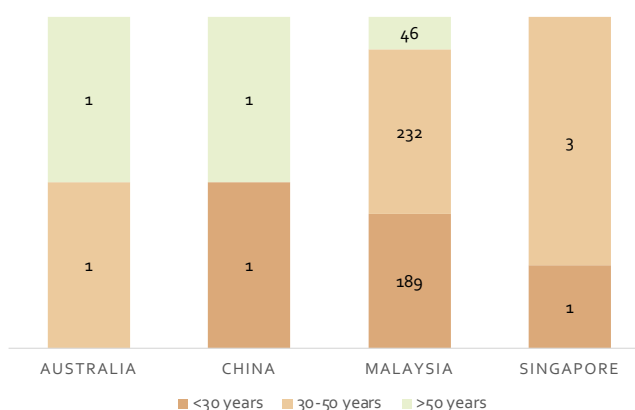
New employee hire rate*	Australia	China	Malaysia	Singapore	Total
<30 years	0%	10.5%	25.4%	7.7%	24.7%
30-50 years	10.0%	0%	14.1%	15.4%	13.9%
>50 years	10.0%	5.3%	1.3%	2.6%	1.4%
<b>Total</b>	<b>20.0%</b>	<b>15.8%</b>	<b>40.7%</b>	<b>25.6%</b>	<b>40.1%</b>

\*New employee hire rate is calculated based on the total employees at the beginning of the financial year

Employee turnover by region and gender



Employee turnover by region and age group



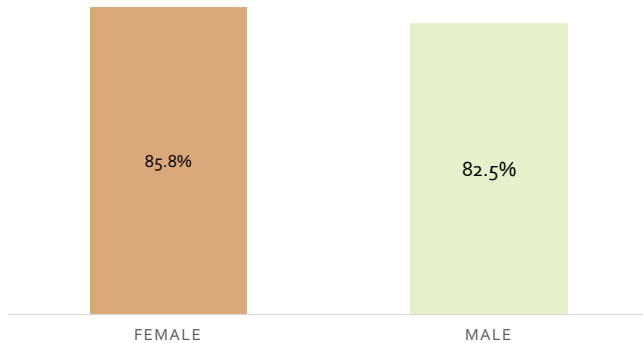
Employee turnover rate*	Australia	China	Malaysia	Singapore	Total
Female	10.0%	5.3%	2.3%	2.4%	2.4%
Male	10.0%	5.3%	20.0%	7.1%	19.6%
<b>Total</b>	<b>20.0%</b>	<b>10.5%</b>	<b>22.3%</b>	<b>9.5%</b>	<b>22.0%</b>

Employee turnover rate*	Australia	China	Malaysia	Singapore	Total
<30 years	0%	5.3%	9.0%	0%	8.8%
30-50 years	10.0%	0%	11.1%	7.1%	10.9%
>50 years	10.0%	5.3%	2.2%	2.4%	2.2%
<b>Total</b>	<b>20.0%</b>	<b>10.5%</b>	<b>22.3%</b>	<b>9.5%</b>	<b>22.0%</b>

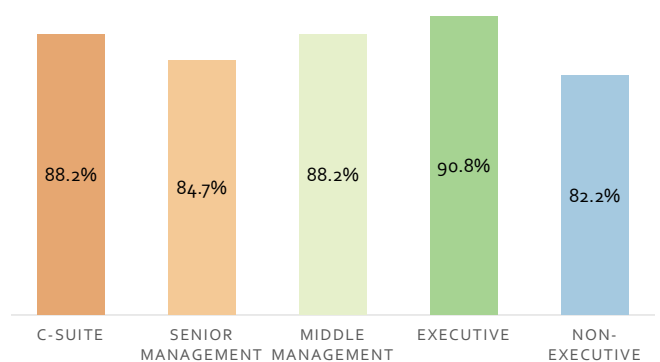
\*Employee turnover rate is calculated based on the average number of employees during the financial year

## Performance Reviews

Performance reviews conducted by gender



Performance reviews conducted by employee category



## UNITY IN DIVERSITY

Global operations demand appreciation and adaptation to diverse cultures and customs while upholding our corporate ethos and benchmarks. Diversity spans gender, race, ethnicity, nationality, disability, age, sexual orientation, gender identity, marital or family status, and religious or cultural backgrounds. Our Group's unwavering dedication to diversity is integral to our merit-based organisational culture, which focuses on attracting and retaining top-tier talent across all echelons, including the Board. Embracing workplace diversity aligns with our corporate goals and fortifies the Company's standing, allowing us to attract and retain exceptional individuals from a varied pool of talented candidates.

We support the community by addressing the employment needs of underprivileged groups, including individuals from deprived backgrounds or those lacking formal education or qualifications.

OMH's Diversity and Inclusion Policy champions an inclusive workplace, valuing diversity, upholding meritocracy, and fostering an environment that appreciates differences for the benefit of our business and employees.

As at 31 December 2023, there were no persons with disabilities employed by OMH.

### OMH's Commitment to Diversity

	Providing access to equal opportunities at all levels of work based on merit		Fostering a corporate culture that embraces diversity
	Welcoming people from diverse backgrounds		Not tolerating workplace discrimination, harassment, vilification and victimisation
	Operating as an equal-opportunity employer		Respecting the diversity of customers, clients and stakeholders

### ➤ OMH – DIVERSITY AND INCLUSION POLICY

## Gender Diversity

OMH prioritises fair representation across genders, which is central to its Diversity and Inclusion Policy. Clear, measurable gender diversity goals require senior management to report progress. Supportive measures like parental leave and flexible work arrangements help employees manage domestic responsibilities. OMH diligently conducts regular reviews and annual reporting on its advancements in achieving measurable gender diversity objectives.

# SUSTAINABILITY STATEMENT

## Parental Leave

Number of employees	Entitled to Parental Leave	Took Parental Leave	Due to Return	Returned to Work	Return Rate (%)
Female	37	19	0	19	100%
Male	406	56	0	56	100%
<b>Total</b>	<b>443</b>	<b>75</b>	<b>0</b>	<b>75</b>	<b>100%</b>

## HONOURING CONTRIBUTIONS WITH EQUITABLE AND FAIR REMUNERATION

As fair remuneration and attractive benefits are paramount, we instituted a transparent process that evaluates employee performance based on merit. Complying with the minimum wage regulations and advocating for a living wage to provide a sustainable income for all workers supports economies and drives growth. Our Human Resources Team consistently reviews fixed compensation for full-time employees, ensuring it surpasses minimum legal requirements and its alignment with our commitment to equitable and competitive remuneration.

### Examples of Employee Benefits



Leave:  
Annual, maternity and paternity



Retirement benefits



Flexible working arrangements



Transportation and accommodation



Allowances, subsidies and reimbursements



Medical benefits

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

### Benefits Provided to Employees Based on Contract Type

Benefit	Australia		China		Malaysia		Singapore	
	Permanent & Full-time	Contract	Permanent & Full-time	Contract	Permanent & Full-time	Contract	Permanent & Full-time	Contract
Life Insurance	Not provided	Not provided	Provided	Provided	Not provided	Not provided	Provided	Provided
Medical Insurance	Not provided	Not provided	Provided	Provided	Provided	Provided	Provided	Provided
Parental Leave	N.A.	N.A.	Provided	Not provided	Provided	Not provided	Provided	Provided
Recognition / Performance Review	Provided	N.A.	Provided	Provided	Provided	Not provided	Provided	Provided

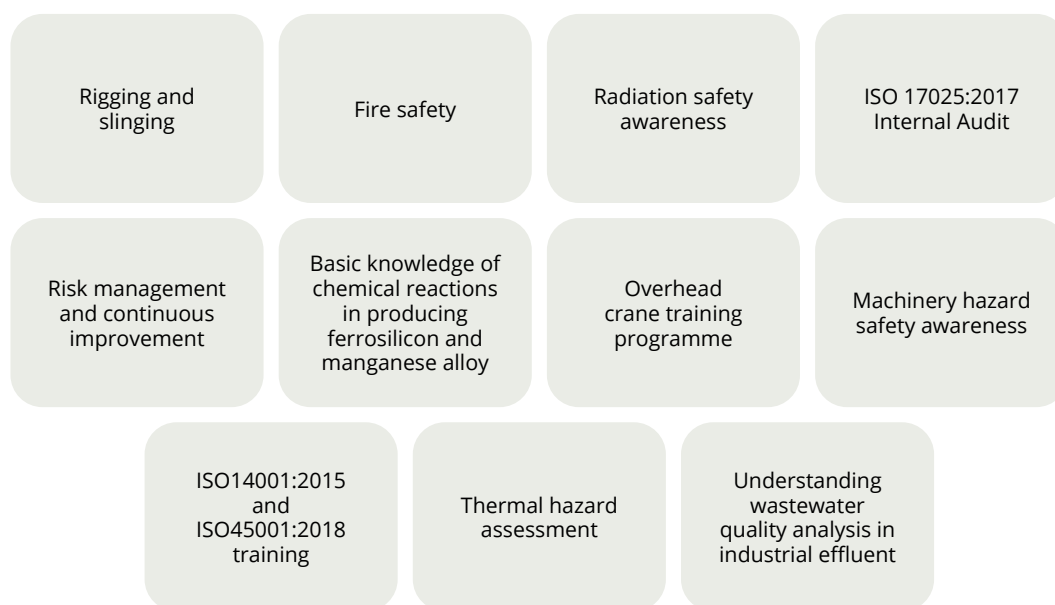


# SUSTAINABILITY STATEMENT

## UNLOCKING POTENTIAL THROUGH TALENT ENRICHMENT

The Group's expertise in handling manganese ore and ferroalloys is exceptional, and continuous training is required to maintain high skill levels. Our customised group-level training helps employees acquire new skills, collaborate effectively and advance their careers, providing every employee with opportunities for professional growth. We collaborate with local universities to tailor training content for local operators, ensuring comprehensive development opportunities.

*Examples of Internal and External Training Programmes in 2023*



At our core, we believe in nurturing employees' passions and ambitions. Our upskilling programs equip individuals with sought-after skill sets, facilitating their professional development. These initiatives open gateways to burgeoning fields, ensuring sustained career growth. Our commitment extends to providing diverse skill training and educational programmes, empowering trainees to take the required steps forward in their career paths.

	Gender			Employee Category				
	Total	Male	Female	C-Suite	Senior Management	Middle Management	Executive	Non-Executive
<b>Total training hours</b>	176,246.1	160,229.2	16,016.9	171.5	1,390.0	1,428.5	3,811.2	169,444.9
<b>Average training hours</b>	74.3	80.1	43.2	9.0	19.9	31.7	20.0	82.8

The Company also commits to employees' personal development through training and up-skilling opportunities, ensuring continuous growth and skill enhancement within the organisation. Examples include IT literacy training, language leadership and effective communication classes.

We are committed to alleviating youth unemployment by implementing apprenticeships and graduate programmes with local universities. We have an ongoing collaboration with UNIMAS in a Certificate in Manufacturing Technology (Smelting) programme that accepted the first batch of students in FY2022. Graduates from this programme have a well-rounded, holistic knowledge and experience, including theoretical modules and industrial training. The programme will be accepting its second batch of students in FY2024.

# SUSTAINABILITY STATEMENT

## ENGAGING EMPLOYEES

OMH fosters a united workforce, valuing collaboration and togetherness. Our commitment to employee engagement is evident through diverse corporate activities and employee bonding sessions to cultivate a vibrant workplace. We organise various engagement initiatives, including festive celebrations, to create a dynamic and inclusive environment where team members feel connected and motivated.



*Clockwise from top-left: OMS Annual Dinner 2023, OMS Staff Appreciation Dinner, OM Sarawak Dinner & Dance 2023 (bottom left and right)*

## HEALTH AND SAFETY

As the process of smelting and producing ferroalloys carries inherent risks and safety is our top priority. Our operations involve intricate processes that demand continuous vigilance to prevent incidents and safeguard the well-being of all employees, contractors and third parties. Our Occupational Health and Safety Policy prioritises safety across all managed operations and extends to all internal and external stakeholders and contractors. We rigorously implement this policy as part of our commitment to continuous improvement and reducing the health and safety impact.

### Occupational Safety and Health Management Systems ("OSHMS")



OMH ensures all OSHMS in its operating subsidiaries comply with national work health and safety legislation, relevant codes of practice, and international standards. Our operations undergo regular external audits and compliance checks to maintain stringent oversight. OM Sarawak has achieved ISO 45001:2018 Occupational Health and Safety Management Systems certification in FY2023.

The OSHMS includes periodic audits of the risk management process and subsequent implementation of recommendations. Worker engagement in hazard reporting is encouraged through daily toolbox briefings, bi-weekly production meetings, and quarterly Health and Safety meetings.

A meticulous approach to managing risks involves identifying, assessing, monitoring and controlling hazards. Continually refining safety procedures and performance fosters a safe environment for all employees and stakeholders involved in our business.

OM Sarawak has implemented a Stop Work Policy to protect workers from reprisals or discrimination. The policy outlines steps for workers to cease work in the presence of imminent threats, notify superiors, address the issues, and resume work once concerns have been adequately resolved. OM Sarawak management gives workers full support, the right to halt work without fear of reprisal and the ability to address safety and health concerns before resuming work.

*Our ultimate aim is to reduce workplace incidents, emphasising shared responsibility among all individuals for ensuring a safe working environment.*

Before engaging third-party contractors, we establish prevention plans, scrutinise work permits, and provide customised briefings and safety training. We equip employees with Personal Protective Equipment ("PPE") that meets the required standards. For instance, we provide aluminised protective clothing and hand gloves to protect individuals from heat radiation and potential molten splash events.

### Identifying and Minimising Workplace and Work-Related Hazards

We conduct health and safety risk assessments for new and existing operations and projects as part of our due diligence process. This proactive approach identifies and mitigates potential health and safety hazards at the workplace.

OM Sarawak thoroughly evaluates all work activities following prescribed Hazard Identification, Risk Assessment, and Risk Control ("HIRARC") procedures. OM Sarawak has established, implemented, and maintains a robust process for hazard identification to eliminate or control risks through the hierarchy of controls, including elimination, substitution, engineering controls, administrative controls, and personal protective equipment. Individuals performing, facilitating, and reviewing the HIRARC undergo formal training to ensure process proficiency.

We continuously monitor the effectiveness of control measures through inspections, maintenance log reviews, and discussions with workers. Adequate supervision is essential to verify correct implementation. The risk management process is subject to review and revision in response to incidents or when better controls are identified.

## Incident Investigation and Corrective Action

OM Sarawak has established procedures for classifying, notifying and reporting work-related incidents within its controlled premises. These protocols cover incident investigation methods, report production and preventative measures. The analysis of incidents helps identify underlying causes, including incompatible procedures, training adequacy, process failures and communication gaps. Recording corrective actions leads to improvements in revised HIRARC and Work Instructions, subject to regular reviews.

## Health and Safety Compliance

### Australia

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

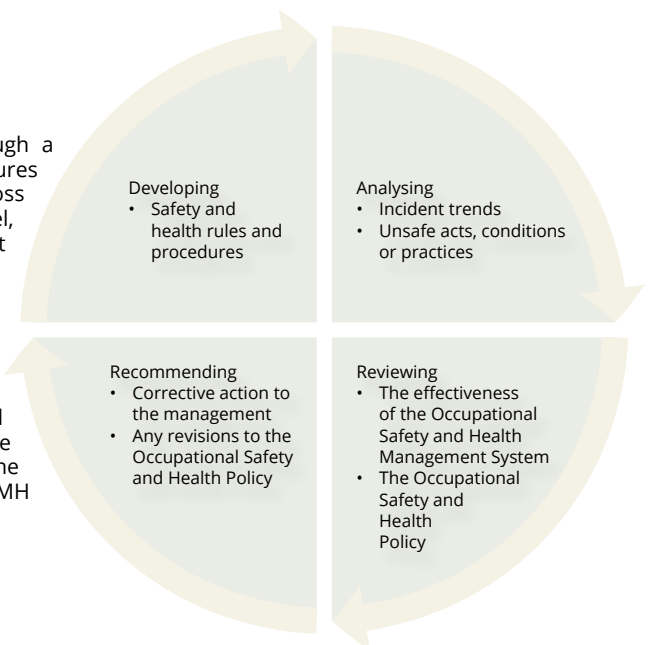
### Malaysia

- Our smelting operations in Sarawak, Malaysia, must comply with the Occupational Safety and Health Act 1994 and its regulations, Guidelines and Code of Practices as enforced by DOSH under the Ministry of Human Resources Malaysia.
- We are also governed by the Factories and Machinery Act 1967, under which DOSH officers periodically inspect our lifting and hoisting equipment, unfired pressure vessels and general installations in our Sarawak plant.
- Two safety audits were conducted as part of the Safety Improvement and Management Hazards Campaign ("SIMHAC") in FY2023.

## Health and Safety Governance

OMH places safety at the core of its governance, exemplified through a robust Safety Governance framework. This dedicated structure ensures comprehensive oversight and application of safety protocols across our operations. Top management leads our safety governance model, integrating safety measures, compliance frameworks, risk management strategies, and continual improvement initiatives.

OM Sarawak's Health and Safety Committee meets on a quarterly basis, facilitating collaboration among management and employees. This committee, chaired by OM Sarawak's Managing Director, General Manager and Deputy General Manager of HSE and Sustainability, develops, implements and monitors safety measures. With a balanced representation of managerial and non-managerial staff, the committee ensures a holistic approach to safety implementation and compliance. The committee representative also reports key health and safety data to the OMH Board on a quarterly basis.



### Various Committee Functions

Medical Team	<ul style="list-style-type: none"> <li>Comprises professional medical personnel</li> <li>Organises health awareness talks and programmes for employees</li> <li>Provides 24-hour on-site treatment</li> </ul>
Fire Protection and Rescue Team	<ul style="list-style-type: none"> <li>Maintains the plant fire protection equipment</li> <li>Conducts emergency and fire drills</li> </ul>
Emergency Response Team	<ul style="list-style-type: none"> <li>Maintains a current and accurate accounting of emergency response activities</li> <li>Responds to accidents and incidents in accordance with the Emergency Response Plan ("ERP")</li> </ul>
Recovery Team	<ul style="list-style-type: none"> <li>Monitors affected areas, such as asset damage by fire, hazardous chemical spillage, natural disasters and structural failure</li> </ul>

# SUSTAINABILITY STATEMENT

## Safety Training

The Group prioritises safety through comprehensive training, extending to employees, contractors, and all workers. Extensive coaching is offered to all relevant employees and contractors, ensuring continual safety education. Additionally, regular safety refresher training sessions are provided to reinforce a culture of safety and awareness across operations.



Safety display room at OM Sarawak, set-up in 2023, showcasing OSHMS procedures and case studies



Mass toolbox session held for our drivers to instil a culture of safety on-site

Type of Training	No. of Workers	No. of Training Sessions	No. of Training Hours
<b>Safety Induction</b>			
Employees	945	164	2,747
Workers who are not employees	2,623	476	3,275
<b>Internal OSH Training</b>			
Topics include conveyor belt safety training, machinery hazards safety awareness, forklift handling training, smelting front liner refresher training, rigging and slinging training, noise exposure awareness, fire safety, chemical handling, confined space entry training, Permit to Work training, Sinter plant safety training and overhead crane training			
Employees	1,636	100	4,009
Workers who are not employees	27	16	41
<b>External OSH Training</b>			
Topics include rigging and slinging training, National Institute of Occupational Safety and Health - OM Safety Passport ("NOMSP") training, Tripod Beta Incident Investigation, Construction Industry Development Board ("CIDB") training, first aid, basic fire fighting training (ERT), emergency response combined drill training, chemical spillage, electrical safety, lifting supervisor, radiation safety, authorised gas tester and entry supervisor, HIRARC training and ISO 45001:2018 awareness			
Employees	1,587	83	17,328
<b>Total Training Hours</b>			<b>27,400</b>

## Safety and Performance

		2021	2022	2023
<b>Safety Performance</b>				
<b>Number of incidents</b>				
Fatalities (employees)	Number	1	0	0
Fatalities (workers who are not employees)	Number	0	0	0
Recordable* work-related injuries (employees)	Number	5	4	23
Recordable* work-related injuries (workers who are not employees)	Number	0	1	11
<b>Total hours worked</b>				
Manhours worked (employees)	Hours	3,459,559	3,661,227	4,851,389
Manhours worked (workers who are not employees)	Hours	201,035	1,952,825	3,881,454
<b>Lost Time Incident Rate (LTIR)</b>				
LTIR (employees)	No. per million manhours	1.45	1.09	4.74
LTIR (workers who are not employees)	No. per million manhours	0.00	0.51	2.83
Overall LTIR	No. per million manhours	0.72	0.80	3.79

Safety performance data for FY2023 included OM Sarawak, OMME and OMML. FY2021-2022 data included OM Sarawak only.

\*Recordable incidents include fatalities



## Collaboration, Engagement and Other Safety Initiatives

Organising systematic, regular engagements with employees, vendors, contractors, suppliers and external organisations helps identify and monitor potential OHS impacts. Various initiatives promote a collaborative safety and health culture.



### OM Sarawak's Dynamic Alliance with NIOSH

OM Sarawak collaborated with NIOSH to introduce the NIOSH-OM Safety Passport ("NOMSP") programme. Initially trialled at the Plant in Q1 2023, the complete programme officially launched in the second quarter of 2023. 900 workers attended the NOMSP induction in FY2023, showcasing our continued commitment to safety training and protocols.

## Emergency Drills

In FY2023, we diligently executed six emergency drills, across a variety of scenarios, including fire evacuation, medical evacuation, oil spillage control, and vehicular medical rescue. By incorporating a range of emergency scenarios into our safety regimen, we strive to ensure comprehensive readiness and response.



*Clockwise from top-left: fire evacuation drill; vehicular accident medical rescue; chemical spillage fire evacuation drill; medical rescue and oil spillage*

## OM Sarawak OHSE Week

OM Sarawak orchestrated the Occupational Health, Safety, and Environment (“OHSE”) Week from 10 to 14 July 2023, coinciding with the State Level Occupational Health and Safety Week. Collaborating with external government agencies such as the Fire Department, DOSH, DOE, and the National Anti-Drug Agency, the event encompassed diverse activities such as health talks, an emergency drill, a fire awareness talk, safety awareness sessions and blood donation drives.



## Occupational Health Services

Comprehensive worker health management involves various facets, including pre-employment health check-ups, health surveillance, medical removal, health promotion, pre-placement medical exams, and ongoing monitoring of vulnerable groups. The medical team actively engages in emergency response, and a designated first aid room, compliant with the Guidelines on First Aid in the Workplace (2<sup>nd</sup> Edition), 2004, is available. Ensuring 24/7 availability, a dedicated medical personnel team supports the first aid facility, complemented by two Type B ambulances. As a proactive measure, strategically placed Automated External Defibrillators (“AEDs”) enhance emergency preparedness in densely populated buildings.

## Workplace Health Promotion

OM Sarawak has appointed a panel clinic to provide workers easy access to non-work-related medical services, mainly focusing on minor illnesses. OM Sarawak also initiated a health check-up programme for eligible employees, during which external medical providers conduct comprehensive assessments, including blood and urine tests, chest X-rays, electrocardiograms, and physical examinations. Occupational Health Doctors review the results and provide consultations based on the findings. OMS provides an annual on-site health screening for all employees, which includes blood and urine tests.

## SOCIETY

We create a brighter future in our communities. At the heart of our mission lies a commitment to nurturing relationships that empower the community. Supporting the underprivileged cultivates a stronger, more inclusive society, fuelling collective growth and prosperity.

## COMMUNITY RELATIONS

Exploration, mining, smelting, marketing, and trading are pivotal pillars for fostering sustainable community development, which sparks positive economic and social transformations. OMH prioritises respectful engagement with local communities, always mindful of its role as temporary visitors in diverse international landscapes. We meticulously balance economic, environmental, and social considerations throughout all project phases.

The Company operates under a guiding Community Relations Policy, acting as a framework that shapes our engagements and collaborations within society, fostering positive and responsible interaction. OMH fulfils its community relations objectives by:

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

### ➤ OMH – COMMUNITY RELATIONS POLICY

We place a high value on volunteering within our organisation, acknowledging its considerable impact on our internal culture and the communities we engage with. We sincerely appreciate individuals who generously contribute their time and skills, fostering a culture of community engagement and shared responsibility for creating positive change.



## SUSTAINABILITY STATEMENT

### SPONSORSHIP, DONATION AND COMMUNITY GIVING

Our commitment to making a difference extends beyond financial contributions as we actively engage as a community partner. OMH's contributions, donations, and sponsorships are intricately linked with our business strategy, aligning with targeted focus areas to amplify our positive impact on communities and reinforce our commitment to social responsibility. We collaborate with organisations dedicated to educating and supporting the underprivileged, particularly emphasising our impactful initiatives during the festive season, where generosity flourishes.

Our community investments focus on specific, well-defined areas such as education, welfare and community well-being. We carefully choose these areas to address key needs or opportunities, enabling us to make a meaningful impact. By strategically directing our resources, we aim to maximise positive outcomes and contribute to sustainable change in the communities we serve.

During the year, the Group's cumulative donations of more than USD180,000 underscore our dedication to creating lasting positive change in the communities we serve. In this section, we would like to highlight some notable contributions.

#### Sponsor for the Upgrading of Bintulu General Hospital

OM Sarawak expresses gratitude for the services provided by Bintulu General Hospital and highlights a RM17,620 sponsorship to enhance healthcare capabilities. This support improves facilities, acquires advanced medical equipment, and elevates patient care standards, reinforcing the regional healthcare infrastructure. The contribution represents an investment in healthcare and showcases OM Sarawak's unwavering commitment to social responsibility.



#### Trade Nexus: Navigating the Digital Age with Innovation

OM Sarawak proudly sponsored WCIT|IDECS 2023, a leading global platform in the information technology industry since 1978. The event took place from 4 to 6 October 2023 at Borneo Convention Centre Kuching, making it the largest international event with unparalleled opportunities for global trade connections. The total sponsorship amounted to RM530,000.

WCIT, a renowned international event, facilitates global trade connections and attracts industry experts, policymakers, and entrepreneurs globally. Simultaneously, IDECS, a Sarawak Government-led conference, aligns with the UNSDGs, focusing on financial well-being, societal equity, and ecological health to drive progress in the digital age.

OM Sarawak's strategic sponsorship garnered global exposure for the brand, enhancing international recognition among industry leaders. This initiative aligns with our commitment to global engagement, innovation, and corporate responsibility.

#### Empowering Students to Soar

The Group supports children's rights to education in alignment with its commitment towards the Children's Rights and Business Principles. OM Sarawak recently organised the 'Empowering Students to Soar' event across multiple schools, including SMK Bandar Bintulu, SK Kampung Nyalau, SK Sungai Bukit Balai, and SK Kuala Nyalau. This ongoing effort underscores our dedication to community empowerment and education.



Key activities comprised a donation drive, career talks, and environmental awareness initiatives. The event yielded positive outcomes by providing valuable insights into career paths and fostering environmental responsibility. Additionally, the contributions totalling RM134,040 catered to immediate needs, providing students with essential tools for academic success.

## HUMAN RIGHTS

OMH operates in line with the Universal Declaration of Human Rights (“UDHR”), the United Nations Guiding Principles on Human Rights, the International Bill of Human Rights and the OECD Responsible Business Conduct guidelines:

- The UDHR, a global human rights standard established in 1948, promotes equality and dignity for all individuals.
- The OECD integrates human rights considerations, ensuring respect for human rights and conducting due diligence across value chains to prevent adverse impacts.

The Board oversees human rights, allocating clear day-to-day responsibilities and resources to relevant functions. Human rights expectations are communicated transparently to stakeholders, including business partners.

Formalising its commitment, OMH implements a comprehensive Human Rights Policy, ensuring respect for stakeholders’ rights, preventing violations, and committing to:

- Respect the rights and dignity of employees, partners, local communities, and all affected by OMH’s operations;
- Provide equal opportunities and foster a discrimination-free environment concerning race, religion, gender, age, sexual orientation, disabilities and nationality;
- Support the principles of freedom of association and collective bargaining;
- Reject forced, compulsory, or child labour;
- Careful verification of identifications while ensuring that we do not retain any such documentation as a proactive measure to prevent child and forced labour within the Company;
- Ensure a secure environment for business operations to safeguard personnel and assets; and
- Commit to a living wage and exceed minimum wage standards

### ✦ OMH – HUMAN RIGHTS POLICY

OMH conducts training and awareness sessions on this policy as needed. All employees and stakeholders must adhere to the terms of the Human Rights Policy and report any incidents or violations to management. The Executive Chairman/Chief Executive Officer is accountable to the Board for ensuring the effective implementation of this policy.

Our commitments regarding human rights encompass various facets, including ensuring equality and preventing discrimination, providing fair wages, maintaining reasonable working hours, supporting fair employee representation, ensuring security, offering primary health care, upholding labour rights within our supply chain, and engaging in informed consultation processes.

We place particular emphasis on assessing and addressing the impact of our operations on the human rights of vulnerable groups, notably indigenous populations, women, and children. Additionally, the Company participates in initiatives to improve labour standards and address specific topics within the industry.

The Company supports and respects where applicable international human rights guidance documentation and seeks to conduct its businesses in accordance with the relevant spirit and intent. This includes concepts such as equal pay for equal work that compensates employees fairly and impartially, as well as elimination of excessive working hours.

At OM Sarawak, we ensure strict compliance with the Group’s Labour Policy, which prohibits the employment of children and young persons. As per the Sarawak Labour Ordinance, a ‘child’ is identified as an individual under 15 years old, while ‘young persons’ encompass those above 15 but below 18 years of age. We ensure that our suppliers, business associates, and all involved parties refrain from employing child or forced labour in their operations.

We systematically and proactively evaluate the impact of our operations on human rights as an integral part of our core business processes. We have implemented several key actions to prevent potential human rights issues.

As a part of our due diligence in managing human rights risks across our value chain, we identify and evaluate risks associated with CAHRAs. This comprehensive assessment enables us to adopt a collaborative approach to mitigate these human rights risks throughout the supply chain.

Furthermore, since 2018, all raw material suppliers must furnish a Declaration Letter of Compliance. This declaration verifies adherence to sustainable practices and confirms the absence of child and forced labour within their operations. This mandatory requirement ensures that our suppliers align with our commitment to ethical and responsible practices, fostering a sustainable and conscientious supply chain ecosystem.

OMH has a grievance mechanism to address and rectify any identified human rights concerns. Instituting formal mechanisms to address human rights explicitly provides confidentiality to internal and external stakeholders. The Company has also introduced mechanisms such as regular engagement to allow employee representatives to engage with management. We remedy situations if we have caused or contributed to human rights impacts.

In FY2023, there were no substantiated complaints concerning incidents of discrimination or human rights violations, including violations of the rights of Indigenous peoples.



## Addressing Salient Human Rights Issues in the Mining Sector

Security guard issues are one of the salient human rights concerns in the mining sector. It is of utmost importance that security practices are aligned with international standards, such as the Voluntary Principles on Security and Human Rights, whereby human rights, risk assessments, proper training and transparency are emphasised. Bootu Creek Mine is situated over 110km north of Tennant Creek in the Northern Territory of Australia. As it is located far from any settlements or towns, OMM does not hire security guards for the mine site.

Another salient human rights issue identified in the mining sector is the rights of Indigenous communities. We adhere to principles dedicated to protecting and respecting their rights. We commit to conducting informed consultations and obtaining prior informed consent to demonstrate our commitment to their well-being.

We pledge to actively engage stakeholders to identify and address these salient human rights issues. Our commitment involves fostering collaboration, gathering insights and implementing effective measures to ensure the well-being and rights of all individuals involved.

## OPERATING RESPONSIBLY

Prioritising responsible operations at OMH focuses on continual improvement for sustained competitiveness and long-term sustainability. We conducted a thorough 'cradle-to-gate' LCA of our manganese alloys, in collaboration with IMnI, as well as our ferrosilicon alloys. The detailed assessment meticulously examined our environmental impact from extraction to processing (smelting), shedding light on our ecological footprint and enabling comparisons with industry counterparts. These insights empower our regional steel mill clients to make informed, eco-conscious choices, bolstering sustainability within their supply chains. Our commitment to responsible operations is entrenched in minimising impact while maximising value creation across our operational landscape.

## PRODUCT SAFETY



Product safety is paramount, especially concerning our range of products, including ferrosilicon, silicomanganese, and high-carbon ferromanganese. To adhere to stringent safety standards, we subject our products to rigorous testing in accordance with the "United Nations Recommendations on the Transport of Dangerous Goods, Manual of Tests and Criteria Part III - 33.4.1.4". While our products are not classified as Class 4.3 Dangerous Goods, we remain committed to ensuring comprehensive safety measures for our employees.

Our safety protocols encompass various facets, including provisions for first-aid, firefighting, and safe handling and storage practices. Meticulously implementing these initiatives safeguards the well-being of our workforce and upholds the highest safety standards within our operations. We regularly provide customers with an updated product safety information sheet. Even though our products are not hazardous goods, this sheet offers

precise instructions for third parties and customers, ensuring safe handling and storage. It encompasses extensive details such as product classification, composition, handling instructions, first-aid protocols, firefighting procedures, accidental release guidelines, exposure controls, stability and reactivity information, toxicological and ecological insights, disposal recommendations, and regulatory specifics. This comprehensive document facilitates proper product management and ensures safety across all stages of handling and usage.

In FY2023, there were no incidents of non-compliance concerning the health and safety impacts of OMH's products and services, and product and service information labelling.

## PRODUCT QUALITY

At OM Sarawak, our Quality Inspection Center ("QIC") is the custodian of product quality management within our smelting plant. This dedicated unit established and maintains the quality control management system. Its responsibilities encompass vigilant oversight of weighing, sampling and issuing detailed analysis reports for incoming feedstock and finished products.

The QIC plays a crucial role in our operations by ensuring rigorous quality checks and adherence to set standards. Moreover, it efficiently categorises natural blocks based on their grade and facilitates their allocation to the designated crushing areas. This meticulous approach underscores our commitment to delivering consistent and superior-quality products throughout our production processes.

# SUSTAINABILITY STATEMENT

## *Quality and Inspection Procedures For Raw Materials and Finished Products*

### **Raw materials**

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

### **Finished product**

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

At the OM Sarawak plant, the QIC staff includes lab technicians, five of whom are chemists registered by the Department of Chemistry, Malaysia. Product testing performed by the QIC involves advanced equipment, such as the X-ray Fluorescence Spectrometer ("XRF") and the Inductively Coupled Plasma Spectrometer ("ICP"), among other sophisticated instruments.

## **CYBERSECURITY AND DATA PRIVACY**

Our foremost commitment is to secure the confidentiality and safety of data entrusted to our Company by customers, employees and other stakeholders. We enforce robust Data Protection and Privacy practices throughout the Group, establishing a sturdy framework for safeguarding valuable information assets. In FY2023, we received no substantiated complaints concerning breaches of customer privacy.

Regular employee training and communication updates our workforce on emerging cyber threats and provides refresher courses on Company policies. This proactive approach ensures that our employees stay informed and equipped to uphold the pinnacle of data security and privacy standards within the organisation.

Our robust cybersecurity infrastructure includes an upgraded firewall, mandatory password resets for email accounts every six months, automatic synchronization and backup of files from company servers to cloud servers, Two-Factor Authentication for emails, Microsoft Defender, routine IT maintenance, data backup to secure cloud servers, controlled removable device access, and the deployment of Endpoint Security Software. Additionally, we have enlisted a professional cybersecurity firm to conduct penetration tests and have implemented remediation advice based on completed reports. This comprehensive setup strengthens our digital defences and shields our systems against cyber threats.

## GROUP SUSTAINABILITY PERFORMANCE DATA

		2021	2022	2023
<b>Climate Change and Energy Management</b>				
<b>Greenhouse Gas Emissions<sup>1</sup></b>	<b>Kilotonnes CO<sub>2</sub>e</b>	<b>1,137.08</b>	<b>1,187.15</b>	<b>1,759.23</b>
Scope 1	Kilotonnes CO <sub>2</sub> e	724.00	759.51	1,031.36
Scope 2	Kilotonnes CO <sub>2</sub> e	413.08	427.64	495.49
Scope 3	Kilotonnes CO <sub>2</sub> e	-	-	232.38
- Category 1: Purchased goods and services		-	-	128.56
- Category 2: Capital goods		-	-	5.44
- Category 3: Fuel- and energy-related activities not included in Scope 1 or Scope 2 <sup>2</sup>		-	-	0.00
- Category 4: Upstream transportation and distribution		-	-	63.79
- Category 5: Waste generated in operations		-	-	0.01
- Category 6: Business travel		-	-	0.14
- Category 7: Employee commuting		-	-	2.29
- Category 10: Processing of sold products <sup>3</sup>		-	-	14.83
- Category 15: Investments		-	-	17.31
<b>Greenhouse Gas Emissions Intensity<sup>4</sup></b>				
Ferrosilicon <sup>5</sup>	Kilotonnes CO <sub>2</sub> e / tonne	5.66	6.10	5.94
Manganese Alloy	Kilotonnes CO <sub>2</sub> e / tonne	2.50	2.20	2.23
<b>Energy Consumption (within the organisation)</b>	<b>Thousand GJ</b>	<b>7,575.08</b>	<b>7,835.46</b>	<b>9,042.43</b>
Electricity	Thousand GJ	7,510.48	7,775.28	8,963.63
Diesel	Thousand GJ	64.60	60.18	78.72
Gasoline	Thousand GJ	-	-	0.09
<b>Energy Intensity</b>				
Ferrosilicon	GJ / tonne	31.97	31.78	32.17
Manganese Alloy	GJ / tonne	13.89	13.86	13.21

Aggregate data from OM Sarawak, OMS and OMML. Data may not add up to the total due to rounding differences.

- <sup>1.</sup> GHG Emissions: 2023 - verification by BSI Services Malaysia (reasonable, 10%) for OM Holdings Ltd. Reporting scopes: Scopes 1, 2 and 3. GHG gases included: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HCFCs, HFCs. Organisational boundary: OM Sarawak, OMS, OMML. 2022 - verification by BSI Services Malaysia (reasonable 10%) for OM Sarawak. Reporting scopes: Scope 1, 2 and 3 (employee commuting only). 2021 - reporting boundary: OM Sarawak. Reporting scopes: Scope 1 and 2.
- <sup>2.</sup> Category 3: upstream emissions of electricity generation for OM Sarawak & OMML were accounted for under Scope 2. T&D loss data was unavailable for OM Sarawak & OMML. Category 3 emissions from OMS were negligible.
- <sup>3.</sup> Category 10: consists of carbon content in the alloys sold, which would be released during the steel-making process. Emissions arising from electricity used to process the alloys during steel-making were not included. The emissions were deemed to be insignificant (<1% of Scope 3 emissions) and reliable emission factors were not available.
- <sup>4.</sup> GHG Emissions Intensity consists of Scope 1 and 2 emissions. Calculation is based on SEB's published grid emission factor. For 2021-2022, the grid emission factor of 0.198 tCO<sub>2</sub>e/MWh was used. For 2023, the grid emission factor of 0.199 tCO<sub>2</sub>e/MWh was used.
- <sup>5.</sup> Emissions intensity for FeSi for 2021 and 2022 have been restated due to (a) updated grid emission factor from SEB of 0.198 tCO<sub>2</sub>e/MWh (2021), (b) inclusion of emissions from CH<sub>4</sub> released during production.

# SUSTAINABILITY STATEMENT

		2021	2022	2023
<b>Emissions Management</b>				
<b>Non-Greenhouse Gas Emissions</b>				
Ozone-depleting substances (ODS)	Kilotonnes of CFC-11-eq	0.02	0.03	0.03
Nitrogen oxides (NO <sub>x</sub> ) <sup>1</sup>	Kilotonnes	-	-	0.94
Sulfur oxides (SO <sub>x</sub> ) <sup>1</sup>	Kilotonnes	-	-	759.64
Particular matter (PM <sub>10</sub> )	Kilotonnes	0.19	0.13	0.13

Aggregate data from OM Sarawak, OMME and OMML

<sup>1</sup> Reporting of NO<sub>x</sub> and SO<sub>x</sub> emissions commenced in 2023

		2021	2022	2023
<b>Towards Zero Waste and Circularity</b>				
<b>Raw Material Use</b>	<b>Kilotonnes</b>	<b>933.59</b>	<b>971.68</b>	<b>1,168.46</b>
Manganese ore	Kilotonnes	399.68	407.62	493.08
Mill scale	Kilotonnes	40.80	44.22	43.03
Quartz	Kilotonnes	250.02	266.72	336.29
Reductants	Kilotonnes	233.04	242.31	283.58
Electrode paste	Kilotonnes	10.04	10.82	12.48
<b>Waste Management</b>				
Total waste generated	Kilotonnes	148.97	151.31	174.91
Scheduled waste generated	Kilotonnes	148.76	150.96	174.60
Solid waste generated	Kilotonnes	0.21	0.35	0.31
Total waste diverted from disposal	Kilotonnes	0.20	1.81	110.30
Scheduled waste prepared for onsite reuse	Kilotonnes	-	-	110.00
Scheduled waste sent for offsite recycling	Kilotonnes	0.01	0.02	0.03
Solid waste sent for offsite recycling	Kilotonnes	0.20	1.79	0.28
Total waste directed to disposal	Kilotonnes	20.77	18.49	16.22
Scheduled waste directed to disposal	Kilotonnes	20.56	18.14	15.91
Solid waste sent for offsite landfilling	Kilotonnes	0.21	0.35	0.31
Recycled input materials used	Percentage	12.2	11.5	13.2
Total slag recycled	Kilotonnes	113.63	111.83	154.73

Aggregate data from OM Sarawak, OMME and OMML. Data may not up add to the total due to rounding differences.

		2021	2022	2023
<b>Water Management</b>				
Total water withdrawal (third-party water, freshwater)	Megalitres	1,196.54	1,318.89	1,668.02
Total water discharge (surface water)	Megalitres	16.41	10.73	20.14
Total water consumption	Megalitres	1,180.12	1,308.16	1,647.89

Aggregate data from OM Sarawak, OMME and OMML. Data may not up add to the total due to rounding differences.



# SUSTAINABILITY STATEMENT

		2021	2022	2023
<b>Health and Safety</b>				
<b>Occupational Safety and Health Management System (OSHMS)</b>				
<i>Workers covered by OSHMS that has been audited by an external party<sup>1</sup></i>				
Employees	Number	-	-	1,605
Workers who are not employees	Number	-	-	741
<b>Safety Performance<sup>2</sup></b>				
<i>Fatalities as a result of work-related injury</i>				
Fatalities (employees)	Number	1	0	0
Rate of fatalities (employees)	No. per million manhours	0.29	0.00	0.00
Fatalities (workers who are not employees)	Number	0	0	0
Rate of fatalities (workers who are not employees)	No. per million manhours	0.00	0.00	0.00
<i>High-consequence work-related injuries (excluding fatalities)</i>				
High-consequence work-related injuries (employees)	Number	0	1	1
Rate of high-consequence work-related injuries (employees)	No. per million manhours	0.00	0.27	0.21
High-consequence work-related injuries (workers who are not employees)	Number	0	0	0
Rate of high-consequence work-related injuries (workers who are not employees)	No. per million manhours	0.00	0.00	0.00
<i>Recordable work-related injuries<sup>3</sup></i>				
Recordable work-related injuries (employees)	Number	5	4	23
Rate of recordable work-related injuries (employees)	No. per million manhours	1.45	1.09	4.74
Recordable work-related injuries (workers who are not employees)	Number	0	1	11
Rate of recordable work-related injuries (workers who are not employees)	No. per million manhours	0.00	0.51	2.83
<i>Total hours worked</i>				
Manhours worked (employees)	Hours	3,459,559	3,661,227	4,851,389
Manhours worked (workers who are not employees)	Hours	201,035	1,952,825	3,881,454
<i>Lost Time Incident Rate (LTIR)</i>				
LTIR (employees + workers who are not employees)	No. per million manhours	0.72	0.80	3.79
<i>Fatalities as a result of work-related ill health</i>				
Fatalities (employees)	Number	0	0	0
Fatalities (workers who are not employees)	Number	0	0	0
<i>Recordable work-related ill health</i>				
Recordable work-related ill health (employees)	Number	0	0	0
Recordable work-related ill health (workers who are not employees)	Number	0	0	0
<b>Safety Training<sup>3</sup></b>				
<i>Safety Induction</i>				
No. of participants (employees)	Number	-	-	945
No. of participants (workers who are not employees)	Number	-	-	2,623
<i>Internal OSH Training</i>				
No. of participants (employees)	Number	-	-	1,636
No. of participants (workers who are not employees)	Number	-	-	27
<i>External OSH Training</i>				
No. of participants (employees)	Number	-	-	1,857

Aggregate data from OM Sarawak, OMME and OMML

<sup>1</sup> OM Sarawak achieved ISO 14001 certification in 2023

<sup>2</sup> Safety performance data for 2023 included OM Sarawak, OMME and OMML. 2021-2022 data included OM Sarawak only.

<sup>3</sup> Data disclosure by worker type (employees and workers who are not employees) commenced in 2023. In 2021-2022, aggregate data was reported.

# SUSTAINABILITY STATEMENT

		2021	2022	2023
<b>Our People</b>				
<b>Workforce</b>				
Total number of employees	Number	2,086	1,990	2,372
Percentage of employees that are contractors or temporary staff	Percentage	-	24.1	20.4
New employee hires	Number	297	553	784
New hire rate <sup>1</sup>	Percentage	-	-	40.1
Employee turnover	Number	493	733	475
Employee turnover rate	Percentage	23.6	36.8	22.0
<b>Breakdown of Workforce by Gender and Age Group<sup>1</sup></b>				
<i>C-Suite</i>				
Female	Percentage	-	-	21.1
Male	Percentage	-	-	78.9
<30 years	Percentage	-	-	0
30-50 years	Percentage	-	-	26.3
>50 years	Percentage	-	-	73.7
<i>Senior Management</i>				
Female	Percentage	-	-	18.6
Male	Percentage	-	-	81.4
<30 years	Percentage	-	-	0
30-50 years	Percentage	-	-	71.4
>50 years	Percentage	-	-	28.6
<i>Middle Management</i>				
Female	Percentage	-	-	28.9
Male	Percentage	-	-	71.1
<30 years	Percentage	-	-	4.4
30-50 years	Percentage	-	-	75.6
>50 years	Percentage	-	-	20.0
<i>Executive</i>				
Female	Percentage	-	-	37.7
Male	Percentage	-	-	62.3
<30 years	Percentage	-	-	30.4
30-50 years	Percentage	-	-	63.4
>50 years	Percentage	-	-	6.3
<i>Non-Executive</i>				
Female	Percentage	-	-	13.1
Male	Percentage	-	-	86.9
<30 years	Percentage	-	-	53.4
30-50 years	Percentage	-	-	39.8
>50 years	Percentage	-	-	6.7
<b>Senior Management Hired from the Local Community<sup>1</sup></b>				
Australia	Percentage	-	-	100.0
China	Percentage	-	-	100.0
Malaysia	Percentage	-	-	89.7
Singapore	Percentage	-	-	100.0
<b>Breakdown of Directors by Gender</b>				
Female	Percentage	28.6	33.3	33.3
Male	Percentage	71.4	66.7	66.7

# SUSTAINABILITY STATEMENT

Training Hours				
Average training hours	Hours	46.6	60.9	74.3
Total training hours	Hours	74,510.0	93,680.0	176,246.1
Training Hours by Employee Category <sup>1</sup>				
C-Suite	Hours	-	-	171.5
Senior Management	Hours	-	-	1,390.0
Middle Management	Hours	-	-	1,428.5
Executive	Hours	-	-	3,811.2
Non-Executive	Hours	-	-	169,444.9
Other Workers <sup>1</sup>				
Workers who are not employees	Number	-	-	56

<sup>1.</sup> Data disclosure commenced in 2023.

		2021	2022	2023
Society				
Total amount invested in the community	US Dollars	92,770	17,000	182,911
		2021	2022	2023
Sustainable Economic Growth				
Financial assistance received from government <sup>1</sup>	US Dollars	-	-	116,350

<sup>1.</sup> Data disclosure commenced in 2023. Consists of financial assistance received in the form of subsidies for training.

		2021	2022	2023
Sustainable Supply Chain				
Supplier Location				
Local suppliers engaged	Percentage	94.3	93.7	92.3
Foreign suppliers engaged	Percentage	5.7	6.3	7.7
Purchase Location				
Local supplier purchases	Percentage	6.5	12.0	10.3
Foreign supplier purchases	Percentage	93.5	88.0	89.7
Supplier Environmental and Social Assessment				
No. of existing suppliers <sup>1</sup>	Number	-	-	8

Aggregate data for OMM, OM Sarawak and OMQ

<sup>1.</sup> The Supplier Environmental and Social Assessment was first conducted in FY2023 for all primary suppliers of the Company. The assessment was conducted for all major Mn ore producers that the Company regularly purchases from, and the main supplier for each bulk raw material.

		2021	2022	2023
Operating Ethically and Responsibly				
Anti-Bribery and Corruption				
No. of confirmed incidents of corruption	Number	0	0	0
Human Rights				
No. of substantiated complaints concerning human rights violations	Number	0	0	0
Data Privacy and Cybersecurity				
No. of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Marketing and Labelling				
No. confirmed incidents of non-compliance regarding marketing communications	Number	0	0	0

# GRI CONTENT INDEX

**Statement of use** : OM Holdings Limited has reported in accordance with the GRI Standards for the period 1 January 2023 to 31 December 2023.

**GRI 1 used** : GRI 1: Foundation 2021

**Applicable GRI Sector Standard(s)** : OMH intends to report in accordance with the GRI 14: Mining Sector 2024 standard when it comes into effect, where applicable to our operations, and adopt the sector standard for Metals Processing, once it is available

CODE	DISCLOSURE	Reference / Reason for Omission
<b>General disclosures</b>		
<b>GRI 2: General Disclosures 2021</b>		
2-1	Organisational details	8, 9
2-2	Entities included in the organisation's sustainability reporting	36
2-3	Reporting period, frequency and contact point	36
2-4	Restatements of information	Energy intensity for FeSi, disclosed on pg 57-58, 79
2-5	External assurance	The Sustainability Statement has not undergone verification by an external assurer. However, it was reviewed by the management and approved by the Board. OMH engaged BSI Services Malaysia to provide independent verification of GHG emissions, disclosed on pg 36, 56-57.
2-6	Activities, value chain and other business relationships	8-12
2-7	Employees	65-66, 82-83
2-8	Workers who are not employees	83
2-9	Governance structure and composition	44, 91, 93-96, 98-99
2-10	Nomination and selection of the highest governance body	96
2-11	Chair of the highest governance body	91-93
2-12	Role of the highest governance body in overseeing the management of impacts	44, 93-94
2-13	Delegation of responsibility for managing impacts	44, 94
2-14	Role of the highest governance body in sustainability reporting	44
2-15	Conflicts of interest	94
2-16	Communication of critical concerns	100
2-17	Collective knowledge of the highest governance body	92
2-18	Evaluation of the performance of the highest governance body	103-104
2-19	Remuneration policies	104
2-20	Process to determine remuneration	103-104
2-21	Annual total compensation ratio	Information on the Executive Director's compensation can be found in the Corporate Governance section, on pg 103.
2-22	Statement on sustainable development strategy	42-43
2-23	Policy commitments	49-51, 76
2-24	Embedding policy commitments	49-51, 76
2-25	Processes to remediate negative impacts	51



# GRI CONTENT INDEX

CODE	DISCLOSURE	Reference / Reason for Omission
2-26	Mechanisms for seeking advice and raising concerns	51
2-27	Compliance with laws and regulations	48-51, 59, 61, 63-64, 68, 70-71
2-28	Membership associations	48
2-29	Approach to stakeholder engagement	37
2-30	Collective bargaining agreements	Refer to OMH's Human Rights Policy, as linked on page 76
<b>Material Topics</b>		
<b>GRI 3: Material Topics 2021</b>		
3-1	Process to determine material topics	37-38
3-2	List of material topics	38-41
<b>Sustainable Economic Growth</b>		
<b>GRI 3: Material Topics 2021</b>		
3-3	Management of material topics	44, 46-48
<b>GRI 201: Economic Performance 2016</b>		
201-1	Direct economic value generated and distributed	42-43, 115
201-2	Financial implications and other risks and opportunities due to climate change	52-54
201-3	Defined benefit plan obligations and other retirement plans	68
201-4	Financial assistance received from government	83
<b>GRI 203: Indirect Economic Impacts 2016</b>		
203-1	Infrastructure investments and services supported	60, 75
203-2	Significant indirect economic impacts	74-75
<b>GRI 207: Tax 2019</b>		
207-1	Approach to tax	48
207-2	Tax governance, control, and risk management	120-121
207-3	Stakeholder engagement and management of concerns related to tax	102
207-4	Country-by-country reporting	114-115, 117, 138, 146, 162, 166-168
<b>Responsible Supply Chain</b>		
<b>GRI 3: Material Topics 2021</b>		
3-3	Management of material topics	44-45, 48-50
<b>GRI 204: Procurement Practices 2016</b>		
204-1	Proportion of spending on local suppliers	50, 83
<b>GRI 308: Supplier Environmental Assessment 2016</b>		
308-1	New suppliers that were screened using environmental criteria	49, 83
308-2	Negative environmental impacts in the supply chain and actions taken	49, 83
<b>GRI 414: Supplier Social Assessment 2016</b>		
414-1	New suppliers that were screened using social criteria	49, 83
414-2	Negative social impacts in the supply chain and actions taken	49, 83

# GRI CONTENT INDEX

CODE	DISCLOSURE	Reference / Reason for Omission
<b>Ethics and Compliance</b>		
<b>GRI 3: Material Topics 2021</b>		
3-3	Management of material topics	44-45, 50-51
<b>GRI 205: Anti-Corruption 2016</b>		
205-1	Operations assessed for risks related to corruption	50-51
205-2	Communication and training about anti-corruption policies and procedures	50-51
205-3	Confirmed incidents of corruption and actions taken	50-51, 83
<b>GRI 206: Anti-Competitive Behaviour 2016</b>		
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	50
<b>GRI 415: Public Policy 2016</b>		
415-1	Political contributions	51
<b>Climate Change and Energy Management</b>		
<b>GRI 3: Material Topics 2021</b>		
3-3	Management of material topics	44-45, 54-58
<b>GRI 302: Energy 2016</b>		
302-1	Energy consumption within the organisation	57-58, 79
302-2	Energy consumption outside of the organisation	57-58, 79
302-3	Energy intensity	58, 79
302-4	Reduction of energy consumption	58, 79
302-5	Reductions in energy requirements of products and services	58, 79
<b>GRI 305: Emissions 2016</b>		
305-1	Direct (Scope 1) GHG emissions	56-57, 79
305-2	Energy indirect (Scope 2) GHG emissions	56-57, 79
305-3	Other indirect (Scope 3) GHG emissions	56-57, 79
305-4	GHG emissions intensity	56-57, 79
305-5	Reduction of GHG emissions	OMH has identified FY2023 as the base year, and will report on GHG emissions reductions in subsequent years, where applicable.
<b>Non-GHG Emissions Management</b>		
<b>GRI 3: Material Topics 2021</b>		
3-3	Management of material topics	44-45, 58-59
<b>GRI 305: Emissions 2016</b>		
305-6	Emissions of ozone-depleting substances (ODS)	80
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	80
<b>Towards Zero Waste and Circularity</b>		
<b>GRI 3: Material Topics 2021</b>		
3-3	Management of material topics	44-45, 61-63

## GRI CONTENT INDEX

CODE	DISCLOSURE	Reference / Reason for Omission
<b>GRI 301: Materials 2016</b>		
301-1	Materials used by weight or volume	80
301-2	Recycled input materials used	80
301-3	Reclaimed products and their packaging materials	OMH's sold products are intermediary products used primarily in steel-making. As such, it is not practical to reclaim our products. However, OMH procures mill scale from steel mills as raw materials to produce new ferroalloys.
<b>GRI 306: Waste 2020</b>		
306-1	Waste generation and significant waste-related impacts	61-62, 80
306-2	Management of significant waste-related impacts	61-62
306-3	Waste generated	80
306-4	Waste diverted from disposal	80
306-5	Waste directed to disposal	80
<b>Water and Effluent Management</b>		
<b>GRI 3: Material Topics 2021</b>		
3-3	Management of material topics	44, 63
<b>GRI 303: Water and Effluents 2018</b>		
303-1	Interactions with water as a shared resource	63
303-2	Management of water discharge-related impacts	63
303-3	Water withdrawal	80
303-4	Water discharge	80
303-5	Water consumption	80
<b>Biodiversity</b>		
<b>GRI 3: Material Topics 2021</b>		
3-3	Management of material topics	44-45, 59-60, 64
<b>GRI 304: Biodiversity 2016</b>		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	59
304-2	Significant impacts of activities, products and services on biodiversity	59, 64
304-3	Habitats protected or restored	60
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	59
<b>Health and Safety</b>		
<b>GRI 3: Material Topics 2021</b>		
3-3	Management of material topics	44-45, 70-74
<b>GRI 403: Occupational Health and Safety 2018</b>		
403-1	Occupational health and safety management system	70-71
403-2	Hazard identification, risk assessment, and incident investigation	70-71
403-3	Occupational health services	70-71, 74

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CODE	DISCLOSURE	Reference / Reason for Omission
403-4	Worker participation, consultation, and communication on occupational health and safety	70-71
403-5	Worker training on occupational health and safety	72-74, 81
403-6	Promotion of worker health	73-74
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	70, 73-74
403-8	Workers covered by an occupational health and safety management system	71, 81
403-9	Work-related injuries	72, 81
403-10	Work-related ill health	81
<b>Our People</b>		
<b>GRI 3: Material Topics 2021</b>		
3-3	Management of material topics	44-45, 64-70
<b>GRI 202: Market Presence 2016</b>		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	OMH complies with all local regulations, including local minimum wage laws
202-2	Proportion of senior management hired from the local community	82
<b>GRI 401: Employment 2016</b>		
401-1	New employee hires and employee turnover	66, 82
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	68
401-3	Parental leave	68
<b>GRI 402: Labour/ Management Relations 2016</b>		
402-1	Minimum notice period regarding operational changes	64
<b>GRI 404: Training and Education 2016</b>		
404-1	Average hours of training per year per employee	69, 83
404-2	Programmes for upgrading employee skills and transition assistance programmes	69
404-3	Percentage of employees receiving regular performance and career development reviews	67
<b>GRI 405: Diversity and Equal Opportunity 2016</b>		
405-1	Diversity of governance bodies and employees	65, 82
405-2	Ratio of basic salary and remuneration of women to men	67, 76
<b>GRI 406: Non-discrimination 2016</b>		
406-1	Incidents of discrimination and corrective actions taken	76
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	76
<b>Our Communities</b>		
<b>GRI 3: Material Topics 2021</b>		
3-3	Management of material topics	44, 74-77



## GRI CONTENT INDEX

CODE	DISCLOSURE	Reference / Reason for Omission
<b>GRI 408: Child Labour 2016</b>		
408-1	Operations and suppliers at significant risk for incidents of child labour	49, 76
<b>GRI 409: Forced or Compulsory Labour 2016</b>		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	49, 76
<b>GRI 410: Security Practices 2016</b>		
410-1	Security personnel trained in human rights policies or procedures	77
<b>GRI 411: Rights of Indigenous Peoples 2016</b>		
411-1	Incidents of violations involving rights of indigenous peoples	76
<b>GRI 413: Local Communities 2016</b>		
413-1	Operations with local community engagement, impact assessments, and development programmes	60, 75
413-2	Operations with significant actual and potential negative impacts on local communities	59, 74
<b>Operating Responsibly</b>		
<b>GRI 3: Material Topics 2021</b>		
3-3	Management of material topics	44, 77-78
<b>GRI 416: Customer Health and Safety 2016</b>		
416-1	Assessment of the health and safety impacts of product and service categories	77-78
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	77
<b>GRI 417: Marketing and Labelling 2016</b>		
417-1	Requirements for product and service information and labelling	77-78
417-2	Incidents of non-compliance concerning product and service information and labelling	77
417-3	Incidents of non-compliance concerning marketing communications	83
<b>GRI 418: Customer Privacy 2016</b>		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	78, 83

# CORPORATE GOVERNANCE

OM Holdings Limited (the “**Company**”) is committed to implementing and maintaining high standards of corporate governance. In determining what those high standards should involve, the Company has had regard to the fourth edition of the ASX Corporate Governance Council’s *Corporate Governance Principles and Recommendations 4th Edition (February 2019)*. The ASX Listing Rules require the Company to report on the extent to which it has followed those principles and recommendations during its 2023 financial year.

This statement outlines the main corporate governance practices in place during the 2023 financial year, all of which comply with the ASX Corporate Governance Council recommendations unless stated otherwise.

Further information about the Company’s corporate governance practices is set out on the Company’s website at [www.omholdingsltd.com](http://www.omholdingsltd.com).

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

## 1. BOARD OF DIRECTORS

### 1.1 Role of the Board and Management

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

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

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

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

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

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

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

- appointing (and where appropriate removing) the Chief Executive Officer, any other executive director and the Company Secretary and determining their respective remuneration and conditions of employment;
- determining the strategic direction of the OMH Group and measuring the performance of management against approved strategies;

# CORPORATE GOVERNANCE

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

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

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

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

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

## 1.2 Composition of the Board

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

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

In addition to the Directors' experience outlined in the Annual Report, the below table sets out the skills, attributes and experience of the Directors serving on the Board as at 31 December 2023.

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Domain Area	Board Skills and Experience		As at 31 December 2023 (out of 6 Directors)
<b>Legal and Governance</b>	Experience in a large organisation with a strong focus on and adherence to high governance standards		6
	Listed entity board and/or sub-committee experience		6
	Experience in corporate legal affairs and/or regulatory/governmental departments		6
	Relevant legal tertiary degree or professional qualification		2
	Constructively challenge and contribute to Board discussions and communicate effectively with management and other Directors. Build consensus, negotiate and obtain stakeholder support for Board decisions.		6
<b>Executive Management</b>	Experience as Director, CEO, CFO or other office holder or similar in medium to large entities		6
<b>Strategy</b>	Identifying and critically assessing strategic opportunities and threats to the OMH Group and developing and implementing successful strategies in context to an organisations policies and business objectives		6
<b>Mining, Production, Manufacturing Resources, Marketing, Commodity Expertise</b>	Mining, production, manufacturing, marketing or resources industry executive management	Senior executive, advisory or board experience in a large mining, production, manufacturing or resources organisation	3
	Technical skills	Senior executive responsibility for exploration or production or processing or long-term board experience in a large mining and resources organisation with exploration, production or processing as a key part of its business	1
	Health, Safety Environment and Community	Executive or board sub-committee experience in a mining and resources organisation with responsibility for health and workplace safety, and/or environmental and social responsibility	4
	Capital projects, engineering and construction	Senior executive experience with capital projects and/or engineering in a mining or resources environment; tertiary or professional engineering qualification. Includes contract negotiations, project management and projects with long term investment horizons	1
	Government relations	Senior executive experience working in diverse international, political, cultural, regulatory business environments	3
	Senior executive expertise in commodities, mining, trading or resources sector.		4
<b>Human Resources/ Organisational Development &amp; Culture</b>	Senior executive management in people management and remuneration policy development or board remuneration and nomination sub-committee experience		6
<b>Finance, Commerce and Accounting</b>	Financial accounting and reporting, internal financial and risk controls, corporate finance and, restructuring corporate transactions (eg: joint ventures, listings etc).		5
	Board audit sub-committee experience		5
	Relevant tertiary degree or professional qualification		2
<b>Risk Management</b>	Senior executive experience in risk management		4
	Board risk sub-committee experience		4



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

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

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

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

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

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

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

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

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

# CORPORATE GOVERNANCE

## 1.3 Responsibilities of the Board

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

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

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

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

## 1.4 Board Policies

### 1.4.1 Conflict of Interest

Directors must:

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

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

### 1.4.2 Commitments

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

### 1.4.3 Confidentiality

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

### 1.4.4 Independent Professional Advice

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

### 1.4.5 Board Access to Information

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

### 1.4.6 Related Party Transactions

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

## 1.5 Board Meetings

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

Typically, at Board Meetings the agenda will include:

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

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

The number of meetings of the Directors held in the period each Director held office during the 2023 financial year and the number of meetings attended by each Director were:<sup>1</sup>

Director	Board of Directors' Meetings	
	<i>Held</i>	<i>Attended</i>
Low Ngee Tong	4	4
Julie Wolseley	4	4
Tan Peng Chin	4	4
Zainul Abidin Rasheed	4	4
Dato Abdul Hamid Bin Sh Mohamed	4	4
Tan Ming-li	4	4

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

## 2. BOARD COMMITTEES

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

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

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

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

### 2.1 Audit Committee

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

During the financial year ended 31 December 2023, the Audit Committee held two meetings and all committee members were in attendance.

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

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

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

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

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Key activities undertaken by the Audit Committee include:

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

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

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

## 2.2 Remuneration Committee

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

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

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

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

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

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

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

During the year ended 31 December 2023, no Remuneration Committees were held. A Remuneration Committee meeting is planned to be held in 2024.

## Nomination Committee

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

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

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

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

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

In addition the Board ensures that all material information relevant to a decision on whether or not to elect or re-elect a Director must be provided to security holders in the Notice of Meeting containing the resolution to elect or re-elect a Director. The Board will ensure this material information is included in the Company's 2024 Notice of Annual General Meeting.



## 3. ETHICAL STANDARDS

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

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

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

As a minimum the Board and employees will:

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

### 3.1 Code of Ethics and Conduct for Directors and Key Executives

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

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

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

### 3.2 Code of Ethics and Conduct

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

All Directors, senior executives and employees are expected to:

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

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

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

#### *Responsibilities to Shareholders and the Financial Community Generally*

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

# CORPORATE GOVERNANCE

## *Employment Practices*

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

## *Responsibilities to the Community*

As part of the community, the OMH Group:

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

## *Responsibilities to the Individual*

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

## *Conflict of Interests*

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

## *How the OMH Group Monitors and Ensures Compliance with its Code*

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

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

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

### **3.3 Whistleblower Policy**

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

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

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

## **4. DIVERSITY**

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

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

Information relating to the total current representation of women employees in the OMH Group, including those women employees holding senior executive positions and those women employees on the Board as at 31 December 2023 was follows:

	Number of Women	%
Board of Directors	2	33.3%
Senior Executives <sup>2</sup>	4	25.0%
Total OMH Group employees	375	15.7%

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

#### 4.1 Measurable Objectives

The Board has not set measurable objectives specifically for the financial year ended 31 December 2023. It does however continually review the diversity within its workforce and as reported above does have a culturally diverse and gender diverse workforce with operations in Australia, Malaysia, China and Singapore.

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

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

## 5. KEY MANAGEMENT PERSONNEL DEALING IN COMPANY SHARES

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

## 6. DISCLOSURE OF INFORMATION

### 6.1 Continuous Disclosure to ASX

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

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

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

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

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

<sup>2</sup> A Senior Executive of the OMH Group is a person having the authority and responsibility for planning, directing and controlling the activities of the entity.

# CORPORATE GOVERNANCE

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

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

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

## 6.2 Communication with Shareholders

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

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

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

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

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

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

Despite the Company being foreign incorporated in Bermuda, it has in the past and will continue to do so in the future hold its Annual General Meetings in Australia, Malaysia or Singapore (or at a suitable alternative country where its operations are located) so as to enable as many shareholders to attend. The 2024 Annual General Meeting will be held physically in Singapore.

Furthermore, the Company's external auditor attends the Company's annual general meeting to answer shareholder questions about the conduct of the audit, the preparation and content of the audit report, the accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit. The fees relating to the audit services that were rendered by the Company's auditors to the Group for the financial year ended 31 December 2023 was US\$177,000. There was no non-audit services performed by the Company's auditors to the Group during the year.

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

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



## 7. RISK MANAGEMENT

### 7.1 Approach to Risk Management and Internal Control

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

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

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

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

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

### 7.2 Risk Management Roles and Responsibilities

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

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

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

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

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

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

### 7.3 Internal Audit

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

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

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

# CORPORATE GOVERNANCE

## 7.4 Integrity of Financial Reporting

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

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

The Board confirms that such a report was provided by the Executive Chairman and Group Financial Controller for the 2023 financial year.

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

## 7.5 Role of External Auditor

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

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

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

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

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

## 7.6 Periodic Corporate Reports

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

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

## 7.7 Economic, Environmental and Social Sustainability Risks

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

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

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

# CORPORATE GOVERNANCE

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

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

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

## 7.8 Anti-Bribery and Corruption

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

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

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

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

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

## 8. ENCOURAGE ENHANCED PERFORMANCE

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

The Board aims to periodically evaluate its performance and the performance of its Committees and individual directors to determine whether or not it is functioning effectively by reference to the Board Charter and current best practice. Given the COVID-19 pandemic the Board did not conduct a formal review or self-evaluation process, during the 2023 financial year. However, an annual review was undertaken in relation to the composition and skills mix of the Directors.

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

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

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

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

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

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

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

# CORPORATE GOVERNANCE

The Board confirms that a formal review was not conducted in 2023 but is planned for 2024 in accordance with these arrangements, in relation to the performance of the Company's Executive Directors and senior management during the 2023 financial year.

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

## Executive Remuneration Policy

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

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

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

Remuneration consists of the following key elements:

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

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

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

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

As OMH is incorporated in Bermuda, it is not required to disclose the nature and amount of remuneration for each Director. However, in the interests of good corporate governance, the following table provides the remuneration details of all Directors of the Company (and the nature and amount of their remuneration) for the year ended 31 December 2023.

Director	Primary		Post Employment		Total
	Base Remuneration	Directors Fees	Performance Bonus	Defined Contributions	
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Low Ngee Tong <sup>(i)</sup>	969	-	370 <sup>(vii)</sup>	6	1,345
Zainul Abidin Rasheed <sup>(ii)</sup>	-	86	-	-	86
Julie Anne Wolseley <sup>(iii)</sup>	-	113 <sup>(viii)</sup>	-	-	113
Tan Peng Chin <sup>(iv)</sup>	-	80	-	-	80
Dato' Abdul Hamid Bin Sh Mohamed <sup>(v)</sup>	-	80	-	-	80
Tan Ming-li <sup>(vi)</sup>	-	80	-	-	80
	<b>969</b>	<b>439</b>	<b>370</b>	<b>6</b>	<b>1,784</b>

(i) Mr Low Ngee Tong has been the Executive Chairman since October 2008 (and was subsequently appointed as Chief Executive Officer).

(ii) Mr Zainul Abidin Rasheed was appointed as a Director on 3 October 2011.

(iii) Ms Julie Wolseley was appointed as a Director on 24 February 2005.

(iv) Mr Tan Peng Chin was appointed as a Director on 14 September 2007.

(v) Dato Hamid was appointed as a Director on 10 May 2021.

(vi) Ms Tan Ming-li was appointed as a Director on 10 May 2021.

(vii) Inclusive of US\$370,000 for profit sharing for 2023 that has been accrued and is expected to be paid in 2024.

(viii) Inclusive of director's fee of US\$33,000 paid to Director who is a non-executive director of OMM.

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



## 9. RECOGNISE THE LEGITIMATE INTERESTS OF STAKEHOLDERS

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

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

As at 31 December 2023, the Company complied in all material respects with each of the Corporate Governance Principles and the corresponding Recommendations as published by the ASX Corporate Governance Council except as noted below:

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

Recommendation Reference	Notification of Departure	Explanation for Departure
1.5	Disclose the measurable objectives for achieving gender diversity	The Diversity Policy outlines the strategies and process according to which the Board will set measurable objectives to achieve the aims of its Diversity Policy, with particular focus on gender diversity within the Company and representation from Indigenous communities. The Board did not set measurable gender diversity objectives for the past financial year because the Board considered the application of a measurable gender diversity objective requiring a specified proportion of women on the Board and in senior executive roles would, given the relative size of the Company and the Board, unduly limit the Company from applying the Diversity Policy as a whole and the Company's policy of appointing based on skills and merit. The Board is committed to appointing the best person into any position. The Company also builds strong relationships with its Indigenous communities and has training and employment programs in place to encourage greater participation in the Company's workforce. The Board is responsible for monitoring Company performance in meeting the Diversity Policy requirements, including the achievement of diversity objectives. The Board may establish appropriate measurable objectives and to report progress against them in future Annual Reports.
1.6 and 1.7	Disclose whether a performance evaluation of the Board and Senior Executives has been undertaken	A formal performance evaluation process of the Board and Senior Executives was not performed in 2023 but is planned for 2024. The Executive Chairman does however informally review the composition of the Board and its committees and does where required meet with individual Board members.
2.1	A separate Nomination Committee should be established	The Board of the Company has not formed a separate nomination committee. The Board as a whole undertakes the process of reviewing the skill base and experience of existing Directors to enable identification of the attributes required in new Directors. The Board has decided that no efficiencies will be achieved by establishing a separate nomination committee. Where appropriate, independent consultants are engaged to identify possible new candidates for the Board. The Board ensures that prior to appointing a director or recommending a new candidate for election as a director that appropriate checks are undertaken as to the persons character, experience, education, criminal record and bankruptcy history.

## CORPORATE GOVERNANCE

Recommendation Reference	Notification of Departure	Explanation for Departure
2.5	The chair should be an independent director and should not be the same person as the Chief Executive Officer	The Company's current Executive Chairman and Chief Executive Officer, Mr Low, is not considered by the Board to be independent in the light of the factors outlined in Box 2.5 of the <i>ASX Corporate Governance Council's Principles and Recommendations 4th Edition</i> which indicate when a director may not be considered to be an independent director. Refer Section 1.2 of the Corporate Governance Statement. However the Board considers that Mr Low's position as both Executive Chairman and CEO is appropriate given his world-wide experience and specialised understanding of the global manganese industry. Furthermore, the Board believes that Mr Low has the range of skills, knowledge, and experience necessary to effectively govern the Company and to understand the economic sectors in which the Company operates. In addition, it should be noted that Mr Low is a substantial and longstanding shareholder of the Company and, as such, is able to clearly identify with the interests of shareholders as a whole. Mr Low was instrumental in the formation of the Company and has for over 30 years overseen its rapid growth and success. The dual role of Mr Low is balanced by the Deputy Chairman Mr Zainul Abidin Rasheed who is an independent Non-Executive Director. In this role Mr Zainul chairs the discussions of the Non-Executive Directors. The Board believes that there are sufficient internal controls in place to ensure adequate accountability, transparency and effective oversight by the Board such that an appropriate balance of power and authority is exercisable by the Board for objective decision-making in the best interests of the OMH Group. Accordingly Mr Low is the best person to undertake the Executive Chairman role and the Board does not believe it is necessary at this stage to appoint an independent chair of the Board.
2.6	A listed entity should have a program for inducting new directors	The Company does not consider it necessary, in the light of the size of the Board and the relatively low turn-over of Directors, to have a separate formal induction program for new Directors. All new Directors are given sufficient support from the Board in order to familiarise themselves with the Company and its governance protocols as well as being adequately briefed about the OMH Group's activities, strategies and actual and budgeted financial positions. All new Directors are appointed through a written agreement with the Company that sets out all their duties, rights and responsibilities. New Directors are also provided with the Board Meeting schedule and have the opportunity to visit the operations each year on a rotational basis as part of the familiarisation process.

## CORPORATE GOVERNANCE

Recommendation Reference	Notification of Departure	Explanation for Departure
7.1	The board of a listed entity should have a committee or committees to oversee risk.	<p>Rather than separately constituting an additional committee of the Board, the entire Board has delegated oversight of the risk and internal control policy, including review of the effectiveness of OMH's internal control framework and risk management process, to the key executive management team in conjunction with the Board. The Board considers this structure to be the most effective means of (i) managing the various risks that are relevant to the OMH Group and (ii) monitoring the OMH Group's compliance with the Risk and Internal Control policy. In addition from a Board perspective the following processes occur to oversee the entity's risk management framework:</p> <ul style="list-style-type: none"> <li>• 'Risk' is a standing agenda item at each monthly Board meeting; and</li> <li>• Prior to the approval of the Company's statutory financial statements, the Audit Committee has the opportunity to meet with the Company's auditors as appropriate.</li> </ul> <p>The Company is committed to the identification, monitoring and management of material business risks of its activities via its risk management framework which includes health and safety, environmental governance, community, operational risk management, business risk management and legal and regulatory compliance.</p>
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	The Company does not currently have an equity-based remuneration scheme in operation and this recommendation is therefore not applicable.

Approved by the Board 23 April 2024.

# DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of OM Holdings Limited ("the Company") and its subsidiaries (collectively, the "Group") for the financial year ended 31 December 2023 and the statement of financial position of the Company as at 31 December 2023.

In the opinion of the Directors,

- (a) the consolidated financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

## Names of Directors

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

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

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

## Arrangements to enable Directors to acquire shares or debentures

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

# DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## Directors' interests in shares

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

	Holdings registered in the name of director or nominee		Holdings in which director is deemed to have an interest	
	As at 1.1.2023	As at 31.12.2023	As at 1.1.2023	As at 31.12.2023
The Company -				
	<u>Number of ordinary shares fully paid</u>			
Low Ngee Tong	68,861,631	<b>68,861,231</b>	-	-
Julie Anne Wolseley	5,562,002	<b>5,562,002</b>	-	-
Tan Peng Chin	<sup>(1)</sup> 2,035,200	<sup>(1)</sup> <b>2,035,200</b>	-	-

Note:

<sup>(1)</sup> 2,035,200 (2022 - 2,035,200) shares are held by bank brokerage firms on behalf of Mr Tan Peng Chin.

## Shares Options

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

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

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

## Audit Committee

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

Dato' Abdul Hamid Bin Sh Mohamed (Chairman)

Julie Anne Wolseley

Tan Ming-li

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

- i. overall scope of both the internal and external audits and the assistance given by the Company's officers to the auditors. It has met with the Company's internal and external auditors to discuss the results of their respective examinations and their evaluations of the Company's systems of internal accounting controls;
- ii. the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit; and
- iii. the half-yearly financial information and the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2023 as well as the auditor's report thereon.



# DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## **Audit Committee (Cont'd)**

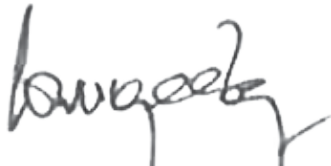
The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any Director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditor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

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

## **Independent auditor**

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

On behalf of the Directors



LOW NGEE TONG  
Executive Chairman and Chief Executive Officer

Dated: 15 March 2024

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OM HOLDINGS LIMITED

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of OM Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Company and the Group as at 31 December 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the International Financial Reporting Standards (IFRSs) so as to give a true and fair view of the financial position of the Company and the consolidated financial position of the Group as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

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

Key audit matter:	Risk:	Our response and work performed:
Impairment of non-financial assets	<p>The Group's non-financial assets comprise property, plant and equipment, land use rights, exploration and evaluation costs, mine development costs and right-of-use assets amounted to US\$441.5 million as at 31 December 2023. Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is based on certain key assumptions, such as cash flow projections covering a five-year period and the budgeted gross margin, the perpetual growth rate and discount rate per cash generating unit (CGU). A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. These assumptions which are determined by management are judgmental.</p> <p>In determining appropriate CGU level, the Group has considered whether there are: active markets for intermediate products; external users of the processing assets or smelting operations through the use of shared infrastructure; stand-alone mines or smelting plants operated on a portfolio basis. Significant judgement is required by management to determine whether multiple assets should be grouped to form a CGU.</p>	<p>Our audit procedures included among others, assessing appropriateness of CGUs identified by management, evaluating management's assessment for impairment indications, reviewing the valuation model and assumptions used, and challenging management's assumptions in our evaluation of the model.</p> <p>We evaluated whether there had been significant changes in the external and internal factors considered by the Group in assessing whether indicators of impairment exist. In the assessment of impairment, the Group takes into account the indicative open market prices of the finished products from independent experts and publication reports, and uses inputs, such as market growth rate, weighted average cost of capital and other factors, typical of similar smelting industries. Senior management has applied its knowledge of the business in its regular review of these estimates. We also focused on the adequacy of disclosures about key assumptions and sensitivities. The disclosures about the Group's property, plant and equipment, land use rights, exploration and evaluation costs, mine development costs and right-of-use assets are included in Notes 4, 5, 6, 7 and 9 to the financial statements respectively.</p>

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OM HOLDINGS LIMITED

## Key Audit Matters (Cont'd)

Key audit matter:	Risk:	Our response and work performed:
Recognition of deferred tax assets	The Group recognised deferred tax assets based upon unutilised tax losses and other temporary differences. The Group exercised its judgement to determine the amount of deferred tax assets that can be recognised, to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. As at 31 December 2023, the Group recognised deferred tax assets and deferred tax liabilities of US\$12.2 million and US\$27.0 million respectively.	<p>Our audit procedures included among others, review of the component auditors' audit working papers to understand the local tax regulations and their work performed on the recognition of deferred tax assets. We have also assessed the profit forecast to evaluate the reasonableness of the recognition of deferred tax assets.</p> <p>We discussed with the Group's key management and considered their views on the Group's recoverability of deferred tax assets, to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilised. We also focused on the adequacy of disclosures about key assumptions and sensitivities. The disclosures about the Group's deferred tax assets and liabilities are included in Note 10 to the financial statements.</p>

## Other Information

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

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

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

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

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

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

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OM HOLDINGS LIMITED

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

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



Foo Kon Tan LLP  
Public Accountants and  
Chartered Accountants

Singapore,  
15 March 2024

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

		The Company		The Group	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
	Note	US\$'000	US\$'000	US\$'000	US\$'000
<b>Assets</b>					
<b>Non-Current</b>					
Property, plant and equipment	4	–	–	426,084	445,556
Land use rights	5	–	–	5,515	6,533
Exploration and evaluation costs	6	–	–	2,771	2,255
Mine development costs	7	–	–	1,388	1,878
Investment property	8	–	–	419	427
Right-of-use assets	9	–	–	5,704	4,163
Deferred tax assets	10	–	–	12,161	12,578
Interests in subsidiaries	11	93,193	102,532	–	–
Interests in associates	12	–	–	84,107	80,875
		93,193	102,532	538,149	554,265
<b>Current</b>					
Inventories	13	–	–	292,349	235,415
Trade and other receivables	14	14,448	6,380	38,532	31,783
Capitalised contract costs	15	–	–	301	538
Prepayments		172	1	1,773	1,620
Derivatives	16	–	–	137	–
Cash and bank balances	17	13	24	69,701	62,383
		14,633	6,405	402,793	331,739
<b>Total assets</b>		<b>107,826</b>	<b>108,937</b>	<b>940,942</b>	<b>886,004</b>
<b>Equity</b>					
<b>Capital and Reserves</b>					
Share capital	18	32,976	32,035	32,976	32,035
Treasury shares	19	(2,058)	(2,058)	(2,058)	(2,058)
Reserves	20	16,123	14,271	380,439	366,133
		47,041	44,248	411,357	396,110
<b>Non-controlling interests</b>		–	–	3,269	3,624
<b>Total equity</b>		<b>47,041</b>	<b>44,248</b>	<b>414,626</b>	<b>399,734</b>
<b>Liabilities</b>					
<b>Non-Current</b>					
Borrowings	21	–	–	169,110	204,817
Lease liabilities	22	–	–	2,732	1,753
Trade and other payables	23	–	–	36,730	54,323
Provisions	24	–	–	4,579	4,778
Deferred tax liabilities	10	–	–	26,953	18,393
Deferred capital grant	25	–	–	6,564	7,131
		–	–	246,668	291,195
<b>Current</b>					
Borrowings	21	–	–	96,349	49,923
Lease liabilities	22	–	–	2,621	1,757
Trade and other payables	23	60,785	64,689	153,564	126,604
Provisions	24	–	–	–	188
Deferred capital grant	25	–	–	567	567
Contract liabilities	26	–	–	23,326	10,536
Income tax payables		–	–	3,221	5,500
		60,785	64,689	279,648	195,075
<b>Total liabilities</b>		<b>60,785</b>	<b>64,689</b>	<b>526,316</b>	<b>486,270</b>
<b>Total equity and liabilities</b>		<b>107,826</b>	<b>108,937</b>	<b>940,942</b>	<b>886,004</b>

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



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Year ended 31 December 2023 US\$'000	Year ended 31 December 2022 US\$'000
	Note		
Revenue	3	589,235	856,552
Cost of sales		(494,416)	(649,686)
Gross profit		94,819	206,866
Other income	27	23,508	3,966
Distribution costs		(28,985)	(48,547)
Administrative expenses		(14,782)	(15,970)
Other operating expenses		(19,469)	(30,451)
Finance costs	28	(27,519)	(18,652)
Profit from operations		27,572	97,212
Share of results of associates		5,135	8,417
Profit before income tax	28	32,707	105,629
Income tax expense	29	(14,347)	(23,038)
<b>Profit for the year</b>		<b>18,360</b>	<b>82,591</b>
<b>Other comprehensive income, net of tax:</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Currency translation differences arising from foreign subsidiaries (attributable to owners of the Company)		(2,641)	(6,014)
Realisation of foreign exchange reserve upon disposal of subsidiary	11	(1,782)	–
Cash flow hedges	30	(47)	(47)
		(4,470)	(6,061)
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Currency translation differences arising from foreign subsidiaries (attributable to non-controlling interests)		(59)	(419)
<b>Other comprehensive income for the year, net of tax</b>		<b>(4,529)</b>	<b>(6,480)</b>
<b>Total comprehensive income for the year</b>		<b>13,831</b>	<b>76,111</b>
<b>Profit attributable to:</b>			
Owners of the Company		18,136	67,842
Non-controlling interests		224	14,749
		18,360	82,591
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		13,666	61,789
Non-controlling interests		165	14,322
		13,831	76,111
<b>Profit per share</b>			
		<b>Cents</b>	<b>Cents</b>
- Basic	31	2.45	9.21
- Diluted	31	2.45	9.21

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Share capital US\$'000	Treasury shares US\$'000	Share premium US\$'000	Non-distributable reserve US\$'000	Capital reserve US\$'000	Hedging reserve US\$'000	Exchange fluctuation reserve US\$'000	Retained profits US\$'000	Total attributable to equity holders of the parent US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
At 1 January 2023	32,035	(2,058)	156,920	7,922	(10,947)	272	(40,139)	252,105	396,110	3,624	399,734
Profit for the year	-	-	-	-	-	-	-	18,136	18,136	224	18,360
Other comprehensive income for the year	-	-	-	-	-	(47)	(4,423)	-	(4,470)	(59)	(4,529)
Total comprehensive income for the year	-	-	-	-	-	(47)	(4,423)	18,136	13,666	165	13,831
Dividends	-	-	-	-	-	-	-	(7,304)	(7,304)	(520)	(7,824)
Issuance of ordinary shares	941	-	7,944	-	-	-	-	-	8,885	-	8,885
Transactions with owners	941	-	7,944	-	-	-	-	(7,304)	1,581	(520)	1,061
Transfer from statutory reserve	-	-	-	(6,503)	-	-	-	6,503	-	-	-
At 31 December 2023	32,976	(2,058)	164,864	1,419	(10,947)	225	(44,562)	269,440	411,357	3,269	414,626
At 1 January 2022	32,035	(2,058)	156,920	7,643	12,138	(818)	(33,032)	195,158	367,986	75,727	443,713
Profit for the year	-	-	-	-	-	-	-	67,842	67,842	14,749	82,591
Other comprehensive income for the year	-	-	-	-	-	(39)	(6,014)	-	(6,053)	(427)	(6,480)
Total comprehensive income for the year	-	-	-	-	-	(39)	(6,014)	67,842	61,789	14,322	76,111
Dividends	-	-	-	-	-	-	-	(10,525)	(10,525)	(438)	(10,963)
Acquisition of non-controlling interests (Note 11.1)	-	-	-	-	(23,176)	1,129	(1,093)	-	(23,140)	(85,987)	(109,127)
Transactions with owners	-	-	-	-	(23,176)	1,129	(1,093)	(10,525)	(33,665)	(86,425)	(120,090)
Transfer to statutory reserve	-	-	-	279	91	-	-	(370)	-	-	-
At 31 December 2022	32,035	(2,058)	156,920	7,922	(10,947)	272	(40,139)	252,105	396,110	3,624	399,734

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Year ended 31 December 2023 US\$'000	Year ended 31 December 2022 US\$'000
	Note		
<b>Cash Flows from Operating Activities</b>			
Profit before income tax		32,707	105,629
Adjustments for:			
Amortisation of land use rights	5, 28	126	143
Amortisation of deferred capital grant	25, 28	(567)	(564)
Amortisation of mine development costs	7, 28	490	392
Depreciation of property, plant and equipment	4, 28	32,204	24,750
Depreciation of right-of-use assets	9, 28	2,853	2,356
Depreciation of investment property	8, 28	8	7
Gain on disposal of property, plant and equipment	28	(396)	(3)
Gain on disposal of right-of-use assets	28	(173)	–
Write-off of property, plant and equipment	28	822	10,052
Gain on disposal of subsidiary	11.2, 27	(20,157)	–
Reclassification from hedging reserve to profit or loss	30	(47)	(47)
Write-down of inventories to net realisable value	13, 28	560	561
Write-off of exploration and evaluation costs	6, 28	–	130
Interest expense	28	27,519	18,652
Interest income	27	(982)	(1,205)
Unrealised gain on derivatives		(137)	–
Share of results of associates		(5,135)	(8,417)
Operating profit before working capital changes		69,695	152,436
(Increase)/decrease in inventories		(59,030)	23,216
Decrease in trade receivables		4,705	4,328
Decrease in capitalised contract costs		236	539
Decrease in prepayments, deposits and other receivables		1,466	5,642
Increase in contract liabilities		12,791	3,508
Increase in trade payables		915	26,388
Increase/(decrease) in other payables		5,722	(10,111)
Decrease in provisions		(200)	(2,398)
Cash generated from operations		36,300	203,548
Income tax paid		(6,048)	(6,590)
Net cash generated from operating activities		30,252	196,958
<b>Cash Flows from Investing Activities</b>			
Payments for exploration and evaluation costs	6	(490)	(395)
Purchase of property, plant and equipment	4	(21,261)	(39,402)
Purchase of right-of-use asset		(21)	(166)
Proceeds from disposal of property, plant and equipment		458	–
Proceeds from disposal of right-of-use assets		174	–
Proceeds from disposal of subsidiary, net of cash disposed	11.2	10,332	–
Dividends received from an associate	12	5,305	7,868
Interest received		982	1,205
Net cash used in investing activities		(4,521)	(30,890)

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Year ended 31 December 2023 US\$'000	Year ended 31 December 2022 US\$'000
<b>Cash Flows from Financing Activities</b>			
Repayment of bank and other loans (Note A)		(47,584)	(65,964)
Proceeds from bank and other loans (Note A)		57,990	22,826
Principal repayment of lease liabilities (Note A)		(2,636)	(2,484)
Acquisition of non-controlling interests	11.1	–	(109,127)
(Increase)/decrease in cash collateral		(45)	2,610
Dividends paid		(7,803)	(10,948)
Interest paid (Note A)		(26,919)	(17,661)
Proceeds from shares issuance	18	8,885	–
Net cash used in financing activities		(18,112)	(180,748)
Net increase/(decrease) in cash and cash equivalents		7,619	(14,680)
Cash and cash equivalents at beginning of the year		53,262	69,793
Exchange difference on translation of cash and cash equivalents at beginning of the year		(390)	(1,851)
Cash and cash equivalents at end of the year	17	60,491	53,262

## 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:

	1 January 2023 US\$'000	Cash inflows US\$'000	Cash outflows US\$'000	Interest paid US\$'000	Non-cash changes			31 December 2023 US\$'000
					New leases US\$'000	Foreign exchange difference US\$'000	Interest expense US\$'000	
Lease liabilities	3,510	–	(2,636)	(165)	4,636	(157)	165	5,353
Borrowings – bank and other borrowings	254,740	57,990	(47,584)	–	–	35	278 <sup>(1)</sup>	265,459
Trade and other payables - Interest payables	103	–	–	(26,754)	–	–	27,076	425

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

<sup>(1)</sup> This is related to the amortisation of borrowing costs classified as "Finance costs" in the Consolidated Statement of Comprehensive Income.

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 1 General information

The financial statements of the Company and of the Group for the financial year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Directors on the date of the Directors' Statement.

The Company is incorporated as a limited liability company with primary listing on the Australian Securities Exchange and a secondary listing on Bursa Malaysia, and is domiciled in Bermuda.

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

## 2(a) Basis of preparation

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

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

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

As at 31 December 2023, the Company has net assets of US\$47,041,000 (2022 - US\$44,248,000) and net current liabilities of US\$46,152,000 (2022 - US\$58,284,000). Included in the Company's current liabilities as at 31 December 2023 are non-trade amounts owing to OM Materials (S) Pte Ltd ("OMS") and OMH (Mauritius) Corp ("OMH MU"), both wholly-owned subsidiaries, of US\$58,731,000 (2022 - US\$54,513,000) and US\$ Nil (2022 - US\$8,150,000) respectively. OMS has provided a letter of undertaking that it shall provide continuing financial support to the Company, including not demanding immediate repayment for debts owing to OMS. Therefore, the Company is of the view that the preparation of financial statements on a going concern basis is appropriate.

### **Significant accounting estimates and judgements**

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

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

### **Significant judgements in applying accounting policies**

#### **Income taxes (Note 29)**

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

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

#### **Determination of functional currency**

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

#### **Allowance for expected credit losses (ECL) of trade and other receivables (Note 14)**

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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

### Significant accounting estimates and judgements (Cont'd)

#### *Significant judgements in applying accounting policies (Cont'd)*

##### Allowance for expected credit losses (ECL) of trade and other receivables (Note 14) (Cont'd)

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

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

##### Deferred tax assets (Note 10)

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

##### Determination of cash-generating units (CGU) for non-financial assets

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

#### *Critical assumptions used and accounting estimates in applying accounting policies*

##### Impairment of non-financial assets

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

##### Mine development costs (Note 7)

The fair value of the mine development costs was determined based on the property's highest and best use, using the income approach. If the fair value of the mine development costs increases/decreases by 10% from management's determination, the Group's profit for the year will increase/decrease by approximately US\$139,000 (2022 - US\$188,000).

##### Impairment of investment in subsidiaries (Note 11)

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

##### Net realisable value of inventories (Note 13)

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less the estimated cost necessary to make the sale. These estimates are based on the current market conditions and historical experiences of selling products of similar nature. It could change significantly as a result of competitor actions or in response to changes in market conditions. Management reassesses the estimations at the end of each reporting date. The carrying amount of the inventories carried at net realisable value as at 31 December 2023 is US\$93,890,000 (2022 - US\$46,683,000). If the net realisable value of the inventories decreases by 10% from management's estimates, the Group's profit for the year will decrease by US\$9,389,000 (2022 - US\$4,668,300).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

### Significant accounting estimates and judgements (Cont'd)

#### *Critical assumptions used and accounting estimates in applying accounting policies (Cont'd)*

##### Estimation of the incremental borrowing rate ("IBR")

For the purpose of calculating the right-of-use asset and lease liability, an entity applies the interest rate implicit in the lease ("IRIL") and, if the IRIL is not readily determinable, the entity shall use its IBR applicable to the lease asset. The IBR is the rate of interest that the entity would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. For most of the leases whereby the Group is the lessee, the IRIL is not readily determinable. Therefore, the Group estimates the IBR relevant to each lease asset by using observable inputs (such as market interest rate and asset yield) when available, and then making certain lessee specific adjustments (such as a group entity's credit rating). The carrying amounts of the Group's right-of-use assets and lease liabilities are disclosed in Note 9 and 22 respectively. An increase/decrease of 50 basis points in the estimated IBR will not significantly decrease/increase the Group's right-of-use assets and lease liabilities.

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

On 1 January 2023, the Company and the Group have adopted all the new and revised IFRS, IFRS Interpretations ("IFRS INT") and amendments to IFRS, effective for the current financial year that are relevant to them. The adoption of these new and revised IFRS pronouncements does not result in significant changes to the Group's and the Company's accounting policies and has no material effect on the amounts or the disclosures reported for the current or prior reporting periods.

### **Amendments to IAS 12 International Tax Reform – Pillar Two Model Rules**

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

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

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

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

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

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

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to IAS 1	<i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to IFRS 21	<i>Lack of Exchangeability</i>	1 January 2025
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined

The new or amended accounting standards and interpretations listed above are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Group. These are not expected to have a material impact on the Group, upon adoption of these new or amended accounting standards, in the current or future reporting periods and on foreseeable future transactions.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2(d) Summary of accounting policies

### Group accounting

#### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to the reporting date each year. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in the profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to ensure conformity with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in the profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in the profit or loss. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in the profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2(d) Summary of accounting policies (Cont'd)

### Joint operations

A joint arrangement is an arrangement in which two or more parties have joint control. Joint control is the contractually agreed sharing of control such that decisions about the relevant activities of the arrangement (those that significantly affect the returns) require the unanimous consent of the parties sharing control.

A joint operation is a joint arrangement in which the parties that share joint control have rights to the assets, and obligations for the liabilities, relating to the arrangement. This includes situations where the parties benefit from the joint activity through a share of the output, rather than by receiving a share of the results of trading. In relation to its interest in a joint operation, the Group recognises: its share of assets and liabilities; revenue from the sale of its share of the output and its share of any revenue generated from the sale of the output by the joint operation; and its share of expenses. All such amounts are measured in accordance with the terms of the arrangement, which is in proportion to the Group's interest in the joint operation. These amounts are recorded in the Group's consolidated financial statements on the appropriate line items.

### Associates

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

The Group accounts for its investments in associates using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the investments in associates are carried in the Group's statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. The profit or loss reflects the share of results of operations of the associates. Distributions received from associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss, on the Group's investment in the associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired.

If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the profit or loss.

The financial statements of the associates are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence or joint control over the associate, the Group measures any retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in the profit or loss.

The Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would have been required if that associate or joint venture had directly disposed of the related assets or liabilities.

When an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not re-measure the retained interest.

If the Group's ownership interest in an associate is reduced, but the Group continues to apply the equity method, the Group reclassifies to the profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to the profit or loss on the disposal of the related assets or liabilities.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2(d) Summary of accounting policies (Cont'd)

### Intangible assets

Intangible assets are accounted for using the cost model with the exception of goodwill. Capitalised costs are amortised on a straight-line basis over their estimated useful lives for those considered as finite useful lives. After initial recognition, they are carried at cost less accumulated amortisation and accumulated impairment losses, if any. In addition, they are subject to annual impairment testing. Indefinite life intangibles are not amortised but are subject to annual impairment testing.

Intangible assets are written off where, in the opinion of the Directors, no further future economic benefits are expected to arise.

### Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any noncontrolling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in the profit or loss as a bargain purchase gain.

Goodwill arising from acquisition of associates and joint ventures represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associates and joint ventures is included in the carrying amount of the investments.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

### Exploration and evaluation costs

Exploration and evaluation costs relate to mineral rights acquired and exploration and evaluation expenditures capitalised in respect of projects that are at the exploration/pre-development stage.

Exploration and evaluation assets are initially recognised at cost. Subsequent to initial recognition, they are stated at cost less any accumulated impairment losses. These assets are reclassified as mine development costs upon the commencement of mine development, when technical feasibility and commercial viability of extracting mineral resources becomes demonstrable.

Exploration and evaluation expenditures in the relevant area of interest comprises costs which are directly attributable to acquisition, surveying, geological, geochemical and geophysical, exploratory drilling, land maintenance, sampling, and assessing technical feasibility and commercial viability.

Exploration and evaluation expenditures also include the costs incurred in acquiring mineral rights, the entry premiums paid to gain access to areas of interest and amounts payable to third parties to acquire interests in existing projects. Capitalised costs, including general and administrative costs, are only allocated to the extent that these costs can be related directly to operational activities in the relevant area of interest, where the existence of a technically feasible and commercially viable mineral deposit has been established.

The carrying amount of the exploration and evaluation assets is reviewed annually and adjusted for impairment in accordance with IAS 36 *Impairment of Assets* whenever one of the following events or changes in facts and circumstances indicate that the carrying amount may not be recoverable (the list is not exhaustive):

- (a) the period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be recovered;
- (b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- (c) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities in the specific area; or
- (d) sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

An impairment loss is recognised in the profit or loss whenever the carrying amount of an asset exceeds its recoverable amount.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2(d) Summary of accounting policies (Cont'd)

### Intangible assets (Cont'd)

#### Mine development costs

Costs arising from the development of the mine site (except for the expenditures incurred for building the mine site and the purchase of machinery and equipment for the mining operation which are included in property, plant and equipment) are accumulated in respect of each identifiable area of interest and are capitalised and carried forward as an asset to the extent that they are expected to be recouped through the successful mining of the areas of interest.

Accumulated costs in respect of an area of interest subsequently abandoned are written off to the profit or loss in the reporting period in which the Directors' decision to abandon is made.

Amortisation is not charged on the mine development costs carried forward in respect of areas of interest until production commences. Where mining of a mineral deposit has commenced, the related exploration and evaluation costs are transferred to mine development costs. When production commences, carried forward mine development costs are amortised on a unit of production basis. The unit of production basis results in an amortisation charge proportional to the depletion of the estimated economically recoverable mineral resources.

Pre-production operating expenses and revenues were accumulated and capitalised into the Bootu Creek mine development costs until 31 August 2006 as the mine was involved in the commissioning phase which commenced in November 2005. Subsequent to 31 August 2006, the Directors of the Company determined that the processing plant was in the condition necessary for it to be capable of operating in the manner intended so as to seek to achieve design capacity rates. These costs were carried forward to the extent that they are expected to be recouped through the successful mining of the area of interest.

The amortisation of capitalised mine development costs commenced from 1 September 2006 and continues to be amortised over the life of the mine according to the rate of depletion of the economically recoverable mineral resources.

### Property, plant and equipment

Property, plant and equipment, other than construction-in-progress ("CIP"), are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is computed using the straight-line method to allocate the depreciable amount of these assets over their estimated useful lives as follows:

Buildings and infrastructure	3 to 20 years
Plant and machinery	3 to 20 years
Computer equipment, office equipment and furniture	1 to 10 years
Motor vehicles	5 to 10 years

Plant and machinery includes Plant and equipment - Process facility. These are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is computed using the unit of production method to allocate the depreciable amount of these assets over the estimated useful lives as follows:

Plant and equipment - Process facility	Life of mine
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CIP represents assets in the course of construction for production or for its own use purpose. CIP is stated at cost less any impairment loss and is not depreciated. Cost includes direct costs incurred during the periods of construction, installation and testing plus interest charges arising from borrowings used to finance these assets during the construction period. CIP is reclassified to the appropriate category of property, plant and equipment and depreciation commences when the construction work is completed and the asset is ready for use.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent expenditures relating to property, plant and equipment that have been recognised are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial period in which it is incurred.

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition to the month before disposal respectively. Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognized in the profit or loss when the changes arise.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2(d) Summary of accounting policies (Cont'd)

### Investment property

Investment property comprises leasehold property that is held for long-term rental yields and for capital appreciation. Investment property is not occupied by the Group.

The Group applies the cost model. Investment property is initially recognised at cost and subsequently carried at cost less accumulated depreciation, less any impairment in value similar to that for property, plant and equipment. Such costs include costs of renovation or improvement of the existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day to day servicing of an investment property. Depreciation is computed using the straight-line method over the estimated useful life of the investment property of 73 years.

The carrying value of investment property is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amounts.

### Inventories

Inventories are stated at the lower of cost and net realisable value. Costs include all direct expenditure and production overheads based on the normal level of activity. The costs incurred in bringing each product to its present location and condition are accounted for as follows:

- (a) Raw materials at purchase cost on a weighted average basis; and
- (b) Finished goods and work in progress at cost of materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

### Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when and only when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### Financial assets

#### Classification

Financial assets are classified, at initial recognition, in the following measurement categories: amortised cost; fair value through other comprehensive income (FVOCI); and fair value through the profit or loss (FVTPL). The classification depends on the Group's business model for managing the financial assets and the contractual terms of their cash flows determining whether those cash flows represent 'solely payment of principal and interest' (SPPI).

For assets measured at fair value, gains and losses will either be recorded in the profit or loss or other comprehensive income (OCI). The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

#### Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

#### Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of a third party, if the trade receivables do not contain a significant financing component at initial recognition.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2(d) Summary of accounting policies (Cont'd)

### Financial assets (Cont'd)

#### Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Financial assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in the profit or loss when the assets are derecognised or impaired, and through the amortisation process. The Company's and the Group's debt instruments at amortised cost include trade and other receivables, and cash and cash equivalents (including cash collateral).
- **FVTPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through the profit or loss. A gain or loss on debt instruments that are subsequently measured at fair value through the profit or loss and are not part of a hedging relationship is recognized in the profit or loss in the period in which it arises.

#### Impairment

The Group assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. ECL are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognized for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For receivables which are trade in nature, the Group applies a simplified approach in calculating ECL. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

#### Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. The Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

#### Credit-impaired financial asset

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2(d) Summary of accounting policies (Cont'd)

### Financial assets (Cont'd)

#### *Definition of default*

The Group considers the following as constituting an event of default for internal credit risk management purposes, as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

The Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

#### *Measurement of expected credit losses*

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by the default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

#### *Write-off policy*

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in the profit or loss.

#### Determination of fair value of financial assets

The fair values of quoted financial assets are based on quoted market prices. If the market for a financial asset is not active, the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs. Where fair value of unquoted instruments cannot be measured reliably, fair value is determined by the transaction price.

### Financial liabilities

The Company's and the Group's financial liabilities include borrowings, lease liabilities, trade and other payables, and accruals.

All interest-related charges are recognised as an expense in "finance cost" in the profit or loss. Financial liabilities are derecognised if the Company's and the Group's obligations specified in the contract expire or are discharged or cancelled.

#### Borrowings

Borrowings are recognised initially at the fair value of proceeds received less attributable transaction costs, if any. Borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the profit or loss over the period of the borrowings using the effective interest method. The interest expense is chargeable on the amortised cost over the period of the borrowings using the effective interest method.

Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the amortisation process.

Borrowings which are due to be settled within 12 months after the end of the reporting period are included in current borrowings in the statements of financial position even though the original terms were for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of the reporting period. Borrowings to be settled within the Company's and the Group's normal operating cycle are classified as current. Other borrowings due to be settled more than twelve months after the end of reporting period are included in non-current borrowings in the statements of financial position.

Borrowing costs that are directly attributable to the acquisition, construction or production of a part of the cost of the related asset are capitalised. Otherwise, borrowing costs are recognized as expenses when incurred. Borrowing costs consist of interest and other financing charges that the Company and the Group incur in connection with the borrowing of funds.

Capitalisation of borrowing costs commences when the activities to prepare the qualifying asset for its intended use are in progress and the expenditures for the qualifying asset and the borrowing costs have been incurred. Capitalisation of borrowing costs cease when substantially all the activities necessary to prepare the qualifying assets are completed for their intended use.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2(d) Summary of accounting policies (Cont'd)

### Financial liabilities (Cont'd)

#### Trade and other payables and accruals

Trade and other payables and accruals are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

#### Financial guarantees

The Company has issued financial guarantees to banks for bank borrowings of its subsidiaries. These guarantees are financial guarantee contracts as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantee contracts are initially recognised at their fair value plus transaction costs in the statement of financial position. The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Financial guarantee contracts are subsequently measured at the higher of the amount determined in accordance with the ECL model under IFRS 9 and the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15.

### Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

There are 3 types of hedges as follows:

- (a) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);
- (b) hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge);
- (c) hedges of a net investment in a foreign operation (net investment hedge).

However, the Group only designates certain derivatives as cash flow hedge.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Movements on the hedging reserve in other comprehensive income are shown in Note 20. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

#### Cash flow hedges

For cash flow hedges, the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss. For hedging instruments used to hedge bank borrowings that finance the construction of a subsidiary's ferrosilicon production facility, any ineffective portion is capitalised as part of the cost of the ferrosilicon production facility ("construction-in-progress").

Amounts accumulated in equity are reclassified to the profit or loss in the periods when the hedged item affects the profit or loss (for example, when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps which hedge variable rate borrowings is recognised in the profit or loss within 'finance income/cost'. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or fixed assets), the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in cost of goods sold in the case of inventory or in depreciation in the case of the fixed assets.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the profit or loss.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2(d) Summary of accounting policies (Cont'd)

### Derivative financial instruments and hedging activities (Cont'd)

#### Derivative financial instruments not designated as hedging instrument

Derivative financial instruments that are not designated as hedging instruments, in individual contracts or separated from hybrid financial instruments, are initially recognised at fair value on the date of the derivative contract is entered into and subsequently re-measured at fair value. Such derivative financial instruments are accounted for as financial assets or financial liabilities at fair value through the profit or loss. Gains or losses arising from changes in fair value are recorded directly in the profit or loss for the year.

The changes in fair value of the derivative financial instruments not designated as hedges are capitalised as part of the cost of the ferrosilicon production facility ("construction-in-progress") if these derivatives are used to hedge the bank borrowings that finance the construction of the ferrosilicon production facility.

### Cash and cash equivalents

Cash and cash equivalents include cash at bank and balances on hand, demand deposits with banks and highly liquid investments with original maturities of 3 months or less which are readily convertible to cash and which are subject to an insignificant risk of changes in value and form part of the short-term cash management policy.

### Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the consideration paid including any directly attributable incremental cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained earnings of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognized in the capital reserve of the Company.

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

### Share premium

Any excess of the proceeds received over the par value of the shares is recorded in share premium.

### Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to the profit or loss over the expected useful life of the relevant asset by equal annual instalments.

#### Government grants related to income

Government grants shall be recognised in the profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in the profit or loss, either separately or under a general heading such as "Other income".

### Provisions and contingent liabilities

Provisions are recognized when the Company and the Group have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Present obligations arising from onerous contracts are recognized as provisions.

The Directors review the provisions annually and where in their opinion, the provision is inadequate or excessive, due adjustment is made.

Where the time value of money is material, provisions are discounted using a current pretax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in provision due to the passage of time is recognized as finance costs.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2(d) Summary of accounting policies (Cont'd)

### Provisions and contingent liabilities (Cont'd)

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Group are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent liabilities are not recognised in the statements of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably measured. Contingent liabilities are recognised in the course of the allocation of the purchase price to the assets and liabilities acquired in a business combination. They are initially measured at fair value at the date of acquisition and subsequently measured at the higher of the amount that would be recognised in a comparable provision as described above and the amount initially recognised less any accumulated amortisation, if appropriate.

### Leases

#### (i) The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

#### (a) Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in the profit or loss in the periods that trigger those lease payments.

For all contracts that contain both lease and non-lease components, the Group has elected to not separate lease and non-lease components and account these as one single lease component.

The lease liabilities are presented as a separate line item in the statement of financial position.

The lease liability is subsequently measured at amortised cost, by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (with a corresponding adjustment to the related right-of-use asset or to the profit or loss if the carrying amount of the right-of-use asset has already been reduced to nil) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2(d) Summary of accounting policies (Cont'd)

### Leases (Cont'd)

#### (i) The Group as lessee (Cont'd)

##### (b) *Right-of-use asset*

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Depreciation on right-of-use assets is calculated using the straight-line method to allocate their depreciable amounts over the shorter period of lease term and useful life of the underlying asset, are as follows:

Leasehold buildings	:	over lease term of 1 to 4 years
Plant and machinery	:	1 to 5 years
Office equipment	:	5 years
Motor vehicles	:	5 to 10 years

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Costs prepaid for the usage of land in the PRC and Malaysia under leasing agreements form part of the Group's right-of-use assets and are presented as land use rights in the statement of financial position. Amortisation of land use rights is calculated on a straight-line method over the term of use being 50 to 60 years.

The right-of-use assets, except for land use rights, are presented as a separate line item in the statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

#### (ii) The Group as lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term within "other income" in the profit or loss.

### Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2(d) Summary of accounting policies (Cont'd)

### Income taxes (Cont'd)

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the end of reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in the profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Current tax assets and current tax liabilities are presented net if, and only if,

- (a) the Group has the legally enforceable right to set off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities net if, and only if,

- (a) the Group has a legally enforceable right to set off deferred tax assets against deferred tax liabilities; and
- (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
  - (i) the same taxable entity; or
  - (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

### Royalties and Special Mining Taxes

Other tax expense includes the cost of royalty and special mining taxes payable to governments that are calculated on a percentage of taxable profit whereby profit represents net income adjusted for certain items defined in applicable legislation.

### Employee benefits

#### Defined contribution plan

Retirement benefits to employees are provided through defined contribution plans, as provided by the laws of the countries in which it has operations. The Singapore incorporated companies in the Group contribute to the Central Provident Fund ("CPF"). The Australian subsidiary in the Group is required to contribute to employee superannuation plans and such contributions are charged as an expense as the contributions are paid or become payable.

The Australian subsidiary contributes to individual employee accumulation superannuation plans at the statutory rate of the employees' wages and salaries, in accordance with statutory requirements, so as to provide benefits to employees on retirement, death or disability. Contributions are made based on a percentage of the employees' basic salaries.

The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of its payroll costs to the central pension scheme.

The Malaysian subsidiaries of the Group participate in the national pension scheme as defined by the laws of Malaysia. These subsidiaries make contributions to the Employees' Provident Fund in Malaysia, a defined contribution pension scheme.

These contributions are charged to the profit or loss in the period to which the contributions relate. The Group's obligations under these plans are limited to the fixed percentage contributions payable.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2(d) Summary of accounting policies (Cont'd)

### Employee benefits (Cont'd)

#### Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the end of the reporting period.

#### Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain general managers are considered key management personnel.

### Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Company and the Group if that person:
  - (i) has control or joint control over the Company;
  - (ii) has significant influence over the Company; or
  - (iii) is a member of the key management personnel of the Company or the Group.
- (b) An entity is related to the Company and the Group if any of the following conditions applies:
  - (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - (iii) both entities are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
  - (viii) the entity, or any member of a group which is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

### Impairment of non-financial assets

The carrying amounts of the Company's and the Group's non-financial assets subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the company at which management controls the related cash flows.

Individual assets or cash-generating units that include goodwill and other intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the assets or cash-generating units' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2(d) Summary of accounting policies (Cont'd)

### Impairment of non-financial assets (Cont'd)

Any impairment loss is charged to the profit or loss unless it reverses a previous revaluation in which case it is charged to equity.

With the exception of goodwill,

- An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.
- An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.
- A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the profit or loss, a reversal of that impairment loss is recognised as income in the profit or loss.

An impairment loss in respect of goodwill is not reversed, even if it relates to an impairment loss recognised in an interim period that would have been reduced or avoided had the impairment assessment been made at a subsequent reporting or the end of a reporting period.

### Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

#### Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied and the customer obtains control of the goods. Control of an asset refers to an entity's ability to direct the use of and obtain substantially all of the remaining benefits (that is, the potential cash inflows or savings in outflows) from the asset. The amount of revenue recognised is based on the estimated transaction price, which comprises the contractual price, net of the estimated volume discounts and adjusted for expected returns.

The Group supplies ores into the China market and international shipments. For the China market, transfer of goods and control is passed to the customers upon full payment and notification to take deliveries. For the majority of the Group's international shipments, as the Group does not have the right to re-direct shipments and the risk of shipments loss in transit and at destination ports is covered by the buyers' insurance, the transfer of goods and control is passed to the customers upon loading of the goods onto the relevant carrier at the port of shipment. The majority of customers are required to make full payment before the loading of goods at the port of shipment.

#### Transportation of goods sold on CFR or CIF Incoterms

Revenue from rendering service for transportation of goods sold is on Cost & Freight (CFR) or Cost, Insurance & Freight (CIF) Incoterms and is recognised over the period of transportation to the customer. A significant proportion of the Group's products are sold under CFR or CIF Incoterms, in which the Group is responsible for providing transportation of the goods after the date that the Group transfers control of the goods to the customers at the loading port.

The Group's provision of transportation service for contracts under CFR and CIF Incoterms is a distinct service and, therefore, a separate performance obligation. The total sales price or transaction price is allocated to the separate performance obligations comprising of: (a) the product sold; and (b) the transportation service including insurance and freight. Revenue earned from transportation of goods is recognised over time as the customer simultaneously receives the benefits provided as the Group performs the transportation service.

#### Interest income

Interest income is recognised on a time-apportioned basis using the effective interest rate method.

#### Dividend income

Dividend income is recognised when the right to receive the dividend has been established.

### Consignment arrangements

When the Group (the consignor) delivers a product to another party (the consignee) for sale to end customers, the Group evaluates whether that other party has obtained control of the product at that point in time. A product that has been delivered to another party may be held in a consignment arrangement if that other party has not obtained control of the product. Accordingly, the Group does not recognise revenue upon delivery of a product to another party if the delivered product is held on consignment arrangement, but recognises revenue only when the consignment inventory has been sold by that other party. A consignment arrangement is in place when the product is controlled by the Group until a specified event occurs; the Group is able to require the return of the product or transfer the product to another third party; and that other party does not have an unconditional obligation to pay for the product.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2(d) Summary of accounting policies (Cont'd)

### Contract liabilities

Contract liabilities relate to the Group's obligation to perform services for which the Group has received advances from customers. Contract liabilities are recognised as revenue as the Group performs the service under the contract.

### Capitalised contract costs

Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue. An impairment loss is recognised in the profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the services to which the contract costs relate, less the costs that relate directly to providing the services and that have not been recognised as an expense.

### Functional currencies

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Company and the Group are presented in United States Dollars whilst the functional currency of the Company is Australian Dollars.

### Conversion of foreign currencies

#### Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in the profit or loss.

However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any borrowings forming part of the net investment of the foreign operation are repaid, a proportionate share of the accumulated translation differences is reclassified to the profit or loss, as part of the gain or loss on disposal.

All other foreign exchange gains and losses impacting the profit or loss are presented in the consolidated statement of comprehensive income within "other operating expenses".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the transactions.

#### Group entities

The results and financial position of all the entities within the Group that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities are translated at the closing exchange rates at the end of the reporting period;
- (ii) Income and expenses for each statement presenting the profit or loss and other comprehensive income (i.e. including comparatives) shall be translated at exchange rates at the dates of the transactions; and
- (iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are translated at the closing rates at the reporting date. For acquisitions prior to 1 January 2010, the goodwill and fair value adjustments are translated at the exchange rates at the dates of acquisition.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2(d) Summary of accounting policies (Cont'd)

### Operating segments

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

The Group has identified the following reportable segments:

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

Each of these operating segments is managed separately as they require different resources as well as operating approaches.

The reporting segment results exclude finance income and costs and share of results of associate which are not directly attributable to the business activities of any operating segment, and are not included in arriving at the operating results of the operating segment.

Segment assets exclude interests in associates which are not directly attributable to the business activities of any operating segment.

Segment liabilities comprise operating liabilities of each operating segment.

## 3 Principal activities and revenue

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are as stated in Note 11.

Revenue is turnover derived from activities related to the sales of ore and ferroalloy products and related services which represent the invoiced value of goods or services sold, net of discounts, goods and services tax and other sales taxes.

The geographical location of customers is based on the locations at which the goods were delivered.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 3 Principal activities and revenue (Cont'd)

Disaggregation of the Group's total revenue

Segments	Mining		Smelting		Marketing and Trading		Others		Total Revenue	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Primary geographical markets</b>										
Asia Pacific	-	-	114,526	260,526	362,975	395,027	64	657	477,565	656,210
Europe	-	-	-	223	40,435	54,828	-	-	40,435	55,051
Middle East	-	-	6	176	18,991	23,752	-	-	18,997	23,928
Africa	-	-	7	-	2,398	976	-	-	2,405	976
America	-	-	4	27,949	49,829	92,438	-	-	49,833	120,387
	-	-	114,543	288,874	474,628	567,021	64	657	589,235	856,552
<b>Major product or service lines</b>										
Ores	-	-	-	-	122,149	133,788	-	-	122,149	133,788
Alloys	-	-	109,633	278,290	336,890	408,372	-	-	446,523	686,662
Services	-	-	4,910	10,584	15,589	24,861	64	657	20,563	36,102
	-	-	114,543	288,874	474,628	567,021	64	657	589,235	856,552
<b>Timing of transfer of goods or services</b>										
At a point in time	-	-	109,633	278,290	459,039	542,160	64	657	568,736	821,107
Over time	-	-	4,910	10,584	15,589	24,861	-	-	20,499	35,445
	-	-	114,543	288,874	474,628	567,021	64	657	589,235	856,552

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 4 Property, plant and equipment

The Group	Construction -in-progress US\$'000	Buildings and infrastructure US\$'000	Plant and machinery US\$'000	Computer equipment, office equipment and furniture US\$'000	Motor vehicles US\$'000	Total US\$'000
<u>Cost</u>						
At 1 January 2022	6,038	19,909	588,342	5,063	1,423	620,775
Additions	37,477	350	969	489	117	39,402
Transfers	(11,455)	16	11,066	373	–	–
Written off	–	–	(15,464)	(56)	(2)	(15,522)
Disposal	–	–	–	(7)	(100)	(107)
Exchange realignment	(1,379)	(1,444)	(3,504)	(109)	(57)	(6,493)
At 31 December 2022 and at 1 January 2023	<b>30,681</b>	<b>18,831</b>	<b>581,409</b>	<b>5,753</b>	<b>1,381</b>	<b>638,055</b>
Additions	<b>8,998</b>	<b>200</b>	<b>11,499</b>	<b>488</b>	<b>76</b>	<b>21,261</b>
Transfers	<b>(15,210)</b>	<b>(1,310)</b>	<b>16,449</b>	<b>41</b>	<b>30</b>	<b>–</b>
Transfer from right-of-use assets (Note 9)	–	–	<b>1,826</b>	–	<b>137</b>	<b>1,963</b>
Written off	–	<b>(32)</b>	<b>(12,959)</b>	<b>(99)</b>	<b>(10)</b>	<b>(13,100)</b>
Disposal of subsidiary (Note 11.2)	–	<b>(15,327)</b>	<b>(17,136)</b>	<b>(237)</b>	<b>(357)</b>	<b>(33,057)</b>
Disposal	–	–	<b>(606)</b>	<b>(34)</b>	<b>(85)</b>	<b>(725)</b>
Exchange realignment	<b>(1,490)</b>	<b>(460)</b>	<b>(426)</b>	<b>(62)</b>	<b>(23)</b>	<b>(2,461)</b>
<b>At 31 December 2023</b>	<b>22,979</b>	<b>1,902</b>	<b>580,056</b>	<b>5,850</b>	<b>1,149</b>	<b>611,936</b>

### Accumulated depreciation and impairment loss

At 1 January 2022	–	11,826	160,428	3,261	1,285	176,800
Depreciation for the year (Note 28)	–	955	23,022	713	60	24,750
Transfers	–	–	(26)	26	–	–
Written off	–	–	(5,429)	(39)	(2)	(5,470)
Disposal	–	–	–	(5)	(86)	(91)
Exchange realignment	–	(854)	(2,539)	(44)	(53)	(3,490)
At 31 December 2022 and 1 January 2023	–	<b>11,927</b>	<b>175,456</b>	<b>3,912</b>	<b>1,204</b>	<b>192,499</b>
Depreciation for the year (Note 28)	–	<b>448</b>	<b>30,996</b>	<b>694</b>	<b>66</b>	<b>32,204</b>
Transfers	–	<b>129</b>	<b>(174)</b>	<b>23</b>	<b>22</b>	<b>–</b>
Transfer from right-of-use assets (Note 9)	–	–	<b>1,600</b>	–	<b>137</b>	<b>1,737</b>
Written off	–	<b>(32)</b>	<b>(12,149)</b>	<b>(87)</b>	<b>(10)</b>	<b>(12,278)</b>
Disposal of subsidiary (Note 11.2)	–	<b>(10,839)</b>	<b>(15,648)</b>	<b>(217)</b>	<b>(354)</b>	<b>(27,058)</b>
Disposal	–	–	<b>(578)</b>	–	<b>(85)</b>	<b>(663)</b>
Exchange realignment	–	<b>(287)</b>	<b>(263)</b>	<b>(18)</b>	<b>(21)</b>	<b>(589)</b>
<b>At 31 December 2023</b>	–	<b>1,346</b>	<b>179,240</b>	<b>4,307</b>	<b>959</b>	<b>185,852</b>

### Net book value

<b>At 31 December 2023</b>	<b>22,979</b>	<b>556</b>	<b>400,816</b>	<b>1,543</b>	<b>190</b>	<b>426,084</b>
At 31 December 2022	30,681	6,904	405,953	1,841	177	445,556



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 4 Property, plant and equipment (Cont'd)

As of 31 December 2023, property, plant and equipment with a total net carrying amount of US\$398,117,000 (2022 – US\$409,746,000) had been pledged for banking facilities granted to the Group (Note 21.1). Disposal of subsidiary relates to deconsolidation of OM Materials (Qinzhou) Co Ltd (“OMQ”) upon loss of control (Note 11.2).

The Group evaluates any indication of impairment in the property, plant and equipment at the end of each reporting period. Cash flow projections used in these calculations are based on financial budgets approved by management. Cash flows beyond the budget period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate of the industry in which the CGU operates.

These assumptions are used for the analysis of each CGU within the business segment. Management determines budgeted gross margins based on past performance and its expectations of market developments. The weighted average growth rates used are consistent with forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments. A further decrease in the budgeted gross margin by 1% (2022 – 1%) would not result in indication of impairment of the carrying amount of property, plant and equipment.

Key assumptions used for value-in-use calculations:

	2023		2022		
	Malaysia Smelting operations	Australia	People's Republic of China Smelting operations	Malaysia	Australia
Gross margin <sup>1</sup>	10%	31%	2%	12%	31%
Growth rate <sup>2</sup>	0 – 4% before 2028, 0% after 2028	0% before 2028, 0% after 2028	0 – 1% before 2027, 0% after 2027	1 – 2% before 2027, 0% after 2027	0% before 2027, 0% after 2027
Discount rate <sup>3</sup>	9.2%	12.8%	4.3%	6.6%	12.8%

<sup>1</sup> Budgeted gross margin. The gross margin differs due to the different operating efficiencies of the various subsidiaries located in different geographical locations.

<sup>2</sup> Weighted average growth rate used to extrapolate cash flows beyond the budget period.

<sup>3</sup> Pre-tax discount rates applied to the pre-tax cash flow projections. The discount rates vary due to the geographical locations of the businesses.

## 5 Land use rights

	2023	2022
The Group	US\$'000	US\$'000
At beginning of the year	6,533	6,755
Amortisation for the year (Note 28)	(126)	(143)
Disposal of subsidiary (Note 11.2)	(869)	–
Exchange realignment	(23)	(79)
At end of the year	5,515	6,533

The land use rights, that form part of the Group's right-of-use assets, are for leasehold land located in Malaysia (2022 – PRC and Malaysia).

The land use rights for leasehold land located in Malaysia had a net carrying value of US\$5,515,000 (2022 – US\$5,630,000) and were pledged as security for borrowings referred to in Note 21.1(b).

Disposal of subsidiary relates to deconsolidation of OMQ upon loss of control (Note 11.2).

Information about the Group's leasing activities are disclosed in Note 34.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 6 Exploration and evaluation costs

	2023 US\$'000	2022 US\$'000
The Group		
At beginning of the year	2,255	2,142
Costs incurred during the year	490	395
Written off during the year (Note 28)	–	(130)
Exchange realignment	26	(152)
At end of the year	2,771	2,255

The Group has a 51% (2022 - 51%) interest in a joint venture arrangement in Australia which is involved in the exploration of manganese. This interest in the joint venture arrangement is accounted for as a joint operation. In 2023 and 2022, the expenditure capitalised during the year related to the Group's share of exploration expenditure invested in the joint operation. The joint operation has no contingent liabilities or commitments as at 31 December 2023 and 2022.

## 7 Mine development costs

	2023 US\$'000	2022 US\$'000
The Group		
At beginning of the year	1,878	1,951
Adjustments to rehabilitation provisions (Note 24)	3	450
Amortisation for the year (Note 28)	(490)	(392)
Exchange realignment	(3)	(131)
At end of the year	1,388	1,878

## 8 Investment property

	2023 US\$'000	2022 US\$'000
The Group		
<u>Cost</u>		
Balance at beginning of year and at end of year	566	566
<u>Accumulated depreciation</u>		
Balance at beginning of year	139	132
Depreciation for the year (Note 28)	8	7
Balance at end of year	147	139
<u>Net book value</u>	<u>419</u>	<u>427</u>
Rental income	73	94
Direct operating expenses arising from investment property that generates rental income	(18)	(17)
Depreciation for the year	(8)	(7)
Gross profit arising from investment property	47	70

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 8 Investment property (Cont'd)

The following are details of the investment property of the Group:

Property Name	Location	Description	Total net lettable area (sq m)	Tenure
Parkway Parade	80 Marine Parade Road, #08-08 Parkway Parade, Singapore 449269	Office premises	148	73-year leasehold commenced from 31 August 2005

Fair value hierarchy

	Fair value measurements using		
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	US\$'000	US\$'000	US\$'000
<b>2023</b>	–	–	<b>2,425</b>
2022	–	–	2,460

Valuation techniques used to derive fair values

As of 31 December 2023, the fair value of investment property amounted to approximately US\$2,425,000 (2022 - US\$2,460,000) as determined by management with reference to recent market transactions of comparable properties in close proximity, adjusted for differences in key attributes such as property size, which is based on the property's highest and best use.

## 9 Right-of-use assets

The Group	Leasehold buildings US\$'000	Plant and machinery US\$'000	Office equipment US\$'000	Motor vehicles US\$'000	Total US\$'000
<u>Cost</u>					
At 1 January 2022	7,503	10,380	26	365	18,274
Additions	9	697	27	–	733
Write-off	–	–	(26)	–	(26)
Exchange realignment	(63)	(454)	–	(1)	(518)
At 31 December 2022 and at 1 January 2023	<b>7,449</b>	<b>10,623</b>	<b>27</b>	<b>364</b>	<b>18,463</b>
Additions	<b>4,569</b>	<b>39</b>	–	<b>49</b>	<b>4,657</b>
Write-off	<b>(2,697)</b>	–	–	–	<b>(2,697)</b>
Disposal	–	<b>(2,195)</b>	–	–	<b>(2,195)</b>
Transfer to property, plant and equipment (Note 4)	–	<b>(1,826)</b>	–	<b>(137)</b>	<b>(1,963)</b>
Exchange realignment	<b>(6)</b>	<b>(20)</b>	–	–	<b>(26)</b>
<b>At 31 December 2023</b>	<b>9,315</b>	<b>6,621</b>	<b>27</b>	<b>276</b>	<b>16,239</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 9 Right-of-use assets (Cont'd)

The Group	Leasehold buildings US\$'000	Plant and machinery US\$'000	Office equipment US\$'000	Motor vehicles US\$'000	Total US\$'000
<u>Accumulated depreciation and impairment</u>					
At 1 January 2022	2,742	9,429	18	227	12,416
Depreciation (Note 28)	1,649	665	5	37	2,356
Write-off	–	–	(18)	–	(18)
Exchange realignment	(46)	(407)	–	(1)	(454)
At 31 December 2022 and at 1 January 2023	<b>4,345</b>	<b>9,687</b>	<b>5</b>	<b>263</b>	<b>14,300</b>
Depreciation (Note 28)	<b>2,633</b>	<b>191</b>	<b>5</b>	<b>24</b>	<b>2,853</b>
Write-off	<b>(2,697)</b>	–	–	–	<b>(2,697)</b>
Disposal	–	<b>(2,194)</b>	–	–	<b>(2,194)</b>
Transfer to property, plant and equipment (Note 4)	–	<b>(1,600)</b>	–	<b>(137)</b>	<b>(1,737)</b>
Exchange realignment	<b>(4)</b>	<b>15</b>	–	<b>(1)</b>	<b>10</b>
<b>At 31 December 2023</b>	<b>4,277</b>	<b>6,099</b>	<b>10</b>	<b>149</b>	<b>10,535</b>
<u>Carrying amount</u>					
<b>At 31 December 2023</b>	<b>5,038</b>	<b>522</b>	<b>17</b>	<b>127</b>	<b>5,704</b>
At 31 December 2022	3,104	936	22	101	4,163

Leasehold buildings are located in Malaysia, Singapore and Australia.

Information about the Group's leasing activities are disclosed in Note 34.

## 10 Deferred taxation

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset deferred income tax assets against deferred income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting in similar tax legislations, are shown on the statement of financial position as follows:

	2023 US\$'000	2022 US\$'000
The Group		
<b>Deferred tax assets</b>		
At gross	<b>13,381</b>	13,791
Less: Set off of tax in similar legislations	<b>(1,220)</b>	(1,213)
At net	<b>12,161</b>	12,578
<b>Deferred tax liabilities</b>		
At gross	<b>(47,924)</b>	(53,336)
Less: Set off of tax in similar legislations	<b>20,971</b>	34,943
At net	<b>(26,953)</b>	(18,393)
<b>Deferred tax assets</b>		
To be recovered within one year	–	–
To be recovered after one year	<b>12,161</b>	12,578
	<b>12,161</b>	12,578

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 10 Deferred taxation (Cont'd)

	2023 US\$'000	2022 US\$'000
The Group		
<b>Deferred tax liabilities</b>		
To be settled within one year	–	–
To be settled after one year	(26,953)	(18,393)
	<b>(26,953)</b>	<b>(18,393)</b>

The movement in deferred tax assets and liabilities (after offsetting of balances within the same tax jurisdiction) are as follows:

	Temporary differences on qualifying property, plant and equipment, and mine development costs US\$'000	Provisions US\$'000	Tax losses US\$'000	Others US\$'000	Total US\$'000
The Group					
<b>Deferred tax assets:</b>					
At 1 January 2022	(46,178)	2,605	57,051	(70)	13,408
Credited/(charged) to profit or loss (Note 29)	46,455	(1,228)	(45,455)	246	18
Exchange difference on translation	(29)	(145)	(670)	(4)	(848)
At 31 December 2022 and 1 January 2023	<b>248</b>	<b>1,232</b>	<b>10,926</b>	<b>172</b>	<b>12,578</b>
Credited to profit or loss (Note 29)	–	–	92	–	92
Disposal of subsidiary (Note 11.2)	–	–	(563)	–	(563)
Exchange difference on translation	1	7	45	1	54
<b>At 31 December 2023</b>	<b>249</b>	<b>1,239</b>	<b>10,500</b>	<b>173</b>	<b>12,161</b>

	Temporary differences on qualifying property, plant and equipment US\$'000	Provisions US\$'000	Tax losses US\$'000	Others US\$'000	Total US\$'000
The Group					
<b>Deferred tax liabilities</b>					
At 1 January 2022	(268)	–	–	(670)	(938)
(Charged)/credited to profit or loss (Note 29)	(50,351)	11,914	22,209	(1,245)	(17,473)
Exchange difference on translation	18	–	–	–	18
At 31 December 2022 and 1 January 2023	<b>(50,601)</b>	<b>11,914</b>	<b>22,209</b>	<b>(1,915)</b>	<b>(18,393)</b>
Credited/(charged) to profit or loss (Note 29)	<b>6,974</b>	<b>(8,588)</b>	<b>(7,378)</b>	<b>424</b>	<b>(8,568)</b>
Exchange difference on translation	8	–	–	–	8
<b>At 31 December 2023</b>	<b>(43,619)</b>	<b>3,326</b>	<b>14,831</b>	<b>(1,491)</b>	<b>(26,953)</b>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 11 Subsidiaries

	2023 US\$'000	2022 US\$'000
The Company		
<b>Unquoted equity investments, at cost</b>		
At beginning of the year	5,429	5,815
<u>Less: Accumulated impairment losses</u>		
At beginning of the year	–	–
Impairment loss	(2,079)	–
At end of the year	(2,079)	–
Exchange difference on translation	29	(386)
Unquoted equity investments, net	3,379	5,429
<b>Amounts due from subsidiaries</b>	154,329	153,618
<u>Less: Accumulated impairment losses</u>		
At beginning of the year	(56,515)	(60,527)
Impairment loss	(7,692)	–
Exchange difference on translation	(308)	4,012
At end of the year	(64,515)	(56,515)
Amounts due from subsidiaries, net	89,814	97,103
<b>Total</b>	<b>93,193</b>	<b>102,532</b>

The amounts due from subsidiaries are loans to subsidiaries, representing an extension of its investments in the subsidiaries. These amounts are unsecured with indeterminate repayment terms.

The Company evaluates any indication of impairment on the investment in subsidiaries at the end of each reporting period. The Company carries out a review of the recoverable amount of its investment in subsidiaries based on the higher of its fair value less cost to sell and value in use.

Cash flow projections used in these calculations are based on financial budgets approved by management. Cash flows beyond the budget period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate of the industry in which the CGU operates.

These assumptions are used for the analysis of each CGU within the business segment. Management determines budgeted gross margins based on past performance and expectations of market developments. The weighted average growth rates used are consistent with forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments. A further decrease in the budgeted gross margin by 1% (2022 – 1%) would not result in indication of significant further impairment of the carrying amount of the investments in subsidiaries.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 11 Subsidiaries (Cont'd)

In the financial year ended 31 December 2023, the Company recognised a total impairment loss of \$9,771,000 (2022 – Nil) in its cost of investment in and amounts due from OM (Manganese) Ltd (“OMM”) due to the losses incurred during OMM's care and maintenance phase. The recoverable amount was determined based on the cash flow projections, with the key assumptions laid out below.

Key assumptions used for value-in-use calculations:

	2023		2022		
	Malaysia Smelting operations	Australia	People's Republic of China Smelting operations	Malaysia	Australia
Gross margin <sup>1</sup>	10%	31%	2%	12%	31%
Growth rate <sup>2</sup>	0 - 4% before 2028, 0% after 2028	0% before 2028, 0% after 2028	0 - 1% before 2027, 0% after 2027	1 - 2% before 2027, 0% after 2027	0% before 2027, 0% after 2027
Discount rate <sup>3</sup>	9.2%	12.8%	4.3%	6.6%	12.8%

<sup>1</sup> Budgeted gross margin. The gross margin differs due to the different operating efficiencies of the various subsidiaries located in different geographical locations.

<sup>2</sup> Weighted average growth rate used to extrapolate cash flows beyond the budget period.

<sup>3</sup> Pre-tax discount rate applied to the pre-tax cash flow projections. The discount rates vary due to the geographical locations of the businesses.

Details of the Group's material subsidiaries at the end of the reporting period are set out below:

Name	Place of incorporation/ operation	Proportion of ownership interest and voting rights held by the Group		Principal activities
		2023 %	2022 %	
<u>Held by the Company</u> OM (Manganese) Ltd. <sup>(1)</sup>	Australia	100	100	Owns manganese mine <sup>(5)</sup> , and rights to exploration and processing of manganese ore
<u>Held by OM Resources (HK) Limited</u> OM Materials (S) Pte. Ltd. <sup>(2)</sup>	Singapore	100	100	Investment holding and trading of metals and ferroalloy products
<u>Held by OM Materials (S) Pte. Ltd.</u> OM Materials (Sarawak) Sdn. Bhd. <sup>(3)</sup>	Malaysia	100	100	Sales and processing of ferroalloys and ores
OM Materials (Qinzhou) Co. Ltd. <sup>(4)</sup>	PRC	10 <sup>(6)</sup>	100	Sales and processing of ferroalloys and ores
<u>Held by OM Materials Trade (S) Pte. Ltd.</u> OM Materials Trading (Qinzhou) Co. Ltd <sup>(4)</sup>	PRC	100	100	Trading of metals and ferroalloys products

Note:

<sup>(1)</sup> audited by Grant Thornton Audit Pty Ltd

<sup>(2)</sup> audited by Foo Kon Tan LLP

<sup>(3)</sup> audited by Ernst & Young PLT, Malaysia

<sup>(4)</sup> audited by Guangxi JiaHai Accountant Affairs Office Co. Ltd. for statutory purposes and reviewed by Foo Kon Tan LLP for group consolidation

<sup>(5)</sup> Production ceased on 25 January 2022 and the mine was placed under care and maintenance

<sup>(6)</sup> Disposed 90% shareholding interest in the financial year ended 31 December 2023 (Note 11.2), and the remaining 10% shareholding interest is accounted for as an associate

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 11 Subsidiaries (Cont'd)

The principal activities of other subsidiaries that are not material to the Group at the end of the reporting period are summarised as follows:

Principal activities	Place of incorporation/ operation	Number of subsidiaries	
		2023	2022
Investment holding	The British Virgin Islands	1	1
Investment holding	Mauritius	1	1
Investment holding	Hong Kong	1	1
Investment holding	Singapore	1	1
Logistics services and rental of machinery	Malaysia	1	1
Engineering, procurement and construction services, and trading of metals and ferroalloy products	PRC	1	1
Project development and project management services	Malaysia	2	2
Exploration and mining of minerals	Malaysia	2	2
Engineering services	Malaysia	1	1
		<b>11</b>	<b>11</b>

### 11.1 Acquisition of non-controlling interests ("NCI") in OM Materials (Sarawak) Sdn. Bhd. ("OM Sarawak") and OM Materials (Samalaju) Sdn Bhd ("OM Samalaju")

On 6 December 2022, the Company's wholly owned subsidiary, OM Materials (S) Pte. Ltd. ("OMS"), completed the acquisition of the remaining 25% interests in OM Sarawak and OM Samalaju. The total consideration was US\$120,000,000, which comprised US\$109,127,000 for the acquisition of the shares in OM Sarawak and OM Samalaju, and US\$10,873,000 for the repayment of loans to the non-controlling interests.

Immediately prior to the acquisition, the carrying amount of the existing 25% non-controlling interests in OM Sarawak and OM Samalaju was US\$85,987,000. The Group recognised a decrease in non-controlling interests of US\$85,987,000, and a decrease in equity attributable to owners of the Company of US\$23,140,000 (comprising a decrease in capital reserve of US\$23,176,000, an increase in hedging reserve of US\$1,129,000, and a decrease in exchange fluctuation reserve of US\$1,093,000). The effect on the equity attributable to the owners of the Company arising from this transaction with non-controlling interests is summarised as follows:

	2022
	US\$'000
Total consideration	120,000
Less: Loan repayment to NCI	(10,873)
	109,127
Carrying amount of NCI acquired	(85,987)
Excess of consideration paid recognised within equity attributable to owners of the Company	23,140

### 11.2 Disposal of 90% interest in OM Materials Qinzhou Co Ltd ("OMQ")

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

The Group, through OMS, retains a 10% equity interest in OMQ, which is accounted for as an associate (Note 12) as it retains significant influence in OMQ.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 11 Subsidiaries (Cont'd)

### 11.2 Disposal of 90% interest in OM Materials Qinzhou Co Ltd ("OMQ") (Cont'd)

Details of the disposal are as follows:

	2023 US\$'000
<b>Carrying amounts of net assets over which control was lost</b>	
Property, plant and equipment net of accumulated depreciation/ impairment (Note 4)	5,999
Land use rights (Note 5)	869
Deferred tax assets (Note 10)	563
Inventories	964
Trade and other receivables	2,117
Cash and cash equivalents	120
Trade and other payables	(251)
Net assets derecognised	10,381
<b>Consideration received/receivable</b>	
Cash and cash equivalents received	10,452
Deferred cash consideration receivable (Note 14)	15,338
Total consideration	25,790
<b>Gain on disposal</b>	
Total consideration	25,790
Add: Fair value of remaining 10% interest retained (Note 12)	2,966
Add: Realisation of foreign exchange reserve	1,782
Less: Net assets derecognised	(10,381)
Gain on disposal (Note 27)	20,157
<b>Net cash inflows arising on disposal</b>	
Consideration received in cash and cash equivalents	10,452
Less: Cash and cash equivalents disposed	(120)
Net cash inflows arising on disposal	10,332

The deferred cash consideration receivable of US\$15,338,000 is included in other receivables (Note 14), and is due to be received in 2024.

## 12 Interests in associates

The Group	2023 US\$'000	2022 US\$'000
<b>Cost of investment in associates <sup>(1)</sup></b>		
At beginning of the year	52,622	56,358
Addition (Note 11.2)	2,966	–
Exchange difference on translation	288	(3,736)
At end of the year	55,876	52,622
Share of post-acquisition profits and reserves, net of dividends	28,231	28,253
	84,107	80,875

<sup>(1)</sup> Comprised unquoted equity shares at cost and advances to associates net of repayments. The advances to associates represent extensions of the investment in associates which are unsecured with indeterminate repayment terms.

Addition during the financial year ended 31 December 2023 relates to the 10% interest in OMQ at fair value (Note 11.2), arising from the disposal of 90% interest in OMQ. As OMS still retains significant influence over OMQ, the remaining 10% interest is accounted for as an associate.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 12 Interests in associates (Cont'd)

Details of the Group's material associate at the end of the reporting period was as follows:

Name	Country of incorporation	Proportion of effective ownership interest and voting rights held by the Group		Principal activities
		2023 %	2022 %	
Ntsimbintle Mining Proprietary Limited ("NMPL") <sup>(1)</sup>	South Africa	26	26	Investment holding
Held by NMPL <sup>(2)</sup> Tshipi é Ntle Manganese Mining Proprietary Limited ("Tshipi Mining") <sup>(1)</sup>	South Africa	13	13	Exploration and mining of minerals

<sup>(1)</sup> audited by KPMG Inc.

<sup>(2)</sup> NMPL holds a 50.1% interest joint venture in Tshipi Mining whose results are equity-accounted in NMPL.

Shares in the Group's material associate are held by a wholly-owned subsidiary of the Company, OMH (Mauritius) Corp.

All of the Group's associates are accounted for using the equity method in the Group's consolidated financial statements.

The financial year end date of NMPL is 30 June (2022 – 28 February). For the purposes of applying the equity method accounting, the management accounts of NMPL for the year ended 31 December 2023 have been used and appropriate adjustments have been made as necessary.

Summarised financial information in respect of the Group's material associate are set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRS.

	Ntsimbintle Mining Proprietary Limited	
	2023 US\$'000	2022 US\$'000
Current assets	2,335	2,773
Non-current assets <sup>(1)</sup>	147,726	138,255
Current liabilities	(14)	–
Non-current liabilities	(85,924)	(93,713)
Net assets	64,123	47,315
Income <sup>(1)</sup>	38,587	52,139
Profit for the year	19,686	32,080
Total comprehensive income for the year	19,686	32,080
Dividends received from associate	5,305	7,868

<sup>(1)</sup> Inclusive of equity-accounted results of Tshipi Mining.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 12 Interests in associates (Cont'd)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	Ntsimbintle Mining Proprietary Limited		Total	
	2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
Net assets of the associate	64,123	47,315	64,123	47,315
Shareholder loans	85,924	93,713	85,924	93,713
	150,047	141,028	150,047	141,028
Proportion of the Group's ownership interest in the associate	39,012	36,667	39,012	36,667
Goodwill	40,764	40,543	40,764	40,543
Currency translation difference	1,263	3,579	1,263	3,579
Carrying value	81,039	80,789	81,039	80,789
Add:				
Carrying value of individually immaterial associates			3,068	86
Carrying value of Group's interest in associates			84,107	80,875

### Aggregate information of associates that are not individually material

The summarised financial information of the individually immaterial associates are as follows:

	2023 US\$'000	2022 US\$'000
- Profit for the year	49	228
- Total comprehensive income for the year	49	228
	2023 US\$'000	2022 US\$'000
The Group's share of profit	16	76

## 13 Inventories

	2023 US\$'000	2022 US\$'000
The Group		
<b>At cost</b>		
Raw materials	86,642	92,064
Work-in-progress	15,018	14,339
Finished goods	96,799	82,329
	198,459	188,732
<b>At net realisable value</b>		
Raw materials, work-in-progress and finished goods	93,890	46,683
Total	292,349	235,415
<i>Recognised as expenses and included in cost of sales:</i>		
Cost of inventories (Note 28), inclusive of:	494,416	649,686
(Write-back)/write-down of inventories to net realisable value	(38,464)	51,181
<i>Recognised as expenses and included in other operating expenses:</i>		
Write-down of inventories to net realisable value (Note 28)	560	561

Included in the above are inventories under consignment arrangement amounting to US\$35,877,000 (2022: US\$13,044,000).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 14 Trade and other receivables

	The Company		The Group	
	2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
Trade receivables (i)	-	-	20,806	27,443
Other receivables:				
Amounts due from subsidiaries (non-trade)	14,448	6,380	-	-
Deposits and other receivables:				
- third party	-	-	18,335	4,754
- associate	-	-	-	220
	14,448	6,380	18,335	4,974
Less: Allowance for impairment of other receivables:				
At beginning of the year	-	-	(634)	(671)
Exchange difference on translation	-	-	25	37
At end of the year	-	-	(609)	(634)
Net other receivables (ii)	14,448	6,380	17,726	4,340
Total (i) + (ii)	14,448	6,380	38,532	31,783

The non-trade amounts due from subsidiaries, representing advances, are interest-free, unsecured and repayable on demand.

Included in the Group's deposits and other receivables from third parties is tax recoverable of US\$353,000 (2022 - US\$122,000) from tax authorities, and the residual balance of the proceeds arising from disposal of 90% interest in OMQ of US\$15,338,000 (2022 - US\$ Nil), scheduled to be received in 2024 (Note 11.2).

Trade and other receivables are denominated in the following currencies:

	The Company		The Group	
	2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
Australian Dollar	6,447	6,380	151	119
Renminbi	-	-	16,081	2,726
United States Dollar	8,000	-	21,681	28,148
Malaysian Ringgit	-	-	533	703
Others	1	-	86	87
	14,448	6,380	38,532	31,783

The credit risk for trade and other receivables is as follows:

	The Company		The Group	
	2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
By geographical areas				
Asia Pacific	14,432	6,380	38,082	19,932
Europe	-	-	82	-
Africa	16	-	186	484
America	-	-	182	11,367
	14,448	6,380	38,532	31,783

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 14 Trade and other receivables (Cont'd)

### Neither past due nor impaired

Trade and other receivables that were neither past due nor impaired amounting to US\$14,448,000 (2022 - US\$6,380,000) and US\$38,406,000 (2022 - US\$31,693,000) for the Company and the Group respectively related to a wide range of debtors for whom there was no recent history of default.

### Past due but not impaired

The ageing analysis of trade and other receivables past due but not impaired is as follows:

	The Company		The Group	
	2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
Past due 0 to 3 months	-	-	80	74
Past due 3 to 6 months	-	-	41	-
Past due over 6 months	-	-	5	16
	-	-	126	90

Trade and other receivables that were past due but not impaired related to a number of debtors that have a good credit track record with the Group. Based on historical default rates, the Group believes that no further impairment allowance is necessary in respect of trade and other receivables not past due or past due.

## 15 Capitalised contract costs

	2023 US\$'000	2022 US\$'000
The Group		
Costs to fulfil service rendered for transportation of goods sold under CFR and CIF Incoterms	301	538
Amortisation recognised as cost of sales during the year	538	1,077

The Group's capitalised contract costs relate to fulfilment costs of freight and insurance for the transportation of goods sold under CFR and CIF Incoterms. These costs are charged to the profit or loss on a basis consistent with the pattern of recognition of the associated revenue.

## 16 Derivatives

	Contract/notional amount		Fair value through profit or loss			
			Assets		Liabilities	
	2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
<b>Derivatives:</b>						
Foreign exchange forward contracts	10,890	-	137	-	-	-

The Group uses foreign exchange forward contracts to manage some of its foreign currency exposure. These contracts are not designated as cash flows nor fair value hedges and are entered into for periods consistent with its foreign currency exposure. Such derivatives do not qualify for hedge accounting.

The forward contracts are used to manage the foreign currency exposures arising from the monetary assets and liabilities denominated in currencies other than the functional currency of a subsidiary of the Group.

The Group recognised a gain of US\$137,000 (2022 - Nil) arising from fair value changes of derivative financial assets. The fair value changes are attributable to changes in foreign exchange forward rates. The methods and assumptions applied in determining the fair value of derivatives are disclosed in Note 41.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 17 Cash and bank balances

	The Company		The Group	
	2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
Cash at bank and on hand	13	24	59,399	50,192
Short-term bank deposits	–	–	1,092	3,070
Total cash and cash equivalents	13	24	60,491	53,262
Add: Cash collateral	–	–	9,210	9,121
Cash and bank balances	13	24	69,701	62,383

Included in the cash collateral were amounts of US\$1,174,000 (2022 - US\$1,025,000) and US\$7,923,000 (2022 - US\$7,984,000) which were pledged to banks as security for banking facilities and the issuance of environmental bonds (Note 35.3) respectively. The Group also maintains bank deposits to the benefit of third-party suppliers to the amount of US\$113,000 (2022 - US\$112,000).

Cash and bank balances (including cash collateral) are denominated in the following currencies:

	The Company		The Group	
	2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
Australian Dollar	11	22	8,190	9,473
Renminbi	–	–	14,080	5,127
United States Dollar	2	2	33,026	37,374
Malaysian Ringgit	–	–	14,027	9,844
Others	–	–	378	565
	13	24	69,701	62,383

The short-term bank deposits have an average maturity of 1 month (2022 - 1 month) from the end of the financial year with the following effective interest rates:

	2023 Per annum	2022 Per annum
The Group		
United States Dollar	4.42%	2.48% to 3.11%
Malaysia Ringgit	–	1.90%

## 18 Share capital

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

The holders of ordinary shares (excluding treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares (excluding treasury shares) rank equally with regard to the Company's residual assets.

On 4 December 2023, the Company issued 27,633,464 ordinary shares to JFE Shoji Corporation at an issue price of A\$0.472 per share, which raised A\$13,043,000 (equivalent to US\$8,885,000), of which A\$1,382,000 (equivalent to US\$941,000) was capitalised as Share capital at par value of A\$0.05 per share, and the balance amount of A\$11,661,000 (equivalent to US\$7,944,000) was capitalised as Share premium, within Reserves (Note 20).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 19 Treasury shares

The Company and The Group	No. of ordinary shares		Amount	
	2023 '000	2022 '000	2023 US\$'000	2022 US\$'000
At 1 January and 31 December	1,933	1,933	2,058	2,058

Treasury shares relate to ordinary shares of the Company that are held by the Company. During the year, the Company acquired Nil shares (2022 - Nil shares) in the Company through on-market purchase on the Australian Securities Exchange or on Bursa Malaysia.

## 20 Reserves

		The Company		The Group	
		2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
Share premium	[Note (i)]	164,864	156,920	164,864	156,920
Non-distributable reserve	[Note (ii)]	–	–	1,419	7,922
Capital reserve	[Note (iii)]	–	–	(10,947)	(10,947)
Contributed surplus	[Note (iv)]	2,593	2,593	–	–
Hedging reserve	[Note (v)]	–	–	225	272
Exchange fluctuation reserve	[Note (vi)]	(39,703)	(39,758)	(44,562)	(40,139)
(Accumulated losses)/Retained profits	[Note (vii)]	(111,631)	(105,484)	269,440	252,105
		16,123	14,271	380,439	366,133

### Share premium

At 1 January	156,920	156,920	156,920	156,920
Issuance of ordinary shares	7,944	–	7,944	–
At 31 December	164,864	156,920	164,864	156,920

### Non-distributable reserve

At 1 January	–	–	7,922	7,643
Transfers (from)/to statutory reserve	–	–	(6,503)	279
At 31 December	–	–	1,419	7,922

### Capital reserve

At 1 January	–	–	(10,947)	12,138
Acquisition of non-controlling interests (Note 11.1)	–	–	–	(23,176)
Transfer to statutory reserve	–	–	–	91
At 31 December	–	–	(10,947)	(10,947)

### Contributed surplus

At 1 January and 31 December	2,593	2,593	–	–
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### Hedging reserve

At 1 January	–	–	272	(818)
Cash flow hedges	–	–	(47)	(39)
Acquisition of non-controlling interests (Note 11.1)	–	–	–	1,129
At 31 December	–	–	225	272



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 20 Reserves (Cont'd)

	The Company		The Group	
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Exchange fluctuation reserve</b>				
At 1 January	(39,758)	(36,286)	(40,139)	(33,032)
Acquisition of non-controlling interests (Note 11.1)	-	-	-	(1,093)
Currency translation differences	55	(3,472)	(4,423)	(6,014)
At 31 December	(39,703)	(39,758)	(44,562)	(40,139)
<b>(Accumulated losses)/Retained profits</b>				
At 1 January	(105,484)	(91,396)	252,105	195,158
Profit/(loss) for the year	1,157	(3,563)	18,136	67,842
Dividends [Note viii)]	(7,304)	(10,525)	(7,304)	(10,525)
Transfers from/(to) statutory reserve	-	-	6,503	(370)
At 31 December	(111,631)	(105,484)	269,440	252,105

Notes:

- (i) The share premium reserve comprises the value of shares that have been issued at a premium, meaning the price paid was in excess of the share's quotient value. The amount received in excess of the quotient value was transferred to the share premium reserve.
- (ii) In accordance with the accounting principles and financial regulations applicable to Sino-foreign joint venture enterprises, the subsidiaries in the PRC are required to transfer part of their profits after tax to the "Statutory Reserves Fund", the "Enterprise Expansion Fund" and the "Staff Bonus and Welfare Fund", which are non-distributable, before profit distributions to joint venture partners. The quantum of the transfers is subject to the approval of the board of directors of these subsidiaries.

The annual transfer to the Statutory Reserves Fund should not be less than 10% of profit after tax, until it aggregates to 50% of the registered capital. However, foreign enterprises may choose not to appropriate profits to the Enterprise Expansion Fund.

The Statutory Reserves Fund can be used to make good previous years' losses while the Enterprise Expansion Fund can be used for the acquisition of property, plant and equipment and financing daily funds required. The Staff Bonus and Welfare Fund is utilised for employees' collective welfare benefits and is included in other payables under current liabilities in the statements of financial position.

- (iii) Capital reserve relates to:
  - (a) Difference between the consideration paid and the carrying amount of the non-controlling interests acquired, and
  - (b) Capitalisation of various reserves and retained profits in one of the Sino-foreign joint ventures of the Group. The purpose of the capitalisation is to increase the registered capital of the joint venture.
- (iv) The contributed surplus of the Company represents the difference between the nominal value of the Company's shares issued for acquisition of the subsidiaries and the aggregate net asset value of the subsidiaries acquired. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus can be distributed to shareholders under certain circumstances. At the Group level, the contributed surplus is eliminated against the cost of investment in subsidiaries.
- (v) The hedging reserve represents hedging gains and losses recognised on the effective portion of cash flow hedges. The cumulative deferred gain or loss on the hedge recognised in other comprehensive income and accumulated hedging reserves is reclassified to the profit or loss when the forecast transaction is ultimately recognised in the profit or loss.
- (vi) The translation reserve comprises all foreign exchange differences arising on the translation of the financial statements of the Company, foreign subsidiaries and associates stated in a currency different from the Company's and Group's presentation currency.
- (vii) Retained earnings of the Group comprise the distributable reserves recognised in the preceding year less any dividend declared. The total of such profits brought forward and the profit derived during the period constitute the total distributable reserves, that is the maximum amount available for distribution to the shareholders.

	2023	2022
	US\$'000	US\$'000
(viii) The Company and The Group		
Final tax-exempt (one-tier) dividend of US\$0.009915 (A\$0.015) per share for 2022 (2021 - US\$0.01429 (A\$0.02))	7,304	10,525
	7,304	10,525

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 21 Borrowings

The Group	2023 US\$'000	2022 US\$'000
<b>Non-current</b>		
Bank loans (Note 21.1)	148,172	175,675
Other borrowings (Note 21.2)	21,067	29,452
	169,239	205,127
Structuring and arrangement fee	(129)	(310)
	169,110	204,817
<b>Current</b>		
Bank loans (Note 21.1)	96,530	50,200
Structuring and arrangement fee	(181)	(277)
	96,349	49,923
	265,459	254,740

### 21.1 Bank loans

The Group	2023 US\$'000	2022 US\$'000
Bank loans, secured [Note (a)]	1,126	2,976
Bank loans, secured [Note (b)]	213,533	222,899
Bank loans, secured [Note (c)]	30,000	–
Bank loans, unsecured	43	–
	244,702	225,875
Amount repayable not later than one year	96,530	50,200
Amount repayable later than one year and not later than five years	148,172	175,675
	244,702	225,875

Notes:

- (a) In 2022, these loans were secured by a charge over certain Buildings and infrastructure and Plant and machinery of OMQ.
- (b) These loans are secured by:
- shares of OM Materials (Sarawak) Sdn Bhd, a company incorporated in Malaysia;
  - a charge over its property, plant and equipment (Note 4);
  - a charge over certain bank accounts;
  - a charge over land use rights (Note 5);
  - a debenture;
  - a borrower assignment;
  - an assignment of insurances;
  - a shareholder assignment;
  - an assignment of reinsurances; and
  - a corporate guarantee from OM Holdings Limited
- (c) This revolving credit facility is secured by a limited deed of debenture and a corporate guarantee from OM Holdings Limited.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 21 Borrowings (Cont'd)

### 21.2 Other borrowings

	2023 US\$'000	2022 US\$'000
The Group		
Bonds, unsecured [Note (a)]	21,067	20,952
Third party loan, secured [Note (b)]	–	8,500
	<b>21,067</b>	<b>29,452</b>
Amount repayable not later than one year	–	–
Amount repayable later than one year and not later than five years	21,067	29,452
	<b>21,067</b>	<b>29,452</b>

Notes:

- (a) The bonds issued by a wholly-owned subsidiary of A\$30,926,000 (US\$21,067,000) to certain key management personnel, employees and investors of the Group in November 2022 are unsecured and are due for full repayment in 2025. Coupon of 10% is paid semi-annually in arrears on 30 May and 30 November each year, commencing on 30 May 2023 and continuing throughout the 3 years term. The subsidiary has the right to redeem the outstanding principal amount together with unpaid accrued interest, on or after the second anniversary of the issue date with prior written notice.
- (b) The loan was secured by a corporate guarantee from OM Holdings Limited. In December 2021, the repayment date was extended to 4 January 2023. In December 2022, the repayment date was extended to 4 January 2024. The loan was repaid on 28 November 2023.

### 21.3 Currency risk

Total borrowings are denominated in the following currencies:

	2023 US\$'000	2022 US\$'000
The Group		
United States Dollar	243,266	230,812
Renminbi	1,126	2,976
Australian Dollar	21,067	20,952
	<b>265,459</b>	<b>254,740</b>

### 21.4 Effective interest rates

The effective interest rates of total borrowings at the end of the reporting period are 2.83% to 10.00% (2022 – 2.83% to 10.00%) per annum.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 22 Lease liabilities

The Group	2023 US\$'000	2022 US\$'000
Undiscounted lease payments due:		
- Year 1	2,874	1,882
- Year 2	2,740	1,657
- Year 3	54	131
- Year 4 and onwards	36	47
	5,704	3,717
Less: Unearned interest cost	(351)	(207)
Lease liabilities	5,353	3,510
Presented as:		
- Non-current	2,732	1,753
- Current	2,621	1,757
	5,353	3,510

Interest expense on lease liabilities of US\$165,000 (2022 - US\$171,000) is recognised within "Finance costs" in the Consolidated statement of comprehensive income.

Rental expenses not capitalised in lease liabilities but recognised in the profit or loss are set out below:

The Group	2023 US\$'000	2022 US\$'000
Short-term leases	1,103	2,962
Leases of low-value assets	13	33

Total cash outflows for all leases in the year amounted to US\$2,801,000 (2022 - US\$2,655,000).

As at 31 December 2023, the Group's short-term lease commitments at the reporting date are not substantially dissimilar to those giving rise to the Group's short-term lease expense for the year.

The Group's lease liabilities are secured by the lessors' title to the leased assets.

Further information about the financial risk management are disclosed in Note 38 and leasing activities in Note 34.

Lease liabilities are denominated in the following currencies:

The Group	2023 US\$'000	2022 US\$'000
Australian Dollar	-	25
Malaysian Ringgit	5,014	2,910
Others	339	575
	5,353	3,510

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 23 Trade and other payables

	The Company		The Group	
	2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
<b>Non-current</b>				
Trade payables - third party	-	-	36,612	54,224
Other payables	-	-	118	99
	-	-	36,730	54,323
<b>Current</b>				
Trade payables				
- third party	-	-	130,848	111,990
Amount due to subsidiaries (non-trade)	58,807	62,874	-	-
Accruals	1,921	1,793	8,307	3,238
Other payables	57	22	8,478	7,300
Retention monies	-	-	4,986	3,331
Welfare expense payable	-	-	520	642
Interest payables	-	-	425	103
	60,785	64,689	22,716	14,614
	60,785	64,689	153,564	126,604
<b>Total</b>	<b>60,785</b>	<b>64,689</b>	<b>190,294</b>	<b>180,927</b>

Non-current trade payables relate to payables to vendors which bear interest of 6.0% (2022 - 5.5%) per annum.

The current amount due to subsidiaries (non-trade) represents advances which are unsecured, interest-free and repayable on demand.

Trade and other payables are denominated in the following currencies:

	The Company		The Group	
	2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
Australian Dollar	34,591	40,793	2,063	1,905
Renminbi	-	-	4,178	7,589
United States Dollar	26,039	23,746	68,896	62,653
Malaysian Ringgit	-	-	114,605	108,530
Others	155	150	552	250
	60,785	64,689	190,294	180,927

All trade payables are generally on 30 to 120 (2022 - 30 to 120) days' credit terms.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 24 Provisions

	2023 US\$'000	2022 US\$'000
The Group		
<u>Rehabilitation</u>		
At beginning of the year	4,966	7,176
Adjustments from mine development costs (Note 7)	3	450
Utilisation	(407)	(2,223)
Exchange realignment	17	(437)
At end of the year	4,579	4,966
Non-current	4,579	4,778
Current	–	188
	4,579	4,966

According to the Mine Management and Environmental Management Plans submitted to the Northern Territory Government in Australia, the wholly-owned subsidiary, OM (Manganese) Ltd is obligated for the rehabilitation and restoration of areas disturbed arising from mining activities conducted by OM (Manganese) Ltd. Mine rehabilitation costs are provided for at the present value of future expected expenditure when the liability is incurred. Although the ultimate cost to be incurred is uncertain, the Group has estimated its costs based on the rates outlined by the Northern Territory Department of Industry, Tourism and Trade using current restoration standards and techniques.

## 25 Deferred capital grant

	2023 US\$'000	2022 US\$'000
The Group		
Government grant	7,131	7,698
Non-current	6,564	7,131
Current	567	567
	7,131	7,698

A government grant was awarded for the construction of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached. The movement in the deferred capital grant is due to amortisation of US\$567,000 (2022 - US\$564,000) (Note 28).

## 26 Contract liabilities

	2023 US\$'000	2022 US\$'000
The Group		
Transportation of goods sold under CFR and CIF Incoterms	23,326	10,536

The Group's contract liabilities relate to the Group's obligation to transport goods sold to customers under CFR and CIF Incoterms for which the Group has received advance payments from these customers.

Unsatisfied performance obligations in relation to contract liabilities at the end of the reporting period are:

	2023 US\$'000	2022 US\$'000
The Group		
Aggregate amount of transaction price allocated to contracts that are partially or fully unsatisfied at the end of the year	23,326	10,536

The Group expects that 100% of the transaction price allocated to the unsatisfied performance obligations at the end of the current year may be recognised as revenue during the next reporting period.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 27 Other income

The Group	2023 US\$'000	2022 US\$'000
Interest income from banks	982	1,205
Commission income	1,537	1,607
Government grant	23	170
Gain on disposal of subsidiary (Note 11.2)	20,157	–
Sundry income	809	984
	<b>23,508</b>	<b>3,966</b>

## 28 Profit before income tax

The Group	Note	2023 US\$'000	2022 US\$'000
Profit before income tax has been arrived at after charging:			
Depreciation of property, plant and equipment:			
- cost of sales		18,168	16,213
- other operating expenses		14,036	8,537
	4	<b>32,204</b>	24,750
Gain on disposal of property, plant and equipment <sup>(1)</sup>		(396)	(3)
Gain on disposal of right-of-use-assets <sup>(1)</sup>		(173)	–
Write off of property, plant and equipment <sup>(1)</sup>		822	10,052
Amortisation of land use rights <sup>(1)</sup>	5	126	143
Write-off of exploration and evaluation costs <sup>(1)</sup>	6	–	130
Amortisation of mine development costs <sup>(1)</sup>	7	490	392
Depreciation of investment property <sup>(1)</sup>	8	8	7
Depreciation of right-of-use assets <sup>(1)</sup>	9	2,853	2,356
Cost of inventories recognised as expenses and included in cost of sales	13	494,416	649,686
Write-down of inventories to net realisable value <sup>(1)</sup>	13	560	561
Amortisation of deferred capital grant <sup>(2)</sup>	25	(567)	(564)
Foreign exchange gain - net <sup>(1)</sup>		(4,554)	(592)
Rental expenses:			
- short-term leases	22	1,103	2,962
- leases of low-value assets	22	13	33
Finance costs:			
- loans		27,104	17,447
- lease liabilities		165	171
- others		250	1,034
		<b>27,519</b>	18,652
Employee benefits expenses	32	<b>41,008</b>	47,656

<sup>(1)</sup> These are included under "Other operating expenses" in the Consolidated statement of comprehensive income.

<sup>(2)</sup> This is included under "Cost of sales" in the Consolidated statement of comprehensive income.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 29 Income tax expense

A provision for enterprise income tax on the subsidiaries operating in the People's Republic of China ("PRC") has been made in accordance with the Income Tax Law of PRC concerning Foreign Investment Enterprises and Foreign Enterprises and various local income tax laws.

A Global Trader Programme is granted by the Singapore Ministry of Trade and Industry to a Singapore subsidiary, OM Materials (S) Pte. Ltd., for a concessionary rate of 10% valid up to December 2028, subject to the fulfilment of specific conditions.

In November 2017, OM Materials (Sarawak) Sdn. Bhd. ("OM Sarawak") was awarded Pioneer Status by the Malaysian Investment Development Authority ("MIDA"), which entitles OM Sarawak exemption from tax for a period of 5 years effective 1 December 2016 to 30 November 2021 on 100% of statutory income derived from the production of ferro-silicon, silicon manganese and high carbon ferromanganese. OM Sarawak has provided for 24% tax on 100% of its taxable income for the financial years ended 31 December 2022 and 2023, and is currently working towards meeting all the conditions set by MIDA to be eligible for a second 5 year tax exemption period (from 1 December 2021 to 30 November 2026) on 70% of its statutory income. Upon satisfaction by OM Sarawak of the MIDA conditions, OM Sarawak's annual tax position will be adjusted accordingly.

Taxation has been provided at the appropriate tax rates prevailing in Australia, Singapore, Malaysia, Hong Kong and PRC in which the Group operates on the estimated assessable profits for the year. These rates generally range from 10% to 30% for the reporting period.

The Group	2023 US\$'000	2022 US\$'000
Current taxation:		
- Singapore income tax (concessionary tax rate of 10%)	447	2,754
- PRC tax (tax rate of 25%)	376	1,441
- Malaysia (tax rate of 24%)	1,440	642
Deferred taxation	7,508	17,455
	9,771	22,292
Under/(over) provision in prior years:		
- current taxation	550	(27)
- deferred taxation	968	-
	1,518	(27)
<b>Income tax</b>	<b>11,289</b>	<b>22,265</b>
Other taxation:		
- withholding tax	3,085	516
- profits-based royalty and special mining taxes	(27)	257
	3,058	773
	14,347	23,038

A reconciliation of the income tax applicable to the accounting profit at the applicable tax rates to the income tax expense for the reporting period was as follows:

The Group	2023 US\$'000	2022 US\$'000
Profit before income tax	32,707	105,629
Tax at applicable tax rates	4,944	26,211
Tax effect of non-taxable revenue <sup>(1)</sup>	(1,988)	(137)
Tax effect of non-deductible expenses <sup>(2)</sup>	7,264	1,556
Tax effect of allowances and concessions given by tax jurisdictions	(1,369)	(2,058)
Utilisation of deferred tax assets on temporary difference not recognised in previous years	-	(2,021)
Deferred tax assets not recognised	1,690	-
Effects of share of results of associates	(770)	(1,259)
Under/(over) provision in prior years	1,518	(27)
	11,289	22,265

<sup>(1)</sup> Non-taxable revenue relate mainly to gain on disposal of subsidiary.

<sup>(2)</sup> Non-deductible expenses relate mainly to depreciation and amortisation of non-qualifying assets, non-trade loan interest expenses, provision of expenses and foreign exchange differences.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 30 Cash flow hedges

	2023 US\$'000	2022 US\$'000
The Group		
Cash flow hedges:		
Loss arising during the year	(47)	(47)

## 31 Profit per share

The Group

Basic profit per share is calculated based on the consolidated profit attributable to owners of the parent divided by the weighted average number of shares (excluding treasury shares) on issue of 738,734,000 (2022 - 736,690,000) ordinary shares during the financial year.

Fully diluted profit per share is calculated based on the consolidated profit attributable to owners of the parent divided by 738,734,000 (2022 - 736,690,000) ordinary shares (excluding treasury shares). The number of ordinary shares was calculated based on the weighted average number of shares on issue during the financial year adjusted for the effects of all dilutive convertible bonds and warrants. Dilutive potential ordinary shares are deemed to have been converted into ordinary shares at the beginning of the year or if later, the date of the issue of the potential ordinary shares.

The following table reflects profit or loss and share data used in the computation of basic and diluted profit per share from continuing operations for the years ended 31 December:

	2023 '000	2022 '000
The Group		
Weighted average number of ordinary shares for the purpose of basic profit per share	738,734	736,690
Effect of dilutive potential ordinary shares	-	-
Weighted average number of ordinary shares for the purpose of diluted profit per share	738,734	736,690

Profit figures were calculated as follows:

	2023 US\$'000	2022 US\$'000
Profit for the year attributable to owners of the Company	18,136	67,842
Effect of dilutive potential ordinary shares	-	-
Profit for the purposes of diluted profit per share	18,136	67,842

## 32 Employee benefits expense

	2023 US\$'000	2022 US\$'000
The Group		
Directors' fees	438	499
Directors' remuneration other than fees:		
- Directors of the Company	1,339	2,401
- Directors of the subsidiaries	2,059	1,847
- Defined contributions plans	132	80
Key management personnel (other than Directors):		
- Salaries, wages and other related costs	2,784	3,125
- Defined contributions plans	219	261
	6,971	8,213
Other than key management personnel:		
- Salaries, wages and other related costs	31,475	36,967
- Defined contributions plans	2,562	2,476
	41,008	47,656

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 33 Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following amounts are transactions with related parties based upon commercial arm's length terms and conditions:

	2023 US\$'000	2022 US\$'000
The Group		
(a) <u>Trading and other transactions</u>		
Commission charged to an associate	1,537	1,607
Commission charged by an associate	(481)	(549)
Sales of goods to an associate	–	1,864
Purchases of goods from an associate	(64,247)	(77,096)
(b) <u>Key management personnel</u>		
Bonds invested by key management personnel (Note 21.2(a))	5,152	5,124
Interest expense on bonds issued to key management personnel	501	43

## 34 Leases

### (i) The Group as lessee

#### (a) *Properties*

The Group leases several land and buildings for operational and storage purposes (Note 9).

The Group makes prepayments for usage of land (Note 5) in the PRC and Malaysia under leasing agreements where the Group constructs buildings and infrastructure for office and operational use.

There are no externally imposed covenants on these property lease arrangements.

#### (b) *Plant and machinery, office equipment and motor vehicles*

The Group makes monthly lease payments to acquire plant and machinery and office equipment used for manufacturing and operational activities. The Group also acquires motor vehicles under hire purchase arrangements to render internal logistics support. These plant and machinery, office equipment and motor vehicles are recognised as the Group's right-of-use assets (Note 9). The lease agreements for plant and machinery, office equipment and motor vehicles prohibit the Group from subleasing them to third parties.

Information regarding the Group's right-of-use assets and lease liabilities are disclosed in Note 9 and 22 respectively.

### (ii) The Group as lessor

#### *Investment property*

Operating leases, in which the Group is the lessor, relate to investment property (Note 8) owned by the Group with a remaining lease term of 32 months. The operating lease contract contains market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

The Group's revenue from rental income received on the investment properties are disclosed in Note 8.

The future minimum rental receivable under non-cancellable operating leases contracted for the reporting date are as follows:

	2023 US\$'000	2022 US\$'000
The Group		
Undiscounted lease payments to be received:		
- Year 1	74	57
- Year 2	74	–
- Year 3	49	–
	<b>197</b>	<b>57</b>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 35 Commitments

### 35.1 Capital commitments

The following table summarises the Group's capital commitments:

	2023 US\$'000	2022 US\$'000
The Group		
Capital expenditure contracted but not provided for in the financial statements:		
- acquisition of property, plant and equipment	7,101	23,370

### 35.2 Mineral Tenements

In order to maintain the mineral tenements in which a subsidiary is involved, the subsidiary has committed to fulfil the minimum annual expenditures in accordance with the requirements of the Northern Territory Department of Industry, Tourism and Trade for the next financial year, as set out below:

	2023 US\$'000	2022 US\$'000
The Group		
Mineral tenements annual expenditure commitments	66	81

### 35.3 Environmental bonds

A subsidiary has environmental bonds to the value of US\$7,923,000 (2022 - US\$7,984,000) lodged with the Northern Territory Government (Department of Industry, Tourism and Trade) to secure environmental rehabilitation commitments. The US\$7,923,000 (2022 - US\$7,984,000) of bonds are secured by US\$7,100,000 (2022 - US\$7,062,000) of bonds issued under financing facilities and certain cash backed.

## 36 Other matters

### Sponsor Guarantee issued under the terms of the Power Purchase Agreement with Syarikat SESCO Berhad

Pursuant to the Power Purchase Agreement ("PPA") between a subsidiary, OM Materials (Sarawak) Sdn. Bhd. ("OM Sarawak"), and Syarikat SESCO Berhad ("SSB"), OM Holdings Limited ("OMH") issued guarantees to SSB for certain obligations of OM Sarawak under the PPA.

The guarantees disclosed above do not fall into the category of financial guarantees as they do not relate to debt instruments. The purpose of these guarantees is essentially to enable SSB to provide the power supply to OM Sarawak on the condition that these guarantees are provided by OMH in the event that there are any unpaid claims arising from the PPA owed to SSB. There are no bank loans involved in these guarantees. As such, there is no need for the guarantees to be fair valued.

### Project Support guarantee issued under the terms of the Facilities Agreement and the Project Support Agreement

OM Sarawak entered into a project finance Facilities Agreement ("FA") for a limited recourse senior project finance debt facility.

Concurrently, OMH and OM Materials (S) Pte Ltd ("OMS"), the ultimate and immediate holding company of OM Sarawak, entered into a Project Support Agreement ("PSA") in relation to the project finance debt facility. The PSA governs the rights and obligations of OMH and OMS. These obligations and liabilities are severally liable.

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

### Tourag Fatality

On 24 August 2020 a significant wall failure in Tourag pit resulted in the death of an employee of OM (Manganese) Ltd. ("OMM"). The incident was immediately reported to NT Police, the Department of Industry, Tourism and Trade and NT WorkSafe, with mining operations suspended immediately.

OMM has complied with all notices issued by NT WorkSafe and the Northern Territory Coroner to provide all information to assist with their investigations.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 36 Other matters (Cont'd)

### Tourag Fatality (Cont'd)

On 30 August 2021, NT WorkSafe served OMM with a summons to attend court, charging OMM with contraventions of Division 5 of the Work Health and Safety (National Uniform Legislation) Act 2011 (NT) ("Act"). OMM indicated its intention to enter a guilty plea to a "Category Two" failure to comply with a work health and safety duty, contrary to section 32 of the Act.

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

The amounts have been fully settled as at 31 December 2023.

## 37 Operating segments

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

Each of these operating segments is managed separately as they require different resources as well as operating approaches.

The reporting segment results exclude the finance income and costs and share of results of associates, which are not directly attributable to the business activities of any operating segment, and are not included in arriving at the operating results of the operating segment.

Sales between operating segments are carried out at arm's length.

Segment performance is evaluated based on the operating profit or loss which in certain respects, as set out below, is measured differently from the operating profit or loss in the consolidated financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 37 Operating segments (Cont'd)

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 37 Operating segments (Cont'd)

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

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

The Group's non-current assets (other than deferred tax assets) are divided into the following geographical areas:

	Non-current assets	
	2023 US\$'000	2022 US\$'000
Asia Pacific	444,949	460,898
Europe	–	–
Middle East	–	–
Africa	81,039	80,789
America	–	–
	525,988	541,687

The geographical location of non-current assets is based on the physical location of the assets.

The Group's revenues from external customers by different geographical areas are disclosed in Note 3.

## 38 Financial risk management objectives and policies

The Company and the Group are exposed to financial risks arising from its operations and use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Company's and the Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Company's and the Group's financial performance.

Risk management is carried out by the Finance Division under policies approved by the Board of Directors. The Finance Division identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.

There has been no change to the Company's and the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

### 38.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group's exposure to credit risk arises primarily from trade receivables, cash and cash equivalents and other financial assets. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Company and the Group adopt the policy of dealing only with high credit quality counterparties.

The Company's and the Group's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by management based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 38 Financial risk management objectives and policies (Cont'd)

### 38.1 Credit risk (Cont'd)

#### Exposure to credit risk

As the Company and the Group do not hold any collateral for trade receivables, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position.

The Company's and the Group's major classes of financial assets are bank deposits and trade and other receivables. Cash is held with reputable financial institutions. Further details of credit risks on trade and other receivables are disclosed in Note 14.

#### Guarantees

The Company provides corporate guarantees to certain banks and suppliers of its subsidiaries. The Company's maximum exposure to credit risk in respect of the corporate guarantees at the reporting date is equal to the facilities drawn down by the subsidiaries in the amounts of US\$369,768,000 (2022 - US\$331,309,000). At the reporting date, the Company does not consider it probable that a claim will be made against the Company under these corporate guarantees.

There is no impact on the corporate guarantee as there are no differential rates given by the financial institutions.

#### Undrawn credit facilities

The Group has undrawn credit facilities of approximately US\$45,676,000 (2022 - US\$69,829,000) at the reporting date.

### 38.2 Liquidity risk

Liquidity risk is the risk that the Company or the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company's and the Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's and the Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The table below analyses the maturity profile of the Company's and the Group's financial liabilities based on contractual undiscounted cash flows:

	Less than 1 year US\$'000	Between 2 and 5 years US\$'000	Over 5 years US\$'000	Total US\$'000	Total carrying amount US\$'000
<b>The Group</b>					
<b>As at 31 December 2023</b>					
Trade and other payables <sup>(1)</sup>	155,791	37,978	–	193,769	189,494
Borrowings	115,990	185,372	–	301,362	265,459
Lease liabilities	2,874	2,830	–	5,704	5,353
	<b>274,655</b>	<b>226,180</b>	<b>–</b>	<b>500,835</b>	<b>460,306</b>
<b>As at 31 December 2022</b>					
Trade and other payables <sup>(1)</sup>	126,412	57,847	–	184,259	177,427
Borrowings	69,558	239,615	–	309,173	254,740
Lease liabilities	1,882	1,835	–	3,717	3,510
	<b>197,852</b>	<b>299,297</b>	<b>–</b>	<b>497,149</b>	<b>435,677</b>

## 38 Financial risk management objectives and policies (Cont'd)



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 38.2 Liquidity risk (Cont'd)

	Less than 1 year US\$'000	Between 2 and 5 years US\$'000	Over 5 years US\$'000	Total US\$'000	Total carrying amount US\$'000
The Company					
<b>As at 31 December 2023</b>					
Trade and other payables	60,785	–	–	60,785	60,785
	60,785	–	–	60,785	60,785
Financial guarantees	370,217	–	–	370,217	–
<b>As at 31 December 2022</b>					
Trade and other payables	64,689	–	–	64,689	64,689
	64,689	–	–	64,689	64,689
Financial guarantees	331,309	–	–	331,309	–

<sup>(1)</sup> Excluded VAT tax payable of US\$314,000 (2022 - US\$808,000), advance from customers of US\$486,000 (2022 - US\$2,692,000) from trade and other payables

The above table analyses the financial instruments of the Group for which contractual maturities are essential for an understanding of the timing of the cash flows into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

The Group has various lines of credit with major financial institutions for the purpose of drawing upon short term borrowings, through the pledging of bills receivables or inventories. Further, management closely monitors the Group's capital structure to ensure that there are adequate funds to meet all its obligations in a timely and cost effective manner.

The Group manages its liquidity risk by ensuring there are sufficient cash and current assets to meet all their normal operating commitments in a timely and cost-effective manner and having adequate amount of credit facilities. The Group has the ability to generate additional working capital through financing from financial institutions.

## 38.3 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the Company's and the Group's financial instruments will fluctuate because of changes in market interest rates.

The Company's and the Group's exposure to interest rate risk arises primarily from their bank borrowings, cash collaterals and fixed deposits.

### Sensitivity analysis for interest rate risk

At the end of the reporting period, if United States Dollar ("USD") interest rates had been 75 (2022 - 75) basis points lower/higher with all other variables held constant, the Company's and the Group's profit net of tax would have been higher/lower by the amounts shown below, arising mainly as a result of lower/higher interest expense on bank borrowings and lower/higher interest income on cash and bank balances.

		The Company Resulting effect: profit/(loss)		The Group Resulting effect: profit/(loss)	
		2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
United States Dollar (USD)	- lower 75 basis points (2022 - 75 basis points)	–	–	1,226	1,107
	- higher 75 basis points (2022 - 75 basis points)	–	–	(1,226)	(1,107)

## 38 Financial risk management objectives and policies (Cont'd)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 38.4 Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Group operates and sells its products in several countries and transacts in foreign currencies. As a result, the Group is exposed to movements in foreign currency exchange rates arising from normal trading transactions, primarily with respect to AUD, Renminbi ("RMB") and Malaysian Ringgit ("MYR").

### Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the AUD, RMB and MYR exchange rates against USD, with all other variables held constant, of the Company's and the Group's profit before income tax.

		2023	2022
		Resulting effect - profit/(loss) US\$'000	Resulting effect - profit/(loss) US\$'000
The Group			
Australian Dollar	- strengthened 5% (2022 - 5%)	(739)	(664)
	- weakened 5% (2022 - 5%)	739	664
Renminbi	- strengthened 5% (2022 - 5%)	1,243	(136)
	- weakened 5% (2022 - 5%)	(1,243)	136
Malaysian Ringgit	- strengthened 5% (2022 - 5%)	(5,253)	(5,045)
	- weakened 5% (2022 - 5%)	5,253	5,045
The Company			
Australian Dollar	- strengthened 5% (2022 - 5%)	(1,407)	(1,720)
	- weakened 5% (2022 - 5%)	1,407	1,720

## 39 Capital risk management

The Company's and the Group's objectives when managing capital are:

- to safeguard the Company's and the Group's abilities to continue as a going concern;
- to support the Company's and the Group's stability and growth;
- to provide capital for the purpose of strengthening the Company's and the Group's risk management capability; and
- to provide an adequate return to shareholders.

The Company and the Group actively and regularly review and manage its capital structure to ensure optimal capital structure and shareholders' returns, taking into consideration the future capital requirements of the Company and the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Company has formalised a dividend policy in February 2023, to seek to maintain an annual dividend payout of between 10% to 30% of net profit after tax attributable to owners, subject to a cap of 50% of free cash flow, and other considerations as determined by the Board of Directors. This dividend policy takes effect from the year commencing 1 January 2023. No dividend was declared for the financial year ended 31 December 2023.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company and the Group, is reasonable.

## 39 Capital risk management (Cont'd)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

The Company monitors capital using a gearing ratio, which is net debt divided by total equity:

	2023 US\$'000	2022 US\$'000
The Group		
Borrowings	265,459	254,740
Less: Cash and bank balances (including cash collateral)	(69,701)	(62,383)
Net debt	195,758	192,357
Total equity	414,626	399,734
Gearing ratio	0.47	0.48

There were no changes in the Company's and the Group's approach to capital management during the year.

## 40 Financial instruments

### Accounting classifications of financial assets and financial liabilities

	Note	At fair value US\$'000	At amortised cost US\$'000	Total US\$'000
<b>31 December 2023</b>				
The Group				
<b>Financial assets</b>				
Trade and other receivables <sup>(1)</sup>	14	–	37,718	37,718
Cash and bank balances (including cash collateral)	17	–	69,701	69,701
Derivatives	16	137	–	137
		137	107,419	107,556

The Company				
<b>Financial assets</b>				
Trade and other receivables	14	–	14,448	14,448
Cash and bank balances	17	–	13	13
		–	14,461	14,461

### 31 December 2022

The Group				
<b>Financial assets</b>				
Trade and other receivables <sup>(1)</sup>	14		29,247	29,247
Cash and bank balances (including cash collateral)	17		62,383	62,383
			91,630	91,630

The Company				
<b>Financial assets</b>				
Trade and other receivables	14		6,380	6,380
Cash and bank balances	17		24	24
			6,404	6,404

<sup>(1)</sup> Excluded tax recoverable of US\$353,000 (2022 - US\$122,000) and advance to suppliers of US\$461,000 (2022 - US\$2,414,000) from trade and other receivables

## 40 Financial instruments (Cont'd)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## Accounting classifications of financial assets and financial liabilities (Cont'd)

	Note	At amortised cost US\$'000	Total US\$'000
<b>31 December 2023</b>			
The Group			
<b>Financial liabilities</b>			
Borrowings	21	<b>265,459</b>	<b>265,459</b>
Lease liabilities	22	<b>5,353</b>	<b>5,353</b>
Trade and other payables <sup>(1)</sup>	23	<b>189,494</b>	<b>189,494</b>
		<b>460,306</b>	<b>460,306</b>
The Company			
<b>Financial liabilities</b>			
Trade and other payables	23	<b>60,785</b>	<b>60,785</b>
		<b>60,785</b>	<b>60,785</b>

## 31 December 2022

The Group			
<b>Financial liabilities</b>			
Borrowings	21	254,740	254,740
Lease liabilities	22	3,510	3,510
Trade and other payables <sup>(1)</sup>	23	177,427	177,427
		435,677	435,677
The Company			
<b>Financial liabilities</b>			
Trade and other payables	23	64,689	64,689
		64,689	64,689

<sup>(1)</sup> Excluded VAT tax payable of US\$314,000 (2022 - US\$808,000), advance from customers of US\$486,000 (2022 - US\$2,692,000) from trade and other payables

## 41 Fair value measurement

### Definition of fair value

IFRSs define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

### Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statements of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: unobservable inputs for the asset or liability.

## 41 Fair value measurement (Cont'd)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## Financial assets and liabilities carried at fair value:

Quantitative disclosures of fair value measurement hierarchy for financial assets held at fair value as at 31 December are as follows:

	Level 1	Level 2	Level 3	Total
	US\$'000	US\$'000	US\$'000	US\$'000

**31 December 2023**

The Group

### **Derivative assets (Note 16)**

Foreign exchange forward contracts	-	137	-	137
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**31 December 2022**

The Group

### **Derivative assets (Note 16)**

Foreign exchange forward contracts	-	-	-	-
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Fair value of foreign exchange forward contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

There have been no transfers between levels during the financial year.

## Financial assets and liabilities that are not carried at fair value but whose carrying amounts approximate that of fair value

The carrying amounts of trade and other receivables (Note 14), cash and bank balances (Note 17), current trade and other payables (Note 23), current lease liabilities (Note 22) and current borrowings (Note 21) are reasonable approximations of fair values due to their short-term nature.

The carrying amounts of non-current trade and other payables (Note 23), non-current lease liabilities (Note 22) and non-current borrowings (Note 21) are reasonable approximations of fair values as their interest rate approximates the market lending rate.

## **42 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\$6,529,000) and costs in respect of a construction project. As at the date of this report, no determination has been made of the possible outcome of the claim.



# ASX & BURSA SECURITIES ADDITIONAL INFORMATION

Pursuant to the listing requirements of the Australian Securities Exchange ("ASX"), the shareholder information set out below was applicable as at 1 April 2024.

## 1. SHAREHOLDER INFORMATION

### A. Distribution of Equity Securities

Distribution schedule and number of holders of equity securities as at 1 April 2024

Distribution	Fully Paid Ordinary Shares (OMH)	% of Issued Capital
1 – 1,000	711	0.05
1,001 – 5,000	985	0.37
5,001 – 10,000	425	0.45
10,001 – 100,000	633	2.61
More than 100,000	180	96.52
<b>TOTAL</b>	<b>2,934</b>	<b>100.00</b>

There were 405 holders holding less than a marketable parcel of ordinary shares on ASX.

### B. Twenty Largest Shareholders

The names of the twenty largest holders of quoted shares are listed below:

Shareholder Name	Listed Ordinary Shares	
	Number	Percentage Quoted
CITICORP NOMINEES PTY LIMITED	245,681,783	32.06%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	133,827,136	17.47%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	46,818,477	6.11%
BNP PARIBAS NOMS PTY LTD	38,381,878	5.01%
HANWA CO LTD	32,500,000	4.24%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	28,565,976	3.73%
JFE SHOJI CORPORATION	27,633,464	3.61%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	18,925,691	2.47%
UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	10,684,136	1.39%
BNP PARIBUS NOMS PTY LTD UOBKH A/C R'MIERS	10,063,711	1.31%
LOW NGEE TONG	10,000,000	1.31%
MS HENG SIOW KWEE	9,029,800	1.18%
CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR UBS AG HONG KONG (FOREIGN)	8,843,000	1.15%
CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	6,944,100	0.91%
MS JULIE ANNE WOLSELEY	5,562,002	0.73%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,175,190	0.68%
MR HAMID MAHDAVI ARDABILI	4,995,000	0.65%
HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR MORGAN STANLEY & CO. INTERNATIONAL PLC (CLIENT)	4,837,100	0.63%
STRATFORD SUN LIMITED	4,650,000	0.61%
MR GLENN RUSSELL STEDMAN + MRS NUTCHARAT STEDMAN <STEDMAN FAMILY S/F A/C>	3,820,000	0.50%
<b>TOTAL HELD BY 20 LARGEST SHAREHOLDERS</b>	<b>656,938,444</b>	<b>85.73%</b>
<b>OTHERS</b>	<b>109,318,357</b>	<b>14.27%</b>
<b>TOTAL</b>	<b>766,256,801</b>	<b>100.00%</b>

# ASX & BURSA SECURITIES ADDITIONAL INFORMATION

## C. Substantial Shareholders

An extract of the Company's Register of Substantial Shareholders (who hold 5% or more of the issued capital) is set out below.

Shareholder Name	Listed Ordinary Shares	
	Number of Shares	% of Shares
Huang Gang	103,618,830	13.52%
Amplewood Resources Ltd	100,260,653	13.08%
Low Ngee Tong	68,861,231	8.99%
Heng Siow Kwee	66,081,669	8.62%

## D. Restricted Securities

There were no restricted securities on issue as at 1 April 2024.

## E. Voting Rights

Subject to the Bye-laws of the Company and to any rights or restrictions attaching to any class of shares, every member is entitled to be present at a meeting in person, by proxy, representative or attorney. In accordance with the Company's Bye-laws, voting rights in respect of ordinary shares are on a show of hands whereby each member present in person or by proxy or representative shall have one vote and upon a poll each member present in person or by proxy or representative shall have one vote for every share held.

## 2. TAXATION

The Company was incorporated in Bermuda and is not taxed as a company in Australia.

## 3. ON-MARKET BUY-BACK

The Company is not currently undertaking an on-market buy-back.

## 4. INVESTOR INFORMATION

### (a) Stock Exchange Listing

OM Holdings Limited shares are listed on the Australia Securities Exchange (ASX).  
The Company's ASX code is OMH.

OM Holdings Limited shares are listed on the Bursa Malaysia Securities Berhad (Bursa Securities).  
The Company's Bursa code is OMH (5298)

### (b) Company Information Contact

For further information about OM Holdings Limited please contact the Singapore head office:

OM Holdings Limited  
#09 – 03A Singapore Post Centre  
10 Eunos Road 8  
Singapore 408600

Telephone: (65) 6346 5515  
Facsimile: (65) 6342 2242  
Email: [om@ommaterials.com](mailto:om@ommaterials.com)  
Website: [www.omholdingsltd.com](http://www.omholdingsltd.com)

# ASX & BURSA SECURITIES ADDITIONAL INFORMATION

## (c) Share Registry Enquiries

Shareholders who require information about their shareholdings, dividend payments, notification of tax file numbers, changes of name, address or bank account details or related administrative matters should contact the Company's share registry:

### **Computershare Investor Services Pty Limited**

Level 17, 221 St Georges Terrace  
PERTH WA 6000

Postal Address:  
GPO Box D182  
PERTH WA 6840

Telephone:	(within Australia) 1300 850 505
Telephone:	(outside Australia) (61) 3 9415 4000
Facsimile:	(61) 3 9473 2500
Website:	<a href="http://www.computershare.com">www.computershare.com</a>
Email:	<a href="mailto:web.queries@computershare.com.au">web.queries@computershare.com.au</a>

### **Tricor Investor & Issuing House Services Sdn Bhd**

Registration No.: 197101000970 (11324-H)

Address:  
Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3,  
Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur

Telephone:	+603-2783 9299
Facsimile:	+603-2783 9222
Email:	<a href="mailto:is.enquiry@my.tricorglobal.com">is.enquiry@my.tricorglobal.com</a>

Each enquiry should refer to the shareholder number which is shown on the issuer sponsored holding statements and dividend statements.





**OM HOLDINGS LIMITED**  
(incorporated in Bermuda) A.R.B.N 081 028 337