3. PROSPECTUS SUMMARY

This Prospectus Summary only highlights the key information from other parts of this Prospectus. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Prospectus prior to deciding whether to invest in our Shares.

3.1 PRINCIPAL DETAILS OF OUR SECONDARY LISTING

Our Secondary Listing entails the secondary listing of and quotation for our existing Shares on the Main Market of Bursa Securities by way of introduction. Our Shares have been listed and quoted on the ASX since 1998 and the ASX will remain as our primary stock exchange.

Upon our Secondary Listing, all our Shares which are listed and quoted on both the ASX and the Main Market of Bursa Securities will be fully fungible, whereby shareholders holding our Shares on the Australian register, may request to remove their Shares to the Malaysian register for listing and quotation on the Main Market of Bursa Securities by depositing such Shares into a CDS account which is maintained with an ADA/ADM of Bursa Depository, and vice versa. Such register removal requests will be subject to the fulfillment of the conditions and criteria of the Australian Share Registrar and Malaysian Share Registrar as well as the Bursa Depository regulations.

As our Secondary Listing will be undertaken by way of introduction, there will be no issuance of new Shares by our Company.

In order to create liquidity and trading activity on the Main Market of Bursa Securities upon our Secondary Listing, we had, on 20 November 2020, procured a Transfer Undertaking from our Promoter, Non-Independent Executive Chairman/Chief Executive Officer and substantial shareholder, Low Ngee Tong, that he will, and he will procure other notable shareholders of our Company to, transfer an aggregate of at least 10,000,000 OMH Shares to Bursa Securities, to be made available for trading, for a period of 3 years from the Listing Date.

Further details of our Secondary Listing are set out in **Section 4** of this Prospectus.

3.2 HISTORY AND BUSINESS

Our Company was incorporated in Bermuda under the BCA on 20 November 1997 as an exempted company limited by shares under its present name. Our Company was primarily listed and commenced trading on the ASX on 19 March 1998.

We are a vertically integrated manganese and ferroalloy (comprising manganese alloys and ferrosilicon) producer, covering the upstream operations involving exploration and mining of manganese ore and downstream activities of smelting and trading of manganese ore and ferroalloys to 3rd parties.

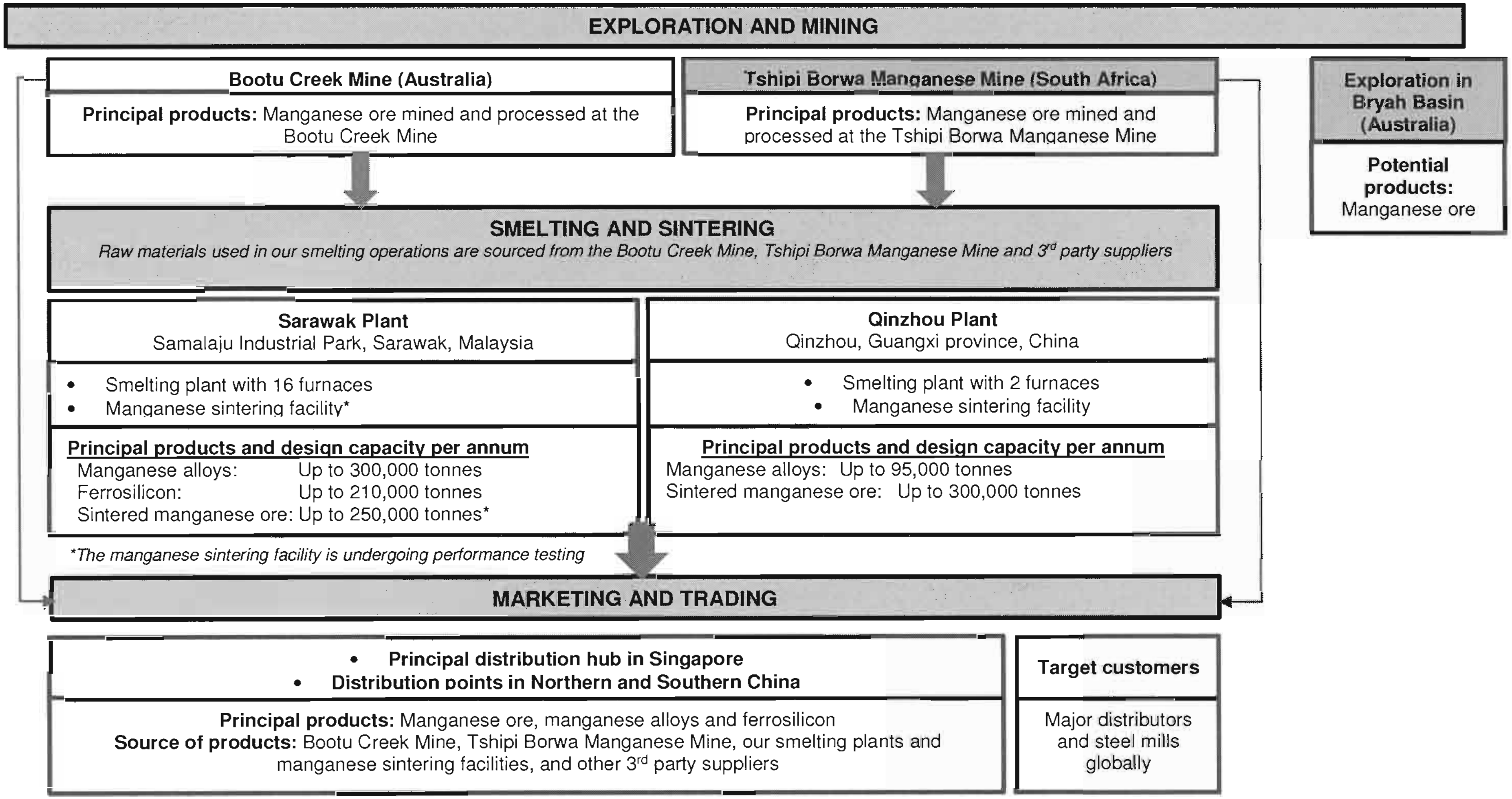
With an established history of over 25 years in the industry, OMH is listed on the ASX and has operations in Australia, China, Malaysia, Singapore and South Africa, spanning the entire value chain.

Our Group supplies manganese ore, manganese alloys and ferrosilicon and seeks to be a major ferroalloy supplier to major distributors and steel mills globally.

In addition to our principal business activities, we also have, as at the LPD, strategic investments in other mineral resource companies, namely Tshipi Mining based in South Africa (13.0% effective interest) and BYH based in Australia (30.0% joint venture interest in manganese mineral rights as at the LPD).

3. PROSPECTUS SUMMARY *(Cont'd)*

Our vertically integrated business model is illustrated below:-



Further details of our Group and business overview are set out in **Sections 6 and 7** of this Prospectus.

3.3 COMPETITIVE STRENGTHS

Our competitive strengths are as follows:-

(i) **We are a vertically integrated producer with a diverse and balanced portfolio of manganese ore and ferroalloy production assets**

We are an integrated manganese ore and ferroalloy company covering the upstream operations involving exploration and mining of manganese ore and the downstream activities of smelting and trading of manganese ore and ferroalloys to 3rd parties. We own the mineral lease ML24031 which is the sole mineral title for Bootu Creek Mine, and our current facilities comprise an onsite ore processing facility at the Bootu Creek Mine, as well as ferroalloy production facilities in Sarawak, Malaysia and Qinzhou, China. We also effectively own 13.0% of the Tshipi Borwa Manganese Mine in South Africa.

(ii) **Our Sarawak Plant is relatively cost competitive, runs on green renewable energy secured by a long-term power contract, and is modular with flexible production capabilities**

Our primary smelting operations are carried out in our Sarawak Plant, comprising 16 furnaces, 10 of which are allocated for the production of ferrosilicon and 6 for the production of manganese alloys. As at the LPD, we are in the midst of converting 2 ferrosilicon furnaces to produce silicomanganese. Our design capability also enables us to strategise and customise our production mix, catering to global market demand as well as customer preferences and requirements. In addition, we can modify our existing furnaces to customise the ferroalloys produced to be used in a wide range of industries and across diverse end-use markets.

(iii) **We benefit from logistical advantages given the strategic locations of the Bootu Creek Mine, Sarawak Plant and Qinzhou Plant**

A well planned and managed logistics network is critical for us to maintain our price competitiveness. Our Group's operations are strategically located in close proximity to our main customers based in Asia Pacific.

(iv) **We have an experienced and dedicated management team with a good execution track record**

Our Group's business is supported by a strong management and operational team across the entire value chain, who possess extensive experience in the manganese ore and ferroalloy industry. Our management team has a successful track record in key areas of manganese ore mining and processing, downstream smelting, product development and marketing of manganese ore and ferroalloy products in the Asia Pacific and global markets.

Further details of our competitive strengths are set out in **Section 7.25.1** of this Prospectus.

3.4 FUTURE PLANS AND STRATEGIES

Our future plans and strategies are as follows:-

(i) **We intend to expand our manganese ore resources through strategic investments and partnership with other manganese ore exploration companies and miners**

We believe a reliable and competitively priced supply of manganese ore is fundamental to the long-term sustainable expansion of our business. We will continue exploring strategic investments with other manganese ore exploration companies and miners to carry out exploration activities and to attain mining rights to mining reserves. In addition, we will seek to enter into partnerships with other suppliers to secure a continuous supply of manganese ore.

(ii) **We will continue to strategically diversify our product portfolio and raise our production capacities**

Feasibility studies are being undertaken for the production of silicon metal, a higher value-added product that is used largely for aluminium, silicone, semiconductor and solar applications. Production of silicon metal will allow our Group to diversify our downstream users, reaching a wider group of buyers. We also have plans to embark on the production of other specialty grades of ferroalloys, such as high purity ferroalloy products that are customised for specific application usage based on customer's specifications.

The expansion of 2 to 4 new manganese alloy furnaces at the Sarawak Plant continues to be in our Group's project pipeline as part of the plan to raise the production capacity of our Group in the medium to long term.

(iii) **We will continue to optimise performance by enhancing operational efficiency**

We will continue to optimise overall performance by enhancing operational efficiencies while developing new product solutions including but not limited to the following:-

- Creating synergies between the mining and smelting operations through the commissioning of the Ultra Fines Plant at the Bootu Creek Mine and the manganese sintering facility in the Sarawak Plant;
- Continuing research and development efforts;
- Localising raw material sources in the long run;
- Improving waste management systems to derive better value from by-products; and
- Growing sustainably while maintaining our position as one of the lowest cost quartile ferroalloy producers.

Further details of our future plans and strategies are set out in **Section 7.25.2** of this Prospectus.

3.5 RISK FACTORS

An investment in our Shares involves a number of risks. You should carefully consider all of the information contained in this Prospectus, including all the risk factors as set out in **Section 5** of this Prospectus, before deciding to invest in our Shares.

Set out below are the key risks faced by us in our business operations and relating to our Shares:-

(i) As a pre-requisite for carrying out our business operations, we are required to comply with relevant laws and regulations and obtain certain licences, permits, registrations and approvals from various governmental authorities in Australia, Malaysia, Singapore and China, as well as the relevant laws and regulations relating to our mining and smelting operations.

Some of these licences, permits, registrations and approvals are subject to periodic renewal and reassessment by the relevant authorities, and the standards of compliance required in relation thereto may from time to time be subject to changes. New laws, regulations or policies may also be adopted. Our Group is subject to regulatory inspections for the renewal of certain licences, permits, registrations and approval.

(ii) Our Group's smelting operations consume a substantial amount of electricity for the production of ferrosilicon and manganese alloys. The reliability and sustainability of an electricity supply is critical to ensure production continuity for our smelting operations. Our Group's mining operations at the Bootu Creek Mine require a substantial amount of water, primarily sourced from natural runoff and pumped from existing water catchment areas. Limited water supply due to reduced rainfall and abnormally dry seasons would affect the processing plants and in turn decrease production.

(iii) Our mining operations are subject to a number of operational risks and hazards which could affect the mining and processing activities at the mine site, increase our cost of mining or result in accidents at our mine site. One such occurrence was the fatal accident which occurred at the Bootu Creek Mine on 24 August 2019 as a result of a slip in the Tourag pit wall. The accident resulted in a temporary suspension of in-pit mining operations until in-pit mining resumed in December 2019. OMM has co-operated with NT Worksafe, the Mines Department and the Coroner in relation to their investigations into the accident. If a prosecution proceeding is brought against OMM for breach arising under the Work Health and Safety Act further to this incident, it may result in a penalty to OMM of up to A$3.0 million. Directors of OMM may also be subject to prosecution for this incident, where a maximum penalty of A$0.6 million may apply.

Our production facilities at the Sarawak Plant and Qinzhou Plant are exposed to both physical and external risk factors beyond our control, including major unexpected events such as technical problems, unavailability of replacement key equipment, machinery breakdown and/or equipment failure, as well as external factors such as force majeure events, weather conditions and the availability of personnel which may result in unscheduled production down time and cost overruns.

(iv) Our operations in each of the countries we operate, namely the Bootu Creek Mine in Australia, Qinzhou Plant in PRC, and Sarawak Plant in Malaysia, are bound by national and local environmental laws and regulations. These laws and regulations set various standards regulating certain aspects of health and environmental quality, provide for penalties and other liabilities for the violation of such standards, and establish, in certain circumstances, obligations to remediate current or former facilities where operations have been conducted.

(v) The responsibility of overseeing the daily operations and strategic management of our Group is heavily dependent on our founder and Chief Executive Officer, Low Ngee Tong, as well as our key senior management, who have been instrumental to our development and have many years of experience and understanding within their specialised industry fields and who may not be easily replaceable.

(vi) Our Group's mining and smelting segments are capital intensive. To fund current and future operations, capital expenditure requirements, acquisition and investment plans and other funding requirements, our Group needs sufficient internal sources of liquidity or access to additional financing from external sources. Our Group currently funds its operations and capital expenditures with cash flows from our operating activities, short term and long term financing, and capital contributions from shareholders.

(vii) For our mining and production operations in Australia, China and Malaysia, we are required to comply with national and local occupational health and safety laws and regulations. These laws and regulations set various standards regulating certain aspects of occupational health and safety, and require employers to ensure, so far as it is practicable, that its employees are not exposed to safety and health risks, and provide for penalties and other liabilities for the violation of such standards. Failure of our Group in complying with such occupational health and safety laws or regulations could result in significant liability imposed on our Group for damages or penalties.

(viii) We currently benefit from certain tax exemptions and tax incentives for our Malaysia and Singapore based operations. Our Malaysian subsidiary is entitled for exemption from tax for a period of 5 years until 30 November 2021 under the Pioneer Status granted by the Malaysian Investment Development Authority, and is permitted to apply for an additional 5 years exemption from tax on 70% of our statutory income subject to the satisfaction of the Malaysian Investment Development Authority on pre-agreed criterion.

Further, under a Global Trader Programme established by the Singapore Ministry of Trade and Industry, our Singapore subsidiary, OMS is entitled to a concessionary rate of tax valid until December 2023, subject to the fulfilment of specific conditions.

There can be no assurance that these tax exemptions or incentives will not be revoked or repealed, or that we will be able to obtain and benefit from these or similar tax exemptions and incentives in the future. Further, upon expiry of such tax exemptions or incentives, we could be subject to regular corporate income tax which could increase our tax expenses and, accordingly, result in a decrease in our profitability.

(ix) Force majeure events are generally circumstances which are beyond the control of a party and may require us to evacuate personnel or cease operations, and include human acts such as war, terrorism and strikes, natural occurrences such as storms, floods, cyclones and earthquakes, as well as outbreaks of communicable diseases such as COVID-19, SARS, MERS and H1N1. Unfavorable weather and climatic conditions and natural disasters may prevent our Group from conducting work at our work sites or delivering our products to our customers in accordance with contract schedules, or generally reduce our operational productivity.

(x) We have previously undertaken our business expansion through acquisitions, partnerships and joint ventures, and these remain our key strategies in the future growth of our business.

While we have not had any material conflicts or disagreements with our joint venture or associate partners in the past, any disagreement in connection with the scope of performance of our respective obligations could affect our ability to develop or operate the respective asset or project, or affect our benefits arising from the joint venture or associates. In addition, any serious dispute with our partners could adversely affect our business, including the operation of our Sarawak Plant and/or the sourcing of Tshipi Mining's manganese ore for our marketing and trading segment, which could thereafter impact our financial condition, results of operations and cash flows.

(xi) There is no assurance that our future plans will be successfully implemented, or that our business expansion plans will be profitable. This is in view that the future performance of our Group is highly dependent on the performance of the global and steel manufacturing industry, as well as supply and demand factors affecting the commodity prices of manganese ore, manganese alloys and ferrosilicon, all of which are inherent risks in the industry in which we operate.

(xii) Our corporate affairs are governed by our Memorandum of Association, our Bye-laws and the laws of Bermuda, and will be governed by the ASX Listing Rules for so long as our Shares are listed on ASX. The rights of our shareholders and the responsibilities of our management and our Board under Bermuda laws and Australian laws may be different from those applicable to a company incorporated in another jurisdiction. Furthermore, the nature and content of publicly available information about public companies listed on the ASX may be different from those made available by public companies listed on Bursa Securities as well as in other jurisdictions. Therefore, shareholders in our Company may or may not be accorded the same level of rights and protection to that of the shareholders of a company incorporated and listed in Malaysia.

(xiii) There is no seamless trading platform between Bursa Securities and the ASX. Therefore, there are 2 different sets of rules which will govern the trading and settlement of our Shares depending on which stock exchange the Shares are traded on, which may result in our Shares having different prices per share and settlement deadlines even when they are traded at the same time on each stock exchange.

In addition, there may be a time lag during the removal of our Shares from one register to the other. Although the Shares are fully fungible between the Malaysian and Australian registers, there is no assurance that the exchanges will not impose restrictions on your ability to transfer your Shares in the future.

(xiv) As there is no public market for our Shares in Malaysia, there is no guarantee that a trading market for our Shares on Bursa Securities will develop or, if such a market does develop, that the market for our Shares will be active and liquid. Further, the market prices of our Shares on Bursa Securities and ASX may differ significantly due not only to currency fluctuations but also due to differences in market liquidity for the Shares, trading participants and investor bases, exchange trading systems as well as other factors outside of our control.

3.6 IMPACT OF THE COVID-19 PANDEMIC TO OUR BUSINESS AND OUR RESPONSES

The COVID-19 pandemic has led to slower global economic activities with authorities around the world implementing lockdowns to contain the spread of the virus. Global supply chains have been negatively impacted following the temporary closure of borders and travel restrictions. Freight and trucking services were further disrupted with additional safety protocols imposed, consequently interrupting the flow of goods internationally. At the outset of the COVID-19 pandemic, our Group idled some of its ferrosilicon furnaces at the Sarawak Plant as an interim precautionary measure against the potential disruption of Chinese sourced raw material supplies. As at 30 April 2021, 12 out of 16 furnaces were in operation at the Sarawak Plant.

On 27 May 2021, OM Sarawak had received instructions from Pejabat Kesihatan Bahagian Bintulu (i.e. the Bintulu Division Health Office) to lockdown 3 blocks of our employees' accommodation facilities located in Bintulu with immediate effect to carry out an active COVID-19 case detection exercise for a period of 14 days, from 27 May 2021 to 9 June 2021, after an active COVID-19 case was detected. As the lockdown of the affected premises involved the majority of skilled production workers for our Sarawak Plant, OM Sarawak had temporarily halted all production activities and placed our Sarawak Plant under care and maintenance. In addition, as at to-date, we expect to incur direct expenses amounting to approximately RM5.0 million in addressing the situation, primarily for mass screening, cleaning, sanitisation, meals and accommodations for our workers.

Our Bootu Creek Mine in the NT is operational and OMM has a COVID-19 Management Plan in place to continue to allow interstate travel to and from the mine site. This has kept operations proceeding in a safe and sustainable manner without having a major impact on OMM's operations.

The demand for crude steel has been significantly lower, leading to reduced global steel production, and as such, reduced demand for our products. This resulted in a downward pressure on commodity prices globally. The full impact of the COVID-19 pandemic was most apparent in the 2nd half of 2020 as demand faded with increasing global economic uncertainties. As OMH's selling prices for its products are primarily dependent on commodity prices, such decline in product demand and our product prices had also impacted OMH's revenue and margins. As a result, revenue declined 23.6% to A$784.6 million in the FYE 31 December 2020 against A$1,026.5 million in the FYE 31 December 2019, due to the softening of manganese ore and ferroalloy prices in the FYE 2020, despite a 5% increase in total product volumes traded. Weaker demand for our products had also resulted in slower inventory turnover during the FYE 31 December 2020.

In response to the COVID-19 pandemic, we have implemented necessary measures to ensure the health and safety of all employees, contractors, local suppliers and neighbouring communities whilst maintaining operational resilience in our key business areas.

We will continue to monitor the situation and developments arising from the COVID-19 pandemic, whilst ensuring our production keeps pace with global demand, and ensuring the continuity and resiliency of our business operations during unprecedented times like this.

Further details on the impact of the COVID-19 pandemic to our business operations are set out in **Sections 5.1.9** and **7.16(ii)** of this Prospectus.

3.7 DIRECTORS AND KEY SENIOR MANAGEMENT

Our Directors and key senior management are as follows:-

Name	Designation
Directors	
Low Ngee Tong	Non-Independent Executive Chairman/Chief Executive Officer
Zainul Abidin Bin Mohamed Rasheed	Independent Non-Executive Deputy Chairman
Julie Anne Wolseley	Non-Independent Non-Executive Director/Joint Company Secretary
Tan Peng Chin Joseph Hadyn	Independent Non-Executive Director
Teo Liang Huat Thomas	Independent Non-Executive Director
Dato' Abdul Hamid Bin Sh Mohamed	Independent Non-Executive Director
Tan Ming-li	Independent Non-Executive Director
Key senior management	
Low Ngee Tong	Non-Independent Executive Chairman/Chief Executive Officer
Heng Siow Kwee	Group Human Resources Director and Joint Company Secretary
Tan Teck Thye	Senior Financial Controller
Rudolph Johannes Stephanus Van Jaarsveld	Managing Director of OMM
Chen XiaoDong	Chairman of OMQ and Managing Director of OM Sarawak
Dai HanPing	General Manager, Production of OM Sarawak
Heng Heok Miang	Managing Director, Logistics of OM Malaysia
Adrian Low Jia Yuan	General Manager, Marketing & Trading of OMS

For further information on our Directors and key senior management, please refer to **Sections 9.2 and 9.3** of this Prospectus, respectively.

3.8 PROMOTER AND SUBSTANTIAL SHAREHOLDERS

Our Promoter's and substantial shareholders' shareholdings are set out below:-

		As at the LPD				Pro forma after Secondary Listing			
		Direct		Indirect		Direct		Indirect	
Name	Nationality / Country of Incorporation	No. of Shares ('000)	^%	No. of Shares ('000)	^%	No. of Shares ('000)	^%	No. of Shares ('000)	^%
Promoter and substantial shareholder									
Low Ngee Tong	Singaporean	68,111	9.22	-	-	(1)58,111	7.87	-	-
Substantial shareholders									
Huang Gang	N/A(2)	103,619	14.03	-	-	103,619	14.03	-	-
Amplewood Resources Ltd	N/A(2)	94,649	12.81	-	-	94,649	12.81	-	-
Marc Chan	N/A(2)	5,611	0.76	(3)94,649	12.81	5,611	0.76	(3)94,649	12.81
Heng Siow Kwee	Singaporean	65,952	8.93	-	-	65,952	8.93	-	-

Notes:-

^ *The percentage shareholdings are calculated based on 738,623,337 issued OMH Shares (including treasury shares) as at the LPD and after the Secondary Listing.*

(1) *Based on the assumption that Low Ngee Tong transfers and fully sells down 10,000,000 Shares on Bursa Securities pursuant to his Transfer Undertaking provided, details of which are set out in **Section 4.2** of this Prospectus.*

(2) *Not available, as these substantial shareholders (Huang Gang, Amplewood Resources Ltd and Marc Chan) are our public shareholders who had acquired our shares from the ASX open market. These shareholders are not involved in our Group's business and do not have any relationship, nor are they deemed persons connected to our Directors or key senior management.*

(3) *Deemed interested through his associate, Amplewood Resources Ltd.*

Further details on our substantial shareholders are set out in **Section 9.1.1** of this Prospectus.

3.9 FINANCIAL HIGHLIGHTS

The following table sets out a summary of the audited consolidated financial information for the financial periods under review.

	Audited			
	FYE 31 December			
	2017 (A$'000)	2018 (A$'000)	2019 (A$'000)	2020 (A$'000)
Revenue	988,182	1,510,416	1,026,454	784,633
GP	209,585	353,288	152,453	96,262
Profit/(Loss) from operations	51,479	189,969	28,540	(21,181)
Share of results from associates	21,138	46,958	30,381	16,525
PBT/LBT	**72,617**	**236,927**	**58,921**	**(4,656)**
Profit/(loss) attributable to:				
Owners of the Company	92,656	161,722	56,641	5,352
Non-controlling interests	(1,282)	22,935	(569)	(8,290)
PAT/LAT	**91,374**	**184,657**	**56,072**	**(2,938)**
EBITDA ('000)[1]	186,195	339,775	154,602	81,239
GP margin (%)	21.2	23.4	14.9	12.3
PBT margin (%)	7.4	15.7	5.7	N/A
PAT margin (%)	9.3	12.2	5.5	N/A
EBITDA margin (%)	18.8	22.5	15.1	10.4
Basic EPS (cents)[2]	12.7	22.1	7.7	0.7
Diluted EPS (cents)[3]	12.1	21.8	7.7	0.7
Current ratio (times)	1.5	1.8	1.5	1.2
Gearing (times)	1.8	1.1	0.9	0.9

Notes:-

(1) *The reconciliation of our PBT to EBITDA is set out in **Section 12.1** of this Prospectus.*

(2) *Basic EPS is computed based on PAT attributable to the owners of the Company divided by the weighted average number of shares in issue during each financial period under review.*

(3) *Diluted EPS is computed based on PAT attributable to the owners of the Company divided by the weighted average number of shares in issue during each financial period under review adjusted for the effects of all dilutive instruments (where applicable).*

N/A *Not applicable.*

Further details on our financial information are set out in **Sections 12** and **13** of this Prospectus.

3.10 DIVIDEND POLICY

We currently do not adopt any formal dividend policy. Any dividends declared will be subject to the recommendation of our Board. For the past 4 FYEs 2017, 2018, 2019 and 2020, the dividends declared by us are set out as follows:-

	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Interim and final tax-exempt (one-tier) dividend per share (A$)	-	0.05	(2)0.02	-
Dividend payment (A$'000)	-	36,931	14,772	-
Dividend payout(1)	-	22.8%	26.1%	-

Notes:-

(1) Computed based on the dividend payment over PAT attributable to owners of the Company.

*(2) Comprising interim dividend of A$0.01 per share which was paid on 29 November 2019, as well as final dividend of A$0.01 per share ("**Final Dividend**"). A$0.005 of the Final Dividend was paid on 29 May 2020, and the balance of A$0.005 was paid on 27 November 2020.*

As our Company is a holding company, our income and therefore, our ability to pay dividends is dependent upon the dividends that we receive from our subsidiaries and associate companies. Distributions by our subsidiaries and associate companies will depend upon their operating results, earnings, anticipated capital expenditure requirements, financial conditions and any other factors considered relevant by our Board such as exchange controls. The declaration and payment of any dividends is subject to the confirmation of our Board as well as any applicable laws, licence conditions and contractual obligations, and provided that such distribution will not be detrimental to our Group's cash flow and operations. As at the LPD, there is no dividend restriction being imposed on OMH.

Cash dividends on our Shares, if any, will be declared in A$ and converted to RM for payment in relation to Shares which are listed on the Bursa Securities. We will make the necessary arrangements to convert the dividends in A$ into the RM equivalent at the prevailing exchange rate on each relevant date to the entitled shareholders who held the shares in the CDS of Malaysia. As a result, the equivalent of any dividends paid in RM will also be affected by changes in the exchange rate between the A$ and the RM. Neither our Company nor share registrars will be liable for any loss whatsoever arising from the conversion of the dividend entitlement.

Capital gains, dividend payments and profits from dealing in our Shares on Bursa Securities will not be subject to Malaysia taxation (not applicable to entities including companies with trading of shares as their principal business activity). No withholding tax is imposed on the above transactions. Potential investors are advised to consult their professional tax advisers if they are in any doubt as to the taxation implications of subscribing, holding or disposing of and dealing in our Shares.

Further details on relating to our dividend are set out in **Section 12.6** of this Prospectus.

4. DETAILS OF OUR SECONDARY LISTING

4.1 INDICATIVE TIMETABLE

The following events are intended to take place on the following indicative time and/or date:

Event	Date
Date of this Prospectus	11 June 2021
Announcement on Bursa Securities and ASX on the Listing Reference Price(1) of OMH Shares on Bursa Securities ("**Reference Price Date**")	21 June 2021
Listing of our Company on the Main Market of Bursa Securities ("**Listing Date**")	22 June 2021

Note:-

(1) The Listing Reference Price of OMH Shares on Bursa Securities will be calculated based on the following:-

- *The closing market price of OMH Shares on the ASX as at the Reference Price Date;*
- *The Listing Reference Price will be calculated by multiplying the closing market price with the closing A$:RM exchange rate based on Bank Negara Malaysia's closing rates on the Reference Price Date.*

In the event there is any change to our Listing Date, we will advertise the notice of changes in a widely circulated English daily newspaper in Malaysia.

4.2 PARTICULARS OF OUR SECONDARY LISTING

Our Secondary Listing entails the secondary listing of and quotation of our existing Shares on the Main Market of Bursa Securities by way of introduction. Our Shares have been listed and quoted on the ASX since 1998 and the ASX will remain as our primary stock exchange.

4.2.1 Fungibility of our Shares

Upon our Secondary Listing, all our Shares which are listed and quoted on both the ASX and the Main Market of Bursa Securities will be fully fungible, whereby shareholders holding our Shares on the Australian register, may request to remove their Shares to the Malaysian register for listing and quotation on the Main Market of Bursa Securities by depositing such Shares into a CDS account which is maintained with an ADA/ADM of Bursa Depository. Such register removal requests will be subject to the fulfillment of the conditions and criteria of the Australian Share Registrar and Malaysian Share Registrar as well as the Bursa Depository regulations.

4.2.2 Removal of Shares to the Malaysian register

Prior to the Listing Date, all our existing shareholders will be informed of the option to remove, if they wish, their OMH Shares from the Australian register to the Malaysian register for trading on Bursa Securities. As the register removal process will take at least 3 Market Days to complete, shareholders who wish to commence trading of their shares on the Listing Date are advised to submit their Register Removal Requests in accordance with the following timeline:-

Timeline	Date
• Date of this Prospectus • OMH shareholders may commence the process of removing their shares from the Australian to the Malaysian register, via the submission of a Register Removal Request with the Australia Share Registrar	11 June 2021

Timeline	Date
Last day for OMH shareholders (who wish to commence trading of shares on the Listing Date) to submit their Register Removal Request to the Australian Share Registrar by 10.00 a.m. (Sydney Time) ("**Removal Closing Date**")	16 June 2021
Listing Date	22 June 2021

Further details on the mechanism for the removal of shares from the Australian to Malaysian register is set out in **Section 4.5** of this Prospectus.

4.2.3 Liquidity and Transfer Undertaking

In order to create liquidity and trading activity on the Main Market of Bursa Securities upon our Secondary Listing, we had, on 20 November 2020 procured a Transfer Undertaking from our Promoter, Non-Independent Executive Chairman/Chief Executive Officer and substantial shareholder, Low Ngee Tong, that he will, and he will procure other notable shareholders of our Company to, transfer an aggregate of at least 10,000,000 OMH Shares to Bursa Securities, representing 1.35% of the total number of issued OMH Shares as at the LPD, to be made available for trading. The Transfer Undertaking will be effected prior to the Removal Closing Date, and the OMH Shares will be available for trading for a period of 3 years from the Listing Date.

For illustration purposes, assuming that Low Ngee Tong transfers and fully sells down 10,000,000 Shares on Bursa Securities pursuant to his Transfer Undertaking, the pro forma effect of his shareholdings in OMH are as at follows:-

	As at the LPD				Pro forma after Secondary Listing			
	Direct		Indirect		Direct		Indirect	
Name	**No. of Shares ('000)**	**^%**	**No. of Shares ('000)**	**^%**	**No. of Shares ('000)**	**^%**	**No. of Shares ('000)**	**^%**
Low Ngee Tong	68,111	9.22	-	-	58,111	7.87	-	-

Note:-

^ *The percentage shareholdings are calculated based on 738,623,337 issued OMH Shares (including treasury shares) as at the LPD.*

Further, we will undertake necessary investor relations activities to create awareness of our Group's business and build demand for our Shares among the prospective investors in Malaysia. These include roadshows and analyst briefings to be held prior to, and after the Secondary Listing.

4.2.4 Listing Requirements applicable to OMH

Companies which are seeking admission of secondary listing on the Main Market of Bursa Securities are required to comply with only specific sections of the Listing Requirements in particular Chapters 1 (Definitions), 2 (General Principles), 4A (Foreign Listing) and 16 (Suspension, De-listing and Enforcement), Paragraph 8.11 relating to change in classification of a listed issuer in specific sector and Paragraph 9.34 relating to documents for overseas securities holders. Apart from the aforementioned sections specified, the remaining sections of the Listing Requirements are not applicable and our Company is subject to the listing rules (or its equivalent) of its home exchange (Primary Listing).

In view that OMH is primarily listed on the ASX, the requirements of the ASX Listing Rules will primarily apply to OMH. The ASX Listing Rules govern, among other matters, the admission of entities to the official list, quotation of securities, suspension of securities from quotation and removal of entities from the official list. They also govern disclosure and some aspects of a listed entity's conduct. Please refer to **Annexure C** of this Prospectus for further details on the summary of comparison between the Listing Requirements and the ASX Listing Rules. There are specific provisions under the Listing Requirements for foreign corporations seeking secondary listing and these provisions are additional obligations to be complied with by our Company and are not in conflict with our existing obligations under the ASX Listing Rules.

4.2.5 Approvals required

As our Secondary Listing will be undertaken by way of introduction, there will be no issuance of new Shares by our Company. Our Secondary Listing is not subject to approval from the ASX or our shareholders.

We had, via our annual general meeting held on 6 May 2021, obtained approval from our shareholders for the amendments to our Bye-laws to facilitate the Secondary Listing ("**Bye-laws Amendments**"). The Bye-laws Amendments comprise, amongst others, the following:-

(i) adopting provisions to facilitate the trading and settlement of our shares on Bursa Securities;

(ii) amendments to address aspects of the BCA or the Bye-laws of OMH that does not provide standards of corporate governance, shareholders' and minority interest protection and regulation of take-overs and mergers which are not at least equivalent to those provided in Malaysia.

The full text of the Bye-laws Amendments are set out in our Notice of Annual General Meeting and Explanatory Statement dated 12 April 2021.

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4.3 HISTORY OF MARKET PRICES

Our Company is presently listed on the ASX in Australia. The table sets out the historical trading prices and trading volume for our Shares on the ASX for the following periods:-

Period	High (A$)	Low (A$)	Average Daily Trading Volume
(i) 4 most recent full financial years			
– FYE 31 December 2017	0.81	0.09	304,639
– FYE 31 December 2018	1.59	0.80	513,449
– FYE 31 December 2019	1.33	0.38	421,254
– FYE 31 December 2020	0.64	0.23	393,294
(ii) Monthly for the most recent 6 months preceding the date of this Prospectus			
- December 2020	0.64	0.34	1,183,845
– January 2021	0.89	0.51	809,383
– February 2021	0.84	0.66	394,474
– March 2021	0.78	0.66	304,044
– April 2021	1.00	0.67	1,019,471
– May 2021	0.95	0.74	655,473
Average daily trading volume for the 6 months preceding the date of this Prospectus			(1)719,967
Free float of OMH Shares			(2)391,071,895
Liquidity turnover (%)(3)			0.18%

Notes:-

(1) Computed based on the sum of daily trading volumes divided by the total number of trading days during the 6-month period.

(2) Computed based on the total number of OMH Shares held by public shareholders that excludes the Directors, substantial shareholders and associates of such Directors and substantial shareholders of OMH as at the LPD.

(3) Represents the simple average daily trading volume for the 6 months preceding the date of this Prospectus over the free float of OMH Shares.

The table below set out the highest and lowest prices of our shares for the full financial quarter for the 2 most recent full financial years and subsequent period:-

Period	High (A$)	Low (A$)
– January 2019 to March 2019	1.33	1.10
– April 2019 to June 2019	1.17	0.69
– July 2019 to September 2019	0.86	0.41
– October 2019 to December 2019	0.53	0.38
– January 2020 to March 2020	0.50	0.23
– April 2020 to June 2020	0.42	0.27
– July 2020 to September 2020	0.37	0.31
– October 2020 to December 2020	0.64	0.29

Period	High (A$)	Low (A$)
– January 2021 to March 2021	0.89	0.51

(Source: Bloomberg L.P.)

The closing price of our Shares on ASX as at the LPD was A$0.93, whilst the closing price of our Shares on ASX on 4 June 2021, being the last trading day before the date of this Prospectus, was A$0.77.

Our Shares have been regularly traded on the ASX and have daily trading on every market day for the past 4 years up to the LPD. The average daily trading volume for the past 4 most recent FYEs 31 December 2017, 2018, 2019 and 2020 range from 304,639 Shares to 513,449 Shares, and the liquidity turnover of our Shares for the past 6 months preceding the date of this Prospectus is 0.18%. Further, there has been no significant trading suspension for our Shares that occurred in the 4 years preceding the LPD.

4.4 TRADING AND SETTLEMENT IN SECONDARY MARKET

Bursa Securities

The shares to be issued out of, or registered in, the Malaysian register are prescribed securities in accordance with Section 14(1) of the SICDA. As such, any shares to be issued will be deposited directly with Bursa Depository ("**Deposited Securities**") and no physical share certificates will be issued to shareholders.

In accordance with Section 29 of the SICDA, all dealings in Deposited Securities will be by book entries through CDS accounts and any dealings in these Deposited Securities will be carried out in accordance with the SICDA and Rules of Bursa Depository.

Transactions in our Shares traded through Bursa Securities under the book-entry settlement system will be reflected by the seller's CDS account being debited with the number of Shares sold and the buyer's CDS account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for such Shares that are settled on a book-entry basis. However, there is a nominal transfer fee of RM10.00 payable for each transfer not transacted on the market.

Beneficial owners of our Shares which will be traded through Bursa Securities are required under the Rules of Bursa Depository to maintain our Shares in CDS accounts, either directly in their names or through authorised nominees.

In relation to Deposited Securities, a depositor whose name appears in the Record of Depositors maintained by Bursa Depository in accordance with Section 34 of the Central Depositories Act in respect of the shares/securities of the Company which have been deposited with Bursa Depository shall be deemed to be a shareholder, debenture holder or option holder of the Company, as the case may be, and shall, subject to the provisions of the Central Depositories Act and any regulations made under the MCA, be entitled to the number of shares/securities stated in the Record of Depositors.

Trading of shares of companies listed on Bursa Securities is in "board lots" of 100 shares. Settlement of trades done on a "ready" basis on Bursa Securities generally takes place on the 2nd Market Day following the transaction date, and payment for the securities is generally settled on the 2nd Market Day following the transaction date.

The transaction costs of dealings in shares on Bursa Securities include, amongst others, trading and clearing fees to be charged on buyers and sellers. The brokerage commission in respect of trade of shares on Bursa Securities is charged by the respective brokers.

ASX

For securities traded on the ASX, settlement is effected by the Australian Clearing House Electronic Subregister System, CHESS, an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are effected in electronic form.

CHESS is operated by the ASX Settlement, a wholly owned subsidiary of the ASX. ASX Settlement authorises participants such as brokers, custodians, institutional investors, and settlement agents to access CHESS and settle trades made by themselves or on behalf of their clients.

Usually, 2 Market Days after a buyer and seller agree to a trade, CHESS effects the settlement of that trade. It does this by transferring the title or legal ownership of the shares while simultaneously facilitating the transfer of money for those shares between participants via their respective banks. This type of settlement is called Delivery versus Payment (DvP). It is irrevocable. No transfer stamp duty is currently payable on listed securities.

In addition to performing settlement, CHESS electronically registers the title (ownership) of shares on its subregister. This registration is secure and is an efficient means for holders to register title of their shares. Alternatively, holders may choose to hold their shares on the issuer sponsored subregister (as set out in **Section 4.6** of this Prospectus).

In summary, CHESS performs two major functions for ASX. It facilitates the clearing and settlement of trades in shares, and It provides an electronic subregister for shares of listed companies.

There are no "board lots" for shares listed on the ASX. However, there is a minimum trading value, being at least A$500 worth of shares.

The transaction costs of dealings in shares on the ASX include clearing fees charged to the brokers conducting the trade. Shareholders who buy or sell shares on the ASX are charged brokerage fees by their respective broker.

4.5 MECHANISM FOR REMOVAL OF SHARES FROM THE AUSTRALIAN REGISTER TO THE MALAYSIAN REGISTER, FOR DEPOSIT INTO BURSA DEPOSITORY

If holders whose Shares are trading on ASX wish to trade their Shares on Bursa Securities, they must submit a request for removal of their Shares from the Australian register to the Malaysian register, for deposit into Bursa Depository.

If holders of Shares on the Australian register wish to remove their Shares to the Malaysian register for deposit into Bursa Depository, they can do so by contacting the Australian Share Registrar to submit a register removal request together with any supporting documentation. There is no payment required by a holder of OMH Shares for the register removal request, as the relevant transmission and administrative fees will be borne by the Company. Prior to submitting the request, the holder must ensure that their Shares are:-

(i) held on the issuer sponsored subregister maintained by OMH; or

(ii) if held on the CHESS subregister, the holder must ensure that the Australian CHESS participant (i.e. custodian or broker) has converted their Shares from the CHESS subregister to the issuer sponsored subregister,

in the manner of legal title to the Shares set out in **Section 4.6** below.

Upon receipt of the register removal request, the Australian Share Registrar will review the instruction, remove the Shares from the Australian register and liaise with the Malaysian Share Registrar for the onward deposit of the Shares into Bursa Depository.

The withdrawal of Shares from the Australian register to the Malaysian register, for deposit into Bursa Depository will take at least 3 Market Days to complete provided that the valid removal request is submitted before 10.00 a.m. (Sydney time) on submission date and the holder has provided proper and timely instruction to the Australian Share Registrar and Malaysian Share Registrar.

The holders of OMH Shares who wish to transfer and trade on Bursa Securities must ensure a CDS account is opened with an ADA/ADM registered with Bursa Depository before submitting the register removal request to Australia Share Registrar.

4.6 MECHANISM FOR WITHDRAWAL OF SHARES FROM BURSA DEPOSITORY, AND REMOVAL FROM THE MALAYSIAN REGISTER TO THE AUSTRALIAN REGISTER

If a holder of Shares on Bursa Securities wishes to withdraw their Shares from Bursa Depository and remove them to the Australian register, they can do so by contacting the Malaysian Share Registrar to submit a register removal request together with any supporting documentation. There is no payment required by a holder of OMH Shares for the register removal request, as the relevant transmission and administrative fees will be borne by the Company. Upon receipt of the register removal request, the Malaysian Share Registrar will review the instruction and liaise with Bursa Depository to withdraw the Shares from the holder's CDS account and liaise with the Australian Share Registrar to remove the Shares from the Malaysian register to the Australian register.

The withdrawal of Shares from Bursa Depository, and their removal from the Malaysian register to the Australian register will take at least 3 Market Days to complete provided that the valid removal request is submitted before 12.00 p.m. (Malaysian time) on submission date and the holder has provided proper and timely instruction to the Malaysian Share Registrar and Australian Share Registrar.

Shareholders who are residents of Malaysia for the purposes of the FE Notices and subject to the prevailing FE Notices in relation to the permitted thresholds for investment abroad may be required to seek the prior approval of BNM should they wish to transfer their Shares from Bursa Securities for trading on the ASX. There is no restriction for a non-resident of Malaysia (for the purpose of the FE Notices) to subscribe for or purchase securities in Malaysia.

Holders of Shares on Bursa Securities are also reminded to observe, at all times, and consult their professional advisers on applicable FE Notices relating to ownership of foreign securities. Please refer to **Annexure A** of this Prospectus for a brief description of the applicable FE Notices.

Legal title to the Shares held by shareholders on the Australian register, that trade on ASX, are registered in one of two uncertificated subregisters, being:-

(i) CHESS subregister, with the shareholder having a CHESS sponsorship agreement with a broker/nominee authorised with ASX Settlement ("**CHESS Agreement**"), and they are assigned a Holder Identification Number ("**HIN**"); or

(ii) issuer sponsored subregister maintained by OMH and managed on its behalf by the Australian Share Registrar. The shareholder does not require a formal sponsorship agreement with OMH to have the shares registered in their name on the issuer sponsored subregister. The shareholder will be allocated a unique Securityholder Reference Number ("**SRN**") by the Australian Share Registrar.

Should the shareholder appoint a broker/nominee in the future, they can then provide their SRN to their broker/nominee to facilitate the electronic movement of their shares into the CHESS subregister either to be held or effect a trade.

For avoidance of doubt, the holders of OMH Shares who wish to withdraw their Shares from Bursa Depository and remove them to the Australian register are not required to have a CHESS Agreement. However, the CHESS Agreement is required if holders wish to subsequently trade their OMH Shares on the ASX.

4.7 FUNGIBILITY OF SHARES

Through the movement mechanisms set out in **Sections 4.5** and **4.6** above, it is possible for investors to purchase our Shares on Bursa Securities and sell them on the ASX and vice versa. The removal of Shares from the Malaysian register to the Australian register are effected only on a Free-of-Payment and no change of beneficial ownership basis (that is, there is no related cash movement parallel to the securities movement, and any related cash transfers may only be effected directly between the buyer and seller through their own arrangements). The holders should ensure that their Shares are available in their respective securities accounts maintained with Bursa Depository or the Australian Register, where applicable, before trading the Shares on Bursa Securities and the ASX.

Holders of our Shares should be aware of the time difference between the Malaysian market (which follows the Kuala Lumpur timezone GMT +08.00) and Australian market (which follows the Sydney timezone GMT +11:00 (during daylight saving time ("**DST**")) and GMT +10:00 (during non-DST). Accordingly, Malaysia will be 2 or 3 hours behind Australia, depending on the DST.

The trading hours on the respective exchanges are as follows:-

	Trading hours
Bursa Securities	9.00 a.m. to 12.30 p.m. 2.30 p.m. to 4.50 p.m.
ASX	10.00 a.m. to 4.00 p.m.

Holders of our shares should also take note of the respective Market Days on which both exchanges are open for trading which may differ, further information of which is available on the respective exchanges' websites at www.bursamalaysia.com and www.asx.com.au.

4.8 TAX AND LEGAL IMPLICATIONS FOR INVESTING IN OMH SHARES

The taxation and legal consequences of any investment in our Shares will depend on your particular circumstances. It is your responsibility to make your own enquiries concerning the taxation consequences of an investment in our Company.

A general overview of certain Australian, Bermuda and Malaysia taxation provisions applicable to OMH is set out in **Section 14.4** and is based on current tax and duty law and relevant guidance. The information in **Section 14.4** is not intended as a substitute for investors obtaining independent tax advice in relation to their personal circumstances. In addition, information is set out in **Section 14.2, Annexure B** and **Annexure C** in relation to certain provisions of our Memorandum of Association and Bye-Laws, summary of Bermuda Corporation Law and Malaysia Corporation Law with respect to corporate governance, shareholders and minority interest protection and regulation of take-overs and mergers and summary of comparison between the Listing Requirements and the ASX Listing Rules, respectively.

4.9 VOTING RIGHTS AND PARTICIPATION IN ANY EQUITY OFFERINGS BY OMH FOR OMH SHARES HELD IN MALAYSIA

Under the BCA, only those persons who agree to become members of a company incorporated in Bermuda and whose names are entered on the register of members of such a company are considered members, with rights to attend and vote at general meetings. Depositors (holding shares jointly with Bursa Depository or its nominee) are recognised as members of our Company by virtue of their names being contained in the Record of Depositors entered in the register of members of our Company at our registered office in Bermuda and in the branch register of members of our Company at our Malaysian Agent's office, and hence are accorded the full rights of membership such as voting rights, the right to appoint proxies, the right to receive shareholders' circulars, proxy forms, annual reports, prospectuses and takeover documents.

Depositors will be recognised as members of our Company for so long as the Record of Depositors is entered in the register of members and branch register of our Company. For so long as our Company is listed on the Official List and the shares are deposited with Bursa Depository, our Company is required to procure from Bursa Depository a copy of the Record of Depositors as at the close of each market day, and such Record of Depositors shall be entered in our Company's register of members and branch register upon receipt of the same.

There is no difference in the rights of the holders of OMH Shares trading on Bursa Securities in Malaysia to that of the holders of OMH Shares trading on ASX in Australia. Under the Secondary Listing, for so long as we are listed on Bursa Securities and OMH Shares are deposited with Bursa Depository, the deposited securities of a shareholder of OMH ("**Depositor**") shall be held jointly by Bursa Depository and the Depositor and the name of the Depositor as holder of OMH Shares in Malaysia be entered into the Record of Depositors maintained by Bursa Depository. It is not necessary for the holders of OMH Shares which are trading on ASX to have their OMH shares placed in Bursa Depository to be held by an exempt authorised nominee. Further voting rights of all holders of our Shares is set out in **Section 14.2.2** of this Prospectus.

Holders of OMH Shares trading on Bursa Securities will also be entitled to participate in any equity offerings by our Company such as rights issues and bonus issues.

4.10 RATIONALE FOR THE SECONDARY LISTING

The Secondary Listing is undertaken with the following objectives:-

(i) broaden our investor reach and widen our investor base, and potentially increase liquidity in a region where the market is familiar with our business profile and recognises the fundamental strengths of our business, particularly our smelting operations in Malaysia;

(ii) potentially increase the liquidity for our Shares through separate trading platforms; and

(iii) to enable us to tap into additional platforms for future fund raising and provide us with the flexibility to access different equity markets to raise funds after taking into consideration investors' demand as well as the cost of raising equity funding on the respective stock exchanges. Should there be a need to expand our Sarawak Plant in future, we may potentially undertake fund raising from the Malaysian capital markets after the Secondary Listing to be channeled toward this purpose. We believe the Secondary Listing will further enhance the growth potential of the Sarawak Plant and facilitate our longer-term growth strategy in the ASEAN region.

5. RISK FACTORS

Before investing in our Shares, you should pay particular attention to the fact that we and to a large extent, our business and operations are subject to the legal, regulatory and business environments in the regions where we operate. Our operations are also subject to a number of factors, many of which are outside our control. Before making an investment decision, you should carefully consider, along with the other matters in this Prospectus, the risks and investment considerations set out below.

5.1 RISKS RELATING TO OUR BUSINESS AND OPERATIONS

5.1.1 Non-compliance with laws, regulations and conditions stipulated in our licences, permits, registrations or approvals, and/or inability to obtain, maintain and/or renew our required licences, permits, registrations and approvals

As a pre-requisite for carrying out our business operations, we are required to comply with relevant laws and regulations and obtain certain licences, permits, registrations and approvals from various governmental authorities in Australia, Malaysia, Singapore and China, as well as the relevant laws and regulations relating to our mining and smelting operations. A summary of the key laws and regulations affecting our Group and our key licences, permits, registrations and approvals obtained is set out respectively in **Section 7.20** and **Annexure D** of this Prospectus.

Some of these licences, permits, registrations and approvals are subject to periodic renewal and reassessment by the relevant authorities, and the standards of compliance required in relation thereto may from time to time be subject to changes. New laws, regulations or policies may also be adopted. Our Group is subject to regulatory inspections for the renewal of certain licences, permits, registrations and approval.

(a) Regulatory compliance for our mining operations in Australia

Our mining and exploration activities at the Bootu Creek Mine, Australia, are subject to various government policies, laws, regulations, standards and requirements which provide for penalties and other liabilities when such laws or regulations are violated. In certain circumstances, there are obligations to remedy current or former facilities where operations are or have been conducted. Presently, we are the registered owner of the Bootu Creek Mine mineral lease 24031 (ML24031), where our mining operations are primarily undertaken ("**Mineral Lease**").

Non-compliance with any statutory requirements or terms and conditions under our Mineral Lease, including failure to rectify any breaches, could result in the Bootu Creek Mine being shut down or the non-renewal of necessary tenements or approvals, which could adversely impact our production and profitability. Such statutory requirements include specific use of the Mineral Lease, management of the environmental impact of mining activities, interference with rights of other occupiers of land in the vicinity, rental and mineral royalties levied by the government, provision of security, filing of annual reports and timely disclosures, as well as compliance with lawful directions.

In addition, we are required to operate in accordance with our Mine Authorisation for the Mineral Lease, and our associated Mining Management Plan, which details our mining procedures in effect at the Bootu Creek Mine as well as environmental management systems. Our Mining Management Plan must be reviewed and approved by the NT Mining Minister on an annual basis. In the event our Mining Management Plan is not approved, or we are unable to meet additional conditions imposed or rectification of any breaches in respect of our Mining Management Plan, our Mineral Lease may be revoked.

During the financial period under review, there have been no instances of non-compliance with any statutory requirements or terms and conditions under our Mineral Lease, save for non-conformances recorded in July 2018 relating to erosion and sediment control matters and incompletion of an internal audit. These non-conformances have now been rectified.

(b) Regulatory compliance for our smelting operations in Malaysia

Our smelting operations at the Sarawak Plant are subject to various laws and regulatory requirements related to operational, environmental and health and safety aspects. Compliance with these laws and regulatory requirements could require substantial capital expenditure and failure to comply could result in the imposition of penalties, fines, restriction on operations and other liabilities.

Our subsidiary, OM Sarawak had been granted with licenses to operate the Sarawak Plant such as, amongst others, the manufacturing license for the production of silicomanganese, ferrosilicon, high carbon ferromanganese, medium carbon ferromanganese and sintered manganese ore and environmental licenses for the prevention, abatement and control of pollution to the environment. Further details on these licenses are set out in **Annexure D** of this Prospectus.

Under the manufacturing license, OM Sarawak is required to implement the project at the Sarawak Plant in accordance with the laws and regulations of Malaysia and any non-compliance with any laws and regulations of Malaysia in implementing the smelting operations at the Sarawak Plant, could result in the manufacturing license being revoked. The consequence of the non-fulfilment of the above licenses will adversely impact our operations, business and financial position.

These laws, regulations and obligations could change with the promulgation of new laws and regulations and interpretation of existing laws and regulations. There is no assurance that we will be able to continue to comply with all relevant laws and regulations in the future and this may materially adversely impact our Group's business and results of operations.

(c) Regulatory compliance for our smelting operations in PRC

We are subject to extensive national, provincial and local government regulations, policies and controls, which govern many aspects of the PRC's manganese industry including but not limited to environmental protection, production safety, labour, foreign exchange, foreign trade. Any significant change in the scope or application of these laws or regulations or any promulgation of new laws and regulations may lead to (i) more rigorous controls with regard to our production, storage, use, operations and transportation of hazardous materials; (ii) more restriction on our ability to alter or expand our scale of operation; and (iii) incur more expense for the renovation of existing production facilities. Any of these events may increase our costs of production and have an adverse effect on our results of operations. There is no assurance that the PRC government will not impose additional or stricter laws or regulations in the future, and our Group will be able to comply with any new PRC laws, regulations, policies, standards and requirements applicable to the manganese smelting industry economically, failure to renew licences, penalties or lawsuits or at all, which may result in the suspension of our Group's operations and thus materially and adversely affect its business and results of operations.

While we have not encountered any instances of failure to obtain or renew any licences, permits, registrations or approvals required for the operation of our business during the financial period under review, obtaining, retaining, renewing or altering the terms of the necessary licences, permits and registrations or approvals can be a complex and time consuming process, and may involve substantial costs or the imposition of unfavourable conditions. There can also be considerable delay in obtaining the necessary licences, permits, registrations and approvals and in certain cases, the relevant authority may be unable to issue or alter the terms of a licence, permit, registration or approval which is required in good time. There is no assurance that we will be able to obtain renewed licences, permits, registrations and approvals upon their expiration in a timely manner, or at all. There is also no assurance that the eligibility criteria for such licences, permits, registrations and approvals will not be changed.

Any failure to obtain or renew such licences, permits, registrations and approvals as planned, or any requirement for a more stringent compliance standard may cause delay in our production or mining plans, and thereby have a material and adverse effect on our business, results of operations and financial condition.

Furthermore, in the event that we identify prospective mine assets or resources for acquisition in the future, there is no assurance that the mining rights can be successfully obtained.

Accordingly, we have to constantly monitor and ensure our compliance with such conditions, laws or regulations. Any adoption of new laws or regulations or any subsequent modifications of, additions or new restrictions to the current compliance standards may increase our costs of compliance, which may adversely affect our profitability.

5.1.2 Our Group's operations depend upon an adequate and timely supply of electricity and water

Our Group's smelting operations consume a substantial amount of electricity for the production of ferrosilicon and manganese alloys. The reliability and sustainability of an electricity supply is critical to ensure production continuity for our smelting operations. Any unexpected disruption of the electricity supply could hamper the smelting process and affect production volumes. Any increase in cost arising from such disruption might be material and might not be fully compensated by our service providers. In this regard, we have entered into a long-term power purchase agreement with SESCO for the continuous supply of competitively priced electricity for our Sarawak Plant until year 2033 at an initial capacity of 350MW, details of which are set out in **Section 7.22** of this Prospectus. However, there is no similar electricity supply arrangement for our Qinzhou Plant, whereby operations could be interrupted by power supply restrictions.

Our Group's mining operations at the Bootu Creek Mine require a substantial amount of water, primarily sourced from natural runoff and pumped from existing water catchment areas. Limited water supply due to reduced rainfall and abnormally dry seasons would affect the processing plants and in turn decrease production.

During the financial period under review, we have not encountered any material disruptions in the supply of electricity and water which had a material adverse impact on our Group's operations. As our Group's production and processing capabilities increase and our business grows, so will our Group's requirement for electricity and water, making us sensitive to shortages in, and the costs of these utilities. There is no assurance that our Group will receive adequate supply of water for its mining operations, which may adversely affect its mining productivity and, in turn, profitability. Further, any disruption to the electricity supply, including planned power cuts by the utility providers for routine maintenance could materially and adversely affect our Group's smelting operations. There is also no assurance that the PRC will not impose future energy-saving targets and that power cuts could be ordered in response to such government initiatives. Such power supply disruptions, if critical, could potentially cause the shutdown of operations and subsequently incur significant costs for the recommencement of operations.

5.1.3 Our mining and production activities are subject to operational risks, hazards and unexpected disruptions and liabilities arising

(i) Operational risks and hazards at our mining operations

Our mining operations are subject to a number of operational risks and hazards which could affect the mining and processing activities at the mine site, increase our cost of mining or result in accidents at our mine site. Mining at the Bootu Creek Mine is carried out using a conventional open cut method of mining, blasting and excavation using hydraulic excavators and dump trucks, where manganese ore is extracted from the earth by its removal from open pits. The walls of the pits will become progressively higher and steeper over the life of the mine as more earth is being removed from the pits. Any unanticipated changes in geological structure, unmapped fault lines, damages to the walls caused by our blasting activities and uncontrolled surface water run-off caused by high rainfall may affect the stability of the pit walls and could potentially lead to risks of wall failures. These may result in an increased geotechnical risk to the mine and create a safety risk for the employees working inside the pits.

One such occurrence was the fatal accident which occurred at the Bootu Creek Mine on 24 August 2019 where an employee was fatally injured. The accident was due to a slip in the Tourag pit hanging wall located within the Bootu Creek Mine, and the accident resulted in a temporary suspension to our in-pit mining operations for 4 months by the Mines Department. In-pit mining operations subsequently resumed in December 2019 in stages with additional safety and risk mitigation practices and procedures in place for all operations. As at the LPD, we have recommenced full operations at the Bootu Creek Mine subject to an instruction issued by a Mining Officer under the Mining Management Act 2001 (NT). This instruction will remain in force until it is revoked, and under the instruction, in-pit mining is limited to specific pits and subject to certain requirements set out in the instruction.

The fatal accident was immediately reported by OMM to the Northern Territory police, the Mines Department, and NT WorkSafe. The accident has been investigated by NT WorkSafe, Department of Mines and the Coroner. OMM has co-operated with those investigations and fulfilled the requirements of all notices given by NT Worksafe which enabled in-pit mining operations to resume in December 2019. As at the LPD, OMM is subject to a Prohibition Notice issued by an inspector in accordance with section 195 of the *Work Health and Safety (National Uniform Legislation) Act 2011* (NT) ("**Work Health and Safety Act**") which prohibits works, including in-pit mining, in the Tourag pit. The prohibition will remain in force until the inspector is satisfied that the risks giving rise to the prohibition have been remedied.

In addressing the risks, OMM has, since August 2019, undertaken a remedial action plan, including the revision of its ground control management plan to minimise the potential for unexpected and uncontrolled slope instabilities, and prevent employee exposure to such incidences. OMM had also implemented additional safety monitoring practices, such as engaging external consultants to undertake a geotechnical, design and construction review, appointed additional engineers to attend to geotechnical issues, as well as invested in additional safety, monitoring and communication equipment and systems. Further, OMM has implemented additional procedures that require prior assessment on all potential mining pits to be carried out by geotechnical labs and OMM's consultant. To-date, OMM has incurred costs amounting to A$3.1 million in undertaking its remedial action plan.

As at the LPD, there are no prosecution proceeding issued by NT Worksafe, as the regulator under the Work Health and Safety Act in connection with the fatal accident. There is a possibility of NT Worksafe bringing prosecution proceedings against OMM under the Work Health and Safety Act for alleged breach of one or more applicable health and safety duties. Prosecution for breach of a work health and safety duty may be either a Category 1, 2 or 3 offence in descending order of culpability.

For corporations, a Category 1 offence has a maximum penalty of A$3.0 million; a Category 2 offence has an A$1.5 million maximum penalty; and a Category 3 offence has an A$0.5 million maximum penalty. Company directors can also be amenable to prosecution for failure to exercise due diligence to ensure that a corporation complies with its health and safety duties (a maximum A$0.6 million pecuniary penalty applies).

Production at the Bootu Creek Mine may also be impacted by heavy rainfall restricting access to ore, as well as handling issues in the processing plant when processing water-impacted ores. Heavy rainfall could also contribute to pit wall instability and failure, reduced ability to de-water operating pits, inability to access roads and the rail track used to transport the manganese ore being damaged or flooded, and damage to our stockpiles located at the mining site and the Port of Darwin.
The mining activities also involve handling and storage of explosive, toxic and other dangerous materials. Any improper handling and storage of these pollutants may lead to explosions or pollution which could lead to undesirable consequences to the health and safety of employees or economic loss to our Group.

Other risks and hazards, some of which are beyond our control, include unexpected maintenance or technical problems, periodic interruptions due to steep topography, inclement or hazardous weather conditions, natural disasters, tropical rainstorms, industrial accidents, power or fuel supply interruptions, critical equipment failure, and unusual or unexpected variations in geological or mining conditions.

Any disruption for a sustained period to the operations of our mine sites may materially and adversely affect our business, results of operations and financial condition. In addition, there is also no assurance that any future accidents will not materially and adversely affect our business, results of operations and financial condition.

(ii) Operational risks, hazards and unexpected disruptions and liabilities arising at our production operations

Our production facilities at the Sarawak Plant and Qinzhou Plant are exposed to both physical and external risk factors beyond our control, including major unexpected events such as technical problems, unavailability of replacement of key equipment, machinery breakdown and/or equipment failure, as well as external factors such as force majeure events, weather conditions and the availability of personnel which may result in unscheduled production down time and cost overruns.

Any unexpected extreme weather conditions could present risks such as flash floods which could directly or indirectly affect our production facilities. There could be road closures as a consequent of flooded areas leading to inaccessibility of the transportation of raw materials or finished goods. Any major disruptions to the production volumes may materially or adversely impact our Group's revenue and financial condition.

In addition, OM Sarawak's long-term PPA with SESCO includes take or pay clauses which oblige OM Sarawak to pay for an agreed amount of power, whether OM Sarawak uses the power or not. If productivity at the Sarawak Plant is lower than expected, the Group will nevertheless be required to pay for power at the contracted rates, and to that extent may be paying for power that it may be unable to consume in the production before its expiry date as per the PPA.

Further, if OM Sarawak does not perform its obligations under the PPA, this may result in potential penalties or liquidated damages payable to SESCO. Such penalties or liquidated damages, if substantial, may have a material impact on the financial position of the OMH Group. Further details of OM Sarawak's take-or-pay obligation are set out in **Section 7.22** of this Prospectus.

5.1.4 Our mining and production activities may be affected by national and local environmental laws and regulations in the respective jurisdictions

Our operations in each of the countries we operate, namely the Bootu Creek Mine in Australia, Qinzhou Plant in PRC, and Sarawak Plant in Malaysia, are bound by national and local environmental laws and regulations. These laws and regulations set various standards regulating certain aspects of health and environmental quality, provide for penalties and other liabilities for the violation of such standards, and establish, in certain circumstances, obligations to remediate current or former facilities where operations are or have been conducted. Further details on the environmental regulations applicable to us are set out in **Section 7.20** of this Prospectus.

Australia

Our mining operations at the Bootu Creek Mine in Australia are required to operate in accordance with the Mine Authorisation and a Mining Management Plan which is required to be reviewed and approved by the NT Mines Minister on an annual basis. This requires us to conduct periodical environmental assessments on the mine site as well as regulate our proposed mining activities. The Bootu Creek Mine is operated in accordance with an Environmental Management Plan which forms part of the Mining Management Plan. Obtaining the approvals for the Mine Authorisation and the Mining Management Plan, as well as other necessary approvals may sometimes prove more difficult or take longer than expected, and as a result may cause delay or an increase to the cost of the proposed mining activities.

Malaysia

Our Sarawak Plant in Malaysia is required to operate in accordance with the Environmental Quality Act, a federal environmental legislation as well as the Natural Resources and Environment Ordinance. Approvals from the Department of Environment Sarawak and regular compliance monitoring are required in relation to the smelting operations at the Sarawak Plant. We are also required to carry out mandatory environmental impact assessment ("**EIA**") on any prescribed activity that may have an environmental impact, and submit the EIA to the Natural Resources and Environment Board, Sarawak, to ensure potential environmental problems are addressed at an early stage.

PRC

Our Qinzhou Plant in the PRC is required to operate in accordance with various environmental laws and regulations, which require our Group to adopt effective measures to control and properly dispose of waste materials, pollutants, and other hazards. We are also required to register with the relevant environmental protection authority and obtain permits for the discharge of pollutants. Any planned future expansion plans on our Qinzhou Plant is also subject to filing of an environmental impact report and approval granted by the Bureau of Ecology and Environment prior to undertaking construction.

Environmental regulations may become more onerous over time and require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their employees. Such changes to environmental regulations may have a material impact on our Group's operations, or increase the production costs at our processing or production facilities. Significant liabilities could also be imposed on our Group for damages, clean-up costs or penalties in the event of environmental damage or non-compliance with environmental laws or regulations. During the financial period under review, there have been no instances of material non-compliance with the relevant laws and regulations governing our Group which are set out in **Section 7.20** of this Prospectus.

In addition, there is a risk that our approvals obtained pursuant to environmental laws may be withdrawn or amended, both of which may materially and adversely affect the operations of our mining and smelting operations, and thus our Group's turnover and profits.

5.1.5 Specialist personnel and other human resources and unavailability or loss of services of key personnel may have a material adverse effect on our Group's business and results of operations

The responsibility of overseeing the daily operations and strategic management of our Group is heavily dependent on our founder and Chief Executive Officer, Low Ngee Tong, as well as our key senior management, who have been instrumental to our development and have many years of experience and understanding within their specialised industry fields and who may not be easily replaceable.

If any of the key personnel cease to be involved with our Group, there is no assurance that there will not be a detrimental impact on our Group's operations and performance. Further details of our Group's key personnel who are crucial to our operations and success are set out in **Section 9.3** of this Prospectus.

Additionally, our business requires skilled personnel and professional staff in the area of exploration, mining, production and operations. There is a risk where our Group may face difficulties in retaining the services of skilled management and employees, such as skilled engineers, technicians, mining workers and operators of specialised equipment at our Bootu Creek Mine, Sarawak Plant and Qinzhou Plant. Recruitment of experienced and suitable candidates familiar with the industry may also be a challenge and this could hinder our Group's ability to achieve our objectives within the budget and timeframe.

5.1.6 Our Group may be unable to obtain future financing on favorable terms

Our Group's mining and smelting segments are capital intensive. To fund current and future operations, capital expenditure requirements, acquisition and investment plans and other funding requirements, our Group needs sufficient internal sources of liquidity or access to additional financing from external sources. Our Group currently funds its operations and capital expenditures with cash flows from our operating activities, short term and long term financing, and capital contributions from shareholders.

As at 31 December 2020, our total borrowings amounted to approximately A$415.0 million with a gearing ratio of 0.89 times. Our total borrowings primarily consist of Sarawak Plant project finance loans associated with the construction of the Sarawak Plant. Our existing credit agreements for our borrowings impose restrictive conditions, including both operational and financial covenants. Such covenants primarily include, among others, requirements for us to obtain the lending institutions' prior consent for material transactions, and inform them upon the occurrence of certain issues such as liquidation or winding up. Some of our credit agreements also contain cross default clauses which, if triggered, would entitle the financial institutions to accelerate payment of all or any part of the indebtedness. We also utilise trade financing to facilitate the purchasing of raw materials and trading or ores and ferroalloys.

Our Group's ability to obtain external financing in the future is subject to a variety of uncertainties, such as prevailing economic conditions, our on-going performance, the general condition of the market, and the availability of financing with acceptable terms.

Any disruptions, uncertainty or volatility in the capital and credit markets may limit our Group's ability to obtain financing to meet its funding requirements. If adequate funding is not available on favorable terms, in time, or at all, it may materially and adversely affect our Group's ability to fund its existing operations, or develop or expand our business. Additionally, if we decide to raise additional funds through financing, our interest and debt repayment obligations will increase, and we may be subject to additional covenants, which could limit our ability to access cash flows from operations or pay dividends.

Any default by a Group member in relation to current and future financing arrangements could materially and adversely affect our Group. Conversely, if our Group decides to raise additional funds through the issuance of new shares or securities, the interests of our current shareholders may be substantially diluted.

5.1.7 Non-compliance with occupational health and safety laws and regulations may lead to penalties and other liabilities

For our mining and production operations in Australia, China and Malaysia, we are required to comply with national and local occupational health and safety laws and regulations. These laws and regulations set various standards regulating certain aspects of occupational health and safety, and require employers to ensure, so far as it is practicable, that its employees are not exposed to safety and health risks, and provide for penalties and other liabilities for the violation of such standards. Failure of our Group in complying with such occupational health and safety laws or regulations could result in significant liability imposed on our Group for damages or penalties. Further details on the applicable occupational health and safety laws and regulations applicable to our Group are set out in **Section 7.20** of this Prospectus.

Australia

In the Northern Territory of Australia, we are governed by the Work Health and Safety (National Uniform Legislation) Act 2011 (NT) ("**Work Health and Safety Act**"), which sets out the legislative occupational health and safety requirements of a mine site and any activities associated with mining including handling, transport and storage of materials. Under the Work Health and Safety Act, we are required to adhere to our Risk Management Plan for our mining activities. Further, our mine site may be subject to safety inspections to assess compliance with the Work Health and Safety Act, which sets out recommendations and highlights any deficiencies which we may be required to rectify. While we have taken all necessary measures to adhere to our Risk Management Plan and the provisions of the Work Health and Safety Act, there is no guarantee that we would be able to comply fully with recommendations resulting from such safety inspections, or to rectify all deficiencies identified. Further, any onsite accidents arising from operational risk and hazards may also result in a breach or non-compliance of the Work Health and Safety Act, as detailed in **Section 7.20.2(iii)** of this Prospectus.

Malaysia

In Malaysia, we are required to comply with various guidelines outlined by the Department of Occupational Safety and Health under the Ministry of Human Resources Malaysia. Such guidelines include Occupational Safety and Health (OSHA) Act 1994 that covers the general safety, health and welfare of employees. We are also governed by the regulations under the Factories and Machinery Act 1967 where periodical inspections of our Sarawak Plant are conducted by the appointed health and safety officers, as well as the Employee's Minimum Standards of Housing, Accommodations and Amenities Act 1990 as amended by the Emergency (Employees' Minimum Standards of Housing, Accommodations and Amenities) (Amendment) Ordinance 2021 Act and any regulations made thereunder to implement in respect of among others, the minimum standards for accommodation for employees and to provide health, medical and social amenities to our employees.

PRC

In the PRC, we 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 of industrial standards. Please refer to **Section 7.20.3(ii)** of this Prospectus for further details on the Law on Production Safety.

There is no assurance that accidents on our mine sites or production facilities will not occur, resulting in breaches under the occupational health and safety laws or regulations. Such events may attract fines, imprisonment of responsible persons, legal action being taken against our Group, adversely affect our reputation, or result in the suspension of our business activities.

5.1.8 The expiry or loss of certain tax exemptions and incentives, and uncertainties in relation to the application of taxation laws and regulations could materially and adversely affect our business and results of operations

We currently benefit from certain tax exemptions and tax incentives for our Malaysia and Singapore based operations. Our Malaysian subsidiary, OM Sarawak, is entitled for exemption from tax for a period of 5 years until 30 November 2021 under the Pioneer Status granted by the Malaysian Investment Development Authority ("**MIDA**"). Such exemption applies on 100% of statutory income derived from the production of ferrosilicon, silicomanganese and high carbon ferromanganese. OM Sarawak is permitted to apply for an additional 5 years exemption from tax on 70% of its statutory income subject to the satisfaction of MIDA on pre-agreed criterion. Further, under a Global Trader Programme established by the Singapore Ministry of Trade and Industry, our Singapore subsidiary, OMS, is entitled to a concessionary rate of tax valid until December 2023, subject to the fulfilment of specific conditions.

For information on the impact of such tax incentives on our income tax expenses, please refer to **Section 12.3.2(x)** of this Prospectus. There can be no assurance that these tax exemptions or incentives will not be revoked or repealed, or that we will be able to obtain and benefit from these or similar tax exemptions and incentives in the future. Further, upon expiry of such tax exemptions or incentives, we could be subject to regular corporate income tax which could increase our tax expenses and, accordingly, result in a decrease in our profitability.

Our mining operations in Australia are subject to the payment of various private royalty payments to an independent 3rd party and the Northern Land Council (as detailed in **Section 7.19** of this Prospectus), as well as a statutory royalty (calculated based on a percentage of OMM's financial results) and special mining taxes (as detailed in **Section 12.3.2(x)** of this Prospectus). There is a risk that the nature or quantum of the statutory royalty and tax regime could change or increase, resulting in higher costs for our Group's operations.

In relation to our Qinzhou Plant operations, our manganese ore and non-manganese ferroalloys produced and sold are subject to value-added tax ("**VAT**") at rate of 13% and enterprise income tax at rate of 25%. There is no assurance that the PRC government will not further raise the rates of VAT and enterprise income tax or other taxes. Any increase in the rates of VAT, enterprise income tax or other taxes may have an adverse impact on our Group's results of operations.

5.1.9 Our operations may be affected by natural disasters or other events beyond our control

Force majeure events are generally circumstances which are beyond the control of a party and may require us to evacuate personnel or cease operations, and include human acts such as war, terrorism and strikes, natural occurrences such as storms, floods, cyclones and earthquakes, as well as outbreaks of communicable diseases such as COVID-19, SARS, MERS and H1N1. Unfavorable weather and climatic conditions and natural disasters may prevent our Group from conducting work at our work sites or delivering products to our customers in accordance with contract schedules, or generally reduce our operational productivity.

The outbreak, or threatened outbreak, of any severe communicable disease, such as the COVID-19 pandemic may trigger force majeure clauses as well. This could materially and adversely affect the overall business of our Group if such an outbreak is inadequately controlled. This in turn could affect domestic consumption, labour supply and possibly the overall gross domestic product growth within the countries that our Group operates in. If any of our Group's employees are affected by any severe communicable disease, it could adversely affect or disrupt our Group's production at the Sarawak Plant or Qinzhou Plant, materially and adversely affecting operations as our Group may be required to close its facilities to prevent the spread of the diseases.

During periods of curtailed activity, our Group may continue to incur operating expenses, but our Group's revenue from operations may be delayed or reduced. The details of the impact of the COVID-19 pandemic to our operations are set out in **Section 7.16** of this Prospectus.

The COVID-19 pandemic has led to slower global economic activities with authorities around the world implementing lockdowns to contain the spread of the virus. Global supply chains have been negatively impacted following the temporary closure of borders and travel restrictions. Freight and trucking services were further disrupted with additional safety protocols imposed, consequently interrupting the flow of goods internationally. At the outset of the COVID-19 pandemic, our Group idled 2 out of 10 ferrosilicon furnaces at our Sarawak Plant in February 2020 as an interim precautionary measure against the potential disruption of Chinese sourced raw material supplies. Alternative suppliers were activated and raw materials were procured in larger quantities as a buffer, made possible with our warehousing capability to manage further potential disruption of raw material supplies to our Sarawak Plant.

From March 2020 to May 2020, the Malaysian Government implemented a Movement Control Order to prevent the spread of COVID-19 in the region, temporarily ceasing non-essential businesses and services. Our Sarawak Plant remained operational during this period with minimal manpower required to keep the operations running. Labour shortages, especially the lack of skilled manpower, were also experienced due to strict travel restrictions which further impacted our Sarawak Plant's production capability. As a result, our Group temporarily idled an additional ferrosilicon furnace each in May and July 2020 and extended maintenance period for all other furnaces where required. During the period of March 2020 to May 2020, our Group was operating on 13 out of 16 furnaces with 7 furnaces producing ferrosilicon and 6 furnaces producing manganese alloy. The furnaces were idled due to potential supply chain disruption for raw materials, lack of skilled manpower arising from travel restrictions and difficulties in recruiting foreign skilled manpower. As at 30 April 2021, 12 out of 16 furnaces were in operation at the Sarawak Plant after an additional furnace was idled in July 2020. Our Sarawak Plant has the competitive advantage for such flexible production capabilities, allowing the Group to keep pace with market demand and make adjustments to the production volume and production mix accordingly.

On 27 May 2021, OM Sarawak had received instructions from Pejabat Kesihatan Bahagian Bintulu (i.e. the Bintulu Division Health Office) to lockdown 3 blocks of our employee' accommodation facilities located in Bintulu ("**Affected Premises**") with immediate effect to carry out an active COVID-19 case detection exercise for a period of 14 days, from 27 May 2021 to 9 June 2021, after an active COVID-19 case was detected. During the lockdown period, COVID-19 testing was carried out on the 2nd and 10th day on all residents in the Affected Premises, and the Affected Premises had ceased operations temporarily until all workers had tested negative for COVID-19.

As the lockdown of the Affected Premises involved the majority of skilled production workers for our Sarawak Plant, OM Sarawak had temporarily halted all production activities and placed our Sarawak Plant under care and maintenance. The temporary halt in our Sarawak Plant operations is expected to result in a reduction in our production levels for ferrosilicon and manganese alloys, as well as delays in our shipments and deliveries of inventories, and fulfilment of customers' purchase orders. In addition, as at to-date, we expect to incur direct expenses amounting to approximately RM5.0 million in addressing the situation, primarily for mass screening, cleaning, sanitisation, meals and accommodations for our workers. The temporary halt in our Sarawak Plant operations, as well as the expenses to be incurred, are expected to result in a decrease in our ferrosilicon and manganese alloys production numbers for the FYE 31 December 2021, and such decrease may also have a proportional negative impact on our financial performance for the FYE 31 December 2021.

The demand for crude steel has been significantly lower, leading to reduced global steel production, and as such, reduced demand for our products. This resulted in a downward pressure on commodity prices globally. The full impact of the COVID-19 pandemic was most apparent in the 2nd half of 2020 as demand faded with increasing global economic uncertainties.

As OMH's selling prices for its products are primarily dependent on commodity prices, such decline in prices had also impacted OMH's revenue and margins. As a result, revenue declined 23.6% to A$784.6 million in the FYE 31 December 2020 against A$1,026.5 million in the FYE 31 December 2019, due to the softening of manganese ore and ferroalloy prices in the FYE 2020, despite a 5% increase in total product volumes traded. Weaker demand for our products had also resulted in slower inventory turnover during the FYE 31 December 2020. Further details on the impact on our financial and operating performance are set out in **Section 12** of this Prospectus.

Notwithstanding all of our precautions, there is no assurance that the COVID-19 pandemic will not resurge and trigger nationwide lockdowns in the jurisdictions that we operate, invest in and transact with. As the COVID-19 pandemic is ongoing and evolving, we could experience additional disruptions to our business in the future if the pandemic becomes more severe or protracted and if more stringent governmental measures are imposed, extended or enhanced. This situation, if prolonged, may have a material adverse impact on the financial performance and the future growth of our Group. Our Group may be required to delay payment to suppliers or hold-off some or all capital expenditure programs to conserve cash extensively in such circumstances, which may also affect our ability to pay out dividends to our shareholders.

5.1.10 We are subject to uncertainty under our joint venture arrangements

We have previously undertaken our business expansion through acquisitions, partnerships and joint ventures, and these remain our key strategies in the future growth of our business. Such business expansion includes the establishment of our Sarawak Plant as a joint venture between our Group and Cahya Mata in 2011 and our investment of 13.0% effective equity interest in Tshipi Mining (through NMPL) to facilitate our entry into the South African manganese industry in 2010. Such acquisition, partnerships and joint ventures require us to make significant cash investments or incur substantial debt.

Our control over these joint ventures and associates is generally subject to the terms of applicable agreements or arrangements. We have majority control over the operations of our Sarawak Plant, and are presently involved in the day to day management. However, in respect of our investment in Tshipi Mining, our investment does not provide us with the right to control the actions of the assets, projects or operations. We may also face disputes with our joint venture partners in connection with the performance and scope of each party's obligations and responsibilities under the joint venture agreements. Further, our partners in these joint ventures and associates may:-

(i) have economic or business interests or goals that are inconsistent with ours;
(ii) take actions contrary to our instructions or requests, or contrary to our policies or objectives; or
(iii) be unable or unwilling to fulfil their obligations under the applicable agreement or arrangement or to provide anticipated levels of support.

While we have not had any material conflicts or disagreements with our joint venture or associate partners in the past, any disagreement in connection with the scope of performance of our respective obligations could affect our ability to develop or operate the respective asset or project, or affect our benefits arising from the joint venture or associates. In addition, any serious dispute with our partners could adversely affect our business, including the operation of our Sarawak Plant and/or the sourcing of Tshipi Mining's manganese ore for our marketing and trading segment, which would thereafter impact our financial condition, results of operations and cash flows.

5.1.11 Non-viability or non-successful implementation of our future plans may adversely impact our Group's prospects

As part of our business expansion activities, we are presently expanding our production facilities to include the Ultra Fines Plant at the Bootu Creek Mine, as well as expanding our manganese ore resources through strategic investments and partnerships with other manganese ore producers. Other expansion plans at the Sarawak Plant include the commissioning of the manganese sintering facility, the production of specialty grades ferroalloy products and the expansion of 2 to 4 manganese alloy furnaces. However, there is no assurance that our future plans will be successfully implemented, or that our business expansion plans will be profitable. This is in view that the future performance of our Group is highly dependent on the performance of the global and steel manufacturing industry, as well as supply and demand factors affecting the commodity prices of manganese ore, manganese alloys and ferrosilicon, all of which are inherent risks in the industry in which we operate, as set out in **Section 5.2** below.

Please refer to **Section 7.25.2** of this Prospectus for future details of our future plans and strategies.

5.2 RISKS RELATING TO THE INDUSTRY IN WHICH WE OPERATE

5.2.1 The global economic uncertainties may materially and adversely affect our Group's business, financial conditions and results of operations

The increasing uncertainties of the global economy brought about by the impact of the COVID-19 pandemic, the severe and prolonged United States-China trade tensions, effect of any monetary and fiscal policies adopted by central bank authorities of the world's leading economies may have negative effects on the world economy, and often have indirect and unpredictable effects on the various currencies that affect commodity prices. In addition, any global economic downturn leading to slower construction and infrastructure projects would affect the steel manufacturing industry and all its downstream manufacturers.

Specifically, our business, results of operations and financial condition may be materially and adversely affected by the following factors in the jurisdictions in which our Group operates (namely, Malaysia, Australia, Singapore and China):-

(a) changes in government regulations concerning restrictions on production, price controls, export controls, taxation, ownership and expropriation of property, environmental or employee health and safety;
(b) imposition of additional restrictions on currency conversions and remittances abroad;
(c) laws, regulations and policies affecting the mineral industry;
(d) industrial disruptions; and
(e) economic growth or slowdown.

Our Group expects such macroeconomic factors to be unpredictable and may persist over an extended period of time. If the economic outlook remains uncertain, our Group's business, financial condition and results of operations may be materially and adversely affected.

5.2.2 Our business and prospects are dependent on the state of the steel manufacturing industry

Our revenue is primarily derived from the sale of manganese ore and alloys to our customers, mainly comprising alloy smelters and steel manufacturers. As such, our Group's business and prospects are heavily dependent on the demand for manganese ore, ferrosilicon and manganese alloys by alloy smelters and global steel manufacturers, in particular in the Asia Pacific region, where we primarily generate our revenue. Such demand from steel manufacturers depend on, amongst others, the downstream demand from the manufacturing and construction sectors, steel prices, overcapacity of steel mills and inventory levels.

Further, economic slowdowns or significant or sustained downturn in the steel manufacturing industry in China or in other countries where our customers are located could curtail demand for steel, and consequently, demand for our products.

These factors are beyond our control and if we are unable to anticipate or effectively manage our business in the event of a decline in the demand for our products, our business, results of operations and financial condition may be materially and adversely affected.

5.2.3 Our business operations are dependent on and exposed to the market prices for manganese ore and ferroalloys, which fluctuates based on external supply and demand factors

Our business is sensitive to movements in the market prices for manganese ore, manganese alloys and ferrosilicon. These prices have historically been subject to fluctuations in response to various market forces and factors, such as global mine production, global economic conditions and industrial demand as well as changes in cost of production.

Manganese ore, manganese alloys and ferrosilicon are routinely impacted by short-term supply and demand factors. Further, in the FYE 2020, there was an overall decrease in commodity prices due to the general slowdown in global economic activity amidst the COVID-19 pandemic, which had impacted the average selling prices of the Group's products. During the FYEs 2017 to 2019, the average selling price for manganese ore to 3rd parties range between A$232 to A$308 per tonne, whilst average selling prices for manganese alloys range between A$1,447 to A$1,581 and ferrosilicon range between A$1,481 to A$1,934. In comparison, for the FYE 2020, we recorded average selling prices of A$219 per tonne for manganese ore to 3rd parties, A$1,295 per tonne for manganese alloys and A$1,459 per tonne for ferrosilicon.

Any significant and sustained adverse movement in the market prices of manganese ore and ferroalloys may materially and adversely affect our financial condition and results of operations.

Please refer to **Section 8** - Industry Overview of this Prospectus for more information on the prices of manganese ore, and manganese alloys and ferrosilicon in recent years.

5.2.4 Changes in the mix of steel grades and usage of manganese ore, manganese alloys and ferrosilicon in the steelmaking process may impact the demand for manganese

As set out in the Industry Overview in **Section 8** of this Prospectus, the primary end-use sector for our manganese and ferroalloy products is the steel sector. Based on 2020 data, steel accounts for 94% of global manganese consumption and for 69% of global ferrosilicon consumption. Thus the demand for manganese ore, manganese alloys and ferrosilicon is highly dependent upon steel consumption and on methods used in the steel manufacturing process.

Changes in the mix of steel grades produced will have an impact on the demand for manganese ore, manganese alloys and ferrosilicon, particularly, if global steel applications shift heavily towards consumer applications which will typically have lower manganese content than steel used in industrial applications.

There can also be no assurance that in the future, substitutes for manganese may not be discovered, that are cheaper and more efficient in the production of steel than manganese. Our Group can also give no assurances as to the usage of steel in the future, and whether substitutes may be found for steel. All of these factors could mean that the usage and demand for manganese might be reduced, and adversely affect the business and operations of our Group.

5.2.5 Any increase in the price of production inputs, including labour, power and raw materials could materially and adversely affect our Group's business and results of operations

The costs of labour, power and raw materials such as quartz, coke and coal constitute a significant proportion of our Group's operating expenses. Input costs can be affected by many factors, including many which are beyond the control of our Group and can be unpredictable. These include changes in market demand and supply conditions and government policies, and fluctuations in exchange rates and inflation rates. These changes may materially and adversely affect the business and profits of our Group.

5.2.6 Any political or economic reforms or new trade policies may adversely affect our Group's business and results of operations

International trade tensions have emerged over the years, such as the prolonged United States-China trade tensions, as well as the developing Australia-China trade tensions. Anti-dumping duty is one such protectionist tariff imposed by a domestic government against foreign imports that is believed to be priced below fair market value. In certain markets, imports of ferrosilicon and manganese alloys are subject to anti-dumping duties. As at the LPD, no anti-dumping duties have been imposed on Malaysian ferrosilicon and manganese alloy exports. However, there is no assurance that the anti-dumping duties will not be imposed on the Malaysian ferroalloy exports in the future which may affect our Group's business and financial performance.

5.3 RISKS RELATING TO THE COUNTRIES WHERE WE OPERATE

5.3.1 Our Group is subject to political, economic and other uncertainties in countries in which we operate or have interests in

Our Group is subject to political, economic and other uncertainties in Australia, China, Malaysia, Singapore, and South Africa in which our Group has operations or investments in. In particular, changes in economic and business conditions or government policies, particularly in Australia, China and Malaysia, where our Group's mining and smelting entities are located, may impact the fundamentals of our Group's performance. Further, changes in economic and business conditions or government policies in South Africa may impact the operations and performance of our associate, Tshipi Mining, thus impacting our share of results of the associate.

Although the governments in Australia, China, Malaysia and Singapore may be considered to be stable, it is not possible to guarantee that the current investment climate will continue if social or political upheavals or a change in leadership occurs. Possible sovereign risks include changes to taxation rates or current taxation concessions, limitations on the repatriation of dividends, the transfer of funds, inflation, interest rates, exchange rates, government policies (including fiscal, monetary and regulatory policies), consumer spending, employment rates, social upheaval or war within Australia, China, Malaysia or Singapore, their immediate proximity or elsewhere, and the enforceability of legal rights.

The critical market risks which may affect the operations and financial performance of our Group (regardless of our Group's operating performance) include but are not limited to:

- Domestic and international competition;
- Competitive pressures forcing market prices lower;
- Fluctuations in commodity prices;
- Fluctuations in foreign currency exchange rates;
- Market confidence;
- Supply of and demand for money or credit;
- Supply of and demand for manganese ore and alloys; and
- Terrorism and other hostilities.

The business and operations of our Group and the market price of our Shares will or may be influenced by these international and domestic factors affecting sentiment and other conditions in equity and financial markets. These matters may have an adverse impact on our Group's business, our operating results and profitability.

5.3.2 Changes in laws and regulations in countries in which our Group operates, invests in and transacts with could materially and adversely affect our Group's business and results of operations

There are certain risks inherent in our Group conducting its business on an international level, such as changes in regulatory requirements including taxation, tariffs, customs, duties and other trade barriers. In particular, changes in tariffs in electricity may result in a review of tariffs charged to OM Sarawak under the PPA, as set out in **Section 7.22** of this Prospectus. There may also be seasonal reductions in business activity (such as New Year, Lunar New Year and Christmas which usually have extended holidays in various jurisdictions). Any such changes may have an adverse impact on our Group's business.

There is no guarantee that changes in government regulations, policies and the laws of countries in which our Group operates will not impact our Group's operations. Our Group cannot predict the effect of future developments in the regulatory systems of jurisdictions in which we operate, invest in and transact with. Our Group may be required in the future to obtain additional permits, authorisations and approvals in order to continue our existing and future operations.

5.3.3 Volatility in exchange rates may have a material adverse effect on our Group's results of operations, profitability and cash flows

Our Group's reporting currency is A$. Our Group operates and sells our products in several countries and transacts in foreign currencies. In particular, our Group's revenues are received mainly in US$ and our raw materials are typically purchased in US$, whilst our operating costs are primarily incurred and paid in A$ (in Australia), S$ (in Singapore), RMB (in China), and RM (in Malaysia). As a result, our Group is exposed to movements in foreign currency exchange rates arising from normal trading transactions.

Our Group has a natural hedge arising from our sales and purchases being predominantly denominated in the same foreign currency, US$. Additionally, for the financial period under review, we have entered into foreign currency forward exchange contracts with banking institutions to manage exposures to foreign currency rate movement. While we closely monitor the movement in exchange rates and assess the need to utilise financial instruments to hedge our exposure against foreign currency transactions, there can be no assurance that any future fluctuations in exchange rates will not have a material and adverse impact on our financial performance.

5.4 RISKS RELATING TO OUR SHARES

5.4.1 We are incorporated in Bermuda and listed on the ASX, and we are subject to Bermuda and certain Australian laws and regulations relating to foreign companies registered under the Australian Corporations Act, as well as the ASX Listing Rules

Our corporate affairs are governed by our Memorandum of Association, our Bye-laws and the laws of Bermuda, and will be governed by the ASX Listing Rules for so long as our Shares are listed on ASX. The rights of our shareholders and the responsibilities of our management and our Board under Bermuda laws and Australian laws may be different from those applicable to a company incorporated in another jurisdiction. During the financial period under review and up to the LPD, our Group has complied with the ASX Listing Rules and the relevant Bermuda and Australian laws and regulations, where applicable to OMH. Please refer to **Annexure B** of this Prospectus for further details on the summary of comparison between the Bermuda Corporation Law and the Malaysian Corporation Law.

Furthermore, the nature and content of publicly available information about public companies listed on the ASX may be different from those made available by public companies listed on Bursa Securities as well as in other jurisdictions. Please refer to **Annexure C** of this Prospectus for further details on the summary of comparison between the Listing Requirements and the ASX Listing Rules.

As the listing of our Shares on the Main Market of Bursa Securities is a secondary listing, with a primary listing on ASX, we are subject to limited regulatory oversight by Bursa Securities. Under the Listing Requirements, a foreign corporation having a secondary listing on Bursa Securities is subject to the listing rules of its home exchange and apart from the requirements set out in Chapters 4A, 1, 2 and 16, where applicable, and such other requirements as may be imposed by the Bursa Securities from time to time, the other chapters of the Listing Requirements are not applicable to a foreign corporation with secondary listing.

Therefore, shareholders in our Company may or may not be accorded the same level of rights and protection to that of the shareholders of a company incorporated and listed in Malaysia.

The rights of our shareholders and the fiduciary responsibilities of our Directors under Bermuda law may not be as clearly established as under statutes or judicial precedent in Malaysia. Under Bermuda law, the duties of directors and officers of a company are generally owed to the company only and not to individual shareholders. Shareholders of Bermuda companies do not generally have rights to take action against directors or officers of the company, and may only do so in limited circumstances.

Our shareholders may face difficulties in commencing any action in Malaysia against us, our non-Malaysia-incorporated subsidiaries and Directors residing outside Malaysia. Shareholders may also face difficulties in enforcing a judgment obtained in Malaysian courts against us or our Directors residing outside Malaysia. Therefore, our shareholders may have difficulty protecting their interests in the case of actions against our Directors residing outside Malaysia, as compared to shareholders of a corporation incorporated in Malaysia.

Any person wishing to have advice on the differences between the BCA and the MCA and/or the laws of any jurisdiction is recommended to seek independent legal advice.

5.4.2 Any acquisition of substantial holdings in our Company is regulated by our Bye-laws and the Malaysian Take-over provisions

Any acquisition of substantial holdings by shareholders to acquire control of our Company is regulated by 2 separate take-over regimes, namely:-

(i) provisions in our Bye-laws that provide for events with respect to any proposal undertaken by any of our existing shareholders in acquiring substantial holdings in our Company which are based broadly on the take-over provisions in Chapter 6 of the Australian Corporations Act ("**Bye-laws Take-over Provisions**"); and

(ii) provisions of Division 2 of Part VI of the CMSA, the Malaysian Code on Take-Overs and Mergers 2016 and the Rules on Take-Overs, Mergers and Compulsory Acquisitions, which we will be subject to for so long as we are listed on Bursa Securities ("**Malaysian Take-over Provisions**").

For the avoidance of doubt, both the Bye-laws Take-over Provisions and Malaysian Take-over Provisions will apply to our Company in accordance with their respective take-over thresholds. Further information on the take-over regimes applicable to us is set out in our Notice of Annual General Meeting dated 12 April 2021.

However, in the event that our Company is not listed on the Main Market of Bursa Securities for whatever reason, it shall not be subject to the Malaysian Take-over Provisions.

Bye-laws Take-over Provisions

There are presently no requirements under Bermuda laws or regulations of general application which will require persons who acquire significant holdings in our Shares to make take-over offers for our Shares or to notify us. As we are a company incorporated in Bermuda, the rights of our shareholders are primarily governed by the laws of Bermuda and the provisions relating to take-overs and notification of substantial shareholdings of the Australian Corporations Act will not apply to offers for our Shares.

We however have adopted the Bye-laws Take-over Provisions to provide for events of any proposal undertaken by any existing shareholder acquiring substantial holdings in our Company which are based broadly on the take-over provisions in Chapter 6 of the Australian Corporations Act to regulate take-over offers in our Company.

Although the Bye-laws Take-over Provisions are intended to provide shareholders' protection relating to potential take-over offers on Shares of our Company, there is no enforcement by any regulatory authority in respect of take-overs of Bermuda incorporated companies primarily listed on the ASX as such companies are not subject to the jurisdiction of, or regulated by, the Australian Takeovers Panel in accordance with the takeover provisions of the Australian Corporations Act. However, in the event of a breach of certain Bye-laws Take-over Provisions by a person acquiring a substantial holding in our Company, the Board may cause the Company to exercise such remedies as are available under the Bye-laws in accordance with the manner by which such remedies may be exercised by our Company under the Bye-laws.

Malaysian Take-over Provisions

In conjunction with our Secondary Listing on the Main Market of Bursa Securities, our Company will become subject to, and be required to comply with, the relevant provisions of the Malaysian Code on Take-Overs and Mergers 2016, the Rules on Take-Overs, Mergers and Compulsory Acquisitions of Malaysia, and the CMSA (i.e. the Malaysian Take-over Provisions). We have also adopted provisions in our Bye-laws which provide for the application of the Malaysian Take-over Provisions for so long as our Company is listed on Bursa Securities.

While the Malaysian Take-over Provisions and Bye-laws Take-over Provisions seek to ensure equality of treatment among our shareholders, the provisions may impede the ability of our shareholders to realise any benefits from a potential change of control and may affect the market price of our Shares.

5.4.3 Our ability to pay dividends in the future will depend upon our future retained earnings, financial condition, cash flows, working capital requirements and covenants in favour of our creditors

We may choose to pay dividends out of cash generated from our operations after setting aside the necessary funds for capital expenditure and working capital and taking into account applicable restrictive covenants under our financing documents. Dividend payments are not guaranteed and our Board may decide, in its sole and absolute discretion, at any time and for any reason, not to pay dividends. Please refer to **Section 12.6** of this Prospectus for details of our dividend policy. There can be no assurance that we will be able to pay dividends or that our Board will declare dividends. There can also be no assurance that future dividends declared by our Board or any of our subsidiaries and associates, if any, will not differ materially from historical dividend levels.

We are a holding company and conduct substantially all of our operations through our subsidiaries. Accordingly, dividends and other distributions received from our subsidiaries and associates are our principal source of income. However, certain distributions received from our subsidiaries may or may not be affected by introduction of new laws or regulations or changes to, or in the interpretation or implementation of, existing laws and regulations and other events outside our control. We are also subject to the respective foreign exchange control policies where our subsidiaries are operating.

Please refer to **Section 14.4** of this Prospectus for further details on the repatriation of capital and remittance of profit to our Company. We may also enter into financing agreements, which could further limit our ability to pay dividends. We may also incur expenses or liabilities that would reduce or eliminate the cash available for the distribution of dividends. If we do not pay dividends, or pay dividends at levels lower than that anticipated by investors, the market price of our Shares may be negatively affected.

Further, our payment of dividends may adversely affect our ability to fund unexpected capital expenditure as well as our ability to make interest and principal repayments on any borrowings that we may have outstanding at the time. As a result, we may be required to borrow additional money or raise capital by issuing equity securities, which may not be on favourable terms or available at all. Further if we incur new borrowings subsequent to our Secondary Listing, we may be subject to additional covenants restricting our ability to pay dividends.

5.4.4 Investments in our Shares may be subject to foreign exchange controls

There are foreign exchange policies in Malaysia which support the monitoring of capital flows into and out of the country in order to preserve its financial and economic stability. The foreign exchange policies are administered by the Foreign Exchange Administration of BNM. The foreign exchange policies monitor and regulate both residents and non-residents. Under the current Exchange Control Notices of Malaysia and Foreign Exchange Administration Policies issued by BNM, non-residents are free to repatriate any amount of funds in Malaysia at any time, including capital, divestment proceeds, profits, dividends, rental, fees and interest arising from investment in Malaysia, subject to the applicable reporting requirements, and any withholding tax. In the event BNM introduces any restrictions in the future, we may be affected in our ability to repatriate dividends or distributions from our Malaysian subsidiaries and our Company.

For further details of exchange controls applicable to our Company see **Section 14.4** of this Prospectus.

5.4.5 Exchange rate fluctuations may adversely affect the value of our Shares and any dividend distributions

Our Shares are quoted in A$ on the ASX and will be quoted in RM on the Main Market of Bursa Securities. Dividends, if any, with respect to our Shares will be declared in A$ and converted to RM for payment in relation to Shares which are listed on the Main Market of Bursa Securities. Fluctuations in the exchange rates between the A$ and the RM will affect, amongst others, the value of the dividends to be received in RM by investors of our Shares in Malaysia. An investor who sells our Shares on the Main Market of Bursa Securities and converts the proceeds from the sale of the Shares to a currency other than RM will be subject to fluctuations in exchange rates between the converted currency and RM, and vice versa.

5.4.6 There is no seamless trading platform between Bursa Securities and the ASX

There is no seamless trading platform between Bursa Securities and the ASX. Shares traded on Bursa Securities will be settled by book-entry settlement through the CDS, which will be effected in accordance with the rules of Bursa Depository and the provisions of the SICDA. Shares traded on the ASX will be settled through CHESS, being the electronic transfer and settlement system for transactions in securities quoted on ASX, which will be effected in accordance with the terms and conditions for the operation of securities accounts with the rules of the ASX Settlement and ASX Listing Rules, as amended from time to time. Therefore, there are 2 different sets of rules which will govern the trading and settlement of our Shares depending on which stock exchange the Shares are traded on, which may result in our Shares having different prices per share and settlement deadlines even when they are traded at the same time on each stock exchange.

In addition, there may be a time lag during the removal of our Shares from one register to the other. Shareholders whose Shares are recorded on the Australian register and who wish to trade their Shares on Bursa Securities must follow the procedures for the removal of the Shares between the Australian and Malaysian register, or vice versa. This process would involve the withdrawal of Shares from a CDS account with a Malaysian ADA/ADM and removal of the Shares from the Malaysian register to the Australian register and vice versa, which may take at least 3 Market Days ("**Register Removal Period**"). During the Register Removal Period, while the Shares are being moved between registers, shareholders seeking to trade their Shares will not be able to take advantage of arbitrage opportunities arising from any difference between the price of our Shares on each of Bursa Securities and the ASX. In addition, although the Shares are fully fungible between the Malaysian and Australian registers, there is no assurance that the exchanges will not impose restrictions on your ability to transfer your Shares in the future.

5.4.7 Negative market conditions on one market on which our Shares are listed may affect the price of our Shares on the other market

As our Shares are listed and quoted on ASX and will be listed and quoted on Bursa Securities, prices of our Shares will be affected by general market conditions on both ASX and Bursa Securities. There is no assurance that any negative market conditions on the ASX will not affect the price of our Shares listed and quoted on Bursa Securities and vice versa. In addition, there may be occasions when our Shares may trade on one market while the other market is closed for trading. If there are negative trading conditions in one market resulting in price declines, investors holding our Shares in the other market which is closed for trading may not have the opportunity to sell their Shares.

5.4.8 Our substantial shareholders may influence the outcome of decisions requiring approval of our shareholders

Our substantial shareholders, namely, Huang Gang, Marc Chan and his associate Amplewood Resources Ltd, Low Ngee Tong and Heng Siow Kwee hold approximately 14.0%, 13.6%, 9.2% and 8.9%, respectively, of our issued and paid-up share capital and voting rights as at the LPD. No assurance can be given that the objectives of our substantial shareholders will not conflict with the business goals and objectives of our Group or our other shareholders, or that they may not deter or delay a future take-over offer of our Company. As a substantial shareholder of our Company, other than in respect of certain votes regarding matters in which it is an interested party and must therefore abstain from voting as required by the ASX Listing Rules and the Bye-laws, the substantial shareholders may be able to control the approval of all, if not most corporate matters requiring a shareholder resolution under the ASX Listing Rules, Bye-laws or the Listing Requirements without the approval of other shareholders of our Company.

5.4.9 The Secondary Listing may not result in an active or liquid market on Bursa Securities for our Shares

There is no public market for our Shares in Malaysia. We have received the approval from the Bursa Securities to have our Shares listed and quoted on Bursa Securities. Listing and quotation does not, however guarantee that a trading market for our Shares on Bursa Securities will develop or, if a market does develop, the liquidity of that market for our Shares. Although we currently intend that our Shares will remain listed on the ASX and Bursa Securities, there is no guarantee of the continued listing of our Shares.

The trading prices of our Shares on the ASX and Bursa Securities may differ significantly due not only to currency fluctuations but also due to differences in market liquidity for the Shares, trading participants and investor bases, exchange trading systems, and other factors outside of our control. There is no guarantee that the trading prices of our Shares on Bursa Securities will be equivalent to the trading prices of our Shares on ASX. The trading prices of our Shares could be subject to fluctuations in response to variations in our results of operations, changes in general economic conditions, changes in accounting principles or other developments affecting us, our clients or our competitors, changes in financial estimates by analysts, the operating and stock price performance of other companies and other events or factors, many of which are beyond our control. Volatility in the price of our Shares may be caused by factors outside of our control or may be unrelated or disproportionate to our results of operations. It may be difficult to assess our performance against either domestic or international benchmarks.

5.4.10 Forward-looking statements in this Prospectus may not be accurate

This Prospectus contains forward-looking statements. All statements, other than statements of historical facts, included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, plans and objectives for future operations, are forward-looking statements. Such forward-looking statements are made based on assumptions that we believe to be reasonable as at the date of this Prospectus. Forward-looking statements involve known and unknown risks, uncertainties and other factors, including COVID-19 related factors, risk and challenges, which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements, or industry results expressed or implied by such forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such factors include, among others, general economic and business conditions, competition, the impact of new laws and regulations affecting our industry and initiatives of the governments in the jurisdictions where our Group operates, invests in and transacts with.

In light of these uncertainties, the inclusion of such forward-looking statements in this Prospectus should not be regarded as a representation or warranty by us or our advisers that such plans and objectives will be achieved.

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6. INFORMATION ON OUR GROUP

6.1 OUR COMPANY AND GROUP HISTORY

6.1.1 History and background of our Group

Our Company was incorporated in Bermuda under the BCA on 20 November 1997 as an exempted company limited by shares under its present name. Our Company is principally involved in investment holding.

We commenced operations as a marketing and trading business

Our Group's business was established in 1994 when the founders of our Group, Low Ngee Tong and his wife, Heng Siow Kwee commenced business in trading of mineral commodities and ferroalloys under OMR. OMR was then primarily involved in investment holding, provision of management services and trading of a wide range of specialised metals and ferroalloy products.

Our Company was primarily listed and commenced trading on the ASX on 19 March 1998.

OMS was incorporated in Singapore to expand our Group's business to other markets outside of East Asia. In 2002, the founders relocated OMR's Hong Kong-based business to Singapore. OMS would thereafter serve as the strategic trading hub of our Group as an importer and trader of specialised metal materials and products, and handles the logistics, marketing, product flow and product distribution of our Group. In addition, OMS focuses on developing new markets, and expanding and enhancing the range of raw materials being marketed, dealing with an expanding array of ore and alloy products.

Mining and exploration

In 2001, OMM (then known as Bootu Creek Resources Pty Ltd) was incorporated to undertake the exploration of manganese in the Northern Territory of Australia.

OMM was granted an exploration license for the exploration and development of the area surrounding what subsequently became the Bootu Creek Mine, located approximately 110 km north of Tennant Creek in the Northern Territory of Australia. In 2002, we formed a joint venture with GEMCO whereby we and GEMCO eventually held a 75.0% and 25.0% respective interest in the tenements underlying the Bootu Creek Mine to undertake exploration for and production of manganese therein. Construction and development activities at the mine began in 2004.

OMM then commenced mining operations in the Bootu Creek Mine in 2005, which yielded the first stock of manganese ores in 2006. These manganese ores were transported to our own smelting plant at Qinzhou and also sold to smelters in the PRC. It was also in 2005 that we bought over GEMCO's 25.0% joint venture interest in the Bootu Creek Mine and gained 100.0% control of the Bootu Creek Mine.

In December 2015, the mining operations at the Bootu Creek Mine were suspended due to the global decline of the manganese ore price. OMM was placed into Voluntary Administration in January 2016 and subsequently executed a Deed of Company Arrangement ("**DOCA**") in July 2016 with its creditors. The DOCA was subsequently effectuated in August 2016 and the deed administration of OMM was consequently terminated in accordance with the DOCA terms. The day-to-day management and control of OMM has since reverted to the directors of OMM since the DOCA effectuation date and mining and production activities restarted in February 2017.

Based on our current estimates and production levels, the in-situ ore reserve is expected to be depleted by end 2021. Accordingly, in 2020 we commissioned a stand-alone Ultra Fines Plant to reprocess the rejects and tailings from the Bootu Creek Mine into ultra fines products for use in manganese sintering facilities. The Ultra Fines Plant has since commenced trials, and optimisation works are continuing with a focus on achieving final grade expectations. OMM has also been granted 2 exploration licences to enable it to undertake exploration programmes on sites in the region surrounding the Bootu Creek Mine, which will enable us to assess the suitability of these locations for mining of manganese ore.

Smelting plants and sintering facilities

We expanded our downstream business via the commissioning and construction of smelting plants and sintering facilities in China and Sarawak as part of our corporate objective of creating a vertically integrated manganese business, which also complemented and enhanced the specialised ferroalloy trading business of our Company:

(i) **Qinzhou Plant**

In 2001, our wholly owned subsidiary OMQ acquired rights to land located in the port city of Qinzhou, PRC to construct our 1st smelting plant encompassing 2 sets of 16.5 MVA furnaces. In 2004, the construction of the Qinzhou Plant was completed and the first 16.5 MVA furnace was commissioned with a design production capacity of up to 80,000 tonnes. Subsequently in 2010, OMQ commissioned the manganese sintering facility constructed therein with a design capacity of 300,000 tonnes.

See **Section 7.3.3** of this Prospectus for further details on the Qinzhou Plant.

(ii) **Sarawak Plant**

In 2011 we established OM Sarawak as a joint venture with SISB, a wholly owned subsidiary of Cahya Mata, for the commercial development, construction and operation of the Sarawak Plant. The Sarawak Plant consists of 8 main workshops and a total of 16 units of 25.5 MVA furnaces with a design production capacity of up to 210,000 tonnes of ferrosilicon and up to 300,000 tonnes of manganese alloy per annum. First phase of commercial production of the Sarawak Plant was achieved in 2014. The 16th and final furnace was commissioned in June 2018 bringing the plant to full production capacity.

We had in the last quarter of 2018 commenced construction of a sintering facility to upgrade manganese ore fines into sintered manganese ore lumps. The cold commissioning of our sintering facility with a design capacity of 250,000 tonnes of sintered manganese ore per annum was completed in 2019. In 2020, we commenced hot commissioning of our sintering facility.

Section 7.3.3 of this Prospectus for further details on the Sarawak Plant.

Expansion of our marketing and trading activities

In line with our Group's growing mining and smelting activities, we continued to ramp up our marketing and trading activities throughout Asia. Since our relocation to Singapore, we grew our customer portfolio to encompass large, medium and small sized Chinese and Asian alloy smelters and steel companies.

We have also established separate distribution arms, namely OMA in 2008 and OMQT in 2010, to support our marketing activities for our manganese ores as well as imported manganese ores and ferroalloy products in the northern and southern China regions, respectively. These regions have continued to collectively contribute a large portion to our Group's total sales, representing approximately 60.5%, 55.9%, 37.0% and 42.7% of our total Asia Pacific revenue for the FYEs 31 December 2017, 2018, 2019 and 2020 respectively.

See **Section 7.3.4** of this Prospectus for further details on our Group's marketing and trading activities.

Strategic investments in other mineral resource companies

(i) **NMPL and Tshipi Mining**

As part of its strategic investments, our Group, in 2010, acquired an effective 13.0% stake in Tshipi Mining through its 26.0% strategic investment in NMPL which, in turn, owns a 50.1% interest in Tshipi Mining. Tshipi Mining owns a manganese property in the Kalahari manganese field located in the Northern Cape of South Africa, stretching 35km long and approximately 15km wide, and hosts a significant portion of the world's economically mineable high-grade manganese ore resources. The Tshipi Borwa Manganese Mine is an open pit manganese mine which commenced production in 2012. In 2020 a total of 3.4 million tonnes of manganese ore were exported from the Tshipi Borwa Manganese Mine.

(ii) Bryah Joint Venture

In April 2019, we had through our wholly owned subsidiary, OMM entered into a joint venture arrangement with BYH, a public company listed on the ASX, to undertake exploration and a feasibility study to assess commercially mineable manganese ore in the Bryah Basin located in central Western Australia ("**Bryah Joint Venture**").

If a positive feasibility study is supported by a decision to mine, then OMM and BYH may elect to participate in a mining joint venture in proportion to their joint venture interest or convert to a royalty. For further details of the Bryah Joint Venture, please refer to **Section 7.3.5(b)** of this Prospectus.

The Bryah Joint Venture forms part of the ongoing strategy to pursue and identify projects which may have the potential for exploration success and ultimately opportunities for manganese mining production and marketing which are aligned with our Group's existing core businesses.

(iii) 701 Mile Joint Venture

In April 2021, we have through our wholly owned subsidiary, OMM entered into the 701 Mile Manganese Project – Farm-in & Exploration Joint Venture ("**701 Mile Joint Venture**") with Great Sandy, a private Australian company, to undertake exploration for manganese and iron minerals in the Meekatharra Shire region of Western Australia. OMM can earn up to an 80% interest in the 701 Mile Joint Venture through three stages of exploration earn-in expenditure.

For further details of the 701 Mile Joint Venture, please refer to **Section 7.3.5(c)** of this Prospectus.

The 701 Mile Joint Venture forms part of the ongoing strategy to pursue and identify projects which may have the potential for exploration success and ultimately opportunities for manganese mining production and marketing which are aligned with our Group's existing core businesses.

6.1.2 Share capital

Our authorised share capital is A$100,000,000.00, comprising 2,000,000,000 Shares as at the LPD. Our issued share capital is A$36,931,166.85, comprising 738,623,337 Shares which includes 1,933,295 Shares held by the Company as treasury shares as at the LPD.

Save as disclosed below, there were no changes in our issued share capital for the past 3 years preceding the LPD:-

Date of issue	No. of Shares issued	Consideration	Type of issue	Cumulative issued share capital (A$)
6 June 2018	832,000	Exercise price of A$0.40 per Share	Issue of Shares pursuant to the exercise of 832,000 warrants	36,931,166.85

There were no discounts, special terms or instalment payment terms given in consideration of the above allotments.

As at the LPD, we do not have any outstanding warrants, options, convertible securities or uncalled capital in respect of the Shares in our Company. We had in the past issued convertible notes to one of our major customers, Hanwa, which has since been fully redeemed, details of which are described below:-

Pursuant to a convertible notes subscription agreement entered into between our Company and Hanwa dated 28 February 2012 (the "**Convertible Notes Subscription Agreement**"), our Company issued to Hanwa 25,000,000 convertible notes at an aggregate principal amount of US$21,447,261 with a nominal interest of 5% per annum due on 6 March 2016 and convertible into ordinary shares in the capital of our Company at a conversion price of A$0.80 per Share (the "**Hanwa Convertible Notes**") in accordance with the terms and conditions of the Convertible Notes Subscription Agreement.

On 4 March 2016, the Company executed an amendment and restatement agreement with Hanwa to, inter alia, extend the maturity date of the Hanwa Convertible Notes from 6 March 2016 to 6 March 2020 ("**Amendment and Restatement Agreement**"). On 6 March 2020, the Company entered into an addendum to the Amendment and Restatement Agreement to among others extend the maturity date of the Hanwa Convertible Notes to 6 March 2021.

The Hanwa Convertible Notes initially issued were progressively reduced from 25,000,000 to 12,500,000 from March 2018 to February 2019. On 5 March 2021, the 12,500,000 outstanding Hanwa Convertible Notes were fully redeemed by our Company for US$10.7 million (equivalent to approximately A$13.9 million).

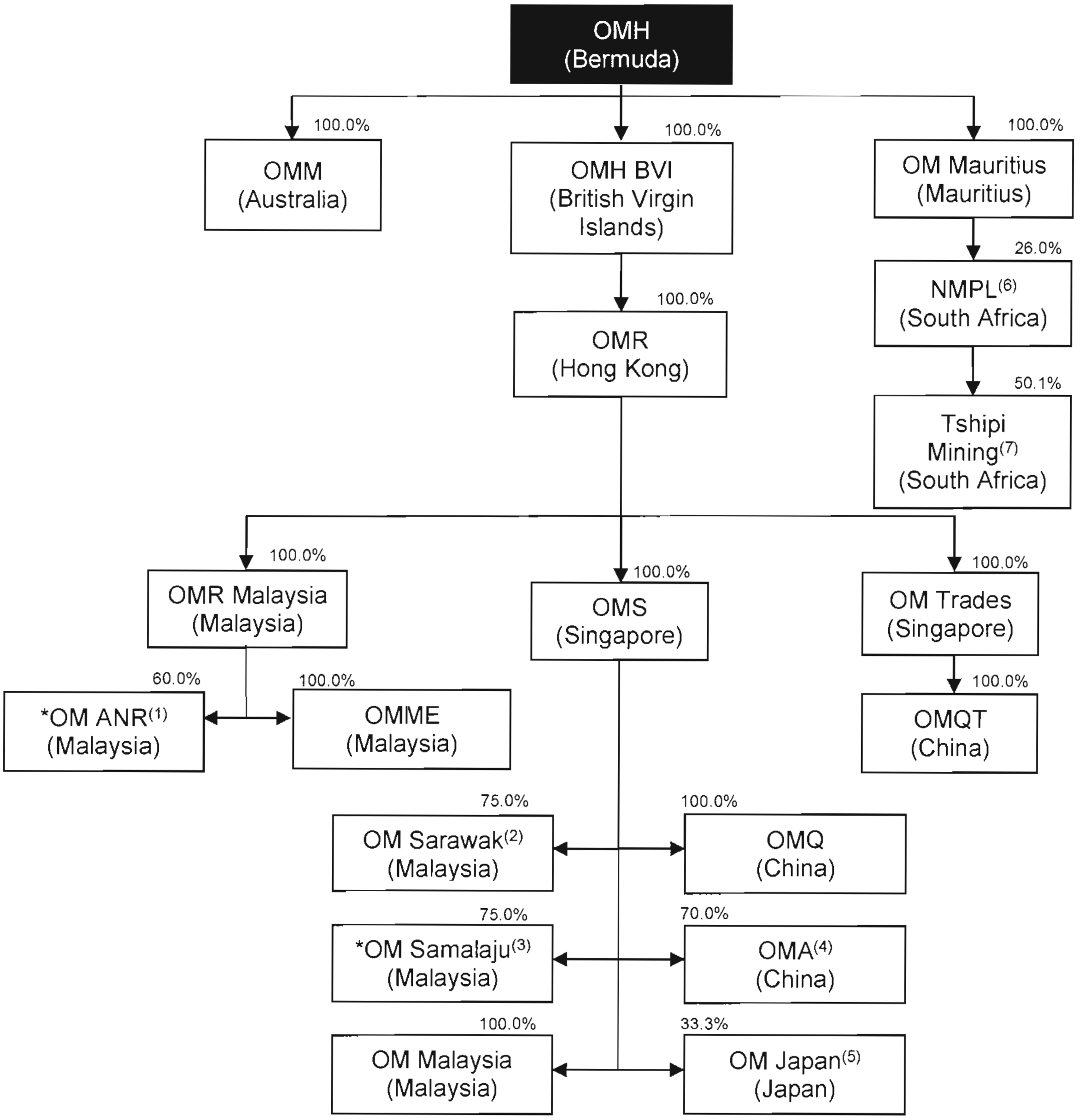
During the last financial year up to the LPD, there were no:-

(i) public take-over offers by third parties in respect of our Shares; and

(ii) public take-over offers by our Company in respect of other companies' securities.

6.2 OUR GROUP STRUCTURE

An overview of our group structure (including the respective country of incorporation) as at the LPD is as follows:



Notes:-

*	*Dormant*
(1)	*The remaining 40.0% equity interest in OM ANR is held by Amanjaya Natural Resources Sdn Bhd, an unrelated 3rd party of our Group.*
(2)	*The remaining 25.0% equity interest in OM Sarawak is held by SISB, an unrelated 3rd party of our Group.*
(3)	*The remaining 25.0% equity interest in OM Samalaju is held by SISB, an unrelated 3rd party of our Group.*
(4)	*The remaining 30.0% equity interest in OMA is held by Shanghai Hujin Investment Management Co., Ltd, an unrelated 3rd party of our Group.*

(5) *The remaining 66.7% equity interest in OM Japan is held by Moriguchi Yukio and EMS & Company Limited with shareholdings of 33.3% each respectively and both of which are unrelated 3rd parties of our Group.*

(6) *The remaining 74.0% equity interest in NMPL is held by Ntsimbintle Holdings Proprietary Limited, an unrelated 3rd party of our Group.*

(7) *The remaining 49.9% equity interest in Tshipi Mining is held by Jupiter Kalahari S.A, an unrelated 3rd party of our Group.*

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6. INFORMATION ON OUR GROUP *(Cont'd)*

6.3 OUR SUBSIDIARIES AND ASSOCIATES

Our subsidiaries and associates as at the LPD are as follows:-

Name / (registration number)	Date and country of incorporation	Share capital	Our effective equity interest (%)	Principal activities
Wholly-owned subsidiaries of OMH				
OMH BVI (No. 256680)	13 November 1997 British Virgin Islands	HK$10,000	100.0	Investment holding
OM Mauritius (No. 093643 C1/GBL)	2 March 2010 Mauritius	A$111.00	100.0	Investment holding
OMM (ACN 097 091 506)	11 June 2001 Australia	A$500,000 (comprising 475,000 ordinary shares and 25,000 H class shares)	100.0	Operation of manganese mine
Subsidiary of OMH BVI				
OMR (No. 337171)	10 December 1991 Hong Kong	HK$6,795,021	100.0	Investment holding
Subsidiaries of OMR				
OMR Malaysia (201201015314(988 831-D))	31 April 2012 Malaysia	RM2.00	100.0	Exploration and mining of minerals
OMS (Unique Entity No. 199900815Z)	13 February 1999 Singapore	S$1,000,000	100.0	Investment holding and trading of metals and ferroalloy products
OM Trades (Unique Entity No. 201119608G)	18 August 2011 Singapore	S$2.00	100.0	Investment holding
Subsidiary of OMR Malaysia				
OMME (202001033205(138 9526-T))	19 October 2020 Malaysia	RM750,000	100.0	Installation of industrial machinery and equipment, construction of other engineering projects and providing engineering services
OM ANR (201401017106(109 3192-M))	14 May 2014 Malaysia	RM1,000,000	60.0	Exploration and mining of minerals
Subsidiaries of OMS				
OMA (91310000680955838U)	10 October 2008 China	RMB 30,000,000	70.0	Trading of metals and ferroalloy products
OM Malaysia (201001031380(915 303-M))	21 September 2010 Malaysia	RM1,300,000	100.0	Logistics and trading of metals and ferroalloy products
OMQ (91450700727674532E)	1 June 2001 China	US$8,500,000	100.0	Sales and processing of ferroalloy and ores
OM Samalaju (201301005341(103 5184-W))	19 February 2013 Malaysia	RM128,310,000	75.0	Sales and processing of ferroalloys and ores

6. INFORMATION ON OUR GROUP *(Cont'd)*

Name / (registration number)	Date and country of incorporation	Share capital	Our effective equity interest (%)	Principal activities
OM Sarawak (201001031381(915 304-H))	21 September 2010 Malaysia	RM837,137,849 (comprising 662,376,648 ordinary shares and 174,761,201 preference shares)	75.0	Sales and processing of ferroalloys and ores
Subsidiary of OM Trades				
OMQT (91450700561581677K)	13 October 2010 China	RMB30,000,000	100.0	Sales and processing of ferroalloy and ores
Associate company of OM Mauritius				
NMPL (No:2009/018042/07)	18 September 2009 South Africa	ZAR579,263,106	26.0	To conduct the business of investment holding/investment company in the mining and exploration industry in all its aspects.
Subsidiary of NMPL				
Tshipi Mining (No. 2008/003117/07)	7 February 2008 South Africa	ZAR321,358,581	13.0	Exploration and exploitation of minerals
Associate company of OMS				
OM Japan (No.0100-01-146796)	9 May 2012 Japan	JPY3,000,000	33.0	Marketing and strategy consultancy

The details of our material subsidiaries and material associate as at the LPD are as follows:-

6.3.1 OMM

OMM was incorporated in Australia, on 11 June 2001, under the Corporations (Western Australia) Act (WA) 1990 (which has since been repealed and superseded by the Australian Corporations Act) as a private limited company under the name of Bootu Creek Resources Pty Ltd. It subsequently changed its name to its present name on 20 January 2006.

OMM is principally involved in the operation of the Bootu Creek Mine. The principal place of business of OMM is at Level 3, 8 Colin Street, West Perth, Western Australia 6005.

The issued share capital of OMM is A$500,000.00 comprising 475,000 ordinary shares and 25,000 H class shares. There has been no change in the issued share capital of OMM for the past 3 years preceding the LPD.

OMM is our wholly-owned subsidiary. As at the LPD, OMM does not have any subsidiary or associate.

6.3.2 OM Sarawak

OM Sarawak was incorporated in Malaysia under the Companies Act, 1965 on 21 September 2010 and is deemed registered under the MCA as a private limited company under its present name. OM Sarawak is principally engaged in sales and processing of ferroalloys and ores.

The principal place of business of OM Sarawak is at Lot 41, Block 1, Kemena Land District, Samalaju Industrial Park, 97300 Bintulu, Sarawak.

The issued share capital of OM Sarawak is RM837,137,849.00 comprising 662,376,648 ordinary shares and 174,761,201 Irredeemable Convertible Preference Shares ("**ICPS**").

The salient terms of the ICPS as set out in OM Sarawak's Memorandum and Articles of Association are as follows:-

<table>
<tr><td>Issue price</td><td>:</td><td>At a par value of RM0.10 each and premium paid up on the ICPS</td></tr>
<tr><td>Issue date</td><td>:</td><td><table>
<tr><th>Date of allotment</th><th>Number of ICPS allotted</th></tr>
<tr><td>7 April 2016</td><td>122,621,115</td></tr>
<tr><td>26 May 2016</td><td>12,044,136</td></tr>
<tr><td>30 November 2016</td><td>13,353,750</td></tr>
<tr><td>30 December 2016</td><td>13,404,200</td></tr>
<tr><td>22 February 2017</td><td>13,338,000</td></tr>
<tr><td>Total</td><td>174,761,201</td></tr>
</table></td></tr>
<tr><td>Maturity Date</td><td>:</td><td>10 years after the issue date of the ICPS</td></tr>
<tr><td>Dividend</td><td>:</td><td>The ICPS shall carry a fixed cumulative preferential dividend at the rate of 6.5% per cent per annum on the Issue Price for the time being paid up on those shares and payable within six months from the end of each financial year of OM Sarawak if such dividends are declared. Such dividends, if remaining unpaid, shall carry interest at the rate of 6.5% per annum, compounded annually</td></tr>
<tr><td>Conversion</td><td>:</td><td>Each ICPS shall be convertible, at the option of its holder:-

(a) at any time and from time to time upon the expiry of five years after the issue date of the ICPS; and
(b) without the payment of additional consideration, into such number of fully paid ordinary shares as is determined by dividing the Issue Price by the Conversion Price.

Upon the expiry of the Maturity Date, OM Sarawak shall convert all of the ICPS that remain unconverted into such number of fully paid ordinary shares as is determined pursuant to the Memorandum and Articles of Association of OM Sarawak

In the event of conversion, both SISB and OMS shall be notified and ensure that OMS retains the 75% holding in OM Sarawak following the conversion of ICPS.</td></tr>
<tr><td>Conversion Price</td><td>:</td><td>RM1.00</td></tr>
</table>

Voting rights	:	The holders of the ICPS shall not be entitled to receive notice of or to attend or vote at any general meeting unless:- (a) at the date of the notice convening the meeting any dividend on the ICPS has been declared but remains unpaid for six months; (b) the business of the meeting includes the consideration of a resolution that varies or abrogates the rights attached to the ICPS; or (c) the business of the meeting includes the consideration of a resolution to wind up the Company. For the purposes of the above, the creation of further shares ranking in any respect in priority to or pari passu with the ICPS shall be deemed to be a variation or abrogation of the rights attached to the ICPS. Where the holders of ICPS are entitled to vote at any general meeting, every ICPS shall on a poll, carry one vote for every such share on which its par and premium been fully paid up.
Status	:	In the event of liquidation, dissolution or winding up of OM Sarawak, the assets of OM Sarawak available for distribution to its shareholders shall be applied in the following manner and priority:- (a) Firstly, in returning to the holders of the ICPS the Issue Price and a sum equal to the Accrued Dividends on the ICPS. (b) Secondly, any balance of such assets shall be distributed among the holders of ordinary shares, pro rata based on the amount paid up on the respective shares. If upon any such liquidation, dissolution or winding up, the assets of the OM Sarawak available for distribution to its stockholders shall be insufficient to pay the holders of ICPS the full amount to which they shall be entitled, the holders of ICPS shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.
Redemption	:	The ICPS are irredeemable.

As at the LPD, we own 75% of OM Sarawak. The remaining shareholder is SISB (25.0%).

Save as disclosed below, there has been no change in the issued share capital of OM Sarawak for the past 3 years preceding the LPD:

Date of allotment	No. of ordinary shares	Consideration	Cumulative issued share capital (RM)
28 August 2019	13,238,400	Cash	563,205,851
28 August 2019	209,690,286	Otherwise than cash	772,896,137
24 September 2019	16,868,000	Cash	789,764,137
4 December 2019	10,460,000	Otherwise than cash	800,224,137
4 March 2021	36,913,712	Cash	837,137,849

OM Sarawak is a direct subsidiary of OMS. As at the LPD, OM Sarawak does not have any subsidiary, associate or joint venture.

6.3.3 OMQ

OMQ was incorporated in China under the Wholly Foreign Owned Enterprise Law of the PRC (which has since been repealed by the Foreign Investment Law of the PRC), on 1 June 2001 as a limited liability company (wholly owned by foreign legal person) under its present name. OMQ is principally involved in the sale and processing of ferroalloy and ores. The principal place of business of OMQ is at Jingu Jiang Industrial Garden, Qinzhou Port, Qinzhou, Guangxi, China 535008.

The registered capital of OMQ is US$8,500,000.00. There has been no change in the registered capital of OMQ for the past 3 years preceding the LPD.

OMQ is a direct subsidiary of OMS. As at the LPD, OMQ does not have any subsidiary, associate or joint venture.

6.3.4 OMQT

OMQT was incorporated in China under the Wholly Foreign Owned Enterprise Law of the PRC (which has since been repealed by the Foreign Investment Law of the PRC) on 13 October 2010 as a limited liability company (wholly owned by foreign legal person) under its present name. OMQT is principally involved in the sale and processing of ferroalloy and ores. The principal place of business of OMQT is at Unit A, 806, Haifu Centre, No. 8, Yixian Road, Qinzhou Port, Qinzhou, Guangxi, China 535008.

The registered capital of OMQT is RMB30,000,000.00. There has been no change in the registered capital of OMQT for the past 3 years preceding the LPD.

OMQT is a direct subsidiary of OM Trades. As at the LPD, OMQT does not have any subsidiary, associate or joint venture.

6.3.5 OMS

OMS was incorporated in Singapore under the Companies Act (Chapter 50) of Singapore on 13 February 1999 as a private company limited by shares under its present name. OMS is principally involved in investment holding and trading of metals and ferroalloy products. The principal place of business of OMS is at 10 Eunos Road 8, #09-03A Singapore Post Centre, Singapore 408600.

The issued share capital of OMS is S$1,000,000.00 comprising 1,000,000 ordinary shares. There has been no change in the issued share capital of OMS for the past 3 years preceding the LPD.

As at the LPD, the direct subsidiaries of OMS are OMA, OM Malaysia, OMQ, OM Samalaju and OM Sarawak, details of which are set out in this Section 6.3. As at the LPD, the direct associate of OMS is OM Japan. As at the LPD, save for OM Samalaju and OM Sarawak which are joint ventures between OMS and SISB, OMS does not have any joint venture interests.

6.3.6 NMPL

NMPL was incorporated in the Republic of South Africa under the Companies Act No.71 of 2008 of South Africa on 18 September 2009 as a private limited company under the name of Main Street 774 Proprietary Limited. It subsequently changed its name to Ntsimbintle Mining Ltd and was converted to a public company on 3 October 2018. It was converted to a private company and assumed its present name on 30 September 2019.

NMPL is principally involved in the conducting of the business of investment holding/investment company in the mining and exploration industry in all its aspects.

The principal place of business of NMPL is at Safika House, 1st Floor, 89 Central Street, Houghton Gauteng 2198.

The issued share capital of NMPL is ZAR 579,263,106 comprising 160,160,160 ordinary shares. There has been no change in the issued share capital of NMPL for the past three years preceding the LPD.

As at the LPD, we own 26.0% of NMPL. The remaining shareholder is Ntsimbintle Holdings Proprietary Limited (74.0%). NMPL is a direct associate of OM Mauritius.

Save for Tshipi Mining in which NMPL owns 50.1%, as at the LPD, NMPL does not have any subsidiary, associate or joint venture.

As at the LPD, save as disclosed in **Section 6.3.2** of this Prospectus, our Group does not have any outstanding warrants, options, convertible securities or uncalled capital.

None of our Shares and share capital in our subsidiaries were issued and allotted at a discount or have any special terms. Our issued Shares and the issued shares of our subsidiaries are fully paid-up.

As at the LPD, neither our Company nor our subsidiaries are involved in any bankruptcy, receivership or similar proceedings.

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7. BUSINESS OVERVIEW

7.1 OUR BUSINESS

We are a vertically integrated manganese and ferroalloy (comprising manganese alloys and ferrosilicon) producer, covering the upstream operations involving exploration and mining of manganese ore and the downstream activities of smelting and trading of manganese ore and ferroalloys to 3rd parties. We own the mineral lease ML24031 which is the sole mineral title for the Bootu Creek Mine, and our current facilities comprise an onsite ore processing facility at the Bootu Creek Mine, as well as ferroalloy smelting facilities in Sarawak, Malaysia and Qinzhou, China. Our marketing and trading activities are carried out at our principal distribution hub in Singapore.

With an established history of over 25 years in the industry, OMH is listed on the ASX and has operations in Australia, China, Malaysia, Singapore and South Africa, spanning the entire value chain as set out in **Section 7.3** of this Prospectus.

Our Group supplies manganese ore, manganese alloys and ferrosilicon, and seeks to be a major ferroalloy supplier to major distributors and steel mills globally. As set out in the Industry Overview in **Section 8** of this Prospectus, our Group had global market share (based on production volume) of 1.0% in manganese ore, 2.6% in ferrosilicon and 1.3% in manganese alloys in 2020.

In addition to our principal business activities, we also have, as at the LPD, strategic investments in other mineral resource companies, namely Tshipi Mining based in South Aftica (13.0% effective interest) and BYH based in Australia (30.0% joint venture interest in manganese mineral rights as at the LPD). These strategic investments are intended to seed the expansion of our Group's exploration and mining footprint and secure our mineral supply needs.

7.2 BUSINESS MILESTONES

The following table highlights our key milestones:

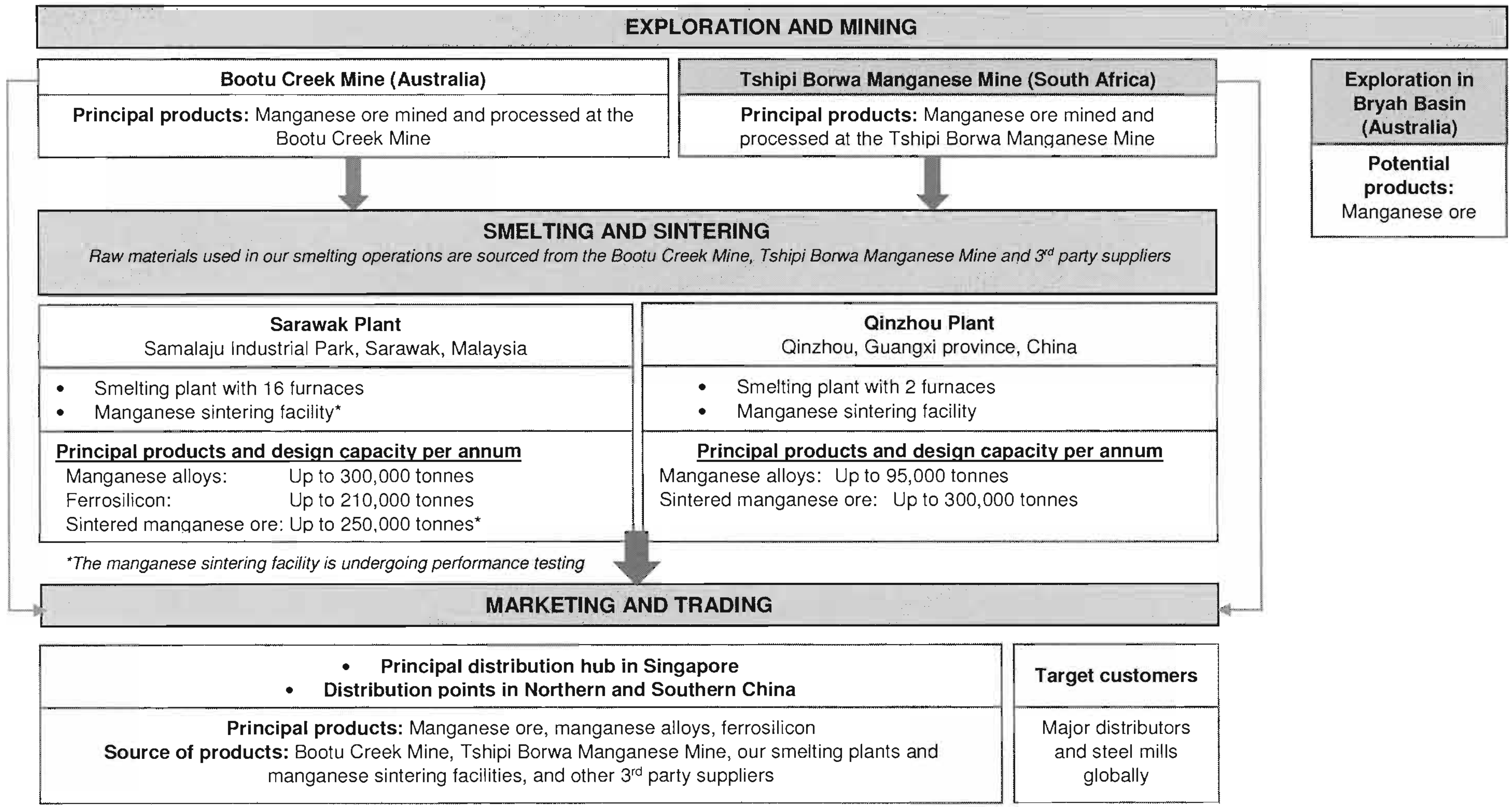
Year	Key milestone(s)
1994	Our Group's business was established when OMR commenced business in trading of mineral commodities and ferroalloys
1997 to 1998	• Established OMH as the holding company of our Group's business • OMH listed on ASX and commenced trading on ASX
1999	OMS was incorporated and the existing business of our Group based in Hong Kong was relocated to Singapore via OMH in 2002
2001 to 2004	• OMM (then known as Bootu Creek Resources Pty Ltd) was incorporated for the exploration of manganese ore in the Northern Territory of Australia • OMM was granted an exploration license for the exploration and development of the Bootu Creek Mine in Australia. OMM then commenced a 26,000 metre drilling exploration programme on the Bootu Creek Mine • OMM formed a joint venture with GEMCO which resulted in us holding an eventual 75.0% interest in the Bootu Creek Mine to undertake exploration for and production of manganese ore • Established our Group's Qinzhou Plant in the port city of Qinzhou, Southern China for the production of manganese alloys, marking our first step towards being an integrated alloy producer
2005	• Commencement of mining operations at the Bootu Creek Mine • We acquired the remaining 25.0% interest in the Bootu Creek Mine from GEMCO, resulting in us gaining 100.0% control of the Bootu Creek Mine

Year	Key milestone(s)
2010	• OMQ commissioned the manganese sintering facility to complement our existing smelting operations in the Qinzhou Plant • Acquired a 13.0% effective interest in Tshipi Mining through a strategic partnership with NMPL, marking our first investment in South Africa
2011 to 2014	• Established OM Sarawak, a joint venture with Samalaju Industries Sdn Bhd, a wholly owned subsidiary of Cahya Mata, to undertake the construction and operation of the Sarawak Plant • Executed a 20-year power purchase agreement with Syarikat Sesco Berhad for the supply of electricity to the Sarawak Plant • First phase of commercial production of the Sarawak Plant was achieved, with the first ferrosilicon furnace commissioned in September 2014
2014 to 2018	• The Sarawak Plant achieved full commercial operation with 16 operating furnaces with a designed annual production capacity of up to 210,000 tonnes of ferrosilicon and up to 300,000 tonnes of manganese alloys per annum • Commencement of our expansion of the Sarawak Plant, comprising the construction of a new manganese sintering facility to upgrade manganese ore fines to produce sintered manganese ore
2019	• Cold commissioning of the manganese sintering facility in the Sarawak Plant was completed • OMM entered into the Bryah Joint Venture with BYH for the exploration of and feasibility study of commercially mineable manganese in the Bryah Basin in central Western Australia, with a 10.0% joint venture interest held over manganese mineral rights and the right to increase to up to 51.0% by funding future exploration
2020	• Commissioned an Ultra Fines Plant at the Bootu Creek Mine for the production of ultra fines product for use in manganese sintering facility • OMM increased its joint venture interest in the Bryah Joint Venture to 30.0% • OMS signed a non-binding Memorandum of Understanding with Element 25 Limited for the supply of manganese ore to us for an initial term of 5 years • Commenced hot commissioning of the manganese sintering facility in the Sarawak Plant
2021	• OMS entered into a binding take-or-pay offtake agreement with Element 25 Limited for the supply of manganese ore to us for a period of 5 years • Full commercial operations at the Qinzhou Plant were restarted after upgrading and maintenance works • OMM entered into the 701 Mile Joint Venture with Great Sandy for the exploration for commercially mineable manganese and iron minerals in the Meekatharra Shire region in Western Australia

7. BUSINESS OVERVIEW *(Cont'd)*

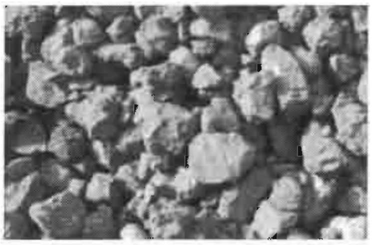
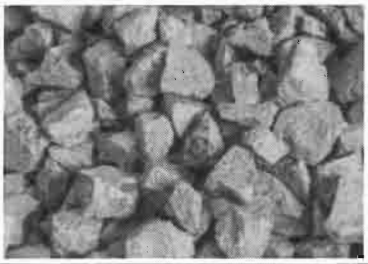
7.3 BUSINESS SEGMENTS

Our vertically integrated business model is illustrated below:-



7.3.1 Our products

Our products mainly comprise of manganese ore, manganese alloy and ferrosilicon, which are mainly produced at our facilities. A summary of our products is set out as follows:-

Main product category	Product sub-category	Description
Manganese ore 	1. Lumps and fines product	• High-grade manganese ore which are processed at the Bootu Creek Mine processing facility • We also source manganese ores from our associate, Tshipi Mining, as well as other 3rd party suppliers
	2. Ultra fines product(1)	• Ultra fines product is a manganese product that is reprocessed from rejects and tailings from the Bootu Creek Mine • Ultra fines product will be used in our manganese sintering facilities
Manganese alloy 	1. Silicomanganese (SiMn)	• Manganese alloy is produced through the smelting of manganese ore as the main alloying element with iron and other minerals • These manganese alloys are produced at our Sarawak Plant and Qinzhou Plant
	2. High carbon ferromanganese (HC FeMn)	
Ferrosilicon 	1. Ferrosilicon (FeSi)	• Ferrosilicon is produced through the smelting of silicon as the main alloying element and quartz as a raw material • Ferrosilicon is produced at our Sarawak Plant

Note:-

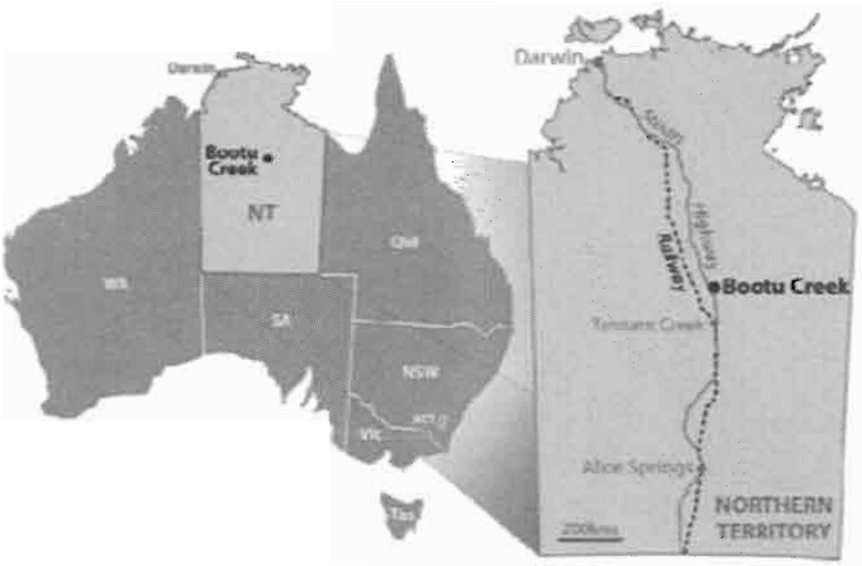
(1) Production of ultra fines product is presently undergoing trials, and optimisation works are continuing with a focus on achieving final grade expectations at our Ultra Fines Plant in the Bootu Creek Mine.

7.3.2 Exploration and Mining

<u>Our Mining Activities</u>

Our mining activities are conducted primarily on the Bootu Creek Mine where we own a mineral lease (ML24031). The Bootu Creek Mine is located 110km north of Tennant Creek in the NT of Australia. The exploration and subsequent development of the Bootu Creek Mine commenced in September 2001. Mining operations commenced in November 2005 with the first batch of manganese ore processed and sold in 2006.

The location of the Bootu Creek Mine in Australia is illustrated in the diagram below:-



Our mineral lease is located in the Bootu Creek Mine, where the mining and processing operations are based. The defined Mineral Resource, Probable Ore Reserve and Proven Ore Reserve in the Bootu Creek Mine have been identified in accordance with the JORC Code. Extensive delineation and exploration programmes have been carried out over the years at the Bootu Creek Mine, to identify suitable deposit sites to carry out mining and extraction of manganese ore. As at 31 December 2020 our existing manganese ore reserve is set out as follows:-

	*Proved		*Probable		Combined	
Deposit sites	**'million tonnes**	**% Mn***	**'million tonnes**	**% Mn***	**'million tonnes**	**% Mn***
Chugga Far North	0.23	21.24	0.52	21.17	0.75	21.19
Masai 5	-	-	-	-	-	-
Skekuma	0.10	20.99	0.41	23.11	0.51	22.70
Tourag	0.34	20.97	0.33	21.02	0.67	20.99
ZuluSouth	-	-	-	-	-	-
Renner West	-	-	-	-	-	-
Insitu Reserve	**0.67**	**21.06**	**1.26**	**21.76**	**1.93**	**21.52**
ROM Stocks(1)	0.16	14.31	-	-	0.16	14.31
SPP Stocks(1)	0.47	15.76	-	-	0.47	15.76
UFP Tailings(1)	-	-	3.09	10.99	3.09	10.99
UFP Rejects(1)	-	-	3.18	13.97	3.18	13.97
Total Reserve	**1.30**	**18.33**	**7.53**	**14.05**	**8.83**	**14.68**

(Source: OMH 2020 Annual Report)

Notes:-

* *The terms used in the table above represent the following:-*
- *(i) "**Proved**" are restricted to in-situ resources contained within open pit mines plus ore stocks on the surface*
- *(ii) "**Probable**" are restricted to indicated resources contained within mines*
- *(iii) "**% Mn**" refers to percentage of manganese content*

(1) ROM Stocks refer to raw product of a mine, before treatment of any sort. SPP Stocks, UFP Tailings and UFP Rejects refer to fines and ultra fines which are by-products from the Bootu Creek Mine primary processing plant.

Upon extraction and after subsequent grade control carried out on-site, manganese ores are transported to our processing plant for the production of manganese lumps and fines.

For 2021, mining will continue in the eastern limb in Chugga Far North and Shekuma deposits, with planned cutbacks at the Masai 5 and Zulu South pits later in the year. Higher grade ores from the Shekuma and Chugga Far North pits combined with additional lower grade manganese ore, which was previously defined as waste, will form the basis of the Bootu Creek processing plant feed for the current year maintaining the current processing plant mass yields.

Based on our current estimates and production levels of the Bootu Creek processing plant, the in-situ ore reserve is expected to be depleted by end 2021. Presently, the majority of raw manganese ore used in our smelting operations are sourced from 3rd party suppliers. Subsequent to the depletion of the in-situ ore reserve, we will be continuing to source our manganese ore for use in our smelting plants from our 3rd party suppliers and Tshipi Mining to ensure continuity of our manganese alloy production.

Further, we will be able to rely on our 3rd party suppliers and Tshipi Mining for the sale of manganese ore to our customers. Meantime, we are also exploring opportunities in securing long-term offtake supply arrangements with potential manganese ore exploration companies which is in line with the plan on expanding manganese ore resources within our Group. For example, we had, in January 2021, entered into a offtake supply arrangement with Element 25 Limited for the supply of manganese ore and in April 2021, entered into the 701 Mile Joint Venture with Great Sandy. In addition, the Bryah Joint Venture, if successfully viable, is also expected to provide us with supply of manganese ore in the future. We will also continue exploring strategic investments with other manganese ore exploration companies and miners to carry out exploration activities and to attain mining rights to mining reserves.

We had also, in March 2020, commissioned a stand-alone Ultra Fines Plant to reprocess the rejects and tailings from the Bootu Creek Mine into ultra fines product for use in manganese sintering facilities to produce sintered manganese ore. The operating capacity and final product grade of the Ultra Fines Plant will be dependent on the feed quality and Mn content of the rejects and tailings. The Ultra Fines Plant which reprocesses the unutilised rejects and tailings from the existing processing plants into ultra fines product targets to extend the life of the Bootu Creek Mine by approximately 7 years. Ultra fines product will thereafter be processed into sintered manganese ore, which will be used as raw material feed for our smelting plant, and, depending on market prices, may also be sold externally to 3rd parties.

As such, the depletion of ore reserve is not expected to have a material impact on our business operations and supply of raw materials.

2020/2021 Exploration Program

Our planned exploration programmes for 2021 (which was initially planned for 2020) comprises 2 sites surrounding the Bootu Creek Mine, namely Renner Springs and Carruthers North, which involves drilling and detailed metallurgical test work on samples obtained from these sites. These exploration activities will enable us to assess the suitability of these locations for mining of manganese ore.

7.3.3 Smelting and sintering

Our ferroalloy production activities are carried out in our smelting plants and manganese sintering facilities located in Sarawak and Qinzhou, details of which are set out as follows:-

Plant location	Details of production facilities	Types of products
Sarawak Plant	• 10 furnaces with a design production capacity of up to 210,000 tonnes of ferrosilicon per annum • 6 furnaces with a design production capacity of up to 300,000 tonnes of manganese alloys per annum • Manganese sintering facility with an expected design production capacity of 250,000 tonnes of sintered manganese ore annually	• Ferrosilicon • Manganese alloys • Sintered manganese ore
Qinzhou Plant	• Smelting plant with 2 furnaces, 25.5 MVA and 16.5 MVA respectively, with a design production capacity of up to 95,000 tonnes of manganese alloys per annum • Manganese sintering facility with a design production capacity of 300,000 tonnes of sintered manganese ore per annum	• Manganese alloys • Sintered manganese ore

Design production capacities are calculated based on the design capacity of each production furnace, and production run time as set out in* ***Section 7.5.1* *of this Prospectus.*

Sarawak Plant

Our Sarawak Plant consists of 8 main workshops with a total of 16 units of 25.5 MVA furnaces. 10 furnaces are allocated for the production of ferrosilicon and 6 furnaces have been modified for the production of manganese alloys. Due to the COVID-19 pandemic, our ferrosilicon production decreased as a result of the idling of 4 furnaces while manganese alloy production dropped mainly attributed to the changes in product mix.

OM Sarawak has a 20-year take-or-pay power purchase agreement with SESCO which provides 300MW of stable, affordable and competitive hydropower to the Sarawak Plant. An additional 50MW of power was secured in 2018 to cater for the higher production capacity. Further details of the power purchase agreement is set out in **Section 7.22** of this Prospectus.

OM Sarawak undertook a number of capital expenditure programs which commenced in the 4th quarter of 2018 to improve its logistical efficiency, and these include road improvements, building new sheltered warehouses, a manganese sintering facility with auxiliary facilities, laboratory, offices and canteen. These capital expenditure initiatives will create further savings in internal logistics, drive efficiencies, and further enhance the Sarawak Plant's operational capabilities. The construction handover progress for the raw material storage warehouses and finished product warehouses have been completed.

The construction of the manganese sintering facility was completed in 2019, with cold commissioning achieved in the 4th quarter of 2019 and hot commissioning commencing in October 2020. Performance testing is currently underway prior to full commercial production of sintered manganese ore within 2021, subject to formal onsite acceptance. The sintered manganese ore produced in the Sarawak Plant will be used as raw material feed for our smelting plant, and, depending on market prices, may also be sold externally to 3rd parties.

Qinzhou Plant

Our Qinzhou Plant encompasses 2 sets of furnaces, allocated for the production of manganese alloys. The Qinzhou Plant has access to power at competitive rates, and is located within the Qinzhou Industrial Park adjacent to the Qinzhou port, benefitting from strategic transport logistics. Out of the 2 furnaces, only 1 furnace was in operation during the financial period under review. Our Qinzhou Plant suspended operations in March 2020. During the downtime period, 1 of the furnaces underwent major maintenance while the other furnace was upgraded from 16.5 MVA to 25.5 MVA. Full commercial operations for the upgraded furnace was restarted in January 2021 while the second furnace was subsequently restarted in March 2021 after completion of the maintenance works. The completion of upgrading and maintenance works of the 2 sets of furnaces are expected to improve production efficiency with an estimated production capacity of up to 95,000 tonnes per annum of manganese alloys.

The Qinzhou Plant incorporates casting facilities, facilities for automated blending and feeding of ore, coke breeze and limestone, dust collection devices to meet local environmental requirements, electrodes, transformers, refractory lined furnace vessels and stockpile areas for raw materials and finished products. Meanwhile, the manganese sintering facility is designed to produce up to 300,000 tonnes of sintered manganese ore per annum, mainly utilised to produce sintered manganese ore for internal usage by the Qinzhou Plant and is not sold externally. During the suspension of furnace for upgrading, the manganese sintering facility had also ceased production. Subsequently, the manganese sintering facility also recommenced operations in January 2021.

7.3.4 Marketing and trading

Our principal products traded include manganese ore, manganese alloys and ferrosilicon. Our marketing and trading activities are primarily carried out via our strategic distribution hub in Singapore. We have also established distribution arms to focus on our marketing and trading activities in the Northern and Southern China regions.

Our marketing and trading segment manages the logistics, marketing and distribution activities of our Group, comprising manganese ore sales from the Bootu Creek Mine, marketing of manganese alloys and ferrosilicon from the Qinzhou Plant and Sarawak Plant, as well as the distribution of 3rd party ores and ferroalloys to our Group's global network of customers, comprising major distributors and steel mills.

Whilst a portion of the manganese ore sourced from the Bootu Creek Mine is used as raw material for our Group's smelting operations in the Sarawak Plant, the majority of manganese ore is sold to 3rd parties, primarily located in China, representing approximately 81.2%, 76.6%, 70.4% and 70.4% for the FYEs 31 December 2017, 2018, 2019 and 2020 respectively of the total manganese ore sales from the Bootu Creek Mine.

Ferrosilicon and manganese alloys are also traded through our operations in Sarawak. The majority of OM Sarawak's sales are marketed by our Singapore marketing and trading operations to 3rd parties while the remainder are directly sold to our customers on offtake arrangements.

7.3.5 Strategic investments

As at the LPD, our Group has 3 strategic investments in other mineral resource companies.

(a) NMPL and Tshipi Mining

As at the LPD, OMH has a 13.0% effective interest in Tshipi Mining through its 26.0% strategic investment in NMPL which, in turn, owns a 50.1% interest in Tshipi Mining. Tshipi Mining owns a manganese mine in the 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, host a significant portion of the world's economically mineable high grade manganese ore resources.

Our investment in Tshipi Mining, which owns the Tshipi Borwa Manganese Mine, has provided our Group with a platform to the manganese mining industry in South Africa. According to the Industry Overview set out in **Section 8** of this Prospectus, South Africa is the largest manganese ore producing country, accounting for 39% of global output on a contained manganese basis in 2020. The Tshipi Borwa Manganese Mine has a total Mineral Resource of approximately 427 million tonnes of manganese ore in accordance with JORC Code (2012) as of 29 February 2020. The Tshipi Borwa Manganese Mine is an open pit manganese mine which commenced production and export in 2012.

Our effective interest in Tshipi Mining enables us to market and trade Tshipi manganese ore to 3rd parties, at a quantum of up to our 13.0% effective ownership representing an estimated 0.43 to 0.47 million tonnes of manganese ore per annum.

(b) Bryah Joint Venture

The Bryah Joint Venture undertaken with BYH, a public company listed on the ASX, involves the progressive funding of manganese exploration activities in predetermined intervals. The increase in our funding will increase our joint venture interest in manganese mineral rights only, with Bryah retaining rights to all other minerals. Pursuant to the joint venture arrangement, we have the right to increase our interest to up to 51.0% interest in the Bryah Joint Venture by funding future exploration and feasibility studies.

The details of our initial investment in the Bryah Joint Venture, together with the subsequent details on the increase in our funding and joint venture interest, are set out in the market announcements made on the ASX by BYH dated 23 April 2019, 26 August 2019, 9 June 2020, 20 November 2020 and 17 February 2021, and by OMH dated 28 January 2021. Further details of the progress reports and our subsequent investments in the Bryah Joint Venture will also be announced accordingly on the ASX and such announcements will be made concurrently on Bursa Securities.

As at the LPD, OMM has funded A$2.50 million in the Bryah Joint Venture, which is expected to increase OMM's interest from 30.0% as at the LPD to 40.0%.

If a positive feasibility study is supported by a decision to mine, OMM and Bryah may elect to participate in a mining joint venture in proportion to their joint venture interest but the interest of any party electing not to participate in the decision to mine shall convert to a royalty.

(c) 701 Mile Joint Venture

The 701 Mile Joint Venture undertaken with Great Sandy comprises an exploration farm-in period to evaluate the 701 Mile Manganese Project's potential for a viable manganese mining operation. The details of our investment in the 701 Mile Joint Venture are set out in our market announcements made on the ASX dated 21 April 2021. Further details of the progress reports and our subsequent investments in the 701 Mile Joint Venture will also be announced accordingly on the ASX and such announcements will be made concurrently on Bursa Securities.

The 701 Mile Joint Venture relates to granted exploration licence E52/3587 held by Great Sandy covering 100km^2, in Meekatharra Shire, Western Australia, located approximately 90km south east of Newman in Western Australia. Under the exploration farm-in and joint venture arrangement, OMM has the right to expend up to A$2.5 million in 3 predetermined stages to earn up to an 80% interest in manganese and iron mineral rights over the 701 Mile Manganese Project. Great Sandy retains the rights to all other commodities.

OMM may elect at any time to cease providing funding at the end of the project evaluation period or during the 3 predetermined stages and retain its joint venture interest earned up to the last completed stage.

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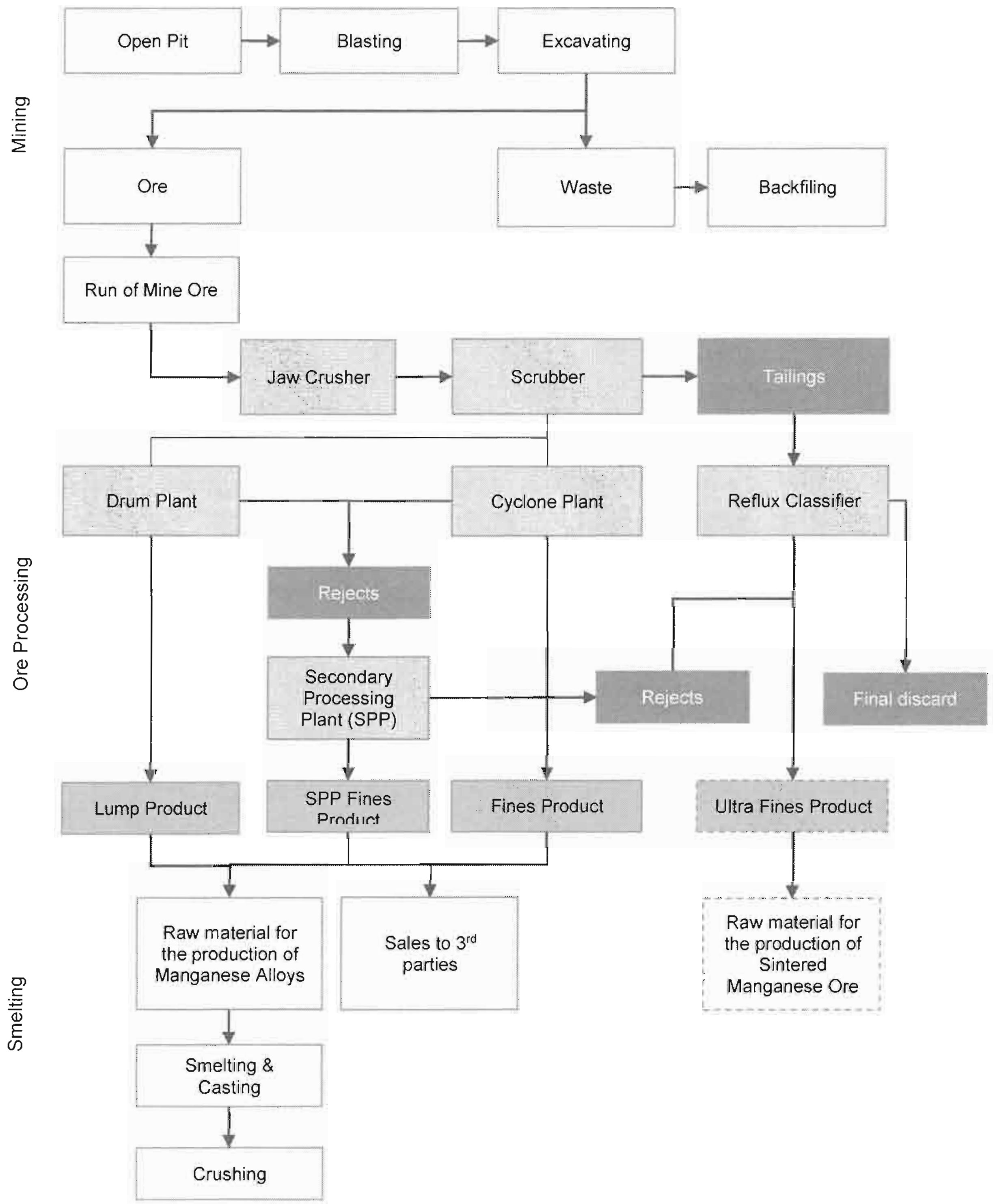
7.4 OPERATIONAL PROCESSES

The typical process flow for our Group's mining, smelting and sintering activities are set out as follows:-



7.4.1 Mining and ore processing

Mining

Mining and excavation	• Mining of manganese ore is carried out on the deposit sites using a conventional open cut method of mining, blasting and excavation using hydraulic excavators and dump trucks. • Grade control is carried out utilising blast holes and assaying of the samples is performed by an onsite laboratory. • Mined manganese ore is stockpiled according to their grade, and thereafter transported to the Bootu Creek Mine processing plant. • Where appropriate, backfilling of mined areas occurs to rehabilitate and restore the original landscape of mined areas.

Ore processing

Crushing / Scrubbing	• Run of Mine (ROM) ores are fed to the crushing plant via a front-end loader and are crushed to <75mm before being presented to the Scrubber. • The Scrubber processes the crushed ore with the addition of water to wash and separate the feed stocks into their respective size streams, lump, fines and tailings.
Primary Processing	• The primary processing plant ("**PPP**") processes the scrubbed ores streams into lumps and fines product using heavy medium separation (HMS) techniques to separate the valuable heavy minerals from the waste. • Coarse ores measuring at >10mm are processed through the Drum Plant, which yields Lump Product. The ores are mixed with a ferrosilicon medium where separation occurs due to the specific gravity differentials of the heavy valuable minerals and the waste material. The Lump Product has a high density sinking to the bottom of the drum before being collected and rinsed. • Fine ores measuring at <10mm and >0.7mm are processed through the Cyclone Plant, which yields Fines Product. The ores are mixed with a ferrosilicon medium and pumped to a heavy media cyclone where separation occurs based on specific gravity. Fines Product with denser particles gravitate to the periphery and are discharged at the apex of the cyclone. • The Scrubber slimes (tailings) measuring at <0.7 mm is presented as feed to the UFP.
Secondary Processing	• The secondary processing plant ("**SPP**") processes the heavy media rejects from the PPP which is crushed to <10mm before being presented to the heavy media cyclone plant to produce the SPP fines product. • The ores are mixed with a ferrosilicon medium and pumped to a heavy media cyclone where separation occurs based on specific gravity to produce the SPP Fines Product.
Transportation / Shipping	• Manganese ores produced is transported and loaded onto trains. The products are then railed approximately 800km to the Port of the Darwin via the Alice Springs to Darwin rail line. • The products are then shipped from the Port of Darwin to the Sarawak Plant for use in manganese alloy production and to China for sale to 3rd parties

Ultra fines processing *(in cold commission)*	• In 2019, metallurgical test work was completed on a laboratory scale as well as on site pilot plant tests, which indicated the amenability of reprocessing the rejects from the SPP and the tailings from the scrubber into an Ultra Fine's product. A stand-alone Ultra Fines Plant was commissioned at the end of March 2020. The operating capacity and final product grade of the Ultra Fines Plant will be dependent on the feed quality and Mn content of the rejects and tailings. • The Ultra Fines Plant receives feed (tailings) from the processing plant which is separated into two streams by screening, a coarse and fines fraction before being presented to the respective reflux classifiers where fluidizing up flow water beneficiates the high density material from the low density slimes to produce the ultra fines product. The ultra fines product will thereafter be used in our manganese sintering facilities.

7.4.2 Alloy Production

(a) Smelting

Weighing and mixing of raw materials	• Raw materials comprise manganese ore, silica quartz, mill scale and reductants such as coke and semi-coke • Depending on market demand, our Group is able to switch the composition of raw materials to produce according to customers' specifications • The raw materials are weighed, blended according to the production composition and stored into their respective material hoppers for smelting
↓	
Smelting and Casting Processes	• Smelting is the process of converting raw materials into alloys used in mainly steelmaking and other industrial processes • The blended raw materials are conveyed onto a belt and feed into an electric arc furnace where the smelting process takes place • The electric arc furnace will operate at varying degrees of temperatures, depending on the type of reduction of metal oxide to form various ferroalloys. Generally, the production of ferrosilicon requires a reaction temperature of up to 1,700°C, while the production of manganese alloys requires a lower reaction temperature at a range of 1,300°C - 1,500°C • Molten metal formed at the bottom of the electric arc furnace Is tapped and discharged through an outlet into a ladle and casted onto molds
↓	
Crushing	• The casted products are then crushed into a desired size in accordance with customers' specifications
↓	
Shipping	• Alloy products are shipped to our Group's global customers, including offtake partners

(b) Sintering

Weighing and mixing of raw materials	• Raw materials comprise of manganese fines, coke or coal fines which are weighed and mixed according to the production composition
↓	
Sintering Process	• Sintering is the process of heating and fusing fine raw materials into higher grade, "semi-processed" agglomerated ores. • Raw materials are blended into a rotating mixing drum and the agglomerated ores are evenly distributed on a converyor for feeding into the sintering plant
↓	
Crushing	• Sinter ore is screened and crushed to the desired size before feeding to the smelter plant

7.5 PRODUCTION CAPACITY AND UTILISATION RATES

7.5.1 Smelting Plants and Sintering Facility

The following table sets out our utilisation rates for our production facilities at the Sarawak Plant and Qinzhou Plant during financial period under review:-

	Unit	FYE 31 December			
		2017	2018	2019	2020
Sarawak Plant					
(i) Ferrosilicon furnaces					
Design production capacity	Tonnes	170,000	210,000	210,000	210,000
Actual production	Tonnes	174,540	220,515	230,735	167,443
Utilisation rate		103%	105%	110%	80%
(ii) Manganese alloy furnaces					
Design production capacity	Tonnes	210,000	300,000	300,000	300,000
Actual production	Tonnes	173,911	242,341	248,163	227,406
Utilisation rate		83%	81%	83%	76%
Qinzhou Plant					
(i) Manganese alloy smelting plant					
Design production capacity	Tonnes	80,000	80,000	80,000	80,000
Actual production	Tonnes	38,529	38,523	41,791	10,140
Utilisation rate		48%	48%	52%	13%
(ii) Manganese sintering facility					
Design production capacity	Tonnes	300,000	300,000	300,000	300,000
Actual production	Tonnes	52,941	42,274	42,409	8,051
Utilisation rate		18%	14%	14%	3%

Assumptions:-

(i) *Sarawak Plant design production capacities are calculated based on the design capacity of each furnace, and production runs 350 days per annum in two 12-hour shifts daily. The remaining period in the year would be for maintenance of the Sarawak Plant.*

For the FYEs 2018 and 2019, the Sarawak Plant had 10 ferrosilicon furnaces and 6 manganese alloy furnaces in operation. For the FYE 2017, the Sarawak Plant had 9 ferrosilicon furnaces in operation, and modification of 6 furnaces for manganese alloy production which was completed in July 2017.

(ii) *Qinzhou Plant design production capacities are calculated based on the design capacity of each furnace, and production runs 350 days per annum in three 8-hour shifts daily. The remaining period in the year would be for maintenance of the Qinzhou Plant.*

The Qinzhou Plant has 2 manganese alloy furnaces and 1 manganese sintering facility, whereby 1 out of 2 furnaces was in operation during the financial period under review. Subsequently, the Qinzhou Plant was not in operation since the end of March 2020 due to upgrading works carried out on 1 furnace transformer. In view of the suspension of furnace operations, the manganese sintering facility had also ceased production. Full commercial operations for the upgraded furnace and the manganese sintering facility had recommenced in January 2021. Operations of the 2nd furnace was subsequently recommenced in March 2021.

(iii) *The design production capacity for manganese alloy furnaces may be varied ranging from 250,000 to 300,000 tonnes per annum depending on, amongst other, the mix of production between silicomanganese and high carbon ferromanganese. In general, silicomanganese requires higher unit power consumption as compared to the production of high carbon ferromanganese, and a higher mix of silicomanganese would therefore reduce the overall production capacity.*

For the purpose of the design production capacity of up to 300,000 tonnes, OMH has assumed production of high carbon ferromanganese for all 6 manganese alloy furnaces.

The design production capacity refers to the estimated output of each smelting plant and sintering facility in a given period under ideal conditions, and is typically derived at the design planning stages based on each furnace's design specifications. The capacity takes into consideration, amongst others, the operational run-time of the furnaces (inclusive of scheduled maintenance and downtime), voltage capacity of each furnace, as well as the characteristics (e.g. concentration and quality) of raw materials used in production.

The design production capacities are warranted and guaranteed by the manufacturers. The output level for each smelting plant and sintering facility is largely dependent on the characteristics of the raw materials used, which typically varies in terms of concentration and quality depending on the source and may be different from the furnace's intended design specifications. Further, variations to the furnaces including maintenance and upgrading works, with the intended goal of increasing production efficiencies, do not typically require a revision to the design production capacity.

We undertake stringent quality control measures on our raw materials used in our production facilities. We also undertake various initiatives including the continuous improvement studies and experiments to optimise our operation settings, consistent monitoring of equipment and scheduled maintenance to reduce production downtime, in order to streamline production activities to improve our operational processes. Such measures have enabled us to achieve production figures beyond our design production capacity, in particular, for our ferrosilicon furnaces in the Sarawak Plant which recorded utilisation rates of 103%, 105% and 110% in the FYEs 31 December 2017, 2018 and 2019, respectively. Our Sarawak Plant operated 9 ferrosilicon furnaces during the FYE 31 December 2017 and commissioned the 10th ferrosilicon furnace during the FYE 31 December 2018. In the FYE 31 December 2020, due to the COVID-19 pandemic, we recorded a slight decrease in our utilisation rate to 80% for our ferrosilicon furnaces and 76% for our manganese alloy furnaces. Ferrosilicon production decreased as a result of the idling of 4 furnaces while manganese alloy production dropped mainly attributed to the change in product mix. In October 2020, the Sarawak Plant had commenced hot commissioning of the manganese sintering facility. During the hot commissioning and performance testing period, trial production of 22,826 tonnes of sintered manganese ore were produced during the 1st quarter ended 31 March 2021.

Our Qinzhou Plant had been operating on 1 out of 2 furnaces during the financial period under review, in an effort to manage its operational costs in line with the demand for its products in the region. As a result, the Qinzhou Plant recorded utilisation rate of 48%, 48% and 52% in the FYEs 31 December 2017, 2018 and 2019, respectively. In the FYE 31 December 2020, the utilisation rate decreased to 13% as production was suspended at the end of March 2020 to upgrade the furnace transformer from 16.5 MVA to 25.5 MVA to improve production efficiency. Subsequent to the upgrade, the production capacity of the Qinzhou Plant had increased up to 95,000 tonnes per annum. Meanwhile, our manganese sintering facility is mainly utilised to produce sintered manganese ore for internal usage by the Qinzhou Plant and is not sold externally. As such, the production amounts are dependent on raw material requirements of the Qinzhou Plant.

7.5.2 Bootu Creek processing plant

Our processing plant at the Bootu Creek Mine is designed to operate 24 hours a day. The utilisation rates of our processing facilities vary depending on various factors including, but not limited to, technical specifications and capabilities of the equipment and fixed assets, geological aspect of the mined ores, operational run-time inclusive of scheduled servicing, maintenance and breakdown, and weather conditions. We arrange and utilise our processing facilities based on the (i) availability of manganese ore; (ii) quality of the mined manganese ores; and (iii) size and specifications of the end products required, so a presentation of the utilisation rates for our processing facilities during the financial period under review is not meaningful given the variation in these factors.

7.5.3 Technology used

Our Bootu Creek Mine has two existing processing facilities in operations, namely, the PPP and SPP, which are traditional processing facilities. The Ultra Fines Plant which utilises more advanced technology than the PPP and SPP to reprocess rejects from the SPP and the tailings from the scrubber into ultra fines product, is expected to yield an additional 250,000 metric tonnes of ultra fines product per annum.

Our Sarawak Plant and Qinzhou Plant incorporate smelting and casting facilities, automated blending and feeding of raw materials facilities, as well as dedusting systems to meet environmental requirements. Our furnaces are also customisable and upgradeable in order to improve and manage our production mix and efficiency.

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7. BUSINESS OVERVIEW *(Cont'd)*

7.6 MAJOR CUSTOMERS

The table below sets out details of our 5 largest customers for each financial period under review:-

Customer	Length of relationship as at FPE 31 December 2020 (years)	Country	FYE 31 December							
			2017		2018		2019		2020	
			Revenue (A$'000)	% of revenue	Revenue (A$'000)	% of revenue	Revenue (A$'000)	% of revenue	Revenue (A$'000)	% of revenue
Hanwa Group (including its group entities)	19	Japan	83,041	8.4	136,011	9.0	156,474	15.2	86,521	11.0
JFE Shoji Corporation	15	Japan	56,547	5.7	103,303	6.8	105,276	10.3	51,300	6.5
POSCO	18	Korea	*	*	107,494	7.1	58,871	5.7	50,210	6.4
Innovation Worldwide DMCC	5	United Arab Emirates	65,233	6.6	*	*	42,425	4.1	37,573	4.8
Baosteel Resources International Company Limited	7	China	62,591	6.3	*	*	35,369	3.5	*	*
Avic International Minerals and Resources Co., Ltd	7	China	*	*	91,640	6.1	*	*	*	*
CITIC Dameng Group (including its group entities)	4	Hong Kong	*	*	68,267	4.5	*	*	*	*
Kam Wah Minerals Trading Limited	6	Hong Kong	59,037	6.0	*	*	*	*	*	*
CITIC Commodities Pte Ltd	1	Singapore	*	*	*	*	*	*	46,599	5.9
Total revenue from our 5 largest customers			**326,449**	**33.0**	**506,715**	**33.5**	**398,415**	**38.8**	**272,203**	**34.6**
Total revenue of our Group			**988,182**	**100.0**	**1,510,416**	**100.0**	**1,026,454**	**100.0**	**784,633**	**100.0**

Notes:-

* *Not applicable as the customer was not a top 5 customer in the financial period under review.*

^ *The customers set out in the table above generate revenue in the source currency US$, and the abovementioned revenue figures have been translated into A$ based on the following exchange rates:-*

	As at 31 December			
	2017	**2018**	**2019**	**2020**
Exchange rate	*1.3001 (US$:A$)*	*1.3419 (US$:A$)*	*1.4365 (US$:A$)*	*1.442 (US$:A$)*

Our five largest customers, which generally comprise major ore and alloy distributors and steel mills, contributed approximately 33.0%, 33.5%, 38.8% and 34.6% of our revenue for the FYEs 31 December 2017, 2018, 2019 and 2020, respectively. We are not dependent on our major customers given the business and industries in which we operate and serve, and the commodotised nature of the products we sell. There is generally a consistent demand for manganese ore, manganese alloys and ferrosilicon in the steel manufacturing industry, whilst in certain geographies, there is an active spot market with some amount of liquidity for our products.

Hanwa Group, one of our long-term customers, is a Japanese trading company with significant operations specialising in the marketing and distribution of ferroalloys and is listed on the Tokyo Exchange and Osaka Securities Exchange. As part of OMH's intention to establish a long-term strategic and marketing relationship with the Hanwa Group, as well as secure funding for the construction and development of our Sarawak Plant, we had, in 2012, undertaken the following issuance of securities to Hanwa:-

(i) placement of 25,000,000 OMH Shares to Hanwa, raising gross proceeds of A$9.77 million, which was completed on 27 February 2012. The placement resulted in Hanwa becoming a strategic shareholder in OMH with approximately 4.1% interest. As at the LPD, Hanwa holds approximately 4.4% equity interest in OMH Shares; and

(ii) issuance of 25,000,000 Hanwa Convertible Notes at an aggregate principal amount of US$21.4 million with a nominal interest of 5% per annum and convertible into ordinary OMH Shares at a convertible price of A$0.80 per Share, pursuant to the Convertible Notes Subscription Agreement dated 28 February 2012. The Hanwa Convertible Notes held by Hanwa have been fully redeemed by our Company in March 2021, details of which are set out in **Section 6.1.2** of this Prospectus.

The proceeds from the abovementioned issuance of securities were channelled towards the development activities of the Sarawak Plant.

7. BUSINESS OVERVIEW *(Cont'd)*

7.7 MAJOR SUPPLIERS

The table below sets out details of our 5 largest suppliers for each financial period under review.

Supplier	Length of relationship as at the FYE 31 December 2020 (years)	Country	FYE 31 December							
			2017		2018		2019		2020	
			Transaction value (A$'000)	(%)	Transaction value (A$'000)	(%)	Transaction value (A$'000)	(%)	Transaction value (A$'000)	(%)
SESCO	7	Malaysia	120,547	15.5	141,660	12.2	161,983	18.5	155,791	22.6
Tshipi Mining	8	South Africa	306,438	39.4	320,256	27.7	93,831	10.7	86,624	12.6
Samancor Marketing Pte Ltd	3	Singapore	*	*	60,095	5.2	47,607	5.5	*	*
Supplier A(1)	14	South Africa	28,315	3.6	40,319	3.5	35,770	4.1	31,039	4.5
Shenmu Derun Carbon Reductant Co. Ltd.	4	China	21,368	2.7	*	*	27,304	3.1	*	*
One Rail Australia Pty Ltd	10	Australia	21,692	2.8	27,383	2.4	*	*	22,331	3.2
Guizhou Material Group International Trade Co., Ltd.	3	China	*	*	*	*	*	*	29,974	4.4
Total transaction value from our 5 largest suppliers			**498,360**	**64.0**	**589,713**	**51.0**	**366,494**	**41.9**	**325,759**	**47.3**
Total cost of sales of our Group			**778,597**	**100.0**	**1,157,128**	**100.0**	**874,001**	**100.0**	**688,371**	**100.0**

Notes:-

* *Not applicable as the supplier was not a top 5 supplier in the respective financial period under review.*

^ *The suppliers set out in the table above transacted in the source currency US$ and RMB (save for One Rail Australia Pty Ltd which transacted in A$), and the abovementioned figures have been translated into A$ based on the following exchange rates:-*

	FYE 31 December				
	2017	***2018***	***2019***	***2020***	
Exchange rate	*1.3001 (US$:A$)*	*1.3419 (US$:A$)*	*1.4365 (US$:A$)*	*1.442 (US$:A$)*	*0.2098 (RMB:A$)*

7. BUSINESS OVERVIEW *(Cont'd)*

(1) We are not able to disclose the name of Supplier A due to disclosure concerns raised that may disadvantage Supplier A against its competitors and/or its prospective customers. Supplier A's holding company is incorporated in South Africa, and is a mining holding company engaged primarily in ventures involving base minerals and metals, including activities such as mining of manganese, iron and chrome ores, as well as the manufacturing of manganese and chrome alloys.

Supplier A is responsible for the marketing, sales and shipping of the holding company's products, with established markets in Europe, North America, South America India and the Far East

Our five largest suppliers represented approximately 64.0%, 51.0%, 41.9% and 47.3% of our total cost of sales for the FYEs 31 December 2017, 2018, 2019 and 2020, respectively.

We are dependent on the continued supply of electricity from SESCO for our Sarawak Plant. SESCO generates and supplies electricity in Sarawak, and is the sole provider for electricity in the Samalaju Industrial Park wherein our Sarawak Plant is located. To ensure a competitively priced and reliable power supply, we have entered into a power purchase agreement with SESCO which is valid until December 2033, details of which are set out in **Section 7.22** of this Prospectus.

Additionally, while Tshipi Mining has contributed approximately 39.4%, 27.7%, 10.7% and 12.6% of our total cost of sales for the FYEs 31 December 2017, 2018, 2019 and 2020 respectively, we are not dependent on Tshipi Mining for our business operations as we mainly market and trade Tshipi manganese ore to 3rd parties, at a quantum of up to our 13.0% effective ownership.

Save as disclosed above, we are not dependent on any of our suppliers as our raw materials, which generally comprise manganese ore, quartz, mill scale and semi-coke are readily available from alternative suppliers within the industry. Notwithstanding the above, we generally seek to maintain long-standing working relationships with our suppliers who are able to consistently supply materials on favourable terms with regards to the quality, reliability, pricing and other terms of purchase.

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7.8 COMPETITION

Our primary products are manganese ore, manganese alloys and ferrosilicon. We compete on the basis of availability of manganese ore resources, product quality, stable supply as well as reliable and timely delivery. We believe that our vertically integrated business model provides us with significant competitive advantages, enabling us to better control our production costs, better manage the supply and inventory cycle in our production process and effectively plan our product mix.

Our primary markets for our products are located within the Asia Pacific region, where we derived approximately 77.0%, 82.1%, 83.6% and 86.1% of our total revenue for the past 4 FYEs 31 December 2017, 2018, 2019 and 2020 respectively. We face competition in our markets from other well established manganese ore miners and ferroalloy producers in the industry, details of which are set out in **Section 8 – Industry Overview** of this Prospectus.

We believe that the barriers to entry in our industry is high, and include:-

(i) access to manganese ore resources, (i.e. access to mines with sufficient economies of scale and competitive logistics);
(ii) the large scale of production required for manganese ore and ferroalloy production which is capital intensive in nature;
(iii) market intelligence from being a vertically integrated producer, operating both upstream and downstream businesses, spanning a wide geographical footprint;
(iv) an established network of distributors, business partners, strategic alliances and customers;
(v) the know-how to produce efficiently and to produce specialty products required by different customers;
(vi) the know-how to source and procure the most efficient combination of complementary raw materials and/or substitutes for all processes (material arbitrage); and
(vii) knowledge of and experience in complying with environmental and safety regulations.

We believe that these barriers to entry strengthen our competitiveness against smaller producers. For further details on our competitive strengths, please refer to **Section 7.25** of this Prospectus.

7.9 RAW MATERIALS, PROCUREMENT AND INVENTORY

Our Group's inventory comprise raw materials, work in progress inventory and finished goods. Our raw materials consists mainly of manganese ore, quartz, mill scale and reductants such as coke and semi-coke, as well as unconsumed power inventory.

Our Group has the storage facilities and flexibility to manage inventory stockpiles. In response to constantly changing market demand and supply conditions, our Group's vertically integrated structure allows us to adapt and adjust quickly to optimise inventory levels. Our inventory levels are closely monitored and controlled by our management and trading team which manage the timing and quantity of sales volumes for all our products. We also monitor prices of our raw materials as pricing is based on commodity prices which may be volatile and industry supply and demand. We have in place inventory control measures in order to manage the impact of such price movements. If prices are anticipated to fall, our Group will reduce product inventory and put on hold non-urgent purchases from 3rd parties. Conversely, if prices are anticipated to rise, the pace of sales will slow marginally to build inventory to be sold at the appropriate time.

Our inventory levels can also be dependent on factors affecting our various downstream users and processes, such as power restrictions at our smelting plants, trade financing and general credit supply, and major events such as the trade war or global pandemic. These in turn affect our overall level of production. We believe that the current inventory control measures are effective and adequate for our business.

For our mining operations, we have entered into various contracts with independent 3rd party suppliers for the provision of various support services and equipment in connection with our Bootu Creek Mine operations. These services and facilities include the provision of equipment used at the Bootu Creek Mine, road and rail services for the land transport of manganese ore, and port services for the shipment of manganese ore.

For our smelting operations, the procurement services of feedstock (raw materials and reductants such as coke, semi-coke and mill scale) for the Sarawak Plant and Qinzhou Plant are managed internally by various procurement teams. Procurement services include but are not limited to freight and logistics management, sourcing of insurance cover for shipments as well as storage of direct raw materials. Maintenance of machinery and equipment are done in house.

7.10 SALES, MARKETING AND DISTRIBUTION

All sales, marketing and distribution activities are undertaken by our principal distribution hub based in Singapore, which manages the ordering, pricing and logistics of our products to our global network of customers. Our distribution of products in China are also supported by our distribution arms focused on the Northern and Southern China regions.

Our product distribution strategy ranges from large direct shipments to smaller ex-stockpile sales and distribution options targeting specific customer preferences and requirements, which are fully supported by our back-office handling coordination, contract administration, finance and logistics.

(i) Manganese ore

Our manganese ore product portfolio consists of high, medium and lower grade lumps and fines suitable for direct consumption or blending with other ore grades specific to each customer's requirements. The product pricing strategy reflects the characteristics of each product and is supported with extensive technical marketing capability and research support. Our revenue from manganese ore sales is generated primarily from China.

(ii) Manganese alloys and ferrosilicon

Our ferroalloy portfolio consists of standard and refined grades of ferrosilicon, and various grades of manganese alloys (i.e. silicomanganese and high carbon ferromanganese). As these ferroalloys are used by all steel mills, there is no single dominant market, and the team actively tracks the prices of tenders and purchases on a weekly basis, pricing our products to maximise profitability.

The demand for our products is driven mainly by steel production, which is in turn dependent on global economic conditions and industrial demand. Pricing for our products is typically determined by reference to spot prices paid to other major manganese ore and ferroalloy producers, in line with market demand and supply. In order to ensure fair and competitive pricing for our products, our sales team actively monitors sales of manganese ore and ferroalloys in the global market, tracking the performance and statistics of key production regions, as well as keeping abreast with geopolitical developments. In addition, our sales team is experienced and knowledgeable in smelting and production economics and are able to efficiently price and value our products in dynamic and volatile marketplaces.

7.11 QUALITY ASSURANCE

We practice strict quality control measures at all stages of our mining, ore processing, smelting and sintering activities.

For our mining segment, feed and product assaying and sizing for manganese ore and impurities from our Bootu Creek Mine is carried out at our on-site laboratory. Assaying is also independently conducted by an independent 3rd party at the Port of Darwin at the time the manganese ore is loaded into vessels prior to transporting.

We also have an established quality control department at our Sarawak Plant and Qinzhou Plant, which oversees the quality control procedures at different stages of the production activities. Raw materials are analysed for chemical composition and undergo a series of physical inspection including screening and sizing prior to production. Our plants are fully equipped with the necessary laboratory equipment to carry out sampling and analysis of the end-product as well as continuous sampling and analysis during the smelting process. To comply with customer's specific requirement, independent 3rd party inspection services will also be engaged to inspect and assay the product specification prior to exporting.

7.12 SEASONALITY

We do not experience any seasonality in our business as the demand for our products are not subject to seasonal fluctuations.

7.13 RESEARCH AND DEVELOPMENT

While we do not have a dedicated research and development division, our Sarawak Plant has in place a research and development policy which focuses on improving production performance, particularly focused on improving production efficiencies, producing refined ferroalloy products to meet customers' bespoke requirements and developing safer operation processes to reduce occupational risks.

7.14 INSURANCE

Our Group maintains comprehensive insurance cover to insure our business and employees in accordance with industry practices and regulations. In particular, we have taken up workers compensation insurance and public liability insurance for our operations. We also maintain insurance policies for our Group's property, plant and equipment against loss or damage occasioned by accidents and/or natural disasters. All our employees are also covered by insurance which include personal accident, hospitalisation and surgical schemes, as well as social security protection for foreign workers. In addition, our Group maintains liability insurance for its directors, officers and employees.

We believe that our existing insurance coverage is adequate for our existing operations. Our management will review our insurance coverage from time to time to ensure that our Group has sufficient insurance coverage, and we will procure the necessary additional coverage for our business operations, properties and assets as and when the need arises.

7.15 MAJOR LICENCES, PERMITS AND APPROVALS

We have various licences and permits for our operations in jurisdictions where we operate, in particular in Australia, China, Malaysia and Singapore. Details of our major licences, permits and approvals are set out in **Annexure D** of this Prospectus. Save as disclosed in **Annexure D** of this Prospectus, our Group is not dependent on any major licenses, permits, registrations and other intellectual property rights for our business operations.

7.16 BUSINESS INTERRUPTIONS

Save as disclosed below as well as the impact of the COVID-19 pandemic on our operations, we did not experience any disruption in business which has a significant effect on our operations for the 12-month period prior to the date of this Prospectus.

(i) Temporary suspension of our mining operations

Mining operations at the Bootu Creek Mine were temporarily suspended for 4 months following the fatal accident that occurred on 24 August 2019 due to a mine pit wall failure. Approval to recommence in-pit mining operations was granted on 23 December 2019 by the Mines Department. Mining operations recommenced in stages and in accordance with approvals granted to undertake mining in identified pits upon completion of independent engineering reviews of those pits. Further details are set out in **Section 5.1.3(i)** of this Prospectus.

Safety and risk mitigation practices and procedures are in place for our Group's operations.

(ii) Impact of the COVID-19 pandemic to our business and our responses

The impact of the COVID-19 pandemic to our business and operations, and our responses are set out as follows:-

Our mining, production and processing activities

Our Bootu Creek Mine in the NT of Australia is operational and OMM has a COVID-19 Management Plan in place to continue to allow interstate travel to and from the mine site. OMM also has the option to adjust rosters and utilise its NT based employees, which comprise approximately 70% of its workforce. This has kept operations proceeding in a safe and sustainable manner without having a major impact on OMM's operations.

Our Sarawak Plant in Malaysia has also been operating on limited manpower, due to the enforcement of strict travel restrictions imposed by the Malaysian government and state government authorities due to the COVID-19 pandemic. Further, recruitment of foreign skilled and semi-skilled manpower remains challenging due to limitations on the hiring of new foreign workers. Such manpower restrictions have impacted the Sarawak Plant's ability to operate at full capacity. As such, we have taken steps to formulate and implement contingency plans, including the idling for maintenance of furnaces, where required, as well as extending the maintenance period for all other furnaces.

Our Sarawak Plant operates in accordance with the standard operating procedures prescribed by the MITI. Our Sarawak Plant also has a COVID-19 Crisis Management Committee with a dedicated COVID-19 Task Force in place to implement, execute and enforce any tasks necessary in accordance with the contingency plans as laid out in the Sarawak Plant's Emergency Response Protocol. The Sarawak Plant also conducts voluntary COVID-19 testing on all its employees working on-site in collaboration with the Ministry of Health Malaysia.

On 27 May 2021, OM Sarawak had received instructions from Pejabat Kesihatan Bahagian Bintulu (i.e. the Bintulu Division Health Office) ("**PKBB**") to lockdown 3 blocks of our employees' accommodation facilities located in Bintulu ("**Affected Premises**") with immediate effect to carry out an active COVID-19 case detection exercise for a period of 14 days, from 27 May 2021 to 9 June 2021, after an active COVID-19 case was detected. During the lockdown period, COVID-19 testing was carried out on the 2nd and 10th day on all residents in the Affected Premises, and the Affected Premises had ceased operations temporarily until all workers had tested negative for COVID-19.

OM Sarawak had carried out the first COVID-19 detection exercise on 27 May 2021 on 1,534 employees, and 78 of the employees, comprising on-site employees and frontline staff who interface with external parties, had tested positive for COVID-19 as at 30 May 2021. These affected employees had been immediately segregated and placed at the Ministry of Health quarantine centres. As the lockdown of the Affected Premises involved the majority of skilled production workers for our Sarawak Plant, OM Sarawak had temporarily halted all production activities and placed our Sarawak Plant under care and maintenance. Further, the implementation of full movement control order ("**FMCO**") effective on 1 June 2021 imposed additional restrictions which required us to reduce our on-site workforce to 30%,

The temporary halt in our Sarawak Plant operations is expected to result in a reduction in our production levels for ferrosilicon and manganese alloys, depending on the lockdown period imposed by PKBB or other governmental authorities, and subsequent period required to recommence operations of our furnaces. The temporary halt may also result in delays in our shipments and deliveries of inventories, and fulfilment of customers' purchase orders. In addition, as at to-date, we expect to incur direct expenses amounting to approximately RM5.0 million in addressing the situation, primarily for mass screening, cleaning, sanitisation, meals and accommodations for our workers.

At this juncture, action plans for the recovery and immediate recommencement of production activities at our Sarawak Plant are being prepared concurrently to ensure a smooth resumption once the lockdown on the Affected Premises have been lifted. The operations at our Sarawak Plant are expected to recommence once all our employees have tested negative for COVID-19. Amidst the evolving situation, the Company will continue to monitor the situation and any further developments will be announced on the ASX and concurrently on Bursa Securities. We will continue to work closely with the relevant authorities and follow the standard operating procedures from the Ministry of Health and PKBB to ensure the safety of our employees.

Our employees

In response to the COVID-19 pandemic, we have implemented necessary measures to ensure the health and safety of all employees, contractors, local suppliers and neighbouring communities whilst maintaining operational resilience in our key business areas.

Our initiatives implemented have aimed at keeping employees safe and include increased hygiene standards, longer breaks between shifts, implementation of discrete non-overlapping teams where possible, and work-from-home protocols for office staff. Other measures such as safe distancing in the workplace and travel restrictions are in strict compliance with the health and travel advisories issued in each respective jurisdiction where we operate.

Our supply and distribution chain

The COVID-19 pandemic has led to slower global economic activities with authorities around the world implementing lockdowns to contain the spread of the virus. Global supply chains have been negatively impacted following the temporary closure of borders and travel restrictions. Freight and trucking services were further disrupted with additional safety protocols imposed, consequently interrupting the flow of goods internationally.

At the outset of the COVID-19 pandemic, our Group idled 2 out of 10 ferrosilicon furnaces at the Sarawak Plant in February 2020 as an interim precautionary measure against the potential disruption of Chinese sourced raw material supplies. Alternative suppliers were activated and raw materials were procured in larger quantities as a buffer, made possible with our warehousing capability to manage further potential disruption of raw material supplies to our Sarawak Plant. Further, our Group idled additional ferrosilicon furnaces each in May and July 2020. During the period up to the LPD, there were no material disruptions to our Sarawak Plant's supply chain due to the above.

Further, as a result of the temporary halt in our Sarawak Plant operations, we may also experience delays in our shipments and deliveries of inventories, and fulfilment of customers' purchase orders. Nonetheless, we will continue to maintain close communication with our customers throughout this period to address the delay in fulfilling their orders and keep them updated on our progress and expected timeline for resumption of our Sarawak Plant operations, in order to minimise the impact on our customers.

Sales, customers' orders and future plans

The demand for crude steel has been significantly lower, leading to reduced global steel production, and as such, reduced demand for our products. Weaker demand and depressed manganese ore and ferroalloy prices had directly impacted our Group's underlying performance.

In response to the challenging market conditions due to COVID-19, we have plans to convert the idled ferrosilicon furnaces to produce silicomanganese in the near term. Our Sarawak Plant has the competitive advantage for such flexible production capabilities, allowing the Group to keep pace with market demand and make adjustments to the production volume and production mix accordingly.

Measures taken to ensure compliance with new regulations imposed due to COVID-19 and business contingency plans

The pandemic and the response of governments across the world in dealing with the pandemic will interfere with and negatively affect general economic activity globally. These will include but are not limited to depressed levels of aggregate demand globally, abnormal volatility in commodity prices and strains on both up and downstream supply chains.

As the scale and duration of the developments associated with COVID-19 remain uncertain, contingency plans have been formulated and activated to minimize the impact and ensure business continuity to the greatest extent possible for our business operations.

Travel restrictions in each respective jurisdiction where we operate have inevitably impacted our operations.

We also plan to leverage on the low interest rate environment to refinance our Sarawak Project Finance Loan which is in line with the Group's focus on lowering overall financing cost.

We will continue to monitor the situation and developments arising from the COVID-19 pandemic, whilst ensuring our production keeps pace with the global demand, and ensuring the continuity and resiliency of our business operations during unprecedented times like this.

There is no assurance that the COVID-19 pandemic will not resurge and trigger nationwide lockdowns in the jurisdictions that we operate, invest in and transact with. In addition, as a result of the temporary halt in our Sarawak Plant's operations, we will also undertake a review of our COVID-19 preventative measures, and undertake additional measures to protect the health and safety of our workers as well as to safeguard our operations including enhancing our testing protocol, safety and sanitisation measures at workers' hostels, and adopting additional measures relating to external vendors or parties who may enter our premises or come into contact with our workers.

As the COVID-19 situation still remains fluid, the full extent of the impact of the COVID-19 pandemic on our business, operations, and financial performance remains uncertain and cannot be predicted. This situation, if prolonged, may have a material adverse impact on the future performance of our Group. Further details of the risks relating to the COVID-19 pandemic to our business operations are set out in **Section 5.1.9** of this Prospectus.

7.17 INTELLECTUAL PROPERTY AND TRADEMARKS

As at the LPD, we do not have any brand names, patents, trademarks, technical assistance agreements, franchises and other intellectual property rights.

7.18 EMPLOYEES

As at the LPD, we have 2,241 employees, of whom 1,636 are permanent employees and 605 are contract/temporary employees. The following table sets out the functional areas at these employees as at the dates indicated:

	As at 31 December 2020 Location					As at the LPD Location				
Category	**Malaysia**	**China**	**Australia**	**Singapore**	**Total**	**Malaysia**	**China**	**Australia**	**Singapore**	**Total**
<u>Permanent Workers</u>										
Management	37	11	9	9	**66**	43	12	8	9	**72**
Executive	160	35	15	33	**243**	162	43	13	34	**252**
Non-Executive	1,023	124	136	-	**1,283**	991	185	136	-	**1,312**
Subtotal	**1,220**	**170**	**160**	**42**	**1,592**	1,196	**240**	**157**	**43**	**1,636**
Contracted Workers	615	-	43	-	**658**	570	-	35	-	**605**
Total	**1,835**	**170**	**203**	**42**	**2,250**	**1,766**	**240**	**192**	**43**	**2,241**

None of our employees in Malaysia, China, Australia and Singapore are members of any union. We have not experienced labour disputes in the past that have caused a material disruption to and materially affected our operations.

7.19 ROYALTY PAYMENTS

Our mining operations at the Bootu Creek Mine are subject to private royalty payments to an independent 3rd party and the Northern Land Council in respect of the mineral lease for Bootu Creek Mine (ML24031) registered in OMM's name, details of which are set out in **Annexure D** of this Prospectus. These royalty payments are accounted for on an accruals basis within our Group's cost of sales and calculated based on the terms set by the respective parties:-

(i) our royalty payments to an independent 3rd party comprise production royalty payments pursuant to an arrangement between OMM and the party, who was the former holder of ML24031; and

(ii) our royalty payments comprising an annual production levy (which is subject to a minimum amount) to the Northern Land Council on behalf of the registered native title claimants of the land that ML24031 is located on.

These royalty expenses collectively amounted to approximately A$5.8 million, A$6.9 million, A$4.5 million and A$2.9 million in the past 4 FYEs 31 December 2017, 2018, 2019 and 2020, respectively. In addition, we also make statutory royalty payments to the Territory Revenue Office on behalf of the NT government. The statutory royalty is payable under the Mineral Royalty Act 1982 (NT) which is generally applicable to the mining industry in the NT. These royalty payments are accounted for as a tax expense in our Group's accounts.

7.20 GOVERNING LAWS AND REGULATIONS

Our business is regulated by, and in some instances required to be licensed under specific laws of Malaysia, Australia, China and Singapore. The relevant laws and regulations governing our Group and which are material to our operations are summarised below. The following does not purport to be an exhaustive description of all relevant laws and regulations of which our business is subject to.

7.20.1 Governing laws and regulations relating to the Malaysian industry

(i) Environmental Quality Act ("EQA") and Environment Quality (Prescribed Activities) (Environmental Impact Assessment) Order 2015 ("EQ (EIA) Order")

The EQA restricts pollution of the atmosphere, noise pollution, pollution of the soil, pollution of inland waters without a licence, prohibits the discharge of oil into Malaysian waters without a licence, discharge of wastes into Malaysian waters without a licence and prohibits open burning. The agencies responsible for implementing and monitoring Malaysian's environmental regulations and policies is the Department of Environment ("**DOE**") and the local environmental authorities.

Under the EQA, any person intending to carry out any activity which may have significant environmental impact and prescribed by the Minister of Natural Resources and Environment as a prescribed activity is required to appoint a qualified person to conduct an environmental impact assessment ("**EIA**") and to submit a report thereof to the Director General of Environmental Quality ("**DGEQ**") in the manner as the DGEQ may prescribe. The environmental impact assessment ensures that potential environmental problems are foreseen and addressed at the early stage during project planning and design. Any person intending to carry out a prescribed activity shall not carry out such activity until the EIA report has been submitted and approved by the DGEQ and any conditions imposed attached to the EIA report are to be complied with.

Any person who contravenes the above provision shall be guilty of an offence and shall be liable to a fine not exceeding RM500,000 or to imprisonment for a period not exceeding five years or both, and to a further fine of RM1,000 for every day that the offence continues after a notice by the DGEQ requiring him to comply has been served upon him.

The EQ (EIA) Order requires an EIA report to be submitted for listed activities prior to project approval.

The primary smelting of non-ferrous metal (other than copper and aluminium) and producing 50 tonnes product or more per day is specified as prescribed activities under the EQ (EIA) Order.

Those industrial activities that are not subject to the mandatory EIA requirements are nevertheless subject to various regulations under the EQA. The EQA also regulates and restricts, among others, the levels of air pollution, noise pollution, soil pollution; and inland waters pollution.

Any person who contravenes the acceptable levels of:

(i) air, soil and inland waters pollution shall be guilty of an offence and shall be liable to a fine not exceeding RM100,000 or to imprisonment for a period not exceeding five years or both, and to a further fine not exceeding RM1,000 for every day that the offence is continued after a notice by the DGEQ requiring him to cease the act specified has been served upon him; and

(ii) noise pollution shall be guilty of an offence and shall be liable to a fine not exceeding RM100,000 or to imprisonment for a period not exceeding five years or both, and to a further fine not exceeding RM500 for every day that the offence is continued after a notice by the DGEQ requiring him to cease the act specified has been served upon him.

Apart from the EQ (EIA) Order, there are also other subsidiary laws made under the EQA specifying standard of emission or discharge of pollutants to the environment and release of industrial effluent such as Environmental Quality (Clean Air) Regulations 2014, and Environmental Quality (Industrial Effluent) Regulations 2009 respectively.

(ii) Natural Resources and Environment Ordinance 1958 ("NREO") and Natural Resources and Environment (Prescribed Activities) Ordinance 1994 ("NRE(PA) Order")

In Sarawak, the EIA processes are subject to the EQA, a federal environmental legislation as well as the NREO, the Sarawak state environmental legislation. The agency responsible for protecting and managing the environment and the conservation of the natural resources of the Sarawak is the Natural Resources and Environment Board, Sarawak ("**NREB**")

Under the NREO, any person intending to carry out any activity which may injure, damage or have any adverse impact on the quality of the environment or the natural resources of Sarawak as a prescribed activity is required to appoint a qualified person to conduct and submit a EIA report to NREB in the manner as the NREB may prescribe. Any person intending to carry out a prescribed activity shall not carry out such activity until the EIA report has been submitted and approved by the NREB. Any person who contravenes the above provision shall be guilty of an offence and shall be liable to a fine not exceeding RM10,000 or to imprisonment for a period not exceeding five years or both. Further any person who submits a EIA report containing facts, data or information which he knows or has reason to believe is false or calculated to deceive the Board, shall be guilty of an offence and shall be liable to a fine of RM50,000 and imprisonment for five years

Failure to comply with any order imposed by the Controller of Environmental Quality with regards to measures to be taken deemed necessary for the-

(i) conservation of, or the prevention of injury to, natural resources; or

(ii) the protection and enhancement of the environment or the prevention and control of such activities which may cause pollution;

including any condition imposed by the NREB when approving the EIA report; is an offence and on conviction will, attract the penalty, in the case of a first offence, imprisonment for one year and a fine of RM10,000 and, in the case of a second or subsequent offence, imprisonment for two years and a fine of RM20,000.

The NREO is the principal law relating to the conservation of natural resources and management of environment in Sarawak. Depending on the severity and type of offences and breaches committed, the penalties imposed under the NREO varies in the imposition fines ranging between RM1,000 and RM100,000 and/or imprisonment for a period of five years. Further, certain provisions of the NREO impose a further fine of RM1,000 per day or part thereof for certain offences that continue after conviction.

The NRE(PA) Order, the subsidiary legislation under the NREO that prescribes certain activities which require the NREB's approval, also lays down mandatory requirements related to EIA report. Any person who carries out or commences any prescribed activity in contravention of the NRE(PA) Order shall be guilty of an offence and shall be liable to a fine not exceeding RM10,000 or to imprisonment for a period of five years or both.

(iii) Industrial Co-ordination Act 1975 ("ICA")

Pursuant to the ICA and the Industrial Co-ordination (Exemption) Order 1976, a person engaged in a manufacturing activity and with shareholders' funds of RM2.5 million and above or which engages more than 75 full-time paid employees must acquire a manufacturing licence and MITI may subject such licence to conditions on issuance. Any person who fails to comply will be guilty of an offence and will on conviction, be liable to a fine not exceeding RM2,000 or to a term of imprisonment not exceeding 6 months and to a further fine not exceeding RM1,000 for every day during which the default continues.

The ICA defines "manufacturing activity" as the "making, altering, blending, ornamenting, finishing or otherwise treating or adapting any article or substance with a view to its use, sale, transport, delivery or disposal and includes the assembly of parts and ship repairing but shall not include any activity normally associated with retail or wholesale trade".

(iv) Occupational Safety and Health Act, 1994 ("OSHA")

Generally, the OSHA imposes a duty on every employer to ensure, so far as is practicable, the safety, health and welfare of its employees at work. Such duty includes but is not limited to the following:

(i) the provision and maintenance of plant and systems of work that are, so far as is practicable, safe and without risks to health;

(ii) the making of arrangements for ensuring, so far as is practicable, safety and the absence of risks to health in connection with the use or operation, handling, storage and transport of plant and substances; and

(iii) the formulation of a safety and health policy.

Any person who contravenes the provisions imposed on employers and self-employed persons to ensure the safety and health of employees and persons at work as stipulated in the OSHA shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding two years or both.

An occupier may also be required to employ a competent person to act as a safety and health officer at the place of work, to ensure the due observance at the place of work of the provisions of the OSHA and any regulation made thereunder. A person who contravenes this provision shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM5,000 or to a term of imprisonment not exceeding six months or both.

The OSHA further provides that every employer is required to establish a safety and health committee at the place of work if there are 40 or more persons employed at the place of work or if so directed by the Director General of Occupational Safety and Health. A person who contravenes this provision shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM5,000 or to imprisonment for a term not exceeding six months or both.

The safety and health committee shall, among others, review the measures taken to ensure the safety and health of persons at the place of work and investigate any matter at the place of work which has been brought to the attention of the employer that a member of the committee or a person employed thereat considers is not safe or is a risk to health.

The general penalty under the OSHA provides that a person who by any act or omission contrives any provision of the OSHA or any regulations made under the OSHA shall be guilty of an offence. Where no penalty is expressly provided, the person shall, on conviction, be liable to a fine not exceeding RM10,000 and/or to imprisonment for a term not exceeding one year. In case of a continuing offence, the person shall be liable to a fine not exceeding RM1,000 for every day or part of a day during which the offence continues after conviction.

(v) Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 as amended by the Emergency (Employees' Minimum Standards of Housing, Accommodations and Amenities) (Amendment) Ordinance 2021 ("Emergency Amendment Ordinance") (collectively, "Employee's Accommodation Act")

The Emergency Amendment Ordinance extended the operation of the Employee's Accommodation Act to East Malaysia on 26 February 2021. It prescribes, among other things, the minimum standards of accommodation for employees and centralised accommodations and requires employers to provide health, hospital, medical and social amenities.

The Employee's Accommodation Act imposes the duty and responsibility on employers or centralised accommodation providers to, among others, ensure that: (i) every accommodation provided for employees ("**employee accommodation**") complies with the minimum standards required under the Employee's Accommodation Act and any regulations made thereunder; (ii) no employee accommodation will be provided to an employee unless certified for accommodation; (iii) any accommodation that is unfit for human habitation in accordance with the relevant written laws are not to be used to accommodate employees; (iv) the employee accommodation has decent and adequate amenities in accordance with the Employee's Accommodation Act and any regulations made thereunder; (v) necessary preventive measures are taken to ensure employees' safety and well-being; (vi) the employees receive the necessary medical assistance; (vii) preventive measures are taken to contain the spread of infectious diseases as ordered by the Medical Officer of Health in accordance with the relevant laws and the employer will, at his own expense, make arrangements as ordered by the Medical Officer of Health so that all or any of the employees be given immunisation against any infectious disease.

(vi) Factories and Machinery Act, 1967 ("FMA")

The FMA imposes on the occupier of a factory a number of obligations regarding the health, safety and welfare of employees. In particular, under the FMA, the occupier must ensure that:

(i) the factory maintains certain minimum standards of health and safety; and

(ii) all machinery and every part thereof is of sound construction and sound material, free from defect and suitable for its intended purpose, and is properly maintained.

Any person who contravenes the provisions of the FMA in relation to the above, shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding one year or both. Where the offence is a continuing offence, such person shall also be further liable to a fine not exceeding RM2,000 for each day or part of a day during which the offence continues after the first day in respect of which the conviction is recorded.

The occupier must also ensure that, where relevant, the machinery used or operated has a valid certificate of fitness, failing which the occupier shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM150,000 or to imprisonment for a term not exceeding three years or both.

The FMA provides for different penalties for the various offences and breaches committed under the FMA. Depending on the severity and type of offences and breaches committed, the penalties imposed under the FMA varies in the imposition of a fine of up to RM250,000 and or imprisonment for a term not exceeding five years and may be subject to a further fine of up to RM2,000 for each day or part of a day during which the offence continues in respect of which the conviction is recorded.

7.20.2 Governing laws and regulations relating to the Australia industry

(i) Laws and regulations relating to mining

<u>Mineral titles</u>

Mineral titles in the NT are granted pursuant to the Mineral Titles Act 2010 (NT) ("**Mining Act**") and are normally granted subject to conditions relating to, amongst other things, payment of rent, expenditure requirements, reporting requirements, minimising of environmental impact, environmental rehabilitation, sacred site protection and consultation with either native title parties or (where required) Aboriginal Land Councils.

Work cannot generally be carried out on a mineral title unless the relevant Minister has granted a Mine Authorisation under the Mining Management Act 2001 (NT) ("**Mining Management Act**"). Environmental management of activities conducted on a mine site in the NT is regulated by the Mining Management Act.

Before granting such a Mine Authorisation, the Mining Management Act requires the relevant Minister to be provided with a Mining Management Plan that deals with the identification and description of the mining activities, particulars of the implementation of the management system to address environmental issues, a plan and costing of closure activities, particulars of the organisational structure, plans of current and proposed mine workings, and infrastructure and other information and documents required by the NT Mining Minister.

The Mining Management Act provides that a Mine Authorisation may include the requirement for security in relation to an operator's obligations to comply with the Mining Management Act and to protect and rehabilitate the environment. Mines Department policy is to require security for 100% of the projected cost of rehabilitating a mine site. It is entitled to reassess the security required at any time.

Exploration licences

The holder of an exploration licence is allowed to carry out an approved exploration programme for minerals. An exploration licence, in the Northern Territory, is initially granted for up to six years. The licence is renewable for unlimited further terms of up to two years each. The maximum area of an exploration licence is 250 blocks, which is approximately 800 km^2. Subject to a waiver from the relevant Minister, the holder of an exploration licence must relinquish 50% of the licence area after every two years throughout the initial term, including after the final two years of the initial term. There is no obligation to reduce the area during any renewal term.

Mineral leases

The purpose of a mineral lease, under the Mining Act, is to permit the holder to mine for minerals and undertake other activities in connection with the mining of minerals. The lease term of a mineral lease will be as determined appropriate by the relevant Minister at the time of grant. The holder may apply for renewal before the end of the term and the Minister may renew a mineral lease, more than once, at their discretion.

Applying for an exploration licence or mineral lease

Once an application for an exploration licence or mineral lease is made, it is checked for compliance with the Mining Act and the proposed activities are assessed by the Mines Department. An application for an exploration licence must be accompanied by a technical work program. An application for a mineral lease must include evidence of an ore body or anomalous zone of likely economic value in the proposed title area and a summary of the work proposed to be carried out under the mineral lease.

If after considering an application for an exploration licence or a mineral lease the Minister is of the view that there is no reason to refuse the application, the Minister must publish, in a newspaper circulating throughout the NT, a notice stating that the application for the title has been made, including a statement of relevant information required by the Mining Act, including that a landowner of land within the title area may object to the grant and that any other person may make written submissions about the application.

The Minister may grant the title over all or any of the proposed title area, refuse to grant the title or refer the application to the Northern Territory Civil and Administrative Appeals Tribunal for hearing after considering objections and submissions. The Minister must before making the grant be satisfied that relevant procedures in relation to native title land or Aboriginal land, if applicable, have been satisfied, and special rules apply to the grant of mineral titles in a declared park or reserve.

(ii) Laws and regulations relating to native title, Aboriginal land, Aboriginal heritage and Aboriginal sites

Native title

Australian law recognises 'native title rights' of Australian indigenous people with respect to certain land in Australia. These rights are recognised and protected by the Native Title Act 1993 (Cth) ("**Native Title Act**"), the effect of which is that:

(a) the grant of an exploration licence may in some circumstances trigger a 'right to negotiate' held by any registered native title claimant or holder group but, that is not usually the case in the NT. In the NT exploration licences are usually granted through an expedited procedure requiring no negotiations with native title parties; and

(b) an application for a mineral lease in the NT is usually a right to mine which does trigger a 'right to negotiate' held by any registered native title claimant or holder group. This right to negotiate is a right of the native title party to be engaged in negotiations for the purpose of agreeing terms on which the NT Government may grant the mineral lease. If after six months of negotiation in good faith no agreement has been reached, the matter may be referred to the National Native Title Tribunal to determine, as arbitrator, whether the grant may proceed and if so on what terms. Notwithstanding the ruling by the National Native Title Tribunal the NT Minister still has a discretion whether to go ahead with the grant.

Aboriginal land

Aboriginal land is land that has had freehold title granted to Aboriginal traditional owners pursuant to the Aboriginal Land Rights (Northern Territory) Act 1976 (Cth) ("**Land Rights Act**"). On Aboriginal land:-

(a) Aboriginal traditional owners (who hold title through an Aboriginal Land Trust and who are represented by an Aboriginal Land Council) must be consulted about the grant of an exploration licence. Aboriginal traditional owners have the power to veto the grant of an exploration licence in which event a 5 year moratorium period applies. These processes under the Land Rights Act can substantially delay, or even prevent the grant of an exploration licence; and

(b) a mining agreement under the Land Rights Act must be entered into to allow the grant of a mineral lease on Aboriginal land. Aboriginal traditional owners of the Aboriginal land have no right of veto the holder of an exploration licence securing a mining agreement. There is an arbitration procedure provided for in the Land Rights Act which can be triggered if agreement cannot be reached on terms of the mining agreement.

The native title regime under the Native Title Act does not apply to Aboriginal land. Native title rights may still exist on Aboriginal land but the regime under the Land Rights Act applies to the exclusion of the native title regime on Aboriginal land.

Aboriginal heritage and Aboriginal sites

Australia has legislation (both Australia-wide and NT-specific) that preserves and protects significant Aboriginal sacred sites, objects and sacred sites.

If such sites or objects are on a mineral title, this may affect the exploration or mining programme on the title as the title holder may be required to amend its work programme to comply with the Aboriginal sacred sites and heritage sites regime set out in the relevant legislation.

(iii) Laws and regulations relating to workplace safety

Workplace health and safety in the NT is regulated by the Work Health and Safety (National Uniform Legislation) Act 2011 (NT) ("**Work Health and Safety Act**"). Under the Work Health and Safety Act employers have a duty to ensure, so far as is reasonably practicable, the health, safety and welfare of their workers while at work in the business or undertaking and to ensure that the health and safety of others (such as visitors, contractors and clients) is not put at risk from work carried out as part of the conduct of the business or undertaking.

The Work Health and Safety Act and the regulations made under it requires that an employer must:-

(a) ensure, as far as reasonably practicable, that workers and others are not exposed to risks to health or safety arising from the conduct of mining activities;
(b) take all reasonably practicable measures to ensure that the workplace, and the means of entering and leaving it, are safe;
(c) ensure that workplace fixtures, fittings and plant are without risks to the health and safety of any person; and
(d) establish and implement a risk management plan for all mining activities.

(iv) Laws and regulations relating to environmental protection

Pursuant to the Mining Management Act every person on a mining site has an obligation to take care of the environment. The operator of a mining site must ensure that the environmental impact of mining activities is limited to what is necessary for the establishment, operation and closure of the site and must establish, implement and maintain an appropriate environment protection management system for the site.

If a company proposes to engage in activities to which the Environment Protection Act 2019 (NT) applies, it is required to refer the proposed action to the Northern Territory Environment Protection Agency ("**EPA**").

The EPA will then make a decision whether an environmental impact assessment is required in relation the proposal. If an environmental impact assessment is required it must be carried out in accordance with processes and methods provided for in the Environment Protection Regulations 2020 (NT). On completion of an environmental impact assessment the EPA must provide an assessment report to the Minister for Environment and Natural Resources which report is to include a draft environmental approval provided the EPA does not deliver a statement of unacceptable impact.

An environmental approval authorizes the approval holder to take the action approved in accordance with the approval, the conditions of the approval and the requirements of the Environment Protection Act. An approval may be subject to extensive conditions.

On an Australia-wide level, the Environment Protection and Biodiversity Conservation Act 1999 (Cth) ("**EPBCA**") provides that a person must not take any action that has, will have, or is likely to have, a significant impact on any matters of Australian environmental significance without approval from the relevant Minister in the Federal Government. The EPBCA provides a mechanism for considering whether the matter needs to be referred to the relevant Minister (i.e. whether it would be of national significance) and sets out a process for the relevant Minister to make a decision on this issue.

(v) Laws and regulations relating to mineral taxation

The Mineral Royalty Act 1982 (NT) levies a royalty on recovery of mineral commodities from a mineral tenement in the NT. It is a charge for resource usage and is payable by the holder of the mineral tenement to the NT Government as owner of the minerals in the ground.

The Mineral Royalty Act 1982 (NT) royalty regime imposes a royalty which is the greater of the royalty amount derived using a net profit based royalty calculation and the amount derived based on a percentage of gross production revenue. The percentage of gross production revenue is 1% for the royalty payers first royalty year beginning on or after 1 July 2019 (for royalty years beginning before 1 July 2019 only the net profit royalty applies) increasing to 2% in the following royalty year and 2.5% in the next following royalty year.

The net profit based royalty is calculated at the rate of 20% of the net value of a mine's production. The net value is the gross realization from the mine production unit in the relevant year minus relevant deductions. The allowable deductions are operating costs for the production unit in the royalty year, a deduction for capital costs and a deduction for eligible exploration expenditure.

7.20.3 Governing laws and regulations relating to the China industry

(i) Laws and regulations relating to environmental protection

China has adopted extensive environmental laws and regulations. There are national and local standards applicable to land rehabilitation, reforestation, emission control, discharge to surface and subsurface water and the generation, handling, storage, transportation, treatment and disposal of waste materials. Pursuant to the PRC Environmental Protection Law, the national environmental protection department is empowered to formulate national environmental quality and discharge standards and monitor China's environmental system at the national level. The environmental protection departments at the county level and above are responsible for environmental protection within its jurisdiction. Local environmental protection department may set stricter local standards than the national standards.

The PRC Environmental Protection Law requires any entity operating a facility that discharges pollutants to adopt environmental protection measures in its operations and to establish an environmental protection responsibility system. Measures to control and properly dispose of waste gases, waste water, waste residue, medical waste, dust or other waste materials must be adopted.

Pursuant to the PRC Environmental Protection Law and the Administrative regulations on Environmental Protection for Construction Project which was amended on 16 July 2017 and became effective as of 1 October 2017, and the Law of the People's Republic of China on Evaluation of Environmental which was amended on and became effective as of 29 December 2018, and the Notice of the State Council on Issuing the Air Pollution Prevention and Control, enterprises are required to register or file an environmental impact assessment with the local environmental protection department for approval before undertaking construction of any new production facility or major expansion or renovation of an existing production facility. A new, expanded or renovated facility will not be permitted to commence operation unless the local environmental protection department has inspected and determined to its satisfaction that the requisite environmental protection equipment has passed the acceptance inspection. Environmental protection facilities should be designed, constructed and put to use or into operation simultaneously with the main part of a construction project.

Pursuant to the Administrative Measures for Pollutant Discharge Licencing (for Trial Implementation) which was amended on and became effective as of 22 August 2019, Circular of the General Office of the State Council on the Implementing Plan for the Permit System for Controlling the Discharge of Pollutants and the Environmental Protection Tax Law of the PRC which was amended on and became effective as of 26 October 2018, and the PRC Environmental Protection Law, any entity operating a facility that discharges pollutants, whether in the form of emissions, water, noise, or materials, must submit a written application for pollutant discharge license detailing the amount, type, location and method of treatment. The local environmental protection department will determine an amount of discharge allowable under the law and will issue a pollutant discharge license for that amount of discharge subject to the payment of environmental protection tax. In addition to paying environmental protection tax in accordance with the law, the entity that discharges taxable pollutants into the environment directly shall bear legal liability for the damages caused. If discharges of an enterprise exceed discharge standard of pollutants or control indicators of total discharge quantity of key pollutants, the enterprise may be ordered to suspend or close down its operations.

Pursuant to the requirements under the PRC Water Pollution Control Law which was amended on 27 June 2017 and effective as of 1 January 2018, the environmental protection department of the State Council formulates national waste discharge standards. Enterprises that discharge waste into water shall pay a treatment fee. Each of the local environmental protection bureaus is authorized to regulate water pollution within each of their respective jurisdictions by formulating more specific local standards, and may impose penalties for violation, including suspending operations. New construction projects and reconstruction or expansion projects and other installations on water that directly or indirectly discharge pollutants to water bodies shall be subject to environmental impact assessment in accordance with the law.

Pursuant to PRC Law on Prevention of Air Pollution which was amended and became effective as of 26 October 2018, the environmental protection department of the State Council formulates national air quality standards. Each of the local environmental protection bureaus is authorized to regulate air pollution within each of their respective jurisdictions by formulating more specific local standards, and may impose penalties for violation. Enterprises undertaking development projects which have an impact on atmospheric environment shall conduct environmental impact assessment, and comply with the relevant pollutants emission standards promulgated by the competent authorities.

Pursuant to the Laws of the PRC on the Prevention and Control of Environmental Pollution by Noise amended on and effective as of 29 December 2018, new construction projects, expansion projects or reconstruction projects that discharge pollutants into air shall be subject to the applicable regulations on the environmental protection of construction projects. Industrial enterprises discharging noise by using fixed equipments in the course of operations shall report to the local environment protection department the categories and quantities of their existing facilities for discharging noise and the volume of noise discharged under their normal operation conditions as well as treating facilities against noise and submit to the same governmental department technical information concerning the prevention and control of noise pollution.

Under the Law on Prevention of Environmental Pollution Caused by Solid Waste of the PRC, which was amended on and became effective as of 7 November 2016, entities and individuals collecting, storing, transporting, utilizing, or disposing of solid waste must take precautions against the spread, loss, and leakage of such solid waste or adopt other measures for preventing such solid waste from polluting the environment.

Remedial measures under the PRC Environmental Protection Law and various environmental regulations include, among others, warnings, payments of damages and the impositions of fines. Any entity undertaking a construction project that fails to install pollution prevention and control facilities in compliance with applicable environmental standards may be ordered to suspend production or operations and may be fined. Criminal liability may be imposed for serious violation of environmental laws and regulations that causes material losses of property, personal injuries or death.

According to the Opinion on the Enforcement of the Environmental Protection Laws and Prevention of Credit Risk as promulgated by the national environmental protection department, the People's Bank Of China and the China Banking Regulatory Commission on 12 July 2007, the following irregularities will be addressed as stipulated by the laws: commencement of construction without approval or without appropriate approval, the construction of environmental protection facilities not synchronising with the construction of the production facility, commencement of operation prior to environmental examination. The above breaches will be reported to the local people's bank, banking regulatory department and financial institutes. The financial institutes shall review the application of loans with diligence. For applicants who have not passed the environmental assessment examination or environmental acceptance examination, there will not be additional credit granted. Environmental departments of all levels will sanction against enterprises for the following: excessive discharge of pollutants, excessive total discharge level, discharge of pollutants without obtaining the necessary permits, discharges in breach of the levels allowed by the permit, or failure to recover the damaged environment within a prescribed period. These breaches will be reported to the local people's bank, banking regulatory department and financial institutes. The financial institutes of all levels shall review enterprises' application of loans with diligence. They should act on the information provided by the environmental protection departments and control the granting of loans with a view to prevent credit risk to the enterprises which are in violation of the environmental laws.

(ii) Laws and regulations relating to production safety

Pursuant to the Law on Production Safety of the PRC (the "**Safety Law**") which was amended on 31 August 2014 and became effective as of 1 December 2014, the State Administration of Work Safety is responsible for the overall supervision and management of production safety nationwide while the departments in charge of production safety at the county level or above are responsible for the overall supervision and management of production safety within their own jurisdictions.

Entities engaged in production and business operations must implement standards prescribed for the purpose of ensuring work safety and satisfy conditions set by applicable laws, administrative regulations and national or industrial standards. Any entity that fails to satisfy such conditions shall not be entitled to engage in production or business operations. Entities engaged in production and business operations must install prominent warning signs at relevant dangerous operation sites and on associated facilities and equipment.

Pursuant to the Safety Law, the employer shall offer education and training programmes to the employees regarding production safety. The designing, manufacturing, installation, using, checking, maintenance, reforming and claiming as useless of safety equipments shall be in conformity with the national standards or industrial standards. In addition, the employer shall provide employee protection articles that meet the national standards or industrial standards to the employees thereof, and supervise and educate the employees to use these articles according to the prescribed rules.

In addition, under the Safety Law of the PRC, the penalties for breach of production safety laws vary from warnings, fines, suspending production or operation, to other administrative sanctions, depending on the degree of damage or the results of the incidents. The responsible person of the enterprise may be subject to criminal liabilities for serious breaches resulting in significant incidents. The State implements an accountability system over incidents relating to production safety. The responsible person for a production safety incident may be subject to criminal liabilities.

(iii) Laws and regulations relating to taxation

Pursuant to the Enterprise Income Tax Laws of the PRC which was amended on and became effective as of 29 December 2018 and the Implementing Regulations for the PRC Enterprise Income Tax Law, enterprise income tax rate for both foreign investment enterprises and domestic companies is set at 25%. Enterprises approved to be established prior to the promulgation of the Enterprise Income Tax Laws of the PRC and entitled to a tax reduction or exemption for a fixed period are entitled to such tax reduction or exemption until the fixed period expires.

Pursuant to *the* Notice on the Export Refund Cancellation of the Electrolytic Aluminium and Ferro Alloy Commodity issued by the State Ministry of Finance and State Administration of Taxation, the export value-added tax refund of relevant ferro alloy commodities (including but not limited to ferromanganese, silicoferrite and ferro-silico-manganese) shall be cancelled as of 1 January 2005. On 18 December 2019, the State Council Tariff Commission issued a Notice about the Adjustment for Provisional Import and Export Tariff (No. 50, 2019) in 2020, under which, the rates of export tax for relevant ferro alloy commodities (including but not limited to silicoferrite and, ferrochromium) include 20%, 25% and 40% as of 1 January 2020.

(iv) Laws and regulations relating to labour

Pursuant to the Labour Law of the PRC amended on and effective as of 29 December 2018, labour contracts shall be entered into if labour relationships are to be established between the employers and the employees. The employer is prohibited from requiring the employees to work in excess of the time limit and shall provide salary no lower than local standards of minimum salary to the employees. The employer shall establish and enhance its system for labour safety and sanitation, strictly abide by State rules and standards on labour safety and sanitation and educate employees on labour safety and sanitation. Labour safety and sanitation facilities shall meet State standards. The employer shall provide employees with labour safety and sanitation conditions meeting State stipulations and necessary articles of labour protection and carry out regular health examination for employees engaged in work with occupational hazards. The State provides special protection to female staff and juvenile workers.

The Labour Contract Law of the PRC which was amended on 28 December 2012 and became effective as of 1 July 2013, provides additional protection to the legal rights of the employees by requiring written labour employment contracts and long-term contractual employment relationships, limiting the scope of the circumstances under which employees could be required to pay penalties for breach of employment contracts and imposing stricter sanctions on employers who fail to pay remuneration or social security premiums for their employees. Pursuant to the Regulation on Occupational Injury Insurance amended as of 20 December 2010 and effective as of 1 January 2011, employers in the PRC shall pay the occupational injury insurance fees for their employees.

Pursuant to the Social Insurance Law, promulgated on 28 October 2010, which became effective on 1 July 2011 and was amended on 29 December 12 2018 which amendment became effective on the same date, the Interim Regulations concerning the Levy of Social Insurance amended on and effective as of 24 March 2019 and the Regulation concerning Housing Fund amended on and effective as of 24 March 2019, employers are required to contribute, on behalf of their employees, to a number of social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance, maternity leave insurance, and to housing provident funds. These payments are made to local administrative authorities and any employer who fails to contribute may be fined and ordered to pay the outstanding amount within a stipulated time period.

(v) Laws and regulations relating to foreign currency exchange

The foreign exchange system has been established and reformed gradually with the modernization and marketisation of the PRC. The fundamental regulation relating to foreign currency exchange of PRC is the Regulations on the Foreign Exchange which became effective as of 5 August 2008. In general, RMB is convertible for current account transactions, whereas capital account transactions require the approval or registration from the State Administration of Foreign Exchange; all foreign debt is subject to planning and monitoring at the macroeconomic level. The foreign investor of the foreign-invested enterprises may remit abroad its dividend and other capital obtained by ways of reduction of registered capital, share transfer and liquidation.

Pursuant to the Circular on Reforming the Management Approach regarding the Foreign Exchange Capital Settlement of Foreign-invested Enterprise ("**SAFE Circular 19**") promulgated by the State Administration of Foreign Exchange, foreign-invested enterprises are allowed to settle their foreign exchange capital at their discretion. The RMB converted from the foreign exchange capital will be kept in a designated account and if a foreign-invested enterprise needs to make further payment from such account, it still needs to provide supporting documents and proceed with the review process with the banks. Furthermore, SAFE Circular 19 stipulates that the use of capital by foreign-invested enterprises shall follow the principles of authenticity and self-use within the business scope of enterprises.

(vi) Laws and regulations relating to foreign debt

Pursuant to the Interim Provisions on the Management of Foreign Debts, the Statistical Monitoring of Foreign Debts Tentative Provisions, the Detailed Rules for the Implementation of Provisional Regulations on Statistics and Supervision of External Debt, and the Administrative Measures for Registration of Foreign Debts, a loan made by a foreign entity as direct or indirect shareholder in a foreign-invested enterprise is considered to be foreign debt in PRC, a shareholder loan in the form of foreign debt made to a PRC entity does not require the prior approval of the State Administration of Foreign Exchange. However, such foreign debt must be registered with and recorded by the State Administration of Foreign Exchange or its local branches within 15 business days after entering into the foreign debt contract.

(vii) Laws and regulations relating to foreign investment

On March 15 2019, the National People's Congress promulgated the Foreign Investment Law of the PRC, effective as of January 1 2020 and replace the trio of existing laws regulating foreign investment in China, i.e. the Sino-foreign Equity Joint Venture Enterprise Law of the PRC, the Sino-foreign Cooperative Joint Venture Enterprise Law of the PRC and the Wholly Foreign-invested Enterprise Law of the PRC, together with their implementation rules and ancillary regulations. The existing foreign-invested enterprises established prior to the effective of the Foreign Investment Law may keep their corporate forms, among other things, within five years after January 1, 2020. Pursuant to the Foreign Investment Law, "foreign investors" means natural person, enterprise, or other organization of a foreign country, foreign-invested enterprises means any enterprise established under PRC law that is wholly or partially invested by foreign investors and "foreign investment" means any foreign investor's direct or indirect investment in mainland China, including: (i) establishing foreign-invested enterprises in mainland China either individually or jointly with other investors; (ii) obtaining stock shares, stock equity, property shares, other similar interests in Chinese domestic enterprises; (iii) investing in new projects in mainland China either individually or jointly with other investors; and (iv) making investment through other means provided by laws, administrative regulations, or State Council provisions.

Pursuant to the Foreign Investment Law, PRC implements the management system of pre-establishment national treatment plus a negative list to foreign investment and the government generally will not expropriate foreign investment, except under special circumstances, in which case it will provide fair and reasonable compensation to foreign investors. Foreign investors are barred from investing in prohibited industries on the negative list and must comply with the specified requirements when investing in restricted industries on that list. When a license is required to enter a certain industry, the foreign investor must apply for one, and the government must treat the application the same as one by a domestic enterprise, except where laws or regulations provide otherwise. In addition, foreign investors or foreign-invested enterprises are required to file information reports and foreign investment shall be subject to the national security review.

(viii) Laws and regulations relating to foreign trade

Pursuant to the Administrative Measures on Commodity Export Permit License which became effective as of 1 July 2008 and the Catalogue of the Export Permit License Commodity of 2021 which became effective as of 1 January 2021, ferro alloy product is subject to the export permit license administration. The Ministry of Commerce is responsible for the supervision and administration of the export permit license nationwide.

Pursuant to the PRC Foreign Trade Law, the foreign trade operator shall register the relevant business scope with competent administration for market regulation. And generally, foreign trade operators engaging in import or export of goods or technologies shall file records with the foreign trade department of the State Council or its authorized agency.

According to the PRC Foreign Trade Law and Regulations of the PRC on the Import and Export of Goods, exporters shall make application to department of the State Council for foreign trade and economics or to other relevant departments of the State Council in relation to the export of restricted goods for which a system of license administration has been put in place. Exporters shall complete customs clearance formalities through customs on the basis of the export license provided by the export license administration department.

7.20.4 Governing laws and regulations relating to the Singapore industry

(i) Employment Act

The Employment Act (Chapter 91) of Singapore ("**EA**") is also administered by the Ministry of Manpower Singapore and sets out the basic terms and conditions of employment and the rights and responsibilities of employers as well as employees. With effect from 1 April 2019, the core provisions of the EA relating to, among other things, minimum number of days of annual leave, paid public holidays and medical leave, timely payment of salary as well as statutory protection against wrongful dismissal, extend to all employees, including persons employed in managerial or executive positions, with certain exceptions.

In particular, Part IV of the EA sets out enhanced protection requirements such as rest days, hours of work and other conditions of service for workmen who receive salaries not exceeding S$4,500 a month and employees (other than workmen) who receive salaries not exceeding S$2,600 a month ("**relevant employees**"). Section 38(8) of the EA provides that a relevant employee is not allowed to work for more than 12 hours in any one day except in specified circumstances, such as where the work is essential to the life of the community, defence or security. In addition, section 38(5) of the EA limits the extent of overtime work that a relevant employee can perform to 72 hours a month.

Employers must seek the prior approval of the Commissioner for Labour ("**Commissioner**") for exemption if they require a relevant employee or class of relevant employees to work for more than 12 hours a day or work overtime for more than 72 hours a month. The Commissioner may, after considering the operational needs of the employer and the health and safety of the relevant employee or class of relevant employees, by order in writing exempt such relevant employees from the overtime limits subject to such conditions as the Commissioner thinks fit. Where such exemptions have been granted, the employer shall display the order or a copy thereof conspicuously in the place where such employees are employed.

From 1 April 2016, employers are required to provide itemised pay slips to all employees, provide a written record of key employment terms to its employees who are covered under the EA and who are employed for 14 days or more and keep detailed employment records for each employee. The key employment terms required to be provided include, among other things, a description of main duties and responsibilities, daily working hours, number of working days per week and rest days, salary period, basic rate of pay, fixed allowances and deductions, rate of overtime pay, leave entitlement and medical benefits.

(ii) Employment of Foreign Manpower Act

The policies and regulations relating to the employment of foreign employees are set out in, amongst others, the Employment of Foreign Manpower Act (Chapter 91A) of Singapore ("**EFMA**") and the relevant Government Gazettes.

Under the EFMA, no person shall employ a foreign employee and no foreign employee shall be in the employment of an employer unless the foreign employee has a valid work pass. A work pass would be any of the following: (a) an employment pass, for foreign professionals, managers and executives earning at least S$4,500 per month and who have acceptable qualifications; (b) an S pass for mid-level skilled staff who earn at least S$2,500 per month and who meet the assessment criteria; and (c) work permits for foreign workers including semi-skilled foreign workers. In addition, the legally married spouses and/or unmarried children under 21 years of age of employment pass or S pass holders are permitted to work in Singapore under a dependent's pass, subject to certain requirements.
The Employment of Foreign Manpower (Work Passes) Regulations 2012 ("**EFMR**") requires employers of S Pass holders, among other things, to:

- bear the costs of medical treatment (unless in excess of the minimum mandatory coverage in certain instances); and
- purchase and maintain medical insurance for inpatient care and day surgery, with coverage of at least S$15,000 per every 12-month period (or for such shorter period where the foreign employee's period of employment is less than 12 months).

An employer of foreign workers is also subject to, amongst others, the provisions set out in the EA, the EFMA, the Immigration Act (Chapter 133) of Singapore and the Immigration Regulations.

(iii) Workplace Safety and Health Act

The Workplace Safety and Health Act (Chapter 354A) of Singapore ("**WSHA**") is administered by the Ministry of Manpower ("**MOM**"). Under the WSHA, every employer has the duty to take, so far as is reasonably practicable, such measures as are necessary to ensure the safety and health of his employees at work. These measures include providing and maintaining for the employees a work environment which is safe, without risk to health, and adequate as regards facilities and arrangements for their welfare at work, ensuring that adequate safety measures are taken in respect of any machinery, equipment, plant, article or process used by the employees, ensuring that the employees are not exposed to hazards arising out of the arrangement, disposal, manipulation, organisation, processing, storage, transport, working or use of things in their workplace or near their workplace and under the control of the employer, developing and implementing procedures for dealing with emergencies that may arise while those persons are at work and ensuring that the person at work has adequate instruction, information, training and supervision as is necessary for that person to perform his work.

(iv) Work Injury Compensation Act

The Work Injury Compensation Act (Chapter 354) of Singapore ("**WICA**"), which is regulated by the MOM, applies to all employees in all industries engaged under a contract of service in respect of injury suffered by them in the course of their employment and sets out, amongst others, the amount of compensation they are entitled to and the method(s) of calculating such compensation.

The WICA provides that the employer shall be liable to pay compensation in accordance with the provisions of the WICA, if personal injury by accident arising out of and in the course of the employment is caused to an employee.

(v) Work Injury Compensation Bill 2019

Following the Work Injury Compensation Bill 2019 which was passed on 3 September 2019, the Work Injury Compensation Act 2019 will take effect from 1 September 2020 and other related amendments will take effect in stages starting from 1 January 2020. The key changes under the Work Injury Compensation Act 2019 include: (a) making all employers' policies and past claims data available to all designated work injury compensation insurers; (b) streamlined processing of WICA claims; (c) enhanced work injury compensation insurance for employees; and (d) providing more certainty for employers purchasing injury compensation insurance to ensure adequate coverage.

Prior to 1 April 2020, employers were required to maintain work injury compensation insurance for all employees doing manual work regardless of salary level as well as non-manual employees in factories earning S$1,600 or less a month, who are engaged under contracts of service (unless exempted). With effect from 1 April 2020, employers are additionally required to maintain work injury compensation insurance for all non-manual employees in non-factories, and the salary threshold for non-manual employees has increased to S$2,100 per month. With effect from 1 April 2021, the salary threshold for non-manual employees will further increase to S$2,600 per month.

With effect from 1 January 2020, compensation limits have been updated to keep pace with wage growth and healthcare costs. The minimum and maximum compensation for death have increased from S$69,000 and S$204,000 respectively to S$76,000 and S$225,000 respectively. The minimum and maximum compensation for total permanent incapacity have increased from S$88,000 and S$262,000 respectively to S$225,000 and S$289,000 respectively. The maximum compensation limit for medical expenses has increased from S$36,000 to S$45,000.

(vi) Central Provident Fund Act

The Central Provident Fund ("**CPF**") is a mandatory social security savings scheme funded by contributions from employers and employees. Pursuant to the Central Provident Fund Act (Chapter 36) of Singapore, an employer is obliged to make CPF contributions for all employees who are Singapore citizens or permanent residents who are employed in Singapore under a contract of service (unless exempted). CPF contributions are not applicable for foreigners who hold employment passes, S passes or work permits. CPF contributions are required for both ordinary wages and additional wages (subject to a yearly additional wage ceiling) of employees at the applicable prescribed rates which is dependent on, among others, the amount of monthly wages and the age of the employee. An employer must pay both the employer's and employee's share of the monthly CPF contribution. However, an employer can recover an employee's share of CPF contributions by deducting it from such employee's wages when the contributions are paid for that month.

7.21 MATERIAL PROPERTIES, PLANT AND EQUIPMENT

Details of material properties and plant owned by our Group or leased/tenanted by our Group and material equipment are set out in **Annexure E** of this Prospectus.

7.22 MATERIAL DEPENDENCY ON COMMERCIAL CONTRACTS, AGREEMENTS AND OTHER ARRANGEMENTS

Save as disclosed below, as at the LPD, there are no material contracts, agreements and other arrangements or other matters which have been entered into by us which we are materially dependent on and are material to our Group's business and profitability.

We have secured a long term electricity supply contract with Sarawak Energy Berhad's wholly-owned subsidiary, SESCO, for the supply and sale of electricity to the Sarawak Plant in the Samalaju Industrial Park operated by OM Sarawak pursuant to the terms of power purchase agreement as set out below:-

Third Amended and Restated Power Purchase Agreement dated 31 July 2019 made between SESCO and OM Sarawak and the Amendment No. 1 to the PPA dated 15 December 2020 ("Amendment No. 1") ("PPA")

On 31 July 2019, OM Sarawak entered into the PPA with SESCO for the supply and sale of electricity energy to the mineral ore and alloys smelter facility in the Samalaju Industrial Park operated by OM Sarawak pursuant to the term of this Agreement ("**Contract Energy**"). The PPA consolidates the previous power purchase agreements entered between the parties on 2 February 2012, 31 May 2013 and 13 June 2016.

Term of the PPA

The PPA commenced on ***31 December 2013*** ("**Closing Date**") and shall continue until the expiration of ***31 December 2033*** ("**Supply Term**"), unless terminated earlier in accordance with the provisions of the PPA. By written agreement, the parties may choose to extend the PPA for a further 20 years ("**Extended Term**") commencing on the expiry of the Supply Term provided that SESCO shall have obtained a renewal of its license to transmit and distribute electricity for the entire Extended Term.

Take-or-pay obligation

During the Supply Term, SESCO shall supply and sell electricity to OM Sarawak an aggregate of Base Capacity and Additional Capacity, making up a total nominal electrical load of 350MW from the period commencing from 1 June 2018 to the expiration of Supply term ("**Nominated Capacity**"):-

OM Sarawak shall take and pay for Contract Energy. If OM Sarawak does not take Contract Energy up to the respective take-or-pay volumes as provided under the agreement for the respective billing periods, OM Sarawak shall pay for such Take-or-Pay Volume ("**TOPV**") in accordance with the terms and subject to the conditions of the PPA thereto. Further to the Amendment No. 1, OM Sarawak is also entitled to a temporary take-or-pay volume reduction for the period of 1 February 2020 until 31 December 2021.

If the TOPV exceed the net metered volume ("**Consumption Shortfall**") for any billing period OM Sarawak may take additional volumes of Contract Energy from SESCO ("**Make-up Volume**"). OM Sarawak may only take Make-Up Volume during applicable billing period in which OM Sarawak actually takes at least the TOPV applicable, and during any Consumption Shortfall arising within certain periods agreed between the parties from which such volume arose in accordance with the terms and conditions of the PPA thereto.

In the event SESCO is unable to supply and sell the agreed upon volumes of Contract Energy, SESCO shall pay to OM Sarawak liquidated damages to be calculated daily subject to a cap of maximum aggregate liability which has been agreed upon in the PPA ("**Aggregate Liability Cap**"). Should SESCO's aggregate liability for liquidated damages equals to the Aggregate Liability Cap, it shall constitute as an event of default by SESCO to which OM Sarawak may provide SESCO with a default notice and may elect to either:

(a) terminate all the rights and obligations of OM Sarawak and to recover damages from SESCO; or

(b) in lieu of the above damages, to recover from SESCO damages and any other amounts due and owing to OM Sarawak under the PPA, as its sole and exclusive remedy.

Availability of excess volume

OM Sarawak may request that SESCO to make available excess volume of a certain percentage above the volume corresponding to the Nominated Capacity for any hour (or portion thereof) ("**Excess Volume**") upon receipt of a request made in accordance with the terms and condition of the PPA. SESCO shall exercise its best endeavours to make available the Excess Volume, except to the extent, in relation to such period, that SESCO's supply commitments to third parties, its duties under the Electricity (State Grid Code) Rules 2003 (including to maintain system integrity) or the occurrence of a Permitted Outage would prevent SESCO from so doing.

Payment and Tariff

The tariff is charged for each energy taken, or deemed to be taken during each take-or pay billing period which was determined based on formula set out in the PPA. OM Sarawak shall pay to SESCO the amount specified in the monthly invoice within a certain agreed period of time from the date of such invoice.

In the event of a change of circumstances, then SESCO may, in the case of any increased costs, or shall, in the case of any decreased costs, advise OM Sarawak that it requires the parties to review the tariff. SESCO shall provide OM Sarawak with a notice on such revision and OM Sarawak shall within ten business days from the receipt of the notice dispute the appropriateness of the method of calculating the change in costs by providing to SESCO a method dispute notice.

If OM Sarawak fails to provide such notice to SESCO, it shall be deemed to have accepted the calculation method. Upon SESCO receiving such Method Dispute Notice, both parties shall negotiate in good faith and use all reasonable endeavours to reach an agreement on the revision of tariff.

Default and Termination

Upon the occurrence of a default by OM Sarawak or by SESCO, the party affected by such default may provide the defaulting party with written notice of the default specifying particulars of such default ("**Default Notice**") and may elect in such Default Notice to either, amongst others:-

(a) terminate all of the rights and obligations of OM Sarawak and SESCO arising out of the PPA and to claim for certain remedies in accordance with the terms and conditions set out in the PPA thereto; or

(b) in lieu of the remedies prescribed in paragraph (a) above, to recover all unpaid damages from the defaulting party subject to Clause 22.05 (*No Consequential Damages*) and any amounts due and owing arising out of the PPA.

The PPA shall be terminated upon the earlier to occur of:-

(a) an agreement in writing among OM Sarawak and SESCO;

(b) the date on which all of the rights and obligations arising under the PPA of OM Sarawak have been terminated as a result of prolonged event of force majeure (as set out in Sub-Clause 12.06), default by buyer or seller (as set out in Sub Clause 17.04 and Sub-Clause 17.05), or termination for convenience (as set out in (iv) below), as the case may be; and

(c) the expiration of the term of the PPA.

In the event the PPA is terminated as a result of a default attributable to OM Sarawak, OM Sarawak shall pay to SESCO a certain amount of liquidated damages set out in the PPA which SESCO (i) acknowledges and agrees that the liquidated damage amounts (A) represent fair and reasonable estimates of the loss, which SESCO will suffer and (B) subject to the terms of the PPA, constitutes SESCO's sole and exclusive remedy, in each case in the event of termination of the PPA as a result of OM Sarawak's default, and (ii) accordingly hereby waives its right to dispute the validity of such clause.

7.23 HEALTH, SAFETY AND ENVIRONMENTAL MATTERS

We are committed to achieving the highest performance in occupational health and safety across all our business operations with a target to minimise incidents and injuries on every project.

Bootu Creek Mine

OMM must comply with the occupational health and safety requirements found in the Work Health and Safety Act that sets out the legislative health and safety requirements of a mine site and the activities associated with mining. Regular safety inspections are also conducted at the Bootu Creek Mine to assess compliance with the Work Health and Safety Act. OMM has a Risk Management Plan in place to ensure 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. OMM operates according to the requirements of a project specific Safety Management System, developed to ensure compliance with all legislative, corporate, legal and moral requirements relating to health and safety for the Bootu Creek Mine.

OMM operates the Bootu Creek Mine in accordance with an Environmental Management Plan which forms part of Mining Management Plan for the Bootu Creek Mine. The Environmental Management Plan covers waste and hazardous materials management strategies, limiting hazardous substances to be used within operations. Other reports such as a National Pollutant Inventory report is submitted to the Northern Territory Environment Protection Agency annually and a National Greenhouse Energy and Inventory Report is submitted annually to the National Clean Energy Regulator.

Sarawak Plant

As at the LPD, our operations at the Sarawak Plant are in compliance with the Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967. Occupational Safety and Health Policy is in place and a safety work system is established to prevent any foreseeable occupational risks. Training and personal protective equipment are also provided to employees to ensure the adherence of the safety guidelines. An Incident Reporting Policy has been established where all incidents are documented with the appropriate follow up actions. Any incidents under the category of Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease (NADOPOD) are notified and reported to the Department of Occupational Safety and Health (DOSH) office.

At the Sarawak Plant, dust and particulate matters are monitored continuously through a Continuous Emissions Monitoring System (CEMS) installed at the plants. Any exceedance in emissions will be reported straight to the Department of Environment of Malaysia (DOE). Waste gases from ferrosilicon furnaces will be sent to the dry dust control equipment which consists of a series of cyclones and bag filters to filter off the dust before the gases are released to the atmosphere. Ambient air monitoring are required to be carried out quarterly.

Domestic waste are segregated to be recycled, sold or disposed to an approved landfill site by the local authority. Industrial scheduled waste are segregated according to its type and stored in separate containers which are compatible, durable and able to prevent leakage of waste to the environment and labelled accordingly. All scheduled wastes are sent for final disposal or recovery by DOE approved transporter to DOE prescribed premise.

Qinzhou Plant

Our operations at Qinzhou, China 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 of industrial standards. Please refer to **Section 7.20.3(ii)** of this Prospectus for further details on the Law on Production Safety.

Our Qinzhou Plant is subject to the relevant regulations and requirements of the "Environmental Protection Law of the People's Republic of China". In accordance with the environmental protection requirements, our Qinzhou Plant had incorporated dust removal systems, coupled with monitoring platform at discharge outlet connected to the monitoring equipment. Waste water generated during the production process is recycled and not discharged.

7.24 CORPORATE SOCIAL RESPONSIBILITY

Our Group has successfully employed and supported the local community within its operations in the various countries. We acknowledge that our long-term success depends on the well-being and development of the communities in which we operate. We are committed to engage with local communities in building bridges to minimise cultural and social value gaps and to provide enduring progressive opportunities to the workforce. This commitment has come to fruition through various programs which gives our employees the opportunity to grow a career at OMH and gain valuable experience within the resources sector.

OMM has been actively engaging with traditional land owners and other persons who may be directly affected by the entity's operations through regular meetings with the community. Cross-cultural awareness and protection on identified sites of cultural and heritage significance have been widely promoted among employees. As a contribution back to the traditional owners, several community projects including fencing of sacred sites, road maintenance and minor rehabilitation functions have been carried out. To support the indigenous community, employment opportunities are provided to indigenous candidates through various training programs.

OM Sarawak places high priority in giving back to the community in which it operates. Various initiatives were organized throughout the years benefitting the community at large. Local community activities such as the back to school programme for SK Kuala Nyalau is being held annually, building better environment and education for the children. Other contributions include monetary donations and sponsorships for events. In April 2020, OM Sarawak contributed RM1.4 million worth of personal protective equipment to the health care front-liners in Sarawak to contain the spread of the COVID-19 pandemic.

7.25 COMPETITIVE STRENGTHS, FUTURE PLANS AND STRATEGIES

7.25.1 Competitive strengths

(i) We are a vertically integrated producer with a diverse and balanced portfolio of manganese ore and ferroalloy production assets

We are an integrated manganese ore and ferroalloy company covering the upstream operations involving exploration and mining of manganese ore and the downstream activities of smelting and trading of manganese ore and ferroalloys to 3rd parties. We own the mineral lease ML24031 which is the sole mineral title for the Bootu Creek Mine, and our current facilities comprise an onsite ore processing facility at the Bootu Creek Mine, as well as ferroalloy production facilities in Sarawak, Malaysia and Qinzhou, China. We also effectively own 13.0% of the Tshipi Borwa Manganese Mine in South Africa.

We believe our competitive advantages resulting from our vertically integrated business activities include, amongst others, price exposure to and reliable supply of manganese ore, hedging our price risk and dependence on 3rd party suppliers, synchronisation of supply and demand at different stages of the production chain, reduction in transaction cost, as well as our ability to improve our profitability by strategically focusing on more profitable stages in the value chain.

Our ferroalloy production facilities utilise manganese ore sourced from both the Bootu Creek Mine and 3rd party suppliers. Manganese ore sourced from the Bootu Creek Mine used as raw material for our Sarawak Plant represents approximately 18.8%, 23.4%, 29.6% and 29.6% of the total sales of Bootu Creek Mine manganese ore for the FYEs 31 December 2017, 2018, 2019 and 2020 respectively. This provides us with a reliable supply of manganese ore and the flexibility to manage our production based on our various sources of manganese ore.

Further, our vertically integrated business model allows us to understand the market and end user requirements pertaining to, amongst others, quality, pricing, and relative value of different manganese ore and ferroalloy products. Such market intelligence and know-how enables us to make strategic decisions to better capture opportunities along the value chain. Coupled with our marketing and trading business, our Group is able to streamline the supply chain operation and optimise the procurement process for product inputs required at the smelting plants. Product flows from raw materials to end products are handled efficiently, allowing reduction in transaction cost at different stages of the value chain.

Presently, our Sarawak Plant produces all 3 ferroalloys essential in the production of steel, namely, silicomanganese, high carbon ferromanganese and ferrosilicon. We will also be able to expand or alter our product portfolio based on market demand if market conditions are favourable, thereby enabling us to manage our earnings volatility and our exposures to risks within any single product market.

Finally, being vertically integrated insulates our Group against segmental price shocks, effectively hedging our earnings. Mining and smelting may make relatively different returns at any given point, but our Group earns margins from the entire value chain. This allows the added flexibility of selling more manganese ore when the returns from mining are higher than smelting, and vice versa.

(ii) Our Sarawak Plant is relatively cost competitive, runs on green renewable energy secured by a long-term power contract, and is modular with flexible production capabilities

Our primary smelting operations are carried out in our Sarawak Plant, comprising 16 furnaces, 10 of which are allocated for the production of ferrosilicon and 6 for the production of manganese alloys. Our design capability also enables us to strategise and customise our production mix, catering to global market demand as well as customer preferences and requirements. In addition, we can modify our existing furnaces to customise the ferroalloys produced to be used in a wide range of industries and across diverse end-use markets.

In response to challenging market conditions, we are in the midst of converting 2 idled ferrosilicon furnaces, which were idled in February 2020 as an interim precautionary measure against the potential disruption of raw materials as a result of the COVID-19 pandemic, to produce silicomanganese in the near term. Such conversion of furnaces is in response to (i) the potential uptake in global consumption and market demand for silicomanganese over ferrosilicon, as set out in the outlook of ferrosilicon, manganese alloys and manganese consumption in **Section 8 - Industry Overview** of this Prospectus; and (ii) to generate the highest return per furnace over the full price cycle. However, depending on market conditions, the implementation of conversion of furnaces would be reassessed if the market price of ferrosilicon is favourable and to our benefit.

Our Sarawak Plant benefits from a competitively priced and reliable hydropower supply. We entered into a 20-year take-or-pay Power Purchase Agreement valid till year 2033, for an initial annual nominated power capacity of 350MW, with fixed price escalation terms.

As power supply is a key component of our smelting operations, attributing to approximately 15.5%, 12.2%, 18.5% and 22.6% of our total cost of sales for the past 4 FYEs 31 December 2017, 2018, 2019 and 2020 respectively, the secured power terms under the Power Purchase Agreement enables our Group to operate our Sarawak Plant at relatively low production costs, thereby enabling our Group to better manage our margins.

As set out in the Industry Overview in **Section 8** of this Prospectus, our Sarawak Plant is in the 1st cost quartile as a supplier to the Japanese market, and to other Asian markets outside China, benefitting from affordable power supply and logistical advantages.

(iii) We benefit from logistical advantages given the strategic locations of the Bootu Creek Mine, Sarawak Plant and Qinzhou Plant

A well planned and managed logistics network is critical for us to maintain our price competitiveness. Our Group's operations are strategically located in close proximity to our main customers based in Asia Pacific.

As set out in the Industry Overview in **Section 8** of this Prospectus, over 78% of the world's manganese ore production on a contained manganese basis in 2020 was collectively from South Africa, Australia, Gabon and Brazil, out of which 18% was from Australia. Manganese ore from the Bootu Creek Mine is shipped from the Port of Darwin which is comparatively closer to countries in Asia Pacific than ports from South Africa and Brazil. As such, transportation of manganese ore from the Port of Darwin to China and Malaysia takes a significantly shorter time, averaging around 9 days. By comparison, it would typically take more than 25 days to transport manganese ore from Africa. The significantly shorter shipping time translates to a reduction in related shipping costs, creating a cost advantage for our Group.

Our Sarawak Plant is located in Samalaju Industrial Park, a coastal industrial land with direct access to a dedicated port facility 7 km away. The Sarawak Plant's geographical location in the centre of South East Asia is well sited along global trade routes, especially the trade route into China. Proximity to port facilities, raw material sources and key growing Asian markets are major differentiators between us and other ferroalloy producers.

Likewise, our Qinzhou Plant is located within 2 km of the Qinzhou Port in Southern China. The plant is in close proximity to a hub of steel mills. In contrast, most plants in Northern China are hundreds of kilometres away from ports.

(iv) We have an experienced and dedicated management team with a good execution track record

Our Group's business is supported by a strong management and operational team across the entire value chain, who possess extensive experience in the manganese ore and ferroalloy industry. Our management team has a successful track record in key areas of manganese ore mining and processing, downstream smelting, product development and marketing of manganese ore and ferroalloy products in the Asia Pacific and global markets.

Our Group's Non-Independent Executive Chairman and Chief Executive Officer, Low Ngee Tong, has accumulated over 35 years of experience in the global raw materials trade, in particular, the sales and marketing of manganese ore and ferroalloys. He has the range of skills, knowledge and experience necessary to lead our Group and understands the industries and market segments in which our Group operates in. Further details of Low Ngee Tong's profile are set out in **Section 9.2.3** of this Prospectus.

Through the leadership of Low Ngee Tong, as well as the contributions of the management team, our Group's business has successfully evolved over the years, from a metals trader, to a vertically integrated manganese ore and ferroalloy producer, covering segments across the industry value chain.

7.25.2 Future plans and strategies

(i) We intend to expand our manganese ore resources through strategic investments and partnerships with other manganese ore exploration companies and miners

We believe a reliable and competitively priced supply of manganese ore is fundamental to the long-term sustainable expansion of our business. We will continue exploring strategic investments with other manganese ore exploration companies and miners to carry out exploration activities and to attain mining rights to mining reserves. In addition, we will seek to enter into partnerships with other suppliers to secure a continuous supply of manganese ore.

We will continue to pursue the joint venture arrangement for the Bryah Joint Venture for the exploration of mineable manganese ore in central Western Australia, as well as the 701 Mile Joint Venture for the exploration of mineable manganese and iron minerals in the Meekatharra Shire region of Western Australia. The results of the exploration drilling for the Bryah Joint Venture were subsequently encouraging for us to proceed with the next stage, whereby OMM can elect to fund an additional A$2.0 million (in 4 tranches of A$0.5 million) in manganese exploration by 30 June 2022, which would bring OMM's interest to 51% of the project. Our investment in the Bryah Joint Venture is expected to complement our vertically integrated business model. As at the LPD, OMM has funded A$2.50 million in the Bryah Joint Venture, which is expected to increase OMM's interest from 30.0% as at the LPD to 40.0% once the funds have been expended.

Our 701 Mile Joint Venture for the 701 Mile Manganese Project, which is in the preliminary stages, also provides us the right to earn up to an 80% interest in manganese and iron mineral rights in Newman, Western Australia. This joint venture forms part of our ongoing strategy to pursue and identify manganese mining production and marketing opportunities aligned with our core business.

In addition, we are also exploring opportunities in securing further long-term offtake supply arrangements with potential manganese ore exploration companies. This is in line with the plan of expanding manganese ore supply for our Group. In particular, we had entered into a binding take-or-pay offtake agreement with Element 25 Limited in January 2021. The binding take-or-pay offtake agreement is for the supply of manganese ore to us for a 5 year term, with conditional provisions to extend for another 5 years.

Through both strategic investments and partnerships, we aim to maintain a balance between the upstream and downstream segments, potentially hedging against unfavourable market downturns in either segment.

(ii) We will continue to strategically diversify our product portfolio and raise our production capacities

Feasibility studies are being undertaken for the production of silicon metal, a higher value-added product that is used largely for aluminium, silicone, semiconductor and solar applications. Production of silicon metal will allow our Group to diversify our downstream users, reaching a wider group of buyers. We also have plans to embark on the production of other specialty grades of ferroalloys, such as high purity ferroalloy products that are customised for specific application usage based on customer's specifications.

We continuously perform feasibility studies to improve our current production capabilities and efficiencies, enhance the quality of our products and achieve product diversification in response to expected market demand. The expansion of 2 to 4 new manganese alloy furnaces at the Sarawak Plant continues to be in our Group's project pipeline as part of the plan to raise the production capacity of our Group in the medium to long term.

We believe the expansion of our product portfolio will present us with further growth opportunities in a broader spectrum of market sectors and enable us to reduce our overall exposure to volatility within any single product market.

(iii) We will continue to optimise performance by enhancing operational efficiency

We will continue to optimise overall performance by enhancing operational efficiencies while developing new product solutions including but not limited to the following:-

- Creating synergies between the mining and smelting operations through the commissioning of the Ultra Fines Plant at the Bootu Creek Mine and the manganese sintering facility in the Sarawak Plant. The Ultra Fines Plant which reprocesses the unutilised rejects and tailings from the existing processing plants into ultra fines product targets to extend the life of Bootu Creek Mine by approximately 7 years. Ultra fines product will be utilised by our manganese sintering facility in the Sarawak Plant to produce sintered manganese ore which will be consumed as raw material feed for the production of manganese alloys. We believe the production of sintered manganese ore will further reduce the cost of production of manganese alloy and improve our furnaces' productivity;

- Continuing research and development efforts to reduce material loss, improve product quality and production control through engineering solutions and the modification and upgrading of machinery and equipment;

- Localising raw material sources in the long run to improve logistical efficiencies and to achieve lower production costs;

- Improving waste management systems to derive better value from by-products; and

- Growing sustainably while maintaining our position as one of the lowest cost quartile ferroalloy producers.

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AlloyConsult

6 Maypole Road • East Grinstead • RH19 1GZ • United Kingdom
Tel: +44 7912 642627 • Email: k.fowkes@alloyconsult.com

Date: 17 May 2021

The Board of Directors
OM Holdings Limited
10 Eunos Road 8
#09-03A Singapore Post Centre
Singapore 408600

Dear Sirs/Madam,

Independent Assessment of the Ferrosilicon, Manganese Ore and Manganese Alloy Industries

We, AlloyConsult, are a niche consultancy service provider based in the United Kingdom specialising in the markets for manganese, chromium, silicon metal and ferrosilicon. We have 10 years of experience as a specialist provider of market-related consulting services.

AlloyConsult has undertaken a large amount of consulting work in the ferroalloy industry. Projects have varied from small to large assignments, including strategic studies, pre-feasibility studies, benchmarking studies and many market and price forecasts. Our clients have been major producers and consumers, as well as financial institutions, government organisations and industry organisations.

AlloyConsult was engaged by OM Holdings Limited ("**OMH**") to provide an independent industry assessment of the ferrosilicon, manganese ore and manganese alloy industries ("**Industry Overview**"), for inclusion in OMH's Prospectus in relation to the secondary listing of the entire issued share capital of OMH on the Main Market of Bursa Malaysia Securities Berhad.

We are aware that this Industry Overview will be included in OMH's Prospectus and we further confirm that we are aware of our responsibilities under Section 215 of the Capital Markets and Services Act, 2007. We acknowledge that if we are aware of any significant changes affecting the content of this Industry Overview between the date hereof and the issue date of the Prospectus, we have an on-going obligation to either cause this Industry Overview to be updated for the changes and, where applicable, withdraw our consent to the inclusion of this Industry Overview in the Prospectus.

The Industry Overview has been prepared in an independent and objective manner. We have taken all reasonable care and consideration to ensure its accuracy and completeness. We believe this Industry Overview presents a fair and balanced view of the industry within the limitations of, among others, secondary statistics and data sources, primary research and estimation, transparency of information of the ferroalloy sector, and does not purport to be exhaustive. The assessments, opinions and forward-looking statements contained within the report are subject to the significant uncertainties which have always impacted the volatile metals markets. The report should therefore not be taken as a recommendation to buy or not to buy the shares of any company mentioned in this Industry Overview.

Yours sincerely,
For and on behalf of AlloyConsult

Kevin Fowkes
Managing Consultant

Profile of the Managing Consultant, Kevin Fowkes

Kevin Fowkes is the Managing Consultant and founder of AlloyConsult. He has over 23 years of professional experience in the ferroalloy industry, including 6 years as an employee of major ferroalloy producers and consumers, and 17 years as a consultant and market analyst in numerous consulting firms, with particular focus on ferroalloys and minor metals, steel and related raw materials. He holds a Bachelor of Science degree in Econometrics & Mathematical Economics from the London School of Economics, United Kingdom. He founded AlloyConsult in 2011. He is also a regular speaker at global industry conferences, such as the Fastmarkets / Metal Bulletin International Ferroalloys Conferences and the annual International Manganese Institute Conference, as well as a contributor for notable industry publishers such as Roskill and Wood Mackenzie over the past 2 decades.

1. DESCRIPTION OF OMH GROUP'S PRODUCTS AND INDUSTRY USES

1.1 OMH GROUP'S PRODUCTS

The main products produced by OMH and its subsidiaries and associates (collectively, the "**OMH Group**" or the "**Group**") are as follows:-

(a) **Ferrosilicon (FeSi) -** an alloy of silicon (Si) and iron (Fe), typically comprising 70-75% Si with most of the balance being Fe. OMH Group produces FeSi at its smelting plant located in Sarawak, Malaysia ("**Sarawak Plant**");

(b) **Manganese alloys (Mn alloys)**, comprising the following:-

(i) **Silicomanganese (SiMn) -** an alloy of manganese (Mn) together with Si and Fe, typically comprising 60-67% Mn, around 17% Si, with most of the balance being Fe. OMH Group produces SiMn at its Sarawak Plant;

(ii) **High-carbon ferromanganese (HC FeMn) -** an alloy of Mn and Fe, typically comprising 65-78% Mn, with most of the balance being Fe, though levels of carbon (C) are also high (typically 7-8%). OMH Group produces HC FeMn at its Sarawak Plant, as well as its smelting plant located in Qinzhou, China ("**Qinzhou Plant**"); and

(c) **Manganese ore (Mn ore) -** the source of Mn-containing raw material used in the smelting process to produce SiMn, HC FeMn, and other Mn alloys and products. OMH Group produces Mn ore at its mine in Bootu Creek, Australia. The average Mn content of Bootu Creek's saleable ore is around 35%. OMH Group also owns a minority shareholding in the Tshipi Borwa Mn ore mine in South Africa. The average Mn content of Tshipi's saleable ore is around 37%.

1.2 INDUSTRY USES FOR FESI, MN ALLOYS AND MN ORE

The largest end-use sector for FeSi and Mn alloys (including SiMn and HC FeMn) is, by far, the steel sector. Meanwhile, the production of various Mn alloys (including SiMn and HC FeMn) accounts for over 90% of demand for Mn ore; accordingly, the consumption of Mn ore is also therefore overwhelmingly driven by steel production.

Based on 2020 data, steel accounts for 94% of global Mn consumption, and for 69% of global FeSi consumption. The remaining non-steel applications of FeSi primarily include its use in cast iron and in the production of magnesium.

OMH Group's main products as well as their applications in the steel and non-steel sectors are characterised as follows:-

FeSi	OMH Group's FeSi production is consumed in both the steel and iron castings sectors. The majority of OMH Group's FeSi sales are consumed in steel production, due to steel being overwhelmingly the largest market, and the specifications and composition of OMH Group's FeSi products. Some FeSi consumed in iron castings is in the form of speciality grades known as inoculants and ferrosilicon magnesium (FeSiMg), which are not produced by OMH Group. It is unlikely that any of OMH Group's FeSi is consumed in the magnesium sector, as FeSi is only used in magnesium production in China. OMH Group presently does not supply FeSi to China.
Mn alloys *(SiMn and HC FeMn)*	OMH Group's SiMn and HC FeMn production is consumed in steel production. Globally, more than 99% of SiMn and HC FeMn is consumed in steel. Other Mn alloys used in non-steel applications (such as Mn metal or Mn dioxide) are not produced by OMH Group.
Mn ores	Approximately **20-30%** of OMH Group's Mn ore production at Bootu Creek is used by the Group's own smelting operations, in the production of Mn alloys. The remainder of OMH Group's Mn ore production at Bootu Creek is sold to 3rd-party Mn alloy smelters. Meanwhile, a majority of Tshipi's Mn ore marketed by the OMH Group is sold to 3rd-party Mn alloy smelters, with a small amount being used in the Group's smelting operations.

1.2.1 Overview of Mn uses in the steel industry

Mn is added to steel for two main purposes:-

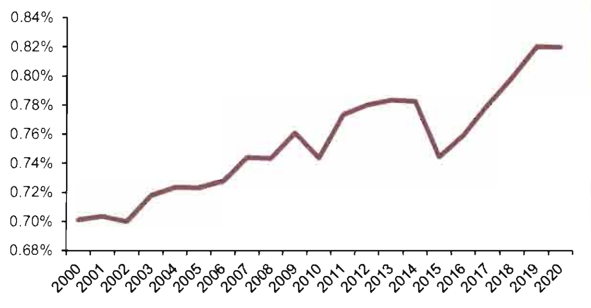
- It is used to desulphurise steel. Sulphur causes steel to crack during the production process, so it needs to be removed. Mn is regarded as the only economically-viable method of desulphurising steel, and all steel requires desulphurisation. As a consequence, Mn is added into every single tonne of steel; and

- It acts as an alloying element to bring specific properties into steel, notably strength, toughness, hardness and formability. A significant proportion of world steel output consumes Mn for this purpose, particularly for steel used in the construction, infrastructure, energy and automotive sectors.

1. DESCRIPTION OF OMH GROUP'S PRODUCTS AND INDUSTRY USES

The vast majority of steels typically have a Mn content of between 0.2% and 2.5%.

Average Mn content of world crude steel output, 2000 to 2020



Source: AlloyConsult analysis, World Steel Association

The average Mn content of steel fluctuates in response to shifts in the relative production of different steel grades, the geography of world steel output, and changing specifications within the many different steel grade families. Since 2015, the average Mn content of world crude steel output has been on an increasing trend, recording a compound annual growth rate ("**CAGR**") of 1.9% between 2015 and 2020.

* *Average Mn content is calculated by dividing Mn consumption in steel by global crude steel output*

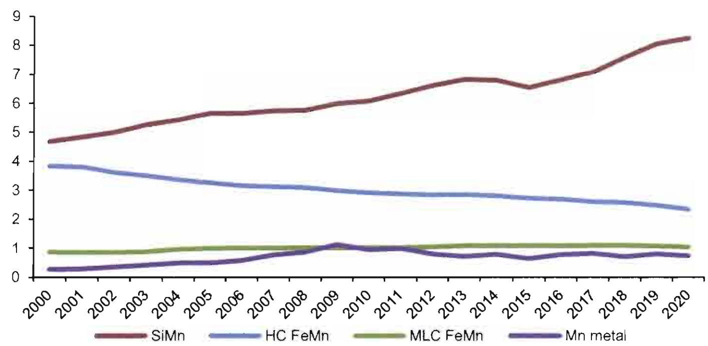
This has been driven by the rising proportion of global steel output attributable to developing countries, in particular China which has recorded an increase in average Mn content of produced steel in recent years. Steel consumption in industrialising countries is much more focused on construction and infrastructure than is the case in more mature economies, hence requiring higher Mn content in steel output.

AlloyConsult is of the view that the average Mn content of steel will likely decrease slightly over the next decade, as Chinese steel demand matures, though it will remain high on a historical comparison.

1.2.2 Overview of Mn alloy and FeSi uses in the steel industry

Mn is almost always added to liquid steel in alloy form during secondary steel production. There are 4 main families of manganese alloys used in steel production, namely silicomanganese (SiMn), high-carbon ferromanganese (HC FeMn), medium- and low-carbon ferromanganese (MLC FeMn), and Mn metal.

Real consumption of Mn alloys relative to crude steel output, 2000 to 2020 *(kg alloy per tonne steel, gross weight basis)*



Source: AlloyConsult, World Steel Association
Real consumption is calculated by dividing Mn alloy consumption by global crude steel output

There has been a gradual shift away from the consumption of HC FeMn towards the use of SiMn. This reflects the growing dominance of China in the world steel market, which utilises SiMn to a greater extent than most other regions. As the growth in steel output in China slows down, it is likely that intensity of use of SiMn will also stabilise. Use of HC FeMn per tonne of steel will likely continue to gradually fall.

Most steels contain silicon (Si), which is primarily used as a deoxidiser. Si is usually added to steel in alloy form during the secondary steelmaking, through either FeSi or SiMn.

Though the main reason for adding Si to steel is for deoxidation, there are two other key reasons for adding Si into certain steels, namely:-

- to add specific properties into the steel, in particular, for improved electrical conductivity in electrical steels (which will typically have a very high Si content). Si also improves tensile strength and hardness, and brings a certain degree of corrosion resistance. As such, stainless steel and many alloy steels have an above-average Si content.

- to use Si as a reducing agent within the steel.

The Si content of steel varies significantly. It is estimated that 15% of steels contain zero Si, whilst there are some niche grades of electrical steel where the Si content is as high as 8%. Over the past decade, the proportion of the Si used in steel supplied by FeSi has followed a consistent declining trend, mirrored by a consistent increase in the proportion obtained from SiMn. In 2009, 75% of the Si units going into steel came from FeSi; by 2020 this had dropped to 57%.

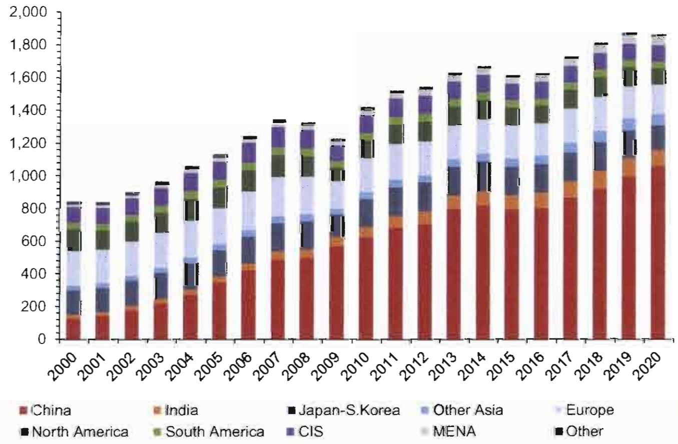
1. DESCRIPTION OF OMH GROUP'S PRODUCTS AND INDUSTRY USES

In terms of deciding whether to consume SiMn or FeSi, there are a number of key factors that will influence a steelmaker's decision, including the following:-

- Relative alloy prices – this benefits SiMn, as it is almost always cheaper than using FeSi
- The specification of the steel product to be produced
- Steel plant configuration
- Steel company purchasing strategy

1.3 OVERVIEW OF THE GLOBAL STEEL INDUSTRY

World production of crude steel by region, 2000 to 2020
(Metric tonnes (Mt))



Source: AlloyConsult, World Steel Association

There has been a significant increase in world crude steel output since 2000, mainly as a result of the rapid industrialisation of China.

Over the past decade (from 2011 to 2020), crude steel production growth has softened in percentage terms relative to the 2000-2010 period, primarily due to lower production growth in China.

China has been the main driver of steel output growth over the past 20 years. However, it is expected that steel consumption and production growth will slow down as China's economy matures.

Whilst there was a slight decrease of 0.9% in world crude steel output in 2020 due to the COVID-19 pandemic, production in China recorded growth of 5.2% due to China's post-COVID stimulus programme. In 2021, world crude steel output is expected to rise markedly, supported by production levels in China as well as expected recoveries in economic activity and production from other emerging economies.

World crude steel output will almost certainly continue to grow over the next decade, though probably at a lower underlying rate than over the past decade.

The engine of steel output growth will switch from China to other emerging economies, especially India and various countries in Southeast Asia, Africa and the Middle East. Meanwhile, mature economies such as Europe, North America and Japan will likely continue to experience flat-to-declining steel production.

1.4 OUTLOOK OF FESI, MN ALLOYS AND MN CONSUMPTION

As the largest end-use sector for FeSi, Mn alloys and Mn ore is steel, the future consumption of FeSi, Mn alloys and Mn ore is largely dependent on the performance and production volumes of the steel industry.

Global consumption of FeSi, SiMn, HC FeMn and Mn ore, 2000-2030

	FeSi (kt)	SiMn (kt)	HC FeMn (kt)	Mn ore (kt contained Mn)
Actual				
2000	3,712	3,940	3,235	7,797
2001	3,636	4,058	3,200	7,764
2002	3,935	4,487	3,251	8,499
2003	4,354	5,070	3,381	9,283
2004	4,836	5,737	3,559	11,160
2005	5,348	6,384	3,672	11,305
2006	6,004	7,024	3,914	12,211
2007	6,785	7,706	4,181	13,808
2008	6,701	7,623	4,090	13,999
2009	6,585	7,329	3,642	12,213
2010	7,368	8,599	4,113	14,517
2011	7,584	9,614	4,341	15,545
2012	7,391	10,173	4,370	15,687
2013	7,539	11,094	4,619	16,245
2014	7,388	11,299	4,662	17,681
2015	6,722	10,501	4,368	14,996
2016	6,414	11,031	4,353	16,469
2017	6,693	12,198	4,566	17,741

Source: AlloyConsult, World Steel Association
Forecast figures are calculated based on AlloyConsult's forecast for global steel output and the average Mn content of steel

1. DESCRIPTION OF OMH GROUP'S PRODUCTS AND INDUSTRY USES

	FeSi (kt)	SiMn (kt)	HC FeMn (kt)	Mn ore (kt contained Mn)
2018	6,872	13,614	4,737	19,762
2019	6,997	15,067	4,815	20,710
2020	6,538	15,328	4,346	19,149
Forecast				
2021	7,001	16,219	4,657	21,345
2022	7,108	16,556	4,753	21,791
2023	7,218	16,905	4,853	22,251
2024	7,332	17,263	4,956	22,726
2025	7,450	17,634	5,062	23,217
2026	7,568	18,010	5,169	23,714
2027	7,690	18,398	5,279	24,229
2028	7,816	18,799	5,393	24,762
2029	7,947	19,214	5,510	25,314
2030	8,082	19,642	5,631	25,886
Compound annual growth rates (CAGR)				
2000-2010	7.1%	8.1%	2.4%	6.4%
2010-2020	-1.2%	5.9%	0.5%	2.8%
2020-2030	2.1%	2.5%	2.6%	3.1%

Note: CAGR figures may be distorted due to a lower base recorded in 2020 as a result of COVID-19

FeSi global consumption growth is expected to continue to be slower than that for both Mn alloys and Mn ore, at a CAGR of 2.1% per year between 2020 and 2030. The long-term trend for steelmakers to obtain more of their Si units from SiMn is expected to continue, whilst the switch to electric vehicles through the next decade will likely impact FeSi consumption in the cast iron sector.

SiMn global consumption should continue to grow faster than that for HC FeMn, but the gap between the growth rates is expected to narrow (forecast consumption growth rates are 2.5% per year and 2.6% per year, respectively). This reflects the likelihood that steel output growth in China will slow down, and the domination of China's steel consumption by construction and infrastructure steels will gradually start to diminish. Steels in non-construction applications use more FeMn on average than steels used in construction and infrastructure.

Consumption of Mn ore is forecast to grow by slightly less than global steel output, at an average of 3.1% per year, reflecting an anticipated slight decline in the Mn content of steel in the long term, and improved smelting yields. This will partly be balanced by high growth in battery applications, but these will remain a small percentage of total Mn consumption so the overall impact of this will remain modest.

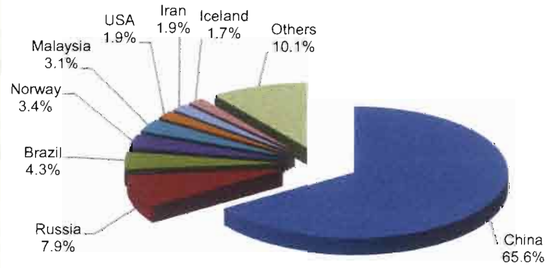
2. COMPETITORS AND OTHER INDUSTRY PLAYERS

OMH Group operates in a highly competitive industry, containing a large number of other players of varying size and capability. Geographically the FeSi and Mn alloy smelting industry is dominated by China, in terms of both production and consumption, nevertheless there are also many competitors located outside China. Mn ore mining consists mostly of producers located in Africa and Australia, with consumption again dominated by China.

A general outlook of OMH Group's competitors and market position against other known industry players is set out below, structured in terms of OMH Group's main products:-

2.1 FeSi PRODUCTION CAPACITY AND OUTPUT

FeSi production share by principal country, 2020



Source: AlloyConsult, Roskill, Ferroalloynet, Metal Expert, company reports, industry sources

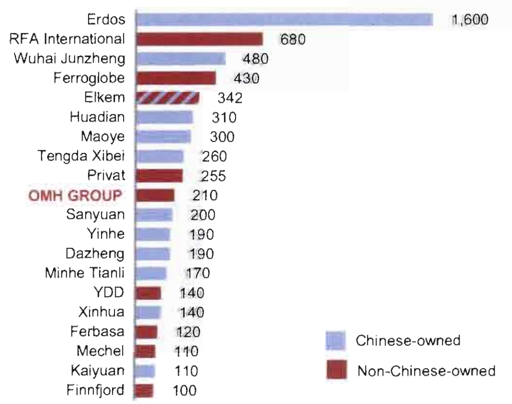
Global FeSi output amounted to 6.4Mt in 2020. China is the largest FeSi-producing country by a wide margin, accounting for 65.7% of world output in 2020, followed by Russia (8.0%) and Brazil (4.3%). In Malaysia, OMH Group is the larger of the two FeSi producers, in terms of both production and capacity.

Global production of FeSi over the past decade has ranged from a low point of 6.2Mt recorded in 2016, to the highest level of 7.9Mt recorded in 2011. Throughout the past decade, the biggest producing country was China, which accounted for approximately 64% to 72% of world FeSi production. Malaysia emerged as a FeSi producing country in 2015, upon the commencement of OMH's smelting operations, and has grown to become the 3rd-largest producing country, accounting for 3.9% of world production in 2019. In 2020, Malaysia's FeSi production share represented 3.1% of world output, partly due to reduced ferrosilicon production as well as increased output levels in other countries such as Brazil and Norway.

Between 2000 and 2011, the vast majority of the growth in world FeSi output occurred due to rising production in China. Similarly, much of the change in global production since it peaked in 2011 has been driven by the volatility of China's output, though China's share of world production has followed a modest decline over the period (from 70.8% in 2011 to 65.7% in 2020).

In recent years, output has followed a declining trend in numerous other countries which have historically been major producers of FeSi; this includes India, USA, and Russia. Between 2014 and 2020, FeSi output in India dropped by 70kt, in USA by 30kt, and in Russia by 110kt.

Largest global FeSi producers by capacity, 2020
*(thousand tons per year ("**ktpy**"))*
(basis 75% Si content)



Note: FeSi producers have been ranked by capacity rather than production because capacity utilisation at FeSi plants is often highly variable from year-to-year, especially in China. As such, the actual production figures for many FeSi producers are not available. The data also excludes any capacity judged to be long-term idle.

The Erdos group in China remains by far the world's largest FeSi producer, with a capacity more than double that of the second-largest producer, Russian Ferro Alloys (RFA) International.

OMH Group is the tenth-largest FeSi producer in the world by capacity, based on its actual production, and the fifth-largest outside China.

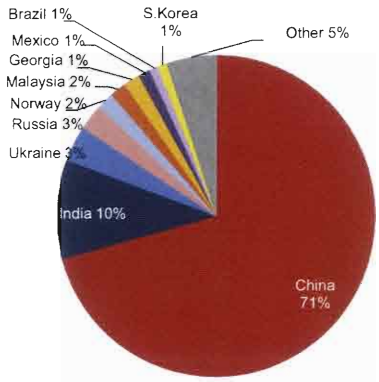
In terms of FeSi production, a roughly balanced market is assumed over the next decade. This is a valid assumption given the modest forecast for demand growth and the relatively low level of capacity utilisation in the market, both in China and elsewhere.

Higher output in Malaysia is expected, supported by the potential expansion of output by OMH Group and other producers.

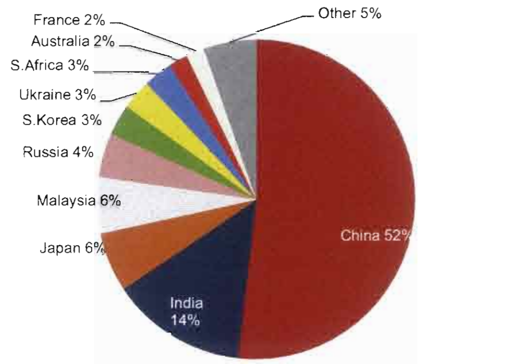
2. COMPETITORS AND OTHER INDUSTRY PLAYERS

2.2 Mn ALLOYS PRODUCTION CAPACITY AND OUTPUT

SiMn production share by principal country, 2020



HC FeMn production share by principal country, 2020



Source: AlloyConsult, Roskill, International Manganese Institute, Ferroalloynet, Metal Expert, company reports, industry sources

In 2020, global SiMn production amounted to 14.6Mt while total global HC FeMn production amounted to 4.1Mt. World output of SiMn has increased strongly between 2000 and 2020, from 3.7Mt to 14.6Mt (CAGR of 7.1% per year), whilst that for HC FeMn has grown more moderately, from 3.2Mt to 4.1Mt (CAGR of 1.3% per year).

The largest global producer of SiMn and HC FeMn is China, with a share of global production of 71% and 52% in 2020, respectively, India is the second-largest producing country for both SiMn (accounting for 10% of global output in 2020) and HC FeMn (14%).

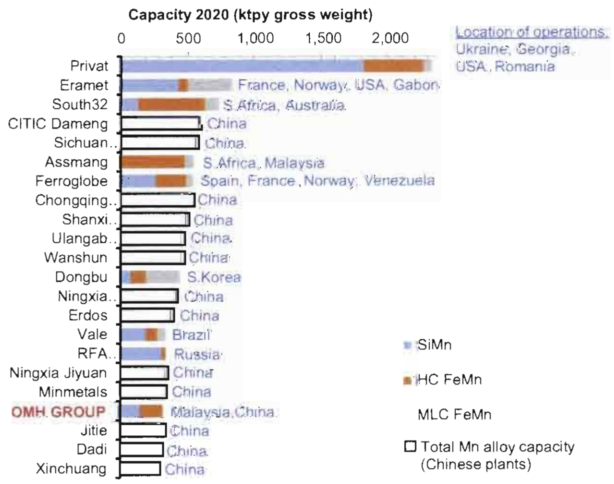
In Malaysia, HC FeMn production is carried out by OMH Group and Sakura Ferroalloys Sdn Bhd ("**Sakura**"), whilst SiMn production is carried out by OMH Group and Pertama Ferroalloys Sdn Bhd, all of which operate in the Samalaju Industrial Park in Bintulu, Sarawak.

Outside China, SiMn output has followed a rising trend over the past two decades. Much of the growth initially resulted from rising output in India, followed by production growth from Malaysia, Georgia and Russia in more recent years.

In the HC FeMn market, total output outside China has been flat over the past two decades, though there have been notably different trends in different countries. The key major trend has been a big reduction in production in South Africa, balanced by the emergence of significant output in Malaysia, from both Sakura and OMH Group.

Unlike Mn ore, the production of Mn alloys is very fragmented, in terms of the large number of producing companies producing a variety of Mn alloys. There are 22 companies with a known alloy production capacity of above 290ktpy, nevertheless these companies are still estimated to have a combined global market share well below 50%. For the purposes of our analysis, we have also included medium/low carbon FeMn ("**MLC FeMn**") production capacity (which is presently not produced by OMH Group) in the data set to reflect the total Mn alloy production capacities of key market players.

Largest global Mn alloy producers by capacity, 2020 (ktpy)



Source: AlloyConsult, Roskill, Ferroalloynet, Metal Expert, company reports, industry sources

The fragmentation of the Mn alloy industry reflects, amongst other factors, the very large number of producers and the substantial over-capacity in China. Further, production capacity data for producers in China tends not to be divided between individual Mn alloys, and as such only total Mn alloy capacity is shown in the accompanying chart for plants in China.

Privat and Eramet are the world's largest- and second-largest Mn alloy producers, respectively; both companies have smelters in multiple countries, though not in China.

Note: Mn alloy producers have been ranked by capacity rather than production because capacity utilisation at Mn alloy plants is often highly variable from year-to-year, especially in China. As such, the actual production figures for Mn alloy producers are not available. The data also excludes any capacity judged to be long-term idle. Capacity idled and closed by South32 and Vale part way through 2020 is included.

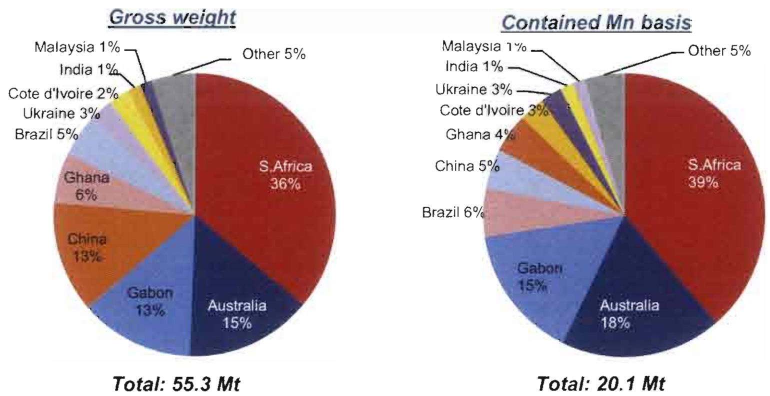
2. COMPETITORS AND OTHER INDUSTRY PLAYERS

Meanwhile, China-based producers account for 13 out of the 22 largest Mn alloy producers by capacity in 2020, which is also reflective of China's share of global Mn alloy output. China is likely to continue to be a self-sufficient producer of SiMn and HC FeMn, and as such output of SiMn and FeMn is expected to grow in line with its domestic consumption.

Malaysia has, in recent years, emerged as a major new production hub for Mn alloys, in particular for both SiMn and FeSi. It is expected that Malaysian production of Mn alloys will increase significantly by 2030, supported by the potential expansion of output by OMH Group and other producers (Sakura and Pertama). Much of the demand growth for Mn alloys will be in the Asian market, making Malaysia's location an advantage.

2.3 Mn ORE PRODUCTION CAPACITY AND OUTPUT

Mn ore production share by principal country, 2020



Mn ore production has been evaluated on 2 separate bases, namely:-

(i) Gross weight (i.e. Mn content together with all impurities); and

(ii) Contained Mn basis (i.e. Mn content excluding all impurities)

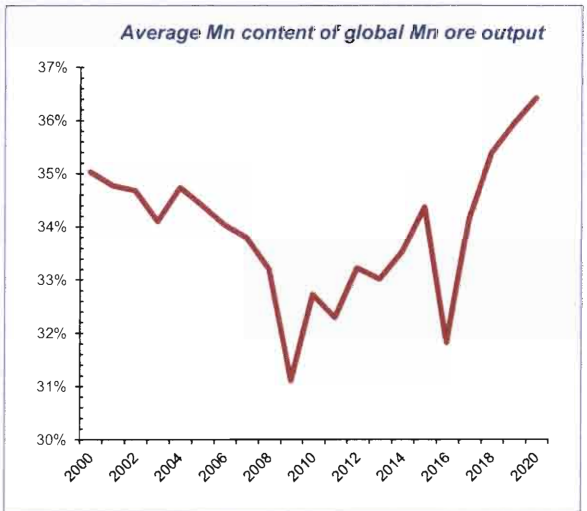
The differences in global output share is due to the variation between the Mn content of ores produced in each country.

As such, for the purpose of our evaluation, the most useful measure of Mn ore output is obtained by referring to the contained Mn basis.

Source: AlloyConsult, Roskill, International Manganese Institute, Metal Expert, company reports, industry sources

South Africa is the largest Mn ore producing country, accounting for 39% of global output on a contained Mn basis in 2020, followed by Australia, accounting for 18% on the same basis. The top-5 producing countries, comprising South Africa, Australia, Gabon, Brazil and China accounted for 83% of global output in 2020, on a contained Mn basis.

Since 2000, there has been a huge increase in South Africa's Mn ore output driven by growth in global demand and legislative developments in South Africa resulting in the emergence of new Mn industry players. Meanwhile, Mn ore output from Australia has remained fairly consistent over the past decade, attributed to steady output by key industry players such as South32, ConsMin and OMH Group. In recent years there has also been a substantial increase in output outside of South Africa, much of it in four other African countries (Ghana, Gabon, Cote d'Ivoire and Zambia).



The bulk of saleable Mn ores worldwide have a Mn content between 25% and 50%, with the main exception to this being Mn ore from China, which has a lower grade averaging around 13%. Mn ore from China has experienced a decline in average Mn content over the past 15 years, from around 22% in 2005 to 13% in 2020. As such, whilst China remains the 2nd-largest Mn ore producing country on a gross weight basis, it is now only the 5th-largest on a contained Mn basis. By comparison, most Mn ores from South Africa have a Mn content between 30%-45%.

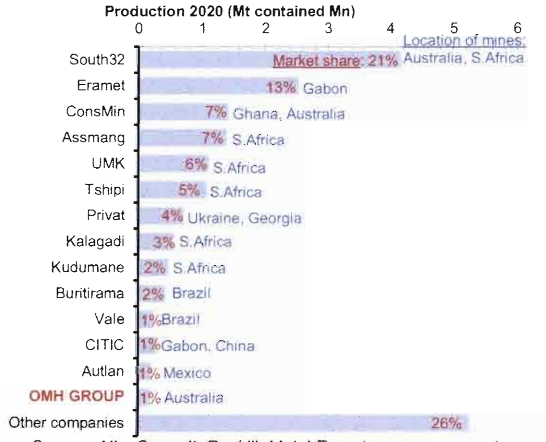
The shrinkage of output and Mn ore grades in China, as well as the growth of production in South Africa and other countries, has moved the average Mn content of world Mn ore up from 31.1% in 2009 to 36.4% in 2020.

The 14 largest Mn ore producing companies had a combined market share of 74% in 2020, whilst the top-5 largest producers had a combined market share of 53%; all are located in African countries, or Australia.

The largest global Mn ore producer is South32, accounting for 21% of world output in 2020. The 2nd-largest producer, Eramet, accounted for 13% of world output in 2020.

2. COMPETITORS AND OTHER INDUSTRY PLAYERS

Estimated Mn ore production by company, 2020 *(Mt contained Mn)*



Source: AlloyConsult, Roskill, Metal Expert, company reports, industry sources

OMH Group was the world's 14th largest Mn ore producer in 2020, accounting for 1.0% of world Mn ore output in 2020 with production of 207kt (on a contained Mn basis). Meanwhile, OMH's 13%-owned associate, Tshipi, was the world's 6th largest Mn ore producer in 2020, with recorded production of 2.9Mt gross weight (1.1Mt on a contained Mn basis).

The remaining 26% of global Mn ore output categorised as "other companies" includes various players; much of it is Chinese domestic output, and smaller-scale production in South Africa.

Mn ore is a commodity with plentiful global reserves and, though the industry supply structure is relatively consolidated (both in terms of companies and geography), it is not so consolidated as to put the market at any significant risk of long-term undersupply. Moreover, as demand growth for Mn ore is forecast to be a relatively modest 3.1% per year, the requirement for additional Mn ore is likely to be manageable.

It is anticipated that production in South Africa will continue to increase strongly, accounting for over 80% of additional global Mn ore production over the next decade. The ramp-up of the Kalagadi mine and other smaller new projects should comfortably be able to supply such an increase, together with the ongoing capacity expansion at Assmang. A key driver of how much South African output is able to grow will be the extent to which infrastructure improvements take place, especially with respect to port and rail capacity.

Meanwhile, Gabon is also expected to experience a major increase in Mn ore output, due the significant expansion of Eramet's Moanda mine, which will raise its output to around 7Mtpy gross weight.

Production in China is expected to continue to decline as grades and reserves dwindle. In 2020, 94% of Mn ore usage in China came from imports, compared with 55% in 2009.

3. MARKET DYNAMICS ANALYSIS

The key factors and market dynamics driving the FeSi, Mn alloys and Mn ore and industries are set out as follows:-

3.1 PRICE TRENDS

FeSi, Mn ores and Mn alloys are all commodities. As in all commodity markets, price is the key to whether or not a sale is made, and the prosperity of a producer based on their position on the cost curve. FeSi, Mn alloys and Mn ore are marketed under contract between producer and consumer, either directly or through sales agents and traders, and on the spot market. The method of sale, purchase and length of contract varies between different products, geographies and customers. Long-term contracts are rare in the FeSi and Mn alloy markets (including SiMn and HC FeMn). The vast majority of customers worldwide purchase Mn ore on a spot basis, while FeSi and Mn alloy is transacted on a spot basis for most business in Asia. Shorter-term contracts for FeSi and Mn alloy which specify a base price which moves in line with spot prices are more commonplace in Europe and North America.

Monthly average spot prices for standard 75% FeSi, 2010 to 2020 *(U$/tonne)*

Source: AlloyConsult, industry publications

FeSi – Almost all published spot prices for FeSi refer to standard FeSi, with a Si content of 75%. There has not been a consistent historical difference between FeSi prices in the main global markets (comprising Europe, the United States, and China). The difference between domestic prices and official export prices in China reflects the 20% export tax levied on FeSi exports by the Chinese government.

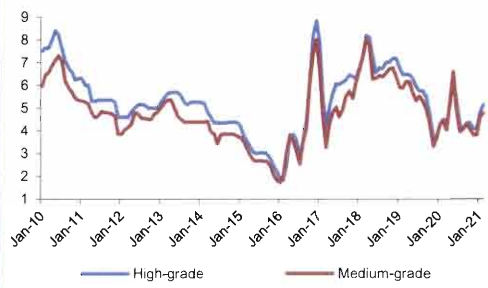
Meanwhile, supply-demand factors have a significant impact on pricing over shorter term periods, as it generally takes some months for supply to respond to changes in demand. However, such factors only have a limited effect on FeSi prices over the long term, as production capacity is generally sufficient to respond to any plausible demand growth.

8. INDUSTRY OVERVIEW *(Cont'd)*

3. MARKET DYNAMICS ANALYSIS

Mn ore – Mn ore prices are generally based on daily, weekly and monthly index prices, published by numerous organisations, and typically categorised as *"high-grade"* (typically Mn content of 44% - 46%), "medium-grade" (typically Mn content of around 37%) and "lower-grade" (typically Mn content below 37%). Most of the index prices are quoted on a CIF (Cost Insurance and Freight) China basis, reflecting the share of China's consumption in the global market. There is currently no widely accepted price index for ores with Mn content of below 35% - 37%.

***Monthly average spot prices for Mn ore, 2010 to 2020** (U$/dmtu CIF China)*

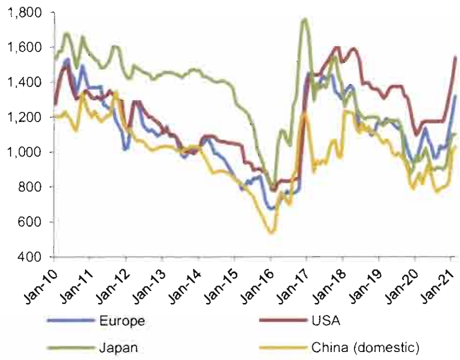


Source: AlloyConsult, industry publications

Mn alloys – Unlike Mn ore, Mn alloys are not all sold on the spot market, nevertheless spot prices now tend to govern the majority of transactions. In this respect, the price mechanism for Mn alloys is very similar to that for FeSi. Though there are some variations, it is generally the case that all Mn alloy prices tend to move in the same direction, as they have the same predominant end-use market and broadly the same cost drivers. There is a fairly strong correlation between the prices of Mn alloys and Mn ores, reflecting the fact that ore is the biggest component of Mn alloy production costs.

***Monthly average spot prices for SiMn, 2010 to 2020** (U$/tonne)*

***Monthly average spot prices for HC FeMn 2010 to 2020** (U$/tonne)*



Source: AlloyConsult, industry publications

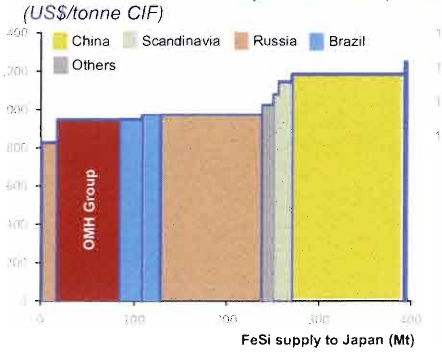
3.2 PRODUCTION COSTS

The key success factors in the FeSi, Mn ores and Mn alloys industry is to secure a favourable position on the global production cost curve. The main drivers of production costs are (i) for FeSi and Mn alloys – electricity, raw materials. reductants and labour; and (ii) for Mn ore – labour, mine costs and transport logistics.

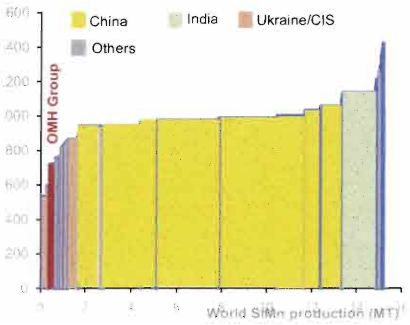
FeSi - OMH Group's cost position in FeSi is mid-ranking on a global comparison, but its cost ranking improves substantially when analysed on a delivered basis in the company's core markets in Asia. OMH Group is in the first cost quartile as a supplier to the Japanese market, and to other Asian markets outside China, benefitting from logistical advantages. Chinese suppliers are burdened with a 20% tax on all FeSi exports

Mn alloys - OMH Group is in the first quartile of the global cash cost curve for both SiMn and HC FeMn.

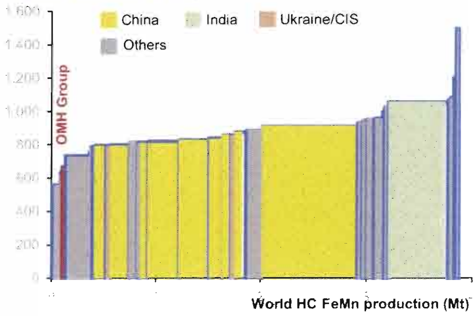
***FeSi cash costs in the Japanese market, 2019** (US$/tonne CIF)*



***World ex-plant cash cost curve for SiMn** (US$/tonne ex-plant)*



***World ex-plant cash cost curve for HC FeMn** (US$/tonne ex-plant)*



Note: CIF Japan basis is used for FeSi as this is considered the most representative cost comparison given OMH Group's sales portfolio. OMH Group's selling price is benchmarked against the CIF Japan price that is reported in the company's quarterly production and market report. We have illustrated the 2019 cost curve with full production, in view that the 2020 cost curve is distorted due to the temporary production halt as a result of COVID-19.

Note: World ex-plant cash cost curves for SiMn and HC FeMn are exclusive of logistics costs and export tax

Source: AlloyConsult

8. INDUSTRY OVERVIEW *(Cont'd)*

3. MARKET DYNAMICS ANALYSIS

3.3 BARRIERS TO ENTRY

FeSi – Barriers to entry in the FeSi market are comparatively low, however, there is a substantial over-capacity in the market, given the low growth of consumption. In particular, there is much spare capacity, particularly in China. The lack of constraints on availability of raw materials (such a quartzite, coal, coke, semi-coke, charcoal, iron ore and woodchips) lowers the barriers to entry for FeSi, compared to most other metals. It is fairly straightforward to achieve an acceptable product quality within a short time of start-up, and it is possible to sell standard FeSi to most customers with minimal or no qualification period. However, power supply is a significant barrier to entry as consumption of electricity in FeSi production is high. It is essential to have both a competitive price for electricity, and guaranteed availability.

Mn alloys – The barriers to entry in the Mn alloy market are higher compared to FeSi, due to the need to obtain Mn ore which is more scarce and expensive compared to raw materials used in FeSi production. Most of the lowest cost and most successful Mn alloy producers are integrated into their own supplies of Mn ore to some degree. Further, as with FeSi, power supply is also a significant barrier to entry for Mn alloy production.

Mn ore – Barriers to entry in the Mn ore market are somewhat higher than for either Mn alloys or FeSi. This reflects the fact that there is a need to locate, secure and exploit reserves of sufficient quality and viability, which requires a significant amount of investment and expertise, both initially and on an ongoing basis. The Mn ore business is generally more capital intensive than ferro-alloy production, especially once a facility has been constructed. Mn ore mines require a constant flow of investment to maintain levels of exploration, mine development and mining equipment, much of which is capitalised. In addition, logistics can be a significant barrier to entry into the Mn ore business. As with most bulk commodities, Mn ore is very big, bulky and heavy in comparison to its value, therefore it requires access to good quality transport infrastructure (road or rail, and ports), in order for a mine to be viable.

4. OMH GROUP'S ESTIMATED MARKET COVERAGE

OMH Group's global market share in FeSi, and SiMn and HC FeMn

	FeSi (kt basis 75% Si content)				SiMn and HC FeMn (kt gross weight)			
	2017	**2018**	**2019**	**2020**	**2017**	**2018**	**2019**	**2020**
OMH Group production [1]	175	221	231	167	*213*	*281*	*290*	*237*
World production	***6,696***	***7,070***	***6,760***	***6,425***	***16,387***	***19,064***	***20,056***	***18,716***
OMH Group market share global	*2.6%*	*3.1%*	*3.4%*	*2.6%*	*1.3%*	*1.5%*	*1.4%*	*1.3%*
World production exc. China	***2,271***	***2,469***	***2,353***	***2,202***	***7,217***	***7,544***	***7,276***	***6,266***
OMH Group market share	*7.7%*	*9.0%*	*10.0%*	*7.6%*	*3.0%*	*3.7%*	*4.0%*	*3.8%*

Note (1) : as published in company reports, includes Qinzhou Plant

OMH Group's global market share in Mn ore (kt contained Mn)

	Mn ore (kt contained Mn basis)			
	2017	***2018***	***2019***	***2020***
OMH Group production [1]	*235*	*291*	*192*	*207*
World production	***17,494***	***19,572***	***21,506***	***20,146***
OMH Group market share global	*1.3%*	*1.5%*	*0.9%*	*1.0%*

Note (1) : Gross weight production multiplied by average Mn content, as published in company reports

In 2020, OMH Group had global market shares of 2.6% in FeSi, 1.3% in Mn alloys and 1.0% in Mn ore. These are relatively small shares in all 3 products. This is inevitable in FeSi and Mn alloys, given China's significant market share in these commodities. Similarly, OMH Group's Mn ore output is relatively small compared with major competitors in South Africa, Australia, Gabon, Ghana and Brazil. That said, prior to the COVID disruption in 2020, OMH Group's global market share in FeSi had been progressively increasing. OMH Group has also managed to maintain its market share in Mn alloys despite COVID-related disruption in 2020.

China accounts for a very significant proportion of world output of FeSi and Mn alloys (66% for FeSi, 71% for SiMn, 52% for HC FeMn). However, most of China's production is used domestically, due to export taxes and VAT on imports imposed in China.

After excluding production from China, OMH Group's market share for FeSi and Mn alloys is considerably higher, at 7.6% for FeSi and 3.8% for Mn alloys in 2020.

For FeSi and Mn alloys, the key markets for OMH Group are the countries of Japan, South Korea and Taiwan, and the ASEAN region. These are the 4 main consuming markets in Asia outside of China and India. OMH Group enjoys significant logistical advantages while supplying these markets, in comparison to more distant export markets like Europe or North America.

9. INFORMATION ON OUR PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

9.1 PROMOTER AND SUBSTANTIAL SHAREHOLDERS

As a public listed company on ASX, our shares are publicly traded on the ASX, and may be acquired or disposed in the ASX open market. The details of our substantial shareholders, being shareholders with shareholdings interest of 5% or more of our total issued shares, are set out in this section.

9.1.1 Profiles of our Promoter and substantial shareholders

(i) Low Ngee Tong as our Promoter and substantial shareholder

Low Ngee Tong, a Singaporean, is our Non-Independent Executive Chairman and Chief Executive Officer. Details of his profile are set out in **Section 9.2.3(i)** of this Prospectus.

(ii) Heng Siow Kwee as our substantial shareholder

Heng Siow Kwee, a Singaporean, is our Group Human Resources Director and Joint Company Secretary. She is also the Managing Director of our subsidiary, OMS. Details of her profile are set out in **Section 9.3.2(ii)** of this Prospectus.

(iii) Other substantial shareholders

Our other substantial shareholders, namely Huang Gang, Amplewood Resources Ltd and Marc Chan, are our public shareholders who had acquired our shares from the ASX open market. Huang Gang has been our substantial shareholder since May 2007, whilst Marc Chan and his wholly owned entity Amplewood Resources Ltd have been our substantial shareholders since March 2013. These substantial shareholders are not involved in our Group's business and do not have any relationship with nor are they deemed persons connected to our Directors or key senior management.

9.1.2 Shareholding of our Promoter and substantial shareholders

The Secondary Listing does not involve any offering of existing OMH Shares or new issuance of new OMH Shares as such we do not expect any change to our substantial shareholders' shareholdings as a result of the Secondary Listing. However, Low Ngee Tong has provided his Transfer Undertaking that he will or will procure other notable shareholders of OMH, to transfer an aggregated of at least 10,000,000 OMH Shares to Bursa Securities, to be made available for trading for a period of 3 years from the Listing Date.

The details of our Promoter's and substantial shareholders' shareholdings for the past 3 years up to the LPD, as well as the pro forma shareholdings after the Secondary Listing (based on Low Ngee Tong's Transfer Undertaking), are set out in **Section 9.1.3** of this Prospectus.

9.1.3 Shareholdings in our Company

Save as disclosed below, there has been no change in our Promoter's and substantial shareholders' shareholdings in our Company for the past 3 years preceding the LPD and pro forma shareholdings after our Secondary Listing:

	As at 3 April 2018				As at 4 April 2019				As at 1 April 2020			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	No. of Shares ('000)	^%	No. of Shares ('000)	^%	No. of Shares ('000)	^%	No. of Shares ('000)	^%	No. of Shares ('000)	^%	No. of Shares ('000)	^%
Promoter and substantial shareholder												
Low Ngee Tong	67,139	9.10	-	-	67,139	9.09	-	-	68,111	9.22	-	-
Substantial shareholders												
Huang Gang	48,962	6.64	(1)40,300	5.46	48,962	6.63	(1)40,300	5.46	103,619	14.03	-	-
Amplewood Resources Ltd	73,698	9.99	-	-	73,698	9.98	-	-	94,649	12.81	-	-
Marc Chan	5,611	0.76	(2)74,943	10.16	5,611	0.76	(2)74,943	10.15	5,611	0.76	(3)94,649	12.81
Heng Siow Kwee	4,680	0.63	(4)61,272	8.30	4,680	0.63	(4)61,272	8.30	4,680	0.63	(4)61,272	8.30

	As at 1 April 2021				As at the LPD				Pro forma after Secondary Listing			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	No. of Shares ('000)	^%	No. of Shares ('000)	^%	No. of Shares ('000)	^%	No. of Shares ('000)	^%	No. of Shares ('000)	^%	No. of Shares ('000)	^%
Promoter and substantial shareholder												
Low Ngee Tong	68,111	9.22	-	-	68,111	9.22	-	-	(5)58,111	7.87	-	-
Substantial shareholders												
Huang Gang	103,619	14.03	-	-	103,619	14.03	-	-	103,619	14.03	-	-
Amplewood Resources Ltd	94,649	12.81	-	-	94,649	12.81	-	-	94,649	12.81	-	-
Marc Chan	5,611	0.76	(3)94,649	12.81	5,611	0.76	(3)94,649	12.81	5,611	0.76	(3)94,649	12.81
Heng Siow Kwee	65,952	8.93	-	-	65,952	8.93	-	-	65,952	8.93	-	-

9. INFORMATION ON OUR PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

Notes:-

^ *The percentage shareholdings are calculated based on the respective number of issued OMH Shares as at:*

Date(s)	***3 April 2018***	***4 April 2019***	***1 April 2020, 1 April 2021, LPD and after Secondary Listing***
Total issued OMH Shares *(including treasury shares)*	*737,791,337*	*738,623,337*	*738,623,337*

(1) *Deemed interested through his associate, Newtimes Marine Co Ltd.*
(2) *Deemed interested through his associates, Amplewood Resources Ltd. and Parfield International Ltd.*
(3) *Deemed interested through his associate, Amplewood Resources Ltd.*
(4) *Deemed interested by virtue of her shareholdings in Dino Company Limited. The entire 61,271,769 OMH Shares held in Dino Company Limited were transferred to Heng Siow Kwee on 9 June 2020.*
(5) *Based on the assumption that Low Ngee Tong transfers and fully sells down 10,000,000 Shares on Bursa Securities pursuant to his Transfer Undertaking.*

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9.2 BOARD OF DIRECTORS

9.2.1 Board Charter and Director's Term of Office

Within the limits set by our Memorandum of Association and Bye-laws and in accordance with the BCA, our Board is responsible for the governance and management of our Company, and must act in the best interests of our Company. Our Board has set out the following key responsibilities of the Board in a board charter, which has been approved by our Board with effect from 1 March 2019 and summarised as follows:-

i. appointing and removing the Chief Executive Officer and any other executive director and approving their remuneration;

ii. appointing and removing the company secretary and approving their remuneration;

iii. determining the strategic direction of the Group and measuring performance of management against approved strategies;

iv. reviewing the adequacy of resources for management to properly carry out approved strategies and business plans;

v. adopting operating (including production), capital and development expenditure budgets at the commencement of each financial year and monitoring the progress by both financial and non-financial key performance indicators;

vi. monitoring the Group's medium term capital, exploration and cash flow requirements;

vii. approving and monitoring financial and other reporting to regulatory bodies, shareholders and other organisations;

viii. determining that satisfactory arrangements are in place for auditing the Group's financial affairs;

ix. appointing the external auditors of the Group;

x. reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and compliance with legislative requirements; and

xi. ensuring that policies and compliance systems consistent with the Group's objectives and best practice are in place and that the Group and its officers act legally, ethically and responsibly on all matters.

In addition, the board charter also provides that our Executive Chairman who is also our Chief Executive Officer is responsible for managing the operational business of the Group under delegated authority from our Board and to implement the policies and strategies set by our Board. In carrying out his responsibilities, he must report to our Board in a timely manner and ensure all reports to our Board present a true and fair view of the Group's operational results and financial position.

The details of the members of our Board and the details of the date of expiration of the current term of office for each of our Directors and the period that each of our Directors has served in that office are as follows:-

Director	Designation	Age*	Date of appointment as Director	Date of expiration of the current term of office at AGM[(1)]	No. of years and months in office*
Low Ngee Tong	Non-Independent Executive Chairman/ Chief Executive Officer	67	20 November 1997	Nil[(1)]	23 years and approximately 5 months
Zainul Abidin Bin Mohamed Rasheed	Independent Non-Executive Deputy Chairman	73	3 October 2011	Subject to retirement by rotation at the AGM in 2023[(1)]	9 years and approximately 6 months
Julie Anne Wolseley	Non-Independent Non-Executive Director/ Joint Company Secretary	55	24 February 2005	Subject to retirement by rotation at the AGM in 2022[(1)]	16 years and approximately 2 months
Tan Peng Chin Joseph Haydn	Independent Non-Executive Director	64	14 September 2007	Subject to retirement by rotation at the AGM in 2022[(1)]	13 years and approximately 7 months
Teo Liang Huat Thomas	Independent Non-Executive Director	56	18 July 2008	Subject to retirement by rotation at the AGM in 2023[(1)]	12 years and approximately 9 months
Dato' Abdul Hamid Bin Sh Mohamed	Independent Non-Executive Director	55	10 May 2021	Subject to retirement and re-election at the AGM in 2022 [(2)]	Nil[(3)]
Tan Ming-li	Independent Non-Executive Director	51	10 May 2021	Subject to retirement and re-election at the AGM in 2022 [(2)]	Nil[(3)]

Notes:-

* *The age and no. of years and months in office of the respective Directors are as at the LPD.*

(1) *Pursuant to the Company's Bye-laws, one-third of the Directors for the time being (or if their number is not a multiple of three, the number nearest to but not less than one-third) shall at each AGM retire from office by rotation provided that every Director shall be subject to retirement at least once every 3 years. However, this requirement does not apply to the managing director and excludes Directors retiring pursuant to Bye-law 87(2) referred to below. Directors retiring by rotation should be those who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day, those to retire (unless they otherwise agree among themselves) shall be determined by lot.*

(2) *Bye-law 87(2) of the Company provides, inter alia, that any Director appointed by the Board shall hold office only until the next following AGM of the Company and shall then be eligible for re-election at that AGM.*

(3) *These directors were appointed subsequent to the LPD.*

None of our Directors represent any corporate shareholder on our Board. Further, there are no family relationships between our Directors.

9.2.2 Board Corporate Governance

Our Board acknowledges and takes cognisance of the ASX *Corporate Governance Council's Corporate Governance Principles and Recommendations* ("**ASX CG**") which contains recommendations to improve upon or to enhance corporate governance as an integral part of the business activities and culture of such companies.

The ASX Listing Rules requires us to prepare a corporate governance statement each year which discloses the extent to which we have complied with the ASX CG and to provide the reasons for the non-compliance of any ASX CG recommendation. The following explanation for departures from the recommendations of ASX CG is extracted from our 2020 annual report:

ASX CG recommendation and reference	Explanation for departure from the recommendations of the ASX CG
1.5 - Disclose the measurable objectives for achieving gender diversity	Our diversity policy outlines the strategies and process according to which our Board will set measurable objectives to achieve the aims of our diversity policy, with particular focus on gender diversity within our Company and representation from indigenous communities. Our Board did not set measurable gender diversity objectives for the FYE 31 December 2020 because our Board considered the application of a measurable gender diversity objective requiring a specified proportion of women on our Board and in senior executive roles would, given the relative size of our Company and our Board, unduly limit our Company from applying our diversity policy as a whole and our Company's policy of appointing based on skills and merit. Our Board is committed to appointing the best person into any position. Our Company also builds strong relationships with our indigenous communities and has training and employment programs in place to encourage greater participation in our Company's workforce. The Board is responsible for monitoring our performance in meeting our diversity policy requirements, including the achievement of diversity objectives. Our 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	Our Board considers that our Company currently cannot justify the formation of a nomination committee. Our Board as a whole undertakes the process of reviewing the skill base and experience of our existing Directors to enable identification of the attributes required in new Directors. Where appropriate, independent consultants are engaged to identify possible new candidates for our Board. Our 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	Our Company's current Non-Independent Executive Chairman and Chief Executive Officer, Low Ngee Tong, is not considered by our Board to be independent in light of the factors outlined in Box 2.5 of the ASX CG which indicate when a director may not be considered to be an independent director. However, our Board considers that Low Ngee Tong's position as both Non-Independent Executive Chairman and Chief Executive Officer is appropriate given his world-wide experience and specialised understanding of the global manganese industry.

ASX CG recommendation and reference	Explanation for departure from the recommendations of the ASX CG
	Furthermore, our Board believes that Low Ngee Tong has the range of skills, knowledge, and experience necessary to effectively govern our Company and to understand the economic sectors in which our Company operates. In addition, it should be noted that Low Ngee Tong is a substantial and longstanding shareholder of our Company and, as such, is able to clearly identify with the interests of shareholders as a whole. Low Ngee Tong was instrumental in the formation of our Company and has for over 25 years overseen its rapid growth and success. The dual role of Low Ngee Tong is balanced by our Deputy Chairman, Zainul Abidin Bin Mohamed Rasheed who is our independent Non-Executive Director. In this role Zainul Abidin Bin Mohamed Rasheed chairs the discussions of the Non-Executive Directors. Our Board believes that there are sufficient internal controls in place to ensure adequate accountability, transparency and effective oversight by our Board such that an appropriate balance of power and authority is exercisable by our Board for objective decision-making in the best interests of our Group. Accordingly, Low Ngee Tong is the best person to undertake the Executive Chairman role and our Board does not believe it is necessary at this stage to appoint an independent chair of our Board.
2.6 - A listed entity should have a program for inducting new directors	Our Company does not consider it necessary, in the light of the size of our 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 our Board in order to familiarise themselves with our Company and its governance protocols as well as being adequately briefed about our 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.
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 our Board, our entire Board has delegated oversight of the risk and internal control policy, including review of the effectiveness of our internal control framework and risk management process, to the key executive management team in conjunction with our Board. Our Board considers this structure to be the most effective means of (i) managing the various risks that are relevant to our Group and (ii) monitoring our Group's compliance with our risk and internal control policy. In addition, from the Board's 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 our Company's statutory financial statements, our Audit Committee has the opportunity to meet with our Company's auditors as appropriate. Our Company is committed to the identification, monitoring and management of material business risks of its activities via our risk management framework which includes health and safety, environmental governance, community, operational risk management, business risk management and legal and regulatory compliance.

9.2.3 Profiles of our Directors

The profiles of our Directors are as follows:

(i) Low Ngee Tong

Low Ngee Tong, a Singaporean aged 67, is our Non-Independent Executive Chairman and Chief Executive Officer. He has been a member of our Board since his appointment on 20 November 1997. As our Non-Independent Executive Chairman and Chief Executive Officer, he oversees and is actively involved in the day-to-day operations of the mine and production facilities, and plays a pivotal role in key operational matters, marketing and development, as well as strategic decisions integral to our Group's continued development and expansion potential.

He co-founded our Group, which commenced business operations in 1994 through OMR in Hong Kong with the trading of mineral commodities and ferroalloy and has since been leading the strategic expansion and growth of our Group over the years. He has accumulated over 35 years of experience in the global raw materials trading, in particular, the sales and marketing of manganese ores and ferroalloys.

He graduated with a bachelor's degree in Mechanical Engineering from the University of Singapore (the predecessor of the National University of Singapore) in 1980.

He began his career in 1980 as a project engineer for Chiyoda Singapore Pte Ltd, a Japanese engineering firm. Subsequently, in 1981, he joined Brown & Root (Singapore) Pte Ltd, a United States offshore consultancy and construction company in Singapore, as a mechanical engineer.

Then, in 1983, he joined Intraco Limited as a marketing executive. Intraco Limited was incorporated as an investment management company, forming part of the investment portfolio of Temasek Holdings (Private) Limited (Singapore's state-owned investment arm). He was subsequently promoted to senior marketing executive and was transferred to Intraco Resources Trading Pte Ltd (a joint venture company between China Resources (Holdings) Company Limited and Intraco Limited) until 1991 when he left as the marketing manager.

Between 1991 and 1993, he was a trading manager with Itochu Hong Kong Ltd, a Japanese trading house based in Hong Kong, where he was responsible for trading steel-making raw materials into the PRC from various global locations, covering commodities such as manganese ore, chrome ore and iron ore. During this period, OMR was incorporated in Hong Kong in 1991. He had also co-founded and was the director of Asia Minerals Limited in 1993, a company primarily involved in trading manganese ore and ferroalloys in the PRC market. He subsequently left Asia Minerals Limited in 1995.

In 1994, he began to focus his efforts on OMR, which was previously dormant, by trading mineral commodities and ferroalloys in the PRC market. He subsequently expanded OMR's business with the provision of management services and trading of a wide range of specialised minerals and ferroalloy products.

In 1997, he incorporated OMH as our Group's investment holding company, to facilitate our Group's listing on the ASX. He was appointed as a director and chief executive officer of OMH, and OMH was subsequently listed on the ASX in 1998.

In 2001, he led our Group to pursue manganese exploration and mining opportunities in the Northern Territory of Australia, through OMM, which were viewed as a complementary operational extension to the Group's existing metals trading business. Through his extensive knowledge and expertise in the global steel and metals industries gained from the trading of chrome ore and manganese ore with multi-national mining companies, he spotted the potential of OMM actively advancing the exploration and development potential of the Bootu Creek Mine to position the project for commercial operation and ultimate production. He also spearheaded the establishment of the Group's production assets in Qinzhou, China and Sarawak, Malaysia, as part of the Group's strategy to diversify its upstream businesses.

He is also currently an elected member of the Supervisory Board of the International Manganese Institute, a not-for-profit industry association that represents manganese ore and alloy producers, manufacturers of metallurgical products or chemical compounds, trading houses, industry service providers, universities and research organisations around the world.

(ii) Zainul Abidin Bin Mohamed Rasheed

Zainul Abidin Bin Mohamed Rasheed, a Singaporean aged 73, is our Independent Non-Executive Deputy Chairman. He was appointed to our Board on 3 October 2011. As Deputy Chairman, he chairs the discussions of the Non-Executive Directors, 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.

He graduated with a Bachelor of Arts (Honours) in Economics and Malay Studies from the University of Singapore (the predecessor of the National University of Singapore) in 1971.

He began his journalism career in 1971 as a research editor and manager at Asia Research Bulletin, a monthly publication under the Straits Times group (which was the predecessor of Singapore Press Holdings Ltd ("**SPH**")). He subsequently held the positions of editor for numerous news publications in Singapore, namely Berita Harian, The Singapore Business and The Sunday Times, as well as associate editor of The Straits Times until 1996.

Between 1997 to 2011, he was a Member of Parliament of Singapore. He served as Senior Parliamentary Secretary (Foreign Affairs) from 1998 to 2001, the mayor of Northeast Community Development Council from 2001 to 2009, Minister of State (Foreign Affairs) from 2004 to 2005 and Senior Minister of the State for the Ministry of Foreign Affairs of the Government of Singapore between 2006 until 2011.

Between 2011 and 2014, he was a consultant to Straits Times Press (Book Publishing), the book publishing arm of SPH and chairman of SPH Radio Pte Ltd.

He has served numerous government agencies, councils and civic organisations including Executive Secretary of the Singapore Port Workers' Union from 1997 to 1998, President of the Singapore Islamic Religious Council (MUIS) from 1991 to 1996, Chief Executive Officer of the Council for the Development of the Malay/Muslim Community (Yayasan MENDAKI) from 1991 to 1993.

He currently serves as Singapore's Ambassador (Non-Resident) to Kuwait, a consultant at Mini Environment Service Pte Ltd, a workforce accommodation facilities provider in Singapore and a member of the Nanyang Technological University Board of Trustees in Singapore. He is also a Member of the Governing Council of Singapore Business Advisors and Consultants Council (SBACC), an independent national not-for-profit organisation that promotes and advances professionalism in business consulting and advisory. He also currently sits on the board of several companies as disclosed in **Section 9.2.5** of this Prospectus.

(iii) Julie Anne Wolseley

Julie Anne Wolseley, an Australian aged 55, is our Non-Independent Non-Executive Director and was appointed to our Board on 24 February 2005. She is also a non-executive director of our subsidiary, OMM. She was appointed as our Group's Joint Company Secretary in 2001, and is responsible for overseeing our corporate compliance requirements in Australia. She has over 24 years' experience as a company secretary.

She graduated with a Bachelor of Commerce degree from the University of Western Australia in 1987, and has been an Associate Member of the Institute of Chartered Accountants in Australia (now known as Chartered Accountants of Australia and New Zealand) since 1990.

She began her career in 1987 as an auditor with Price Waterhouse in Perth, and subsequently held the position of audit manager of the audit divisions in Price Waterhouse in Perth and London, where she was responsible for managing the audit requirements for a portfolio of clients within the audit division, assigning and reviewing audit works, preparation of reports to boards of directors and provision of specialist advice on corporate transactions until 1993.

In 1994, she joined Perilya Limited, a company then listed on the ASX, whose principal business was gold mining and exploration, as its financial controller responsible for all financial controlling and reporting responsibilities from 1994 to 1997. She was also the company secretary of Perilya Limited from 1996 to 2000.

Between 1997 to 2005, she was the company secretary for (i) Cove Mining NL ("**COV**"), a company with mineral exploration activities in Western Australia and was formerly listed on the ASX; (ii) New World Alloys Limited, an exploration company involved in the development of metals processing projects and was then listed on the ASX; (iii) Gippsland Ltd, a company involved in the development of tantalum-tin feldspar projects and exploration for gold, copper, nickel in Egypt and Australia and was then listed on the ASX; and (iv) Avoca Resources Ltd ("**AVO**"), an exploration and production company primarily focusing on gold exploration and production and formerly listed on the ASX, where she also took responsibilities for co-ordinating the listing of AVO on the ASX and subsequent corporate compliance, financial controlling and reporting. Between 2003 and 2017, she was the company secretary of Pioneer Resources Limited, a company listed on the ASX, whose main business activities are in the exploration of gold, nickel, copper and base metals.

She has also, since 2001, been the principal, founding director and shareholder of Sparkling Investments Pty Ltd, a corporate advisory company which provides corporate consultancy services to resource companies based in Australia, including our Group, and has served as company secretary to a number of ASX listed companies operating primarily in the resources sector. Her expertise includes corporate secretarial, management accounting, financial and management reporting in the mining industry, initial public offerings, capital raisings, cash flow modelling and corporate governance.

She was previously a non-executive director of Territory Resources Ltd, a company then listed on the ASX involved in the exploration and mining of iron ore from 20 January 2005 to 9 May 2008.

(iv) Tan Peng Chin Joseph Haydn

Tan Peng Chin Joseph Haydn, a Singaporean aged 64, is our Independent Non-Executive Director. He was appointed to our Board on 14 September 2007.

He graduated with a Bachelor of Laws (Hons) from the National University of Singapore in 1982.

He began his career in 1983 as a manager at Freshfields (the predecessor of Freshfields Bruckhaus Deringer Singapore Pte Ltd). Then, in 1987, he co-founded the law firm, Wong Yoong Tan & Molly Lim ("**WYTL**") and subsequently became the managing partner of the firm. He left WYTL in 1994 and founded the law firm, Tan Peng Chin LLC, where he oversaw the firm's practice as the managing director until his retirement in 2015. He is presently an accredited mediator with the Singapore Mediation Centre.

He has over 30 years experience and expertise in company and commercial laws, corporate finance, banking, international trade, joint ventures and issues concerning shareholders and directors. He had also served as an independent director in public listed companies listed on the SGX, such as Armstrong Industrial Corporation Limited (between 1995 and 2014), and is presently an independent director of IPS Securex Holdings Limited (from 2014 to current date). He is also a director of a number of corporations and a not for profit organisation as disclosed in **Section 9.2.5** of this Prospectus.

(v) Teo Liang Huat Thomas

Teo Liang Huat Thomas, a Singaporean aged 56, is our Independent Non-Executive Director. He was appointed to our Board on 18 July 2008. He has over 20 years of experience and expertise in investment management and corporate finance which has assisted the Group in its strategic pursuits.

He obtained a Master of Business in Information Technology from the Royal Melbourne Institute of Technology, Victoria, Australia in 2004 and a Bachelor of Accountancy degree from the National University of Singapore in 1988. He became a certified public accountant in Singapore in 1991 and he has been a Fellow of the Institute of Singapore Chartered Accountants since 2004.

He started his career in 1988 as an auditor with Ernst & Young, Singapore, where he gained extensive experience in audit and corporate finance. He was subsequently promoted to a managerial position in 1993. He left Ernst & Young, Singapore in 1996 and joined ASC Capital Pte Ltd as an associate director until 2005. Then, he was appointed as executive director of Enterprise Asean Fund Pte Ltd in 2005 and was primarily responsible for direct investments in the ASEAN region in these firms.

He left Enterprise Asean Fund Pte Ltd in 2006 and joined G. K. Goh Holdings Limited, a diversified investment group listed on the SGX, as its chief financial officer and was subsequently appointed its executive director in 2018. He is also a director of a number of subsidiaries and associates of G. K. Goh Holdings Limited as disclosed in **Section 9.2.5** of this Prospectus.

(vi) Dato' Abdul Hamid Bin Sh Mohamed

Dato' Abdul Hamid Bin Sh Mohamed, a Malaysian aged 55, is our Independent Non-Executive Director. He was appointed to our Board on 10 May 2021. He has over 30 years of experience and expertise in accounting, merchant and investment banking, corporate planning and finance functions and strategy development.

He obtained his Chartered Certified Accountant qualification from the Association of Chartered Certified Accountants ("**ACCA**") in 1989 and has been a Fellow member of the ACCA since 2003.

He started his career in 1989 as a corporate services assistant with Messrs. Lim Ali & Co/Arthur Young (now Ernst & Young), Kuala Lumpur. In 1989, he joined Bumiputra Merchant Bankers Berhad (the predecessor of Alliance Investment Bank Berhad) as an officer in corporate banking and had subsequently been promoted to a managerial position. In 1994 he joined Amanah Capital Malaysia Berhad as its senior manager of corporate planning.

Between 1998 to 2003, he joined the Kuala Lumpur Stock Exchange (currently known as Bursa Securities) ("**KLSE**"), where he held various senior positions, including Senior Vice President, Strategic Planning & International Affairs. He was promoted to Deputy President (Strategy and Development) in 2002 and was later re-designated as Chief Financial Officer in 2003. During his 5 year tenure in the KLSE, he held diverse roles and had experience in strategy, corporate finance, business transformation, finance and administration, treasury, external affairs and public relations. He has led KLSE's acquisitions of the Kuala Lumpur Options and Financial Futures Exchange (KLOFFE) and the Commodity and Monetary Exchange of Malaysia (COMMEX) and their subsequent merger to form the Malaysia Derivatives Exchange (MDEX). He had also led the acquisition of the Malaysia Exchange of Securities Dealing and Automated Quotation (MESDAQ), as well as the KLSE's demutualisation exercise.

Since 2003, he has been the Executive Director of Symphony House Sdn Bhd, and whilst it was listed on the Main Market of Bursa Securities.

He currently serves as an independent director in a public company listed on the Main Market of Bursa Securities and holds directorships in several other private companies as disclosed in **Section 9.2.5** of this Prospectus.

(vii) Tan Ming-li

Tan Ming-li, a Malaysian aged 51, is our Independent Non-Executive Director. She was appointed to our Board on 10 May 2021. She has been in legal practice for over 25 years and she specialises in corporate and securities law where she is principally involved in advising on capital market transactions, mergers and acquisitions, corporate restructuring and corporate finance related work.

She graduated with a double degree in Law (Hons) and Science from the University of Melbourne in 1993. She has been a member of the Malaysian bar since 1994.

She began her career in 1994 as a legal associate at Allen and Gledhill ("**A&G**") specialising in areas of corporate and commercial litigation, as well as intellectual property. She left A&G in 1997 and joined Cheang & Ariff as a legal associate. Presently, she is a partner of Chooi & Company + Cheang & Ariff (formed via the merger of Chooi & Company and Cheang & Ariff in 2018).

She currently serves as an independent director in 2 public companies listed on the Main Market of Bursa Securities as disclosed in **Section 9.2.5** of this Prospectus.

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9. INFORMATION ON OUR PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

9.2.4 Shareholding of our Directors

Save as disclosed below, there will be no change in the shareholding of our Directors before and after our Secondary Listing. The following table sets out the direct and indirect shareholdings of our Directors as at LPD and pro forma shareholdings after our Secondary Listing:

	As at the LPD				Pro forma after Secondary Listing			
	Direct		Indirect		Direct		Indirect	
Name	No. of Shares ('000)	^%	No. of Shares ('000)	^%	No. of Shares ('000)	^%	No. of Shares ('000)	^%
Low Ngee Tong	68,111	9.22	-	-	(1)58,111	7.87	-	-
Zainul Abidin Bin Mohamed Rasheed	-	-	-	-	-	-	-	-
Julie Anne Wolseley	5,562	0.75	-	-	5,562	0.75	-	-
Tan Peng Chin Joseph Haydn	1,300	0.18	720	(2)0.10	1,300	0.18	(2)720	0.10
Teo Liang Huat Thomas	-	-	-	-	-	-	-	-
Dato' Abdul Hamid Bin Sh Mohamed	-	-	-	-	-	-	-	-
Tan Ming-li	-	-	-	-	-	-	-	-

Notes:-

^ *The percentage shareholdings are calculated based on 738,623,337 issued OMH Shares (including treasury shares) as at the LPD and after the Secondary Listing.*

(1) Based on the assumption that Low Ngee Tong transfers and fully sells down 10,000,000 Shares on Bursa Securities pursuant to his Transfer Undertaking.

(2) Shares held by DBS Vickers Securities (Singapore) Pte Ltd on his behalf.

9.2.5 Principal business activities performed by our Directors outside our Group in the past five years

The principal business activities performed by our Directors outside of our Group as at the LPD and the directorships of our Directors outside of our Group at present and in the past five years preceding the LPD are as follows:

Name of Company	Principal activities	Involvement in business activities
Low Ngee Tong		
• Nil	• Nil	• Nil
Zainul Abidin Bin Mohamed Rasheed		
• AR Rahnu Singapore Pte Ltd	• Holding company with investment in Shariah compliant pawn broking	• Substantial shareholder (direct)
• Diamond Energy Corporation Pte Ltd	• Transmission, distribution and sale of electricity	• Director (appointed on 15 May 2012)
• Diamond Energy Merchants Pte Ltd	• Established electricity retailers	• Director (appointed on 13 August 2020)
• Ednarrator Holdings Pte Ltd	• Data analytics, processing and related activities N.E.C (eg. Data entry, streaming services)	• Substantial shareholder (direct)
• Mediacorp Pte Ltd	• Television programming and broadcasting (including cable, satellite, terrestrial television, internet and mobile)	• Director (appointed on 10 October 2017)
• Nanyang Technological University	• Provision of educational facilities and courses of study at university level	• Director (appointed on 1 April 2017)
• PT Mega Manunggal Property Tbk *(listed on Indonesia Stock Exchange)*	• Developing and leasing logistic properties, primarily warehouses	• Commissioner (appointed 19 January 2017)
• Temasek Foundation Cares CLG Limited	• Philanthropic trusts, foundations and related activities	• Director (appointed on 17 February 2012)
• VSC Socio-Economics (VSCSE) Pte Ltd	• Research and experimental development on social sciences and humanities	• Director (appointed on 31 August 2012) and substantial shareholder (direct)
• National Volunteer and Philanthropy Centre	• Community activities N.E.C	• Director (appointed on 12 November 2014, resigned on 1 October 2018)
• SM Jaleel Foundation Ltd	• Philanthropic trusts, foundations and related activities	• Director (appointed on 14 July 2011, resigned on 13 July 2017)
• The Pacific Insurance Berhad	• The underwriting of general insurance business	• Director (appointed on 31 October 2012, resigned on 31 October 2019)

9. INFORMATION ON OUR PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

Name of Company	Principal activities	Involvement in business activities
Julie Anne Wolseley		
• OM Holdings (Australia) Pty Ltd	• OMH's appointed Australian agent and Australian registered office	• Director (appointed on 28 April 2006) and (*)controlling shareholder (direct)
• Sparkling Investments Pty Ltd	• Corporate consultancy	• Director (appointed on 28 January 1994) and (*)controlling shareholder (direct)
Tan Peng Chin Joseph Haydn		
• Clarity Singapore Limited	• Social services for persons with disabilities (eg. day care centres for persons with disabilities)	• Director (appointed on 10 October 2010)
• IPS Securex Holdings Limited *(listed on SGX)*	• Investing holding company, business and management consultancy services, provision of services and trading of security products	• Independent Director (appointed on 6 June 2014) and shareholder (direct)
• Orchestra of the Music Makers Ltd	• Orchestras, musical bands, choirs and dance groups	• Director (appointed on 18 April 2018)
Teo Liang Huat Thomas		
• ACIT Finance Pty Ltd (1)	• Residential aged care services	• Director (appointed on 3 October 2013)
• Allium Healthcare Holdings Pte Ltd (1)	• Investment holding and management consultancy services	• Director (appointed on 14 February 2007)
• Allium Healthcare Services Pte Ltd (1)	• Healthcare related services	• Director (appointed on 11 December 2017)
• Allium Healthcare (Singapore) Pte Ltd (1)	• Nursing and personal care facilities (including nursing homes and hospices)	• Director (appointed on 1 November 2016)
• Allium Holdings Pty Ltd (1)	• Investment holding with investments in private equities	• Director (appointed on 9 August 2013)
• Allium Investments Pte Ltd (1)	• Investment holding with investments in private equities	• Director (appointed on 7 August 2013
• Ardisia Ltd (1)	• Investment holding with investments in equity funds	• Director (appointed on 8 December 2006)
• Boardroom Limited(1)	• Investment holding with investments in corporate services	• Director (appointed on 5 February 2013) and shareholder (direct)
• Cacona Pte Ltd(1)	• Investment holding with investments in public equities	• Director (appointed on 14 February 2007)
• DAC Finance Pty Ltd(1)	• Residential aged care services	• Director (appointed on 3 October 2013)

Name of Company	Principal activities	Involvement in business activities
• G. K. Goh Holdings Limited (*listed on SGX*)	• Investment holding company with subsidiaries and associates indicated under note (1).	• Executive Director (appointed on 13 August 2018) and shareholder (direct)
• GK Goh Nominees Pte Ltd[1]	• Trustee, fiduciary and custody services firms (including nominee companies, trustees and REIT trustees)	• Director (appointed on 31 July 2006)
• Habitat Assets Pte Ltd[1]	• Investment holding with investments in retirement living fund	• Director (appointed on 20 October 2011)
• Perilla Pte Ltd[1]	• Investment holding with investments in properties	• Director (appointed on 13 November 2007)
• Principal Healthcare Finance Pty Ltd[1]	• Residential aged care services	• Director (appointed on 3 October 2013)
• Saliendra Pte Ltd[1]	• Bank/Financial holding companies (including insurance holding company)	• Director (appointed on 31 July 2006)
• Solanum Investment Pte Ltd[1]	• Investment holding with investments in equity funds	• Director (appointed on 16 April 2007)
• Value Monetization III Ltd[1]	• Private equity fund	• Director (appointed on 21 November 2012)
• Assisi Hospice	• Charitable organisation providing nursing and personal care facilities (including nursing homes and hospices) to meet the palliative care needs of the terminally ill in Singapore	• Director (appointed on 19 May 2016, resigned on 30 June 2020)
• Bromius Capital Ltd[1]	• Investment holding with investments in advisory services	• Director (appointed on 15 October 2008, resigned on 4 April 2018)
• Habitat Assets Pty Ltd[1]	• Retirement living	• Director (appointed on 11 February 2014, resigned on 6 June 2017)
• Haitong International Financial Services (Singapore) Pte Ltd *(formerly G. K. Goh Financial Services (S) Pte Ltd)*[1]	• Foreign exchange brokers and dealers	• Director (appointed on 31 July 2006, resigned on 28 February 2017)
• Hidden Valley Commercial Pty Ltd[1]	• Retirement living	• Director (appointed on 10 April 2014, resigned on 6 June 2017)
• Hidden Valley Golf and Country Club Pty Ltd[1]	• Retirement living	• Director (appointed on 10 April 2014, resigned on 6 June 2017)
• Hidden Valley Lakes Estate Pty Ltd[1]	• Retirement living	• Director (appointed on 10 April 2014, resigned on 6 June 2017)

9. INFORMATION ON OUR PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

Name of Company	Principal activities	Involvement in business activities
• Hidden Valley Spa Resort Pty Ltd[1]	• Retirement living	• Director (appointed on 10 April 2014, resigned on 6 June 2017)
• Hidden Valley (Vic) Retirement Estate Pty Ltd[1]	• Retirement living	• Director (appointed on 10 April 2014, resigned on 6 June 2017)
Note:- *(1) Subsidiaries and associates of G. K. Goh Holdings Limited at the date of his appointment and where applicable, his resignation as director*		
Dato' Abdul Hamid Bin Sh Mohamed		
• Almurisi Capital Sdn Bhd	• Investment and property holding and management services	• Director (appointed on 1 August 2011) and (*)controlling shareholder (direct)
• Almurisi Development Sdn Bhd	• Property and housing developer	• Director (appointed on 3 January 2014)
• Almurisi Holding Sdn Bhd	• Property and housing developer and dealer in motorcycle	• Director (appointed on 19 June 2017) and substantial shareholder (direct)
• Anfaal Partners Sdn Bhd	• Activities of holding companies (striking off in process)	• Director (appointed on 8 November 2019) and substantial shareholder (direct)
• Boardroom Business Solutions Sdn Bhd	• Providing corporate secretarial, accounting and payroll services	• Director (appointed on 28 July 2006)
• Boardroom Corporate Services Sdn Bhd	• Principally provide company secretarial support services, accounting and payroll services, investor relations, other allied services and investment holding	• Director (appointed on 4 February 2019)
• Boardroom (Malaysia) Sdn Bhd	• Principally engaged in the business of providing solutions and management services to the group of companies, other allied services and investment holding	• Director (appointed on 1 April 2019)
• Boardroom Share Registrars Sdn Bhd	• Provide and/or undertake share registration services	• Director (appointed on 5 January 2004)
• Ekuiti Nasional Berhad	• Government-linked private equity company	• Director (appointed on 1 June 2020)

Name of Company	Principal activities	Involvement in business activities
• Harimau Menangis Sdn Bhd	• Activities of holding companies – real estate activities with own or leased property	• Director (appointed on 22 Jan 2021), and (*)controlling shareholder (direct)
• Malaysian Issuing House Sdn Bhd	• Issuing house	• Director (appointed on 4 February 2004)
• Maybank Investment Bank Berhad	• Subsidiary and investment banking arm of Malayan Banking Berhad which is listed on Main Market of Bursa Securities	• Director (appointed on 26 October 2017)
• Maybank Kim Eng Holdings Limited	• Investment holding with subsidiaries involved in dealing in securities, corporate finance and financial and investment advisory	• Director (appointed on 1 August 2019)
• PT Maybank Kim Eng Sekuritas	• Dealing in securities	• Director (appointed on 9 April 2019)
• MMC Corporation Berhad (*listed on Main Market of Bursa Securities)*	• Utilities and infrastructure investment holding company	• Independent non-executive director (appointed on 10 August 2009)
• Navina Sdn Bhd	• Medical clinic and general trading	• Substantial shareholder (direct)
• Panti Transport Sdn Bhd	• Taxi and collection of rental	• Substantial shareholder (direct)
• Sky Corporate Services Sdn Bhd	• Management consultancy	• Director (appointed on 19 June 2017)
• Solid Walls & Floors Sdn Bhd	• Activities of interior decorators	• Director (appointed on 26 July 2019)
• Stone Equity Sdn Bhd	• Investment holding. Holding company of Symphony House Sdn Bhd	• Director (appointed on 3 December 2012) and substantial shareholder (direct)
• Symphony Assets Sdn Bhd	• Management services to its holding company, Symphony House Berhad and its subsidiaries, the provision of consultancy services and business of letting properties	• Director (appointed on 5 January 2007) and (*)controlling shareholder (indirect)
• Symphony Data Processing Sdn Bhd	• Provision of infrastructure, manpower and services for the centralisation of outward cheque clearing	• Director (appointed on 21 August 2007) and (*)controlling shareholder (indirect)

9. INFORMATION ON OUR PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

Name of Company	Principal activities	Involvement in business activities
• Symphony House Sdn Bhd	• Investment holding. Holding company of Symphony Assets Sdn Bhd, Symphony Data Processing Sdn Bhd and Symphony Incorporations Sdn Bhd	• Director (appointed on 3 December 2003) and (*)controlling shareholder (indirect)
• Symphony Incorporations Sdn Bhd	• Business management consultancy services (striking off in process)	• Director (appointed on 26 December 2003) and (*)controlling shareholder (indirect)
• Ultimate Forte Sdn Bhd	• Private hospital	• Director (appointed on 21 April 2020) and (*)controlling shareholder (direct)
• Marine & General Berhad *(listed on Main Market of Bursa Securities)*	• Investment holding with investments in the provision of offshore marine support services and marine logistics services	• Independent non-executive director (appointed on 18 August 2008, resigned on 31 December 2017)
• Melgund Capital Sdn Bhd	• Dormant	• Director (appointed on 20 June 2017, resigned on 2 July 2018)
• Boustead Holdings Berhad *(listed on Main Market of Bursa Securities)*	• Investment holding with key investments through its subsidiaries in plantations, property investment, pharmaceutical and healthcare, heavy industries, trading and financial services	• Independent non-executive director (appointed on 1 September 2020, resigned on 16 April 2021)
• Pos Malaysia Berhad *(listed on Main Market of Bursa Securities)*	• Provision of postal and its related services which include receiving and dispatching of postal articles, postal financial services, dealing in philatelic products and sale of postage stamps	• Independent non-executive director (appointed on 1 March 2013, resigned on 20 August 2019)
• Scomi Group Bhd *(listed on Main Market of Bursa Securities)*	• Investment holding with investments in industries which include oil and gas and transport solutions	• Independent non-executive director (appointed on 8 May 2014, resigned on 31 January 2018)
Tan Ming-li(1)		
• BP Plastics Holding Bhd *(listed on Main Market of Bursa Securities)*	• Investment holding and provision of management services with investments in manufacturing of plastic products	• Senior independent non-executive director (appointed on 29 May 2013)
• Tune Protect Group Berhad ("**TPGB**") *(listed on Main Market of Bursa Securities)*	• Financial holding company that provides underwriting and reinsurance services for non-life insurance products through its subsidiaries	• Independent non-executive director (appointed on 1 April 2014)

9. INFORMATION ON OUR PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

Name of Company	Principal activities	Involvement in business activities
• Tune Insurance Malaysia Berhad (subsidiary of TPGB)	• Underwriting of all classes of general insurance business	• Independent non-executive director (appointed on 1 April 2014)
• Top Builders Capital Berhad (formerly known as Ikhmas Jaya Group Berhad) *(listed on Main Market of Bursa Securities)*	• Investment holding with subsidiaries involved in piling, foundation, construction and civil works, manufacturing of pre-fabricated building system and property management	• Independent non-executive director (appointed on 11 May 2015, resigned on 4 October 2019)

Note:-

*(1) Tan Ming-li has also been appointed as independent non-executive director of CapitaLand Malaysia Mall Trust ("**CMMT**") with effect from 1 June 2021. CMMT is a shopping mall-focused real estate investment trust which is listed on the Main Market of Bursa Securities.*

Notes:-

^ *The expression "N.E.C" utilised herein shall have the meaning "not elsewhere classified".*

(*) *"controlling shareholder" means the Director is entitled to exercise or control the exercise of more than 33% of the voting shares or voting rights in the corporation or who is or are in a position to control the composition of a majority of the board of directors of such corporation.*

The involvement of our Directors mentioned above in other principal business activities outside of our Group will not affect their commitment and responsibilities to our Group in their respective roles as our Directors.

9.2.6 Service contracts with our Directors

Save as disclosed below, as at the date of this Prospectus, there are no existing or proposed service contracts between our Directors and us which provide for benefits upon termination of employment:

Further to the terms of our Executive Chairman's engagement with our Company dated 30 September 2008, Low Ngee Tong is entitled to receive an ex-gratia payment of A$1,000,000 ("**Ex-Gratia Payment**") upon our termination of his employment by no less than three months' notice in writing. He is also entitled to such Ex-Gratia Payment in the event (i) our Company breaches a material term of his engagement and he terminates his employment by no less than 14 days notice in writing; or (ii) he terminates his employment by serving us not less than six written months' notice should there be a takeover or merger or change in effective control of our Company, a material adverse change in his terms of employment or his removal as our Director.

9.2.7 Remuneration and material benefits in-kind of our Directors

The remuneration and material benefits in-kind (including any contingent or deferred remuneration) paid or proposed to be paid to our Directors for services rendered to us in all capacities to our Group for FYE 31 December 2020 and 2021 are set out in the table below.

FYE 31 December 2020	Salary (A$'000)	Fees (A$'000)	Bonus (A$'000)	Defined Contributions (A$'000)	Allowances and benefits-in-kind (A$'000)	Total (A$'000)
Low Ngee Tong	1,260	-	105[(1)]	8[(2)]	-	**1,373**
Zainul Abidin Bin Mohamed Rasheed	-	130	-	-	-	**130**
Julie Anne Wolseley	-	158[(3)]	-	-	-	**158**
Tan Peng Chin Joseph Haydn	-	120	-	-	-	**120**
Teo Liang Huat Thomas	-	120	-	-	-	**120**

Notes:-

*(1) Excludes A$175,000 bonus accrued in FYE 31 December 2020 in relation to under provision of his performance bonus in FYE 2019. This accrual forms part of the performance bonus of A$1.15 million to be payable to Low Ngee Tong in respect of FYE 31 December 2019 which the payment has been deferred and is expected to be paid in the FYE 31 December 2021. In accordance with the terms of his engagement which provides that where the Group has made a consolidated operating PAT, a minimum performance bonus of 2% of the annual consolidated profit after tax and minority interests shall be payable, the Board may at its sole and absolute discretion pay further performance bonus, subject to, his and our Group's performance **("2019 Performance Bonus")**.*

(2) Statutory contributions made to the Central Provident Fund of Singapore.

(3) Excludes balance of A$4,167 non-executive directors fees of OMM for the FYE 31 December 2020 which is expected to be paid in the FYE 31 December 2021.

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FYE 31 December 2021 (Proposed to be paid)	Salary (A$'000)	Fees (A$'000)	Bonus (A$'000)	Defined Contributions (A$'000)	Allowances and benefits-in-kind (A$'000)	Total (A$'000)
Low Ngee Tong	1,260	-	105[1]	8[2]	-	**1,373**
Zainul Abidin Bin Mohamed Rasheed	-	130	-	-	-	**130**
Julie Anne Wolseley[3]	-	170[4]	-	-	-	**170**
Tan Peng Chin Joseph Haydn	-	120	-	-	-	**120**
Teo Liang Huat Thomas	-	120	-	-	-	**120**
Dato' Abdul Hamid Bin Sh Mohamed[5]	-	80	-	-	-	**80**
Tan Ming-li[5]	-	80	-	-	-	**80**

Notes:-

(1) Excludes the 2019 Performance Bonus of A$1.15 million payable to Low Ngee Tong in respect of FYE 31 December 2019 (out of which, A$175,000 was accrued in FYE 2020) which was deferred and is expected to be paid in 2021.

(2) Statutory contributions to be made to the Central Provident Fund of Singapore.

(3) Julie Anne Wolseley, being our Joint Company Secretary, had also, via her corporate consulting company, Sparkling Investments Pty Ltd, provided company secretarial services to our Company. Approximately A$250,000 was incurred for her services rendered for the FYEs 31 December 2019 and 2020 which is expected to be paid in 2021.

(4) Inclusive of A$50,000 non-executive directors fees of OMM for the FYE 31 December 2021 but excludes the balance of A$4,167 for the FYE 31 December 2020 which is expected to be paid in 2021.

(5) These Directors' fees to be paid from the date of their appointment to our Board.

Our Remuneration Committee reviews and makes recommendations to our Board on remuneration policies applicable to executive officers and our Directors. Our Remuneration Committee works with our Board and has the sole responsibility of determining the respective remuneration for our Chief Executive Officer, any other Executive Directors and our Company Secretary. Non-Executive Directors are paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of Non-Executive Directors.

9.2.8 Audit Committee

Our Audit Committee is governed by our Audit Committee Charter approved by our Board with effect from 1 March 2019, and comprises the following members, the majority of whom are Independent Non-Executive Directors:-

Name	Designation	Directorship
Teo Liang Huat Thomas	Chairman	Independent Non-Executive Director
Julie Anne Wolseley	Member	Non-Independent Non-Executive Director
Dato' Abdul Hamid Bin Sh Mohamed	Member	Independent Non-Executive Director

The Audit Committee charter provides that our Audit Committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence and effectiveness of the external and internal auditors. In particular, our Audit Committee's duties include, amongst others, the following:-

(i) To review the audited annual and half-yearly financial statements and any reports, which accompany published financial statements before submission to our Board, recommending their approval, focusing on (amongst others):-

- appropriateness of critical accounting policies, judgments and estimates in the preparation of the financial statements and any changes in accounting policies and practices;
- significant adjustments, accounting and financial reporting issues resulting from the external audit; and
- compliance with accounting policies and standards and legal requirements.

(ii) To monitor and review the propriety of any related party transactions.

(iii) To recommend to the Board the appointment of the external auditor, and each year, to review the appointment of the external auditor, their independence, the audit fee, and any questions of resignation or dismissal.

(iv) To meet independently with the external auditor on an annual basis and to discuss the nature and scope of the audit and subsequently their audit findings, including any recommendations for improvement and to ensure coordination between the internal and external auditor.

(v) To endorse an Internal Audit plan that sets out the requirements of the internal audit function, to deal with the appointment of the internal auditor, the audit fee (if externally contracted) and any questions of resignation or dismissal and to review and approve the internal auditor's charter and reporting lines of the internal audit function to ensure that the internal auditor is allowed adequate independence.

(vi) To meet independently with the internal audit service provider (where appropriate) at least annually to discuss any significant difficulties encountered, including restrictions on the scope of work, access to required information and any other relevant matters.

(vii) To oversee the establishment and implementation by management of a system for identifying, assessing, monitoring and managing material risk throughout our Company, and the system will include our Company's internal compliance and control systems.

(viii) To regularly review and update our risk profile, which include our Company's internal compliance and control systems.

Our Audit Committee Charter is made available for reference in our Company's website at http://www.omholdingsltd.com/wp-content/uploads/2019/03/Charters-Audit-Commitee-Charter_F.pdf.

9.2.9 Remuneration Committee

Our Remuneration Committee is governed by our Remuneration Committee Charter approved by our Board with effect from 1 March 2019 and comprises the following members, the majority of whom are Independent Non-Executive Directors:

Name	Designation	Directorship
Tan Peng Chin Joseph Haydn	Chairman	Independent Non-Executive Director
Zainul Abidin Bin Mohamed Rasheed	Member	Independent Non-Executive Deputy Chairman
Julie Anne Wolseley	Member	Non-Independent Non-Executive Director

The following objectives are set out in our Remuneration Committee Charter:-

(i) To review and recommend the remuneration package of the Chief Executive Officer annually to our Board;

(ii) To review the Chief Executive Officer's recommendations regarding the remuneration structure for Directors and senior executives of our Company;

(iii) To set the terms and conditions of employment for the Executive Chairman and the Chief Executive Officer of our Company;

(iv) To ensure the remuneration of the Chief Executive Officer, Directors and senior executives is aligned with market trends;

(v) To monitor and review the Chief Executive Officer's and other executive officer's performance and key performance indicators annually for the determination of the annual bonus components;

(vi) To review and recommend any incentives plans or ex-gratia payments to the Chief Executive Officer, Directors or senior executives in accordance with our Company's remuneration policies and practices which will be recommended to our Board by the Remuneration Committee;

(vii) To review whether our Company should have an equity-based remuneration scheme, providing for 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;

(viii) In relation to non-executive directors, to review and recommend to our Board the level of remuneration of non-executive Directors, to be set so as to attract the best candidates for our Board while maintaining a level commensurate with boards of a similar size and type and, where necessary, to recommend that our Board seek an increase in the amount of remuneration for non-executive Directors approved by shareholders;

(ix) To review any employee grievance or complaints about remuneration which have otherwise not been dealt with by the Chief Executive Officer;

(x) To review senior executive succession plans;

(xi) To ensure that our Company's remuneration and incentive policies, practices and performance indicators are aligned with our Board's vision, values and overall business objectives and are appropriately designed to:

(a) enable our Company to attract, retain and motivate employees who achieve operational excellence and create value for our shareholders; and

(b) reward our employees fairly and responsibly, having regard to the results of our Group, individual performance and general remuneration conditions; and

(xii) Any other relevant matters identified by our Board.

Our Remuneration Committee Charter is made available for reference in our Company's website at http://www.omholdingsltd.com/wp-content/uploads/2019/03/Charters-Remuneration-Committee-Charter_F.pdf.

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9.3 KEY SENIOR MANAGEMENT

9.3.1 Shareholdings in our Company

The following table sets out the direct and indirect shareholdings of each of our key senior management as at the LPD. Save for as disclosed below, there will be no change in our key senior management's shareholdings pursuant to the Secondary Listing as there will be no offering or new issuance of OMH Shares:-

			As at the LPD				Pro forma after Secondary Listing			
			Direct		Indirect		Direct		Indirect	
Name	**Age**	**Designation**	**No. of Shares ('000)**	**^%**	**No. of Shares ('000)**	**^%**	**No. of Shares ('000)**	**^%**	**No. of Shares ('000)**	**^%**
Low Ngee Tong	67	Non-Independent Executive Chairman/ Chief Executive Officer	68,111	9.22	-	-	(1)58,111	7.87	-	-
Heng Siow Kwee	58	Group Human Resources Director and Joint Company Secretary	65,952	8.93	-	-	65,952	8.93	-	-
Tan Teck Thye	48	Senior Financial Controller	-	-	-	-	-	-	-	-
Rudolph Johannes Stephanus Van Jaarsveld	67	Managing Director of OMM	500	0.07	-	-	500	0.07	-	-
Chen XiaoDong	54	Chairman of OMQ and Managing Director of OM Sarawak	-	-	-	-	-	-	-	-
Dai HanPing	54	General Manager, Production of OM Sarawak	-	-	-	-	-	-	-	-
Heng Heok Miang	47	Managing Director, Logistics of OM Malaysia	912	0.12	-	-	912	0.12	-	-
Adrian Low Jia Yuan	35	General Manager, Marketing & Trading of OMS	1,003	0.14	-	-	1,003	0.14	-	-

Notes:-

^ *The percentage shareholdings are calculated based on 738,623,337 issued OMH Shares (including treasury shares) as at the LPD and after the Secondary Listing.*

(1) Based on the assumption that Low Ngee Tong transfers and fully sells down 10,000,000 Shares on Bursa Securities pursuant to his Transfer Undertaking.

9.3.2 Profiles of our key senior management

The profiles of our key senior management are set out as follows:

(i) Low Ngee Tong

The profile of Low Ngee Tong, our Non-Independent Executive Chairman/Chief Executive Officer, is set out in **Section 9.2.3(i)** of this Prospectus.

(ii) Heng Siow Kwee

Heng Siow Kwee, a Singaporean aged 58, is our Group Human Resources Director and Joint Company Secretary. She is also the Managing Director of our subsidiary, OMS. She has over 20 years of experience in administrative and human resources matters.

She obtained a Bachelor of Business Administration degree from the National University of Singapore in 1984. She was formerly a member and fellow member of the Association of Chartered Certified Accountants in 2003 and 2008 respectively.

She started her career in 1984 as a marketing service coordinator for Borneo Motors (Toyota), Singapore, a car distributor in Singapore, where she was responsible for product research, product campaign, marketing, advertising and promotion, as well as compiling market reports, surveys and statistics, until 1985. She then joined Beverly Mortgage, Los Angeles in the United States of America in 1985 as a loan processor, responsible for assessing and processing of loan applications. Then, she joined Overseas Assurance Corp, Singapore in 1986, as an agency inspector responsible for sales and marketing of life insurance products, and the training and recruiting of new agents.

In 1990, she joined Prudential Insurance, Singapore as an agency administrator, where she supported the agency's owner and was in charge of the agency's overall operations, dealing with policy holders, agency training, customer service, marketing of the company's insurance products, handled the co-ordination work between agents and head office and she supported and assisted the agency owner until 1991. She then moved to Hong Kong and was on a sabbatical until 1993.

Between 1993 and 1996, she was a director of Success World Industrial Limited, a trading company in Hong Kong where she was responsible for the company's administrative and human resources matters, accounts and finance.

She co-founded our Group together with Low Ngee Tong, which commenced business operations through OMR in Hong Kong in 1994, principally involved in the sale of mineral commodities and ferroalloys in the PRC market, which subsequently expanded to the provision of management services and trading of a wide range of specialised minerals and ferroalloy products. She was then appointed as a director and company secretary of OMH pursuant to its incorporation in 1997. She resigned as our director in 2007 and was subsequently appointed as our Group Human Resources Director in 2007. She also served as a director of OMM between 2001 and 2005.

As our Group Human Resources Director and Joint Company Secretary of our Group, she is currently responsible for overseeing the overall administrative and human resources function of our Group.

(iii) Tan Teck Thye (Chen Detai)

Tan Teck Thye, a Singaporean aged 48, holds the designation of Senior Financial Controller, OMH. He has over 20 years of experience in auditing and accounting.

He obtained a Bachelor of Arts (Accounts and Economics) in 1997 from the University of Reading, United Kingdom.

He began his career in 1997 as an auditor with KPMG LLP, Singapore, and was subsequently promoted to senior auditor. He then left KPMG LLP in 2001 and joined ECS Holdings Limited ("**ECS**") (now known as VSTECS Holdings (Singapore) Limited), an investment holding company and provider of information and communications technology products and services, as a senior accountant. ECS was then listed on the Main Board of SGX. Then, from 2005 to 2008, he was seconded to ECS' subsidiary, ECS Computers (Asia) Pte Ltd (now known as VSTECS (Singapore) Pte Ltd), where he served as its Finance Manager and subsequently promoted to its Vice President, Finance, responsible for the management of its financial affairs.

He was then appointed as the Group Finance Controller of ECS in 2008 and was subsequently re-designated as their Senior Vice President – Finance, and thereafter assumed the position of Group Chief Financial Officer in 2014 where he was responsible for the financial management of ECS and its group of companies including accounting, treasury, tax reporting and planning, financial control and reporting.

He joined our Group as our Financial Controller in 2015 and was promoted to his current position as our Senior Financial Controller in 2017. Since joining us, he has been responsible for the financial management of the Company and Group, ensuring appropriate financial planning and financial corporate compliance, overseeing the statutory reporting, treasury, tax and other finance operations.

(iv) Rudolph Johannes Stephanus Van Jaarsveld

Rudolph Johannes Stephanus Van Jaarsveld, an Australian aged 67, holds the designation of Managing Director of OMM. He has over 32 years of experience in the manganese industry, primarily in various senior management and operational roles.

He obtained a Diploma in Analytical Chemistry from the Kaapse Technikon Cape in South Africa (the predecessor of Cape Peninsula University of Technology) in 1983 and also completed a Senior Management Programme in from the University of Stellenbosch Graduate School of Business in South Africa in 1994. He has been a Member of the Australian Institute of Company Directors since 2011.

Between 1976 to 1988, he served in various roles which include as chemist, ceramist and production superintendent for numerous manufacturers across a range of industries, including construction and ammunition. These companies include Gypsum Industries Ltd, Cullinan Refractories Ltd, and Armaments Corporation of South Africa SOC Ltd, all of which are located in South Africa.

From 1988 to 2007, he worked for Hotazel Manganese Mines - South 32 in South Africa. where he held various roles, including as chief chemist as well as managerial positions such as logistics manager, environmental manager, quality assurance manager, production manager, mine manager and operations manager. During his tenure, he was responsible for overseeing the operations of two manganese mines at Hotazel, South Africa.

He joined our Group in 2007 as the Technical Director of OMH based in Singapore, responsible for evaluating and managing new growth opportunities relevant to expanding the Group's manganese and other metal businesses. He also assisted OMM with optimising the Australian operations of the Group. He relocated to Australia in 2009 taking up the responsibilities of Head of Operations where he oversaw the management of our mining operations, covering the Bootu Creek Mine, OMM's operations, projects and expansions. In 2010 he was appointed to his current position of Managing Director of OMM. He is responsible for overseeing the entire Australian operations of OMM, including the operational activities at OMM's offices in Perth and Darwin as well as the Bootu Creek Mine.

(v) Chen XiaoDong

Chen XiaoDong, a PRC national aged 54, holds the designation of Chairman of OMQ and Managing Director of OM Sarawak. He has over 30 years of experience in trading and management.

He graduated in 1988 from Guangxi University, PRC with a degree in Mechanical Manufacturing Engineering. He also received Foreign Trade Merchandiser, Economist and International Business Engineer certifications from the Ministry of Foreign Trade and Economic Co-operation of the PRC (Guangxi branch) (the predecessor of the Ministry of Commerce of PRC) respectively in 1991, 1993 and 1994.

From 1988 to 1993, he worked as a trader at China National Machinery Import and Export Corporation (Guangxi branch), a machinery trading company, where he was involved in trading of machineries. In 1993, he was promoted to general manager in Guangxi Machinery Import and Export Corporation (Hong Kong branch) ("**GMIEC**") where he was tasked with establishing a trading company in Hong Kong. Thereafter, from 1998 to 2005, he worked in Guangxi Fengning Import and Export Corporation as its deputy general manager, where he was responsible for tendering and bidding for projects for the company.

Prior to joining our Group, in 2005, he worked as the Deputy General Manager of Guangxi Investment Group Huiyuan Manganese Industry Co Ltd which is an electrolytic manganese dioxide and electrolytic manganese metal manufacturer. His responsibilities were to oversee all product sales and materials purchase, ore trading and mine development, giving him a good foundation in the manganese industry.

He joined our Group in 2009 as Deputy General Manager of OMQ where he was in charge of all production and business operations as well as the management of OMQ and was General Manager of OMQ before he was transferred to OM Sarawak in 2014, where he served as its General Manager in charge of overseeing the business operations and financial performance of OM Sarawak. He was promoted to his current positions as Managing Director of OM Sarawak in 2016 and Chairman of OMQ in 2019 where he was charged with the added responsibility of developing and executing business strategies for our Sarawak and Qinzhou operations.

(vi) Dai HanPing

Dai HanPing, a PRC national aged 54, holds the designation of General Manager, Production of OM Sarawak. He has over 30 years of experience in the smelting industry.

He obtained a Bachelor of Science, majoring in iron and steel metallurgy from the Shanghai University of Technology, PRC in 1989. He received a Senior Engineer in Nonferrous Metal Processing qualification from the Shanghai Municipal Engineering Instrumentation Electronics Professional Senior Professional Technical Position Qualification Evaluation Board in 2002.

Between 1989 to 2007, he served in Shanghai Shenjia Ferroalloys Co., Ltd (previously known as Shanghai Ferroalloy Factory), which was part of the primary metals manufacturing industry. He began his career there as an apprentice/furnace intern. He was promoted and held several positions during his tenure there including as Deputy Sub Plant Manager in charge of managing the sub-plant production and solving all smelting technical matters, as Management Office Manager in charge of controlling and enforcing the operation systems of the plant and as Deputy General Engineer in charge of providing production and smelting technical expertise.

In 2008, he worked as Deputy General Engineer of Shanghai Hujin Investment Management Co, Ltd, the joint venture partner of OMS and holder of 30% stake in OMA, where he was responsible for providing smelting technical expertise.

He joined our Group as Deputy General Engineer in OMA in 2009 where he was responsible for providing smelting technical expertise. In 2014, he was seconded to OM Sarawak to serve as Deputy General Manager- Equipment and subsequently promoted to his current position as General Manager, Production in 2016, in charge of overseeing and improving production processes and performance with his smelting technical expertise.

(vii) Heng Heok Miang (Wang Yumin)

Heng Heok Miang, a Singaporean aged 47, holds the designation of Managing Director, Logistics of OM Malaysia. He has 20 years of working experience with our Group, comprising over 14 years in accounting and finance, and the past 5 years in the logistics processes.

He obtained a Bachelor of Commerce degree (Accounting and Finance) from Monash University, Australia in 1999 and a Master of Business Administration from the University of Manchester, United Kingdom in 2013. He has been a Certified Practising Accountant of CPA Australia Ltd since 2004 and a non-practicing accountant with the Institute of Singapore Chartered Accountants (formerly Institute Certified Public Accountants of Singapore) since 2010.

He began his career in 2000 as a Senior Auditor (Assurance and Advisory Business Service) at Nexia TS Pte Ltd, an accounting and consulting firm in Singapore and member of Nexia International, a worldwide network of independent auditors, business advisors and business consultants. Whilst there, he led a team of audit assistants in carrying out audit, taxation, and consultancy work.

Between 2002 to 2006, he served in Ghim Li Holdings Co Pte Ltd's group of companies, a textile and apparel manufacturer. He was initially a controlling accountant for Ghim Li Holdings Co Pte Ltd in 2002, where he was responsible for supervising and monitoring the accounting and financial operations for both Hong Kong and China. He was subsequently, in the later part of 2002, transferred to serve as the financial controller of Ghim Li Fashion (Fiji) Ltd and Ghim Li Apparel (Fiji) Ltd, responsible for overseeing the accounting and finance, information technology, payroll and administration departments of the companies' factories. Between 2004 to 2006, he was a financial controller of Jati Freedom Sdn Bhd and Alliance GG Sdn Bhd where he was responsible for accounting and finance, financial closing, budgeting, forecasting, inventory control and management reporting to the head office of the companies.

He joined our Group in 2006 as Senior Manager, Accounts & Finance of OMS. He subsequently held various senior positions including as Financial Controller and Deputy General Manager of OMQ, as our General Manager of Finance, Joint Group Financial Controller and our Financial Controller. In 2015, he was re-designated as Director, Logistics of OMS and assumed his current position in 2019 where he was charged with setting up our overall logistics division serving our Malaysian subsidiaries, conducting the feasibility study on expanding our logistics function beyond our Sarawak Plant, the procurement of all plant logistics equipment and assets, liaising with the authorities on customs duties and taxes related matters, co-ordinating, managing and monitoring all shipping export and import matters and requirements, co-ordinating, integrating sales from Singapore head office and procurement system and streamlining the processes.

(viii) Adrian Low Jia Yuan

Adrian Low Jia Yuan, a Singaporean aged 35, is our General Manager, Marketing & Trading of OMS. He has over 6 years of experience in marketing and trading.

He obtained a Bachelor of Science in Mathematics from the University of Chicago, United States of America ("**USA**") in 2010 and a Master of Science in Finance from Princeton University, USA in 2012.

He began his career in 2012 as a Business Analyst, E-Commerce Marketing Planning at Rakuten Inc, Tokyo, a Japanese e-commerce and online retailing company, where he was responsible for forecasting merchant sales, and estimating returns on investment and efficiencies of marketing campaigns by behavioural analysis.

In 2013 he joined our Group as an Executive in Marketing & Trading, and was initially responsible for market analysis and the marketing and sale of alloys, as well as middle office functions. Since then he has held various managerial positions in Marketing & Trading, including Assistant Manager, Manager, and Senior Manager, and was responsible for the sale of manganese ore from our mines and the procurement of manganese ore for our smelting plants, with a secondary role in corporate relations. He was promoted to his current position as General Manager, Marketing & Trading of OMS in 2020, where he is responsible for general sales and trading, market research, business development, strategy, and corporate relations.

9.3.3 Principal business activities performed by our key senior management outside our Group in the past five years

Save as disclosed below, none of our key senior management are involved in principal business activities outside our Group as at the LPD, or hold directorships in other companies outside our Group, at present and in the past five years preceding the LPD:-

Name of Company	Principal activities	Involvement in business activities
Heng Siow Kwee		
• Dino Company Limited	• Investment holding principally involved in portfolio investment	• Director (appointed on 28 October 1997) and substantial shareholder (direct)

The involvement of our key senior management mentioned above in other principal business activities outside our Group will not affect their continued contribution to the day-to-day management and operations of our Group.

9.3.4 Service contracts with our key senior management

As at the date of this Prospectus, there are no existing or proposed service contracts between our key senior management and us which provide for benefits upon termination of employment.

9.3.5 Remuneration and material benefits in-kind of our key senior management

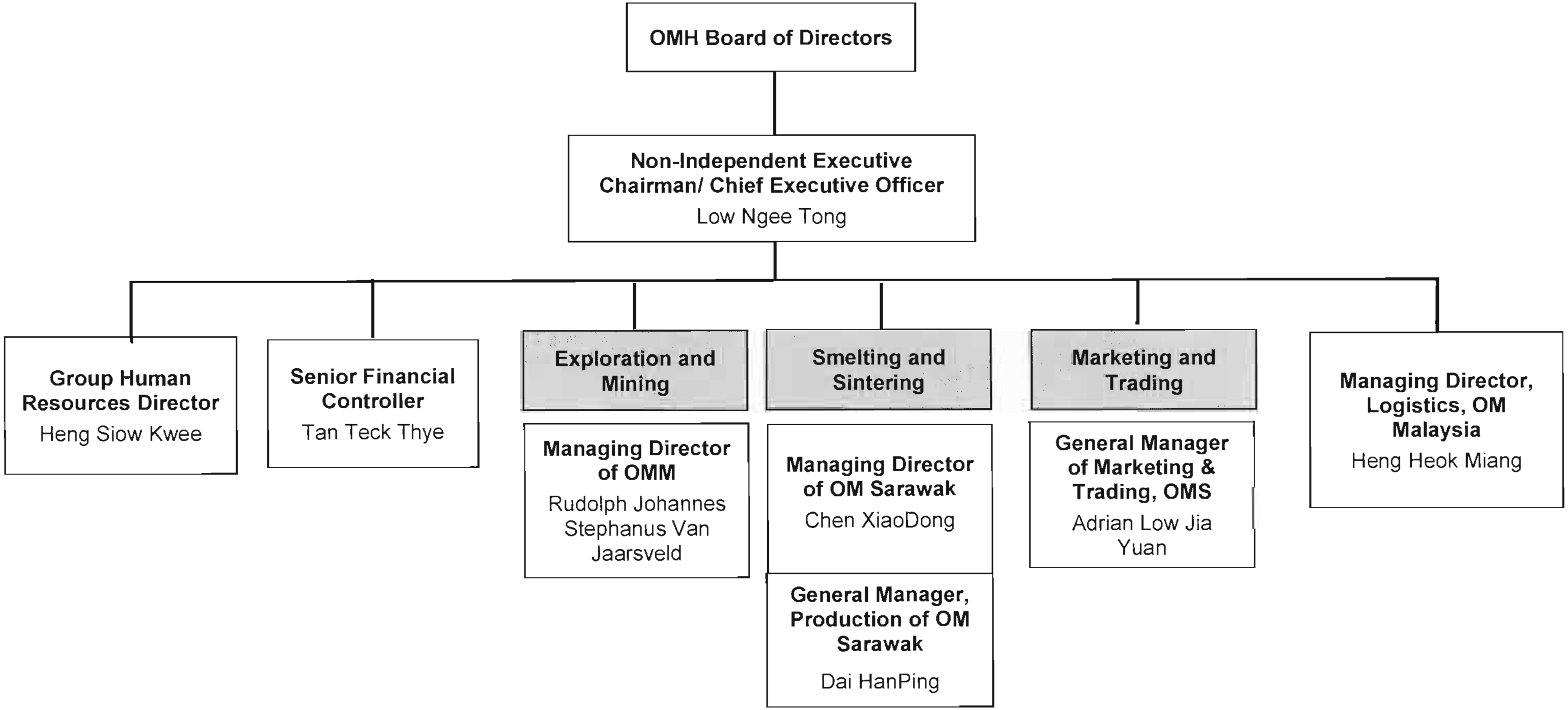
The remuneration and material benefits in-kind of our Executive Chairman who is also part of our key senior management are set out in **Section 9.2.7** of this Prospectus. The aggregate remuneration and material benefits in-kind (including any contingent or deferred remuneration) paid or proposed to be paid to our key senior management, other than our Executive Chairman, for services rendered to us in all capacities to our Group for the FYE 31 December 2020 and 2021 are as follows:-

	Remuneration band (FYE 31 December)	
	2020 (Paid)	2021 (Proposed to be paid)
Key senior management	(A$'000)	(A$'000)
Heng Siow Kwee	400 – 450	350 – 400
Tan Teck Thye	100 – 150	100 – 150
Rudolph Johannes Stephanus Van Jaarsveld	550 – 600	550 – 600
Chen XiaoDong	250 – 300	250 – 300
Dai HanPing	150 – 200	150 – 200
Heng Heok Miang	150 – 200	150 – 200
Adrian Low Jia Yuan	100 – 150	100 – 150

9. INFORMATION ON OUR PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

9.4 MANAGEMENT REPORTING STRUCTURE

Our management reporting structure is as follows:



Notwithstanding the management reporting structure above, all reporting subsidiaries of the Group have a direct reporting line to the Non-Independent Executive Chairman/Chief Executive Officer.

9.5 ASSOCIATIONS OR FAMILY RELATIONSHIP BETWEEN OUR PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

Save as disclosed below, there are no associations or family relationships between our Promoter, substantial shareholders, Directors and key senior management:-

(i) Low Ngee Tong, who is our Promoter, substantial shareholder, Non-Independent Executive Chairman and Chief Executive Officer is the spouse of Heng Siow Kwee, our substantial shareholder, Group Human Resources Director and Managing Director of OMS and Joint Company Secretary; and

(ii) Adrian Low Jia Yuan, who is our General Manager, Marketing & Trading of OMS is the son of Low Ngee Tong and Heng Siow Kwee.

9.6 DECLARATIONS BY OUR PROMOTER, DIRECTORS AND KEY SENIOR MANAGEMENT

As at the LPD, none of our Promoter, Directors or key senior management is or has been involved in any of the following events (whether in or outside Malaysia):

(i) in the last 10 years, a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which such person was a partner or any corporation of which such person was a director or member of key senior management;

(ii) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;

(iii) in the last 10 years, charged or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;

(iv) in the last 10 years, any judgment was entered against such person, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on such person's part, involving a breach of any law or regulatory requirement that relates to the capital market;

(v) in the last 10 years, the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on such person's part that relates to the capital market;

(vi) the subject of any order, judgment or ruling of any court, government or regulatory authority or body temporarily enjoining such person from engaging in any type of business practice or activity;

(vii) in the last 10 years, has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; or

(viii) any unsatisfied judgment against such person.

9.7 OTHER MATTERS

(i) No other amounts or benefits has been paid or intended to be paid or given to our Promoter and substantial shareholders within the 2 years preceding the date of this Prospectus, except for remuneration received by our substantial shareholders who are our employees in the course of their employment (namely, Low Ngee Tong, our Chief Executive Officer, and Heng Siow Kwee, our Group Human Resources Director), directors' fees and dividends paid to our shareholders.

(ii) There is no arrangement, the operation of which may result in the change in control of our Company at a date subsequent to our Secondary Listing.

(iii) Our Promoter and substantial shareholders do not have different voting rights from our other shareholders.

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10. RELATED PARTY TRANSACTIONS

10.1 OUR GROUP'S RELATED PARTY TRANSACTIONS

As we are undertaking the Secondary Listing on Bursa Securities and ASX will remain as the primary stock exchange on which our Shares are listed, we are not subject to any of the related party transaction obligations under the Listing Requirements. We are bound, however, by requirements imposed on related party transactions under the ASX Listing Rules.

For information purposes only, the disclosure relating to related party transactions in this Prospectus are in the context and application of the Listing Requirements, based on the following defined terms based on the Listing Requirements, subject to certain exemptions contained therein:-

"**related party transaction**"	a transaction entered into by the listed issuer or its subsidiaries which involves the interest, direct or indirect, of a related party
"**related party**"	a director, major shareholder or person connected with such director or major shareholder (including a director or major shareholder within the preceding 6 months before the transaction was entered into)
"**major shareholder**"	a person within the preceding 6 months of the date on which the terms of the transaction were agreed upon a shareholder with a shareholding of 10% or more (or 5% or more where such person is the largest shareholder of the corporation) of all the voting shares in the corporation

After the Secondary Listing of our Shares on the Bursa Securities, transactions with related parties (as defined under the ASX Listing Rules) involving our Group or other persons or entities in a position to influence our Group shall be subject to the ASX Listing Rules. Any disclosure of information and documents made by our Company to ASX shall simultaneously be made available to Bursa Securities. There are no material related party transactions entered into by our Group with related parties (as defined under the ASX Listing Rules) for the past 4 FYEs 31 December 2017, 2018, 2019 and 2020, and up to the LPD. For further information relating to disclosure requirements between Bursa Securities and the ASX, please refer to **Annexure C** of this Prospectus for a summary comparison of the Listing Requirements and the ASX Listing Rules.

10.1.1 Material related party transactions

Our Directors have confirmed that there are no material related party transactions entered into by our Group with related parties for the past 4 FYEs 31 December 2017, 2018, 2019 and 2020, and up to the LPD. Our Directors have also confirmed that there are no material related party transactions that we had entered into with related parties but not yet effected up to the LPD.

10.1.2 Other transactions entered into that are unusual in their nature or conditions

There are no other transactions entered into that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets to which we were a party in respect of the past 4 FYEs 31 December 2017, 2018, 2019 and 2020, and up to the LPD.

10.1.3 Material outstanding loans and/or financial assistance made to or for the benefit of related parties

Our Group has not granted any material loans and/or financial assistance (including guarantees of any kind) to or for the benefit of our related parties in respect of the past 4 FYEs 31 December 2017, 2018, 2019 and 2020, and up to the LPD, which remain outstanding as at the LPD.

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

10.2 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS

As we are undertaking a Secondary Listing on Bursa Securities, and maintaining our primary listing on the ASX, we are subject to limited regulatory oversight by the Bursa Securities. As such, any related party transaction involving our Group would not be subject to the Listing Requirements for disclosure or shareholders' approval. Instead, any transaction involving a related party (as defined under the ASX Listing Rules) to our Group will be subject to the requirements of the ASX Listing Rules.

Our Group is required to seek our shareholder approval each time we enter into certain transactions with related parties or persons or entities in a position to influence the Group in accordance with the ASX Listing Rules.

Under ASX Listing Rule 10.1, any transaction between our Company (or any of its subsidiaries) and a related party of our Group, a substantial shareholder who is or was a substantial holder at any time in the 6 months before the transaction, or any of their respective associates that involves a substantial asset will require prior shareholder approval, whereby:-

"related party"	means in relation to a body corporate:- A. an entity that Controls the body corporate; B. if the body corporate is Controlled by an entity that is not a body corporate, the persons making up that entity; C. directors of the body corporate or of an entity that Controls the body corporate; D. spouses and de facto spouses of anyone referred to in (B) and (C) above; E. parents and children of anyone referred to in (B), (C) and (D) above; F. an entity Controlled by anyone referred to in (A) – (E) above unless it is also Controlled by the body corporate; G. anyone who has fallen within (A)–(F) above within the past 6 months; H. anyone who believes or has reasonable grounds to believe that they are likely to fall within (A) – (F) at any time in the future; and I. anyone acting in concert with someone referred to in (A) – (H) above
"Control"	An entity controls a second entity if the first entity has the capacity to determine the outcome of decisions about the second entity's financial and operating policies. In determining whether the first entity has this capacity:- A. the practical influence the first entity can exert (rather than the rights it can enforce) is the issue to be considered; and B. any practice or pattern of behaviour affecting the second entity's financial or operating policies is to be taken into account (even if it involves a breach of an agreement or a breach of trust)
"substantial shareholder"	a person with a relevant interest of at least 10.0% of the total votes attaching to voting securities, as determined in the ASX Listing Rules and the Australian Corporations Act
"substantial asset"	an asset valued at 5.0% or more of our Company's equity interests according to the most recent accounts lodged with ASX

The ASX may also determine that any person whose relationship with the Company or a related party of the Company is such that, in the ASX's opinion, the transaction should require shareholder approval.

Further in seeking that approval shareholders must be provided with an opinion from an independent expert as to whether the transaction is fair and reasonable to the disinterested shareholders.

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

Certain transactions are exempt from the requirement to obtain shareholders' approval, including an issue of securities by our Company for cash.

In addition, under ASX Listing Rule 10.11, our Company must not issue or agree to issue equity securities to a related party of our Company, a Substantial Holder, or a person who was at any time in the six months prior to the transaction, a holder of more than 30% of the shares of the Company, or their respective associates (or a person whose relationship with our Company is in ASX's opinion such that approval should be obtained). ASX Listing Rule 10.12 sets out a number of exceptions to this prohibition.

For further information relating to disclosure of related party transactions on the ASX, please refer to **Annexure C** of this Prospectus.

Further, our Audit Committee will review the terms of all related party transactions having regard to the requirements of the ASX Listing Rules, and our Directors will report such transactions, if any, annually in our Company's annual report as well as make the required disclosures of such transactions in accordance with the obligations imposed on it under the ASX Listing Rules. In the event that there are any proposed related party transactions that involve the direct or indirect interest of our Directors, our interested directors shall disclose to our Board the nature and extent of their interest including all matters in relation to the proposed related party transactions that they are aware or should reasonably be aware of, which are not in the Company's best interests. Our interested Directors shall also abstain from any of our Board's deliberation and voting on the relevant resolutions in respect of such proposed related party transactions.

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11. CONFLICT OF INTEREST

11.1 INVOLVEMENT OF OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS IN ENTITIES WHICH CARRY ON A SIMILAR TRADE AS THAT OF OUR GROUP OR WHICH ARE OUR CUSTOMERS OR SUPPLIERS

As at the LPD, our Directors and substantial shareholders (save for other substantial shareholders as disclosed below), do not have any interest, direct or indirect, in any entities which are carrying on a similar trade as that of our Group or which are our customers or suppliers.

The details of any involvement of the other substantial shareholders (namely, Huang Gang, Amplewood Resources Ltd and Marc Chan) in other entitles are not available, as these shareholders are public shareholders who had acquired our Shares from the ASX open market. These shareholders are not involved in our Group's business and do not have any relationship with nor are they deemed persons connected to our Directors or key senior management.

11.2 MONITORING AND OVERSIGHT OF CONFLICTS OF INTEREST

11.2.1 Audit Committee Review

Our Audit Committee, where delegated by our Board, is tasked to oversee the establishment and implementation by management of a system for identifying, assessing, monitoring and managing material risk throughout our Company. This system will include our Company's internal compliance and control systems, which monitors, amongst others, the standard of corporate conduct in areas such as arms-length dealings and likely conflicts of interest.

11.2.2 Our Group's policy on conflict of interests

Our Directors are required to disclose to our 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 our Group; and if requested by our Board, within 7 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.

We adopted comprehensive corporate governance that meets best practice principles to mitigate any potential conflict of interest situation. Our Code of Ethics and Conduct ("**Code**") provides that, amongst others, our Company will seek to avoid conflicts of interest so that an employee's interests, or the interests of a family member of the employee, do not affect the way he or she handles our Company's business.

Where an individual's private interests are at variance in any way with the interests of our Company as a whole, a conflict of interest exists. Further, a conflict of interest can be seen to exist where an employee or family member has a direct or indirect financial interest in, or receives any compensation/other benefit from, any individual or firm that:

(i) sells material, equipment or property to our Company;

(ii) provides any service to our Company;

(iii) has business dealings or contractual relations with our Company including leases and purchases; or

(iv) is engaged in a similar business or competes with our Company.

Our Company views breaches of the Code as serious misconduct. Employees who have become aware of any breaches of the Code 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 and 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 outlined in the Code may be subject to disciplinary action, including in the case of serious breaches, dismissal.

Our Board has also adopted a Code of Conduct for Directors and key executives ("**Code of Conduct**") to promote ethical and responsible decision making. Directors and key executives of our Company will, amongst others, not allow personal interests, or the interests of any associated person, to conflict with the interests of our Company.

Our Code and Code of Conduct are made available for reference in our Company's website at http://www.omholdingsltd.com/aboutus/corporate-governance/.

11.3 DECLARATION BY ADVISERS ON CONFLICTS OF INTEREST

11.3.1 Declaration by UOBKH

UOBKH confirms that there is no existing or potential conflict of interest in relation to its capacity as the Principal Adviser in respect of our Secondary Listing.

11.3.2 Declaration by Albar & Partners

Albar & Partners confirms that there is no existing or potential conflict of interest in its capacity as the legal adviser to our Company as to Malaysian law in respect of our Secondary Listing.

11.3.3 Declaration by MinterEllison

MinterEllison confirms that there is no existing or potential conflict of interest in its capacity as the legal adviser to our Company as to Australian law in respect of our Secondary Listing.

11.3.4 Declaration by Conyers Dill & Pearman Pte. Ltd.

Conyers Dill & Pearman Pte. Ltd. confirms that there is no existing or potential conflict of interest in its capacity as the legal adviser to our Company as to Bermuda law in respect of our Secondary Listing.

11.3.5 Declaration by Foo Kon Tan LLP

Foo Kon Tan LLP confirms that there is no existing or potential conflict of interest in its capacity as the Auditors and Reporting Accountants in respect of our Secondary Listing.

11.3.6 Declaration by AlloyConsult

AlloyConsult confirms that there is no existing or potential conflict of interest in its capacity as the Independent Market Researcher in respect of our Secondary Listing.

12. FINANCIAL INFORMATION

The historical financial information presented below should be read in conjunction with the management's discussion and analysis of financial condition and results of operations as set out in **Section 12.3** of this Prospectus and the Accountants' Report, together with its related notes and assumptions as set out in **Section 13** of this Prospectus. There has been no audit qualification on our audited consolidated financial statements for the past 4 financial years, FYE 31 December 2017 ("**FYE 2017**"), FYE 31 December 2018 ("**FYE 2018**"), FYE 31 December 2019 ("**FYE 2019**"), and FYE 31 December 2020 ("**FYE 2020**"). The consolidated financial statements of our Group are reported in A$, disclosed/announced on the ASX pursuant to the ASX Listing Rules and presented in accordance with IFRS.

12.1 HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

The following table sets out a summary of the audited consolidated financial information for the financial period under review.

	Audited			
	FYE 31 December			
	2017 (A$'000)	2018 (A$'000)	2019 (A$'000)	2020 (A$'000)
Revenue	988,182	1,510,416	1,026,454	784,633
Cost of sales	(778,597)	(1,157,128)	(874,001)	(688,371)
GP	**209,585**	**353,288**	**152,453**	**96,262**
Other income	10,194	2,356	4,334	6,756
Distribution costs	(44,250)	(54,566)	(47,692)	(41,661)
Administrative expenses	(23,647)	(35,244)	(20,383)	(15,924)
Other operating expenses	(56,501)	(30,984)	(27,952)	(37,787)
Finance costs	(43,902)	(44,881)	(32,220)	(28,827)
Profit/(Loss) from operations	**51,479**	**189,969**	**28,540**	**(21,181)**
Share of results from associates	21,138	46,958	30,381	16,525
PBT/(LBT)	**72,617**	**236,927**	**58,921**	**(4,656)**
Taxation	18,757	(52,270)	(2,849)	1,718
PAT/(LAT)	**91,374**	**184,657**	**56,072**	**(2,938)**
Profit/(loss) attributable to:				
Owners of the Company	92,656	161,722	56,641	5,352
Non-controlling interests	(1,282)	22,935	(569)	(8,290)
	91,374	**184,657**	**56,072**	**(2,938)**
EBITDA ('000)[1]	186,195	339,775	154,602	81,329
GP margin (%)[2]	21.2	23.4	14.9	12.3
EBITDA margin (%)[3]	18.8	22.5	15.1	10.4
PBT margin (%)[4]	7.4	15.7	5.7	N/A
PAT margin (%)[5]	9.3	12.2	5.5	N/A
No. of shares in issue ('000)	733,423	738,623	738,623	738,623
Weighted average number of shares for the purpose of EPS calculation ('000)	731,490	733,590	736,690	736,690
Basic EPS (cents)[6]	12.7	22.1	7.7	0.7
Diluted EPS (cents)[7]	12.1	21.8	7.7	0.7

12. FINANCIAL INFORMATION *(Cont'd)*

Notes:-

(1) The table below sets out a reconciliation of our PBT/(LBT) to EBITDA:-

	Audited			
	FYE 31 December			
	2017	2018	2019	2020
	(A$'000)	(A$'000)	(A$'000)	(A$'000)
PBT/(LBT)	***72,617***	***236,927***	***58,921***	***(4,656)***
Adjusted for:-				
Finance costs	*43,902*	*44,881*	*32,220*	*28,827*
*Depreciation of property, plant and equipment ("**PPE**")*	*32,985*	*36,751*	*42,369*	*43,285*
Depreciation of right-of-use assets	-	-	*6,156*	*5,644*
Depreciation of investment property	-	-	*11*	*11*
Amortisation of land use rights	*186*	*193*	*204*	*206*
Amortisation of deferred capital grant	*(737)*	*(760)*	*(814)*	*(817)*
Amortisation of mine development costs	*11,143*	*9,052*	*5,147*	*6,505*
Interest income	*(187)*	*(405)*	*(898)*	*(691)*
Loss on deemed disposal and re-purchase	*505*	-	-	-
Impairment (reversal)/charge	*(3,380)*	*2,666*	*2,325*	*3,397*
Fair value (loss)/gain	*(148)*	*2,925*	*620*	-
Unrealised exchange loss/(gain)	*29,309*	*7,545*	*8,341*	*(382)*
EBITDA	***186,195***	***339,775***	***154,602***	***81,329***

We have computed our EBITDA after adjusting for depreciation and amortisation, impairment, net finance costs and other non-cash items. Our EBITDA computation is not a uniformly defined measure and other companies in the mining industry may calculate this measure differently. Consequently, our presentation of adjusted EBITDA may not be readily comparable to other companies' disclosures.

As a result of our adoption of IFRS 16 Leases in the FYE 2019, additional non-cash items primarily comprising depreciation of right-of-use assets are adjusted in our EBITDA for the FYEs 2019 and 2020. As these IFRS 16 items are not restated in the financial information for the FYEs 2017 and 2018, the EBITDA values for the FYEs 2017 and 2018 may not be comparable to the EBITDA values for the FYEs 2019 and 2020.

(2) GP margin is computed based on the GP over revenue of our Group.

(3) EBITDA margin is computed based on the EBITDA over revenue of our Group.

(4) PBT margin is computed based on the PBT over revenue of our Group.

(5) PAT margin is computed based on the PAT over revenue of our Group.

(6) Basic EPS is computed based on PAT attributable to the owners of the Company divided by the weighted average number of shares in issue (excluding treasury shares) during each financial period under review.

(7) Diluted EPS is computed based on PAT (after effect of dilutive potential ordinary shares) attributable to the owners of the Company divided by the weighted average number of shares in issue (excluding treasury shares) during each financial period under review adjusted for the effects of all dilutive instruments (where applicable). The computation of the dilutive EPS for FYE 2017 and FYE 2018 are as set out below:-

	FYE 2017 ('000)	FYE 2018 ('000)
Weighted average number of Shares	*731,490*	*733,590*
Effect of dilutive potential ordinary shares:		
- Convertible notes	*25,000*	*17,436*
- Warrants	*31,200*	-
Weighted average number of Shares for the purpose of diluted EPS	***787,690***	***751,026***

12. FINANCIAL INFORMATION *(Cont'd)*

Profit figures for the diluted EPS were calculated as follows:-

	FYE 2017 (A$'000)	*FYE 2018 (A$'000)*
PAT attributable to the owners of our Company	*92,656*	*161,722*
Effect of dilutive potential ordinary shares:		
- Interest on convertible notes at 9% per annum	*2,312*	*1,945*
PAT for the purpose of diluted EPS	*94,968*	*163,667*

In FYE 2019 and FYE 2020, the convertible notes are not included because they are anti-dilutive.

N/A *Not applicable.*

12.2 HISTORICAL CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The following table sets out a summary of the financial position of our Group for the financial period under review.

	Audited			
	FYE 31 December			
	2017	**2018**	**2019**	**2020**
	(A$'000)	**(A$'000)**	**(A$'000)**	**(A$'000)**
Total non-current assets	793,098	822,948	868,175	785,732
Total current assets	383,957	455,225	334,565	347,714
Total assets	**1,177,055**	**1,278,173**	**1,202,740**	**1,133,446**
Share capital	36,671	36,931	36,931	36,931
Treasury shares	(2,330)	(2,330)	(2,330)	(2,330)
Reserves	193,625	354,016	390,277	365,042
	227,966	388,617	424,878	399,643
Non-controlling interests	59,782	62,508	82,990	68,596
Total equity / NA	**287,748**	**451,125**	**507,868**	**468,239**
Total non-current liabilities	629,069	575,546	475,176	366,313
Total current liabilities	260,238	251,502	219,696	298,894
Total liabilities	**889,307**	**827,048**	**694,872**	**665,207**
Total equity and liabilities	**1,177,055**	**1,278,173**	**1,202,740**	**1,133,446**

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12.3 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following management's discussion and analysis of our financial condition and results of operations for the financial period under review should be read in conjunction with the accompanying notes, assumptions and bases included in the Accountant's Report included in **Section 13** of this Prospectus.

This discussion and analysis may contain forward-looking statements that reflect our current views with respect to future events and our financial performance. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including those set out under risk factors in **Section 5** of this Prospectus.

12.3.1 Overview of our operations

Our Group is a vertically integrated manganese and ferroalloy (comprising manganese alloys and ferrosilicon) producer, engaged primarily in the business of mining and trading of manganese ore, as well as the smelting and marketing of processed ferroalloys. Our products comprise primarily manganese ore, manganese alloys and ferrosilicon.

Please refer to **Section 7** of this Prospectus for our detailed business overview.

12.3.2 Components of results of operations

(i) Revenue

We recorded revenue of approximately A$988.2 million, A$1,510.4 million, A$1,026.5 million and A$784.6 million for the past 4 FYEs 2017, 2018, 2019 and 2020 respectively. We derive our revenue mainly from the sale of manganese ore and ferroalloys which accounted for A$973.7 million (98.5%), A$1,497.5 million (99.1%), A$1,016.4 million (99.0%) and A$778.9 million (99.3%) for the 4 FYEs 2017, 2018, 2019 and 2020.

The segmental analysis of our revenue for the financial period under review are set out in the following tables:-

(a) Revenue by product categories

Our revenue breakdown by product categories is set out as follows:-

	Audited FYE 31 December							
	2017		2018		2019		2020	
Revenue	(A$'000)	(%)	(A$'000)	(%)	(A$'000)	(%)	(A$'000)	(%)
Manganese ore (1)	415,846	42.1	607,752	40.2	259,367	25.3	212,448	27.1
Manganese alloys	282,913	28.6	447,905	29.7	407,886	39.7	316,191	40.3
Ferrosilicon	274,902	27.8	441,864	29.2	349,139	34.0	250,247	31.9
Others (2)	14,521	1.5	12,895	0.9	10,062	1.0	5,747	0.7
Total	**988,182**	**100.0**	**1,510,416**	**100.0**	**1,026,454**	**100.0**	**784,633**	**100.0**

Notes:-

(1) *Manganese ore sold were sourced from our Group's mining operations as well as 3rd party suppliers primarily in South Africa. The total manganese ore sourced from our Group's mining operations contributed 14.4%, 13.7%, 12.2% and 12.9% of the total revenue of our Group in the FYE 2017, 2018, 2019 and 2020,.*

(2) *Others comprise mainly service income generated from marketing and procurement services rendered to our customers, as well as sale of other ore products such as slag, silica, sintered manganese ore and semi coke.*

(b) Revenue by geographical location

Our revenue by geographical location is illustrated in the table below:-

Geographical location#	Audited FYE 31 December							
	2017		2018		2019		2020	
	(A$'000)	(%)	(A$'000)	(%)	(A$'000)	(%)	(A$'000)	(%)
Asia Pacific[(1)]	761,293	77.0	1,239,325	82.1	857,746	83.6	675,954	86.1
Europe	120,018	12.1	147,291	9.8	79,522	7.7	42,875	5.5
Middle East	60,210	6.1	82,599	5.4	39,681	3.9	49,511	6.3
Africa	7,375	0.8	1,414	0.1	1,911	0.2	3,220	0.4
Others	39,286	4.0	39,787	2.6	47,594	4.6	13,073	1.7
Total revenue	**988,182**	**100.0**	**1,510,416**	**100.0**	**1,026,454**	**100.0**	**784,633**	**100.0**

Notes:-

\# *Revenue by geographical location is tracked by the location at which our products were delivered.*

(1) Our revenue for the financial period under review was mainly derived from the Asia Pacific region, primarily China, Japan and South Korea, details of which are set out below:-

Revenue contribution to Asia Pacific	*Audited FYE 31 December*			
	2017	*2018*	*2019*	*2020*
	(%)	*(%)*	*(%)*	*(%)*
China	*60.5*	*55.9*	*37.0*	*42.7*
Japan	*11.3*	*14.1*	*20.1*	*21.1*
South Korea	*6.8*	*11.3*	*10.3*	*5.3*
	78.6	***80.3***	***67.4***	***69.1***

(c) Revenue by business segment

For the financial period under review, our Group's revenue is organised into 3 main segments namely the mining segment, smelting segment and marketing and trading segment.

Business segments	Audited FYE 31 December							
	2017		2018		2019		2020	
	(A$'000)	(%)	(A$'000)	(%)	(A$'000)	(%)	(A$'000)	(%)
Mining	136,390	13.8	229,055	15.2	139,466	13.6	85.905	10.9
Smelting	545,609	55.2	859,058	56.9	734,610	71.6	548,703	69.9
Marketing and trading	947,731	95.9	1,434,940	95.0	887,279	86.4	716,071	91.3
Others	6,603	0.7	13,791	0.9	4,520	0.4	14,006	1.8
	1,636,333	**165.6**	**2,536,844**	**168.0**	**1,765,875**	**172.0**	**1,364,685**	**173.9**
Less: Inter-segment sales[(1)]	(648,151)	(65.6)	(1,026,428)	(68.0)	(739,421)	(72.0)	(580,052)	(73.9)
Total revenue	**988,182**	**100.0**	**1,510,416**	**100.0**	**1,026,454**	**100.0**	**784,633**	**100.0**

Note:-

(1) Revenue contribution from each segment is subsequently adjusted for inter-company sales upon consolidation.

Mining

Our mining segment covers the mining and processing of manganese ore at the Bootu Creek Mine, which recorded production volumes of 656,149 tonnes, 814,040 tonnes, 570,090 tonnes, and 738,019 tonnes of manganese ore for the past 4 FYEs 2017, 2018, 2019 and 2020 respectively.

Smelting

Our smelting segment covers the production of ferrosilicon and manganese alloys at our Sarawak Plant (operated by OM Sarawak) and manganese alloys at our Qinzhou Plant (operated by OMQ).

Marketing and trading

Our marketing and trading segment primarily covers the sale and distribution of manganese ore, manganese alloys and ferrosilicon sourced from the Bootu Creek Mine, Tshipi Borwa Manganese Mine, our smelting plants, and other 3rd party suppliers.

Others

This revenue recognised in this segment relates mainly to fees received for marketing, procurement and logistics services rendered by subsidiaries.

This segment recorded revenue of A$6.6 million, A$13.8 million, A$4.5 million and A$14.0 million for the past 4 FYEs 2017, 2018, 2019 and 2020 respectively.

(d) Commentary on past performance

FYE 2016 to FYE 2017

We recorded total revenue of A$988.2 million in the FYE 2017 (FYE 2016: A$414.2 million), representing an increase of approximately 138.6%. This increase in revenue was attributed to higher total volume of products traded and improved prices for manganese ore and ferroalloys in FYE 2017. We recorded higher volume of ferroalloys produced and traded in FYE 2017, attributed to higher production levels of ferroalloys in our Sarawak Plant arising from the addition of 2 ferrosilicon furnaces in 1Q 2017 and 4Q 2017 (compared to 7 ferrosilicon furnaces in operation as at the end of FYE 2016) and modification of 6 furnaces for manganese alloy production which was completed in July 2017. As a result of the addition and modification of the furnaces, the Sarawak Plant had 9 ferrosilicon furnaces and 6 manganese alloy furnaces in operation at the end of FYE 2017.

12. FINANCIAL INFORMATION *(Cont'd)*

The details of our total sales recorded and production output are as follows:-

	FYE 2016		FYE 2017	
	(Tonnes)	*Average selling price (A$)	(Tonnes)	*Average selling price (A$)
Sales recorded for:-				
• Ferrosilicon	127,515	1,246	185,578	1,481
• Manganese alloys	6,798	1,163	194,512	1,454
• Manganese ore				
- OMM	419,149	187	589,385	241
- 3rd party	907,184	174	1,181,999	232
	1,326,333		1,771,384	
Production output of:-				
• Ferrosilicon	126,261	1,246	174,540	1,481
• Manganese alloys	6,213	1,163	212,440	1,454
• Manganese ore (OMM)	(1)-	187	656,149	241

Notes:-

* *Average selling price per tonne is calculated based on the total sales generated divided by the total volume of manganese ore and ferroalloys sold.*

(1) There was no mining and production activity carried out at the Bootu Creek Mine in FYE 2016 as OMM was in voluntary administration from the end of December 2015 to 24 August 2016, and thereafter the Bootu Creek Mine was in care and maintenance up till the middle of February 2017. We only recommenced mining activity at the Bootu Creek Mine in early 2017 and the first batch of manganese ore was processed in late February 2017.

The general increase in manganese ore and ferroalloy prices in 2017 enabled us to achieve higher average selling prices for our products, thus contributing to our increase in revenue. In particular, the steady increase in manganese ore prices in 2017 was a result of sustained and strengthening demand from the recovery in global steel production and a healthy demand and supply balance in the market throughout 2017.

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FYE 2017 to FYE 2018

We recorded total revenue of A$1,510.4 million in the FYE 2018 (FYE 2017: A$988.2 million), representing an increase of approximately 52.8%. This increase in revenue was attributed to higher total volume of products traded and improved prices for manganese ore and ferroalloys throughout the FYE 2018. We recorded a full year of production in our Sarawak Plant from 9 ferrosilicon furnaces (which includes 2 new ferrosilicon furnaces which commenced production in 1Q 2017 and 4Q 2017), and the 6 modified manganese furnaces since July 2017. In addition, we had also commenced operations of the 10th ferrosilicon furnace in June 2018, which had increased our design production capacity to up to 210,000 tonnes of ferrosilicon.

As such, we recorded an increase in our total sales recorded and production output, as set out below:-

	FYE 2017		FYE 2018	
	(Tonnes)	*Average selling price (A$)	(Tonnes)	*Average selling price (A$)
Sales recorded for:-				
• Ferrosilicon	185,578	1,481	228,525	1,934
• Manganese alloys	194,512	1,454	283,276	1,581
• Manganese ore				
- OMM	589,385	241	650,599	318
- 3rd party	1,181,999	232	1,301,518	308
	1,771,384		1,952,117	
Production output of:-				
• Ferrosilicon	174,540	1,481	220,515	1,934
• Manganese alloys	212,440	1,454	280,864	1,581
• Manganese ore (OMM)	656,149	241	814,040	318

Note:-

* *Average selling price per tonne is calculated based on the total sales generated divided by the total volume of manganese ore and ferroalloys sold.*

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FYE 2018 to FYE 2019

We recorded total revenue of A$1,026.5 million in the FYE 2019 (FYE 2018: A$1,510.4 million), representing a decrease of approximately 32.0%. This decrease was primarily due to the softening of manganese ore and ferroalloy prices throughout the FYE 2019, coupled with lower total volume of manganese ore traded, as well as a marginal decline in the volume of ferrosilicon and manganese alloys traded.

We had recorded a decrease in manganese ore volumes traded, primarily due to the suspension of mining activities at the Bootu Creek Mine for a period of 4 months, following a fatal accident that occurred in August 2019.

The details of our total sales recorded and production output are as follows:-

	FYE 2018		FYE 2019	
	(Tonnes)	*Average selling price (A$)	(Tonnes)	*Average selling price (A$)
Sales recorded for:-				
• Ferrosilicon	228,525	1,934	220,219	1,585
• Manganese alloys	283,276	1,581	281,815	1,447
• Manganese ore				
- OMM	650,599	318	456,745	274
- 3rd Party	1,301,518	308	477,824	281
	1,952,117		934,569	
Production output of:-				
• Ferrosilicon	220,515	1,934	230,735	1,585
• Manganese alloys	280,864	1,581	289,954	1,447
• Manganese ore (OMM)	814,040	318	570,090	274

Note:-

* *Average selling price per tonne is calculated based on the total sales generated divided by the total volume of manganese ore and ferroalloys sold.*

The softening of manganese ore and ferroalloy prices, which had resulted in a negative impact to our average selling prices, was a result of the trade war on tariffs and the currency market fallout between the United States and China.

FYE 2019 to FYE 2020

We recorded total revenue of A$784.6 million in the FYE 2020 (FYE 2019: A$1,026.5 million), which represented a decrease of approximately 23.6%. This decrease was primarily attributed to the continued softening of manganese ore and ferroalloy prices in the FYE 2020, despite an increase in total product volumes traded by us as compared to the FYE 2019.

The details of our total sales recorded and production output are as follows:-

	FYE 2019		FYE 2020	
	(Tonnes)	***Average selling price (A$)**	**(Tonnes)**	***Average selling price (A$)**
Sales recorded for:-				
• Ferrosilicon	220,219	1,585	171,502	1,459
• Manganese alloys	281,815	1,447	244,206	1,295
• Manganese ore				
- OMM	456,745	274	606,215	167
- 3rd Party	477,824	281	505,530	219
	934,569		1,111,745	
Production output of:-				
• Ferrosilicon	230,735	1,585	167,443	1,459
• Manganese alloys	289,954	1,447	237,546	1,295
• Manganese ore (OMM)	570,090	274	738,019	167

Note:-

* *Average selling price per tonne is calculated based on the total sales generated divided by the total volume of manganese ore and ferroalloys sold.*

Average transacted prices of OMM manganese ore and 3rd party manganese ore declined by approximately 39.1% and 22.1%, respectively for the FYE 2020 as compared to the FYE 2019, whilst average transacted prices of ferrosilicon and manganese alloys also declined by approximately 7.9% and 10.5%, respectively. This decrease was mainly attributed to the general slowdown in economic activity and significantly lower demand for crude steel leading to reduced global steel production. This resulted in a downward pressure on commodity prices globally. As our selling prices are primarily dependent on commodity prices, such decline in prices had impacted our product pricing and margins, which resulted in the decrease in our revenue in the FYE 2020.

Further, the shutdown of furnaces at our ferrosilicon and manganese alloy smelting operations also led to decreased production volumes. During the FYE 2020, our Group had idled operations of 4 ferrosilicon furnaces at the Sarawak Plant, due to limited manpower because of labour disruptions which arose from strict travel restrictions of foreign workers due to the COVID-19 pandemic. Operations at our Qinzhou Plant were also suspended in March 2020, and had only recommenced at the end of January 2021. The idling of furnaces resulted in a decrease in production outputs, which contributed to lower sales volumes for ferrosilicon and manganese alloys.

Meanwhile, we recorded an increase in OMM manganese ore volumes traded in the FYE 2020, mainly due to OMM operating its mining and production activities for the whole of the FYE 2020. Comparably for the FYE 2019, mining activities at the Bootu Creek Mine were suspended for 4 months following the Tourag pit accident which occurred in August 2019. Despite an increase in total manganese ore volumes traded, we recorded lower revenue from manganese ore sales mainly due to the significant softening of manganese ore prices in the FYE 2020.

(ii) Cost of sales, GP and GP margin

The table below sets out the components of our cost of sales (categorised by business segment) for the financial period under review:-

Segment	Audited FYE 31 December			
	2017 (A$'000)	2018 (A$'000)	2019 (A$'000)	2020 (A$'000)
Mining (1)	82,882	110,242	111,400	85,561
Smelting (2)	455,555	697,526	682,364	512,794
Marketing and trading (3)	881,567	1,351,693	825,144	668,290
Others (4)	6,611	13,185	2,374	4,780
	1,426,616	2,172,646	1,621,282	1,271,425
Inter-segment cost of sales adjustment (5)	(648,019)	(1,015,518)	(747,281)	(583,054)
Total cost of sales	**778,597**	**1,157,128**	**874,001**	**688,371**

Notes:-

(1) Our mining segment's cost of sales comprise mainly mining, processing and related costs, logistics for transportation of processed manganese ore to the port, and royalties paid to relevant parties as set out in ***Section 7.19*** *of this Prospectus..*

(2) Our smelting segment's cost of sales comprise mainly utility cost, raw materials, labour cost, packing fees, rental fees, insurance and road tax, depreciation, and tools and equipment.

(3) Our marketing and trading segment's cost of sales comprise mainly logistics and cost of raw materials.

(4) Other cost of sales comprise mainly vehicle depreciation, insurance, tools and other consumables for logistics supply.

(5) Cost of sales from each segment is subsequently adjusted for inter-company transactions upon consolidation.

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Meanwhile, our GP and GP margin for the financial period under review is set out as follows:-

	Audited FYE 31 December							
	2017		2018		2019		2020	
	(A$'000)	GP margin (%)	(A$'000)	GP margin (%)	(A$'000)	GP margin (%)	(A$'000)	GP margin (%)
Mining	53,508	39.2	118,813	51.9	28,066	20.1	344	0.4
Smelting	90,054	16.5	161,532	18.8	52,246	7.1	35,909	6.5
Marketing and trading	66,164	7.0	83,247	5.8	62,135	7.0	47,781	6.7
Others	(9)	(0.1)	606	4.4	2,146	47.5	9,226	65.9
	209,716		**364,198**		**144,593**		**93,260**	
Inter-segment GP adjustment	(131)		(10,910)		7,860		3,002	
GP	**209,585**	**21.2**	**353,288**	**23.4**	**152,453**	**14.9**	**96,262**	**12.3**

The factors affecting our GP and GP margin are as follows:-

(a) selling price of manganese ore and ferroalloys;

(b) total production and sales volume;

(c) market price of raw materials; and

(d) improved production efficiency of the furnaces at our smelting plants.

Commentary on GP and GP margin

FYE 2016 to FYE 2017

Our overall GP increased by 248.8% to A$209.6 million in the FYE 2017 (FYE 2016: A$60.1 million) whilst our overall GP margin improved to 21.2% in the FYE 2017 (FYE 2016: 14.5%).

Our GP from mining segment also increased by approximately A$53.6 million to A$53.5 million in the FYE 2017 (FYE 2016: gross loss of A$0.1 million) whilst our GP margin improved to 39.2% in the FYE 2017. The increase in our mining segment's GP and GP margin was mainly attributed to the recommencement of our mining and production activities in our Bootu Creek Mine in February 2017, which ceased activity during the FYE 2016. Our mining entity (OMM) was placed in voluntary administration from January to August 2016, and thereafter our Bootu Creek Mine was in care and maintenance up till the middle of February 2017.

Our GP from the smelting segment also increased by approximately A$83.6 million or >100% to A$90.1 million in the FYE 2017 (FYE 2016: A$6.5 million) whilst our GP margin also improved from approximately 3.4% in the FYE 2016 to 16.5% in the FYE 2017. The increase in our smelting segment's GP and GP margin was mainly attributable to higher total volume of ferrosilicon and manganese alloys traded and improved ferroalloy prices in FYE 2017.

Our GP from the marketing and trading segment increased by approximately 44.5% to A$66.2 million in the FYE 2017 (FYE 2016: A$45.8 million) whilst our GP margin decreased to 7.0% in the FYE 2017 (FYE 2016: 13.2%). The increase in our marketing and trading segment's GP was mainly attributed to higher total volume of products traded and improved manganese ore and ferroalloy prices in the FYE 2017.

FYE 2017 to FYE 2018

Our overall GP increased by 68.6% to A$353.3 million in the FYE 2018 (FYE 2017: A$209.6 million) whilst our overall GP margin improved to 23.4% in the FYE 2018 (FYE 2017: 21.2%).

Our GP from the mining segment increased by approximately A$65.3 million or >100% to A$118.8 million in the FYE 2018 (FYE 2017: A$53.5 million) whilst our GP margin improved to 51.9% in the FYE 2018 (FYE 2017: 39.2%). The increase in our mining segment's GP and GP margin was mainly attributed to higher total volume of manganese ore traded and continued improved manganese ore prices in the FYE 2018. In addition, we had recognised a full year of mining and production activity in FYE 2018, as compared to 11 months in FYE 2017, where our Bootu Creek Mine only recommenced mining and production activity in February 2017.

Our GP from the smelting segment increased by approximately 79.4% to A$161.5 million in the FYE 2018 (FYE 2017: A$90.1 million) whilst our GP margin improved to 18.8% in the FYE 2018 (FYE 2017: 16.5%). The increase in our smelting segment's GP and GP margin was mainly attributed to higher total volume of ferrosilicon and manganese alloys traded and continued improved ferroalloy prices in the FYE 2018.

Our GP from the marketing and trading segment increased by approximately 25.8% to A$83.2 million in the FYE 2018 (FYE 2017: A$66.2 million) whilst our GP margin decreased to 5.8% in the FYE 2018 (FYE 2017: 7.0%). The increase in our marketing and trading segment's GP was mainly attributed to higher total volume of products traded and improved manganese ore and ferroalloy prices in the FYE 2017. The decrease in GP margin was due to inter-company sale elimination from our then 33.33%-owned associate, OM Tshipi (S) Pte Ltd, which became our wholly-owned subsidiary in July 2017.

FYE 2018 to FYE 2019

Our overall GP decreased by 56.8% to A$152.5 million in the FYE 2019 (FYE 2018: A$353.3 million) and our overall GP margin decreased to 14.9% in the FYE 2019 (FYE 2018: 23.4%).

Our GP from the mining segment decreased by approximately 76.4% to A$28.1 million in the FYE 2019 (FYE 2018: A$118.8 million) whilst our GP margin decreased to 20.1% in the FYE 2019 (FYE 2018: 51.9%). The decrease in our mining segment's GP and GP margin was mainly attributed to lower total volume of manganese ore mined and traded and the softening of manganese ore prices throughout the FYE 2019. In addition, mining activities at the Bootu Creek Mine was suspended for a period of 4 months, following a fatal accident that occurred in August 2019 and this also had a negative impact on the volume of manganese ore mined, produced and sold in the FYE 2019.

Our GP from the smelting segment decreased by approximately 67.6% to A$52.3 million in the FYE 2019 (FYE 2018: A$161.5 million) whilst our GP margin decreased to 7.1% in the FYE 2019 (FYE 2018: 18.8%). The decrease in our smelting segment's GP and GP margin was mainly attributed to the softening of ferroalloy prices throughout FYE 2019, coupled with the lower volume of ferrosilicon and manganese alloys traded in the FYE 2019.

Our GP from the marketing and trading segment decreased by approximately 25.4% to A$62.1 million in the FYE 2019 (FYE 2018: A$83.2 million) whilst our GP margin increased to 7.0% in the FYE 2019 (FYE 2018: 5.8%). The decrease in GP was due to softening of manganese ore and ferroalloy prices as well as the total volume of manganese ore traded. Despite the decrease in GP, the increase in our marketing and trading segment's GP margin were mainly attributed to higher margins achieved mainly from the sale of manganese ore to 3rd parties.

FYE 2019 to FYE 2020

Our overall GP decreased by approximately 36.9% to A$96.3 million in the FYE 2020 (FYE 2019: A$152.5 million) and our overall GP margin decreased to 12.3% in the FYE 2020 (FYE 2019: 14.9%).

Our GP from the mining segment decreased significantly to A$0.3 million in the FYE 2020 (FYE 2019: A$28.1 million) whilst our GP margin decreased to 0.4% in the FYE 2020 (FYE 2019: 20.1%). The decrease in our mining segment's GP and GP margin was attributed to the softening of manganese ore prices throughout the FYE 2020.

Our GP from the smelting segment decreased by 31.3% to A$35.9 million in the FYE 2020 (FYE 2019: A$52.2 million) whilst our GP margin decreased to 6.5% in the FYE 2020 (FYE 2019: 7.1%). The decrease in our smelting segment's GP and GP margin was mainly attributed to the continued softening of ferroalloy prices throughout the FYE 2020, coupled with the lower volumes of ferrosilicon and manganese alloys produced and traded in the FYE 2020.

Our GP from the marketing and trading segment decreased by approximately 23.1% to A$47.8 million in the FYE 2020 (FYE 2019: A$62.1 million). Our GP margin decreased to 6.7% in the FYE 2020 (FYE 2019: 7.0%). The decrease in our marketing and trading segment's GP was mainly attributed to lower total volumes of manganese ore and ferroalloys traded in the FYE 2020 as well as the continued weakened prices of manganese ore and ferroalloys in the current period amidst the COVID-19 pandemic.

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12. FINANCIAL INFORMATION *(Cont'd)*

(iii) Other operating income

The following table sets out our other operating income during the financial period under review:-

	Audited FYE 31 December							
	2017		2018		2019		2020	
	(A$'000)	(%)	(A$'000)	(%)	(A$'000)	(%)	(A$'000)	(%)
Gain on disposal of PPE (1)	53	0.5	-	-	-	-	-	-
Interest income from banks (2)	187	1.8	405	17.2	898	20.7	691	10.2
Sundry income (3)	3,582	35.2	1,275	54.1	1,041	24.0	2,488	36.8
Unwinding of discount on non-current trade payables (4)	1,508	14.8	-	-	-	-	-	-
Gain on early debt settlement (5)	3,955	38.8	-	-	-	-	-	-
Commission income (6)	909	8.9	676	28.7	2,395	55.3	2,189	32.4
Fair value gain on other investment (7)	-	-	-	-	-	-	1,388	20.6
Total other operating income	**10,194**	**100.0**	**2,356**	**100.0**	**4,334**	**100.0**	**6,756**	**100.0**

Notes:-

(1) Gain on disposal of motor vehicle.

(2) Interest income from bank balances and short term deposits.

(3) Sundry income includes:-

- *(i) a refund of A$0.5 million received on 23 March 2017 and 3 September 2018, and A$0.1 million on 19 March 2019 from the Voluntary Administration Creditors Trust in relation to our mining entity, OMM which exited the voluntary administration in FYE 2016;*
- *(ii) real property gains tax ("**RPGT**") waiver amounting to approximately A$1.2 million in March 2017 from the sale of a parcel of land in Johor by our subsidiary, OM Materials (Johor) Sdn Bhd, which has since been dissolved;*
- *(iii) management fees and Letter of Credit fees charged to our then associate, OM Tshipi (S) Pte Ltd of approximately A$1.3 million in the FYE 2017. OM Tshipi (S) Pte Ltd has since been dissolved; and*
- *(iv) freight rebates, government wage credits and job support scheme pay-outs granted due to the COVID-19 pandemic in the FYE 2020.*

(4) Unwinding interest income arising from discounting / fair value of non-current accounts payable.

(5) Debt forgiveness received from restructuring financial lenders from the accelerated repayment of debt during the year.

(6) Sales commission income being marketing commission received from an associate, Tshipi Mining.

(7) Fair value gain from investment in quoted equity shares.

Commentary on other operating income

FYE 2016 to FYE 2017

Our other operating income decreased by approximately 83.8% to A$10.2 million in the FYE 2017 (FYE 2016: A$62.8 million). The decrease of other operating income in the FYE 2017 was mainly attributed to the recognition of additional income items during the FYE 2016 of (i) a gain on bargain purchase of A$42.8 million from the reconsolidation of OMM in FYE 2016 as OMM exited the voluntary administration and was reconsolidated back into the OMH Group; (ii) mark-to-market gain of A$3.4 million recognised for the extinguishment of Hanwa Convertible Notes (in accordance to IAS 39); and (iii) gain on land use rights with the disposal of a parcel of land in Johor of A$9.6 million. These items were all one-off and were not expected to recur in subsequent periods.

FYE 2017 to FYE 2018

Our other operating income decreased by approximately 76.8% to A$2.4 million in the FYE 2018 (FYE 2017: A$10.2 million). The decrease of other operating income in FYE 2018 was mainly attributed to the recognition of higher other operating income in FYE 2017 of (i) unwinding interest income arising from discounting/fair value of non-current trade payables; (ii) gain on early debt settlement from the debt forgiveness received from restructuring financial lenders from the accelerated repayment of debt in the FYE 2017; and (iii) RPGT tax waiver of approximately A$1.2 million in March 2017 from the disposal of a parcel of land in Johor. None of these recurred in the FYE 2018.

FYE 2018 to FYE 2019

Our other operating income increased by approximately 84.0% to A$4.3 million in the FYE 2019 (FYE 2018: A$2.4 million). The increase of other operating income in the FYE 2019 was mainly attributed to (i) higher commission income earned; and (ii) higher bank interest earned from bank balances and short term fixed deposits.

FYE 2019 to FYE 2020

Our other operating income increased by approximately 55.9% to A$6.8 million in the FYE 2020 (FYE 2019: A$4.3 million). The increase of other operating income in FYE 2020 was mainly attributed to fair value gain from investment in quoted equity shares of A$1.4 million and government wage credits and job support scheme pay-outs received in support of companies amidst the COVID-19 pandemic of A$0.7 million (FYE 2019: Nil).

(iv) Distribution costs

The table below sets out the components of our distribution costs for the financial period under review:-

	Audited FYE 31 December			
	2017 (A$'000)	2018 (A$'000)	2019 (A$'000)	2020 (A$'000)
Transportation and freight charges (1)	39,496	48,084	45,460	39,641
Cargo insurance (2)	395	729	490	370
Commission paid (3)	3,548	5,199	1,657	1,590
Inspection, packing and storage costs (4)	811	554	85	60
Total distribution costs	**44,250**	**54,566**	**47,692**	**41,661**

Notes:-

(1) Transportation and freight charges include:-

(i) ocean freight and shipping charges; and

(ii) inland freight charges.

(2) Cargo insurance includes insurance for on-board freight cargo.

(3) Commission paid to 3rd party marketing agents for the trading of its alloy products.

(4) Inspection and packing costs include port cargo inspection and packing charges.

Commentary on distribution costs

FYE 2016 to FYE 2017

Distribution costs increased from A$13.9 million in the FYE 2016 to A$44.3 million in the FYE 2017. This is in line with corresponding increase in sales volume in the FYE 2017.

FYE 2017 to FYE 2018

Distribution costs increased from A$44.3 million in the FYE 2017 to A$54.6 million in the FYE 2018. This is in line with the corresponding increase in sales volume in the FYE 2018.

FYE 2018 to FYE 2019

Distribution costs decreased from A$54.6 million in the FYE 2018 to A$47.7 million in the FYE 2019 (a decrease of approximately 12.6%) despite a 40% decrease in total product volumes traded. The decrease is total product volumes traded was mainly impacted by the reduction in volumes of manganese ore traded. However, this was off-set by an increase in ocean freight costs as well as the change in geographical sales allocation in the FYE 2019.

FYE 2019 to FYE 2020

Distribution costs decreased from A$47.7 million in the FYE 2019 to A$41.7 million in the FYE 2020 mainly from the decrease in total volume of ferroalloys sold from OM Sarawak.

(v) Administrative expenses

The table below sets out the components of our administrative expenses for the financial period under review:-

	Audited FYE 31 December			
	2017	**2018**	**2019**	**2020**
	(A$'000)	**(A$'000)**	**(A$'000)**	**(A$'000)**
Staff cost [1]	14,949	16,593	14,847	10,701
Travelling expenses	597	947	661	157
Legal and professional fees [2]	4,648	12,779	1,934	2,677
Other administrative expenses [3]	3,453	4,925	2,941	2,389
Total administrative expenses	**23,647**	**35,244**	**20,383**	**15,924**

Notes:-

(1) Includes staff salaries and contribution, director remuneration and fees, and staff welfare expenses.

(2) Includes internal and external audit fees, accounting fees, corporate secretarial fees, legal fees, professional fees, consultancy and advisory fees, and tax agent fees.

(3) Includes printing and stationery expenses, postage and courier, telephone and fax expenses, insurance, office rental and maintenance charges, membership and subscription fees, entertainment expenses, motor vehicle expenses, utilities, staff training expenses etc.

Commentary on administrative expenses

FYE 2016 to FYE 2017

Administrative expenses increased marginally from A$23.1 million in FYE 2016 to A$23.7 million in FYE 2017. The increase was mainly due to provision of staff bonus and directors fees for the FYE 2017.

FYE 2017 to FYE 2018

Administrative expenses increased from A$23.7 million in FYE 2017 to A$35.2 million in FYE 2018. The increase was mainly due to increase in staff costs from accruals for profit sharing and staff bonus for FYE 2018, and from higher legal and professional fees due to the expensing of legal and professional fees of A$4.6 million following the accelerated full repayment of the restructured loans in June 2018. These costs were associated with the loan restructuring undertaken in the fourth quarter of FYE 2017.

FYE 2018 to FYE 2019

Administrative expenses decreased from A$35.2 million in FYE 2018 to A$20.4 million in FYE 2019. The decrease was mainly due to lower staff costs as a result of lower accruals for profit sharing and bonus provision in line with the decrease in net profits for the FYE 2019.

FYE 2019 to FYE 2020

Administrative expenses decreased from A$20.4 million in FYE 2019 to A$15.9 million in FYE 2020, mainly attributed to a decrease in our staff costs as there was no variable bonuses provided and paid in the FYE 2020 in view of the slowdown in economic activity amidst the COVID-19 pandemic as compared to the FYE 2019.

12. FINANCIAL INFORMATION *(Cont'd)*

(vi) Other operating expenses

Our other operating expenses comprise mainly depreciation and amortisation expenses and foreign exchange losses.

The following table sets out our other operating expenses during the financial period under review:-

	Audited FYE 31 December							
	2017		2018		2019		2020	
	(A$'000)	(%)	(A$'000)	(%)	(A$'000)	(%)	(A$'000)	(%)
Amortisation of land use rights [1]	186	0.3	193	0.6	204	0.7	206	0.5
Amortisation of mine development costs [2]	11,143	19.7	9,052	29.3	5,147	18.4	6,505	17.2
Depreciation of PPE [3]	8,887	15.7	6,847	22.1	8,326	29.8	15,655	41.4
Depreciation of right-of-use assets [4]	-	-	-	-	3,751	13.4	5,644	14.9
Depreciation of investment property [5]	-	-	-	-	11	0.1	11	0.1
Foreign exchange loss/(gain) - net	32,725	57.9	5,249	16.9	3,809	13.7	(574)	(1.5)
Exploration and evaluation costs written off [6]	211	0.4	932	3.0	2,706	9.7	-	-
Write off of goodwill from acquisition of subsidiary [7]	-	-	2,550	8.2	-	-	-	-
Write off of warrants [8]	-	-	-	-	620	2.2	-	-
Recognition of discount on non-current trade payables [9]	-	-	2,464	8.0	1,128	4.0	268	0.7
Loss on disposal of PPE	360	0.7	-	-	121	0.4	-	-
Furnace shut-down and pre start-up expenses	1,988	3.5	2,923	9.4	-	-	6,862	18.2
Other operating expenses	1,001	1.8	774	2.5	2,129	7.6	3,210	8.5
Total other operating expenses	**56,501**	**100.0**	**30,984**	**100.0**	**27,952**	**100.0**	**37,787**	**100.0**

Notes:-

(1) Amortisation in relation to the leasehold land located in the PRC and Malaysia.

(2) Amortisation in relation to the costs arising from the development of the mine site.

(3) Depreciation of PPE (excluding assets in the course of construction).

(4) Depreciation in relation to the leasehold land located in the PRC and Malaysia.

(5) Depreciation in relation to the leasehold property that is held for long-term rental yields and for capital appreciation.

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

(7) Write off of the excess 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.

(8) Write off of 26,000,000 unlisted warrants as a result of the expiry of the warrants on 25 March 2019.

(9) Fair value adjustment of non-current trade payables for unwinding of discount on non-current trade payables.

Commentary on other operating expenses

FYE 2016 to FYE 2017

Other operating expenses decreased from A$62.2 million in the FYE 2016 to A$56.5 million in the FYE 2017, primarily attributed to a decrease in foreign exchange loss in FYE 2017 as compared to FYE 2016. The foreign exchange loss in FYE 2017 of A$32.7 million was mainly attributed to the translation of RM denominated payables and borrowings to US$ as a result of the strengthening of the RM against the US$ during the year. However, this was offset by translation exchange gains from the strengthening of the A$ against the US$ in FYE 2017. The A$46.3 million exchange loss for FYE 2016 was mainly attributed to a one-off and non-recurring hedging contract settlement loss of A$42.9 million from OM Sarawak.

FYE 2017 to FYE 2018

Other operating expenses decreased from A$56.5 million in the FYE 2017 to A$31.0 million in the FYE 2018, primarily attributed to a decrease in foreign exchange loss in FYE 2018 as compared to FYE 2017. The foreign exchange loss in FYE 2018 was A$5.3 million as compared to a foreign exchange loss of A$32.7 million in FYE 2017. This reduction in the foreign exchange loss in FYE 2018 was mainly attributed to foreign exchange gains from the translation of RM denominated payables and borrowings to US$ due to the weakening of the RM against the US$ experienced during the second half of 2018. However, this was offset by unrealised foreign exchange losses (approximately A$7.9 million) from the translation of the financial statements to our Group's presentation currency as a result of the strengthening of the US$ against the A$ in FYE 2018.

FYE 2018 to FYE 2019

Other operating expenses decreased from A$31.0 million in the FYE 2018 to A$28.0 million in the FYE 2019, primarily attributed to:-

(i) a one-time write-off of goodwill of A$2.6 million in FYE 2018 which was from the acquisition of the remaining interest of an associate to a subsidiary. For FYE 2019, the Company wrote off an amount of A$0.6 million as a result of the expiry on 25 March 2019 of 26,000,000 unlisted warrant; and.

(ii) a decrease in foreign exchange loss in FYE 2019 as compared to FYE 2018. The foreign exchange loss in FYE 2019 were A$3.8 million as compared to foreign exchange loss of A$5.3 million in FYE 2018. The foreign exchange loss was mainly attributed to the translation of RM denominated payables and borrowings to US$.

FYE 2019 to FYE 2020

Other operating expenses increased from A$28.0 million in the FYE 2019 to A$37.8 million in the FYE 2020. This was mainly due to approximately A$13.5 million (A$6.9 million related to shut-down expenses and A$6.6 million of furnace depreciation) of expenses associated with the shut-down of 4 furnaces at our Sarawak Plant, which were previously classified under cost of sales under full operations. The shutdowns were partly due to depressed market demand, limited manpower and labour disruptions at our Sarawak Plant due to strict travel restrictions of foreign workers imposed from the COVID-19 pandemic.

(vii) Finance cost

Our finance cost for the financial period under review is set out below:-

	Audited FYE 31 December			
	2017 (A$'000)	**2018 (A$'000)**	**2019 (A$'000)**	**2020 (A$'000)**
Interest expenses on:-				
- Loan	39,153	43,508	28,832	27,309
- Lease liabilities	-	-	591	306
Others [1]	4,749	1,373	2,797	1,212
Total	**43,902**	**44,881**	**32,220**	**28,827**

Note:-

(1) Other finance cost relate to bank charges.

Our finance cost comprise interest charges on borrowings and costs of performance bonds, and generally moves in tandem with our debt level for each financial period under review.

During the FYE 2019, finance costs decreased to A$32.2 million (FYE 2020: A$44.9 million) due to repayments against our Sarawak Plant's project finance loan during the year of approximately US$34.8 million.

During the FYE 2020, finance costs decreased to A$28.8 million (FYE 2019: A$32.2 million) due to a reduction in total bank borrowings mainly from the repayment against the Sarawak Project Finance loan during the FYE 2020 of approximately US$16.1 million (equivalent to approximately A$25.4 million).

(viii) Share of results from associates

	Audited FYE 31 December			
	2017 (A$'000)	2018 (A$'000)	2019 (A$'000)	2020 (A$'000)
Share of results	21,138	46,958	30,381	16,525

Our Group's share of results from associates relates to the equity-accounting of our 13% effective interest in Tshipi Mining, which generally fluctuates from year to year in line with the financial performance of Tshipi Mining. The financial performance in Tshipi Mining is dependent on manganese ore prices and volume of manganese ore sold.

During the FYE 2020, Tshipi Mining generated lower profits as a result of the softening of manganese ore prices attributed to the general slowdown in economic activity amidst the COVID-19 pandemic.

(ix) PBT/LBT

Our PBT/LBT and PBT margin for the financial period under review are set out below:-

	Audited FYE 31 December			
	2017 (A$'000)	2018 (A$'000)	2019 (A$'000)	2020 (A$'000)
PBT/(LBT)	72,617	236,927	58,921	(4,656)
PBT margin (%)(1)	7.4	15.7	5.7	N/A

Notes:-

(1) Computed based on PBT over revenue of our Group.

N/A Not applicable.

Commentary on PBT/LBT

FYE 2016 to FYE 2017

Our Group recorded PBT of A$72.6 million as compared to LBT of A$8.1 million in 2016. We recorded a PBT margin of 7.4% in the FYE 2017 (FYE 2016: -2.0%). The change in our PBT and PBT margin was in line with the significant increase in revenue and GP which was attributed to the stable increase in volume of manganese ore and ferroalloys traded as well as the steady increase in manganese ore and ferromanganese prices.

FYE 2017 to FYE 2018

Our PBT increased by approximately A$164.3 million to A$236.9 million in the FYE 2018 (FYE 2017: A$72.6 million), whilst our PBT margin increased to 15.7% in the FYE 2018 (FYE 2017: 7.4%). The increase in our PBT and PBT margin was mainly due the increase in the volume of manganese ore and ferroalloys traded as well as the continued robust prices of manganese ore and ferroalloys.

FYE 2018 to FYE 2019

Our PBT decreased by approximately A$178.0 million or 75.1% to A$58.9 million in the FYE 2019 (FYE 2018: A$236.9), whilst our PBT margin decreased to 5.7% in the FYE 2019 (FYE 2018: 15.7%). The decrease in our PBT and PBT margin was mainly due to the softening of manganese ore and ferroalloy prices coupled with the decrease in total manganese ore and ferroalloy volumes traded in FYE 2019.

FYE 2019 to FYE 2020

As a result of the reasons discussed above, our Group recorded LBT of A$4.7 million in the FYE 2020 as compared to PBT of A$58.9 million in the FYE 2019.

(x) Taxation

We are subject to different taxation regulations in the respective jurisdictions where we operate, as summarised below:-

A provision for enterprise income tax on the subsidiaries operating in the 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, OMS, for a concessionary rate valid up to December 2023, subject to the fulfilment of specific conditions.

In November 2017, 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 ferrosilicon, 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 OM Sarawak's compliance with MIDA's pre-agreed criteria.

Our mining operations in Australia is subject to various royalty payments as set out in **Section 7.19** of this Prospectus. Our statutory royalty payments to the Territory Revenue Office is accounted as a tax expense in our Group's accounts.

The taxation for the financial period under review are as follows:-

	Audited FYE 31 December			
	2017 (A$'000)	2018 (A$'000)	2019 (A$'000)	2020 (A$'000)
Current taxation				
- Singapore income tax	2,786	2,972	2,594	3,292
- PRC tax	-	1,728	647	(127)
- Australia income tax	-	-	2,856	-
- Others	19	42	364	384
	2,805	4,742	6,461	3,549
Deferred taxation	(22,374)	25,558	(13,575)	(5,765)
	(19,569)	30,300	(7,114)	(2,216)
Under/(Over) provision in prior years:				
- Current taxation	264	(260)	1,134	(2,599)
- Deferred taxation	-	-	-	2,693
Income tax	(19,305)	30,040	(5,980)	(2,122)

	Audited FYE 31 December			
	2017	2018	2019	2020
	(A$'000)	(A$'000)	(A$'000)	(A$'000)
Other taxation:				
- Withholding tax	548	2,531	6,629	406
- Profits-based royalty and special mining taxes	-	19,699	2,200	(2)
Taxation	**(18,757)**	**52,270**	**2,849**	**(1,718)**

Commentary on taxation

FYE 2016 to FYE 2017

Our Group recorded a tax credit of A$18.8 million in FYE 2017 against a tax expense of A$8.6 million in the FYE 2016. The tax credit was mainly from a one-off recognition of deferred tax assets in the Australian mining subsidiary of A$24.1 million offset by income tax expenses for our Singapore subsidiary, OMS, of A$4.8 million.

FYE 2017 to FYE 2018

Our Group recorded a tax expense of A$52.3 million in the FYE 2018 against a tax credit of A$18.8 million in the FYE 2017. The tax expense in the FYE 2018 was mainly attributed to income tax expense and the Australian Territory Office Royalty Tax for the Australian subsidiary of approximately A$26.1 million and A$19.7 million respectively for the FYE 2018, which were recognised as deferred taxation.

FYE 2018 to FYE 2019

Our Group's tax expense decreased from A$52.3 million in the FYE 2018 to A$2.9 million in the FYE 2019. This was mainly due to a reduction in taxable income in the FYE 2019.

FYE 2019 to FYE 2020

Our Group recorded a tax credit of A$1.7 million in the FYE 2020 against a tax expense of A$2.8 million in the FYE 2019. This was in line with the Group's LBT of A$4.7 million in the FYE 2020. The tax credit was mainly from our Australian subsidiary, OMM.

(xi) PAT/LAT and PAT margin

Our PAT/LAT and PAT margin for the financial period under review are set out below:-

	Audited FYE 31 December			
	2017	2018	2019	2020
	(A$'000)	(A$'000)	(A$'000)	(A$'000)
PAT/(LAT) attributable to:-				
- Owners of the Company	92,656	161,722	56,641	5,352
- Non-controlling interests	(1,282)	22,935	(569)	(8,290)
	91,374	**184,657**	**56,072**	**(2,938)**
PAT margin (%)[1]	9.3	12.2	5.5	N/A
Adjusted PAT margin (%)[2]	9.4	10.7	5.5	0.7

Notes:-

(1) *Computed based on PAT over revenue of our Group.*

(2) *Computed based on the PAT attributable to owners of the Company over revenue of our Group.*

N/A *Not applicable.*

Commentary on PAT/LAT and PAT margin

FYE 2016 to FYE 2017

Our Group recorded a PAT of A$91.4 million in the FYE 2017 as compared to the LAT of A$16.8 million in the FYE 2016. The increase in PAT was mainly due to the increase in PBT and PBT margin, arising from the increase in revenue and overall GP.

FYE 2017 to FYE 2018

Our PAT increased by approximately A$93.3 million or 102.10% to A$184.7 million in the FYE 2018 (FYE 2017: A$91.4 million). The increase in PAT was mainly due to the increase in PBT and PBT margin, arising from the increase in revenue and overall GP.

As a result, our PAT margin also increased to 12.2% in the FYE 2018 (FYE 2017: 9.3%).

FYE 2018 to FYE 2019

Our PAT decreased by approximately A$128.6 million or 69.6% to A$56.1 million in the FYE 2019 (FYE 2018: A$184.7 million), whilst our PAT margin also decreased to 5.5% in the FYE 2019 (FYE 2018: 12.2%). The decrease in PAT and PAT margin was mainly due to the lower PBT and PBT margin, arising from the decrease in revenue and overall GP.

FYE 2019 to FYE 2020

Our Group recorded a LAT of A$2.9 million in the FYE 2020 as compared to the PAT of A$56.1 million in the FYE 2019. After excluding the 25% of the negative contribution from our 75%-owned subsidiary, OM Sarawak, held by SISB, our Group recorded PAT attributable to owners of the Company of A$5.4 million in the FYE 2020. The overall decrease was mainly due to the lower revenue and GP recorded.

12.3.3 Significant factors affecting our financial position and results of operations

Our financial position and results of operations have been, and are expected to be affected by, amongst others, the principal factors set out below:-

(i) Impact of global economic outlook

The increasing uncertainties of the global economy, such as the prolonged US-China trade tensions and the current COVID-19 pandemic, may have negative effects on the world economy, and often have indirect and unpredictable effects on the various currencies that affect commodity prices. In addition, any global economic downturn leading to slower construction and infrastructure projects would affect the steel manufacturing industry and all its downstream manufacturers.

Specifically, our business, results of operations and financial condition may be materially and adversely affected by the following factors in the jurisdictions in which our Group operates:-

(a) changes in government regulations concerning restrictions on production, price controls, export controls, taxation, ownership and expropriation of property, environmental and health safety;

(b) imposition of additional restrictions on currency conversions and remittances abroad;

(c) laws, regulations and policies affecting the mineral industry;

(d) industrial disruptions; and

(e) economic growth or slowdown.

(ii) Volatility of manganese ore and ferroalloy prices

Our revenue is affected by fluctuations in the prices of manganese ore and ferroalloys. Manganese ore and ferroalloys are commodities and commodity prices are in general cyclical and are affected by a number of factors beyond our control. Factors affecting manganese ore and ferroalloy prices include, amongst others:-

(a) global production and industrial demand;

(b) quality of our manganese ore and ferroalloys, including the iron content and level of impurities. Typically products with higher iron content and lower level of impurities can command higher selling prices;

(c) macroeconomic factors such as inflation, interest rates and currency exchange rates; and

(d) production cost levels in major manganese-producing regions.

The selling prices for our manganese ore and ferroalloys are usually based on average market transacted prices. These prices usually take reference to standard indices on Fastmarkets MB, S&P Global Platts, and CRU, but may deviate in the ordinary course of business depending on market liquidity, product grade, value-in-use adjustments, freight, spot or long-term contracting, and transaction volume.

During FYE 2020, the downturn in global economic activity from the COVID-19 pandemic and significantly lower demand for crude steel led to reduced global steel production which consequently negatively affected the demand for our products. The full impact of the COVID-19 pandemic was apparent in the second half of 2020 as demand faded with increasing global economic uncertainties. As the selling prices of our products are primarily dependent on commodity prices, such decline in prices had also impacted our products pricing and margins in the FYE 2020. Average transacted prices of OMM manganese ore and 3rd party manganese ores declined by approximately 39.1% and 22.1% respectively for the FYE 2020 as compared to the FYE 2019. In addition, average transacted prices for manganese alloys and ferrosilicon also declined by approximately 10.5% and 7.9% respectively in the FYE 2020.

(iii) Production volume and efficiency

Production volume is determined mainly by the production capacity of our Sarawak Plant and Qinzhou Plant, details of which are set out in **Section 7.3.3** of this Prospectus. The utilisation rates of our processing facilities will vary depending on various factors, including but not limited to;-

(a) the design and specifications of the end product required;

(b) the technical specifications and capabilities of the equipment and fixed assets;

(c) quality of raw materials used; and

(d) scheduled servicing and maintenance time for and breakdown of such equipment and fixed assets.

(iv) Foreign exchange rate fluctuation

Our Group operates and sells its products in several countries and transacts in foreign currencies. As a result, we are exposed to movements in foreign currency exchange rates arising from normal trading transactions, primarily with respect to US$. As our financial statements are presented in A$, we will record translation gains or losses from the conversion of our sales denominated in foreign currencies into our presentation currency of A$.

We set out below the gain/loss on foreign exchange for the financial period under review:-

	Audited FYE 31 December			
	2017	2018	2019	2020
	(A$'000)	(A$'000)	(A$'000)	(A$'000)
Net foreign exchange (loss)/gain	(32,725)	(5,249)	(3,809)	574

The foreign exchange losses in FYE 2017 of A$32.7 million was mainly attributed to the translation of RM denominated payables and borrowings to US$ as a result of the strengthening of the RM against the US$ during FYE 2017. However, this was offset by translation exchange gains from the strengthening of the A$ against the US$ in FYE 2017.

The foreign exchange losses in FYE 2018 and 2019 were A$5.2 million and A$3.8 million, respectively. For FYE 2018, we recorded an exchange gain from the translation of RM denominated payables and borrowings to US$ due to the weakening of the RM against the US$ experienced during the second half of the year. However this was offset by unrealised foreign exchange losses from the translation of the financial statements to the Group's presentation currency as a result of the strengthening of the US$ against the A$ in FYE 2018. For FYE 2019, the foreign exchange loss was mainly attributed to the translation of RM denominated payables and borrowings to US$ due to the strengthening of the RM against the US$ experienced during the FYE 2019.

We recorded foreign exchange gains of A$0.6 million in the FYE 2020, mainly attributed to hedging gains from forward foreign exchange contracts to sell US$ for A$.

(v) Impact of the COVID-19 pandemic to our business

Whilst there were some disruptions to our operations due to the COVID-19 pandemic as disclosed in **Section 7.16** of this Prospectus, the impact to our business and operations were not material as at the LPD.

Further, as set out in **Sections 5.1.9** and **7.16** of this Prospectus, the temporary halt in our Sarawak Plant operations, as well as the expenses to be incurred, may have a negative impact on our financial performance for the FYE 31 December 2021.

Our Group will continue to monitor the situation and developments arising from the COVID-19 pandemic, whilst ensuring our production keeps pace with the global demand, and ensuring the continuity and resilience of our business operations during unprecedented times like this.

12.3.4 Significant changes

Save as disclosed in **Section 7.16** of this Prospectus in relation to impact of the COVID-19 pandemic to our business and our responses, there were no significant changes that have occurred, which may have a material effect on our financial position and results subsequent to the FYE 2020 up to the LPD.

12.3.5 Impact of government, economic, fiscal or monetary policies

There were no government, economic, fiscal or monetary policies or factors which had materially affected our operations during the financial period under review. There is no assurance that our financial performance will not be adversely affected by the impact of further changes in government, economic, fiscal or monetary policies or factors moving forward.

12.3.6 Impact of inflation

Our financial performance for the financial period under review were not materially affected by the impact of inflation. However, we believe that we would not be able to pass on all future increases in our cost of sales to our customers. Accordingly, there can be no assurance that future inflation would not have an impact on our business and financial performance.

12.3.7 Order book

We do not maintain an order book as we generate sales of our products by way of receipt of purchase orders from our customers on an ongoing basis.

12.4 LIQUIDITY AND CAPITAL RESOURCES

12.4.1 Working capital

We finance our growth and operations through a combination of cash generated from our operating activities and credit and loan facilities from financial institutions.

Our principal sources of liquidity as at 31 December 2020 are set out below:-

	Audited as at 31 December 2020
	(A$'000)
Cash and cash equivalents	45,951
Net cash generated from operating activities	76,559

Our Board is of the opinion that, after taking into consideration our existing cash and cash equivalents, the expected funds to be generated from our operations, and unused credit facilities available for drawdown of approximately A$25.2 million as at 30 April 2021, we have adequate working capital for a period of 12 months from the date of this Prospectus.

12. FINANCIAL INFORMATION *(Cont'd)*

12.4.2 Cash flow

The table below sets out the summary of our consolidated statements of cash flows for the financial period under review and should be read in conjunction with the Accountants' Report as set out in **Section 13** of this Prospectus:-

	Audited FYE 31 December			
	2017	2018	2019	2020
	(A$'000)	(A$'000)	(A$'000)	(A$'000)
Net cash generated from operating activities	133,791	179,593	98,702	76,559
Net cash (used in)/generated from investing activities	(26,649)	2,719	(41,592)	(10,614)
Net cash used in financing activities	(96,134)	(135,165)	(87,484)	(66,102)
Net increase/(decrease) in cash and cash equivalents	**11,008**	**47,147**	**(30,374)**	**(157)**
Cash and cash equivalents at beginning of the year	20,571	29,913	79,046	48,900
Exchange difference on translation of cash and cash equivalents at beginning of the year	(1,666)	1,986	228	(2,792)
Cash and cash equivalents at end of the year	**29,913**	**79,046**	**48,900**	**45,951**
Cash and cash equivalents comprise the following:-				
Cash at bank and on hand	28,871	87,118	42,598	58,905
Short-term bank deposits	5,505	4,701	21,114	4,126
Total cash and bank balances	34,376	91,819	63,712	63,031
Less: Cash collateral	(4,463)	(12,773)	(14,812)	(17,080)
	29,913	**79,046**	**48,900**	**45,951**

There are no legal, financial or economic restrictions on the ability of our subsidiaries to transfer funds to our Company in the form of cash dividends, loans or advances, subject to availability of distributable reserves and compliance with financial covenants.

Commentary on cash flow

FYE 2017

Net cash from operating activities

We recorded net cash generated from operating activities of A$133.8 million in the FYE 2017, while our Group's PBT for the same period was A$72.6 million. The difference was attributed to:-

(i) net cash inflow for non-cash item adjustment of A$63.3 million;
(ii) net cash inflow for working capital movement of A$2.3 million; and
(iii) net cash outflow for income tax paid of A$4.4 million.

Net cash used in investing activities

We recorded net cash used in investing activities of approximately A$26.7 million for the FYE 2017. The cash was used primarily for:-

(i) payment for exploration and evaluation cost of A$0.5 million; and
(ii) purchase of PPE of A$45.2 million mainly for the expansion of our Sarawak Plant.

The net cash used in investing activities was partially offset by proceeds of A$18.5 million received from repayment of shareholders advances and dividend received from our associate, Tshipi Mining.

Net cash used in financing activities

Our net cash used in financing activities of approximately A$96.1 million for the FYE 2017. The cash was used primarily for:-

(i) repayment of bank and other loans of A$75.0 million for the repayment of our loan facilities; and
(ii) interest paid of A$24.5 million.

FYE 2018

Net cash from operating activities

We recorded net cash generated from operating activities of A$179.6 million in the FYE 2018, while our Group's PBT for the same period was A$236.9 million. The difference was attributed to:-

(i) net cash inflow for non-cash item adjustment of A$49.3 million;
(ii) net cash outflow for working capital movement of A$96.7 million; and
(iii) net cash outflow for income tax paid of A$9.9 million.

Net cash used in investing activities

We recorded net cash generated from investing activities of approximately A$2.7 million for the FYE 2018. The cash was used primarily for:-

(i) payment for exploration and evaluation cost of A$0.6 million;
(ii) payments for mine development costs of A$1.0 million and
(iii) purchase of PPE of A$29.2 million mainly for the extension and upgrading works at our Sarawak Plant.

The net cash used in investing activities was partially offset by proceeds of A$35.6 million received from repayment of shareholders advances and dividend received from our associate, Tshipi Mining.

Net cash used in financing activities

Our net cash used in financing activities was approximately A$135.2 million for the FYE 2018. The cash was used primarily for:-

(i) repayment of bank and other loans of A$42.0 million as well as partial redemption of 7,564,500 Hanwa Convertible Notes during the FYE 2018 which amounted to A$8.4 million;
(ii) acquisition of irredeemable convertible preference shares in OM Sarawak from a non-controlling interest shareholder amounting to A$25.0 million;
(iii) dividend paid to our shareholders of A$22.1 million; and
(iv) interest paid of A$38.3 million.

<u>FYE 2019</u>

Net cash from operating activities

We recorded net cash generated from operating activities of A$98.7 million in the FYE 2019, while our Group's PBT for the same period was A$58.9 million. The difference was attributed to:-

(i) net cash inflow for non-cash item adjustment of A$59.9 million;
(ii) net cash inflow for working capital movement of A$10.1 million; and
(iii) net cash outflow for income tax paid of A$30.2 million.

Net cash used in investing activities

We recorded net cash used in investing activities of approximately A$41.6 million for the FYE 2019. The cash was used primarily for:-

(i) payment for exploration and evaluation cost of A$1.9 million;
(ii) payments for mine development costs of A$4.5 million; and
(iii) purchase of PPE of A$76.6 million mainly for the construction of a manganese sintering facility at our Sarawak Plant.

The net cash used in investing activities was partially offset by proceeds of A$40.4 million for the dividend received from our associate, Tshipi Mining.

Net cash used in financing activities

Our net cash used in financing activities of approximately A$87.5 million for the FYE 2019 was due to:-

(i) repayment of bank and other loans of A$67.6 million which was mainly used for the repayment of our loan facilities as well as partial redemption of 4,965,500 Hanwa Convertible Notes during the FYE 2019 which amounted to A$5.8 million;
(ii) dividend paid to our shareholders of A$23.3 million; and
(iii) interest paid of A$33.7 million.

<u>FYE 2020</u>

Net cash from operating activities

We recorded net cash generated from operating activities of A$76.6 million in the FYE 2020, while our Group's LBT for the same period was A$4.7 million. The difference was attributed to:-

(i) net cash inflow for non-cash item adjustment of A$70.3 million;
(ii) net cash inflow for working capital movement of A$17.3 million; and
(iii) net cash outflow for income tax paid of A$6.4 million.

Net cash used in investing activities

We recorded net cash used in investing activities of approximately A$10.6 million for the FYE 2020. The cash was used primarily for purchase of PPE of A$15.5 million offset by dividend received from our associate of A$6.0 million.

Net cash used in financing activities

Our net cash used in financing activities of approximately A$66.1 million for the FYE 2020 was due to:-

(i) repayment of bank and other loans of A$33.2 million, which was mainly used for the repayment of our Sarawak Project Finance loan and repayment of the Group's borrowings from trade facilities;
(ii) dividend paid to our shareholders of A$7.4 million; and
(iii) interest paid of A$30.0 million.

12.4.3 Capitalisation and indebtedness

The table below summarises our deposits, cash and bank balances as well as capitalisation and indebtedness of our Group as at 30 April 2021, and after taking into account the estimated expenses relating to the Secondary Listing. The pro forma financial information below does not represent our Group's actual capitalisation and indebtedness as at 30 April 2021 and is provided for illustration purposes only.

	As at 30 April 2021 (A$'000)	Pro forma after the Secondary Listing (A$'000)
Cash and cash equivalents	**53,625**	**(3)52,960**
Indebtedness		
(a) Short-term debt		
Secured and guaranteed		
- Bank loans	84,543	84,543
- 3rd party loans(1)	10,931	10,931
Unsecured		
- Shareholder loans(1)	10,272	10,272
(b) Long-term debt		
Secured and guaranteed		
- Bank loans	287,490	287,490
- Convertible notes	-	-
Unsecured		
- Shareholder loans(1)	2,844	2,844
Total indebtedness	**396,080**	**396,080**
Capitalisation		
Shareholders' equity excluding non-controlling interests	411,991	411,326
Non-controlling interest	74,743	74,743
Total shareholders' equity	**486,734**	**486,069**
Total capitalisation and indebtedness	**882,814**	**882,149**
Gearing ratio (times)(2)	0.81	0.81

Notes:-

(1) 3rd party loan from a customer to partially fund the construction of Sarawak Plant in 2011, and shareholder loan from SISB, a 25% joint-venture partner of OM Sarawak, in relation to the Sarawak Plant

(2) Computed based on the total indebtedness over the total equity of our Group.

(3) After taking into consideration the estimated expenses for the Secondary Listing amounting to approximately A$1.5 million, out of which A$0.8 million has been recognised as at 30 April 2020, comprising the following:-

	(A$'000)
Professional fees (i.e. principal adviser, solicitors, legal counsels, reporting accountants, independent market researcher, share registrar and agent)	*1,370*
Regulatory fees	*55*
Other fees and expenses such as printing, advertising, travelling, and roadshow expenses in connection with the Secondary Listing	*75*
Total estimated listing expenses	***1,500***

12.4.4 Borrowings

The details of our Group's outstanding borrowings as at 31 December 2020 are as follows:-

		Interest rates(3)	**Audited as at 31 December 2020 A$'000)**
(a)	**Short-term debt**		
	Secured		
	- Bank loans	0.4% to 6.9%	98,790
	- Convertible notes	9.0%	14,003
	Unsecured		
	- Bank loans	0.4% to 6.9%	3,796
	- Shareholder loans	1.5% to 6.0%	10,177
(b)	**Long-term debt**		
	Secured		
	- Bank loans	0.4% to 6.9%	274,386
	- Convertible notes	9.0%	-
	- 3rd party loan(1)	1.5% to 6.0%	11,036
	Unsecured		
	- Shareholder loans (SISB)(1)	1.5% to 6.0%	2,857
Total loans borrowings			**415,045**
Gearing ratio(2)			**0.89**

Notes:-

(1) 3rd party loan from a customer to partially fund the construction of Sarawak Plant in 2011, and shareholder loan from SISB, a 25% joint-venture partner of OM Sarawak, in relation to the Sarawak Plant

(2) Calculated based on the total borrowings over total equity.

(3) Calculated based on weighted average effective interest rates.

There has been no default or any known events that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings of our Group throughout the past 4 FYEs 2017, 2018, 2019, 2020 and the subsequent financial period up to the LPD which our Directors are aware of.

As at the LPD, neither our Company nor any of our subsidiaries is in breach of any terms and conditions or covenants associated with credit arrangement or bank loan which can materially affect our financial position, financial result or business operations, or the investments by holders of securities in our Group. We also do not encounter any seasonality in our borrowings trend.

Please refer to Note 38.2 of the Accountants' Report in **Section 13** of this Prospectus for the breakdown on the maturity profile of our financial liabilities.

As at 31 December 2020, approximately 81.4% of our Group's bank loan was denominated in US$ and 18.2% denominated in RM, and 0.4% denominated in other currencies. Our total borrowings primarily consist of the Sarawak Plant project finance loans associated with the construction of the Sarawak Plant.

12.4.5 Historical capital expenditure

The following sets out our capital expenditure incurred over the financial period under review:-

	Audited FYE 31 December			
	2017	**2018**	**2019**	**2020**
	(A$'000)	**(A$'000)**	**(A$'000)**	**(A$'000)**
Construction in progress [(1)]	1,663	5,611	72,254	14,164
Purchase of plant and machinery in Sarawak Plant	41,340	16,802	2,097	374
Others [(2)]	2,239	6,759	2,213	952
Total	**45,242**	**29,172**	**76,564**	**15,490**

Notes:-

(1) Construction in progress includes the expansion of warehouse, expenditure relating to the construction of the ultra fines plant at the Bootu Creek Mine and manganese sintering facility at the Sarawak Plant, as well as modification of furnaces at our Sarawak Plant.

(2) Others comprise buildings and infrastructure, computer and office equipment and furniture, and motor vehicles.

The capital expenditure in FYE 2017 and FYE 2018 was mainly attributed to the purchase and installation of furnaces at our Sarawak Plant. We operated 9 ferrosilicon furnaces during FYE 2017 and the 10th ferrosilicon furnace was commissioned during FYE 2018. For the FYE 2019, our capital expenditures were mainly attributed to amongst others, construction of the manganese sintering facility with auxiliary facilities, laboratory offices and canteen at our Sarawak Plant which commenced in the fourth quarter of 2018. A substantial part of the construction of our manganese sintering facility was undertaken and completed in 2019 which accounted for the high expenditure for construction in progress during the FYE 2019. For the FYE 2020, our capital expenditures were mainly attributed to the modification of 2 ferrosilicon furnaces into manganese alloy furnaces at our Sarawak Plant.

12.4.6 Material capital commitments

Save as disclosed below, there are no material capital commitments incurred or to be incurred by us that have not been provided for which, upon becoming enforceable, may have a material impact on our financial results or financial position as at 30 April 2021:-

	As at 30 April 2021 (A$'000)
Capital expenditure contracted but not provided for in the financial statements:-	
- Purchase of machinery and equipment for the Sarawak Plant	5,241
- Purchase of machinery and equipment for Qinzhou Plant	428
- Purchase of equipment and upgrading IT servers for our mining operations at the Bootu Creek Mine	806
	6,475

We expect to meet our material capital commitments through internally generated funds.

12.4.7 Material divestures

There have not been any material divestures undertaken by our Group for the financial period under review. As at the LPD, we do not have any material divestures in progress, within or outside Malaysia.

12.4.8 Material litigation or claims

As at the LPD, neither our Company nor our subsidiaries are engaged in any governmental, legal or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings which may have or have had, material or significant effects on our financial position or profitability.

12.4.9 Contingent liabilities

As at the LPD, there are no material contingent liabilities which upon becoming enforceable may have a material impact on the financial position of our Group.

12.4.10 Key financial ratios

	Audited FYE 31 December			
	2017	**2018**	**2019**	**2020**
Average trade receivables turnover period (days)(1)	21.7	18.4	18.8	18.2
Average trade payables turnover period (days)(2)	121.7	70.0	66.6	77.5
Average inventory turnover period (days)(3)	130.2	81.9	103.4	117.9
Current ratio (times)(4)	1.5	1.8	1.5	1.2
Gearing ratio (times)(5)	1.8	1.1	0.9	0.9

Notes:-

(1) Computed based on the average closing balance of trade receivables divided by revenue for the respective financial years multiplied by 365 days. Average closing balance was derived based on the sum of the closing balance of the previous financial year and closing balance of the financial period divided by 2.

(2) Computed based on the average closing balance of trade payables divided by cost of sales for the respective financial years multiplied by 365 days. Average closing balance was derived based on the sum of the closing balance of the previous financial year and closing balance of the financial period divided by 2.

(3) Computed based on the average closing balance of inventory divided by cost of sales for the respective financial years multiplied by 365. Average closing balance was derived based on the sum of the closing balance of the previous financial year and closing balance of the financial period, divided by 2.

(4) Computed based on current assets over current liabilities.

(5) Computed based on total borrowings over total equity.

(i) Average trade receivables turnover days

A summary of our trade receivables for the financial period under review is set out as follows:-

	Audited FYE 31 December			
	2017 (A$'000)	2018 (A$'000)	2019 (A$'000)	2020 (A$'000)
Opening trade receivables	41,058	76,475	75,533	30,167
Closing trade receivables	76,475	75,533	30,167	48,130
Average trade receivables	58,767	76,004	52,850	39,149
Revenue	988,182	1,510,416	1,026,454	784,633
Average trade receivables turnover period (days)[(1)]	**21.7**	**18.4**	**18.8**	**18.2**

Note:-

(1) Computed based on the average closing balance of trade receivables divided by revenue for the respective financial years multiplied by 365 days.

We recorded an average trade receivable turnover period of 21.7 days, 18.4 days, 18.8 days and 18.2 days in FYE 2017, FYE 2018, FYE 2019 and FYE 2020, respectively.

Ageing analysis of our trade receivables

Our credit period generally ranges between 7 days to 45 days.

As at 31 December 2020, the trade receivables of our Group can be analysed as follows:-

	Within credit period	Exceed credit period			Total
		0 – 3 months	3 – 6 months	> 6 months	
Trade receivables (A$'000)	47,291	643	-	196	48,130
Percentage of total trade receivables (%)	98.3	1.3	-	0.4	100.0

	Within credit period	Exceed credit period 0 – 3 months	3 – 6 months	> 6 months	Total
Subsequent collections up to the LPD (A$'000)	47,224	643	-	63	47,930
Outstanding trade receivables after subsequent collections (A$'000)	67	-	-	133	200

As at 31 December 2020, our total trade receivables stood at approximately A$48.1 million, of which approximately A$0.8 million or 1.7% exceeded the normal credit period.

As at the LPD, we have collected approximately A$47.9 million or 99.6% out of the total trade receivables outstanding as at 31 December 2020.

There was no impairment of trade receivables for the financial period under review.

Average trade payables turnover days

Our trade payables represent the outstanding amounts payable by us to our suppliers. The normal credit period generally granted to us by our suppliers ranges between 30 days to 120 days.

A summary of our trade payables for the financial period under review is set out as follows:-

	Audited FYE 31 December 2017 (A$'000)	2018 (A$'000)	2019 (A$'000)	2020 (A$'000)
Opening trade payables	270,776	248,227	195,452	123,455
Closing trade payables	248,227	195,452	123,455	168,963
Average trade payables	259,502	221,840	159,454	146,209
Cost of sales	778,597	1,157,128	874,001	688,371
Average trade payables turnover period (days)(1)	**121.7**	**70.0**	**66.6**	**77.5**

Note:-

(1) Computed based on the average closing balance of trade payables divided by cost of sales for the respective financial years multiplied by 365 days.

The average trade payables turnover days decreased from 121.7 days in FYE 2017 to 70.0 days in FYE 2018 to 66.6 days in FYE 2019 due to reduction in the time taken by us to make payment. We recorded a higher average trade payables turnover period of approximately 121 days in the FYE 2017 as compared to 70 days recorded in FYE 2018. This was mainly attributed to reduction in time to make payment in line with the improvement of operating cash flow from A$133.8 million in FYE 2017 to A$179.6 million in FYE 2018.

For the FYE 2020, the average trade payables turnover days increased from 66.6 days in the FYE 2019 to 77.5 days in the FYE 2020 mainly due to extended payment terms offered by suppliers in view of the COVID-19 pandemic.

Ageing analysis of our trade payables

As at 31 December 2020, our trade payables amounted to approximately A$169.0 million which can be analysed as follows:-

	Within credit period	Exceed credit period			Total
		0 – 3 months	3 – 6 months	> 6 months	
Trade payables (A$'000)	121,731	32,772	11,295	3,165	168,963
Percentage of total trade payables (%)	72.0	19.4	6.7	1.9	100.0
Subsequent payments up to the LPD (A$'000)	52,715	32,288	10,603	1,052	96,658
Outstanding trade payables after subsequent payment (A$'000)	69,016	484	692	2,113	72,305

(ii) Average inventory turnover period

Our inventory comprises mainly manganese ore and ferroalloys, goods in transit, raw materials and unconsumed power inventory classified as raw material. We conduct a survey of our inventory on a half-yearly basis (i.e. on 30 June and 31 December) to determine and reconcile the inventory that we have.

A summary of our inventory for the financial period under review is set out as follows:-

	Audited FYE 31 December			
	2017 (A$'000)	2018 (A$'000)	2019 (A$'000)	2020 (A$'000)
Opening inventory	302,817	252,480	267,042	228,275
Closing inventory	252,480	267,042	228,275	216,307
Average inventory	277,649	259,761	247,659	222,291
Cost of sales	778,597	1,157,128	874,001	688,371
Average inventory turnover period (days)[(1)]	**130.2**	**81.9**	**103.4**	**117.9**

Note:-

(1) Computed based on the average closing balance of inventory divided by cost of sales for the respective financial years multiplied by 365 days.

Between FYE 2017 to FYE 2018, our Group's average inventory turnover period decreased from 130.2 days to 81.9 days, primarily due to a higher sale volumes in FYE 2018.

Between FYE 2018 to FYE 2019, our Group's average inventory turnover period increased from 81.9 days to 103.4 days mainly due to decrease in the cost of sales in line with the decrease in sales revenue.

Between FYE 2019 to FYE 2020, our Group's average inventory turnover period increased from 103.4 days to 117.9 days as a result of slower inventory turnover due to curtailed global demand amidst the COVID-19 pandemic.

Our inventories are held at the lower of cost and net realisable value. In FYE 2020, our mining subsidiary, OMM, wrote down inventories of A$3.0 million to its net realizable value as a result of the weaker manganese ore prices at the end of the year. Further, no inventory obsolescence was required for the financial period under review.

(iii) Current ratio

Our current assets mainly comprise our inventories, trade receivables, other receivables, capitalised contract costs, prepayments, and cash and bank balance. Meanwhile, our current liabilities mainly comprise our trade payables, other payables, contract liabilities, borrowings, deferred capital grant and income tax payables.

A summary of our current ratio for the financial period under review is set out as follows:-

	Audited FYE 31 December			
	2017 (A$'000)	2018 (A$'000)	2019 (A$'000)	2020 (A$'000)
Current assets	383,957	455,225	334,565	347,714
Current liabilities	260,238	251,502	219,696	298,894
Current ratio (times)[1]	**1.5**	**1.8**	**1.5**	**1.2**

Note:-

(1) Computed based on current assets over current liabilities.

Our current ratio increased from 1.5 times as at the FYE 2017 to 1.8 times as at the FYE 2018, which was mainly due to the increase in cash and bank balances and increase in closing inventories. Subsequently, our current ratio decreased to 1.5 times as at the FYE 2019, due to decrease in cash and bank balances, inventories and trade and other receivables.

As at the FYE 2020, our current ratio was 1.2 times, a decrease from the FYE 2019 of 1.5 times mainly due to the increase in trade and other payables as well as short-term debt which consists of bank loans and convertible notes as at FYE 2020. As at the LPD, the convertible notes amounting to A$14.0 million were fully redeemed.

(iv) Gearing ratio

A summary of our gearing ratio for the financial period under review is set out as follows:-

	Audited FYE 31 December			
	2017 (A$'000)	2018 (A$'000)	2019 (A$'000)	2020 (A$'000)
Total borrowings	510,681	512,926	473,918	415,045
Total equity	287,748	451,125	507,868	468,239
Gearing ratio (times)[1]	**1.77**	**1.14**	**0.93**	**0.89**

Note:-

(1) Computed based on total borrowings over total equity.

Our gearing ratio improved from 1.8 times in FYE 2017 to 1.1 times in FYE 2018 primarily due to increase in retained profit as a result of significant increase in our PAT by 102.1% from A$91.4 million in FYE 2017 to A$184.7 million in FYE 2018.

Our gearing ratio improved from 1.1 times in FYE 2018 to 0.9 times in FYE 2019 primarily due to the decrease in total borrowings from A$512.9 million in FYE 2018 to A$473.9 million in FYE 2019 which included repayments of our Sarawak Plant finance loan of US$34.8 million (equivalent to approximately A$50.5 million).

Our gearing further reduced to 0.89 times in the FYE 2020 from 0.93 times arising from the repayment of our Sarawak Plant finance loan of A$25.4 million. In addition, the A$ equivalent of bank borrowings also decreased due to the translation gains from US$ denominated loans to A$ impacted by the US$ weakening against the A$ between 31 December 2019 and 31 December 2020.

As at 30 April 2021, our Group has a total of A$396.1 million outstanding bank borrowings.

12.4.11 Type of financial instruments used

For the financial period under review, we have entered into forward contracts in relation to US$ to partially hedge our exposure against foreign currency fluctuations.

For the financial period under review, our Group entered into several foreign currency forward exchange contracts with banking institutions to sell foreign currencies in relation to US$ at predetermined exchange rates with different maturity dates in the future. Our foreign currency forward exchange contracts were mainly converting sales receipts denominated in US$ to A$. As at 30 April 2021, we have entered into foreign currency forward exchange contracts to sell US$ at predetermined exchange rates with the notional principal amounts of the outstanding foreign currency forward exchange contracts of approximately US$15.9 million.

12.4.12 Treasury policies and objectives

We have been financing our operations and growth through a combination of cash generated from our operating activities and credit facilities from financial institutions. Our funding policy is to obtain the most suitable type of financing and most favourable and lowest cost of funding, whereas our treasury policy is to maintain sufficient working capital to finance our operations, coupled with adequate credit facilities to meet estimated commitments arising from our operational expenditure and financial liabilities.

12.5 TREND INFORMATION

We expect the following factors, in addition to the factors described in this **Section 12** and those included in **Section 5** of this Prospectus, to affect the results of our operations and financial condition moving forward:-

(i) fluctuation in manganese ore and ferroalloy prices;

(ii) pandemics including COVID-19; and

(iii) global market conditions brought about by the economic tensions between China, USA and Australia.

Our Board confirms that as at the LPD, there are no:-

(i) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our financial performance, position and operations, other than those disclosed in this **Section 12**, and **Sections 5 and 7** of this Prospectus;

(ii) material capital commitments, save as set out in **Section 12.4.6** of this Prospectus;

(iii) unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of our Group, other than those disclosed in this **Section 12**, and **Section 5** of this Prospectus;

(iv) known trends, demands, commitments, events or uncertainties that had resulted in a material impact on our total revenue and/or profits save for those that have been disclosed in this **Section 12**, and **Section 5** of this Prospectus; and

(vi) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our liquidity and capital resources, other than those disclosed in this **Section 12**, and **Section 5** of this Prospectus.

12.6 DIVIDEND POLICY

We currently do not adopt any formal dividend policy. Any dividend declared will be subject to the recommendation of our Board. For the past 4 FYEs 2017, 2018, 2019 and 2020, the dividends declared by us are set out as follows:-

	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Interim and final tax-exempt (one-tier) dividend per shares (cents) (A$)	-	0.05	[(2)]0.02	-
Dividend payment (A$'000)	-	36,931	14,772	-
Dividend payout[(1)]	-	22.8%	26.1%	-

Notes:-

(1) Computed based on the dividend payment over PAT attributable to owners of the Company.

(2) Comprising interim dividend of A$0.01 per share which was paid on 29 November 2019, as well as final dividend of A$0.01 per share ("Final Dividend"). A$0.005 of the Final Dividend was paid on 29 May 2020, and the balance of A$0.005 will be paid on 27 November 2020.

12. FINANCIAL INFORMATION *(Cont'd)*

As our Company is a holding company, our income and therefore, our ability to pay dividends is dependent upon the dividends that we receive from our subsidiaries and associate companies. Distributions by our subsidiaries and associate companies will depend upon their operating results, earnings, anticipated capital expenditure requirements, financial conditions and any other factors considered relevant by our Board, such as exchange controls. The declaration and payment of any dividend is subject to the confirmation of our Board as well as any applicable law, licence conditions and contractual obligations and provided that such distribution will not be detrimental to our Group's cash flow and operations. As at the LPD, there is no dividend restriction being imposed on OMH.

Cash dividends on our Shares, if any, will be declared in A$ and converted to RM for payment in relation to Shares which are listed on the Bursa Securities. We will make the necessary arrangements to convert the dividends in A$ into the RM equivalent at the prevailing exchange rate on each relevant date to the entitled shareholders who held the shares in the CDS of Malaysia. As a result, the equivalent of any dividends paid in RM will also be affected by changes in the exchange rate between the A$ and the RM. Neither our Company nor share registrar will be liable for any loss whatsoever arising from the conversion of the dividend entitlement.

Capital gains, dividend payments and profits from dealing in our Shares on Bursa Securities will not be subject to Malaysia taxation (not applicable to entities including companies with trading of shares as their principal business activity). No withholding tax is imposed on the above transactions. Potential investors are advised to consult their professional tax advisers if they are in any doubt as to the taxation implication of subscribing, holding or disposing of and dealing in our Shares.

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