OM HOLDINGS LIMITED

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

ANNUAL REPORT 2021

CONTENTS

WHO WE ARE

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

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

OUR PURPOSE

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

OUR VALUES

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

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

CHAIRMAN'S REPORT

"Finally, this year we are pleased to launch our inaugural Sustainability Statement. We conducted our first materiality assessment, engaging eight stakeholder groups and invited them to participate in our assessment survey. From this, we identified and prioritized thirteen material matters critical to stakeholders, and have formulated our first Sustainability Statement, attached to this Annual Report, outlining our current performance with respect to these matters. Sustainability is a journey, especially in an energy intensive basic material industry like ours, and we welcome all stakeholders to use this statement to track our progress, targets, and milestones as we embark on this journey. This Sustainability Statement has been prepared in accordance with the Global Reporting Initiatives (GRI) Standards, as well as Bursa Malaysia's main market listing requirements with respect to sustainability reporting. "

Dear Shareholders,

2021 started strong, with rising prices and firm market demand as steelmakers sought to ramp up production after a long COVID induced slump in the preceding year. While the optimism on the COVID front wore out quickly, looser monetary conditions and stimulus supported demand through the year, and fragile supply chains created inventory demand as mills and traders increased stocks. In spite of some price pressures, ferroalloy prices went on to surge to their highest ever levels in September 2021, driven by energy scarcity and an acute shortage of thermal coal in various parts of the world, notably in China. Since then, prices corrected to more rational levels in early Q1 of 2022, before being supported again by the recent conflict in Ukraine.

Our own production in Sarawak was affected by COVID as well, with the smelting plant closing for just over a month from the end of May to early July. Upon recovery, production resumed quickly, but as a result we recorded an overall capacity utilization of approximately 75% in 2021. In spite of these conditions, the positive market environment allowed us to generate A$204.0 million in underlying EBITDA, with the highest ever contribution from smelting in the history of the company. A corresponding A$94.2 million of cash was generated from operations, with the increase in working capital attributed to higher value of raw materials, and power in Sarawak paid for in advance and taken into inventory. As per the company's policy to continue reducing debt, A$51.1 million of debt was repaid, with A$25.8 million going towards the Sarawak project finance and A$14 million worth of convertible notes (with a strike price of A$0.80) redeemed early in the year. With earnings per share of approximately A$0.11, we have also resumed paying dividends, and declared A$0.02 per share. We will continue to optimize our capital structure going forward, improving the stability of the company against future price cycles by continuing to lower debt, and paying a sustainable dividend to shareholders.

In 2021, mining drew to a close with the end of mine life at Bootu Creek. Performance in our final year of mining was disproportionately affected by freight costs, with high freight rates in early 2021 sustained through the year. As with all operations that take a considerable amount of time and capital to stop and restart, it did not make sense to cease mining earlier until the mine reached its natural end of life as determined by fundamental market prices. While rehabilitation is now taking place, we are also concurrently completing trials and rectification works for the ultra-fines plant (UFP) to fully recover the remaining units of manganese in ore tailings from over 15 years of mining. While we expect a limited contribution in 2022 from Bootu Creek with the aforementioned works, we will continue to explore the best way of unlocking value from our portfolio of assets and projects in Australia.

With the cessation of mining, we have every confidence that the underlying economics of smelting, given strong operational know-how and locked-in power, will not be affected by the end of mining at Bootu Creek.

In June 2021, we also completed our secondary listing on Bursa Malaysia. First announced on 31st October 2019, the listing has allowed us to broaden our investor reach, and has created an additional platform for fundraising. While no new shares have been issued, reassuringly, 104,092,986 shares representing 14.09% of the issued share capital have been moved by individual shareholders to Bursa Malaysia, and the fungibility of shares and relatively short settlement period between exchanges benefits all shareholders. Our objective to increase institutional shareholding has not changed, and we will seek to build this with time while considering opportunities in the market, all the while taking into consideration dilution.

This year, we aim to complete the conversion of four ferrosilicon furnaces to the production of manganese alloys and silicon metal. These furnaces will be progressively converted, starting with manganese alloys which will be completed by the third quarter of 2022, and silicon metal, targeting the fourth quarter of 2022. We will also seek to complete the rectification works for the UFP to allow us to bring it into efficient production, and exiting care and maintenance when we find the best structure to launch it. Besides organic growth and development at our OM Sarawak plant, we will also explore future opportunities related to the manganese supply chain, such as manganese sulphate with applications in the renewable energy transition.

CHAIRMAN'S REPORT

A dominant theme this year is energy security, viewed against the backdrop of current geopolitical uncertainty and the longer-term renewables transition. We believe that any company that is able to lock in power costs to efficiently and cleanly produce a basic commodity will be creating value, and OMH is in a unique position to do so.

Finally, this year we are pleased to launch our inaugural Sustainability Statement. We conducted our first materiality assessment, engaging eight stakeholder groups and invited them to participate in our assessment survey. From this, we identified and prioritized thirteen material matters critical to stakeholders, and have formulated our first Sustainability Statement, attached to this Annual Report, outlining our current performance with respect to these matters. Sustainability is a journey, especially in an energy intensive basic material industry like ours, and we welcome all stakeholders to use this statement to track our progress, targets, and milestones as we embark on this journey. This Sustainability Statement has been prepared in accordance with the Global Reporting Initiatives (GRI) Standards, as well as Bursa Malaysia's main market listing requirements with respect to sustainability reporting.

While we are in early days of our sustainability journey, we strongly believe that because what we do is essential to the modern world, producing ferroalloys with the lowest net carbon footprint is a net positive compared against fossil fuel based competition. Going forward, we will continue our engagement with stakeholders to set out clear sustainable targets and work towards them to contribute to a better shared future, while strengthening our position in becoming a leading ferroalloy supplier.

Moving into 2022, I would like to thank my fellow directors, management team, staff and workers who made last year's results possible. As home leave rotation begins, I would like to share my appreciation to our staff and workers at our operation sites who stayed with us throughout the COVID-19 lockdown, in spite of tough operating conditions and restrictions.

LOW NGEE TONG
Executive Chairman

DIRECTORS

LOW NGEE TONG
Executive Chairman and Chief Executive Officer

Mr Low is a qualified Mechanical Engineer, having graduated from the National University of Singapore. He has over 41 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.

DIRECTORS

Ms Wolseley holds a Bachelor of Commerce degree and is a Chartered Accountant. She is the Principal of a corporate advisory company and has over 30 years of experience as Company Secretary to a number of ASX-listed companies operating primarily in the resources sector. Previously Ms Wolseley was an Audit Manager both in Australia and overseas for an international accounting firm. Her expertise includes corporate secretarial, management accounting, financial and management reporting in the mining industry, IPOs, capital raisings, cash flow modelling and corporate governance. Ms Wolseley is also a board member of Aquinas College, an independent school for boys in Perth, Western Australia. Ms Wolseley is a member of the Company's Audit and Remuneration Committees.

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

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

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

Mr Teo holds a Master of Business in Information Technology from the Royal Melbourne Institute of Technology and a Bachelor of Accountancy degree from the National University of Singapore. He is also a fellow member of the Institute of Singapore Chartered Accountants. Mr Teo is the Executive Director and Chief Financial Officer of G.K. Goh Holdings Limited, a diversified Singapore-listed investment group. Mr Teo's executive responsibilities include financial and investment management as well as board representation on various subsidiaries and associates. Mr Teo joined the Board on 17 July 2008. Mr Teo is the Chairman of the Audit Committee and a member 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.

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

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

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

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

She currently serves as an independent director for CapitaLand Malaysia Trust, BP Plastics Holding Berhad and Tune Protect Group Berhad (companies listed on Bursa Malaysia) and Tune Insurance Malaysia Berhad, a subsidiary of Tune Protect Group Berhad.

KEY MANAGEMENT

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

CORPORATE DIRECTORY

Directors

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

Company Secretaries

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

ADDRESS OF COMPANY AND REGISTRIES

The address of the Corporate Office of the Company:

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

The address of the Bermuda Registered Office:

Clarendon House
2 Church Street, Hamilton HM 11
Bermuda

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

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

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

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

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

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8 Jalan Kerinchi
59200 Kuala Lumpur
Malaysia
Telephone : (603) 2783 9299
Facisimile : (603) 2783 9222

Name of Bankers

Bank of China
Commonwealth Bank of Australia
Export-Import Bank of Malaysia Berhad
Malayan Banking Berhad
RHB Bank Berhad
Standard Chartered Bank
United Overseas Bank Limited

Name and Address of Auditors

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

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

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

Name of Bermuda Resident Representative

Conyers Corporate Services (Bermuda) Limited

Website : www.omholdingsltd.com

ASX Code : OMH

Bursa Code : OMH(5298.KL)

CORPORATE STRUCTURE

as at 31 December 2021

OM HOLDINGS LIMITED

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

Subsidiaries

Associates

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

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

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

100%
(OMR HK)
OM Resources (HK) Limited (Incorporated in Hong Kong)

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

50.1%
(Tshipi Mines)
Tshipi e Ntle Manganese Mining (Pty) Limited
(Incorporated in South Africa)

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

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

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

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

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

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

75%
(OM Samalaju/OMSM)
OM Materials (Samalaju) Sdn.Bhd.
(Incorporated in Malaysia)

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

75%
(OM Sarawak/OMSA)
OM Materials (Sarawak) Sdn.Bhd.
(Incorporated in Malaysia)

70%
(OMA)
OM Hujin Science & Trade (Shanghai) Co Ltd
(Incorporated in China)

100%
(OMML)
OM Materials & Logistics (M) Sdn Bhd
Formerly known as OM Materials (M) Sdn. Bhd.
(Incorporated in Malaysia)

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

Revenue (A$'million)

FY2020 784.6

FY2021 **1,040.8**

Total Assets Per Share (A$)

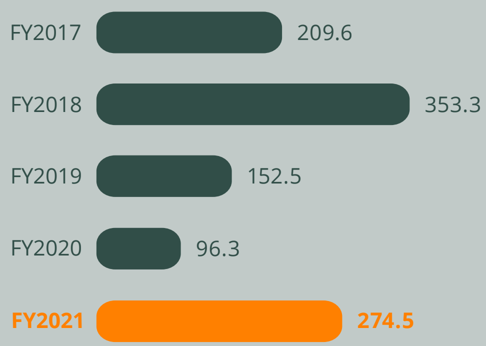
FY2020 1.54

FY2021 **1.76**

Gross Profit (A$'million)

FY2020 96.3

FY2021 **274.5**



FINANCIAL HIGHLIGHTS

5 YEAR'S GROUP FINANCIAL HIGHLIGHTS

Financial years ended 31 December	2021 A$'million	2020 A$'million	2019 A$'million	2018 A$'million	2017 A$'million
Revenue	**1,040.8**	784.6	1,026.5	1,510.4	988.2
Profit/(loss) before income tax	**112.6**	(4.7)	58.9	236.9	72.6
Profit attributable to owners of the Company	**81.9**	5.4	56.6	161.7	92.7
Total assets	**1,299.3**	1,133.4	1,202.7	1,278.2	1,177.1
Shareholders' funds	**505.3**	399.6	424.9	388.6	228.0
Net tangible assets	**610.3**	468.2	507.9	451.1	287.7
	A$	**A$**	**A$**	**A$**	**A$**
Total assets per share	**1.76**	1.54	1.63	1.74	1.61
	A$ cents	**A$ cents**	**A$ cents**	**A$ cents**	**A$ cents**
Net asset backing per share	**82.84**	63.56	68.94	61.24	39.34
Basic profit per share	**11.11**	0.73	7.69	22.05	12.67
	2021	**2020**	**2019**	**2018**	**2017**
Gross profit (A$ million)	**274.5**	96.3	152.5	353.3	209.6
Gross profit margin (%)	**26.4**	12.3	14.9	23.4	21.2

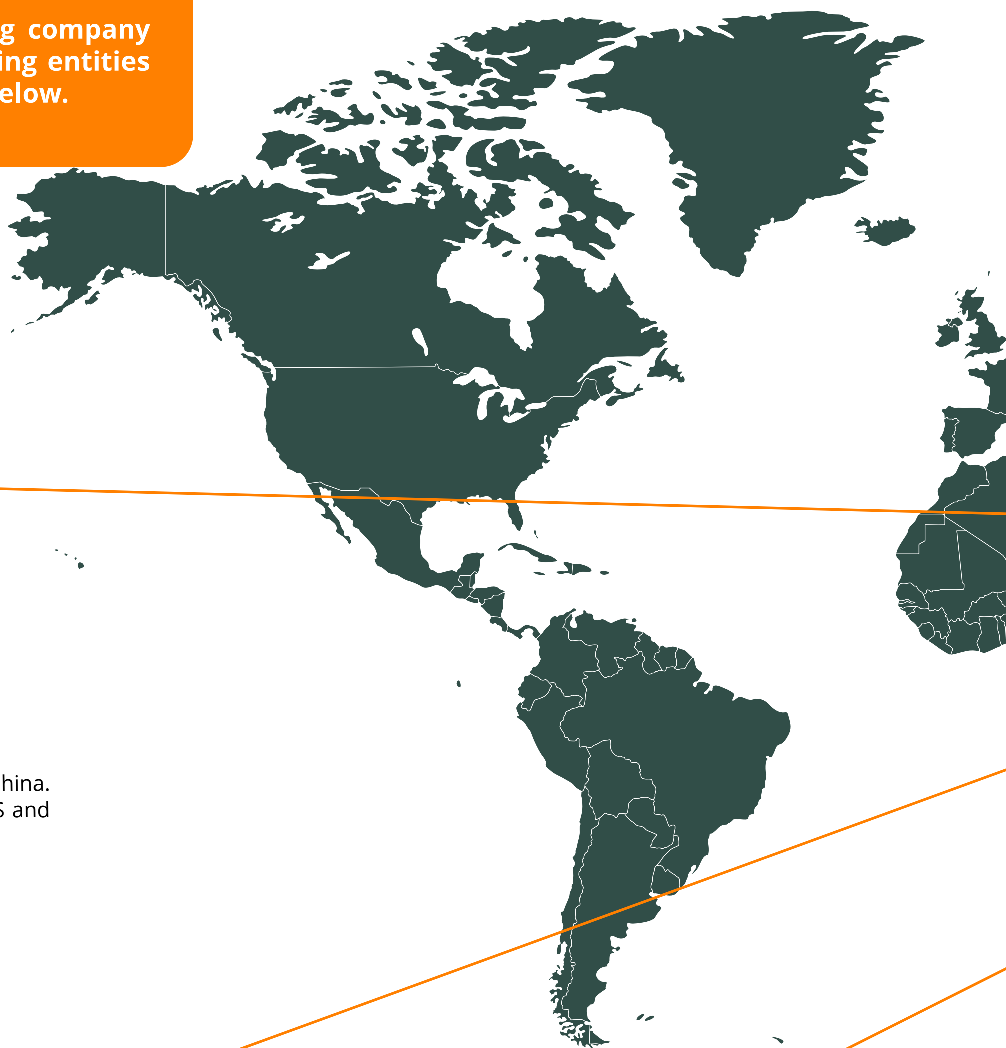
SALES BY INTERNATIONAL REGIONS

Region	2021	2020	2019	2018	2017
	%	%	%	%	%
Asia Pacific	**86.4**	86.1	83.6	82.1	77.0
Europe	**6.3**	5.5	7.7	9.8	12.2
Middle East	**3.6**	6.3	3.9	5.5	6.1
Africa	**0.0**	0.4	0.2	0.1	0.7
Others	**3.7**	1.7	4.6	2.5	4.0
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

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 and operates 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.

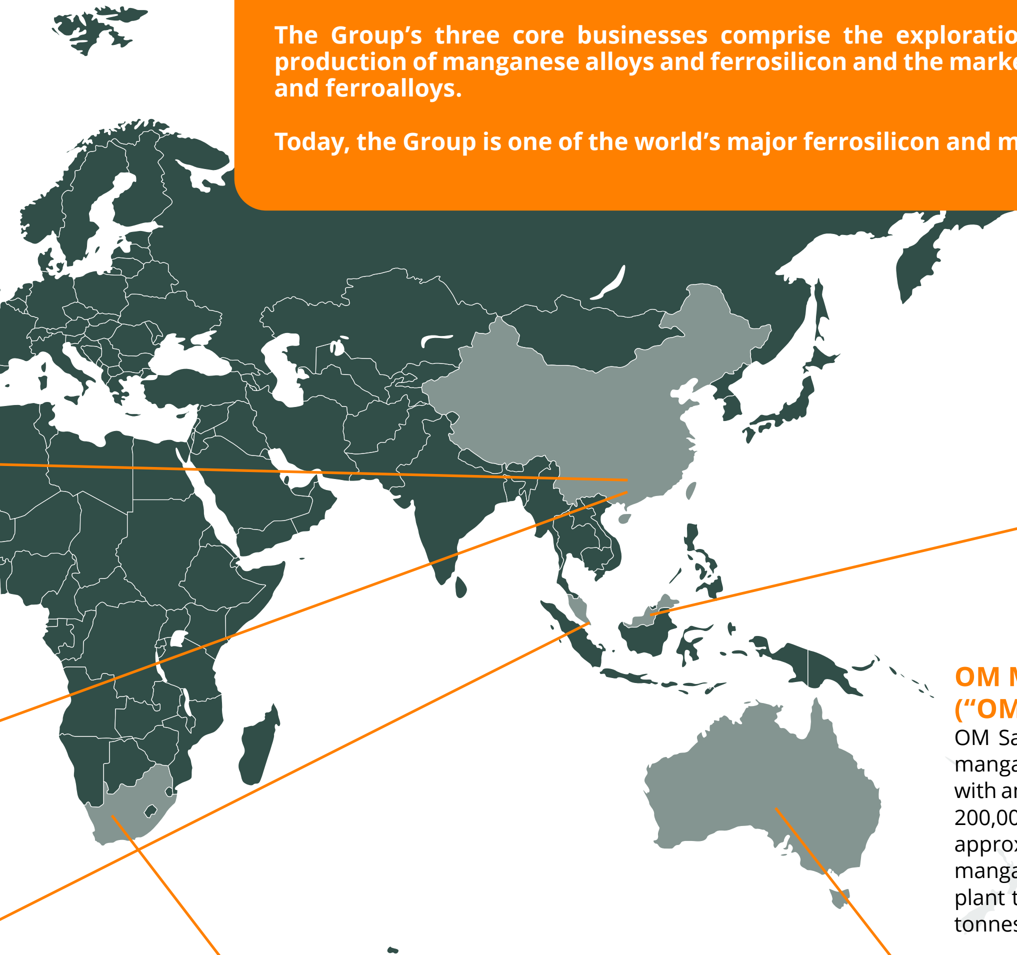
OM Materials (S) Pte Ltd ("OMS")

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 equity ore sales from Bootu Creek, 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") have an established track record of over 25 years in exploration, project development, operations and marketing and trading. With vertically integrated operations globally in exploration, mining, smelting, sintering and marketing and trading, the Group is able to capture significant value and margins along the entire value chain.

The Group's three core businesses comprise the exploration and mining of manganese ore, production of manganese alloys and ferrosilicon and the marketing and trading of manganese ore and ferroalloys.

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



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

OM Sarawak owns and operates a ferrosilicon and manganese alloy smelter in Sarawak, East Malaysia, with an annual production capacity of approximately 200,000 to 210,000 tonnes of ferrosilicon, and approximately 250,000 to 300,000 tonnes of manganese alloy. 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 ("OMH 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 and operates the Bootu Creek manganese mine located in Northern Territory, Australia. The Bootu Creek mine is located approximately 110km north of Tennant Creek. Mining operations commenced in November 2005 and the first batch of ore was processed in April 2006. Mining operations ceased on 13 December 2021.

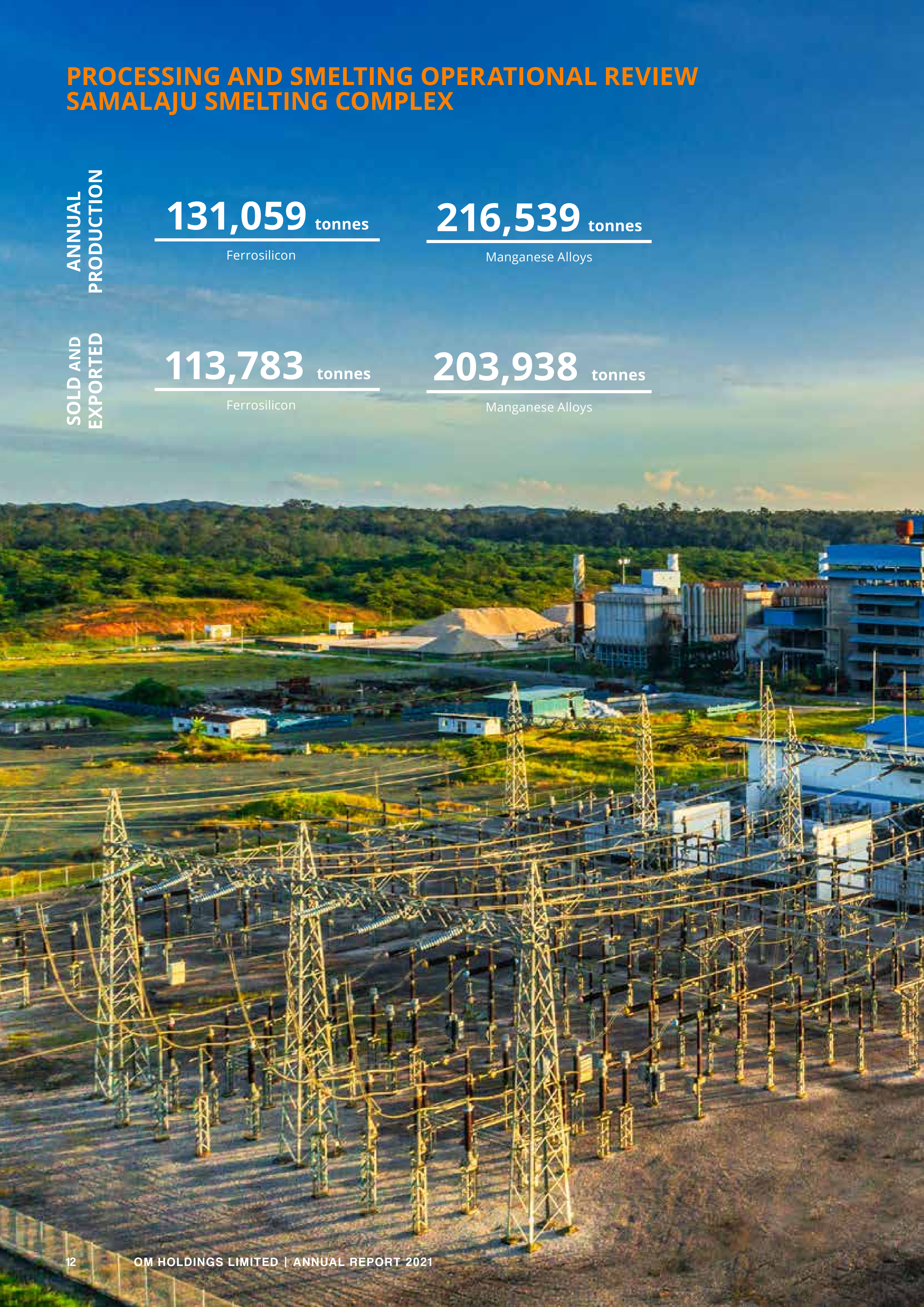
PROCESSING AND SMELTING OPERATIONAL REVIEW
SAMALAJU SMELTING COMPLEX

ANNUAL PRODUCTION

131,059 tonnes	**216,539** tonnes
Ferrosilicon	Manganese Alloys

SOLD AND EXPORTED

113,783 tonnes	**203,938** tonnes
Ferrosilicon	Manganese Alloys



PROCESSING AND SMELTING OPERATIONAL REVIEW SAMALAJU SMELTING COMPLEX

Aerial View of OM Sarawak

OVERVIEW

OM Materials (Sarawak) Sdn Bhd ("OM Sarawak") and OM Materials (Samalaju) Sdn Bhd ("OM Samalaju") are entities which are held 75%:25% respectively by OMH and Cahya Mata Sarawak Berhad, a conglomerate listed on the Main Market of Bursa Malaysia. OM Materials (Sarawak) Sdn Bhd is the owner of 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 10 furnaces are allocated for the production of ferrosilicon and 6 units have been modified to produce manganese alloys. The Plant has a design production capacity of 200,000 to 210,000 tonnes of ferrosilicon and 250,000 to 300,000 tonnes of manganese alloys 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

Final performance testing and hot commissioning of the sinter plant has been deferred to 2022 due to the absence of onsite experienced contractors as a result of the COVID-19 pandemic and travel restrictions imposed. The sinter plant was in trial production phases throughout 2021 while awaiting final technical commissioning.

Similarly, the project to convert 2 ferrosilicon furnaces to produce manganese alloy was also impacted with the completion date deferred to 2022. The majority of the ancillary works comprising of civil and structure modification works performed by local contractors was completed in 2021 while equipment installation works only commenced with the gradual arrival of Chinese contractors in December 2021. Continuous engagement with relevant authorities to manage the immigration approval processes for contractors is ongoing. This project is targeted to be commissioned by the third quarter of 2022.

To further extend the existing product range by diversifying into aluminium, chemicals and solar downstream industries, OM Sarawak initiated another conversion project in December 2021, to convert 2 ferrosilicon furnaces to produce silicon metal. Dismantling and demolishing of equipment and civil structure are in progress. Barring any unforeseen circumstances, the hot commissioning and testing works are expected to occur in December 2022.

PROCESSING AND SMELTING OPERATIONAL REVIEW
SAMALAJU SMELTING COMPLEX

OPERATIONS

The COVID-19 pandemic has negatively affected the business operations of many countries and impacted on the global economy. COVID-19 cases in Sarawak reached a peak, registering 4,709 cases on 15 September 2021. The outbreak was gradually controlled and daily COVID-19 cases dropped drastically to less than 50 cases per day by the end of 2021 following high vaccination rates achieved in Sarawak in Q4 2021.

OM Sarawak was placed under temporary suspension to halt all production activities from 28 May 2021 to 25 June 2021 following directions from relevant Government Authorities after an active COVID-19 case detection exercise was carried out.

With the resurgence of COVID-19 cases in Malaysia, strict travel restrictions with additional COVID-19 protocols continued to be imposed, impeding the hiring of foreign skilled workforce to complement the local workforce. The lack of skilled manpower continued to impact the Plant's ability to operate at full capacity. In 2021, 12 out of 16 furnaces were in operation with 6 furnaces producing ferrosilicon and 6 furnaces producing manganese alloys. Of the remaining 4 ferrosilicon furnaces, 2 furnaces were undergoing conversion to produce manganese alloys while the remaining 2 furnaces were idled due to manpower constraints.

The hiring of new Chinese skilled workers remains a challenge due to strict COVID-19 protocols imposed in both Malaysia and China. The long mobilisation lead time due to the slow pace of approvals and the resumption of home leave rotations for foreign workers thus continued to impact the Plant's total realisable capacity.

Annual production of 131,059 tonnes of ferrosilicon and 216,539 tonnes of manganese alloys, which comprised silicomanganese and high carbon ferromanganese, were recorded during the year 2021. Ferrosilicon production reduced by 22% compared to 2020 due to the reduction of production capacity with 4 furnaces not in operation for the entire 2021. Manganese alloy production volumes decreased by 5%, mainly attributed to the change in the product mix where 95% of the manganese alloy production output was for silicomanganese, a product with lower daily production output compared to high carbon ferromanganese.

Consequently, sales volumes in 2021 for ferrosilicon and manganese alloys dropped by approximately 34% or 57,719 tonnes and 12% or 27,191 tonnes respectively mainly attributed to the lower inventory of finished goods available for shipment due to the temporary suspension of the Plant and reduced production output in Q2 2021.

Product (tonnes)	Years ended 31 December				
	2021	2020	2019	2018	2017
Production					
Ferrosilicon (FeSi)	131,059	167,443	230,735	220,515	174,540
Manganese Alloys (SiMn, HCFeMn)	216,539	227,406	248,163	242,341	173,911
Manganese Sinter Ore (trial production)	99,824	24,125	–	–	–
Sales					
Ferrosilicon (FeSi)	113,783	171,502	219,828	225,749	182,316
Manganese Alloys (SiMn, HCFeMn)	203,938	231,129	240,280	241,166	159,533
Manganese Sinter Ore (trial production)	7,132	–	–	–	–

MARKETING & TRADING OPERATIONAL REVIEW

2021

2,367,957 tonnes

Ores and Alloys

2020

1,958,507 tonnes

Ores and Alloys


ZL50GN
7

MARKETING & TRADING OPERATIONAL REVIEW

OVERVIEW AND UPDATE IN 2021

Global trading activities have been reshaped due to the COVID-19 pandemic. Countries affected by COVID-19 implemented various lockdown measures, which caused significant slowdown of industrial activities. Sales orders flowed towards countries that were less severely affected by COVID-19, particularly China and the Far East region.

Throughout 2021, freight rates from the Far East remained high, posing challenges to all exporters. The Group maintained a strong focus in Asia leveraging relative freight rates.

Ferroalloy prices surged as a result of supply concerns from China in Q3 2021. This was mainly due to government policies in China related to the on-going domestic power shortages, with power rationing imposed on energy-intensive industries. By leveraging on a reliable hydropower supply and a stable cost structure, the Group was able to maintain its cost advantage and tap into the opportunity of the spike in ferroalloy prices, especially in 2H 2021.

With the easing of the energy crunch in China, ferroalloy prices have since moderated to a reasonable support level from historical peaks in 2021. Nonetheless, the impact may be prolonged given the elevated cost of power around the world. This structural change in ferroalloy markets effectively strengthens the Group's cost competitiveness.

2021 SALES BY GEOGRAPHICAL SEGMENT

	2021	2020	2019	2018	2017
Region	%	%	%	%	%
Asia Pacific	86.4	86.1	83.6	82.1	77.0
Europe	6.3	5.5	7.7	9.8	12.2
Middle East	3.6	6.3	3.9	5.5	6.1
Africa	0.0	0.4	0.2	0.1	0.7
Others	3.7	1.7	4.6	2.5	4.0
Total	100.0	100.0	100.0	100.0	100.0

MINING OPERATIONAL REVIEW
BOOTU CREEK MINE

ANNUAL PRODUCTION

854,487 tonnes

an average grade of 28.42% Mn

SALES

697,328 tonnes

an average grade of 28.49% Mn

MINERAL RESOURCES

6.92 million tonnes

13.18% Mn as at 31 December 2021

MINING OPERATIONAL REVIEW BOOTU CREEK MINE

OVERVIEW

OM (Manganese) Ltd ("OMM") is a wholly owned subsidiary of OMH 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.

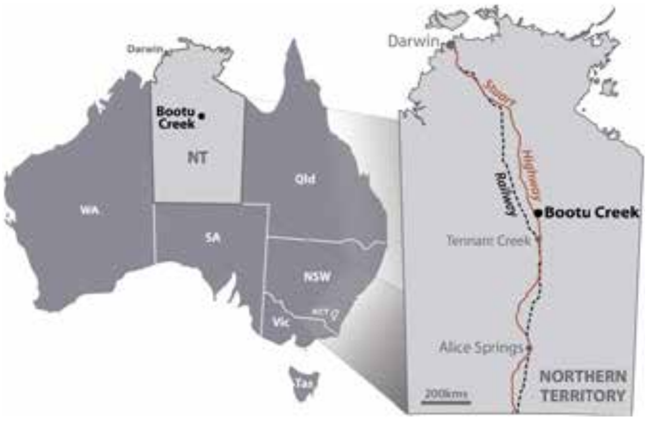


Figure 1. Locality Plan

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

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

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

The Bootu Creek Project area contains several manganese deposits located along the western and eastern limbs of the Bootu syncline. The individual mineralised horizons are generally strata-bound in character and can persist over strike lengths of up to 3 km. The Mineral Resources defined to date at the project are long shallow, gently dipping deposits amenable to open-pit mining.

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

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

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

The addition of the UFP (i.e., the third plant) in March 2020, 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 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.

Figure 2. Bootu Processing Facility

The processing of manganese ore is described diagrammatically below:

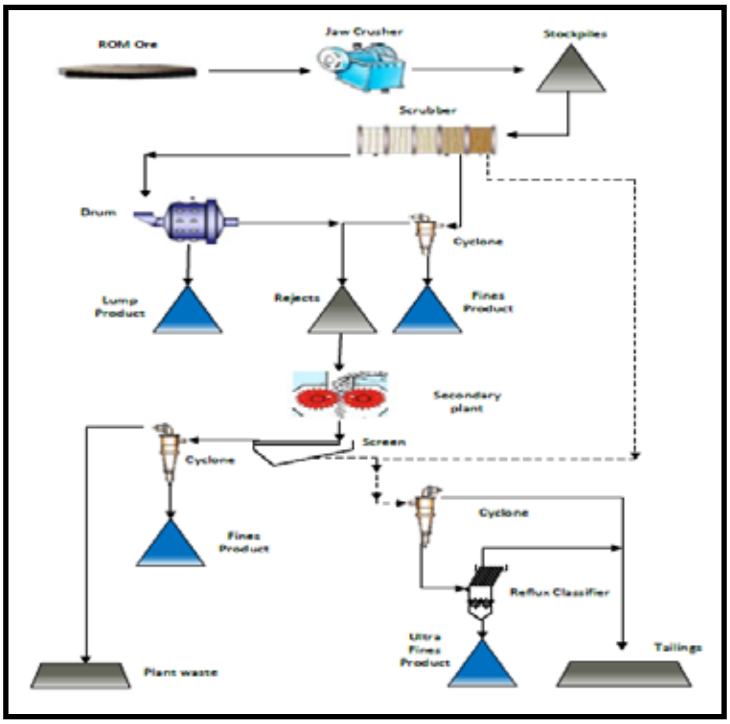


Figure 3. Bootu Creek Manganese Processing Plant Schematic

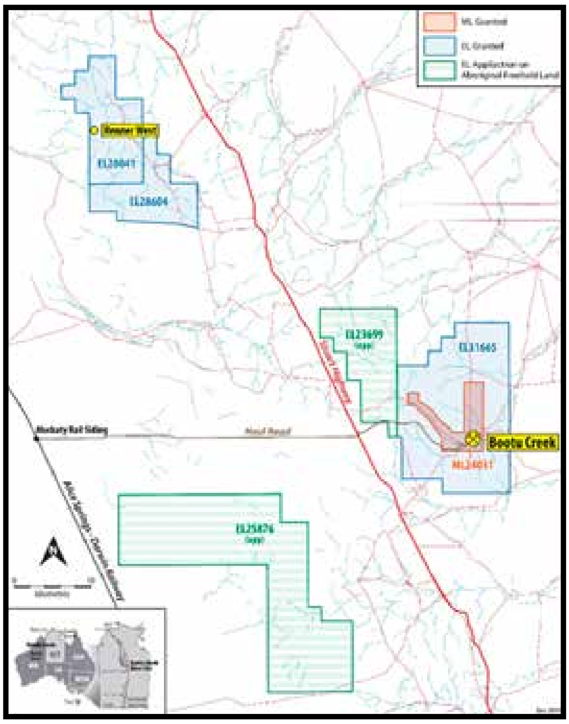


Figure 4. Bootu Creek location and Tenement plan

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

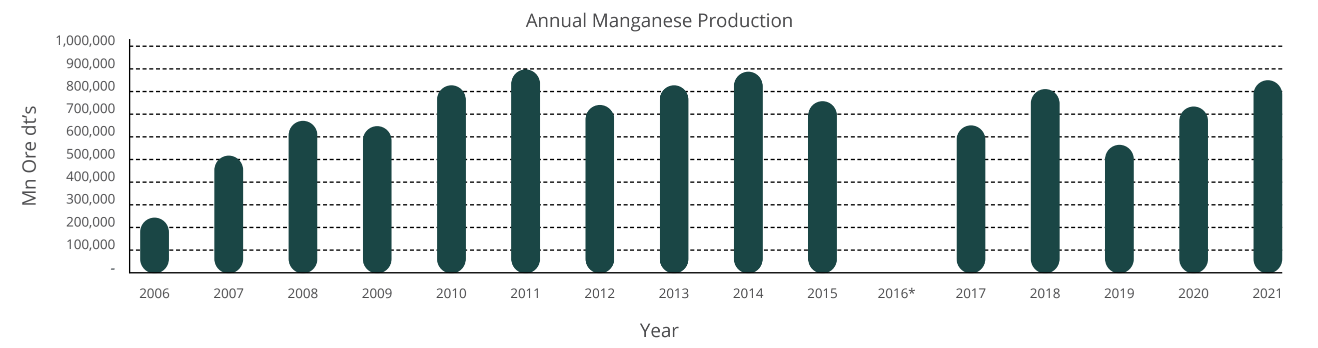
Manganese product was stockpiled at the rail head at the Darwin Port prior to being transported to the port ship loader and loaded onto vessels for shipping to overseas markets. OMM achieved production of 854,487 tonnes at an average grade of 28.42% Mn for the year ended 31 December 2021. The mining strategy was centred around 2 digger fleets which focused on the completion of the Chugga Far North E and F and Shekuma 8 pits located on the Eastern Limb of the Bootu Creek Syncline. Open pit mining ceased on 13 December 2021.

During the 2021 financial year, a total of 697,328 tonnes of manganese product was exported through the Darwin Port.

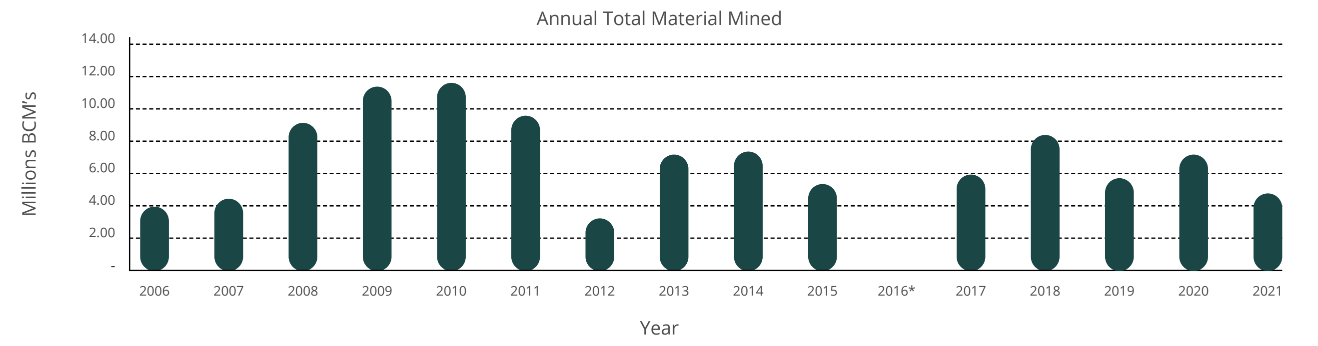
MINING OPERATIONAL REVIEW
BOOTU CREEK MINE

		Years ended 31 December				
	Unit	2021	2020	2019	2018	2017
Mining						
Total Material Mined	bcms	4,737,723	7,411,431	5,748,339	8,426,107	5,970,784
Ore Mined - Tonnes	dt	1,131,066	1,008,015	1,034,190	1,819,012	1,587,630
Ore Mined - Mn Grade	%	20.85	19.19	20.48	21.94	21.32
Production						
Lump - Tonnes	dt	678,337	607,411	438,509	622,279	465,235
Lump - Mn Grade	%	27.25	26.72	32.83	35.50	35.60
Fines/SPP/UFP - Tonnes	dt	176,150	130,608	131,581	191,761	190,914
Fines/SPP/UFP - Mn Grade	%	32.95	34.51	36.62	36.64	36.50
Total Production - Tonnes	**dt**	**854,487**	**738,019**	**570,090**	**814,040**	**656,149**
Total Production - Mn Grade	**%**	**28.42**	**28.10**	**33.71**	**35.77**	**35.87**
Sales						
Lump - Tonnes	dt	551,448	553,976	452,774	593,778	462,234
Lump - Mn Grade	%	27.09	26.56	32.91	35.66	35.61
Fines/SPP/UFP - Tonnes	dt	145,879	88,755	168,772	203,238	184,385
Fines/SPP/UFP - Mn Grade	%	33.77	35.34	36.40	36.62	36.60
Total Sales - Tonnes	**dt**	**697,328**	**642,731**	**621,546**	**797,015**	**646,619**
Total Sales - Mn Grade	**%**	**28.49**	**27.78**	**33.86**	**35.90**	**35.89**

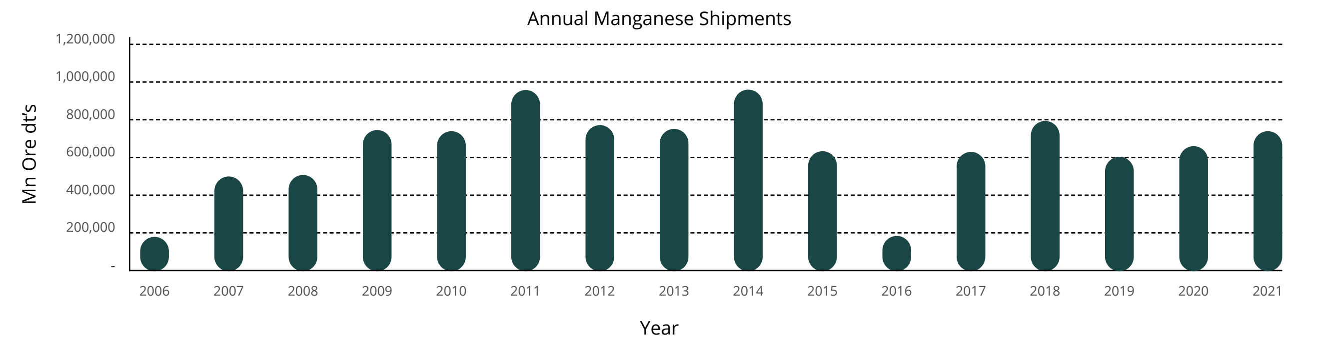
Table 1. Production and Sales FY2017 – FY2021



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



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



Bootu Creek Mineral Resource

The 31 December 2020 Mineral Resource of 9.43 million tonnes was depleted in 2021 by the processing of 2.52 million tonnes of mined ore and stockpiled ore tonnes, the mined ore mainly sourced from the now completed Chugga Far North E and F and Shekuma 8 pits. Ore stockpile tonnes decreased by 1.64 million tonnes at the end of 2021 when compared to 31 December 2020.

Undiluted	Measured		Indicated		Inferred		Combined*	
CFN			0.35	23.09			0.35	23.09
Masai 5			0.13	26.47			0.13	26.47
Tourag			0.67	22.69			0.67	22.69
ZuluSouth			0.23	20.91			0.23	20.91
Renner West			0.28	22.26			0.28	22.26
Insitu Resource*	**0.00**	**0.00**	**1.66**	**22.75**	**0.00**	**0.00**	**1.66**	**22.75**
ROM Stocks			0.16	13.50			0.16	13.50
SPP Stocks			0.04	14.50			0.04	14.50
UFP Rejects			2.07	12.10			2.07	12.10
UFP Tailings			2.99	8.59			2.99	8.59
Total Resource*	**0.00**	**0.00**	**6.92**	**13.18**	**0.00**	**0.00**	**6.92**	**13.18**

**Rounding gives rise to unit discrepancies in this table*

Table 2. Bootu Creek Mineral Resource as at 31 December 2021

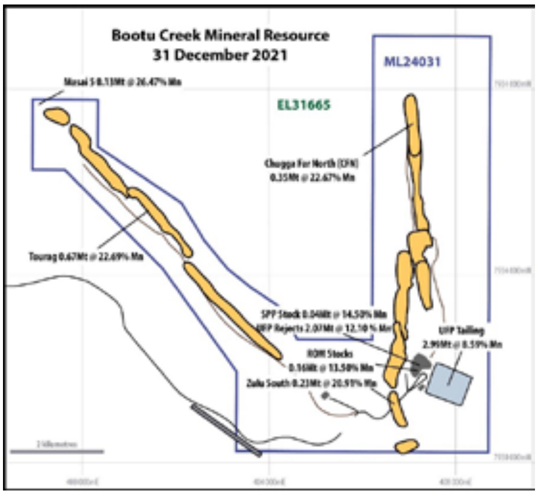


Figure 5. Location Plan for the Bootu Creek Mineral Resources as at 31 December 2021

	31 Dec 2020 at 15% Mn cutoff			31 Dec 2021 at 15% Mn cutoff			Change*	Mined
	Mt	%Mn	Pit Base	Mt	%Mn	Pit Base	Mt	Mt
CFN	0.75	22.91	195	0.35	23.09	195	-0.40	-0.60
Masai	0.09	26.85	245	0.13	26.47	245	0.04	0.00
Shekuma	0.51	24.54	170	0.00	0.00		-0.51	-0.53
Tourag	0.67	22.69	220	0.67	22.69	220	0.00	0.00
Zulu South	0.23	20.91	230	0.23	20.91	230	0.00	0.00
Renner West	0.28	22.26	255	0.28	22.26	255	0.00	0.00
Insitu Total*	2.53	23.07		1.66	22.75		-0.87	-1.13
ROM Stocks	0.16	14.31		0.16	13.50		0.00	
SPP Stocks	0.47	15.76		0.04	14.50		-0.43	
UFP Rejects	3.18	13.97		2.07	12.10		-1.11	
UFP Tailings	3.09	10.99		2.99	8.59		-0.10	
Grand Total*	9.43	15.53		6.92	13.18		-2.52	-1.13

Table 3: 31 December 2021 Mineral Resource vs 31 December 2020 Mineral Resource

The above Indicated Mineral Resources for Tourag, Chugga Far North G and H, Masai 5 and Zulu South deposits will be revised, subject to satisfactory geotechnical assessment and optimised pit designs.

MINING OPERATIONAL REVIEW
BOOTU CREEK MINE

2021 Bootu Creek Exploration Program

The Renner Springs exploration program planned for 2021 was deferred to 2022, due to delays arising from COVID-19 travel restrictions and pending Heritage surveys.

Drilling at Bootu Creek was limited to 12 RC infill resource delineation holes at Masai 5 deposit, and 5 geotechnical diamond drill holes including 2 at Zulu South deposit and 3 at Masai 5 deposit. The infill drilling at Masai 5 has increased confidence in ore continuity and grade.

Exploration – Bryah Basin (OMM – 40%, Bryah Resources Limited – 60% as of 31 December 2021)

In April 2019 OMM entered into a Farm-In and Joint Venture Agreement with Bryah Resources Limited (Bryah) for the manganese rights in approximately 660 km_2 of exploration tenements in the Bryah Basin, located approximately 150 km north of the town of Meekatharra in central Western Australia. The agreement includes the historic Horseshoe South Manganese mine which has been the largest, and highest grade, manganese mine in the 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 (first tranche of Stage 2).

The results of the initial exploration drilling were sufficiently encouraging for OMM to proceed with Stage 2 of the Joint Venture whereby OMM elected to fund an additional A$2.0 million (in 4 tranches of $0.5 million) in manganese exploration by 30 June 2022 to earn an additional 41% Joint Venture interest which would take OMM's shareholding to 51% of the project. The funding requirement under this joint venture has been completed and OMM's interest in the joint venture increased to 51% with effect from 17 February 2022. With OMM taking 51% ownership of the joint venture, OMM will also take overall joint venture management control.

Following a Gradient Array Induced Polarisation (GAIP) geophysical survey, RC drilling was completed in September 2021, with assay results received. The GAIP survey identified anomalous targets south of the previously drilled Brumby West deposit and a newly defined area called Redrum to the southeast of Area 74.

Brumby West results included –

BRRC152	8m @ 27.1% Mn & 19.4% Fe from 3m
BRRC156	12m @ 27.5% Mn & 16.0% Fe from 12m
BRRC157	3m @ 22.6% Mn & 19.0% Fe from 16m
BRRC164	6m @ 23.2% Mn & 21.8% Fe from 12m
BRRC165	10m @ 29.4% Mn & 16.3% Fe from 13m
BRRC166	7m @ 21.7% Mn & 23.2% Fe from 17m
BRRC167	14m @ 26.0% Mn & 15.9% Fe from 22m
BRRC170	17m @ 23.2% Mn & 17.9% Fe from 13m
BRRC174	3m @ 23.9% Mn & 21.2% Fe from 1m
BRRC176	3m @ 21.1% Mn & 23.3% Fe from 5m
BRRC178	12m @ 27.0% Mn & 18.1% Fe from 13m

Results are located to the east and extend 80 metres to the south of the previously defined deposit and remain open to the south and down dip to the east.

The results have been modelled and included in the Mineral Resource published in ASX Announcement – "Maiden Bryah Basin Mineral Resource" on 3rd March 2022. Refer to that announcement for estimation details included in the ASX Summary Information document and JORC (2012 Edition) Tables.

The total Inferred and Indicated JORC 2012 compliant Mineral Resources are 1.84 million tonnes (MT) at 21% Mn and includes 0.65 Mt at 20% Mn on granted Mining Lease M52/806.

- Total Indicated Mineral Resources are 1.08Mt at 22% Mn, and
- Total Inferred Mineral Resources are 0.79MT at 20% Mn

Mineral Resources were estimated over 6 prospect areas including Area 74, Brumby Creek East, Brumby Creek West, Black Hill, Horseshoe South and Horseshoe Extended.

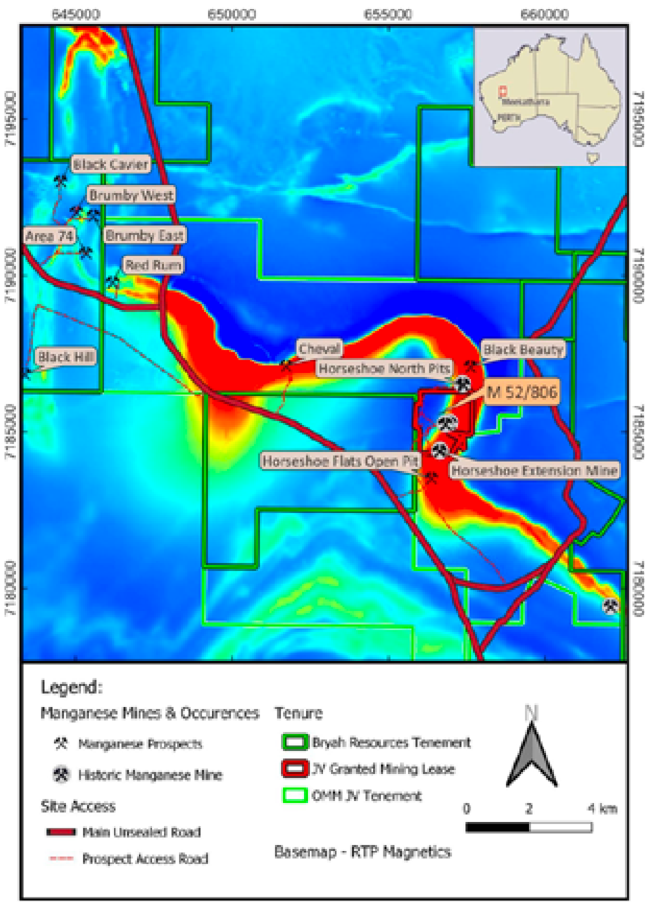


Figure 6. Location Plan for the Bryah Basin Manganese Farm-In.

The Redrum results were generally narrower, but are still open to the west and include:

RRRC016	7m @ 18.7% Mn & 25.3% Fe from 6m
RRRC020	6m @ 21.9% Mn & 17.6% Fe from 11m
RRRC022	4m @ 21.3% Mn & 20.6% Fe from 22m
RRRC023	2m @ 22.6% Mn & 25.0% Fe from 36m

These intersections are not incorporated into the recent Mineral Resource but the target area remains open along strike to the west and to the east.

Bulk ore sorter trials have recently been undertaken with Steinert and visual results look encouraging. The sorting included discrimination by colour, density, and induction (chargeability).

Assay results are yet to be received. The bulk ore samples (3 x approximately 200kg each) were sourced from PQ diamond core drilled at Area 74, Brumby East, Brumby West and Horseshoe Extended.

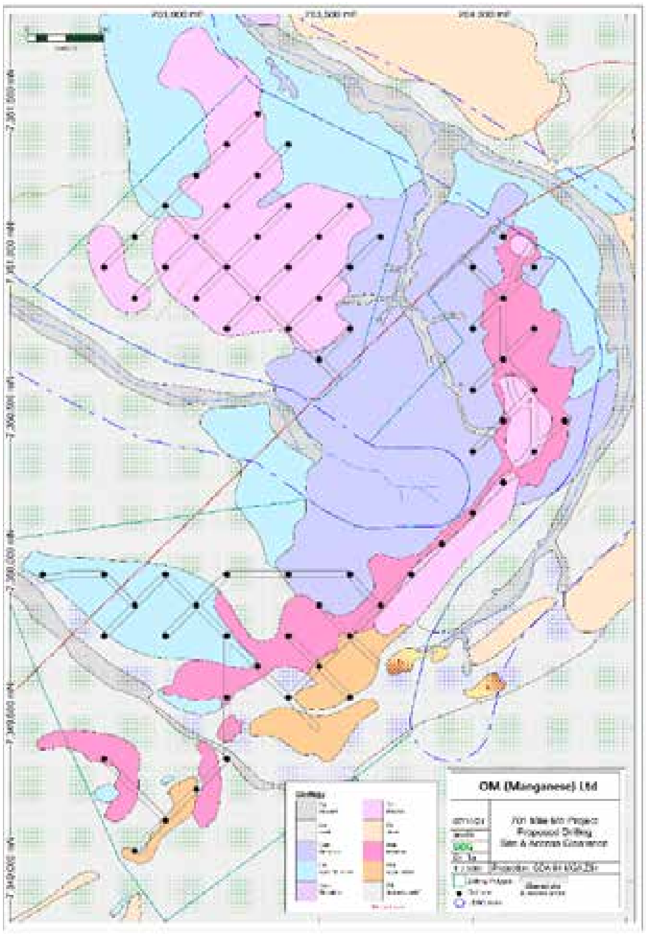


Figure 7. Proposed Initial 70-hole RC drill program

701 Mile Manganese Project with Great Sandy Pty Ltd ("701 Mile Manganese Project")

OMM executed a Farm-in and Exploration Joint Venture Agreement with Great Sandy Pty Ltd for the 701 Mile Manganese Project, located approximately 90km southeast of Newman.

The manganese outcrop area has not been drill tested to date and there is no existing mineral resource estimate for the 701 Mile Manganese Project.

Activity to date has been limited to a drone survey for geology mapping and drill site planning. A Plan of Works (POW) has been approved by the Department of Mines, Industry Regulation and Safety (DMIRS). Ethnographic and Archaeological surveys were completed in November 2021 and have cleared the proposed drill area of any Aboriginal Heritage or sacred sites. An initial wide spread 70 RC drill hole program is planned for Q2 2022 with proposed drill grid spacing of 200m x 100m.

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

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

TSHIPI EXPORTS TOTALLED

3,225,727 tonnes

2021

- **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

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 2021, Tshipi Borwa Mine has a total Mineral Resource Estimation of circa 423 million tonnes in accordance with JORC Code (2012). In 2021, despite a challenging year due to mining and COVID-19 related restrictions, Tshipi exported a total of 3,225,727 tonnes of manganese ore.

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.

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.

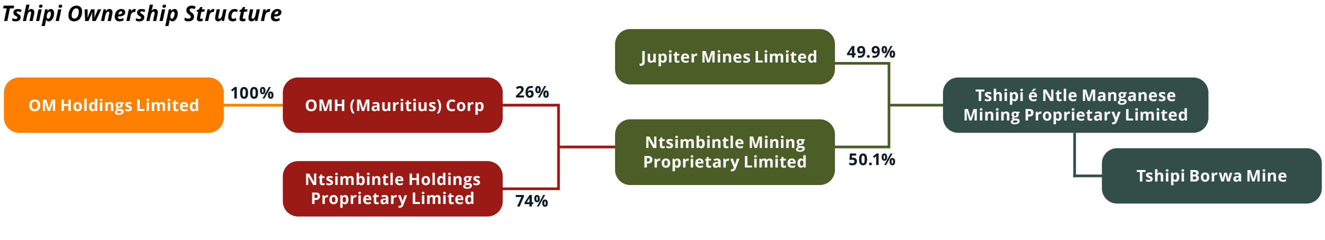
The ROM stockpile feeds the processing plant which is designed to treat approximately 3.3 to 3.6 million tonnes per annum of manganese ore.

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 bulk terminal; (ii) the Port Elizabeth multi-purpose terminal; or (iii) the Saldanha multi-purpose terminal.

Tshipi Ownership Structure



ASX LISTING RULE 5.8.1 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 TSF 1, TSF 2 and TSF 3 at Bootu Creek were sampled by 49 core holes for 455 metres, drilled utilising a track mounted Power Probe earth core drill. The 17 diamond holes drilled at Bootu Creek and Renner Springs in 2019-2021, within current or since mined resource models, were drilled to provide core in order to assess geotechnical parameters and metallurgical characteristics. All recovered drill core is photographed.

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

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

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

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

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

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

Current bulk density regression formulae are based on 366 waxed (or waxed equivalent) HQ3 core samples selected from 52 metallurgical composites distributed through all deposits included in the Ore Reserve. The bulk density measurements were determined in 2009 by Amdel (Perth) using the wet and dry methodology. Six density regressions were determined for Chugga/Gogo, Shekuma, Xhosa, Masai/Tourag, Yaka and Zulu deposits. Renner West, Foldnose and Zulu South use the Yaka (most conservative) regression option. Bulk density of Tailings is estimated at 1.60 kg/m3 and Rejects at 1.73 kg/m3 on a dry tonnes' basis, both assessed on historical site data.

ASX LISTING RULE 5.8.1 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, TSF 2 and TSF 3 has been utilised to justify the newly constructed Ultra Fines Plant (UFP). The UFP Rejects Mineral Resource is based surveyed stockpiles and the same metallurgical test work as used to assess the UFF Tailings.

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

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

Ore Reserve estimation summary:

No 31 December 2021 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.

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

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

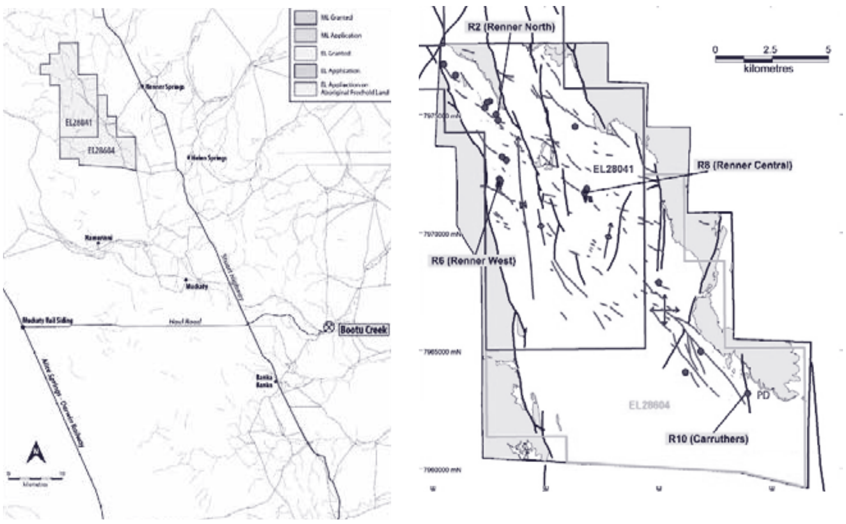
ASX LISTING RULE 5.8.1 SUMMARY INFORMATION

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

Section 2 Reporting of Exploration Results

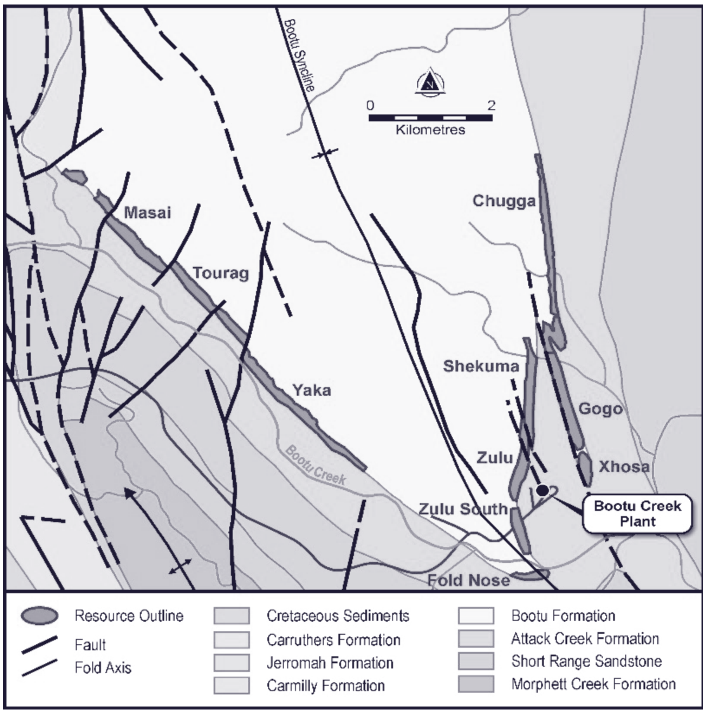
Criteria	Explanation
Mineral tenement and land tenure status	• The relevant tenements for 2021 exploration are EL28041 and EL28604, collectively referred to as the Renner Springs project. • The tenements were granted in 2010 and 2011 respectively and are 100% owned by OMM with no security of tenure issues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

ASX LISTING RULE 5.8.1 SUMMARY INFORMATION

Criteria	Explanation
Geology	• The Renner Springs project is predominately located within the Namerinni Group in the Ashburton Province of the Tennant Creek Inlier. The favourable manganese bearing horizon is hosted principally by the Shillinglaw Formation. • The Renner Springs manganese horizons are generally shallow dipping and present with a breccia/ conglomerate texture in low outcrops. • The Bootu Creek manganese deposits are strata-bound, located at the contact between the underlying dolomite-siltstone Attack Creek Formation and the overlying ridge forming sandstone of the Bootu Formations in the Tomkinson Group, within the Ashburton Province of the Palaeozoic.
Drill hole Information	• 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. • Refer accompanying Table 2 for sample locations and assay results.
Data aggregation methods	• Reported assays are length weighted with no top-cuts applied. • No metal equivalents are used for reporting exploration results.
Relationship between mineralisation width and intercept length	• The 3 diamond drill program was undertaken to provide core for metallurgical test work at the Renner West Mineral Resource. • The 6 RC drill program at Carruthers North prospect was a first pass test of a low laying manganese outcrop, discovered while ground checking a gradient array IP anomaly. • The RC intersections are quoted as drill intersection lengths, as the dip of the mineralisation is yet to be confirmed.
Diagrams	• The Renner West Mineral Resource is located at R6 in figure below. • The Carruthers North prospect referred in this announcement is located midway between prospects R8 and R10 shown in the figure below. 
Balanced reporting	• All results are reported when publishing exploration reports.
Further work	• Follow up RC drilling is planned for the Carruthers North and Renner Central prospects in 2022.

ASX LISTING RULE 5.8.1 SUMMARY INFORMATION

Section 3 Estimation and Reporting of Mineral Resources

Criteria	Explanation
Database integrity	• Location data was imported from DGPS export files. • Assay data was imported from the original laboratory issued csv files. • All exploration drill data was moved to an Access database in 2017 and all new drill hole data is uploaded to that database. • Geology logs are validated for errors on import, locations checked, and assay data quality is ensured by use of lab and field standards. Further internal validation for duplication, overlaps, etc is carried out using Surpac software prior to any resource estimation.
Site visits	• The Mineral Resource is located within an active mine camp and is visited regularly by OMM Competent Persons.
Geological Interpretation	• There is a high degree of confidence in the geological interpretation of the Bootu Creek manganese deposits gained through extensive close spaced drill testing, a relatively planar strata-bound geological setting and over 15 years of active mining at this mature mining operation. • Ore mineralogy was determined by XRD analysis and optical petrology on selected drill core, RC chip and mineral product (gravity concentrate) samples. • The geological controls at BC are well understood from ongoing mining activity and form the basis for the resource interpretations. • Factors affecting continuity of grade and geology include local high and low angle faulting, local internal and adjacent high Fe associated with faulting, and the intensity and depth of supergene alteration from weathering. • The geological interpretation is refined on an ongoing basis following the review of close spaced grade control sampling and in pit observation and mapping of second order fault structures not modelled in the original broader spaced resource delineation drilling. • This figure is inserted for reference to geological setting and deposit locations at Bootu Creek. 
Dimensions	• The Bootu Creek manganese resource models have a combined strike length of 16km, with individual models ranging from 0.7km to 2.9km • Bootu Creek resource models are generally limited in vertical depth by economic constraints (imposed by strip ratios and cost of mining), by faulting or by the depth of weathering and supergene alteration, rather than a depth termination of the mineralisation. • Individual resource model depth extents range from 50m to 120m below surface. All mining is by open pit. • Bootu Creek resource model widths (true width) range from the minimum width of 3m to a maximum of around 15m. • The Renner West manganese deposit extends over a strike length of 450m and to a depth of around 25m below surface.

Criteria	Explanation
Estimation and modelling techniques	• Estimation and modelling undertaken by independent resource consultants Optiro Pty Ltd, and since updated by OMM technical staff. • Resource models are digitised and wire-framed from interpreted geological and assay drill cross sections prepared by OMM. These wireframes are used to select resource intersections and composite data is extracted for Mn, Fe, SiO_2, Al_2O_3, BaO and P based on one metre sample increments. • 'Supervisor' geostatistical software was used for continuity analysis to determine variograms for grade estimation. Optiro found that the 10% Mn population generated more robust variograms with lower nugget effects that were applied to the resource composite data during estimation. • The nugget effect from variography was found to represent only 20-30% of the total variability, suggesting a low inherent random behaviour for the manganese mineralisation and no grade capping is warranted. • Block models are estimated using Ordinary Kriging (OK), using Surpac resource estimation software, and coded with attributes for material type, resource classification, model domain and for OMM survey pit pickups. • Block Model Parent Cells are 25m (Y) by 10m (X) by 5m (Z) and compare favourably with maximum drill spacing of 50m x 25m or 40m x 20m and with along strike search radius varying from 130m in the shorter or faulted models through to 290m for the highly continuous Chugga-Gogo. • The number of samples is set at a minimum of 15 and a maximum of 32 for passes 1 & 2. The pass 3 minimum was set to 2 samples to fill model extents. • Search ranges varied from 130 m up to 290 m in deposits of up to 2.9 km strike length. The search ellipsoids are flattened disc shapes in the plane of the mineralisation with varying anisotropic ratios designed to model shallowly plunging manganese trends within the domains. • Geological interpretation prepared by OMM has been used to construct digital wireframes and control assay extraction from the database but are not otherwise used to control the resource estimate. • The only assumed correlation between variables is that used for the density regression calculated against manganese grade. There is a noted inverse relationship between manganese vs SiO_2 or Al_2O_3. There is a variable relationship between manganese and iron and correlations between other elements were poor. • No selective mining units were assumed in the estimates. • Graphical 3D validation of block grades versus composite samples, used to compare modelled grade trends against the spatial distribution of the samples, demonstrated that estimated low and high grades were consistent with the composite samples. Density was also checked to confirm interpolated block values honour the regression formulas. • Validation swathe plots by Optiro show that the block model estimated grades honoured local grades. All volumetric checks are within 1% of wireframes. • The significant elements specific to product quality are assayed and modelled with the only potential issue being high Fe content in product, which is managed in the mine plan by local grade control. • Mineral Resource estimates are depleted for mining up to 31 December 2021 and reported above a cut-off grade of 15% Mn.
Moisture	• All tonnage is estimated on a dry tonne's basis.
Cut-off parameters	• The existing 15% Mn cut-off grade had been affirmed after several years of processing Bootu Creek ore for target product grades of plus 33% Mn. • Manganese product derived from the DMS (gravity) plant is not linear in relation to head grade and product yield and/or product grade decreases rapidly below the 15% Mn cut-off grade. • Since 2020, low grade mineralisation (10%-15% Mn) defined by in pit grade control has been mined outside of the 15% Mineral Resource models. • It has been possible to process this lower grade material by reducing the target product grade to around 28% Mn.
Mining factors or assumptions	• The Mineral Resource estimates were optimised by OMM technical staff utilising Whittle mining software to limit economic open pit extents based on long term revenue, mining, processing and logistic parameters set by OMM. • All mining is by open pit mining methods. • Parameters for determining economic extraction are based on data derived from the current mining and processing operations at Bootu Creek.

ASX LISTING RULE 5.8.1 SUMMARY INFORMATION

Criteria	Explanation
Metallurgical factors and assumptions	• Metallurgical assumptions are based on test work conducted on 93 composites selected from 79 diamond holes drilled into all deposits included in Ore Reserves. The test work consists largely of individual particle pyknometry (IPP) on lump ore and Heavy Liquid Separation (HLS) on fines. • More recent HLS and screened assay analysis, washability and process simulation test work (conducted by Nagrom) on earth core sampling of the Tailing Storage Facilities TSF 1, TSF 2 and TSF 3 has been utilised to justify the newly constructed Ultra Fines Plant (UFP). • The UFP Rejects Mineral Resource is based on surveyed stockpiles and the same metallurgical test work as used to assess the UFP Tailings. • Plant factors including product grade, yield and recovery are reviewed annually. • Product yield assumptions for resource optimisation are now based on statistical analysis of the resource delineation drill sample grade distribution, on a pit by pit basis, with due attention to the extent of weathering. • Average grade is no longer considered a reliable indicator of product yield.
Environmental factors or assumptions	• Bootu Creek was an operating mine site and processing plant up to the end of 2021, with Mine Management Plans submitted and approved for waste rock and tailings storage by the Northern Territory Department of Industry, Tourism and Trade (DITT). • Bootu Creek is currently operating on Care and Maintenance basis and continuing with the rehabilitation of mine waste dump, open pit surrounds and associated infrastructure. • No significant sulphides are present in the ore or mine-waste.
Bulk Density	• Current bulk density regression formulae are based on 366 waxed (or waxed equivalent) HQ3 core samples selected from 52 metallurgical composites distributed through all deposits included in the 31 December 2020 Ore Reserve. • The bulk density measurements were determined in 2009 by Amdel (Perth) using the wet and dry methodology. Six individual density regressions were determined for Chugga/Gogo, Shekuma, Xhosa, Masai/Tourag, Yaka and Zulu deposits. Renner West, Foldnose and Zulu South use the Yaka (most conservative) regression option.
Classification	• Measured Mineral Resource – this classification is restricted to well drilled resource blocks located within 15m (vertical) of a mined pit floor, reflecting a high level of geological and grade confidence. No Measured Mineral Resources are quoted in the 31 December 2021 Mineral Resource. • Indicated Mineral Resource – classified based on established grade and geological continuity defined by the tabular nature of the Bootu Creek mineralised zones, the regular drill spacing of 50m x 25m or better, estimation parameters such as kriging efficiency and the demonstrated mining history in most of the deposits. • The Mineral Resource estimate appropriately reflects the view of the Competent Person. • All OMM Mineral Resources are economically constrained on an annual basis by optimised pit shells using updated OMM cost, revenue and physical parameters (see Mining Factors and Assumptions).
Audits and reviews	• Independent resource consultant Optiro Pty Ltd conducted a Client Review of wireframes, block models, classification criteria, volumetric comparison, composite versus block model grades and XYZ plots on the Mineral Resource estimate for 31 December 2013. • Only a limited amount of additional resource delineation drilling has occurred since 2013, with 23 RC infill holes drilled in 2017 and 2018 and a further 27 RC infill holes in 2020 and 2021. • The more significant changes applied in recent Mineral Resource estimation process account Mineral Resource depletion by mining and/or pit backfill, updated pit optimisation parameters, product yield estimation, and to update geological interpretation based on minor faults observed during mining activity since 2013.
Discussion of relative accuracy/confidence	• The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resource as per the guidelines of the 2012 JORC Code. • This statement relates to the global estimates of tonnes and grades. • Annual reconciliation compares mine production with pre-mining Mineral Resource estimates, and to update mining factors and assumptions.

Section 4 Estimation and Reporting of Ore Reserves

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

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

Introduction

OM Holdings Limited (OMH or the Group) is pleased to present our inaugural Sustainability Statement ("Statement") for the 2021 financial year. This statement details the Group's efforts to cultivate a culture of sustainability, manage our economic, environmental and social (EES) impacts, while strengthening our position in becoming a leading ferroalloy and manganese ore group globally.

Despite the COVID-19 pandemic challenges, OMH remains determined to enhance sustainability performance across the Group. This year, we conducted our maiden materiality assessment where we identified 13 material matters. Management's approach for each of the matters are disclosed in this Statement. Through this process, we have also identified OMH's key stakeholder groups and prioritised their concern and inputs with respect to OMH's EES impacts.

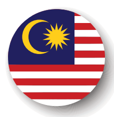
To better contextualise our sustainability efforts, this statement should be read in tandem with other statements in this Annual Report.

Scope and Boundary

This Statement encompasses our EES performance from the following entities for the 2021 financial year, which spans from 1 January 2021 to 31 December 2021 ("FY2021"), unless stated otherwise. The data disclosed within this Statement are derived from the following entities:

OM (Manganese) Ltd. ("OMM") - Australia
OMM owns and operates 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 has also ceased mining operations in December 2021.

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 the management of 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.

For more information regarding the Group's subsidiaries and primary business streams, please refer to pages 10 to 11 of our Annual Report 2021 (AR2021).

Reporting Framework

This Statement was prepared in accordance with Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Main Market Listing Requirements, with reference to the Global Reporting Initiative ("GRI") Standards (Core Option) and Bursa Malaysia's Sustainability Reporting Guide (2nd Edition).

The Sustainability Statement has been integrated into our AR2021 alongside our FY2021 financial statements and disclosures. Unless otherwise stated, all material topics disclosed in this report relates to material operating segments reported in our financial statements for the year ended 31 December 2021.

External Assurance

We are committed to supporting the transparency of non-financial reporting. While the sustainability performance data has been compiled by various departments across the Group in this inaugural report without third party verification, OMH will seek to obtain external assurance for future reporting.

Feedback

We hope you will find the information disclosed beneficial to you as a stakeholder of OMH. If you would like to provide feedback or require further clarification, please contact us at: investor.relations@ommaterials.com.

Stakeholder Engagement

The Group identified stakeholders to be individuals and groups that are impacted by our business practices and those who have influence over OMH's business decisions. We understand that stakeholders play an important role in the Group's long-term success, and have made continuous efforts to engage various relevant stakeholder groups, keeping them apprised and obtaining feedback on their priorities. By understanding their concerns and expectations, we are better able to prioritize as well as develop complete strategies to improve outcomes and create value for our stakeholders.

As part of our inaugural materiality assessment process, we conducted a stakeholder identification and prioritisation exercise by engaging internal and external stakeholders to identify OMH's material EES topics:

1. Identification and Prioritisation of Stakeholders
   Through an internal exercise and leveraging insights from previous engagements with various stakeholders, we identified the level of influence and dependence of key stakeholders on the Group. At the end of the process, we identified and prioritised eight key stakeholder groups as shown on page 37.

2. Materiality Assessment
   In the next phase, these selected internal and external stakeholders were invited to participate in our inaugural materiality assessment, which helped us identify the Group's most pertinent EES matters. Through this process, we identified and prioritized thirteen material matters.

Stakeholder Engagement

The table below illustrates the methods and frequency of engagement for each stakeholder group. We have also detailed the key interests and concerns raised by stakeholders in FY2021 and their associated material matters.

Legend for engagement frequency

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

Key Stakeholders	Methods of Engagement & Frequency of Engagement	Areas of Interest	Link to Material Matter
Board of Directors and Employees	● Board meetings ● Meetings and briefings ● Employee performance appraisals ● Trainings and developments ● Team building and activities ● Townhall sessions	• Group's performance, direction, and strategy • Corporate governance • Occupational health and safety • Trainings and career advancement • Workplace and accommodation environment	• Economic performance • Occupational health and safety • Talent management • Human rights
Government and Regulators	● Regular compliance report ● Ad-hoc surveys and reports	• Compliance with laws and regulations • Economic impact	• Compliance • Economic performance • Business ethics
Customers	● Regular communication via telephones and emails ● Ad-hoc visits	• Maintaining customer relationships • Potential collaborations • Quality of products supplied	• Product quality and safety
Suppliers	● Supplier surveys ● Regular communications via telephones and emails ● Ad-hoc visits	• Maintaining supplier relationships • Potential collaborations • Quality of products procured	• Supply chain management
Financial Communities	● Financial statements ● ASX and Bursa Malaysia announcements ● Compliance reporting ● Annual reports ● Company presentations	• Business and financial performance • Future prospects and plans • Environmental, Social and Governance ("ESG") and sustainable matters	• Economic performance • Energy and emissions • Waste management • Water and effluents • Land remediation, contamination or degradation

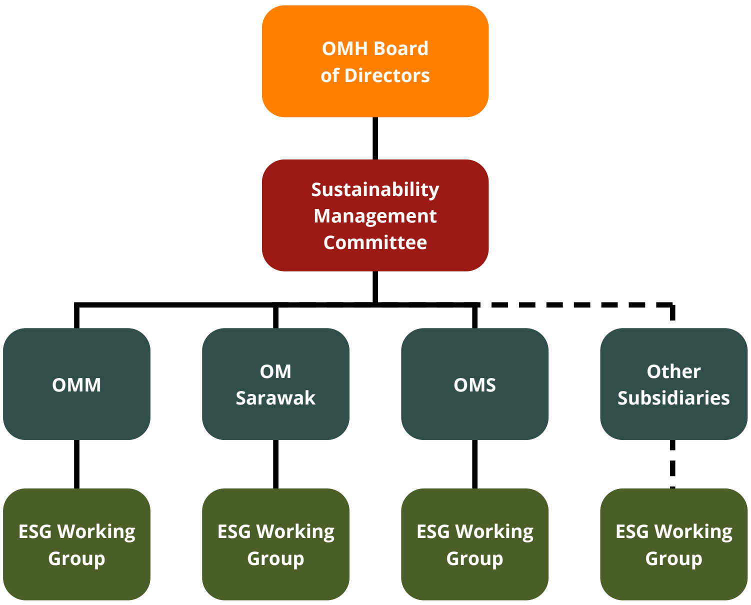
SUSTAINABILITY STATEMENT

Key Stakeholders	Methods of Engagement & Frequency of Engagement	Areas of Interest	Link to Material Matter
Investors / Investment Community	Annual General Meeting Annual reports Company presentations ASX and Bursa Malaysia announcements Analyst and retail briefings	• Business and financial performance • Future prospects and plans • ESG and sustainable matters	• Economic performance • Energy and emissions • Waste management • Water and effluents • Land remediation, contamination or degradation • Occupational health and safety
Local Communities	Regular community projects Annual back to school programmes Sponsorships and donations	• Community development • Employment opportunities • Environmental preservation	• Community development • Human rights • Waste management
JV Partners	Regular communications via telephones and emails ASX and Bursa Malaysia announcements Internal Board meetings Joint venture reporting and meetings	• Maintaining partnerships	• Economic performance

Sustainability Governance

Good governance is crucial to ensure sound decisions are made regarding OMH's sustainability direction and strategies. The Board of Directors ("Board") sets the strategic direction of the organisation, ensuring sustainability is embedded across the Group. The Sustainability Management Committee sets out the execution plans and oversees the implementation of strategies approved by the Board.

Working groups at each material subsidiary have been set up to manage the environmental, social and governance aspects of the business with a specific focus on ensuring the successful delivery and implementation of the respective strategies and initiatives. These working groups comprise of relevant representatives from the material subsidiaries and relevant departments.



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

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

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

Business Ethics

OMH is committed to the highest level of integrity and ethical standards in all business practices and aspires to be a leader in its field while operating openly with honesty, integrity, and responsibility. All Directors, key executives and employees are guided by the Code of Ethics and Conduct alongside other key policies and protocols. Our practices are aligned with our Corporate Governance, Section 3 Ethical Standards.

Corporate Governance Framework:

The OMH Corporate Governance Statement has been prepared in line with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 4th Edition (February 2019).

The Board's primary role is to govern the Group. In executing its responsibilities, the Board must act in the best interests of the Group as a whole. It is the role of senior management to manage the Group in accordance with the directions of the Board and it is the responsibility of the Board to oversee the activities of senior management in carrying out these delegated duties. The following policies are in place to guide the ethical business practices within OMH:

- **Code of Conduct and Ethics**
- **Code of Conduct for Directors and Key Executives**
- **Anti-Bribery and Corruption Standard**
- **Policy for Risk Management**
- **Whistleblower Protection Standard**

Code of Conduct and Ethics

The Board, management and all employees of OMH are committed to implementing the OMH's core principles and values when dealing with third parties including customers, government authorities, creditors, contractors, joint venture partners and the community as a whole as well as other employees.

Any breach of the code is considered as serious misconduct. Employees who have become aware of any misconduct must report the matter immediately to their line manager or the Company Secretary. The line manager or Company Secretary has the responsibility to report the breach to the appropriate senior management to advise the relevant employee of the outcome and actions implemented. Any employee who in good faith, reports a breach or a suspected breach will not be subject to any retaliation or recrimination for making that report. Employees who breach the policies may be subject to disciplinary action, including in the case of serious breaches, dismissal.

Read more on our Code of Ethics and Conduct on our website: http://www.omholdingsltd.com/aboutus/corporate-governance/.

Code of Conduct for Directors and Key Executives

The Board has adopted a Code of Conduct for Directors and key executives to promote ethical and responsible decision making. The code is based on a code of conduct prepared by the Australian Institute of Company Directors.

Read more on our Code of Conduct for Directors and Key Executives on our website: http://www.omholdingsltd.com/aboutus/corporate-governance/.

Anti-Bribery and Corruption Standard

Bribery and corruption are strictly prohibited within the Group when dealing with all business transactions. In line with our Corporate Governance, section 7.8 Anti-Bribery and Corruption, OMH is committed to the fight against bribery and corruption and expects all employees and representatives to comply with both the letter and spirit of the laws that govern the Group's operations in Australia, Malaysia, China, South Africa and Singapore. This Standard applies to all Directors, full-time and part-time employees of the Group, as well as agents, suppliers, contractors, business partners and any other party acting for or representing the Group.

Subject to confidentiality obligations, the reporting of any such incidents, where necessary, will be provided to the Board annually and half-yearly to the Audit Committee. If incidents are considered to be material or potentially involve a breach of any law, the matter will be immediately referred to the Chairman of the Audit Committee.

Read more on our Anti-Bribery and Corruption Standard on our website: http://www.omholdingsltd.com/aboutus/corporate-governance/ and our Corporate Governance Report integrated into this Annual Report

Policy for Risk Management

The Board is responsible for approving OMH's policies on risk oversight and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

OMH's risk management system is evolving. It is an on-going process and it is recognised that the level and extent of the risk management system will evolve to commensurate with the development and growth of the Group's activities.

Read more on our Policy for Risk Management on our website: http://www.omholdingsltd.com/aboutus/corporate-governance/.

Whistleblowing Protection Standard

Any suspected unlawful, unethical, or improper conduct can be reported through OMH's Whistleblowing Protection Standard. Disclosures under this standard can be made by an officer or employee of OMH, contractor and supplier of goods and services to OMH, current and former employees, associates of OMH, or family member of an individual mentioned above.

Disclosures can be made in writing or by telephone to OMH's Whistleblower Protection Officers. The identity of the whistleblower will be kept confidential unless the whistleblower has consented to forgo anonymity.

This Standard is publicly available on our website and is in line with our Corporate Governance, section 3.3 Whistleblower Policy.

Read more on our Whistleblowing Protection Standard on our website: http://www.omholdingsltd.com/aboutus/corporate-governance/ and our Corporate Governance Report integrated into this Annual Report

The Board's role and the Group's corporate governance practices and policies are reviewed regularly, and improvements and enhancements to these practices and policies are formalised for adoption as the Group's business expands.

In conjunction with the amendment made to Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009, OM Sarawak has enhanced the entity's anti-corruption policy, and intends to communicate the updated policy to all employees and business associates through compulsory training sessions. OM Sarawak's employees are expected to familiarise themselves with the policy which will be made available on OM Sarawak's intranet. Any queries on the policy should be communicated to their respective Head of Department or during the training sessions that will be conducted.

Materiality Assessment

In FY2021, we engaged an external consultant to conduct our inaugural materiality assessment. The objective of the assessment was to identify and prioritise the Group's material EES matters. This involved a three-step process, consisting of the Identification, Prioritisation and Validation stages. The materiality assessment was guided by Bursa Malaysia's Sustainability Reporting Guide and Toolkits, as well as the GRI Standards.

To ensure we capture a holistic view of our key EES impacts, we engaged internal and external stakeholders during the identification stage via a Materiality Assessment Survey. A total of 39 responses were collected and analysed. A workshop was then conducted to shortlist and prioritise material matters based on the significance of OMH's impact and impact on stakeholders. This workshop was attended by key internal stakeholders, including senior management. The findings of this workshop were utilised to generate OMH's first materiality matrix. This matrix will be used as a compass to guide our future sustainability priorities, initiatives and strategies.

Identification

- Deploy Materiality Assessment Survey to selected internal and external stakeholders to shortlist OMH's most relevant material matters
- Create an inventory of material matters

Prioritisation

- Identify and prioritise OMH's eight (8) key stakeholder groups
- Rank shortlisted material matters based on the significance of the impact to OMH and impact to stakeholders

Validation

- Develop a materiality matrix
- The materiality matrix was validated by the OMH's senior management team and approved by the Board

We aim to review our materiality matrix annually and update it when necessary as the Group's business grows. Macroeconomic factors will be included for consideration to reflect business and market conditions and to align with stakeholders' needs.

The materiality matrix was validated and approved by OMH's senior management team and the OMH Board.

Materiality Matrix

SUSTAINABILITY STATEMENT

Summary of OMH's Material Matters

The following are the 13 material matters identified and mapped by OMH in FY2021:

Our Business 'Economic'

Business Ethics
Actions that are taken to safeguard ethical business conduct and eliminate all forms of corruption and anti-competitive behaviour within the organisation

Compliance
Measures implemented to ensure OMH complies fully with all applicable laws and regulations within the jurisdiction in which it operates

Economic Performance
Sustained business growth through sound management and distribution of economic value generated by OMH

Product Quality & Safety
Systematic efforts undertaken to ensure high quality production of goods and to minimise health and safety impacts of OMH's products

Supply Chain Management
Management of supply chain activities which include actions taken to support local suppliers, and to ensure OMH's supply chain continuously adheres to environmental and social best practices

Our People 'Social'

Occupational Health & Safety
Maintaining a safe work environment and culture through focused and continued investments to anticipate, recognise, evaluate and control hazards arising in or from the workplace that could impair the health and well-being of employees, workers and customers

Human Rights
Measures that are implemented to protect employees' and workers' right across OMH's operations and supply chains. This encapsulates matters such as child labour, labour rights, freedom from slavery and torture

Community Development
Voluntary contributions made toward the surrounding communities across OMH's operations, including engagement and activities to create a positive social and environmental impact

Talent Management
Initiatives that are undertaken to attract and retain diverse talents through fair treatment and employment as well as providing opportunities for capability building and upskilling

Our Environment 'Environmental'

Energy & Emissions
Initiatives implemented to minimise the discharge of environmentally hazardous substances and greenhouse gases into the atmosphere through efficient use and consumption of energy generated from renewable and non-renewable sources

Water & Effluents
Steps taken to manage water consumption across OMH's operations. This includes efficiently utilising water for smelting processes and general purposes, as well as discharging wastewater in accordance with discharge limits stipulated

Waste Management
Efforts that are taken to minimise OMH's environmental impact through the management of hazardous and non-hazardous waste

Land Remediation, Contamination or Degradation
Efforts undertaken to manage soil quality and initiatives implemented to remediate land contamination across OMH's operations

Major Targets for 2022

Supply Chain Management

Prepare and send Supplier's a Code of Conduct

Audit 5 suppliers for quality control, child or forced labour, workplace health & safety, conditions at work and dormitory

Occupational Health & Safety

Commit to Zero Workplace Fatality Case

Achieve ISO 45001 (Occupational Health & Safety Management System) in FY2023

Talent Management

60 local employees trained to replace foreign staff at OM Sarawak

Energy & Emissions

Comply with Malaysian Ambient Air Quality Guideline ("MAAAQG")

Achieve ISO 14001 (Environmental Management System) in FY2023

Complete tapping de-duster pilot plant trials by 1H 2023

Waste Management

Repurpose at least 80% of scheduled waste generated each year

Water & Effluents

Ensure effluent water monitoring parameters are within the permissible limit

ECONOMIC

Compliance

Full compliance with the applicable laws and regulations, alongside adopted standards, are essential for maintaining OMH's license to operate. OMH focuses strongly on compliance-related activities and works towards continuous improvement. OMH is governed by the following policies, including but not limited to:

- **Risk and Internal Control Policy**
- **Code of Conduct for Directors and Key Executives**
- **Code of Ethics and Conduct**
- **Environmental Policy**
- **Anti-Bribery and Corruption Standard**

In relation to compliance matters, the Board and management are responsible for reviewing and ratifying the systems of risk management, internal compliance and controls, codes of conduct and compliance according to applicable legislative requirements. We also ensure policies and compliance systems are consistent with OMH's objectives, and that OMH and its officers act legally, ethically and responsibly at all times.

Read more on the policies on our website: http://www.omholdingsltd.com/aboutus/corporate-governance/ and our Corporate Governance Report integrated into this Annual Report

The implementation of the Code of Ethics and Conduct serves as a guideline for maintaining the highest ethical standards as well as compliance with legal obligations across the Group. As a general rule, all Directors, senior executives and employees are expected to adhere to the Code of Ethics and Conduct to ensure compliance across the Group's operations. The Code of Ethics and Conduct can be found on OMH's website.

In addition to complying with applicable legal requirements, such as the Occupational Safety and Health Act 1994, Environmental Quality Act 1974, Company Act 2016 and Employment Act 1955, OM Sarawak is also subject to annual environmental audits against the International Finance Corporation's ("IFC") Environmental and Social Performance Standards imposed by our project lenders. The project lenders consist of a syndicate of leading local and international bankers listed on our Corporate Directory that funded OM Sarawak's construction which started in 2012.

To keep up with changes in the regulatory landscape, we consult with our in-house and third-party legal consultants or advisors on a case-by-case basis. We also engage with the relevant authorities regularly to ensure our business operations are in compliance with laws and regulations. Other regulatory updates are received through newsletter subscriptions, where applicable, and are circulated internally to the relevant departments.

Environmental Compliance

OM Sarawak has the following committees established to monitor and ensure compliance with the Environmental Quality Act 1974 and its regulations:

a) Environmental Regulatory Compliance Monitoring Committee ("ERCMC"); and
b) Environmental Performance Monitoring Committee ("EPMC")

The ERCMC comprises of OM Sarawak's Managing Director, Deputy Chief Engineer, Deputy General Manager (Finance & Costing), Senior Manager Commercial, General Manager (Production), General Manager (HR & Admin) and Environmental Manager. It was established to review and decide on environmental improvement approaches. The EPMC implements the approved environmental plans, improvement approaches, monitors the effectiveness of the executed plans and reports back to the ERCMC. Furthermore, environmental, health and safety performance is reported on a periodic basis to an Independent Technical Engineer appointed by our project lenders as required by the Equator Principles ("EPs"). Environmental compliance audits are conducted by external parties and findings are consolidated in a compliance assessment which is incorporated in an Environmental Report submitted to our project lenders.

In FY2021, OM Sarawak recorded zero cases of non-compliance against environmental, health and safety laws and regulations, and achieved a target of zero incidents of non-compliance set by the Department of the Environment ("DOE").

Socioeconomic Compliance

There were no incidents of non-compliance with socioeconomic laws and regulations recorded, and OMH was not subject to any significant fines or non-monetary sanctions.

In the years 2019 to 2021, OMH has acted in accordance with all applicable laws and regulations regarding tax compliance in all our jurisdictions where we have a presence in and was not subject to any significant fines or monetary sanctions for non-compliance with tax laws and regulations.

However, it should be noted that OMM, OMH's mining subsidiary in Australia, has been served a summons to attend court during this reporting period. This was in relation to a fatal accident which occurred on-site at Bootu Creek mine in August 2019. Investigations are still ongoing and will be updated through our disclosures to the ASX when available.

Forward-looking Plans

To further improve compliance monitoring and environmental, health and safety performance, we will be pursuing ISO 14001:2015 (Environmental Management System) and ISO 45001:2018 (Occupational Health & Safety Management System) accreditation for our smelting operations in Sarawak.

Read more on our Code of Ethics and Conduct on our website: http://www.omholdingsltd.com/aboutus/corporate-governance/ and our Corporate Governance Report integrated into this Annual Report

Economic Performance

OMH believes that our long-term success hinges on strong economic growth that does not compromise on our social and environmental performance. We are committed to delivering favourable results and long-term value creation to our shareholders and stakeholders, at the same time ensuring that our economic success is balanced with our environmental and social responsibilities.

To this end, each business unit has adopted a policy of responsible and proactive environmental management, and will work to ensure continued compliance with relevant legislative obligations in its business operations while ensuring sustainable financial returns.

Climate Risks and its Financial Implications

Regulatory (Transition) Risks

Our operations in each country that we operate in are bounded by national and local environmental laws and regulations. Changes in these laws and regulations will have a direct impact on our operations.

These laws and regulations set various standards regulating certain aspects of health and environmental quality, providing risks of penalties and other liabilities for the violation of such standards, and establishing, under certain circumstances, obligations to remediate current or former facilities where operations are or have been conducted.

SUSTAINABILITY STATEMENT

In meeting the requirements from the national and/or local environmental departments in each country that we operate in, we conduct regular in-house compliance monitoring and periodic environmental assessments.

Physical Risks

Smelting is fundamentally an energy intensive process and the production of ferrosilicon and manganese alloys consume substantial amounts of energy. The reliability, adequacy, and sustainability of the supply of electricity are critical to ensure production continuity for these operations.

Our Sarawak plant's power supply is predominantly from hydropower, and given the continuous nature of production, any unexpected disruption to power supply could disrupt the smelting process. For example, this may occur during unexpectedly dry periods induced by long-term climate change effects, which may lead to lower water levels in hydropower plants. An increase in cost arising from such disruption might be material and may not be fully compensated by our service providers.

Read more on our Sustainability Statement, Environmental – Energy & Emission integrated into this Annual Report.

COVID-19 Response

Safeguarding the health and safety of our employees whilst maintaining operational resilience remain our top priority. During the reporting period, the Group formulated and implemented the necessary measures to mitigate the financial impacts of the COVID-19 pandemic. We also strive to maintain stable production through constantly updating our business continuity plans in response to actual market conditions and logistic constraints to position the Group effectively against business continuity risks. Key initiatives implemented include:

1. Stockpiling critical raw materials to avoid unforeseen supply chain disruptions, which could potentially disrupt production and increase costs;
2. Deferring intensive capital expenditure since the start of the pandemic to preserve liquidity for working capital changes; and
3. Encouraging employees' active participation in vaccination drives to safeguard our workforce.

OMH has been strengthening our position within the region and seeks to be the ferroalloy supply partner of choice to major steel mills globally. With the Sarawak plant benefiting from competitively priced and reliable hydropower supply, the Group has long-term strategic plans in place to expand production sustainably.

Read more on our financial performance outlined in the following reports:

1. *Financial Statements section of this Annual Report; and*
2. *2021 Full Year Result Announcement and Appendix 4E for further financial analysis on our website: http://www.omholdingsltd.com/wp-content/uploads/2022/02/2022.02.28-ASX-Appendix-4E.pdf*

Product Quality & Safety

At our Bootu Creek Mine, product quality inspection through sampling and analysis are carried out at our on-site laboratory. Assaying is also independently conducted by a reputable surveyor at the Darwin Port at the time the product is loaded onto vessels.

As the largest producer of ferroalloys in South East Asia, OMH strives to produce commodity grade products that comply with all relevant standards, and specialty products that satisfy customers' requirements. This is accomplished by a thorough approach to production and logistics, with multiple sampling points along the production process. All our products are shipped with an in-house laboratory certificate, with independent certification from reputable international surveyors and laboratories which are available on request.

Products being sampled at the quality inspection centre in OM Sarawak.

We have established quality inspection centres at our smelting plants, which oversee the quality control procedures at different stages of production. The process begins with raw materials, which undergo a series of sampling, laboratory analysis, and physical inspections. Our plants are fully equipped with the requisite laboratory equipment to carry out sampling and analysis on raw materials and finished products, as well as multiple sampling and analysis throughout the smelting process.

Product Safety Information ("PSI") are provided for all our products to customers and logistic service providers upon request, with tests in accordance with relevant chapters from the UN Recommendations on the Transport of Dangerous Goods, Manual of Tests and Criteria, and also in accordance with UN Globally Harmonized System of Classification and Labelling of Chemicals to provide relevant health, safety and environmental ("HSE") information. Our ores also meet the requisite regulatory, safety, and environmental standards where they are marketed.

All ferroalloys produced by OMH are highly commoditised. Accordingly, there are minimal differences between ferroalloys produced in different plants of the world, and are therefore fungible. As long as a product meets a standard set of specifications, it is deemed to be of the same grade and quality. Manganese ore on the other hand is largely determined by geology, with each region producing a unique product that cannot be altered substantially. Consequently, research and development on product quality and safety are not relevant as ferroalloys are a group of relatively well-defined industrial products with fixed specifications, while manganese ore specifications are determined by geological factors and only need to comply with relevant safety and environmental standards.

Across the Group, we strive to produce products that comply with contractual requirements. We provide a direct primary channel of feedback via our marketing department, and any cases of product non-compliance are addressed jointly with the relevant quality inspection centres.

Supply Chain Management

- **Prepare and send Supplier's a Code of Conduct**
- **Audit 5 suppliers for quality control, child or forced labour, workplace health & safety, conditions at work and dormitory**

Responsible and sustainable supply chain management is important to encourage suppliers to responsibly build sustainable businesses themselves, with a net positive impact on communities and the environment.

Supply Chain Assessment

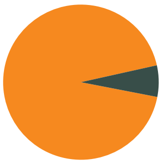
Across the Group, our value chain consists of over 600 suppliers globally, comprising suppliers of raw materials, energy, goods, services, and logistics.

OM Sarawak currently has standard operating procedures in place for annual performance evaluations for raw material suppliers, and these procedures are compliant with the IFC Environmental and Social Performance Standards. From 2018 to date, all raw material suppliers under evaluation were required to provide a Declaration Letter of Compliance in relation to the employment of sustainable practices and the non-employment of child and forced labour.

Based on these evaluations, a contractor or supplier may be disqualified as a vendor if it does not meet the required standards. In 2021, all major raw material suppliers completed these declarations and evaluations and none were disqualified.

To support the local economy, we actively procure our products and services within the countries our business operates in. Given the highly specialized nature of ferroalloy production, it is not uncommon for bulk raw materials, such as ore or metallurgical coke, to be only available in certain geographies. As such, bulk raw materials are often purchased from foreign suppliers as they are not available locally.

Procurement Spending (FY2021)



Note: Aggregate data from OM Sarawak

Conversely, auxiliary material suppliers and service providers are mostly domestic, and these small to medium enterprises account for the majority share of our suppliers. For our operations in Sarawak, we engaged a total of 298 suppliers, of which approximately 89% were local suppliers and 11% were foreign.

Suppliers Contracted (FY2021)

Note: Aggregate data from OM Sarawak

Forward-looking Plans

We aim to improve on our existing guideline by establishing a Supplier Code of Conduct in 2022. In the next two (2) years we have set the following objectives:

- To align and incorporate the ISO 14001 and ISO 45001 requirements in the Supplier Code of Conduct, which align with the Group's initiatives on environmental protection, and compliance with human rights, labour and social standards; and
- To establish policies to conduct ad-hoc supplier audits internally by reviewing supplier documents and conducting random site audits, where feasible.

SOCIAL

Occupational, Health and Safety

- **Commit to Zero Workplace Fatality Case**
- **Achieve ISO 45001 in FY2023**

Occupational Health and Safety ("OHS") is intrinsically linked to the way we work and is of utmost importance to OMH, given the nature of the industry we operate in. As a Group, we are committed to achieving the highest possible performance when managing OHS-related matters across all business operations, with a target to eliminate all incidents and injuries.

In line with the Group's values, the safety and wellbeing of our employees is of critical priority, as reflected in our materiality matrix. Our operating subsidiaries manage risk through a planned and careful approach focusing on hazard identification, minimisation and monitoring.

Compliance

Our mining operations in Australia and smelting operations in Malaysia and China are required to comply with national and local occupational health and safety laws and regulations.

OMM, our mining entity that owns and operates the Bootu Creek Mine in Northern Territory, Australia, must comply with the OHS requirements found in the Work Health and Safety (National Uniform Legislation) Act 2011 that sets out the legislative health and safety requirements of a mine site and the activities associated with mining. Regular safety inspections are conducted at the Bootu Creek Mine to assess compliance with the Work Health and Safety Act. OMM also has a Risk Management Plan in place to safeguard the health and safety of employees at the mine site. All employees are required to report all accidents, incidents and injuries to their supervisors immediately when they occur.

Our smelting operations in Sarawak, Malaysia is required to comply with the Occupational Safety and Health Act 1994 and its regulations, Guidelines and Code of Practices as enforced by the Department of Occupational Safety and Health ("DOSH") under the Ministry of Human Resources Malaysia. These laws, regulations and guidelines cover the general safety, health and welfare of employees. We are also governed by the Factories and Machinery Act 1967 under which periodical inspections of our lifting and hoisting equipment, unfired pressure vessels and general installation in our Sarawak plant are conducted by the DOSH officers. These laws and regulations are communicated to employees through Health and Safety Committee meetings, toolbox meetings and social media platforms (such as working group chats). Other forms of communication include distribution of internal memos, induction training and refresher training.

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

Health and Safety Governance

At OM Sarawak, we recognise the importance of a robust and comprehensive health and safety management system. The OHS management system emphasises the importance of managing the hazard risks and involves all levels of employees and non-employees. The management system is supported by an OHS

SUSTAINABILITY STATEMENT

Policy which communicates OM Sarawak's aims of achieving zero work-related fatalities and creating a safe and conducive environment where everyone has full ownership of implementing good OHS practices. The policy emphasises that safety is a shared responsibility and accountability for maintaining a safe work environment falls on all levels of management and employees.

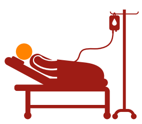
OM Sarawak established a Health and Safety Committee that meets on a quarterly basis to discuss OHS matters. The committee is chaired by top-level management including OM Sarawak's Managing Director and Deputy Chief Engineer, assisted by the Health and Safety Manager as secretary, and a balanced quorum of employees comprising of representatives from management and non-managerial levels. The committee's primary function is to assist with the development of OHS policies and initiatives, review the effectiveness of OHS programmes implemented, as well as recommend improvements to OHS procedures and the existing OHS management system. The committee also investigates OHS incidents that occur and recommends suitable control measures to prevent recurrence.

In addition to the Health and Safety Committee, OM Sarawak has in place a Health Team, an integral part of the Health and Safety Department. The team organises health awareness talks and programmes for employees which cover topics such as infectious diseases and general health. The Health Team comprises experienced medical personnel that are well-equipped to manage employees' occupational health matters. The team develops yearly health programmes (e.g., health check-ups for all levels of employees) and provides 24 hours on-site treatment.

The Health and Safety Department has also established a Fire Protection Team that comprises trained personnel to manage plant fire safety. The Fire Protection Team is responsible for maintaining the plant fire protection equipment and conducting emergency and fire drills. These drills are performed periodically in collaboration with OM Sarawak's other health and safety departments and teams, as well as the local fire department.

OM Materials (Sarawak) conducted a Fire Drill in collaboration with Sarawak Fire and Rescue Department (Bomba) Samalaju at the Samalaju Lodge (Local Camp) on November 16, 2021

OM Sarawak also provides its employees with the following health services that are included as part of their employment benefits:



General hospitalisation scheme

General personal accident

On-site health care facility for early treatment

Panel clinic and in-house ambulance

Yearly health check programme

Dedicated health team with 24 hours onsite treatment

Hazard Identification, Risk Assessment and Risk Control ("HIRARC")

Hazard Identification, Risk Assessment, and Risk Control ("HIRARC")

HIRARC is a process methodology that is a fundamental component of OM Sarawak's OHS management system. All work activities are adequately evaluated in accordance with the prescribed HIRARC procedures and findings are communicated to all relevant parties. The HIRARC procedures are coherent with the corresponding work instructions and are reviewed if gaps are identified.

Incident investigation processes are also in place to swiftly investigate incidents by identifying causal factors, providing control measures and a lesson learned process to avoid similar recurrence. For example, in FY2021, an incident was logged due to extreme heat. In response, controls around permissible number of employees exposed to a heat source and degree of heat exposure were reviewed and updated to prevent reoccurrence.

Additional initiatives that are currently in place to ensure OHS matters are well-managed include:

Accident Prevention Starts from Me ("APM") Guidelines

APM is a proactive tool to identify and eliminate unsafe acts and unsafe working conditions. It solicits employees' participation in the early detection of hazardous situations without any reprisal if the act or condition is reported in good faith.

Health and Safety Grievance

There are numerous channels and platforms for employees to report any unsafe acts or unsafe conditions in the workplace. Among them is the APM guidelines which provides a form for employees to fill and submit to the Health and Safety Department. Employees can also raise OHS-related concerns through daily toolbox briefings and Health and Safety Committee meetings.

A total of 40 unsafe acts and conditions for improvement were reported in FY2021 by employees via the APM guidelines.

A safe mobile hotline service has also been made available as a communication channel for employees to report unsafe acts or conditions in the workplace.

Health and Safety Inspections and Audits

OM Sarawak conducted internal health, safety and environmental (HSE) audits as well as site and furnace inspections throughout FY2021, and will continue to do so and report all findings and rectifications in OM Sarawak's Safety Improvement and Management of Hazards Campaign (SIMHAC) forms.

The primary objective of the internal inspection and audit function is to assist and assure OM Sarawak exercises a systematic and disciplined approach to evaluate and improve the effectiveness of health and safety management and governance.

The SIMHAC audit team comprises members from relevant disciplines with expertise in the following: production, equipment and engineering, safety and health, as well as environment. The audit is conducted at least once a year. The Health and Safety Department have also conducted a total of 1,452 recorded site inspections in FY2021.

Protecting Our People During the COVID-19 Crisis

The smelting operations at our Sarawak plant was adversely impacted by the COVID-19 pandemic as outlined in our Processing and Smelting Operational Review section. In response to the pandemic, OM Sarawak established a COVID-19 Task Force Committee to safeguard the safety and wellbeing of employees, and actively supported and participated in the Industry Vaccination Administration Centre programme conducted by the government. In collaboration with Pejabat Kesihatan Bintulu (Bintulu Health Office), a COVID-19 Low-Risk Quarantine and Treatment Centre, or commonly known as Pusat Kuarantin dan Rawatan COVID-19 ("PKRC"), was also set up as a close contact quarantine centre to cater for cases within the Samalaju Industrial Park ("SIP") area. We also continue to ensure there is a strict adherence to the COVID-19 standard operating procedure in our operations.

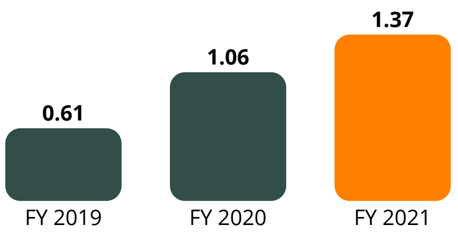
Health and Safety Training

To minimise risks, all employees and non-employees are required to undergo relevant OHS briefings and trainings. This year, we recorded 55,782 OHS-specific training hours recorded by 644 employees, while 307,692 induction training hours were recorded by 1,782 new employees and contractors.

As part of OM Sarawak's contractor management procedures, contractors are required to provide their commitment towards providing a safe workplace by signing a Health and Safety Agreement. The contractual agreement comprises OHS requirements such as the provision of personal protective equipment and maintaining equipment to ensure a safe workplace. OM Sarawak's OHS Policy is also affixed to the agreement.

Safety Performance

Lost Time Injury Frequency Rate



Note: Aggregate data from OM Sarawak

In 2021, a total of five (5) lost time injury cases were recorded across the 3,660,594 man-hours worked at OM Sarawak. The Lost Time Injury Frequency Rate (LTIFR) for the reporting year was 1.37, an increase of 0.31 compared to the previous year. Lost time injury includes fatality, permanent disability or serious bodily injury as described in the Occupational Safety and Health Act under Notification of Accidents, Dangerous Occurrence, Occupational Poisoning and Occupational Disease Regulation 2004 First Schedule.

Incident investigation techniques widely used at OM Sarawak include the root cause analysis and the '5 Whys and 1 How' technique. These techniques allow OM Sarawak to identify contributing and underlying factors and formulate appropriate control measures.

Key Initiatives and Forward-looking Plans

In 2022, we will resume annual health check-ups for employees and our Chemical Health Surveillance for selected employees who are deemed to be at higher risk to chemical exposure. These had been temporarily discontinued due to the COVID-19 pandemic. Safety improvements and a Management of Hazards Campaign will also be launched in 2022. A longer-term target will be established to align the current OHS Management System with ISO 45001:2018 (Occupational Health & Safety Management Systems) with plans to obtain certification by the end of 2023.

Finally, our on-site healthcare facility will be upgraded in 2022 and will be equipped with a sterilisation machine, medical grade air filter, cardiac monitor, additional treatment beds and includes the acquisition of a new ambulance. A Road Safety Campaign will also be carried out in 2022, along with the construction of a pedestrian walkway to ensure improved safety for employees moving around the plant's compound.

Community Development

The Group believes that our activities can play a key role in sustainable community development, by serving as a catalyst for positive economic and social change.

As a Group, OMH's main focus is to support the local community with a better quality of life by improving standards of living for underprivileged communities. Our efforts are unique to regions we operate in as they vary based on local needs.

Read more on our policies in relation to community development on our website:
http://www.omholdingsltd.com/aboutus/corporate-governance/

1. *Code of Ethics and Conduct*
2. *Diversity and Inclusivity Policy*
3. *Community Relations Policy*

Supporting Our Local Community

OM Sarawak

We actively engage with stakeholders that are impacted by OM Sarawak's activities. To contribute meaningfully to the wellbeing and development of the local community, dialogue sessions are conducted to understand their perspectives, needs and concerns.

Over the years, OM Sarawak has implemented initiatives and support programmes to give back to the community. These include educational programmes, fundraising dinners for sports and recreation programmes, and local infrastructure improvement projects. These activities, however, were temporarily halted in 2020, following the COVID-19 pandemic, and will resume once the situation permits.

Some of the beneficiaries, programmes and events that OM Sarawak supports are:

- Villages surrounding SIP
- Sports and recreational associations
- Back-to-school programmes
- COVID-19 sponsorship for medical apparel
- Local government agencies – health division offices, fire department and ex-police association

We also provide employment opportunities, and constantly seek to increase the local share of employment. This is further elaborated under Talent Management.

Donations and sponsorships are provided in a transparent manner and must undergo internal approval processes. In 2021, OM Sarawak made donations and sponsorships totalling AUD 126,978 (equivalent to USD 92,770) to the local community. The majority of the contributions comprised of personal protective equipment donated to the Bintulu Division Health Office to facilitate the COVID-19 vaccination programmes and various case detection activities within the Bintulu Division.

OM Sarawak donated laptops and Personal Protective Equipment (PPE) to Bintulu Division Health Office. The donated items which consist of laptops, disposable coveralls, latex gloves, medical gowns, and hand sanitisers, will be used to facilitate the COVID-19 vaccination programmes within Sarawak, as well as various active case detection activities within Bintulu division

OMM

For our mining entity in Australia, OMM actively engages with traditional landowners and other persons who may be directly affected by the operations at the Bootu Creek Mine. These engagements are conducted through regular meetings with community representatives.

The protection of significant cultural and heritage sites has been widely promoted among employees. As a contribution to traditional landowners, several community projects including fencing of sacred sites, road maintenance and minor rehabilitation programmes were carried out.

To support the Indigenous community, employment and upskilling opportunities are also provided to Indigenous candidates through various training programmes.

Negative Impacts on the Local Communities

OM Sarawak operates within a dedicated industrial park and the nearest local community is situated approximately 10 km away from the plant. Notwithstanding this, the following have been identified as potential impacts that could negatively affect the livelihood of the local communities.

- Traffic Generation Impact – The key impact on the main road network is the trucking of containers via the Bintulu-Miri Coastal Road. However, bulk raw materials and bulk export products are transported between OM Sarawak and the Samalaju Port by trucks via the Site Access or Coastal Road and are not anticipated to have a significant traffic impact on external road networks. Most workers stay within the Samalaju New Township which is located within the SIP. To prevent traffic congestion, in-house bus services to transport workers to and from our Sarawak plant to Samalaju New Township are provided.
- Socio-Economic Impact – negative impact to the local community in terms of increase in traffic flow, number of foreign workers and health and safety concerns. To address this, OM Sarawak has established a mechanism to manage grievances and expectations from local stakeholders.

All other key environmental impacts are identified and documented in the Detailed Environmental Impact Assessment ("DEIA") Report and mitigation measures are also listed for execution. Under the EPs and IFC Performance Standard requirements, OM Sarawak is also required to conduct annual engagements with relevant stakeholders to share the latest environmental updates. Other initiatives implemented to manage environmental impacts are further elaborated under the Environmental section.

Forward-looking Plans

To enhance our community outreach programmes, OM Sarawak plans to organise the following activities in the near future:

- Community projects in collaboration with schools and non-governmental organisations ("NGOs"); and
- Establish platforms to sell goods produced by groups and NGOs to support local economic growth

Human Rights

Human rights are fundamental principles of personal dignity and universal equality. Respect for human rights fosters social progress, better standards of living and greater freedom for individuals. OMH is committed to respecting human rights across our business and to upholding the laws and regulations of the countries in which we operate.

OMH's Human Rights Policy was established to help protect the human rights of our stakeholders, and to prevent all forms of violation. Our key commitments towards human rights are outlined below:

- Respect the rights and dignity of employees, contractors, partners, local communities and those affected by our businesses;
- Provide equal opportunity and an environment free from discrimination including support for the principles of freedom of association and collective bargaining;
- Not condone or use forced, compulsory or child labour; and
- Protect personnel and assets in a secure environment in which business operations can be conducted efficiently and successfully.

Read more on our Human Rights Policy and other relevant policies, standards and codes on our website: http://www.omholdingsltd.com/aboutus/corporate-governance/

1. *Human Rights Policy*
2. *Diversity and Inclusion Policy*
3. *Code of Ethics and Conduct*
4. *Whistleblower Protection Standard*

All personnel and applicable external parties will be provided with access to a copy of this policy via OMH's website.

Human Rights Risks Assessment and Management

At OM Sarawak, we ensure strict compliance with our Labour Policy which prohibits the employment of children and young persons, where 'child' is defined as a person under 15 years of age and 'young persons' as those above 15 years but below 18 years of age, based on the Sarawak Labour Ordinance.

As explained in Supply Chain Management, we also ensure that all raw material suppliers comply with these human rights standards. Suppliers are required to sign an annual declaration to confirm that they do not employ children or use forced labour. If any forms of child or forced labour are discovered through visits or site audits otherwise made known to us, OM Sarawak will take prompt steps to remedy the situation.

Step 1:
Request suppliers to provide improvement plan with identified root causes, and containment and preventive actions.

Step 2:
Visit supplier's factory to conduct site audit. Interview workers and conduct documentation checks to verify corrective action taken to remediate child and/or forced labour issues.

Step 3:
If audit findings are unsatisfactory:
1. Suspend supplier
2. Remove supplier from OM Sarawak's supplier list (instantly or within a definite timeline)
3. Re-qualify supplier by conducting a second site audit and ensure that zero incidents of non-conformance or violation of human rights are found

OM Sarawak's Supplier Assessment and Management

Key Initiatives

Supplier Performance Evaluation

Annual performance evaluations, which include compliance with human rights standards, are conducted for all raw material suppliers. Preferred vendors will be rated "A" if they achieve an overall score of 80% and above. If the supplier is rated "D", they will be disqualified as a vendor. OM Sarawak is looking to extend these evaluations to other key suppliers in the near future.

Overall Score	Grade	Condition
80.00% and above	Grade A	Preferred Vendor
Below 79.99% until 65.00%	Grade B	Generally Acceptable Vendor
Below 64.99% until 40.00%	Grade C	Conditionally Acceptable Vendor (with minor areas of concerns)
Below 40.00%	Grade D	Non Recommended Vendor

Note: OM Sarawak's Scoring Evaluation

Equal Opportunities

OMH does not condone the unfair treatment of individuals based on factors such as age, gender, and beliefs, among other factors. Equal opportunities are offered to all qualified individuals in recruitment, compensation, promotion, training and other employment practices based on merit, ability, performance and potential.

Grievance Mechanism

Cases of human rights violations can be reported using the whistleblowing channel outlined in the Whistleblower Protection Standard.

All officers, employees and contractors of OMH must comply with this standard, which is aligned with our Corporate Governance, section 3 Ethical Standards, 3.3 Whistleblower Policy.

Read more on our Whistleblower Protection Standard on our website:
http://www.omholdingsltd.com/aboutus/corporate-governance/

OM Sarawak also has a Grievance Policy in place. All new employees are briefed on the policy during induction. Posters in multiple languages (English, Mandarin, and Malay) are made available in offices and plant buildings to increase awareness among employees and contractors on the grievance mechanism in place.

Employees can scan the QR code provided on the posters and log their grievances through an online form. A team is appointed to act upon and resolve grievances that are submitted. In FY2021, seven (7) grievances were recorded and resolved.

Forward-looking Plans

To enhance the protection of human rights across our business operations, we are looking to conduct the following:

- Obtain ISO14001 and ISO45001 certification for environmental management system and occupational health and safety management system respectively by the end of 2023;
- Provide copies of employment contract terms in the native language of foreign employees;
- Conduct awareness briefings for employees on the Grievance Policy; and
- Establish standard operating procedures for supplier social compliance which includes the development of a Supplier Code of Conduct to ensure suppliers meet international human rights standards.

Talent Management

- **60 local employees trained to replace foreign staff**

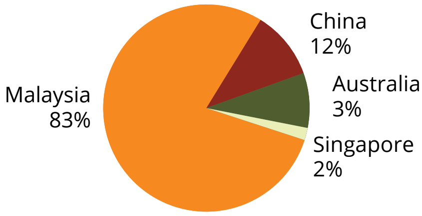
Human capital plays a pivotal role in driving the achievement of OMH's business objectives. We believe in building and strengthening our workforce, mentoring a versatile talent pool, and empowering our employees through various upskilling programmes to create an effective and resilient workforce.

Employees in the OM Sarawak's Office

Employment

As at 31 December 2021, we had 2,086 employees within the Group, of which 83% are employed at our smelting operations in Malaysia followed by China (12%), Australia (3%) and Singapore (2%).

Total number of employees within the Group

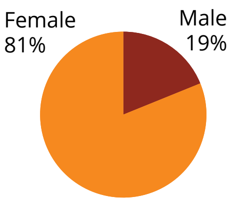


Note: Aggregate data from OMH

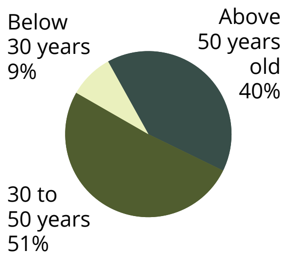
Due to the scale of our operations in Malaysia, the rest of this section will focus solely on OM Sarawak. Disclosures may extend to the entire Group as our sustainability reporting practices mature.

In FY2021, we recruited 297 new hires equivalent to a hiring rate of 18.6%. Our employee turnover rate was 30.9%, significantly higher than our historic hiring rate as a consequence of the COVID-19 pandemic (Refer to the Processing and Smelting Operational Review section).

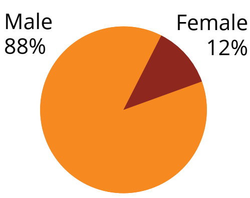
New Hires By Gender



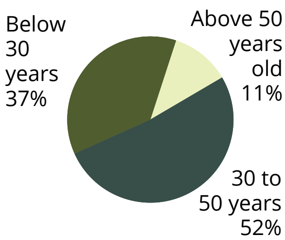
New Hires By Age Group



Employee Turnover by Gender



Employee Turnover By Age Group



Note: Aggregate data from OMH

During the year, OM Sarawak utilised several channels and collaborated with various organisations for recruitment purposes:

- Open interviews in collaboration with the Social Security Organisations;
- Open interviews at polytechnics and universities;
- Virtual career talks at local polytechnics and universities (such as Curtin University Sarawak, Swinburne University, Polytechnic Mukah);
- Internal hiring to provide career development and upskilling opportunities to our existing employees; and
- Job advertising on online job portals, online professional networking sites, newspapers and social media.

We support our new talents by conducting a one-day New Employee Induction Programme to introduce OM Sarawak's culture and inform them on important company and Group policies and procedures, such as grievance processes, safety, security, and disciplinary policies.

Diversity and Equality

Employees in discussion at OM Sarawak's meeting room

We value employing people of varying gender, age, skills, cultural backgrounds, ethnicities, nationalities, religions, and lived experiences. A diverse workforce, within the local context, is essential for resilient growth, improved productivity, and stronger engagement.

Recruiting and retaining the right people from a diverse pool of talented candidates enables the Group to:

- Make better informed decisions, innovate better, draw on a wider range of ideas, experiences, and approaches; and
- Better represent the diversity of local communities and stakeholders.

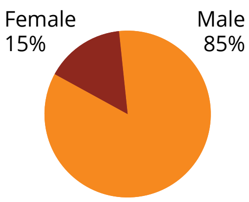
As outlined in our Corporate Governance Report on Diversity, the total representation of women employees across the Group, including women holding senior executive positions and those on the OMH Board, is as follows:

OMH Personnel	Number of Women	%
OMH Board of Directors	2	28.57
Senior Executives	4	25.00
Total of OMH Group employees	346	17.03

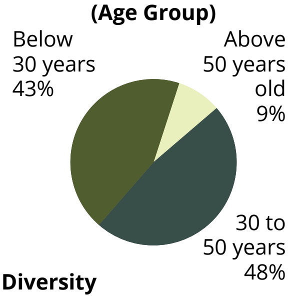
Note: Aggregate data from OMH

As at 31 December 2021, approximately 9.59% of OMH's mining subsidiary workforce consisted of Indigenous employees. During FY2021, it was also observed that the majority of OM Sarawak's workforce were male (85%) and aged 50 years and below (91%). Various ethnic groups are also represented at our smelting operations – 41% of OM Sarawak's employees are Chinese (which comprises both local Malaysians of Chinese ethnicity and foreign Chinese nationals), followed by 37% who are Iban.

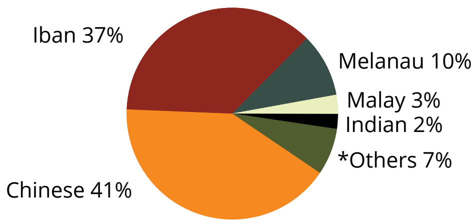
Employee Diversity



Workforce Diversity (Age Group)



Workforce Diversity (Racial Group)



*Others - Refers to several minor ethnic groups placed collectively under 'Others' such as Begetan, Bidayuh, Bisaya, Kajang, Kayan, Kedayan, Kegaman, Kenyah, Lahanan, Lun Bawar, Penan, Punan and others.

Note: Aggregate data from OM Sarawak

Read more on our Diversity Policy on our website: http://www.omholdingsltd.com/aboutus/corporate-governance/ and our Corporate Governance Report integrated into this Annual Report

Fair Remuneration and Benefits

OMH acknowledges that the provision of fair remuneration and benefits is essential for attracting and retaining employees. Therefore, we strive to provide competitive remuneration packages to our workforce. We also adhere to the minimum local wage standards that are applicable to our businesses (e.g., OM Sarawak adheres to the Sarawak Labour Ordinance and Minimum Wages Order 2018).

Annual leave and retirement contributions are mandatory for all employees. Additional benefits such as maternity and paternity leave entitlements, additional allowances, subsidies, and reimbursements vary depending on where our businesses operate.

Retirement Benefits

Retirement benefits for employees are provided through defined contribution plans, as provided by the laws of the countries in which the Group operates in:

a) Singapore: Central Provident Fund ("CPF")
b) Australia: Employee Superannuation Plans "(SUPER")
c) Malaysia: Employees Provident Fund ("EPF")

In response to the COVID-19 pandemic, flexible work-from-home arrangements were rolled out across the Group with the aim to keep all employees safe and reduce the risk of employees getting infected with COVID-19. Employees who were required to be on-site were segregated into non-overlapping teams with staggered shifts to ensure minimal physical contact.

Performance-based Remuneration

Within the Group, remuneration is predicated on job function and requirements, employee qualifications and working experience. No other distinctions are made based on gender or other diversity criteria. Variable performance-based compensation is determined based on the annual performance appraisal system in place which is conducted at least annually.

We also prioritise internal promotions and hire to retain employees, providing suitable career progression based on their strengths and demonstrated abilities. At OM Sarawak, we have a standard pay scale for technical operators and staff, and a structured competency-based career tracking and assessment programme for stoking operators as well as production engineers.

As at 31 December 2021, we recorded **152** promotions and internal hires, equivalent to a promotion or internal hire rate of **9.5%**

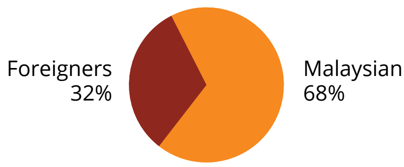
Investing in Our People

Efforts in Hiring Local Employees

Since entering its operational phase, OM Sarawak has worked to reduce its reliance on foreign employees. In 2014, Chinese nationals accounted for 80% of the entity's workforce, but this has reduced to 32% in FY2021.

As smelting is a relatively new industry in Sarawak, skilled core positions (currently mostly helmed by foreign manpower from China), generally require 10 to 15 years of on-site experience to acquire the necessary level of competency.

Percentage of Malaysian vs Foreigners



Initiatives implemented include:

- Creation of local management and trainee positions via training programmes
- Deployed semi-skilled local manpower to positions within the core furnace and maintenance operations through upskilling to skilled or technical roles
- Intensified localisation programmes
- Collaborated with the local university to enhance training programmes for local operators

Note: Aggregate data from OM Sarawak

SUSTAINABILITY STATEMENT

In 2021, as part of the continuous localization effort, we successfully trained 50 local employees to replace some of the roles that were previously filled by foreign manpower. This was made possible through our smelting operator development programmes, which helped to mitigate further production disruptions due to a shortage of skilled foreign labour as a result of COVID-19 related travel restrictions.

Worker at OM Sarawak takes product sample to be tested by soaking or splashing it with water.

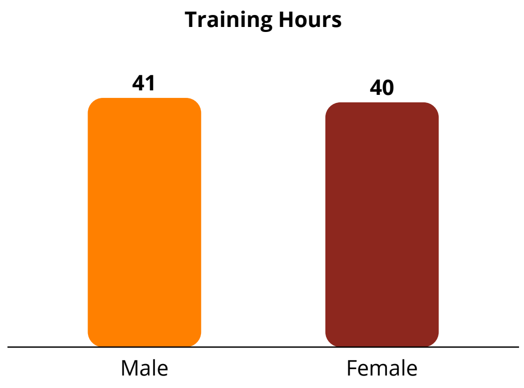
As mentioned previously, upskilling our workforce is crucial to sustaining continued growth and improvements in productivity and performance for the Group. We invest in our workforce through a variety of training programmes.

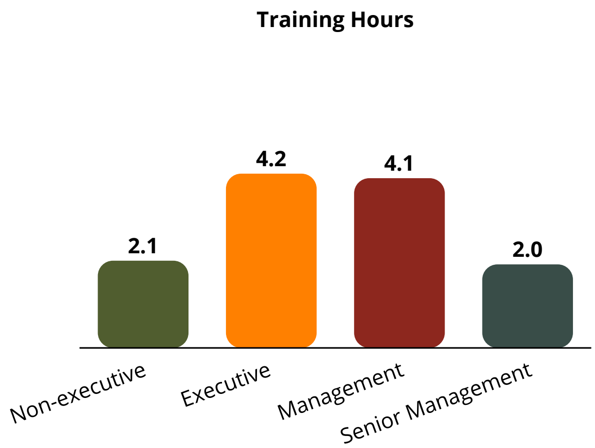
Internal and external training programmes conducted by OM Sarawak in FY2021:

Training Programmes Conducted

Technical programmes	Safety programmes	Competency training	Development training
• Stoking Apprentice I Training • Casting Training • Power Distribution Training • Smelter Lifting Training	• Kempen Pergi and Balik Kerja (Go and Return Campaign) • Conveyor Belt Safety Training • Basic Fire Safety Training • Smelter Safety Refresher Training • Chemical Handling and Safety Training	• Authorised Entrant and Standby Person • Occupational Health Nurse	• KAIZEN • Domestic Inquiry • Understanding of HACCP

Training programmes conducted in FY2021 included Technical Programmes, Safety Programmes, Competency Training and Development Training. These programmes were conducted to upskill the existing workforce, address competency gaps, as well as motivate and increase engagement among employees. In FY2021, we recorded the average training hours according to gender and employment category as follows:





Note: Aggregate data from OM Sarawak

Employee Engagement

- **Employee surveys**
- **Virtual online training**
- **Virtual online Townhall session**
- **Festive celebrations**
- **Annual dinner**
- **Sports activities**

In FY2021, employee engagement activities were limited due to COVID-19 and were largely conducted virtually to minimise physical contact. Employee activities that are usually carried out annually, such as festive celebrations, annual dinners and sports activities, were postponed to reduce the risk of employees getting infected with COVID-19. These activities will resume in the future when feasible and safe to do so.

Forward-looking Plans

OM Sarawak will continue training local operators at the highest rate possible, to provide sufficient manpower buffer in core operations and continue the localization process. We will also sponsor local workers to obtain the Certificate in Manufacturing Technology (Smelting), a joint venture upskilling programme with *Universiti Malaysia Sarawak* ("UNIMAS") which we announced in February 2022. At OM Sarawak, our long-term goal is to employ a workforce of at least 80% local employees. We also aim to roll out our Managerial Development Programme in the near future, to cultivate leadership and managerial talent.

ENVIRONMENTAL

Energy & Emissions

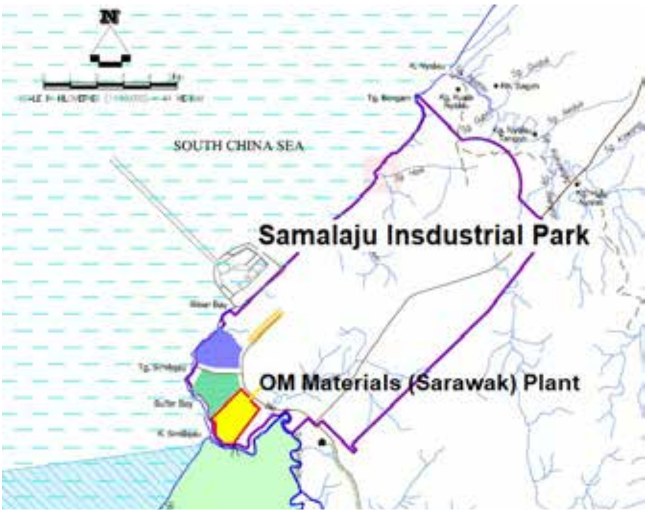
- Comply with Malaysian Ambient Air Quality Guideline (MAAAQG)
- Achieve ISO 14001 in FY2023
- Complete tapping de-duster pilot plant trials by 1H 2023

We believe the protection of the environment is a key responsibility of the Group. Hence, maintaining responsible practices in energy consumption and emissions management is crucial to protect the environment and to demonstrate good stewardship of natural resources.

Energy management practices at our flagship smelter complex in Sarawak, Malaysia, are implemented in accordance with the plant's Environmental Management System which was formulated in line with the ISO 14001:2004 standard. OM Sarawak is also pursuing ISO 14001:2004 certification.

Energy Management

The conversion of raw materials into ferroalloys involves high temperature smelting processes that consume large amounts of electricity. The electric arc furnace operates at varying temperatures, in excess of 1000°C, depending on the type of metal oxide reduction required for various ferroalloys.

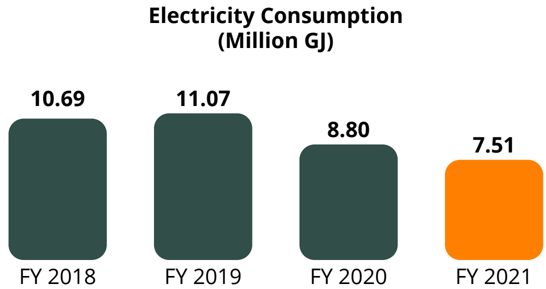


OM Materials (Sarawak) Sdn. Bhd. ("OM Sarawak"), one of the largest ferroalloy plants in the region, the Group's flagship smelter complex in Samalaju, Sarawak.

OM Sarawak occupies 202.35 hectares within the SIP which caters specifically for energy-intensive industries. Since the inception of the Sarawak plant, we have entered into a 20-year power purchase agreement ("PPA") (until the year 2033) with the State's power company for the continuous supply of competitively priced electricity at an initial capacity of 350 MW. Electricity supplied is predominantly generated from renewable sources.

While the main smelting operations consumes electricity, diesel fuel is also used for our logistics operations and for the transportation of raw materials and finished goods.

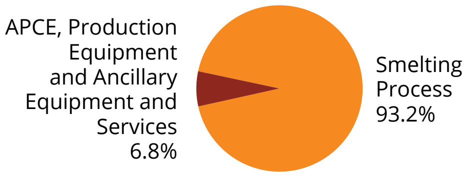
Electricity Consumption



Note: Aggregate data from OM Sarawak

OM Sarawak consumed 7.51 million gigajoules (GJ) of electricity in FY2021. Electricity consumption was reduced by 14.6% in FY2021 when compared to FY2020 - mainly due to reduced production during the COVID-19 pandemic, where only 12 out of 16 furnaces were in operation.

Breakdown of FY2021 Electricity Consumption

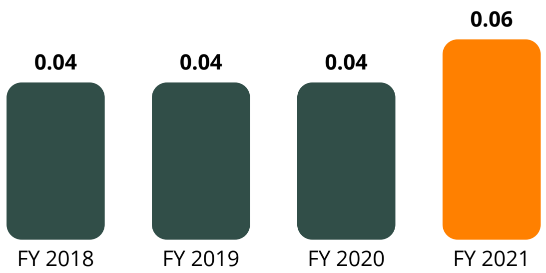


Note: Aggregate data from OM Sarawak

Out of the total electricity consumed in FY2021, 93.2% was used to power our smelting processes while the remaining 6.8% was consumed to operate the Air Pollution Control Equipment ("APCE"), production equipment and ancillary equipment and services.

Fuel Consumption

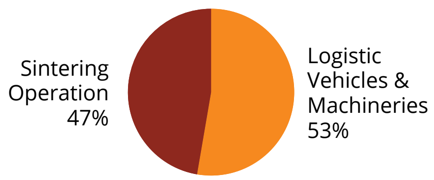
Diesel Consumption (Million GJ)



Note: Aggregate data from OM Sarawak

OM Sarawak consumed 0.06 million GJ of diesel in FY2021. The increase of 36.6% in diesel consumption was attributed to the trial operations of the sinter plant. The sintering trial operation accounted for 47% of the overall diesel usage for FY2021.

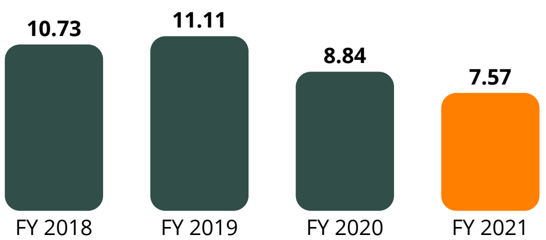
Breakdown of FY2021 Electricity Consumption



Note: Aggregate data from OM Sarawak

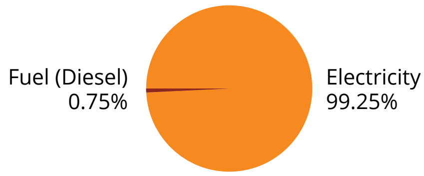
Energy Consumption

Total Energy Consumption (Million GJ)



Note: Aggregate data from OM Sarawak

Breakdown of FY2021 Energy Consumption

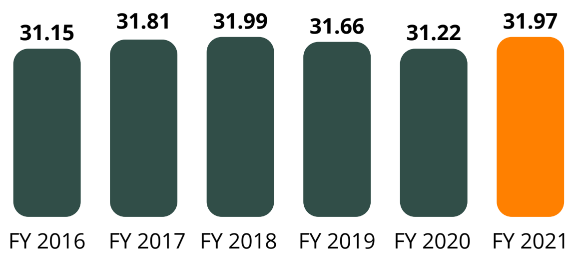


Note: Aggregate data from OM Sarawak

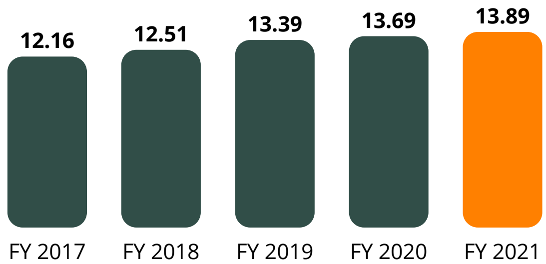
The overall energy consumption for FY2021 was 7.57 million GJ. 99.25% of the energy consumed was electricity and the remaining 0.75% was diesel fuel. The total energy consumption decreased by 14.4% as compared to FY2020 due to reduced production in FY2021.

Energy Intensity

Energy Intensity (GJ/Tonne of Ferrosilicon)



Energy Intensity (GJ/Tonne of Manganese Alloy)



Note: Aggregate data from OM Sarawak

In FY2021, the energy intensity to produce a tonne of ferrosilicon and a tonne of manganese alloy was 31.97 GJ and 13.89 GJ respectively, which was a 2.4% and 2.2% increase from FY2020.

The marginal increase in energy intensity for ferrosilicon was due to variations in raw material proportions and grades, a consequence of supply chain disruptions during the COVID-19 pandemic. The increase in energy intensity for manganese alloys was due to changes in the product mix, with lower energy intensive products being reduced from the product mix in FY2021.

SUSTAINABILITY STATEMENT

Key Initiatives and Forward-looking Plans

As part of our continuous efforts to improve energy management and facilitate sustainable production, the following optimisation plans are to be carried out on a continuous basis:

- Selecting better raw materials, better pre-processing of raw materials, and reusing sintered ore;
- Utilising improved instruments and process controllers to optimise the production processes; and
- Performing scheduled equipment maintenance and using improved process equipment to improve equipment reliability and provide higher operating efficiency.

In 2022, in collaboration with the International Manganese Institute (IMnI), a 'cradle-to-gate' Life Cycle Analysis ("LCA") will be conducted on manganese ore and manganese alloys to better understand our environmental footprint and benchmark ourselves against other producers in the industry. The scope of the LCA will cover processes from extraction of resources to processing (smelting), and stops at our plant gate. This assessment will assist our customers, who are major steel mills within the region, in making decisions that will benefit the environment as they lean towards enhancing sustainability in their supply chains.

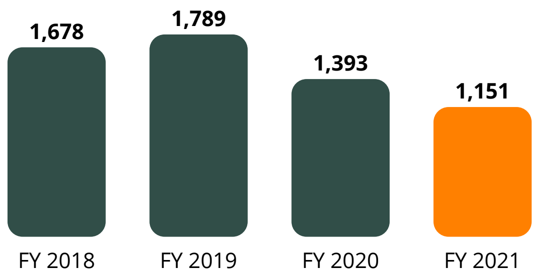
Greenhouse Gases (GHG) and Other Significant Air Emissions

We are fully committed to ensuring that air quality remains within the permissible level set out by the respective environmental regulatory bodies in the countries that the Group operates in. Continuous research and development on air quality improvements remain a long-term goal for OMH.

Our Sarawak plant in Malaysia is required to abide by the Environmental Quality (Clean Air) Regulations 2014 and the Malaysia Ambient Air Quality Standard 2020.

During the production of ferroalloys, the use of carbonaceous materials is required as reducing agents during the chemical conversion process, leading to the inevitable emissions of carbon dioxide (CO_2). Such emissions can potentially be reduced but cannot be eliminated completely with currently available technology.

Total GHG Emissions (Kilotonnes of CO_2-eq)

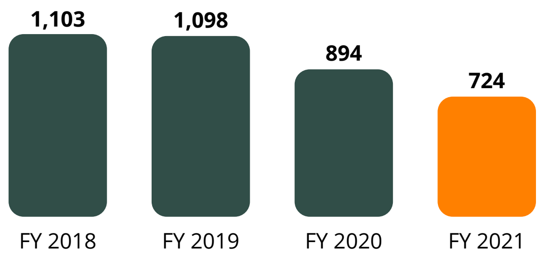


Note: Aggregate data from OM Sarawak

The total GHG emissions in FY2021 were 1,151 kilotonnes of carbon dioxide equivalent (CO_2-eq). Over the past three years, we have observed a decrease in total GHG emissions, with a 17.4% reduction recorded between FY2021 and FY2020. This decrease in emissions was mainly due to lower production activities. GHG emissions are calculated based on the Greenhouse Gas Protocol and 2006 Intergovernmental Panel on Climate Change ("IPCC") Guidelines.

Out of the total 1,151 kilotonnes CO_2-eq emitted in FY2021, 724 kilotonnes CO_2-eq were direct Scope 1 GHG emissions, and 427 kilotonnes CO_2-eq were indirect Scope 2 GHG emissions. Both Scope 1 and Scope 2 emissions decreased by 19.0% and 14.3%, respectively, compared to FY2020. As reiterated previously, this was due to a lower capacity utilization.

Scope 1 Emissions (Kilotonnes of CO_2-eq)

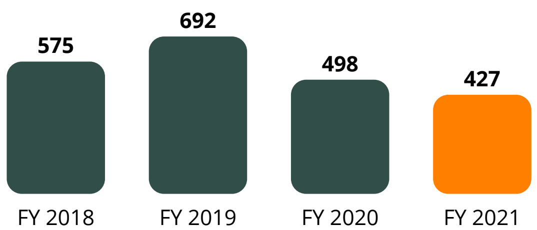


Note: Aggregate data from OM Sarawak

Scope 1 emissions are mainly derived from smelting processes. These emissions are the result of metallic oxide reduction and consumption of carbonaceous material during the reduction process. Scope 1 emissions disclosed exclude the combustion of fuel by company vehicles as the distance travelled to transport raw materials, products and by-products to the storage yard are not material.

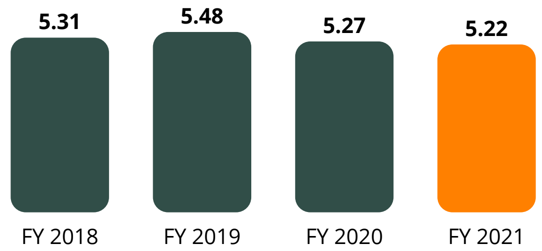
Scope 2 emissions are associated with the consumption of electricity from the power grid, which is predominantly powered by the hydroelectric dams in Sarawak.

Scope 2 Emissions (Kilotonnes of CO_2-eq)

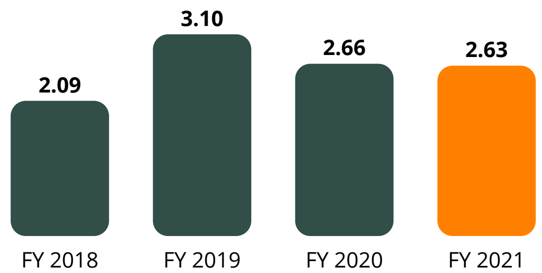


Note: Emissions factor for 2018 to 2020 are based on figures provided by Sarawak Energy Berhad. The emission factor used for FY2021 Scope 2 Emission calculation is based on FY2020 provided by Sarawak Energy Berhad.

GHG Emission Intensity
(CO_2-eq of per tonne Ferrosilicon Produced)



GHG Emission Intensity
(CO_2-eq of per tonne Manganese Alloy Produced)



Note: Aggregate data from OM Sarawak

The GHG Scope 1 emissions intensity ratio for FY2021 was 3.16 CO_2-eq per tonne of FeSi produced, a 3.9% reduction from FY2020. For manganese alloy, the FY2021 GHG Scope 1 emissions intensity ratio was 1.74 CO_2-eq per tonne of manganese alloy produced, a 2.8% reduction from FY2020.

Total Particulate Matter ("TPM") is monitored continuously through a Continuous Emissions Monitoring System ("CEMS") installed in the plant. The CEMS system is periodically audited and calibrated to ensure accuracy and reliability and is connected to the DOE of Malaysia in real-time. Quarterly Relative Response Audit ("RRA") tests are also carried out for all stacks at each furnace to ensure the validity of particulate matter readings. During routine maintenance of the CEMS, OM Sarawak will carry out hourly stack opacity observations according to OM Sarawak's standard operating practices.

Additionally, ambient air quality monitoring is performed to monitor SO_2, NO_2, and PM_{10} levels across all OM Sarawak's plant operations.

In FY2021, it was reported that all air quality parameters (i.e., total suspended particulate (TSP), particulate matter (PM_{10}), carbon monoxide (CO), nitrogen dioxide (NO_2) and sulphur dioxide (SO_2)) met the limits prescribed under the Malaysian Ambient Air Quality Guidelines ("MAAQG").

Key Initiatives and Forward-looking Plans

The Utilities and De-dusting System ("UDS") Department operates and maintains the APCE. The APCE are a series of equipment that work to prevent pollutants from entering the atmosphere. The operation is supervised by several competent personnel who are Certified Environmental Professionals in Bag Filter Operation ("CePBFO") and are acknowledged by the DOE. The UDS Department personnel perform daily inspections of the APCE and scheduled replacements of aged filter bags to reduce dust emissions.

As part of our ongoing initiatives, OM Sarawak also organises annual knowledge sharing sessions with industry peers to share sustainability practices especially when it comes to managing operations within SIP.

Resources are also being allocated to carry out research and feasibility studies to improve the filtration efficiency of the main furnace de-dusting systems, and to upgrade the current de-dusting systems used during the tapping process for ferrosilicon furnaces. OM Sarawak has performed trial tests using filter bags from various reputable manufacturers and has started utilising higher quality filter bags, with improved filtration media, to improve the filtration efficiency.

Improvement plans for upgrading the plant's ferrosilicon tapping de-duster systems were finalised in FY2021 and a pilot project is lined up for execution in 2022.

The new system designs will take into consideration various parameters, including the characteristics of dust, production processes and the on-site operating conditions to meet production requirements. The project design will include upgrading the current de-duster system, as well as modifying the extraction hood system and fume control dampers system. With the utilisation of a pulsejet system, the upgraded de-duster system will have a higher filtration efficiency and is expected to significantly reduce dust and fume emissions during the tapping process.

Waste Management

- **Repurpose at least 80% of scheduled waste generated each year**

Waste management forms an integral part of OMH's environmental responsibility. It is also a requirement that we comply with applicable laws and regulations, and that waste management strategies implemented are sustainable.

Across the Group, the Reduce, Reuse and Recycle ("3R") concept is embedded within waste management procedures.

There are no significant waste-related impacts arising from mining or processing activities at the Bootu Creek Mine in Australia. Waste rock and processing tails are stored on-site and are not acid generating. These wastes are managed in accordance with the Waste Management Plans for waste rock and tailings storage that was submitted to and approved by the Northern Territory Department of Primary Industry and Resources.

Read more on our ASX Listing Rules 5.8.1 & 5.9.1 Summary Information integrated into this Annual Report.

At OM Sarawak, waste management practices and initiatives are performed in accordance with the Environmental Quality (Scheduled Wastes) Regulations 2005 and are guided by the Environmental Management System. Waste generated is recorded in the Electronic Scheduled Waste Information System ("eSWIS") which was developed by the DOE.

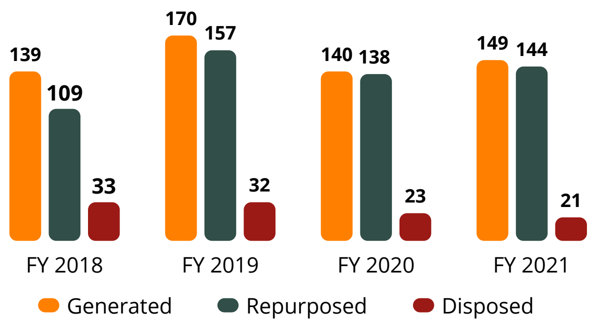
Silicomanganese slag is a green coarse glassy by-product of the silicomanganese smelting process, and is often repurposed for use in cement, or as an aggregate for use in construction. Silica fume is a fine powder-like by-product of ferrosilicon smelting and is recovered from our de-duster systems. It is often densified for use in the construction industry. Both by-products have been tested by SIRIM Behad ("SIRIM"), a national standards and quality organization in Malaysia, and have been certified to be non-reactive and are not expected to present danger to human health except through oral and nasal consumption. Based on the Toxicity Characteristic Leaching Procedure ("TCLP") analysis conducted by SIRIM, both by-products are well within the threshold limits for both organics and inorganics.

In FY2021, OM Sarawak generated 149 kilotonnes of scheduled waste, which was a 6.6% increase from FY2020. Both silica fume and silicomanganese (SiMn) slag are classified as SW104 by the DOE, being dusts and slags respectively, and constitute the majority of scheduled waste generated. 96.3% of the scheduled waste generated was repurposed in FY2021 and not disposed.

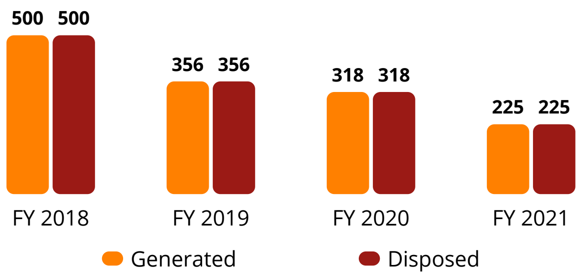
Hazardous waste storage facilities are also available on-site, and have been properly designed to contain and prevent the waste from contaminating any nearby water bodies with the following key handling and management practices in place:

- Stored in containers or waste bags that are compatible and durable to prevent spillage or leakage and segregated according to the types of waste;
- Containers and waste bags clearly labelled for identification with warning signs, waste code and name indicated;
- All scheduled wastes are transported to a DOE-approved treatment facility for final disposal or recovery; and
- Domestic and non-hazardous wastes generated are collected by government-authorised solid waste management contractors for disposal to approved landfill sites

Schedule Waste Breakdown (kilotonnes)



Non-Schedule Waste Breakdown (Tonnes)



Note: Aggregate data from OM Sarawak

Non-schedule waste generated for FY2021 was 225 tonnes, a 29.2% decrease from FY2020.

Key Initiatives and Forward-looking Plans

1. Collaboration with External Parties

OM Sarawak is currently collaborating with external parties to research and develop ways to repurpose waste generated by the plant.

The entity has been collaborating with a local higher learning institution under the Sarawak Research and Development Council Grant to study the potential usage of silica fume as raw material. The feasibility study is currently ongoing.

In addition, experiments for the potential use of SiMn slag to partly substitute clinker in Portland cement are currently ongoing too. OM Sarawak is collaborating with a local cement producer for trial studies. Studies on the application of SiMn slag as raw material for brick making, concrete block and road construction is also currently in the research and development stage.

OM Sarawak also took the initiative to launch its Food Waste Recycling Project in collaboration with a third-party local food waste processing entity, with the aim of converting food waste into organic fertiliser. In FY2021, 17,000 kg of food waste was collected and successfully converted to 850kg of fertiliser. This will be an ongoing activity to minimise disposal of food waste at the plant.

OM Sarawak collaborates with Ex-Community in food waste recycling project.

2. 3R Concept

All waste generated by plant operations is managed by OM Sarawak and third-party contractors are only engaged for disposal and recycling. We work hard to reduce the amount of waste disposed and incorporate the 3R concept across the subsidiary – this not only minimises our environmental footprint, but also promotes cost savings.

Non-hazardous wastes with commercial value, such as jumbo bags, heavy vehicle batteries, and used tyres, are segregated and sold to third-party recyclers. In addition, wood waste generated across the operations, mainly from used broken pallets and other wood-based materials, are repurposed as reductants for smelting.

OM Sarawak repurposes SiMn slag for internal use as an aggregate for roads and ground levelling works. Spent lubricant oil from on-site vehicles is sold to DOE-registered recyclers for biodiesel production.

OM Sarawak is also currently collaborating with a local higher institution under the Sarawak Research Department Council Grant, to reuse silica waste generated as a stabilising agent in peat soil. Preliminary results from the research project have demonstrated positive outcomes.

Furthermore, OM Sarawak has been granted a special permit by the DOE to recover silica fume to produce micro-silica products. Silica fume is recovered through a densification process to produce micro-silica for sale to construction industries. It is widely accepted as filling material in the concrete and cement industry. This grey coloured powder is categorised as a supplementary cementitious material and is used to harden concrete through hydraulic or pozzolanic activity.

OM Sarawak currently runs a silica fume densification process and aims to ensure that silica fume generated meets industry saleable requirements and targets to increase the saleable silica fume to reduce wastage and waste disposal costs.

3. Training

To ensure employees are aware of waste management practices, waste management plans for both industrial and hazardous waste have been developed for employees' reference. OM Sarawak plans to conduct waste management briefings and increase training frequency in the coming years.

Water and Effluents

Water forms an essential component of our business and OMH works to ensure water resources are adequately managed across our operations.

As iterated earlier, OM Sarawak is bound by legal requirements of the Environmental Quality Act 1974, specifically the Environment Quality (Industrial Effluent) Regulations 2009, Fifth Schedule.

Water and Effluent Management

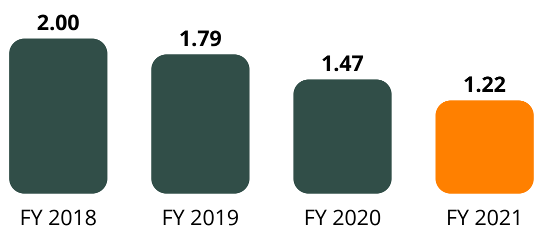
- **Ensure effluent water monitoring parameters are within the permissible limit**

OM Sarawak's furnaces run high-temperature smelting processes and water is used primarily for furnace cooling purposes. Chemical additives are added to cooling water to minimise pipe scaling and corrosion.

The plant's cooling system was designed to be a closed-loop water circulation cooling system. It is mainly used to cool furnace equipment and furnace transformers. The water is lost via evaporation from the cooling towers and water blowdown process. The blowdown water is channelled to the blowdown water pond, where water is recycled and reused for general cleaning.

OM Sarawak utilises municipal water that is not extracted from sensitive or protected water bodies (i.e., not part of the Ramsar Wetlands list). To mitigate unforeseen water supply interruption from the Municipal Water Supply Board, OM Sarawak is equipped with a water reservoir that can store up to 48 hours' worth of continuous water flow for plant operations.

Water Consumption
(Million m³)



Note: Aggregate data from OM Sarawak

In FY2021, 1.22 million m^3 of water was consumed by OM Sarawak. The water consumption for FY2021 reduced by 17% as compared to FY2020 due to the reduction of furnace operations in FY2021.

All key water quality impacts are identified and documented in OM Sarawak's DEIA Report along with the corresponding mitigation measures. Periodic environmental monitoring is carried out by a third-party consultant and any incidents of non-compliance are reported and rectified immediately. Internal laboratory analysis is conducted on wastewater for selected parameters such as manganese content.

Industrial effluent or liquid waste generated from the plant's operations will be treated prior to discharge to meet the regulatory standards for water quality. Wastewater quality is monitored on a regular basis and incidents where the water quality does not meet the compliance standards or permissible limits/parameters are flagged and addressed immediately.

In FY2021, the effluent quality was found to be compliant with the Environmental Quality (Industrial Effluent) Regulation 2009, with the exception of one sampling point. The manganese content of effluent was observed to be 1.33 parts per million (ppm), exceeding the permissible limit of 1 ppm (Q4 2021 result showed improvement with a reading of 0.85 ppm). This observation, however, was deemed acceptable due to the abundance of manganese in the local soil. Nevertheless, OM Sarawak will make all efforts to minimize the manganese content in effluent.

All production areas within the boundary of the plant, including the raw material open storage yard, are equipped with a perimeter drainage system and sedimentation system to capture suspended solids and mineral particles in surface runoff discharged.

Sanitary water is piped directly to SIP's centralised sewage treatment plant. The wastewater discharge is treated to meet the limits under Standard B of the Environmental Quality (Sewage) Regulations 2009.

Key Initiatives and Forward-looking Plans

The following initiatives outline OM Sarawak's continuous efforts to ensure good water and effluent management:

- Water chemical treatment system was introduced to the plant's close-loop water cooling system in 2017. The system mitigates water pipeline corrosion and scaling, and hence, reduces the amount of blowdown water in the circulation system which significantly reduces water consumption for cooling purposes;
- The plant's water reservoir tank and water tanks at cooling stations were designed and constructed in an enclosed manner. This conserves more water by reducing evaporation rates compared to non-enclosed water tanks;
- Best practices have been introduced under the Daily and Weekly Water Quality Monitoring Programme which was implemented to ensure water quality does not exceed pH and conductivity limits;
- Standard operating procedures have been established at the pump station to manage and reduce unnecessary water usage;
- A total of 34 water flowmeters were installed at key locations across the plant to effectively monitor daily water consumption. Installation of flowmeters will continue in 2022; and
- OM Sarawak communicates closely with the management team of the Municipal Water Board to ensure the main flow meter is calibrated to provide accurate readings.

Other improvement plans for the coming year include enhancing reporting on runoff water from plant areas, installing flow meters at fire hydrants to identify leakages from fire hydrant pillars and installing additional online water treatment controllers at the water pump station to optimise chemical usage and water consumption.

Land Remediation, Contamination or Degradation

This section focuses on the land remediation and rehabilitation processes for our mining entity, OMM, the owner and operator of the Bootu Creek Mine located in the Northern Territory, Australia. Mining activities have ceased at the end of 2021.

OMM – Bootu Creek Mine

Land and soil management is an integral component of mining in the semi-arid temperate climate of the Northern Territory. Mining can have adverse impacts on the environment. Identifying and managing these impacts is an important aspect when managing business operations as a whole. Implementing appropriate objectives, strategies and targets to achieve good soil and land management ensures that OMM can continue to maintain high levels of environmental performance, ensure compliance with its regulators and governing acts, while benefiting stakeholders, including landowners and shareholders.

Rehabilitation of disturbed areas is identified as a key closure criterion upon completion of mining activities and upon returning of the lease area to landowners. Rehabilitation of infrastructure areas will be conducted pre-closure, while other areas such as tracks, roads and exploration areas will be remediated as and when they are no longer used in operations.

Various waste rock dumps across the site have been progressively rehabilitated and revegetated to decrease environmental impacts from erosion, introduction of weed species, and waterway pollution.

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)

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

The bioremediation of hydrocarbon-contaminated areas commenced in 2019 and 2020, which included trials of small test areas. A wider bioremediation campaign commenced in FY2021 to treat contained contaminated areas which resulted in successful remediation, as confirmed by laboratory analysis of Total Recoverable Hydrocarbons ("TRH").

An overarching environmental aspects and impacts assessment was performed prior to operations commencing at Bootu Creek Mine, and outcomes and management strategies were presented in OMM's Environmental Management Plan. This plan was reviewed and approved by the Northern Territory Department of Industry, Tourism and Trade ("DITT").

OM Sarawak – Sarawak Ferroalloy Smelting Complex

OM Sarawak's operational site is located in a designated industrial zone that is situated away from any sensitive receptors. Prior to the construction of the smelting plant, a DEIA was prepared in accordance with the Sarawak State's Natural Resources and Environment Order, 1997 and Malaysia's Environmental Quality Act 1974. The DEIA was submitted to and approved by the DOE.

In Malaysia, we are bounded by the legal requirement of Environmental Quality Act 1974 and the Environmental Impact Assessment ("EIA") Approval Condition that stipulates the requirement to monitor soil quality as part of the quarterly environmental monitoring assessment conducted by a third-party consultant.

Key Initiatives and Forward-looking Plans

OMM's soil and land management targets at the Bootu Creek Mine comprise of compliance with all management strategies outlined in OMM's Environmental Management Plan. These strategies include the following:

- Limiting areas of disturbance;
- Conserving environmental resource stockpiles for site rehabilitation and long-term use (i.e., topsoil and quarry rock);
- Constructing waste rock dumps to minimise erosion and landform instability;
- Minimising wind and water erosion on disturbed and constructed surfaces by conducting progressive rehabilitation;
- Preventing the introduction of soil-borne diseases and weeds;
- Minimising adverse impacts on adjacent pastoral activities;
- Preventing land contamination by implementing hydrocarbon management; and
- Site-wide training to ensure all employees operate within OMM's environmental values and objectives.

OMM is committed to meet these targets and satisfy all land management criteria upon closure. Upon completing land remediation processes, the mineral lease will be released back to its landowners. The highlights during FY2021 operations at the Bootu Creek Mine include the progressive rehabilitation of the Chugga West and Chugga North waste landforms. These areas have been profiled and shaped with topsoil application and are planned to be seeded in 2022.

The bioremediation campaign of hydrocarbon contaminated materials also proved to be successful, signalling positive expectations for continued land clean-up efforts at the workshop and fuel facility areas. Large scale hydrocarbon-contaminated soil at pre-closure will be remediated in situ using microorganism bioremediation. The remaining smaller scale contaminated consumable waste will be incinerated or alternatively transferred offsite to a suitable facility. The remaining waste will be removed and disposed of within the inert onsite landfill.

OMM has scheduled extensive environmental operations for 2022. Machinery works will focus on rehabilitating all waste rock landforms, encompassing approximately 245 hectares on the Bootu Creek Mine site. Local environmental consultants will be engaged to conduct a Land Function Analysis (LFA) to assess existing rehabilitation throughout 2022.

The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of OM Holdings Limited ("the Company") and its subsidiaries (collectively, the "Group") for the financial year ended 31 December 2021 and the statement of financial position of the Company as at 31 December 2021.

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 2021 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date; and

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

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

Names of Directors

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

Low Ngee Tong	(Executive Chairman and Chief Executive Officer)
Zainul Abidin Rasheed	(Independent Deputy Chairman)
Julie Anne Wolseley	(Non-Executive Director and Joint Company Secretary)
Tan Peng Chin	(Independent Non-Executive Director)
Thomas Teo Liang Huat	(Independent Non-Executive Director)
Dato' Abdul Hamid Bin Sh Mohamed	(Independent Non-Executive Director) (Appointed on 10 May 2021)
Tan Ming-Li	(Independent Non-Executive Director) (Appointed on 10 May 2021)

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

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

Directors' interests in shares

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

	Holdings registered in the name of director or nominee		Holdings in which director is deemed to have an interest	
	As at 1.1.2021	**As at 31.12.2021**	As at 1.1.2021	**As at 31.12.2021**
The Company -				
	Number of ordinary shares fully paid			
Low Ngee Tong	68,110,631	**68,110,631**	–	–
Julie Anne Wolseley	5,562,002	**5,562,002**	–	–
Tan Peng Chin	(1) 2,020,000	**(1) 2,035,200**	–	–

Note:

(1) 2,035,200 (2020 - 720,000) 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:

Thomas Teo Liang Huat (Chairman)
Julie Anne Wolseley
Dato' Abdul Hamid Bin Sh Mohamed

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

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

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

iii. the half-yearly financial information and the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2021 as well as the auditor's report thereon.

Audit Committee (Cont'd)

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

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

Independent auditor

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

On behalf of the Directors

LOW NGEE TONG
Executive Chairman

Dated: 18 March 2022

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 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the International Financial Reporting Standards (IFRSs) so as to give a true and fair view of the financial position of the Company and the consolidated financial position of the Group as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Key audit matter:	**Risk**:	**Our response and work performed:**
Impairment of non-financial assets	The Group's non-financial assets comprise property, plant and equipment, land use rights, exploration and evaluation costs, mine development costs and right-of-use assets amounting to A$633.7 million as at 31 December 2021. 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 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, including the impact from the COVID-19 pandemic, are judgmental. In determining appropriate CGU level, the Group has considered whether there are: active markets for intermediate products; external users of the processing assets; mining or smelting operations through the use of shared infrastructure; stand-alone mines or smelting plants operated on a portfolio basis. Significant judgement is required by management to determine whether multiple assets should be grouped to form a CGU. Due to the uncertain global economic environment, there are higher inherent risks relating to the impairment of the Group's non-financial assets.	Our audit procedures included among others, assessing appropriateness of CGUs identified by management, evaluating management's assessment for impairment indications, reviewing the valuation model and assumptions used, and challenging management's assumptions in our evaluation of the model. We evaluated whether there had been significant changes in the external and internal factors considered by the Group in assessing whether indicators of impairment exist. In the assessment of impairment, the Group takes into account the indicative open market prices of the finished products from independent experts and publication reports, and uses inputs, such as market growth rate, weighted average cost of capital and other factors, typical of similar mining and smelting industries. Senior management has applied its knowledge of the business in its regular review of these estimates. We also focused on the adequacy of disclosures about key assumptions and sensitivities. The disclosures about the Group's property, plant and equipment, land use rights, exploration and evaluation costs, mine development costs and right-of-use assets are included in Notes 4, 5, 6, 7 and 9 to the financial statements respectively.

Key Audit Matters (Cont'd)

Key audit matter:	Risk:	Our response and work performed:
Recognition of deferred tax assets	The Group recognised deferred tax assets based upon unutilised tax losses and other temporary differences. The Group exercised its judgement to determine the amount of deferred tax assets that can be recognised, to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. As at 31 December 2021, the Group recognised deferred tax assets and deferred tax liabilities of A$18.5 million and A$1.3 million respectively. In addition, the Group has unrecorded deferred tax assets of A$2.5 million as at 31 December 2021.	Our audit procedures included among others, review of the component auditors' audit working papers to understand the local tax regulations and their work performed on the recognition of deferred tax assets. We have also assessed the profit forecast to evaluate the reasonableness of the recognition of deferred tax assets. We discussed with the Group's key management and considered their views on the Group's recoverability of deferred tax assets, including the impact from the COVID-19 pandemic, to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilised. We also focused on the adequacy of disclosures about key assumptions and sensitivities. The disclosures about the Group's deferred tax assets and liabilities are included in Note 10 to the financial statements.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

FooKonTanLLP

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore,
18 March 2022

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

		The Company		The Group	
		31 December 2021	31 December 2020	**31 December 2021**	31 December 2020
	Note	**A$'000**	A$'000	**A$'000**	A$'000
Assets					
Non-Current					
Property, plant and equipment	4	**-**	-	**610,684**	612,684
Land use rights	5	**-**	-	**9,308**	8,922
Exploration and evaluation costs	6	**-**	-	**2,955**	2,326
Mine development costs	7	**-**	-	**2,689**	16,726
Investment property	8	**-**	-	**599**	574
Right-of-use assets	9	**-**	-	**8,073**	1,992
Deferred tax assets	10	**-**	-	**18,478**	13,788
Interests in subsidiaries	11	**143,667**	142,117	**-**	-
Interests in associates	12	**-**	-	**119,311**	126,832
Other investment	13	**-**	-	**-**	1,888
		143,667	142,117	**772,097**	785,732
Current					
Inventories	14	**-**	-	**353,308**	216,307
Trade and other receivables	15	**9,417**	12,553	**56,362**	62,992
Capitalised contract costs	16	**-**	-	**1,484**	1,856
Prepayments		**125**	88	**3,671**	3,528
Cash and bank balances	17	**44**	42	**112,334**	63,031
		9,586	12,683	**527,159**	347,714
Total assets		**153,253**	154,800	**1,299,256**	1,133,446
Equity					
Capital and Reserves					
Share capital	18	**36,931**	36,931	**36,931**	36,931
Treasury shares	19	**(2,330)**	(2,330)	**(2,330)**	(2,330)
Reserves	20	**50,581**	48,308	**470,665**	365,042
		85,182	82,909	**505,266**	399,643
Non-controlling interests		**-**	-	**105,033**	68,596
Total equity		**85,182**	82,909	**610,299**	468,239
Liabilities					
Non-Current					
Borrowings	21	**-**	-	**296,129**	288,279
Lease liabilities	22	**-**	-	**4,174**	415
Trade and other payables	23	**-**	-	**54,325**	54,791
Provisions	24	**-**	-	**7,973**	10,869
Deferred tax liabilities	10	**-**	-	**1,292**	1,229
Deferred capital grant	25	**-**	-	**10,609**	10,730
		-	-	**374,502**	366,313
Current					
Borrowings	21	**-**	14,003	**112,895**	126,766
Lease liabilities	22	**-**	-	**3,535**	1,255
Trade and other payables	23	**68,071**	57,888	**176,727**	155,760
Provisions	24	**-**	-	**1,915**	1,806
Deferred capital grant	25	**-**	-	**778**	736
Contract liabilities	26	**-**	-	**9,686**	6,064
Income tax payables		**-**	-	**8,919**	6,507
		68,071	71,891	**314,455**	298,894
Total liabilities		**68,071**	71,891	**688,957**	665,207
Total equity and liabilities		**153,253**	154,800	**1,299,256**	1,133,446

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 2021

	Note	**Year ended 31 December 2021 A$'000**	Year ended 31 December 2020 A$'000
Revenue	3	**1,040,810**	784,633
Cost of sales		**(766,292)**	(688,371)
Gross profit		**274,518**	96,262
Other income	27	**14,301**	6,756
Distribution costs		**(68,742)**	(41,661)
Administrative expenses		**(21,706)**	(15,924)
Other operating expenses		**(71,397)**	(37,787)
Finance costs	28	**(19,774)**	(28,827)
Profit/(loss) from operations		**107,200**	(21,181)
Share of results of associates		**5,412**	16,525
Profit/(loss) before income tax	28	**112,612**	(4,656)
Income tax	29	**(3,281)**	1,718
Profit/(loss) for the year		**109,331**	(2,938)
Other comprehensive income/(loss), net of tax:			
Items that may be reclassified subsequently to profit or loss			
Currency translation differences arising from foreign subsidiaries (attributable to owners of the Company)		**21,576**	(24,160)
Cash flow hedges	30	**2,854**	1,253
		24,430	(22,907)
Items that will not be reclassified subsequently to profit or loss			
Currency translation differences arising from foreign subsidiaries (attributable to non-controlling interests)		**5,302**	(6,417)
		5,302	(6,417)
Other comprehensive income/(loss) for the year, net of tax		**29,732**	(29,324)
Total comprehensive income/(loss) for the year		**139,063**	(32,262)
Profit/(loss) attributable to:			
Owners of the Company		**81,907**	5,352
Non-controlling interests		**27,424**	(8,290)
		109,331	(2,938)
Total comprehensive income/(loss) attributable to:			
Owners of the Company		**105,623**	(17,868)
Non-controlling interests		**33,440**	(14,394)
		139,063	(32,262)
Profit per share		**Cents**	Cents
- Basic	31	**11.11**	0.73
- Diluted	31	**11.11**	0.73

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 2021

	Share capital A$'000	Treasury shares A$'000	Share premium A$'000	Non-distributable reserve A$'000	Capital reserve A$'000	Hedging reserve A$'000	Exchange fluctuation reserve A$'000	Retained profits A$'000	Total attributable to equity holders of the parent A$'000	Non-controlling interests A$'000	Total equity A$'000
At 1 January 2021	**36,931**	**(2,330)**	**178,363**	**8,868**	**16,064**	**(4,911)**	**6,021**	**160,637**	**399,643**	**68,596**	**468,239**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**81,907**	**81,907**	**27,424**	**109,331**
Other comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**2,140**	**21,576**	**-**	**23,716**	**6,016**	**29,732**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**2,140**	**21,576**	**81,907**	**105,623**	**33,440**	**139,063**
Capital injection from non-controlling interest (Note 11)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,997**	**2,997**
Transactions with owners	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,997**	**2,997**
At 31 December 2021	**36,931**	**(2,330)**	**178,363**	**8,868**	**16,064**	**(2,771)**	**27,597**	**242,544**	**505,266**	**105,033**	**610,299**

	Share capital A$'000	Treasury shares A$'000	Share premium A$'000	Non-distributable reserve A$'000	Capital reserve A$'000	Hedging reserve A$'000	Exchange fluctuation reserve A$'000	Retained profits A$'000	Total attributable to equity holders of the parent A$'000	Non-controlling interests A$'000	Total equity A$'000
At 1 January 2020	36,931	(2,330)	178,363	8,868	16,064	(5,851)	30,181	162,652	424,878	82,990	507,868
Profit/(Loss) for the year	-	-	-	-	-	-	-	5,352	5,352	(8,290)	(2,938)
Other comprehensive income/(loss) for the year	-	-	-	-	-	940	(24,160)	-	(23,220)	(6,104)	(29,324)
Total comprehensive income/(loss) for the year	-	-	-	-	-	940	(24,160)	5,352	(17,868)	(14,394)	(32,262)
Dividends paid (Note 20(viii))	-	-	-	-	-	-	-	(7,367)	(7,367)	-	(7,367)
Transactions with owners	-	-	-	-	-	-	-	(7,367)	(7,367)	-	(7,367)
At 31 December 2020	36,931	(2,330)	178,363	8,868	16,064	(4,911)	6,021	160,637	399,643	68,596	468,239

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 2021

	Note	**Year ended 31 December 2021 A$'000**	Year ended 31 December 2020 A$'000
Cash Flows from Operating Activities			
Profit/(loss) before income tax		**112,612**	(4,656)
Adjustments for:			
Amortisation of land use rights	5, 28	**193**	206
Amortisation of deferred capital grant	25, 28	**(756)**	(817)
Amortisation of mine development costs	7, 28	**12,835**	6,505
Depreciation of property, plant and equipment	4, 28	**38,745**	43,285
Depreciation of right-of-use assets	9, 28	**5,876**	5,644
Depreciation of investment property	8, 28	**10**	11
Loss on disposal of property, plant and equipment	28	**18**	-
Lease modification	28	**-**	296
Write-off of property, plant and equipment	28	**7,341**	36
Fair value gain on other investment	27	**-**	(1,388)
Gain on disposal of other investment	27	**(799)**	-
Unwinding of discount on non-current trade payables	28	**84**	268
Reclassification from hedging reserve to profit or loss	30	**2,854**	1,253
Write-down of inventories to net realisable value	14, 28	**3,775**	3,397
Gain from derecognition of financial liabilities	27	**(9,219)**	-
Write-off of exploration and evaluation costs	6, 28	**153**	-
Impairment loss on trade and other receivables	15, 28	**646**	-
Interest expense	28	**19,774**	28,827
Interest income	27	**(298)**	(691)
Share of results of associates		**(5,412)**	(16,525)
Operating profit before working capital changes		**188,432**	65,651
(Increase)/Decrease in inventories		**(123,999)**	4,196
Decrease/(Increase) in trade receivables		**3,498**	(11,397)
Decrease/(Increase) in capitalised contract costs		**327**	(534)
Increase in prepayments, deposits and other receivables		**(3,275)**	(631)
Increase in contract liabilities		**3,178**	765
Increase in trade payables		**26,848**	28,605
Increase/(Decrease) in other payables		**2,752**	(2,049)
Decrease in provisions		**(4,701)**	(1,646)
Cash generated from operations		**93,060**	82,960
Income tax refund/(paid)		**1,157**	(6,401)
Net cash generated from operating activities		**94,217**	76,559
Cash Flows from Investing Activities			
Payments for exploration and evaluation costs	6	**(754)**	(1,363)
Purchase of property, plant and equipment	4	**(8,243)**	(15,490)
Purchase of right-of-use asset		**(20)**	-
Proceeds from disposal of other investment		**2,631**	-
Purchase of other investment		**-**	(500)
Dividends received from an associate		**12,934**	6,048
Interest received		**298**	691
Net cash generated from/(used in) investing activities		**6,846**	(10,614)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	**Year ended 31 December 2021 A$'000**	Year ended 31 December 2020 A$'000
Cash Flows from Financing Activities			
Repayment of bank and other loans (Note A)		**(51,145)**	(33,185)
Proceeds from bank and other loans (Note A)		**21,140**	12,972
Principal repayment of lease liabilities (Note A)		**(5,611)**	(6,241)
Capital contribution by non-controlling interest shareholder		**2,997**	-
Decrease/(Increase) in cash collateral		**913**	(2,268)
Dividend paid	20(viii)	**-**	(7,367)
Interest paid (Note A)		**(21,902)**	(30,013)
Net cash used in financing activities		**(53,608)**	(66,102)
Net increase/(decrease) in cash and cash equivalents		**47,455**	(157)
Cash and cash equivalents at beginning of the year		**45,951**	48,900
Exchange difference on translation of cash and cash equivalents at beginning of the year		**2,761**	(2,792)
Cash and cash equivalents at end of the year	17	**96,167**	45,951

Note A Reconciliation of liabilities arising from financing activities

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

					Non-cash changes				
	1 January 2021 A$'000	**Cash inflows A$'000**	**Cash outflows A$'000**	**Interest paid A$'000**	**Derecognition of financial liabilities A$'000**	**New leases A$'000**	**Foreign exchange difference A$'000**	**Interest expense A$'000**	**31 December 2021 A$'000**
Lease liabilities	**1,670**	**-**	**(5,611)**	**(330)**	**-**	**11,601**	**44**	**335**	**7,709**
Borrowings - bank and other loans	**415,045**	**21,140**	**(51,145)**	**-**	**(10,050)**	**-**	**32,711**	**1,323[1]**	**409,024**
Trade and other payables - Interest payables	**3,692**	**-**	**-**	**(21,572)**	**-**	**-**	**-**	**18,116**	**236**

					Non-cash changes				
	1 January 2020 A$'000	Cash inflows A$'000	Cash outflows A$'000	Interest paid A$'000	Lease modification	New leases A$'000	Foreign exchange difference A$'000	Interest expense A$'000	31 December 2020 A$'000
Lease liabilities	7,092	-	(6,241)	(306)	(64)	960	(77)	306	1,670
Borrowings - bank and other loans	473,918	12,972	(33,185)	-	-	-	(40,894)	2,234[1]	415,045
Trade and other payables - Interest payables	7,112	-	-	(29,707)	-	-	-	26,287	3,692

[1] This is related to the amortisation of borrowing cost classified as "finance cost" 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 2021

1 General information

The financial statements of the Company and of the Group for the financial year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Directors on the date of the Directors' Statement.

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

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

2(a) Basis of preparation

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

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

The financial statements are presented in Australian Dollar which is the Company's functional currency. All financial information is presented in Australian Dollar, unless otherwise stated.

As at 31 December 2021, the Company has net assets of A$85,182,000 (2020 - A$82,909,000) and net current liabilities of A$58,485,000 (2020 - A$59,208,000). Included in the Company's current liabilities as at 31 December 2021 are a non-trade amount owing to OM Materials (S) Pte Ltd ("OMS"), a wholly-owned subsidiary, of A$64,543,000 (2020 - A$55,093,000). 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.

Impact of COVID-19

The ongoing and evolving Coronavirus Disease ("COVID-19") pandemic has had a significant impact on the global economy and the economies of the countries in which the Group operates. There is significant uncertainty as to the duration of the pandemic and its impact on those economies. In regard to the Group, the consideration of COVID-19 has been in the following areas:

- Impairment of non-financial assets (Notes 4, 5, 6, 7 and 9)
- Recognition of deferred tax assets (Note 10)
- Allowance for expected credit losses of trade and other receivables (Note 15)

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.

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 15)

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

The 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 decrease/increase by approximately A$269,000 (2020 - A$1,673,000).

Impairment of investment in subsidiaries (Note 11)

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

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)

Net realisable value of inventories (Note 14)

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less the estimated cost necessary to make the sale. These estimates are based on the current market conditions and historical experiences of selling products of similar nature. It could change significantly as a result of competitor actions in response to changes in market conditions. Management reassesses the estimations at the end of each reporting date. The carrying amount of the inventories carried at net realisable value as at 31 December 2021 is A$20,010,000 (2020 - A$7,455,000). If the net realisable value of the inventories decreases by 10% from management's estimates, the Group's loss for the year will increase by A$2,001,000 (2020 - A$745,500).

Estimation of the incremental borrowing rate ("IBR")

For the purpose of calculating the right-of-use asset and lease liability, an entity applies the interest rate implicit in the lease ("IRIIL") and, if the IRIIL is not readily determinable, the entity shall use its IBR applicable to the lease asset. The IBR is the rate of interest that the entity would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. For most of the leases whereby the Group is the lessee, the IRIIL is not readily determinable. Therefore, the Group estimates the IBR relevant to each lease asset by using observable inputs (such as market interest rate and asset yield) when available, and then making certain lessee specific adjustments (such as a group entity's credit rating). The carrying amounts of the Group's right-of-use assets and lease liabilities are disclosed in Note 9 and 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 2021, the Group and the Company have adopted all the new and revised IFRS, IFRS Interpretations ("IFRS INT") and amendments to IFRS, effective for the current financial year that are relevant to them. The adoption of these new and revised IFRS pronouncements does not result in significant changes to the Group's and the Company's accounting policies and has no material effect on the amounts or the disclosures reported for the current or prior reporting periods:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to IFRS 16	*COVID-19 Related Rent Concessions*	1 June 2020
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, IFRS 16	*Interest Rate Benchmark Reform - Phase 2*	1 January 2021

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

The following are not expected to have any financial impact, being the new or amended IFRS and Interpretations issued as of 2021 that are relevant to the Group and the Company and which are not yet effective but may be early adopted for the current financial year:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to IFRS 16	*COVID-19-Related Rent Concessions beyond 30 June 2021*	1 April 2021
Amendments to IAS 16	*Property, Plant and Equipment - Proceeds before Intended Use*	1 January 2022
Amendments to IAS 37	*Onerous Contracts - Cost of Fulfilling a Contract*	1 January 2022
Amendments to IFRS 9	Fees in the '10 per cent' Test for Derecognition of Financial Liabilities	1 January 2022
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

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

Amendment to IFRS 16 *COVID-19-Related Rent Concessions beyond 30 June 2021*

As a result of the evolving COVID-19 situation, rent concessions continue to be granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. The amendment provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. The application period of the above practical expedient has been extended by one year to help lessees accounting for COVID-19-related rent concessions.

The practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic, and only if all of the following conditions are met:

a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
b) any reduction in lease payments affects only payments due on or before 30 June 2022; and
c) there is no substantive change to other terms and conditions of the lease.

Entities applying the practical expedient must disclose this fact, whether the expedient has been applied to all qualifying rent concessions, and the nature of the contracts to which it has been applied, as well as the amount recognised in profit or loss arising from the rent concessions.

Amendments to IAS 16 *Property, Plant and Equipment - Proceeds before Intended Use*

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. An entity shall recognise such sales proceeds and related costs in profit or loss and measure the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly' and specify this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted. The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

Amendments to IAS 37 *Onerous Contracts – Cost of Fulfilling a Contract*

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (e.g. direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (e.g. depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted. The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application.

Amendments to IFRS 9 *Fees in the '10 per cent' Test for Derecognition of Financial Liabilities*

The amendments clarify that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity shall include only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendments are applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendments. The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

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

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

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

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

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

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

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. Applying the amendments, an entity discloses its material accounting policies instead of its significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. However, accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. In addition, if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information. In support of the amendments to IAS 1, amendments are also made to IFRS Practice Statement 2 to illustrate how an entity could judge whether information about an accounting policy is material to its financial statements.

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

Amendments to IAS 8 *Definition of Accounting Estimates*

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Accordingly, an entity develops accounting estimates if the accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

The amendments clarify that a change in accounting estimate that results from new information or new developments is not a correction of an error, and that the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. Illustrative examples are also added to help entities understand and apply the amendments.

The amendments are effective for annual periods beginning on or after 1 January 2023 and are applied prospectively to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted.

Amendments to SFRS(I) 1-12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

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

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

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

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

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

2(d) Summary of significant accounting policies

Group accounting

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intragroup transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continues to be consolidated until the date that such control ceases.

2(d) Summary of significant accounting policies (Cont'd)

Group accounting (Cont'd)

Basis of consolidation (Cont'd)

Losses and other comprehensive income are attributable to the non-controlling interest even if that results in a deficit balance.

Transactions with Non-controlling interest
Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in ownership interests in subsidiaries without change of control
Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Changes in ownership interests in subsidiaries resulting in loss of control

When the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts as at that date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in the profit or loss; and
- re-classifies the Group's share of components previously recognised in other comprehensive income to the profit or loss or retained earnings, as appropriate.

When the Group loses control of a subsidiary, a gain or loss is recognised in the profit or loss and 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), and liabilities of the subsidiary and any non-controlling interest. 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 the profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on the initial recognition for subsequent accounting under IFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business combinations

Business combination is accounted for using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether it includes, as a minimum, an input and substantive process, and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional 'concentration test' is met, and the acquired set of activities and assets is not a business, if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in the profit or loss as incurred.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in the profit or loss. The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another IFRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in the profit or loss on the acquisition date.

2(d) Summary of significant accounting policies (Cont'd)

Subsidiaries

In the Company's separate financial statements, investments in subsidiaries are stated at cost less the allowance for any impairment losses on an individual subsidiary basis.

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, the Group controls an investee if and only if the Group has all of the following:

- power over the investee;
- exposure, or rights to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if the facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group 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.

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.

2(d) Summary of significant accounting policies (Cont'd)

Associates (Cont'd)

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.

Intangible assets

Intangible assets are accounted for using the cost model with the exception of goodwill. Capitalised costs are amortised on a straight-line basis over their estimated useful lives for those considered as finite useful lives. After initial recognition, they are carried at cost less accumulated amortisation and accumulated impairment losses, if any. In addition, they are subject to annual impairment testing. Indefinite life intangibles are not amortised but are subject to annual impairment testing.

Intangible assets are written off where, in the opinion of the Directors, no further future economic benefits are expected to arise.

<u>Goodwill</u>

Goodwill on the acquisition of subsidiaries on or after 1 January 2010 represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired.

Goodwill on acquisition of subsidiaries prior to 1 January 2010 and on acquisition of joint ventures and associated companies represents the excess of the cost of the acquisition over the fair value of the Group's share of the net identifiable assets acquired.

Goodwill on subsidiaries and joint ventures is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associated companies is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, joint ventures and associated companies include the carrying amount of goodwill relating to the entity sold, except for goodwill arising from acquisition prior to 1 January 2001. Such goodwill was adjusted against retained profits in the year of acquisition and is not recognised in the profit or loss on disposal.

<u>Exploration and evaluation costs</u>

Exploration and evaluation costs relate to mineral rights acquired and exploration and evaluation expenditures capitalised in respect of projects that are at the exploration/pre-development stage.

Exploration and evaluation assets are initially recognised at cost. Subsequent to initial recognition, they are stated at cost less any accumulated impairment losses. These assets are reclassified as mine development costs upon the commencement of mine development, when technical feasibility and commercial viability of extracting mineral resources becomes demonstrable.

Exploration and evaluation expenditures in the relevant area of interest comprises costs which are directly attributable to acquisition, surveying, geological, geochemical and geophysical, exploratory drilling, land maintenance, sampling, and assessing technical feasibility and commercial viability.

2(d) Summary of significant accounting policies (Cont'd)

Intangible assets (Cont'd)

Exploration and evaluation costs (Cont'd)

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.

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 equipment - Process facility, stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is computed using the unit of production method to allocate the depreciable amount of these assets over the estimated useful lives as follows:

Plant and equipment - Process facility	Life of mine

2(d) Summary of significant accounting policies (Cont'd)

Property, plant and equipment (Cont'd)

CIP represents assets in the course of construction for production or for its own use purpose. CIP is stated at cost less any impairment loss and is not depreciated. Cost includes direct costs incurred during the periods of construction, installation and testing plus interest charges arising from borrowings used to finance these assets during the construction period. CIP is reclassified to the appropriate category of property, plant and equipment and depreciation commences when the construction work is completed and the asset is ready for use.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent expenditures relating to property, plant and equipment that have been recognised are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial period in which it is incurred.

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition to the month before disposal respectively. Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in the profit or loss when the changes arise.

Investment property

Investment property comprises leasehold property that is held for long-term rental yields and for capital appreciation. Investment property is not occupied by the Group.

The Group applies the cost model. Investment property is initially recognised at cost and subsequently carried at cost less accumulated depreciation, less any impairment in value similar to that for property, plant and equipment. Such costs include costs of renovation or improvement of the existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day to day servicing of an investment property. Depreciation is computed using the straight-line method over the estimated useful lives of the investment property of 73 years.

Investment property is de-recognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal or retirement of an investment property, the difference between any disposal proceeds and the carrying amount is recognised in the profit or loss.

The carrying value of investment property is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amounts.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from the investment property when and only when, there is a change in use, evidenced by the commencement of owner-occupation or commencement of development with a view to sell.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs include all direct expenditure and production overheads based on the normal level of activity. The costs incurred in bringing each product to its present location and conditions 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.

2(d) Summary of significant accounting policies (Cont'd)

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). For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity instruments at FVOCI. The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

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.

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 the collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in the profit or loss when the assets are derecognised or impaired, and through the amortisation process. The Company's and the Group's debt instruments at amortised cost include trade and other receivables, and cash and cash equivalents (including cash collateral).

- FVOCI: Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in the profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

- 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 recognised in the profit or loss in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in the profit or loss when the Group's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value. The Group's equity instrument at FVTPL includes other investment.

Impairment

The Group assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost and FVOCI. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2(d) Summary of significant accounting policies (Cont'd)

Financial assets (Cont'd)

Impairment (Cont'd)

The impairment methodology applied depends on whether there has been a significant increase in credit risk. ECL are recognised 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 recognised 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 recognises a loss allowance based on lifetime ECL at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. The Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Credit-impaired financial asset

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes, as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

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.

2(d) Summary of significant accounting policies (Cont'd)

Financial assets (Cont'd)

Impairment (Cont'd)

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 recognised in the profit or loss.

Determination of fair value of financial assets

The fair values of quoted financial assets are based on quoted market prices. If the market for a financial asset is not active, the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs. Where fair value of unquoted instruments cannot be measured reliably, fair value is determined by the transaction price.

Financial liabilities

The Company's and the Group's financial liabilities include borrowings, lease liabilities, trade and bill payables, accruals and other payables.

All interest-related charges are recognised as an expense in "finance cost" in the profit or loss. Financial liabilities are de-recognised 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 de-recognised 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 qualifying asset are capitalised as part of the cost of the related asset. Otherwise, borrowing costs are recognised 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 substantially completed for their intended use.

Foreign exchange differences arising from foreign currency borrowings are capitalised to the extent that they are regarded as an adjustment to interest costs.

Trade and bill payables/accruals and other payables

Trade and bill payables/accruals and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

2(d) Summary of significant accounting policies (Cont'd)

Financial liabilities (Cont'd)

5% Convertible Note

Convertible notes are initially recorded at fair value. The fair value of the liability portion is determined using a market interest rate for an equivalent non-convertible bond; this amount is then recorded as a non-current liability on an amortised cost basis until extinguished on conversion, redemption or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option, which is recognised and included as a current liability as the convertible note is issued in a currency that is not the functional currency of the issuer and hence, cannot be classified as equity. As the economic characteristics and risks of the redemption option are closely related to the host contract, the redemption option is not accounted for separately from the host contract.

Financial guarantees

The Company has issued corporate 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); or
(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 maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedges

For cash flow hedges, the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss. For hedging instruments used to hedge bank borrowings that finance the construction of a subsidiary's ferrosilicon production facility, any ineffective portion is capitalised as part of the cost of the ferrosilicon production facility ("construction-in-progress").

Amounts accumulated in equity are reclassified to the profit or loss in the periods when the hedged item affects the profit or loss (for example, when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps which hedge variable rate borrowings is recognised in the profit or loss within 'finance income/cost'. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or fixed assets), the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in cost of goods sold in the case of inventory or in depreciation in the case of the fixed assets.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the profit or loss.

2(d) Summary of significant accounting policies (Cont'd)

Derivative financial instruments and hedging activities (Cont'd)

Derivative financial instruments not designated as hedging instrument

Derivative financial instruments are not designated as hedging instruments, in individual contracts or separated from hybrid financial instruments, are initially recognised at fair value on the date of the derivative contract is entered into and subsequently re-measured at fair value. Such derivative financial instruments are accounted for as financial assets or financial liabilities at fair value through the profit or loss. Gains or losses arising from changes in fair value are recorded directly in the profit or loss for the year.

The changes in fair value of the derivative financial instruments not designated as hedges are capitalised as part of the cost of the ferrosilicon production facility ("construction-in-progress") if these derivatives are used to hedge the bank borrowings that finance the construction of the ferrosilicon production facility.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and balances on hand, demand deposits with banks and highly liquid investments with original maturities of 3 months or less which are readily convertible to cash and which are subject to an insignificant risk of changes in value.

Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the consideration paid including any directly attributable incremental cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained earnings of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued pursuant to the employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised 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.

Provisions and contingent liabilities

Provisions are recognised 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 recognised 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 recognised as finance costs.

2(d) Summary of significant accounting policies (Cont'd)

Provisions and contingent liabilities (Cont'd)

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Group are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent liabilities are not recognised in the statements of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably measured. Contingent liabilities are recognised in the course of the allocation of the purchase price to the assets and liabilities acquired in a business combination. They are initially measured at fair value at the date of acquisition and subsequently measured at the higher of the amount that would be recognised in a comparable provision as described above and the amount initially recognised less any accumulated amortisation, if appropriate.

Leases

(i) <u>The Group as lessee</u>

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 case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

2(d) Summary of significant accounting policies (Cont'd)

Leases (Cont'd)

(i) 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 2 years
Plant and machinery	:	1 to 2 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

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from IFRS 16, except for the classification of the sublease entered into that resulted in a finance lease classification.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term within "other income" in the profit or loss.

Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

2(d) Summary of significant accounting policies (Cont'd)

Income taxes (Cont'd)

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that a future taxable profit 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.

These contributions are charged to the profit or loss in the period to which the contributions relate. The Group's obligations under these plans are limited to the fixed percentage contributions payable.

2(d) Summary of significant accounting policies (Cont'd)

Employee benefits (Cont'd)

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the end of the reporting period.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain general managers are considered key management personnel.

Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company and the Group if that person:

- (i) has control or joint control over the Company;
- (ii) has significant influence over the Company; or
- (iii) is a member of the key management personnel of the Company or the Group or of a parent of the Company.

(b) An entity is related to the Company and the Group if any of the following conditions applies:

- (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) both entities are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
- (viii) the entity, or any member of a group which is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Impairment of non-financial assets

The carrying amounts of the Company's and the Group's non-financial assets subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the company at which management controls the related cash flows.

Individual assets or cash-generating units that include goodwill and other intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the assets or cash-generating units' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

2(d) Summary of significant accounting policies (Cont'd)

Impairment of non-financial assets (Cont'd)

Any impairment loss is charged to the profit or loss unless it reverses a previous revaluation in which case it is charged to equity.

With the exception of goodwill,

- An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.
- An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.
- A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the profit or loss, a reversal of that impairment loss is recognised as income in the profit or loss.

An impairment loss in respect of goodwill is not reversed, even if it relates to an impairment loss recognised in an interim period that would have been reduced or avoided had the impairment assessment been made at a subsequent reporting or the end of a reporting period.

Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

<u>Sale of goods</u>

Revenue from the sale of goods is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied and the customer obtains control of the goods. Control of an asset refers to an entity's ability to direct the use of and obtain substantially all of the remaining benefits (that is, the potential cash inflows or savings in outflows) from the asset. The amount of revenue recognised is based on the estimated transaction price, which comprises the contractual price, net of the estimated volume discounts and adjusted for expected returns.

The Group supplies ores into the China market and international shipments. For the China market, transfer of goods and control is passed to the customers upon full payment and notification to take deliveries. For international shipments, as the Group does not have the right to re-direct shipments and the risk of shipments loss in transit and at destination ports is covered by the buyers' insurance, the transfer of goods and control is passed to the customers upon loading of the goods onto the relevant carrier at the port of shipment. The majority of customers are required to make full payment before the loading of goods at the port of shipment.

<u>Transportation of goods sold on CFR or CIF Incoterms</u>

Revenue from rendering service for transportation of goods sold is on Cost & Freight (CFR) or Cost, Insurance & Freight (CIF) Incoterms and is recognised over the period of transportation to the customer. A significant proportion of the Group's products are sold under CFR or CIF Incoterms, in which the Group is responsible for providing transportation of the goods after the date that the Group transfers control of the goods to the customers at the loading port.

The Group's provision of transportation service for contracts under CFR and CIF Incoterms is a distinct service and, therefore, a separate performance obligation. The total sales price or transaction price is allocated to the separate performance obligations comprising of: (a) the product sold; and (b) the transportation service including insurance and freight. Revenue earned from transportation of goods is recognised over time as the customer simultaneously receives the benefits provided as the Group performs the transportation service.

<u>Interest income</u>

Interest income is recognised on a time-apportioned basis using the effective interest rate method.

<u>Dividend income</u>

Dividend income is recognised when the right to receive the dividend has been established.

Contract liabilities

Contract liabilities relate to the Group's obligation to perform services for which the Group has received advances from customers. Contract liabilities are recognised as revenue as the Group performs the service under the contract.

2(d) Summary of significant accounting policies (Cont'd)

Capitalised contract costs

Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue. An impairment loss is recognised in the profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the services to which the contract costs relate, less the costs that relate directly to providing the services and that have not been recognised as 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 Australian Dollar, which is also the functional currency of the Company.

Conversion of foreign currencies

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in the profit or loss.

However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any borrowings forming part of the net investment of the foreign operation are repaid, a proportionate share of the accumulated translation differences is reclassified to the profit or loss, as part of the gain or loss on disposal.

All other foreign exchange gains and losses impacting the profit or loss are presented in the consolidated statement of comprehensive income within "other operating expenses".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the transactions.

Group entities

The results and financial position of all the entities within the Group that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the end of the reporting period;
(ii) Income and expenses for each statement presenting the profit or loss and other comprehensive income (i.e. including comparatives) shall be translated at exchange rates at the dates of the transactions; and
(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are translated at the closing rates at the reporting date. For acquisitions prior to 1 January 2010, the goodwill and fair value adjustments are translated at the exchange rates at the dates of acquisition.

Operating segments

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

The Group has identified the following reportable segments:

Mining	Exploration and mining of manganese ore
Smelting	Production of manganese ferroalloys, ferrosilicon and manganese sinter ore
Marketing and trading	Trading of manganese ore, manganese ferroalloys, ferrosilicon, sinter ore, chrome ore and iron ore

2(d) Summary of significant accounting policies (Cont'd)

Operating segments (Cont'd)

Each of these operating segments is managed separately as they require different resources as well as operating approaches.

The reporting segment results exclude the change in fair value of derivative financial instruments, finance income and costs, share of results of associate, income tax and corporate income and expenses 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 include property, plant and equipment, land use rights, mine development costs, inventories, receivables and operating cash and mainly exclude available-for-sale financial assets, deferred tax assets, interest in an associate, goodwill and corporate assets which are not directly attributable to the business activities of any operating segment, which primarily applies to the Group's headquarters.

Segment liabilities comprise operating liabilities and exclude corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment. These include income tax payables, deferred tax liabilities and corporate borrowings.

3 Principal activities and revenue

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are as stated in Note 11.

Revenue is turnover derived from activities related to the sales of ore and ferroalloy products and related services which represent the invoiced value of goods or services sold, net of discounts, goods and services tax and other sales taxes.

3 Principal activities and revenue (Cont'd)

Disaggregation of the Group's total revenue

Segments	Mining		Smelting		Marketing and Trading		Total Revenue	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020
	A$'000	A$'000	**A$'000**	A$'000	**A$'000**	A$'000	**A$'000**	A$'000
Primary geographical markets								
Asia Pacific	**-**	1,042	**248,455**	194,728	**650,799**	480,184	**899,254**	675,954
Europe	**-**	-	**-**	1,601	**65,240**	41,274	**65,240**	42,875
Middle East	**-**	-	**21**	968	**37,628**	48,543	**37,649**	49,511
Africa	**-**	-	**-**	-	**64**	3,220	**64**	3,220
Others	**-**	-	**-**	-	**38,603**	13,073	**38,603**	13,073
	-	1,042	**248,476**	197,297	**792,334**	586,294	**1,040,810**	784,633
Major product or service lines								
Ores	**-**	1,042	**-**	-	**268,494**	202,547	**268,494**	203,589
Alloys	**-**	-	**242,388**	192,952	**477,333**	360,877	**719,721**	553,829
Services	**-**	-	**6,088**	4,345	**46,507**	22,870	**52,595**	27,215
	-	1,042	**248,476**	197,297	**792,334**	586,294	**1,040,810**	784,633
Timing of transfer of goods or services								
At a point in time	**-**	1,042	**242,388**	192,952	**745,827**	563,424	**988,215**	757,418
Over time	**-**	-	**6,088**	4,345	**46,507**	22,870	**52,595**	27,215
	-	1,042	**248,476**	197,297	**792,334**	586,294	**1,040,810**	784,633

4 Property, plant and equipment

The Group	Construction -in-progress A$'000	Buildings and infrastructure A$'000	Plant and machinery A$'000	Computer equipment, office equipment and furniture A$'000	Motor vehicles A$'000	Total A$'000
Cost						
At 1 January 2020	74,148	23,594	768,547	5,683	2,095	874,067
Additions	14,164	67	549	708	2	15,490
Transfers	(65,847)	1,968	63,879	-	-	-
Written off	-	-	(42)	-	(5)	(47)
Exchange realignment	(1,425)	(897)	(70,337)	(368)	(121)	(73,148)
At 31 December 2020 and 1 January 2021	**21,040**	**24,732**	**762,596**	**6,023**	**1,971**	**816,362**
Additions	**4,310**	**319**	**2,447**	**1,105**	**62**	**8,243**
Transfers (Note 9)	**(11,911)**	**307**	**11,529**	**(6)**	**-**	**(81)**
Written off	**(6,257)**	**(78)**	**(1,861)**	**(442)**	**(289)**	**(8,927)**
Exchange realignment	**984**	**2,139**	**44,360**	**299**	**218**	**48,000**
At 31 December 2021	**8,166**	**27,419**	**819,071**	**6,979**	**1,962**	**863,597**
Accumulated depreciation and impairment loss						
At 1 January 2020	344	12,662	157,171	3,669	1,815	175,661
Depreciation for the year (Note 28)	-	1,292	41,058	861	74	43,285
Transfers	(344)	-	344	-	-	-
Written off	-	-	(6)	-	(5)	(11)
Exchange realignment	-	(500)	(14,438)	(214)	(105)	(15,257)
At 31 December 2020 and 1 January 2021	**-**	**13,454**	**184,129**	**4,316**	**1,779**	**203,678**
Depreciation for the year (Note 28)	**-**	**1,428**	**36,568**	**682**	**67**	**38,745**
Transfers (Note 9)	**-**	**225**	**24**	**(250)**	**-**	**(1)**
Written off	**-**	**(3)**	**(872)**	**(424)**	**(287)**	**(1,586)**
Exchange realignment	**-**	**1,185**	**10,511**	**170**	**211**	**12,077**
At 31 December 2021	**-**	**16,289**	**230,360**	**4,494**	**1,770**	**252,913**
Net book value						
At 31 December 2021	**8,166**	**11,130**	**588,711**	**2,485**	**192**	**610,684**
At 31 December 2020	21,040	11,278	578,467	1,707	192	612,684

Buildings are located in the PRC.

As of 31 December 2021, property, plant and equipment with a total net carrying amount of A$586,403,000 (2020 - A$576,099,000) had been pledged for banking facilities granted to subsidiaries (Note 21.1).

The Group evaluates any indication of impairment in the property, plant and equipment at the end of each reporting period. Cash flow projections used in these calculations are based on financial budgets approved by management. Cash flows beyond the budget period are useful life of the property, plant and equipment 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% (2020 - 1%) would not result in indication of impairment of the carrying amount of property, plant and equipment.

4 Property, plant and equipment (Cont'd)

Key assumptions used for value-in-use calculations:

	2021			2020		
	People's Republic of China	**Malaysia**	**Australia**	People's Republic of China	Malaysia	Australia
	Smelting operations			Smelting operations		
Gross margin[1]	**3.18%**	**18%**	**29%**	11%	21%	15%
Growth rate[2]	**0% before 2026, 0% after 2026**	**2% - 3% before 2026, 0% after 2026**	**0% before 2026, 0% after 2026**	0% before 2025, 0% after 2025	2% - 5% before 2025, 0% after 2025	0% before 2025, 0% after 2025
Discount rate[3]	**4.9%**	**6.3%**	**12.8%**	5.9%	6.1%	12.3%

[1] Budgeted gross margin. The gross margin differs due to the different operating efficiencies of the various subsidiaries located in different geographical locations.
[2] Weighted average growth rate used to extrapolate cash flows beyond the budget period.
[3] Pre-tax discount rates applied to the pre-tax cash flow projections. The discount rates vary due to the geographical locations of the businesses.

5 Land use rights

The Group	**2021** **A$'000**	2020 A$'000
At beginning of the year	**8,922**	9,920
Amortisation for the year (Note 28)	**(193)**	(206)
Exchange realignment	**579**	(792)
At end of the year	**9,308**	8,922

The land use rights, that form part of the Group's right-of-use assets, are for leasehold land located in the PRC and Malaysia.

The land use rights for leasehold land located in Malaysia had a net carrying value of A$7,918,000 (2020 - A$7,608,000) and were pledged as security for borrowings referred to in Note 21.1(c).

Information about the Group's leasing activities are disclosed in Note 34.

6 Exploration and evaluation costs

The Group	**2021** **A$'000**	2020 A$'000
At beginning of the year	**2,326**	963
Costs incurred during the year	**754**	1,363
Written off during the year (Note 28)	**(153)**	-
Exchange realignment	**28**	-
At end of the year	**2,955**	2,326

The Group has a 40% (2020 – 30%) interest in a joint arrangement in Australia which is involved in the exploration of manganese. This interest in the joint arrangement is accounted for as a joint operation. In 2021 and 2020, the expenditure capitalised during the year relate 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 2021 and 2020.

Subsequent to the reporting period, the funding requirement under this joint arrangement has been completed and the Group's interest in the joint arrangement has increased to 51% with effect from 17 February 2022.

7 Mine development costs

The Group	2021 A$'000	2020 A$'000
At beginning of the year	**16,726**	23,363
Adjustments to rehabilitation provisions (Note 24)	**(1,202)**	(132)
Amortisation for the year (Note 28)	**(12,835)**	(6,505)
At end of the year	**2,689**	16,726

8 Investment property

The Group	2021 A$'000	2020 A$'000
Cost		
Balance at beginning of year	**735**	808
Exchange realignment	**45**	(73)
Balance at end of year	**780**	735
Accumulated depreciation		
Balance at beginning of year	**161**	166
Depreciation for the year (Note 28)	**10**	11
Exchange realignment	**10**	(16)
Balance at end of year	**181**	161
Net book value	**599**	574
Rental income	**128**	126
Direct operating expenses arising from investment property that generates rental income	**(23)**	(25)
Gross profit arising from investment property	**105**	101

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)
	A$'000	A$'000	A$'000
2021	**-**	**-**	**2,950**
2020	-	-	2,535

Valuation techniques used to derive fair values

As of 31 December 2021, the fair value of investment property amounted to approximately A$2,950,000 (2020 - A$2,535,000) 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 A$'000	Plant and machinery A$'000	Office equipment A$'000	Motor vehicles A$'000	Total A$'000
Cost					
At 1 January 2020	7,059	10,258	37	521	17,875
Exchange realignment	(419)	(505)	(3)	(46)	(973)
Lease modification	(276)	(320)	-	-	(596)
Write-off	(1,120)	-	-	-	(1,120)
Additions	28	932	-	-	960
At 31 December 2020 and at 1 January 2021	**5,272**	**10,365**	**34**	**475**	**16,146**
Exchange realignment	**421**	**303**	**1**	**28**	**753**
Transfers (Note 4)	**(55)**	**136**	**-**	**-**	**81**
Write-off	**(3,415)**	**-**	**-**	**-**	**(3,415)**
Additions	**8,118**	**3,503**	**-**	**-**	**11,621**
At 31 December 2021	**10,341**	**14,307**	**35**	**503**	**25,186**
Accumulated depreciation and impairment					
At 1 January 2020	3,719	6,800	9	216	10,744
Exchange realignment	(411)	(440)	(2)	(25)	(878)
Lease modification	(214)	(22)	-	-	(236)
Write-off	(1,120)	-	-	-	(1,120)
Depreciation	2,828	2,750	9	57	5,644
At 31 December 2020 and at 1 January 2021	**4,802**	**9,088**	**16**	**248**	**14,154**
Exchange realignment	**205**	**275**	**1**	**16**	**497**
Transfers (Note 4)	**-**	**1**	**-**	**-**	**1**
Write-off	**(3,415)**	**-**	**-**	**-**	**(3,415)**
Depreciation	**2,186**	**3,633**	**8**	**49**	**5,876**
At 31 December 2021	**3,778**	**12,997**	**25**	**313**	**17,113**
Carrying amount					
At 31 December 2021	**6,563**	**1,310**	**10**	**190**	**8,073**
At 31 December 2020	470	1,277	18	227	1,992

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:

The Group	**2021** **A$'000**	2020 A$'000
Deferred tax assets		
At gross	**84,932**	89,785
Less: Set off of tax in similar legislations	**(66,454)**	(75,997)
At net	**18,478**	13,788
Deferred tax liabilities		
At gross	**(1,292)**	(1,229)
Less: Set off of tax in similar legislations	**-**	-
At net	**(1,292)**	(1,229)
Deferred tax assets		
To be recovered within one year	**-**	-
To be recovered after one year	**18,478**	13,788
	18,478	13,788
Deferred tax liabilities		
To be settled within one year	**-**	-
To be settled after one year	**(1,292)**	(1,229)
	(1,292)	(1,229)

Deferred tax assets (at gross) comprise tax on the following deductible temporary differences:

The Group	Excess of tax written down value over net book value of qualifying property, plant and equipment A$'000	Provisions A$'000	Tax losses A$'000	Others A$'000	Total A$'000
At 1 January 2020	-	6,097	78,166	1,256	85,519
Credited/(charged) to profit or loss (Note 29)	1,186	(448)	12,394	(1,030)	12,102
Exchange difference on translation	-	-	(7,836)	-	(7,836)
At 31 December 2020 and 1 January 2021	**1,186**	**5,649**	**82,724**	**226**	**89,785**
Credited/(charged) to profit or loss (Note 29)	**406**	**(1,292)**	**(8,471)**	**126**	**(9,231)**
Exchange difference on translation	**-**	**-**	**4,378**	**-**	**4,378**
At 31 December 2021	**1,592**	**4,357**	**78,631**	**352**	**84,932**

10 Deferred taxation (Cont'd)

Deferred tax liabilities (at gross) comprise tax on the following taxable temporary differences:

The Group	Excess of net book value over tax written down value of qualifying property, plant and equipment, and mine development costs A$'000	Provisions A$'000	Others A$'000	Total A$'000
At 1 January 2020	(71,602)	(2,950)	(812)	(75,364)
(Charged)/credited to profit or loss (Note 29)	(11,050)	2,266	(246)	(9,030)
Exchange difference on translation	7,168	-	-	7,168
At 31 December 2020 and 1 January 2021	**(75,484)**	**(684)**	**(1,058)**	**(77,226)**
(Charged)/credited to profit or loss (Note 29)	**20,391**	**(83)**	**(318)**	**19,990**
Exchange difference on translation	**(10,510)**	**-**	**-**	**(10,510)**
At 31 December 2021	**(65,603)**	**(767)**	**(1,376)**	**(67,746)**

Unrecognised deferred tax assets

Deferred tax assets of A$2,501,000 (2020 - A$2,914,000) have not been recognised in respect of the following items:

The Group	**2021 A$'000**	2020 A$'000
Tax losses	**10,423**	12,032

The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which certain subsidiaries operate. The deductible temporary differences have an expiry term of 7 years. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable income will be available against which the Group can recognise the benefits.

11 Subsidiaries

The Company	**2021 A$'000**	2020 A$'000
Unquoted equity investments, at cost	**8,013**	8,013
Amounts due from subsidiaries	**219,071**	217,521
Less: Accumulated impairment losses		
At beginning and end of the year	**(83,417)**	(83,417)
	135,654	134,104
Total	**143,667**	142,117

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 Group evaluates any indication of impairment on the investment in subsidiaries at the end of each reporting period. The Group 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.

11 Subsidiaries (Cont'd)

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% (2020 - 1%) would not result in indication of impairment of the carrying amount of the investments in subsidiaries.

Key assumptions used for value-in-use calculations:

	2021			2020		
	People's Republic of China	**Malaysia**	**Australia**	People's Republic of China	Malaysia	Australia
	Smelting operations			Smelting operations		
Gross margin[1]	**3.18%**	**18%**	**29%**	11%	21%	15%
Growth rate[2]	**0% before 2026, 0% after 2026**	**2% - 3% before 2026, 0% after 2026**	**0% before 2026, 0% after 2026**	0% before 2025, 0% after 2025	2% - 5% before 2025, 0% after 2025	0% before 2025, 0% after 2025
Discount rate[3]	**4.9%**	**6.3%**	**12.8%**	5.9%	6.1%	12.3%

1 Budgeted gross margin. The gross margin differs due to the different operating efficiencies of the various subsidiaries located in different geographical locations.
2 Weighted average growth rate used to extrapolate cash flows beyond the budget period.
3 Pre-tax discount rate applied to the pre-tax cash flow projections. The discount rates vary due to the geographical locations of the businesses.

Details of the Group's material subsidiaries at the end of the reporting period are set out below:

Name	Place of incorporation/ operation	Proportion of ownership interest and voting rights held by the Group 2021 %	2020 %	Principal activities
Held by the Company OM (Manganese) Ltd. (1)	Australia	**100**	100	Operation of manganese mine
Held by OM Resources (HK) Limited OM Materials (S) Pte. Ltd. (2)	Singapore	**100**	100	Investment holding and trading of metals and ferroalloy products
Held by OM Materials (S) Pte. Ltd. OM Materials (Sarawak) Sdn. Bhd. (3)	Malaysia	**75**	75	Sales and processing of ferroalloys and ores
OM Materials (Qinzhou) Co. Ltd. (4)	PRC	**100**	100	Sales and processing of ferroalloys and ores
Held by OM Materials Trade (S) Pte. Ltd. OM Materials Trading (Qinzhou) Co. Ltd (4)	PRC	**100**	100	Sales and processing of ferroalloys and ores

Note:
(1) audited by Grant Thornton Audit Pty Ltd
(2) audited by Foo Kon Tan LLP
(3) audited by Ernst & Young, Malaysia
(4) audited by Guangxi JiaHai Accountant Affairs Office Co. Ltd. for statutory purposes and reviewed by Foo Kon Tan LLP for group consolidation

11 Subsidiaries (Cont'd)

At the end of the reporting period, the Group has other subsidiaries that are not material to the Group. The principal activities of these subsidiaries are summarised as follows:

Principal activities	Place of incorporation/ operation	Number of subsidiaries	
		2021	2020
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	**1**	1
Exploration and mining of minerals	Malaysia	**2**	2
Engineering services	Malaysia	**1**	1
		10	10

Additional investment in OM Materials (Sarawak) Sdn. Bhd. ("OM Sarawak")

On 4 March 2021, pursuant to the Equity Injection Notice dated 24 February 2021 from OM Sarawak, OM Materials (S) Pte Ltd ("OMS") contributed shares of US$6,839,250 (A$9,425,000) of the additional capital injection in OM Sarawak by subscribing 27,685,284 ordinary shares at an issue price of RM1.00 per share.

The table below shows details of a non-wholly owned subsidiary of the Group that has material non-controlling interests:

Name	Place of Incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		2021 %	2020 %	**2021 A$'000**	2020 A$'000	**2021 A$'000**	2020 A$'000
OM Materials (Sarawak) Sdn. Bhd.	Malaysia	**25**	25	**29,356**	(8,139)	**94,757**	56,967

11 Subsidiaries (Cont'd)

Summarised financial information in respect of the above subsidiary that has material non-controlling interests ("NCI") is set out below.

	2021 A$'000	2020 A$'000
OM Materials (Sarawak) Sdn. Bhd.		
Summarised Statement of Financial Position		
Current assets	**388,899**	228,907
Non-current assets	**591,284**	583,058
Current liabilities	**(238,673)**	(227,511)
Non-current liabilities	**(362,475)**	(352,327)
Equity attributable to owners of the Company	**284,278**	175,160
Non-controlling interests	**94,757**	56,967
Summarised Statement of Comprehensive Income		
Revenue	**582,353**	521,940
Expenses	**(469,045)**	(554,497)
Profit/(loss) for the year	**113,308**	(32,557)
Profit/(loss) attributable to owners of the Company	**84,981**	(24,418)
Profit/(loss) attributable to NCI	**28,327**	(8,139)
Profit/(loss) for the year	**113,308**	(32,557)
Other comprehensive income attributable to owners of the Company	**2,178**	768
Other comprehensive income attributable to NCI	**726**	256
Other comprehensive income for the year	**2,904**	1,024
Total comprehensive income/(loss) attributable to owners of the Company	**87,159**	(23,650)
Total comprehensive income/(loss) attributable to NCI	**29,053**	(7,883)
Total comprehensive income/(loss) for the year	**116,212**	(31,533)
Other summarised information		
Net cash inflow from operating activities	**44,746**	77,404
Net cash outflow from investing activities	**(6,652)**	(8,038)
Net cash outflow from financing activities	**(27,426)**	(61,585)
Net cash inflow/(outflow)	**10,668**	7,781

12 Interests in associates

The Group	2021 A$'000	2020 A$'000
Cost of investment in associates [1]	**77,669**	77,672
Share of post-acquisition profits and reserves, net of dividends	**41,642**	49,160
	119,311	126,832

[1] Comprised unquoted equity shares at cost and advances to associates net of repayments. The advances to associates represent extensions of the investment in associates which are unsecured with indeterminate repayment terms.

12 Interests in associates (Cont'd)

Details of the Group's material associate at the end of the reporting period was as follows:

Name	Country of incorporation	Proportion of effective ownership interest and voting rights held by the Group		Principal activities
		2021	2020	
		%	%	
Ntsimbintle Mining Proprietary Limited ("NMPL") (1)	South Africa	**26**	26	Investment holding
Held by NMPL (2) Tshipi é Ntle Manganese Mining Proprietary Limited ("Tshipi Mining") (1)	South Africa	**13**	13	Exploration and exploitation of minerals

(1) audited by KPMG Inc.
(2) NMPL holds a 50.1% interest joint venture in Tshipi Mining whose results are equity-accounted in NMPL.

Shares in the Group's material associate are held by a wholly-owned subsidiary of the Group, OMH (Mauritius) Corp.

All of the Group's associates are accounted for using the equity method in the Group's consolidated financial statements.

The financial year end date of NMPL is 28 February. For the purposes of applying the equity method accounting, the management accounts of NMPL for the year ended 31 December 2021 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	
	2021	2020
	A$'000	A$'000
Current assets	**4,705**	3,556
Non-current assets (1)	**176,290**	193,787
Current liabilities	**(76)**	(11)
Non-current liabilities	**(156,233)**	(368,290)
Net assets/(liabilities)	**24,686**	(170,958)
Income (1)	**40,043**	64,146
Profit for the year	**20,883**	63,649
Total comprehensive income for the year	**20,883**	63,649
Dividends received from associate	**12,934**	6,048

(1) Inclusive of equity-accounted results of Tshipi Mining.

12 Interests in associates (Cont'd)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	Ntsimbintle Mining Proprietary Limited		Total	
	2021 A$'000	2020 A$'000	**2021 A$'000**	2020 A$'000
Net assets/(liabilities) of the associate	**24,686**	(170,958)	**24,686**	(170,958)
Shareholder loans	**156,233**	368,290	**156,233**	368,290
	180,919	197,332	**180,919**	197,332
Proportion of the Group's ownership interest in the associate	**47,039**	51,306	**47,039**	51,306
Goodwill	**59,842**	59,842	**59,842**	59,842
Currency translation difference	**12,417**	15,655	**12,417**	15,655
Carrying value	**119,298**	126,803	**119,298**	126,803
Add:				
Carrying value of individually immaterial associates			**13**	29
Carrying value of Group's interest in associates			**119,311**	126,832

Aggregate information of associates that are not individually material

The summarised financial information of the immaterial associate not adjusted for in the Group's share of equity interest is as follows:

	2021 A$'000	2020 A$'000
- Loss for the year	**(53)**	(71)
- Total comprehensive loss for the year	**(53)**	(71)

	2021 A$'000	2020 A$'000
The Group's share of loss	**(18)**	(24)

13 Other investment

The Group	**2021 A$'000**	2020 A$'000
Non-current		
Equity investments at FVTPL		
- Quoted equity shares	**-**	1,888

The investment in quoted equity shares offer the Group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate.

13 Other investment (Cont'd)

Fair value hierarchy – Recurring fair value measurements

	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)
	A$'000	A$'000	A$'000
2021	**-**	**-**	**-**
2020	1,888	-	-

14 Inventories

The Group	**2021 A$'000**	2020 A$'000
At cost		
Raw materials	**214,894**	147,354
Work-in-progress	**18,542**	15,561
Finished goods	**99,862**	45,937
	333,298	208,852
At net realisable value		
Work-in-progress	**953**	898
Finished goods	**19,057**	6,557
	20,010	7,455
Total	**353,308**	216,307
Cost of inventories recognised as an expense and included in cost of sales (Note 28)	**766,292**	688,371
Write-down of inventories to net realisable value (Note 28)	**3,775**	3,397

15 Trade and other receivables

	The Company		The Group	
	2021 A$'000	2020 A$'000	**2021 A$'000**	2020 A$'000
Trade receivables (i)	**-**	-	**44,963**	48,130
Other receivables:				
Amounts due from subsidiaries (non-trade)	**9,417**	12,553	**-**	-
Deposits and other receivables:				
- third party	**-**	-	**12,272**	15,111
- associate	**-**	-	**51**	29
	9,417	12,553	**12,323**	15,140
Less: Allowance for impairment of other receivables:				
At beginning of the year	**-**	-	**(278)**	(278)
Impairment loss (Note 28)	**-**	-	**(646)**	-
At end of the year	**-**	-	**(924)**	(278)
Net other receivables (ii)	**9,417**	12,553	**11,399**	14,862
Total (i) + (ii)	**9,417**	12,553	**56,362**	62,992

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 A$459,000 (2020 - A$6,763,000) from tax authorities.

Trade and other receivables are denominated in the following currencies:

	The Company		The Group	
	2021 A$'000	2020 A$'000	**2021 A$'000**	2020 A$'000
Australian Dollar	**9,417**	12,553	**1,540**	9,171
Renminbi	**-**	-	**8,602**	5,277
United States Dollar	**-**	-	**42,205**	44,855
Malaysian Ringgit	**-**	-	**556**	425
Others	**-**	-	**3,459**	3,264
	9,417	12,553	**56,362**	62,992

The credit risk for trade and other receivables based on the information provided by key management is as follows:

	The Company		The Group	
	2021 A$'000	2020 A$'000	**2021 A$'000**	2020 A$'000
By geographical areas				
Asia Pacific	**9,417**	9,441	**40,584**	52,682
Europe	**-**	-	**6,249**	4,187
Africa	**-**	3,112	**5,044**	29
Others	**-**	-	**4,485**	6,094
	9,417	12,553	**56,362**	62,992

15 Trade and other receivables (Cont'd)

Neither past due nor impaired

Trade and other receivables that were neither past due nor impaired amounting to A$9,417,000 (2020 - A$12,553,000) and A$56,329,000 (2020 - A$62,153,000) 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	
	2021 A$'000	2020 A$'000	**2021 A$'000**	2020 A$'000
Past due 0 to 3 months	**-**	-	**29**	643
Past due 3 to 6 months	**-**	-	**-**	-
Past due over 6 months	**-**	-	**4**	196
	-	-	**33**	839

Trade and other receivables that were past due but not impaired related to a number of debtors that have a good track record with the Group. Based on historical default rates, the Group believes that no impairment allowance is necessary in respect of trade and other receivables not past due or past due over 6 months. These receivables are mainly arising from debtors that have a good credit record with the Group.

16 Capitalised contract costs

The Group	**2021 A$'000**	2020 A$'000
Costs to fulfil service rendered for transportation of goods sold under CFR and CIF Incoterms	**1,484**	1,856
Amortisation recognised as cost of sales during the year	**1,856**	1,015

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.

17 Cash and bank balances

	The Company		The Group	
	2021 A$'000	2020 A$'000	**2021 A$'000**	2020 A$'000
Cash at bank and on hand	**44**	42	**109,824**	58,905
Short-term bank deposits	**-**	-	**2,510**	4,126
Total cash and bank balances	**44**	42	**112,334**	63,031
Less: Cash collateral	**-**	-	**(16,167)**	(17,080)
Cash and cash equivalents	**44**	42	**96,167**	45,951

Included in the cash collateral were amounts of A$1,399,000 (2020 - A$2,140,000) and A$14,602,000 (2020 - A$14,553,000) which were pledged to banks as security for banking facilities and the issuance of environmental bonds (Note 35.4) respectively.

17 Cash and bank balances (Cont'd)

Cash and bank balances are denominated in the following currencies:

	The Company		The Group	
	2021 A$'000	2020 A$'000	**2021 A$'000**	2020 A$'000
Australian Dollar	**41**	39	**19,083**	17,639
Renminbi	**-**	-	**16,275**	15,381
United States Dollar	**3**	3	**70,104**	23,637
Malaysian Ringgit	**-**	-	**5,351**	6,195
Others	**-**	-	**1,521**	179
	44	42	**112,334**	63,031

The short term bank deposits have an average maturity of 3 months (2020 - 3 months) from the end of the financial year with the following weighted average effective interest rates:

The Group	**2021 Per annum**	2020 Per annum
United States Dollar	**0.06% to 0.16%**	0.18% to 0.92%
Renminbi	**-**	1.38%
Malaysia Ringgit	**1.15%**	1.15%

18 Share capital

	No. of ordinary shares		Amount	
The Company and The Group	**2021 '000**	2020 '000	**2021 A$'000**	2020 A$'000
Authorised:				
Ordinary shares of A$0.05 (2020 - A$0.05) each	**2,000,000**	2,000,000	**100,000**	100,000
Issued and fully paid:				
Ordinary shares of A$0.05 (2020 - A$0.05) each				
At 1 January and 31 December	**738,623**	738,623	**36,931**	36,931

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.

19 Treasury shares

	No. of ordinary shares		Amount	
The Company and The Group	**2021 '000**	2020 '000	**2021 A$'000**	2020 A$'000
At 1 January and 31 December	**1,933**	1,933	**2,330**	2,330

Treasury shares relate to ordinary shares of the Company that are held by the Company. During the year, the Company acquired Nil shares (2020 - Nil shares) in the Company through on-market purchase on the Australian Securities Exchange.

20 Reserves

		The Company		The Group	
		2021	2020	**2021**	2020
		A$'000	A$'000	**A$'000**	A$'000
Share premium	[Note (i)]	**178,363**	178,363	**178,363**	178,363
Non-distributable reserves	[Note (ii)]	**-**	-	**8,868**	8,868
Capital reserve	[Note (iii)]	**-**	-	**16,064**	16,064
Contributed surplus	[Note (iv)]	**3,312**	3,312	**-**	-
Hedging reserve	[Note (v)]	**-**	-	**(2,771)**	(4,911)
Exchange fluctuation reserve	[Note (vi)]	**-**	-	**27,597**	6,021
(Accumulated losses)/Retained profits	[Note (vii)]	**(131,094)**	(133,367)	**242,544**	160,637
		50,581	48,308	**470,665**	365,042
Share premium					
At 1 January and 31 December		**178,363**	178,363	**178,363**	178,363
Non-distributable reserve					
At 1 January and 31 December		**-**	-	**8,868**	8,868
Capital reserve					
At 1 January and 31 December		**-**	-	**16,064**	16,064
Contributed surplus					
At 1 January and 31 December		**3,312**	3,312	**-**	-
Hedging reserve					
At 1 January		**-**	-	**(4,911)**	(5,851)
Cash flow hedges		**-**	-	**2,140**	940
At 31 December		**-**	-	**(2,771)**	(4,911)
Exchange fluctuation reserve					
At 1 January		**-**	-	**6,021**	30,181
Currency translation differences		**-**	-	**21,576**	(24,160)
At 31 December		**-**	-	**27,597**	6,021
Retained profits/(Accumulated losses)					
At 1 January		**(133,367)**	(122,213)	**160,637**	162,652
Profit/(loss) for the year		**2,273**	(3,787)	**81,907**	5,352
Dividends paid	[Note (viii)]	**-**	(7,367)	**-**	(7,367)
At 31 December		**(131,094)**	(133,367)	**242,544**	160,637

20 Reserves (Cont'd)

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) The capital reserve arose from the capitalisation of various reserves and retained profits in one of the Sino-foreign joint ventures of the Group. The purpose of the capitalisation is to increase the registered capital of the joint venture.

(iv) The contributed surplus of the Company represents the difference between the nominal value of the Company's shares issued for acquisition of the subsidiaries and the aggregate net asset value of the subsidiaries acquired. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus can be distributable to shareholders under certain circumstances. At the Group level, the contributed surplus is eliminated against the cost of investment in subsidiaries.

(v) The hedging reserve represents hedging gains and losses recognised on the effective portion of cash flow hedges. The cumulative deferred gain or loss on the hedge recognised in other comprehensive income and accumulated hedging reserves is reclassified to the profit or loss when the forecast transaction is ultimately recognised in the profit or loss.

(vi) The translation reserve comprises all foreign exchange differences arising on the translation of the financial statements of foreign subsidiaries and associates stated in a currency different from the Group's presentation currency.

(vii) Retained earnings comprise the distributable reserves recognised in the preceding year less any dividend declared. The total of such profits brought forward and the profit derived during the period constitute the total distributable reserves, that is the maximum amount available for distribution to the shareholders.

(viii) The Group and The Company

	2021	2020
	A$'000	A$'000
Final tax-exempt (one-tier) dividend of 0.01 cents per share for 2019	**-**	7,367
	-	7,367

21 Borrowings

	The Company		The Group	
	2021 A$'000	2020 A$'000	**2021 A$'000**	2020 A$'000
Non-current				
Bank loans (Note 21.1)	**-**	-	**282,147**	275,360
Other loans (Note 21.3)	**-**	-	**14,789**	13,893
	-	-	**296,936**	289,253
Structuring and arrangement fee	**-**	-	**(807)**	(974)
	-	-	**296,129**	288,279
Current				
Bank loans (Note 21.1)	**-**	-	**101,345**	103,184
5% Convertible Note (Note 21.2)	**-**	14,003	**-**	14,003
Other loans (Note 21.3)	**-**	-	**12,138**	10,177
	-	14,003	**113,483**	127,364
Structuring and arrangement fee	**-**	-	**(588)**	(598)
	-	14,003	**112,895**	126,766
	-	14,003	**409,024**	415,045

21.1 Bank loans

	The Company		The Group	
	2021 A$'000	2020 A$'000	**2021 A$'000**	2020 A$'000
Bank loans, unsecured	**-**	-	**-**	3,796
Bank loans, secured [Note (a)]	**-**	-	**-**	6,764
Bank loans, secured [Note (b)]	**-**	-	**8,670**	1,622
Bank loans, secured [Note (c)]	**-**	-	**374,821**	366,362
	-	-	**383,491**	378,544
Amount repayable not later than one year	**-**	-	**101,343**	103,184
Amount repayable after one year:				
Later than one year and not later than five years	**-**	-	**282,148**	275,360
	-	-	**383,491**	378,544

Notes:

(a) These loans are secured by charges over certain bank deposits as disclosed in Note 17.

(b) These loans are secured by a charge over land and buildings and certain bank deposits, as disclosed in Note 4 and Note 17 respectively.

(c) These loans are secured by:

- shares of OM Materials (Sarawak) Sdn Bhd, a company incorporated in Malaysia;
- a charge over certain bank accounts;
- a charge over land use rights;
- a debenture;
- a borrower assignment;
- an assignment of insurances;
- a shareholder assignment;
- an assignment of reinsurances; and
- a corporate guarantee from OM Holdings Limited and Cahya Mata Sarawak Berhad (holds 25% ownership interest in OM Materials (Sarawak) Sdn Bhd).

21 Borrowings (Cont'd)

21.2 5% Convertible Note

	The Company		The Group	
	2021 A$'000	2020 A$'000	**2021 A$'000**	2020 A$'000
5% Convertible Note:				
Due not later than one year	**-**	14,003	**-**	14,003

On 7 March 2012, the Company issued to Hanwa Co. Ltd 25,000,000 convertible notes at an aggregate principal amount of A$19,945,953 (US$21,447,261) with a nominal interest of 5% per annum, due on 6 March 2016 and convertible in accordance with the terms and conditions of issue including an initial conversion price of A$0.80 per share. On 4 March 2016, the Company executed an amendment and restatement agreement with Hanwa Co. Ltd to extend the Convertible Note terms for a further 4 years to 6 March 2020, which was assessed and accounted for as a non-substantial modification of the original financial liability. The conversion option was not recognised as a derivative financial instrument because the fair value was assessed to be insignificant.

In March 2018, the convertible notes on issue were reduced from 25,000,000 to 20,000,000 following the redemption of 20% of the convertible notes for US$4,290,000 (equivalent to approximately A$5,500,000).

In April 2018, the convertible notes on issue were reduced further from 20,000,000 to 17,435,500 following the redemption by the Company of a further 10.26% of the original convertible notes for US$2,200,000 (equivalent to approximately A$2,900,000).

In February 2019, the convertible notes on issue were reduced further from 17,435,500 to 12,500,000 following the redemption by the Company of 19.74% of the original convertible notes for US$4,234,000 (equivalent to approximately A$5,826,000).

In December 2019, the Company executed an amendment and restatement agreement with Hanwa Co. Ltd to extend the Convertible Note terms for a further 1 year to 6 March 2021, which was assessed and accounted for as a non-substantial modification of the original financial liability. The conversion option was not recognised as a derivative financial instrument because the fair value was assessed to be insignificant.

As of 31 December 2020, the Company had 12,500,000 convertible notes on issue with Hanwa Co. Ltd, due on 6 March 2021. In March 2021, the 12,500,000 convertible notes were fully redeemed by the Company for A$13,900,000 (approximately equivalent to US$10,700,000).

21.3 Other loans

	The Company		The Group	
	2021 A$'000	2020 A$'000	**2021 A$'000**	2020 A$'000
Shareholder loan, unsecured [Note (a)]	**-**	-	**3,075**	2,857
Shareholder loan, unsecured [Note (b)]	**-**	-	**11,277**	10,177
Third party loan, secured [Note (c)]	**-**	-	**11,714**	11,036
Third party loan, unsecured	**-**	-	**861**	-
	-	-	**26,927**	24,070
Amount repayable not later than one year	**-**	-	**12,138**	10,177
Amount repayable after one year:				
Later than one year and not later than five years	**-**	-	**11,714**	11,036
Later than five years	**-**	-	**3,075**	2,857
	-	-	**14,789**	13,893
	-	-	**26,927**	24,070

21 Borrowings (Cont'd)

21.3 Other loans (Cont'd)

Notes:

(a) These loans are unsecured. None of the shareholders are entitled to demand or receive payment or any distribution in respect of any shareholders' loans from the Group. Repayment may be made subject to satisfaction of pre-agreed tests typical for a project financing of this nature.

(b) The loan is unsecured and repayable on demand.

(c) The loan is secured by a corporate guarantee from OM Holdings Limited. As at 31 December 2020, the loan was repayable on 4 January 2022. In December 2021, the repayment date was extended to 4 January 2023.

21.4 Currency risk

Total borrowings are denominated in the following currencies:

	The Company		The Group	
	2021 A$'000	2020 A$'000	**2021 A$'000**	2020 A$'000
United States Dollar	**-**	14,003	**399,493**	337,745
Malaysian Ringgit	**-**	-	**-**	75,678
Renminbi	**-**	-	**8,670**	1,622
Others	**-**	-	**861**	-
	-	14,003	**409,024**	415,045

21.5 Effective interest rates

The weighted average effective interest rates of total borrowings at the end of the reporting period are as follows:

	The Company		The Group	
	2021	2020	**2021**	2020
	Per annum		Per annum	
Bank loans (Note 21.1)	**-**	-	**1.88% to 5.07%**	0.41% to 6.87%
5% convertible note (Note 21.2)	**-**	9.00%	**-**	9.00%
Other loans (Note 21.3)	**-**	-	**1.24% to 4.53%**	1.53% to 5.95%

21.6 Carrying amounts and fair values

The carrying amounts of current borrowings approximate their fair value. The carrying amounts and fair values of non-current borrowings were as follows:

	The Company		The Group	
	Carrying amounts A$'000	Fair values A$'000	Carrying amounts A$'000	Fair values A$'000
2021				
Bank loans	**-**	**-**	**282,148**	**279,221**
Other loans	**-**	**-**	**14,789**	**14,789**
2020				
Bank loans	-	-	275,360	273,840
Other loans	-	-	13,893	13,893

The fair values above are determined from the discounted cash flow analysis, discounted at market borrowing rates (per annum) of an equivalent instrument at the end of the reporting period which the Directors expect to be available to the Group.

22 Lease liabilities

The Group	**2021 A$'000**	2020 A$'000
Undiscounted lease payments due:		
- Year 1	**3,479**	1,336
- Year 2	**2,505**	332
- Year 3	**2,199**	103
- Year 4 and onwards	**4**	-
	8,187	1,771
Less: Unearned interest cost	**(478)**	(101)
Lease liabilities	**7,709**	1,670
Presented as:		
- Non-current	**4,174**	415
- Current	**3,535**	1,255
	7,709	1,670

Interest expense on lease liabilities of A$330,000 (2020 - A$306,000) is recognised within "finance costs" in the profit or loss.

Rental expenses not capitalised in lease liabilities but recognised within "operating expenses" in the profit or loss are set out below:

The Group	**2021 A$'000**	2020 A$'000
Short-term leases	**9,707**	9,865
Leases of low-value assets	**19**	454

Total cash outflows for all leases in the year amounted to A$5,941,000 (2020 - A$6,547,000).

As at 31 December 2021, 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	**2021 A$'000**	2020 A$'000
Australian Dollar	**743**	613
Malaysian Ringgit	**5,719**	730
Others	**1,247**	327
	7,709	1,670

23 Trade and other payables

	The Company		The Group	
	2021 A$'000	2020 A$'000	**2021 A$'000**	2020 A$'000
Non-current				
Trade payables - third party	**-**	-	**54,164**	54,530
Other payables	**-**	-	**118**	232
Retention monies	**-**	-	**43**	29
	-	-	**54,325**	54,791
Current				
Trade payables				
- third party	**-**	-	**139,453**	114,433
Amount due to subsidiaries (non-trade)	**65,643**	55,280	**-**	-
Accruals	**2,234**	1,673	**14,867**	9,417
Other payables	**194**	258	**17,559**	23,103
Retention monies	**-**	-	**1,815**	2,820
Welfare expense payable	**-**	-	**2,797**	2,295
Interest payables	**-**	677	**236**	3,692
	68,071	57,888	**37,274**	41,327
	68,071	57,888	**176,727**	155,760
Total	**68,071**	57,888	**231,052**	210,551

Non-current trade payables relate to payables to vendors which bear interest of 5.5% (2020 - 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	
	2021 A$'000	2020 A$'000	**2021 A$'000**	2020 A$'000
Australian Dollar	**39,253**	39,884	**13,473**	14,340
Renminbi	**-**	-	**14,651**	11,440
United States Dollar	**28,614**	17,622	**45,092**	37,400
Malaysian Ringgit	**-**	182	**157,463**	145,121
Others	**204**	200	**373**	2,250
	68,071	57,888	**231,052**	210,551

All trade payables are generally on 30 to 120 (2020 - 30 to 120) days' credit terms.

23 Trade and other payables (Cont'd)

The carrying amounts of current trade and other payables approximate their fair value. The carrying amounts and fair values of non-current trade and other payables are as follows:

	The Company		The Group	
	Carrying amounts A$'000	Fair values A$'000	Carrying amounts A$'000	Fair values A$'000
2021				
Trade payables - third party	**-**	**-**	**54,164**	**54,164**
Other payables	**-**	**-**	**118**	**118**
Retention monies	**-**	**-**	**43**	**43**
2020				
Trade payables - third party	-	-	54,530	54,530
Other payables	-	-	232	232
Retention monies	-	-	29	29

24 Provisions

The Group	**2021 A$'000**	2020 A$'000
Rehabilitation		
At beginning of the year	**12,675**	14,453
Additions	**-**	-
Adjustments from mine development costs (Note 7)	**(1,202)**	(132)
Utilisation	**(1,585)**	(1,646)
At end of the year	**9,888**	12,675
Non-current	**7,973**	10,869
Current	**1,915**	1,806
	9,888	12,675

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

The Group	**2021 A$'000**	2020 A$'000
Government grant	**11,387**	11,466
Non-current	**10,609**	10,730
Current	**778**	736
	11,387	11,466

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 costs of A$756,000 (2020 - A$817,000) (Note 28) and foreign currency translation differences.

26 Contract liabilities

The Group	**2021 A$'000**	2020 A$'000
Transportation of goods sold under CFR and CIF Incoterms	**9,686**	6,064

The Group's contract liabilities relate to the Group's obligation to transport goods sold to customers under CFR and CIF Incoterms for which the Group has received advance payments from these customers.

Unsatisfied performance obligations in relation to contract liabilities at the end of the reporting period are:

The Group	**2021 A$'000**	2020 A$'000
Aggregate amount of transaction price allocated to contracts that are partially or fully unsatisfied at the end of the year	**9,686**	6,064

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.

27 Other income

The Group	**2021 A$'000**	2020 A$'000
Interest income from banks	**298**	691
Commission income	**1,169**	2,189
Fair value gain on other investment (Note 13)	**-**	1,388
Government grant	**506**	735
Gain on disposal of other investment	**799**	-
Gain from derecognition of financial liabilities	**9,219**	-
Sundry income	**2,310**	1,753
	14,301	6,756

28 Profit/(loss) before income tax

The Group	Note	**2021 A$'000**	2020 A$'000
Profit/(loss) before income tax has been arrived at after charging/(crediting):			
Depreciation of property, plant and equipment:			
- cost of sales		**21,976**	27,630
- other operating expenses		**16,769**	15,655
	4	**38,745**	43,285
Loss on disposal of property, plant and equipment [1]		**18**	-
Write off of property, plant and equipment [1]		**7,341**	36
Amortisation of land use rights [1]	5	**193**	206
Write off of exploration and evaluation costs [1]	6	**153**	-
Amortisation of mine development costs [1]	7	**12,835**	6,505
Depreciation of investment property [1]	8	**10**	11
Depreciation of right-of-use assets [1]	9	**5,876**	5,644
Cost of inventories recognised as expenses and included in cost of sales	14	**766,292**	688,371
Write-down of inventories to net realisable value [1]	14	**3,775**	3,397
Impairment loss on trade and other receivables [1]	15	**646**	-
Unwinding of discount on non-current trade payables [1]		**84**	268
Amortisation of deferred capital grant [2]	25	**(756)**	(817)
Foreign exchange loss/(gain) – net [1]		**11,684**	(574)
Lease modification [1]		**-**	296
Rental expenses:			
- short-term leases	22	**9,707**	9,865
- leases of low-value assets	22	**19**	454
Finance costs:			
- loans		**18,512**	27,309
- lease liabilities		**335**	306
- others		**927**	1,212
		19,774	28,827
Employee benefits expenses	32	**85,608**	70,238

[1] These are included under "Other operating expenses" in the Consolidated Statement of Comprehensive Income.
[2] This is included under "Cost of sales" in the Consolidated Statement of Comprehensive Income.

29 Income tax

A provision for enterprise income tax on the subsidiaries operating in the People's Republic of China ("PRC") has been made in accordance with the Income Tax Law of PRC concerning Foreign Investment Enterprises and Foreign Enterprises and various local income tax laws.

A Global Trader Programme is granted by the Singapore Ministry of Trade and Industry to a Singapore subsidiary, OM Materials (S) Pte. Ltd., for a concessionary rate of 10% valid up to December 2023, subject to the fulfilment of specific conditions.

In November 2017, OM Materials (Sarawak) Sdn. Bhd. ("OM Sarawak") was awarded Pioneer Status by the Malaysian Investment Development Authority ("MIDA"), which entitles OM Sarawak exemption from tax for a period of 5 years effective 1 December 2017 to 30 November 2021 on 100% of statutory income derived from the production of ferro-silicon, silicon manganese and high carbon ferromanganese. OM Sarawak is permitted to apply for an additional 5 years exemption on 70% of its statutory income on or before 31 December 2022 subject to the satisfaction of MIDA on pre-agreed criterion.

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	**2021 A$'000**	2020 A$'000
Current taxation:		
- Singapore income tax (concessionary tax rate of 10%)	**2,752**	3,292
- PRC tax (tax rate of 25%)	**2,832**	(127)
- Australia income tax (tax rate of 30%)	**-**	-
- Other jurisdictions	**6,810**	384
Deferred taxation	**(11,076)**	(5,765)
	1,318	(2,216)
(Over)/under provision in prior years:		
- current taxation	**(655)**	(2,599)
- deferred taxation	**317**	2,693
	(338)	94
Income tax	**980**	(2,122)
Other taxation:		
- withholding tax	**663**	406
- profits-based royalty and special mining taxes	**1,638**	(2)
	3,281	(1,718)

A reconciliation of the income tax applicable to the accounting profit/(loss) at the applicable tax rates to the income tax expense for the reporting period was as follows:

The Group	**2021 A$'000**	2020 A$'000
Profit/(loss) before income tax	**112,612**	(4,656)
Tax at applicable tax rates	**25,053**	(2,960)
Tax effect of non-taxable revenue[1]	**(22,781)**	(317)
Tax effect of non-deductible expenses[2]	**6,849**	3,490
Tax effect of allowances and concessions given by tax jurisdictions	**(2,003)**	(2,392)
Deferred tax assets on temporary difference not recognised	**-**	3,173
Utilisation of deferred tax assets on temporary difference not recognised in previous years	**(4,987)**	(714)
Effects of share of results of associates	**(813)**	(2,480)
Tax rebate	**-**	(16)
(Over)/under provision in prior years	**(338)**	94
	980	(2,122)

(1) Non-taxable revenue relates mainly to Pioneer Income contributed by OM Sarawak.
(2) Non-deductible expenses relate mainly to depreciation and amortisation of non-qualifying assets, overseas accrued interest expenses and provision of expenses.

30 Cash flow hedges

The Group	**2021 A$'000**	2020 A$'000
Cash flow hedges:		
Gain arising during the year	**2,854**	1,253

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 on issue of 736,690,000 (2020 - 736,690,000) shares during the financial year.

Fully diluted profit per share was calculated on the consolidated profit attributable to owners of the parent divided by 736,690,000 (2020 - 736,690,000) ordinary 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.

For calculation of diluted earnings per share in 2020 and 2021, the convertible bonds are not included because they are anti-dilutive.

The following table reflects profit or loss and share data used in the computation of basic and diluted profit per share from continuing operations for the years ended 31 December:

The Group	**2021 '000**	2020 '000
Weighted average number of ordinary shares for the purpose of basic profit per share	**736,690**	736,690
Effect of dilutive potential ordinary shares:		
Convertible bonds	**-**	-
Weighted average number of ordinary shares for the purpose of diluted profit per share	**736,690**	736,690

Profit figures were calculated as follows:

	2021 A$'000	2020 A$'000
Profit for the year attributable to owners of the Company	**81,907**	5,352
Effect of dilutive potential ordinary shares:		
Interest on convertible bonds	**-**	-
Profit for the purposes of diluted profit per share	**81,907**	5,352

32 Employee benefits expense

The Group	2021 A$'000	2020 A$'000
Directors' fees	**804**	693
Directors' remuneration other than fees:		
- Directors of the Company	**2,980**	1,540
- Directors of the subsidiaries	**1,628**	1,418
- Defined contributions plans	**79**	76
Key management personnel (other than Directors):		
- Salaries, wages and other related costs	**4,459**	4,087
- Defined contributions plans	**400**	376
	10,350	8,190
Other than key management personnel:		
- Salaries, wages and other related costs	**69,920**	57,145
- Defined contributions plans	**5,338**	4,903
	85,608	70,238

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:

The Group	2021 A$'000	2020 A$'000
Commission charged to an associate	**2,885**	2,665
Commission charged by an associate	**(336)**	(400)
Sales of goods to an associate	**8,697**	1,691
Purchases of goods from an associate	**(100,421)**	(86,624)

34 Leases

(i) The Group as lessee

(a) Properties

The Group leases several buildings including a warehouse for operational and storage purposes (Note 9).

The Group makes prepayments for usage of land 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.

34 Leases (Cont'd)

(ii) The Group as lessor

Investment property

Operating leases, in which the Group as the lessor, relate to investment property (Note 8) owned by the Group with a remaining lease term of 13 months. The operating lease contract contains market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

The Group's revenue from rental income received on the investment properties are disclosed in Note 8.

The future minimum rental receivable under non-cancellable operating leases contracted for the reporting date are as follows:

The Group	**2021 A$'000**	2020 A$'000
Undiscounted lease payments to be received:		
- Year 1	**132**	127
- Year 2	**77**	11
	209	138

35 Commitments

35.1 Capital commitments

The following table summarises the Group's capital commitments:

The Group	**2021 A$'000**	2020 A$'000
Capital expenditure contracted but not provided for in the financial statements:		
- acquisition of property, plant and equipment	**16,328**	872

35.2 Other operating commitments

Other contracted operating commitments represent the provision of processing services, catering, cleaning and village management, electrical power services, road haulage and rail haulage. These commitments are contracted for but not provided for in the financial statements.

The Group	**2021 A$'000**	2020 A$'000
Not later than one year	**2,740**	3,807
Later than one year and not later than five years	**-**	-
Later than five years	**-**	-
	2,740	3,807

35.3 Mineral Tenements

In order to maintain the mineral tenements in which a subsidiary is involved, the subsidiary has committed to fulfil the minimum annual expenditures in accordance with the requirements of the Northern Territory Department of Industry, Tourism and Trade for the next financial year, as set out below:

The Group	**2021 A$'000**	2020 A$'000
Mineral tenements annual expenditure commitments	**153**	101

35.4 Environmental bonds

A subsidiary had environmental bonds to the value of A$14,602,000 (2020 - A$14,553,000) lodged with the Northern Territory Government (Department of Industry, Tourism and Trade) to secure environmental rehabilitation commitments. The A$14,602,000 (2020 - A$14,553,000) of bonds are secured by A$13,054,000 (2020 - A$12,973,000) 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 execution of the Amended Power Purchase Agreement ("PPA") between a subsidiary, OM Materials (Sarawak) Sdn. Bhd., and Syarikat Sesco Berhad ("SSB"), the Company issued sponsor guarantees to SSB for its 75% interest of the subsidiary's obligations under the PPA.

The sponsor 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 the subsidiary on the condition that these guarantees are provided by the Company in the event that there are any unpaid claims arising from the PPA owed to SSB. There are no bank loans involved in these guarantees. As such, there is no need for the guarantees to be fair valued.

Project Support guarantee issued under the terms of the Facilities Agreement and the Project Support Agreement

OM Materials (Sarawak) Sdn Bhd, a subsidiary of the Company entered into a project finance Facilities Agreement ("FA") for a limited recourse senior project finance debt facility.

Concurrently, the Company also executed a Project Support Agreement ("PSA") with OM Materials (Sarawak) Sdn Bhd (as Borrower), and the ultimate shareholders of the Borrower (as Obligors). The PSA governs the rights and obligations of the Obligors. These obligations and liabilities of the Obligors are severally liable on the basis of its shareholding proportion in OM Materials (Sarawak) Sdn. Bhd.

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

37 Operating segments

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

Mining	Exploration and mining of manganese ore
Smelting	Production of manganese ferroalloys, ferrosilicon and manganese sinter ore
Marketing and Trading	Trading of manganese ore, manganese ferroalloys, ferrosilicon and sinter ore, chrome ore and iron 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, 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.

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.

37 Operating segments (Cont'd)

	Mining		Smelting		Marketing and Trading		Others		Total	
	2021 A$'000	2020 A$'000	**2021 A$'000**	2020 A$'000	**2021 A$'000**	2020 A$'000	**2021 A$'000**	2020 A$'000	**2021 A$'000**	2020 A$'000
Reportable segment revenue										
Sales to external customers	**-**	1,042	**248,476**	197,295	**792,334**	586,296	**-**	-	**1,040,810**	784,633
Inter-segment sales	**84,029**	84,863	**390,675**	351,408	**133,661**	129,775	**37,159**	14,006	**645,524**	580,052
Elimination									**(645,524)**	(580,052)
	84,029	85,905	**639,151**	548,703	**925,995**	716,071	**37,159**	14,006	**1,040,810**	784,633
Reportable segment (loss)/profit	**(35,058)**	(19,919)	**139,682**	(5,357)	**28,619**	32,833	**(6,567)**	(602)	**126,676**	6,955
Reportable segment assets	**97,733**	99,151	**1,075,163**	895,887	**559,356**	449,772	**182,761**	182,568	**1,915,013**	1,627,378
Elimination									**(735,068)**	(620,764)
Investment in associates									**119,311**	126,832
Total assets									**1,299,256**	1,133,446
Reportable segment liabilities	**197,061**	172,257	**635,074**	602,732	**241,933**	185,002	**88,390**	92,234	**1,162,458**	1,052,225
Elimination									**(473,501)**	(387,018)
Total liabilities									**688,957**	665,207
Other segment information										
Purchase of property, plant and equipment	**1,653**	455	**6,095**	14,602	**156**	94	**359**	339	**8,263**	15,490
Depreciation of property, plant and equipment	**6,017**	8,832	**31,788**	33,489	**164**	191	**776**	773	**38,745**	43,285
Write off of property, plant and equipment	**122**	36	**886**	-	**75**	-	**6,258**	-	**7,341**	36
Loss on disposal of property, plant and equipment	**-**	-	**18**	-	**-**	-	**-**	-	**18**	-
Lease modification	**-**	296	**-**	-	**-**	-	**-**	-	**-**	296
Amortisation of land use rights	**-**	-	**193**	206	**-**	-	**-**	-	**193**	206
Addition of evaluation and exploration costs	**644**	1,200	**-**	-	**-**	-	**110**	163	**754**	1,363
Amortisation of mine development costs	**12,835**	6,505	**-**	-	**-**	-	**-**	-	**12,835**	6,505
Depreciation of right-of-use assets	**3,435**	2,813	**1,746**	2,184	**441**	456	**254**	191	**5,876**	5,644
Depreciation of investment property	**-**	-	**-**	-	**10**	11	**-**	-	**10**	11
Write off of evaluation and exploration costs	**-**	-	**-**	-	**-**	-	**153**	-	**153**	-
Fair value gain on other investment	**-**	-	**-**	-	**-**	(1,388)	**-**	-	**-**	(1,388)
Write-down of inventories to net realisable value	**3,775**	2,973	**-**	424	**-**	-	**-**	-	**3,775**	3,397
Impairment loss on trade and other receivables	**-**	-	**-**	-	**-**	-	**646**	-	**646**	-
Amortisation of deferred capital grant	**-**	-	**(756)**	(817)	**-**	-	**-**	-	**(756)**	(817)

37 Operating segments (Cont'd)

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

The Group	**2021 A$'000**	2020 A$'000
Reportable segment profit	**126,676**	6,955
Finance income	**298**	691
Share of results of associates	**5,412**	16,525
Finance costs	**(19,774)**	(28,827)
(Loss)/profit before income tax	**112,612**	(4,656)

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

	Revenue from external customers		**Non-current assets**	
	2021 A$'000	2020 A$'000	**2021 A$'000**	2020 A$'000
Asia Pacific	**899,254**	675,954	**634,321**	645,141
Europe	**65,240**	42,875	**-**	-
Middle East	**37,649**	49,511	**-**	-
Africa	**64**	3,220	**119,298**	126,803
Others	**38,603**	13,073	**-**	-
	1,040,810	784,633	**753,619**	771,944

The geographical location of customers is based on the locations at which the goods were delivered. The geographical location of non-current assets is based on the physical location of the assets.

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, foreign currency risk and market price risk. The Company's and the Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Company's and the Group's financial performance.

Risk management is carried out by the Finance Division under policies approved by the Board of Directors. The Finance Division identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and investing excess liquidity.

There has been no change to the Company's and the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

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.

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, 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 receivables. Cash is held with reputable financial institutions. Further details of credit risks on trade and other receivables are disclosed in Note 15.

Guarantees

The Company provides corporate guarantees to its subsidiaries on their bank borrowings. The Company's maximum exposure to credit risk in respect of the intra-group corporate guarantees at the reporting date is equal to the facilities drawn down by the subsidiaries in the amounts of A$485,440,000 (2020 - A$505,000,000). At the reporting date, the Company does not consider it probable that a claim will be made against the Company under these intragroup corporate guarantees.

There is no impact on the corporate guarantee as there are no differential rates given by the financial institutions.

Undrawn credit facilities

The Group has undrawn credit facilities of approximately A$53,400,000 (2020 - A$11,550,000) 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.

38 Financial risk management objectives and policies (Cont'd)

38.2 Liquidity risk (Cont'd)

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 A$'000	Between 2 and 5 years A$'000	Over 5 years A$'000	Total A$'000	Total carrying amount A$'000
The Group					
As at 31 December 2021					
Trade and other payables	**176,727**	**54,325**	**-**	**231,052**	**231,052**
Borrowings	**113,241**	**340,666**	**3,075**	**456,982**	**409,024**
Lease liabilities	**3,478**	**4,709**	**-**	**8,187**	**7,709**
	293,446	**399,700**	**3,075**	**696,221**	**647,785**
As at 31 December 2020					
Trade and other payables	155,760	54,874	-	210,634	210,551
Borrowings	128,631	320,346	2,856	451,833	415,045
Lease liabilities	1,336	435	-	1,771	1,670
	285,727	375,655	2,856	664,238	627,266
The Company					
As at 31 December 2021					
Trade and other payables	**68,071**	**-**	**-**	**68,071**	**68,071**
	68,071	**-**	**-**	**68,071**	**68,071**
Intragroup financial guarantees	**485,440**	**-**	**-**	**485,440**	**-**
As at 31 December 2020					
Trade and other payables	57,888	-	-	57,888	57,888
Borrowings	14,154	-	-	14,154	14,003
	72,042	-	-	72,042	71,891
Intragroup financial guarantees	505,000	-	-	505,000	-

The 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 Financial risk management objectives and policies (Cont'd)

38.3 Interest rate risk (Cont'd)

Interest rate risk is the risk that the fair value of future cash flows of the Company's and the Group's financial instruments will fluctuate because of changes in market interest rates.

The Company's and the Group's exposure to interest rate risk arises primarily from their bank borrowings, cash collaterals and fixed deposits.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if United States Dollar ("USD"), Renminbi ("RMB") and Malaysian Ringgit ("MYR") interest rates had been 75 (2020 - 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 higher/lower interest income on cash and bank balances.

		The Company Resulting effect: profit/(loss)		The Group Resulting effect: profit/(loss)	
		2021 A$'000	2020 A$'000	**2021 A$'000**	2020 A$'000
United States Dollar (USD)	- lower 75 basis points (2020 - 75 basis points)	**-**	105	**1,852**	1,822
	- higher 75 basis points (2020 - 75 basis points)	**-**	(105)	**(1,852)**	(1,822)
Renminbi (RMB)	- lower 75 basis points (2020 - 75 basis points)	**-**	-	**(43)**	(57)
	- higher 75 basis points (2020 - 75 basis points)	**-**	-	**43**	57
Malaysian Ringgit (MYR)	- lower 75 basis points (2020 - 75 basis points)	**-**	-	**(31)**	396
	- higher 75 basis points (2020 - 75 basis points)	**-**	-	**31**	(396)

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 USD, RMB and MYR.

38 Financial risk management objectives and policies (Cont'd)

38.4 Foreign currency risk (Cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the USD, RMB and MYR exchange rates against AUD, with all other variables held constant, of the Company's and the Group's profit/(loss) after income tax and equity.

		2021		2020	
The Group		**Resulting effect - profit/ (loss) A$'000**	**(Decrease)/ increase in Equity A$'000**	Resulting effect - profit/ (loss) A$'000	(Decrease)/ increase in Equity A$'000
United States Dollar	- strengthened 5% (2020 - 5%)	**(16,614)**	**(17,350)**	(15,333)	(13,131)
	- weakened 5% (2020 - 5%)	**16,614**	**17,350**	15,333	13,131
Renminbi	- strengthened 5% (2020 - 5%)	**78**	**78**	380	376
	- weakened 5% (2020 - 5%)	**(78)**	**(78)**	(380)	(376)
Malaysian Ringgit	- strengthened 5% (2020 - 5%)	**(7,864)**	**(7,921)**	(10,745)	(10,512)
	- weakened 5% (2020 - 5%)	**7,864**	**7,921**	10,745	10,512
The Company					
United States Dollar	- strengthened 5% (2020 - 5%)	**(1,431)**	**(1,494)**	(1,581)	(1,354)
	- weakened 5% (2020 - 5%)	**1,431**	**1,494**	1,581	1,354

38.5 Market price risk

The Group is exposed to equity risks arising from its equity investments carried at FVTPL. If equity prices had been 10% higher/lower, the Group's net profit for the year ended 31 December 2021 would increase/decrease by A$Nil (2020 - A$189,000).

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 and the Group currently do not adopt any formal dividend policy.

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)

The Company monitors capital using a gearing ratio, which is net debt divided by total equity:

	The Group	
	2021 A$'000	2020 A$'000
Borrowings	**409,024**	415,045
Less: Cash and bank balances	**(112,334)**	(63,031)
Net debt	**296,690**	352,014
Total equity	**610,299**	468,239
Gearing ratio	**0.49**	0.75

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	Debt instruments (at amortised cost)	Equity instruments (at FVTPL)	Total
31 December 2021		A$'000	A$'000	A$'000
The Group				
Financial assets				
Trade and other receivables [1]	15	**55,903**	**-**	**55,903**
Cash and bank balances	17	**112,334**	**-**	**112,334**
		168,237	**-**	**168,237**
The Company				
Financial assets				
Trade and other receivables	15	**9,417**	**-**	**9,417**
Cash and bank balances	17	**44**	**-**	**44**
		9,461	**-**	**9,461**
31 December 2020				
The Group				
Financial assets				
Other investments	13	-	1,888	1,888
Trade and other receivables [1]	15	56,229	-	56,229
Cash and bank balances	17	63,031	-	63,031
		119,260	1,888	121,148
The Company				
Financial assets				
Trade and other receivables	15	12,553	-	12,553
Cash and bank balances	17	42	-	42
		12,595	-	12,595

[1] Excluded tax recoverable from the trade and other receivables of A$459,000 (2020 - A$6,763,000)

40 Financial instruments (Cont'd)

Accounting classifications of financial assets and financial liabilities (Cont'd)

31 December 2021	Note	Other financial liabilities (at amortised cost) A$'000	Total A$'000
The Group			
Financial liabilities			
Borrowings	21	**409,024**	**409,024**
Lease liabilities	22	**7,709**	**7,709**
Trade and other payables	23	**231,052**	**231,052**
		647,785	**647,785**
The Company			
Financial liabilities			
Trade and other payables	23	**68,071**	**68,071**
		68,071	**68,071**
31 December 2020			
The Group			
Financial liabilities			
Borrowings	21	415,045	415,045
Lease liabilities	22	1,670	1,670
Trade and other payables	23	210,551	210,551
		627,266	627,266
The Company			
Financial liabilities			
Borrowings	21	14,003	14,003
Trade and other payables	23	57,888	57,888
		71,891	71,891

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)

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 15), 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

Tourag Fatality

On 24 August 2020 a significant wall failure in Tourag pit resulted in the fatality 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 continued to work with NT Worksafe and the Coroner to provide all information to assist with the investigation. At this stage the Coroner's inquiry is yet to be undertaken and NT Worksafe has not laid any charges.

On 30 August 2021, NT WorkSafe served the Company with a Summons to Attend Court. The case is ongoing, and an outcome is expected to be reached late 2022 / early 2023. A reliable estimate of the maximum penalty that could be levied cannot be determined at this point in time. OMM's intention is to defend the charges laid.

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 2021 financial year.

This statement outlines the main corporate governance practices in place during the 2021 financial year, all of which comply with the ASX Corporate Governance Council recommendations unless stated otherwise.

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

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

For the year ended 31 December 2021 the OMH Group remained resilient throughout the COVID-19 pandemic. The OMH Group continues to prioritise the health and wellbeing of its employees, contractors and stakeholders by maintaining stringent protocols to limit the impact of the COVID-19 pandemic at its various operational sites globally.

1. BOARD OF DIRECTORS

1.1 Role of the Board and Management

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

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

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

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

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

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

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

- appointing (and where appropriate removing) the Chief Executive Officer, any other executive Director and the Company Secretary and determining their respective remuneration and conditions of employment;
- determining the strategic direction of the OMH Group and measuring the performance of management against approved strategies;
- monitor the operational and financial position of the Company specifically and the OMH 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 six Non-Executive Directors have a mix of legal, commercial, exploration, project development, mining, commodities processing, ore and alloy trading and financial skills and experience. Accordingly the composition, diversity of skills and experience is appropriate to effectively review and challenge the performance of management and to exercise independent judgement in discharging their responsibilities and in making decisions.

CORPORATE GOVERNANCE

In addition to the Directors' experience outlined in the Annual Report, the below table sets out the skills, attributes and experience of the Directors serving on the Board as at 31 December 2021.

Domain Area	Board Skills and Experience		As at 31 December 2021 (out of 7 Directors)
Legal and Governance	Experience in a large organisation with a strong focus on and adherence to high governance standards		7
	Listed entity board and/or sub-committee experience		7
	Experience in corporate legal affairs and/or regulatory/governmental departments		7
	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.		7
Executive Management	Experience as Director, CEO, CFO or other office holder or similar in medium to large entities		7
Strategy	Identifying and critically assessing strategic opportunities and threats to the OMH Group and developing and implementing successful strategies in context to an organisations policies and business objectives		7
Mining, Production, Manufacturing Resources, Marketing, Commodity Expertise	Mining, production, manufacturing, marketing or resources industry executive management	Senior executive, advisory or board experience in a large mining, production, manufacturing or resources organisation	3
	Technical skills	Senior executive responsibility for exploration or production or processing or long-term board experience in a large mining and resources organisation with exploration, production or processing as a key part of its business	1
	Health, safety environment and community	Executive or board sub-committee experience in a mining and resources organisation with responsibility for health and workplace safety, and/or environmental and social responsibility	4
	Capital projects, engineering and construction	Senior executive experience with capital projects and/or engineering in a mining or resources environment; tertiary or professional engineering qualification. Includes contract negotiations, project management and projects with long term investment horizons	1
	Government relations	Senior executive experience working in diverse international, political, cultural, regulatory business environments	3
	Senior executive expertise in commodities, mining, trading or resources sector.		4
Human Resources/ Organisational Development and Culture	Senior executive management in people management and remuneration policy development or board remuneration and nomination sub-committee experience		7
Finance, Commerce and Accounting	Financial accounting and reporting, internal financial and risk controls, corporate finance and, restructuring corporate transactions (eg: joint ventures, listings etc).		6
	Board audit sub-committee experience		6
	Relevant tertiary degree or professional qualification		3
Risk Management	Senior executive experience in risk management		4
	Board risk sub-committee experience		4

The OMH Group recognises the importance of independent Non-Executive Directors and the external perspective and advice that such Directors can offer. The Board consists of the following independent Non-Executive Directors: Mr Zainul Abidin Rasheed, Mr Tan Peng Chin, Mr Thomas Teo Liang Huat, Dato Abdul Hamid Bin Sh Mohamed and Ms Tan Ming-li (both appointed on 10 May 2021) and Mr Peter Church OAM (retired on 6 May 2021). Ms Julie Wolseley is also a Non-Executive Director but is not viewed as independent due to her also providing company secretarial services to the OMH Group. It should be noted however, that the value of such services is not considered to constitute a material supply arrangement to the Company.

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

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

Appropriate background checks are also 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 development and operational strategy which represents a unique opportunity for the OMH Group to be an active participant in one of the world's lowest cost and strategically located ferro alloy plants with unparalleled competitive advantages. In particular, Mr Low has proactively sought and secured the Malaysian smelting project's unique competitive advantages including, but not limited to, access to competitively priced long term hydroelectric power supply, identification of coastal industrial land with direct access to dedicated port facilities, geographical proximity to both raw materials and Asian steel mills and tax incentives and indirect duties 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

The Company successfully completed a secondary listing on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia") on 22 June 2021 and where required the Company complies with its regulatory requirements, noting that the primary listing remains on ASX. This has included the requirement to appoint two Malaysian based resident Directors. The two independent Non-Executive Directors appointed on 10 May 2021 are outlined above in section 1.2.

1.3 Responsibilities of the Board

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

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

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

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

1.4 Board Policies

1.4.1 Conflict of Interest
Directors must:

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

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

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

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

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

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

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

1.5 Board Meetings

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

Typically, at Board Meetings the agenda will include:

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

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

The number of meetings of the Directors held in the period each Director held office during the 2021 financial year and the number of meetings attended by each Director were:

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

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

2. BOARD COMMITTEES

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

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

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

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

2.1 Audit Committee

To ensure the integrity of the financial statements of the OMH Group and the independence of the external auditor, an Audit Committee has been formally established by the Board. Prior to 10 May 2021, the Audit Committee comprised of three independent Non-Executive Directors, being Mr Thomas Teo Liang Huat (chairman of the Audit Committee), Mr Zainul Abidin Rasheed and Mr Peter Church. Ms Julie Wolseley a Non-Executive Director is also a member of the Audit Committee. With effect from 10 May 2021, the Audit Committee comprises of two independent Non-Executive Directors, being Mr Thomas Teo Liang Huat (chairman of the Audit Committee), Dato Abdul Hamid Bin Sh Mohamed and Non-Executive Director Ms Julie Wolseley. All Audit Committee members have sufficient financial expertise and experience to discharge the Audit Committee's mandate.

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

During the financial year ended 31 December 2021, 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.

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. Prior to 10 May 2021, the Remuneration Committee comprised three Non-Executive Independent Directors, Mr Tan Peng Chin (chairman of the Remuneration Committee), Mr Zainul Abidin Rasheed and Mr Thomas Teo Liang Huat. Ms Julie Wolseley a Non-Executive Director is also a member of the Remuneration Committee. With effect from 10 May 2021, the Remuneration committee comprises 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 2021, the Remuneration Committee held one meeting and all committee members were in attendance.

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.

On 10 May 2021 two new independent Non-Executive Directors, Dato Abdul Hamid Bin Sh Mohamed and Tan Ming-li were appointed to the Board. Prior to the appointments the Board was actively involved in the identification and recommendation of these candidates after considering the necessary and desirable competencies of the two new Board members so as to ensure the appropriate mix of skills and experience and after the assessment of how the candidates could contribute to the strategic direction of the OMH Group.

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

3. ETHICAL STANDARDS

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

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

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

As a minimum the Board and employees will:

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

3.1 Code of Ethics and Conduct for Directors and Key Executives

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

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

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

3.2 Code of Ethics and Conduct

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

All Directors, senior executives and employees are expected to:

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

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

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

Responsibilities to Shareholders and the Financial Community Generally

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

Employment Practices

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

Responsibilities to the Community

As part of the community, the OMH Group:

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

Responsibilities to the Individual

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

Conflict of Interests

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

How the OMH Group Monitors and Ensures Compliance with its Code

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

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

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

3.3 Whistleblower Policy

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

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

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

4. DIVERSITY

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

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

Information relating to the total current representation of women employees in the OMH Group, including those women employees holding senior executive positions and those women employees on the Board as at 31 December 2021 was follows:

	Number of Women	**%**
Board of Directors	2	28.6%
Senior Executives[2]	4	25.0%
Total OMH Group employees	346	17.0%

As at 31 December 2021, approximately 9.6% of the OMH Group's mining subsidiary workforce were Indigenous employees.

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 2021. 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.

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

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 in deciding whether to buy, sell or hold the Company's securities, or would otherwise have a material effect on the price or value of the Company's securities.

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

On 22 June 2021, the Company also completed a secondary listing on Bursa Malaysia. All announcements lodged on the ASX Market Announcements Platform are also lodged on the Bursa Malaysia announcements platform as soon as is practicable.

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

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

6.2 Communication with Shareholders

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

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

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

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

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

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

Despite the Company being foreign incorporated in Bermuda, it has in the past and will continue to do so in the future hold its Annual General Meetings in Australia or Singapore (or at a suitable alternative country where its operations are located) so as to enable as many shareholders to attend. Despite prevailing COVID-19 restrictions, the 2021 Annual General Meeting was held physically in Perth, Western Australia. It is expected that the 2022 Annual General Meeting will be held physically in Perth, Western Australia. However for shareholders holding shares on the Malaysian share register, they will be able to view a live streaming of the 2022 Annual General Meeting managed via the Malaysian based share registrar.

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

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

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

7. RISK MANAGEMENT

7.1 Approach to Risk Management and Internal Control

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

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

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

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

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

7.2 Risk Management Roles and Responsibilities

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

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

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

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

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

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

7.3 Internal Audit

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

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

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

7.4 Integrity of Financial Reporting

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

- the financial statements of the OMH Group for each half and full year present a true and fair view, in all material aspects, of the OMH Group's financial condition and operational 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 2021 financial year.

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

7.5 Role of External Auditor

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

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

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

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

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

7.6 Periodic Corporate Reports

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

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

7.7 Economic, Environmental and Social Sustainability Risks

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

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

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

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

The 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. Further detailed information is outlined in the company's Sustainability Statement in this Annual Report.

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. For material incidents or incidents that could potentially involve a breach of any law, such matters 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 2021 financial year. However, an annual review was undertaken in relation to the composition and skills mix of the Directors, particularly in relation to the two new Independent Non-Executive Directors appointed during the reporting period.

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.

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

Executive Remuneration Policy

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

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

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

Remuneration consists of the following key elements:

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

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

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

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

As OMH is incorporated in Bermuda, it is not required to disclose the nature and amount of remuneration for each Director. However, in the interests of good corporate governance, the following table provides the remuneration details of all Directors of the Company (and the nature and amount of their remuneration) for the year ended 31 December 2021.

Director	Primary			Post Employment	
	Base Remuneration	Directors Fees	Performance Bonus	Defined Contributions	Total
	A$'000	A$'000	A$'000	A$'000	A$'000
Low Ngee Tong(i)	1,260	-	1,779(ix)	8	3,047
Zainul Abidin Rasheed(ii)	-	130	-	-	130
Julie Wolseley(iii)	-	170(x)	-	-	170
Tan Peng Chin(iv)	-	120	-	-	120
Thomas Teo(v)	-	120	-	-	120
Peter Church OAM(vi)	-	110	-	-	110
Dato Abdul Hamid Bin Sh Mohamed(vii)	-	77	-	-	77
Tan Ming-li(viii)	-	77	-	-	77
	1,260	804	1,779	8	3,851

(i) Mr Low Ngee Tong has been the Executive Chairman since October 2008 (and was subsequently appointed as Chief Executive Officer).
(ii) Mr Zainul Abidin Rasheed was first appointed as a Director on 3 October 2011.
(iii) Ms Julie Wolseley was first appointed as a Director on 24 February 2005.
(iv) Mr Tan Peng Chin was first appointed as a Director on 14 September 2007.
(v) Mr Thomas Teo Liang Huat was first appointed as a Director on 17 July 2008.
(vi) Mr Peter Church was first appointed as a Director on 12 December 2011, retired on 6 May 2021. Fees also include pro-rata fees earned from being a non-executive Director of OMM.
(vii) Dato Hamid was first appointed as a Director on 10 May 2021.
(viii) Ms Tan Ming-li was first appointed as a Director on 10 May 2021.
(ix) Inclusive of A$1,680,000 of profit sharing for 2021 that has been accrued and is expected to be paid in 2022.
(x) Inclusive of director's fee of A$50,000 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 2021, 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.

CORPORATE GOVERNANCE

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

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

Approved by the Board 27 April 2022.

ASX & BURSA SECURITIES ADDITIONAL INFORMATION

OM Holdings Limited has a primary listing on the Australian Securities Exchange (“ASX”) and also has a secondary listing on Bursa Malaysia Securities Berhad.

Pursuant to the listing requirements of the ASX, the shareholder information set out below was applicable as at 1 April 2022.

1. SHAREHOLDER INFORMATION

A. *Distribution of Equity Securities*

Distribution schedule and number of holders of equity securities as at 1 April 2022:

Distribution	Fully Paid Ordinary Shares (OMH)	% of Issued Capital
1 – 1,000	708	0.05
1,001 – 5,000	812	0.31
5,001 – 10,000	289	0.32
10,001 – 100,000	289	1.76
More than 100,000	100	97.56
TOTAL	2,198	100.00

There were 259 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	184,557,046	24.99%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	148,405,613	20.09%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	68,923,386	9.33%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	58,669,348	7.94%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	46,734,291	6.33%
HANWA CO LTD	32,500,000	4.40%
BNP PARIBAS NOMS PTY LTD <DRP>	17,310,613	2.34%
UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	17,171,836	2.32%
CITIGROUP NOMINEES (ASING) SDN BHD UBS AG FOR NEON LIBERTY LORIKEET MASTER FUND LP	12,420,045	1.68%
LOW NGEE TONG	10,000,000	1.35%
MS HENG SIOW KWEE	9,029,800	1.22%
CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD.	6,626,400	0.90%
CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	6,139,900	0.83%
MS JULIE ANNE WOLSELEY	5,562,002	0.75%
MS BI LI	5,000,000	0.68%
MR HAMID MAHDAVI ARDABILI	4,995,000	0.68%
HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR MORGAN STANLEY & CO. INTERNATIONAL PLC (CLIENT)	4,837,100	0.65%
STRATFORD SUN LIMITED	4,650,000	0.63%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,142,367	0.56%
CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR UBS AG HONG KONG (FOREIGN)	3,843,000	0.52%
TOTAL HELD BY 20 LARGEST SHAREHOLDERS	**651,517,747**	**88.19%**
OTHERS	**87,105,590**	**11.81%**
TOTAL	**738,623,337**	**100.00%**

C. Substantial Shareholders

An extract of the Company's Register of Substantial Shareholders (who hold 5% or more of the issued capital) is set out below.

Shareholder Name	Listed Ordinary Shares	
	Number of Shares	% of Shares
Huang Gang	103,618,830	14.03%
Amplewood Resources Ltd	100,260,653	13.57%
Low Ngee Tong	68,110,631	9.22%
Heng Siow Kwee	66,081,669	8.95%

D. Restricted Securities

There were no restricted securities on issue as at 1 April 2022.

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

Primary Listing
OM Holdings Limited shares are listed on the Australia Securities Exchange (ASX).
The Company's ASX code is OMH.

Secondary Listing
OM Holdings Limited shares are listed on the Bursa Malaysia Securities Berhad (Bursa Malaysia).
The Company's Bursa code is OMH (5298)

(b) Company Information Contact

For further information about OM Holdings Limited, please contact the Singapore head office:

OM Holdings Limited
#09 – 03A Singapore Post Centre
10 Eunos Road 8
Singapore 408600

Telephone: (65) 6346 5515
Facsimile: (65) 6342 2242
Email: om@ommaterials.com
Website: www.omholdingsltd.com

ASX & BURSA SECURITIES ADDITIONAL INFORMATION

(c) Share Registry Enquiries

Shareholders who require information about their shareholdings, dividend payments, notification of tax file numbers, changes of name, address or bank account details or related administrative matters should contact the Company's share registries:

Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace
PERTH WA 6000

Postal Address:
GPO Box D182
PERTH WA 6840

Telephone:	(within Australia) 1300 850 505
Telephone:	(outside Australia) (61) 3 9415 4000
Facsimile:	(61) 3 9473 2500
Website:	www.computershare.com
Email:	web.queries@computershare.com.au

Tricor Investor & Issuing House Services Sdn Bhd

Registration No.:	197101000970 (11324-H)

Address:
Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3,
Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur

Telephone:	+603-2783 9299
Facsimile:	+603-2783 9222
Email:	is.enquiry@my.tricorglobal.com

Each enquiry should refer to the shareholder number which is shown on the issuer sponsored holding statements and dividend statements.

GRI Content Index

GRI Indicator	Disclosure	Page Number
	General Disclosures	
102-1	Name of organisation	36
102-2	Activities, brands, products and services	94, 124
102-3	Location of headquarters	7
102-4	Location of operations	10-11, 102
102-5	Ownership and legal form	8
102-6	Markets served	16, 94, 124
102-7	Scale of the organisation	8, 50-51
102-8	Information on employees and other workers	50-51
102-9	Supply chain	44-45
102-10	Significant changes to the organisation and its supply chain	36, 60
102-11	Precautionary Principle or approach	Throughout Annual Report
102-14	Statement from senior decision-maker	1-2
102-15	Key impacts, risks and opportunities	126-127
102-16	Values, princples, standards, and norms of behaviour	38, 141-142
102-17	Mechanisms for advice and concerns about ethics	37
102-18	Governance structure	38,134-135
102-19	Delegating authority	38
102-20	Executive-level responsibility for economic, environmental, and social topics	38
102-21	Consulting stakeholders on economic, environmental, and social topics	37-38, 40
102-22	Composition of the highest governance body and its committees	136, 139-141
102-23	Chair of the highest governance body	38
102-24	Nominating and selecting the highest governance body	140-141
102-25	Conflicts of interest	138, 142
102-26	Role of highest governance body in setting purpose, values, and strategy	136
102-28	Evaluating the highest governance body's performance	138
102-29	Identifying and managing economic, environmental, and social impacts	40-41, 147
102-30	Effectiveness of risk management processes	145-147
102-31	Review of economic, environmental, and social topics	38
102-32	Highest governance body's role in sustainability reporting	38
102-35	Remuneration policies	51, 140
102-36	Process for determining remuneration	51, 140
102-40	List of stakeholder groups	37-38
102-42	Identifying and selecting stakeholders	37-38
102-43	Approach to stakeholder engagement	37-38
102-44	Key topics and concerns raised	37-38
102-45	Entities included in the consolidated financial statements	100-105
102-46	Defining report content and topic Boundaries	36
102-47	List of material topics	42
102-50	Reporting period	36
102-52	Reporting cycle	36
102-53	Contact point for questions regarding the report	37
102-54	Claims of reporting in accordance with the GRI Standards	36
102-55	GRI content index	155-156
	Management Approach	
103-1	Explanation of the material topic and its Boundary	42
103-2	The management approach and its components	42
103-3	Evaluation of the management approach	42

GRI Indicator	Disclosure	Page Number
	Economic	
201-1	Direct economic value generated and distributed	68
201-2	Financial implications and other risks and opportunities due to climate change	43-44
201-3	Defined benefit plan obligations and other retirement plans	51
202-2	Proportion of senior management hired from the local community	50-51
203-2	Significant indirect economic impacts	47, 50-51
204-1	Proportion of spending on local suppliers	46
205-2	Communication and training about anti-corruption policies and procedures	39
	Environmental	
302-1	Energy consumption within the organisation	55
302-3	Energy intensity	55
302-4	Reduction of energy consumption	55
303-1	Interactions with water as a shared resource	59-60
303-2	Management of water discharge-related impacts	59-60
303-3	Water withdrawal	59-60
305-1	Direct (Scope 1) GHG emissions	56
305-2	Energy indirect (Scope 2) GHG emissions	56
305-4	GHG emissions intensity	57
305-5	Reduction of GHG emissions	57
306-1	Waste generation and significant waste-related impacts	57-59
306-2	Management of significant waste-related impacts	57-59
306-3	Waste generated	57-59
306-4	Waste diverted from disposal	57-59
306-5	Waste directed to disposal	57-59
	Social	
401-1	New employee hires and employee turnover	50
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	51
403-1	Occupational health and safety management system	45-47
403-2	Hazard identification, risk assessment, and incident investigation	46
403-3	Occupational health services	45-47
403-4	Worker participation, consultation, and communication on occupational health and safety	47
403-5	Worker training on occupational health and safety	47, 52
403-6	Promotion of worker health	45-47
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	45-47
403-8	Workers covered by an occupational health and safety management system	45-47
403-9	Work-related injuries	46
404-1	Average hours of training per year per employee	53
404-2	Programs for upgrading employee skills and transition assistance programs	52-53
405-1	Diversity of governance bodies and employees	50-51, 143
408-1	Operations and suppliers at significant risk for incidents of child labour	48-49
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	48-49
413-1	Operations with local community engagement, impact assessments, and development programs	47-48
413-2	Operations with significant actual and potential negative impacts on local communities	47-48
414-1	New suppliers that were screened using social criteria	48-49

OM HOLDINGS LIMITED

(incorporated in Bermuda) A.R.B.N 081 028 337