

OM HOLDINGS LIMITED

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ARBN 081 028 337

13 Mar 2003

Company Announcement Office
Australian Stock Exchange
Level 10
20 Bond Street Sydney
NSW, Australia

Preliminary Final Report/Appendix 4B

We are pleased to inform you that we have e-lodged the Preliminary Final Report (APP 4B) for the year ended 31 Dec 2002 today.

All documents has been in the form of PDF and it consists of a total of 30 pages.

Yours faithfully
OM Holdings Limited

Julie-Anne Wolseley /Heng Siow Kwee
Company Secretary

Appendix 4B

Half-yearly/preliminary final report

Introduced 30/6/2002.

Name of entity

OM HOLDINGS LIMITED

ABN or equivalent company reference

ARBN 081 028 337

Half yearly
(tick)

Preliminary
final (tick)

Half-year/financial year ended ('current period')

31 December 2002

For announcement to the market

Extracts from this report for announcement to the market (see note 1).

\$A'000

Revenues from ordinary activities <i>(item 1.1)</i>	down	4.6%	to	110,996
Profit (loss) from ordinary activities after tax attributable to members <i>(item 1.22)</i>	down	86%	to	56
Profit (loss) from extraordinary items after tax attributable to members <i>(item 2.5(d))</i>	gain (loss) of			Nil
Net profit (loss) for the period attributable to members <i>(item 1.11)</i>	down	86%	to	56
Dividends (distributions)		Amount per security		Franked amount per security
Final dividend <i>(Preliminary final report only - item 15.4)</i>		A 0.25¢		N/A
Interim dividend <i>(Half-yearly report only - item 15.6)</i>		A 0.50¢		N/A
Previous corresponding period <i>(Preliminary final report - item 15.5; half-yearly report - item 15.7)</i>		A 0.25¢		N/A
		A 0.25¢		N/A
<p>⁺Record date for determining entitlements to the dividend, (in the case of a trust, distribution) <i>(see item 15.2)</i></p> <div style="border: 1px solid black; padding: 5px; display: inline-block; margin-left: 200px;">2 May 03</div>				
<p>Brief explanation of any of the figures reported above (see Note 1) and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:</p> <p>The consolidated financial statements of OM Holdings Limited are stated in Hong Kong Dollars. For the convenience of the Australian readers, the financial information set out from this page to page 18 has been translated into Australian Dollars at the exchange prevailing as at 31 December 2002 of A\$1 = HK\$4.41 (30 June 2002: A\$1 = HK\$4.40, 31 December 2001: A\$1 = HK\$3.99)</p>				

If this is a half yearly report it is to be read in conjunction with the most recent annual financial report.

+ See chapter 19 for defined terms.

Condensed consolidated statement of financial performance

	Current period - \$A'000	Previous corresponding period - \$A'000
1.1 Revenues from ordinary activities (<i>see items 1.23 -1.25</i>)	110,996	116,350
1.2 Expenses from ordinary activities (<i>see items 1.26 & 1.27</i>)	(110,007)	(115,084)
1.3 Borrowing costs	(231)	(293)
1.4 Share of net profits (losses) of associates and joint venture entities (<i>see item 16.7</i>)	Nil	Nil
1.5 Profit (loss) from ordinary activities before tax	758	973
1.6 Income tax on ordinary activities (<i>see note 4</i>)	(427)	(317)
1.7 Profit (loss) from ordinary activities after tax	331	656
1.8 Profit (loss) from extraordinary items after tax (<i>see item 2.5</i>)	Nil	Nil
1.9 Net profit (loss)	331	656
1.10 Net (profit) loss attributable to outside ⁺ equity interests	(275)	(247)
1.11 Net profit (loss) for the period attributable to members	56	409
Non-owner transaction changes in equity		
1.12 Increase (decrease) in revaluation reserves	263	(43)
1.13 Net exchange differences recognised in equity	(47)	(53)
1.14 Other revenue, expense and initial adjustments recognised directly in equity (attach details) - Government subsidy	13	10
1.15 Initial adjustments from UIG transitional provisions	Nil	Nil
1.16 Total transactions and adjustments recognised directly in equity (items 1.12 to 1.15)	229	(86)
1.17 Total changes in equity not resulting from transactions with owners as owners	285	323

Earnings per security (EPS)	Current period	Previous corresponding Period
1.18 Basic EPS	0.12¢	0.86¢
1.19 Diluted EPS	0.12¢	N/A

+ See chapter 19 for defined terms.

Notes to the condensed consolidated statement of financial performance

Profit (loss) from ordinary activities attributable to members

	Current period - \$A'000	Previous corresponding period - \$A'000
1.20 Profit (loss) from ordinary activities after tax (<i>item 1.7</i>)	331	656
1.21 Less (plus) outside ⁺ equity interests	(275)	(247)
1.22 Profit (loss) from ordinary activities after tax, attributable to members	56	409

Revenue and expenses from ordinary activities

(see note 15)

	Current period - \$A'000	Previous corresponding period - \$A'000
1.23 Revenue from sales or services	Please refer to Attachment I	Please refer to Attachment I
1.24 Interest revenue	55	199
1.25 Other relevant revenue		
1.26 Details of relevant expenses		
1.27 Depreciation and amortisation excluding amortisation of intangibles (<i>see item 2.3</i>)	(342)	(398)
Capitalised outlays		
1.28 Interest costs capitalised in asset values	Nil	Nil
1.29 Outlays capitalised in intangibles (unless arising from an ⁺ acquisition of a business)	797	154

Consolidated retained profits

	Current period - \$A'000	Previous corresponding period - \$A'000
1.30 Retained profits (accumulated losses) at the beginning of the financial period	3,863	4,204
1.31 Net profit (loss) attributable to members (<i>item 1.11</i>)	56	409
1.32 Net transfers from (to) reserves - transfer to non-distributable reserves	(89)	(76)
1.33 Net effect of changes in accounting policies	Nil	Nil
1.34 Dividends and other equity distributions paid or payable	(323)	(265)
1.35 Retained profits (accumulated losses) at end of financial period	3,507	4,272

+ See chapter 19 for defined terms.

Intangible and extraordinary items

		<i>Consolidated - current period</i>			
		Before tax \$A'000 (a)	Related tax \$A'000 (b)	Related outside +equity interests \$A'000 (c)	Amount (after tax) attributable to members \$A'000 (d)
2.1	Amortisation of goodwill	33	Nil	Nil	33
2.2	Amortisation of other intangibles	Nil	Nil	Nil	Nil
2.3	Total amortisation of intangibles	33	Nil	Nil	33
2.4	Extraordinary items (details)	Nil	Nil	Nil	Nil
2.5	Total extraordinary items	Nil	Nil	Nil	Nil

Comparison of half year profits

(Preliminary final report only)

		Current year - \$A'000	Previous year - \$A'000
3.1	Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the <i>1st</i> half year (item 1.22 in the half yearly report)	421	298
3.2	Consolidated profit (loss) from ordinary activities after tax attributable to members for the <i>2nd</i> half year	(365)	111

+ See chapter 19 for defined terms.

Condensed consolidated statement of financial position		At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly report \$A'000
Current assets				
4.1	Cash	5,422	7,115	10,182
4.2	Receivables	20,805	20,650	26,815
4.3	Investments	Nil	Nil	Nil
4.4	Inventories	4,087	5,425	4,834
4.5	Tax assets	Nil	318	289
4.6	Other (provide details if material)	Nil	Nil	Nil
4.7	Total current assets	30,314	33,508	42,120
Non-current assets				
4.8	Receivables	Nil	Nil	Nil
4.9	Investments (equity accounted)	Nil	Nil	Nil
4.10	Other investments	Nil	762	1,117
4.11	Inventories	Nil	Nil	Nil
4.12	Exploration and evaluation expenditure capitalised (see para .71 of AASB 1022)	936	154	352
4.13	Development properties (+mining entities)	Nil	Nil	Nil
4.14	Other property, plant and equipment (net)	3,723	3,588	3,470
4.15	Intangibles (net)	225	284	241
4.16	Tax assets	Nil	Nil	Nil
4.17	Other (provide details if material)	Nil	Nil	Nil
4.18	Total non-current assets	4,884	4,788	5,180
4.19	Total assets	35,198	38,296	47,300
Current liabilities				
4.20	Payables	19,286	21,237	29,774
4.21	Interest bearing liabilities	3,218	3,208	4,132
4.22	Tax liabilities	184	86	256
4.23	Provisions exc. tax liabilities	Nil	Nil	Nil
4.24	Other (provide details if material)	Nil	Nil	Nil
4.25	Total current liabilities	22,688	24,531	34,162
Non-current liabilities				
4.26	Payables	Nil	Nil	Nil
4.27	Interest bearing liabilities	49	66	56
4.28	Tax liabilities	Nil	Nil	Nil
4.29	Provisions exc. tax liabilities	Nil	Nil	Nil
4.30	Other (provide details if material)	Nil	Nil	Nil

+ See chapter 19 for defined terms.

4.31 Total non-current liabilities	49	66	56
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Condensed consolidated statement of financial position continued

4.32 Total liabilities	22,737	24,597	34,218
4.33 Net assets	12,461	13,699	13,082
Equity			
4.34 Capital/contributed equity	5,392	5,961	5,404
4.35 Reserves	1,318	1,118	1,346
4.36 Retained profits (accumulated losses)	3,507	4,272	4,077
4.37 Equity attributable to members of the parent entity	10,217	11,351	10,827
4.38 Outside ⁺ equity interests in controlled entities	2,244	2,348	2,255
4.39 Total equity	12,461	13,699	13,082
4.40 Preference capital included as part of 4.37	N/A	N/A	N/A

Notes to the condensed consolidated statement of financial position

Exploration and evaluation expenditure capitalised

(To be completed only by entities with mining interests if amounts are material. Include all expenditure incurred.)

	Current period \$A'000	Previous corresponding period - \$A'000
5.1 Opening balance	139	Nil
5.2 Expenditure incurred during current period	797	154
5.3 Expenditure written off during current period	Nil	Nil
5.4 Acquisitions, disposals, revaluation increments, etc.	Nil	Nil
5.5 Expenditure transferred to Development Properties	Nil	Nil
5.6 Closing balance as shown in the consolidated balance sheet (item 4.12)	936	154

Development properties

(To be completed only by entities with mining interests if amounts are material)

Current period \$A'000	Previous corresponding period - \$A'000

+ See chapter 19 for defined terms.

6.1 Opening balance	N/A	N/A
6.2 Expenditure incurred during current period		
6.3 Expenditure transferred from exploration and evaluation		
6.4 Expenditure written off during current period		
6.5 Acquisitions, disposals, revaluation increments, etc.		
6.6 Expenditure transferred to mine properties		
6.7 Closing balance as shown in the consolidated balance sheet (item 4.13)	N/A	N/A

Condensed consolidated statement of cash flows

	Current period \$A'000	Previous corresponding period - \$A'000
Cash flows related to operating activities		
7.1 Receipts from customers	Please refer to Attachment II	Please refer to Attachment II
7.2 Payments to suppliers and employees		
7.3 Dividends received from associates		
7.4 Other dividends received		
7.5 Interest and other items of similar nature received		
7.6 Interest and other costs of finance paid		
7.7 Income taxes paid		
7.8 Other (provide details if material)		
7.9 Net operating cash flows		
Cash flows related to investing activities		
7.10 Payment for purchases of property, plant and equipment		
7.11 Proceeds from sale of property, plant and equipment		
7.12 Payment for purchases of equity investments		
7.13 Proceeds from sale of equity investments		
7.14 Loans to other entities		
7.15 Loans repaid by other entities		
7.16 Other (provide details if material)		
7.17 Net investing cash flows		
Cash flows related to financing activities		
7.18 Proceeds from issues of ⁺ securities (shares, options, etc.)		
7.19 Proceeds from borrowings		
7.20 Repayment of borrowings		
7.21 Dividends paid		
7.22 Other (provide details if material)		

+ See chapter 19 for defined terms.

7.23	Net financing cash flows		
7.24	Net increase (decrease) in cash held		
7.25	Cash at beginning of period <i>(see Reconciliation of cash)</i>		
7.26	Exchange rate adjustments to item 7.25.		
7.27	Cash at end of period <i>(see Reconciliation of cash)</i>		

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. *(If an amount is quantified, show comparative amount.)*

N/A

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current period \$A'000	Previous corresponding period - \$A'000
8.1 Cash on hand and at bank	4,004	3,790
8.2 Deposits at call	Nil	Nil
8.3 Bank overdraft	Nil	Nil
8.4 Other (provide details)	Nil	Nil
8.5 Total cash at end of period (item 7.27)	4,004	3,790

Other notes to the condensed financial statements

Ratios	Current period	Previous corresponding period
9.1 Profit before tax / revenue Consolidated profit (loss) from ordinary activities before tax (item 1.5) as a percentage of revenue (item 1.1)	0.68%	0.8%
9.2 Profit after tax / ⁺equity interests Consolidated net profit (loss) from ordinary activities after tax attributable to members (item 1.11) as a percentage of equity (similarly attributable) at the end of the period (item 4.37)	0.55%	3.6%

+ See chapter 19 for defined terms.

Earnings per security (EPS)

10. Details of basic and diluted EPS reported separately in accordance with paragraph 9 and 18 of *AASB 1027: Earnings Per Share* are as follows.

<p>(a) Basic EPS: 0.12 cents (b) Diluted EPS: 0.12 cents (c) Weighted average number of ordinary shares outstanding during the period used in the calculation of the Basic EPS: 47,520,001 and Diluted EPS: 47,986,354</p>
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NTA backing <i>(see note 7)</i>	Current period	Previous corresponding period
11.1 Net tangible asset backing per ⁺ ordinary security	21.03 cents	23.29 cents

Discontinuing Operations

(Entities must report a description of any significant activities or events relating to discontinuing operations in accordance with paragraph 7.5 (g) of AASB 1029: Interim Financial Reporting, or, the details of discontinuing operations they have disclosed in their accounts in accordance with AASB 1042: Discontinuing Operations (see note 17).)

12.1 Discontinuing Operations

N/A

⁺ See chapter 19 for defined terms.

Control gained over entities having material effect

13.1 Name of entity (or group of entities)	N/A
13.2 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was ⁺ acquired	\$ Nil
13.3 Date from which such profit has been calculated	N/A
13.4 Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	\$ Nil

Loss of control of entities having material effect

14.1 Name of entity (or group of entities)	N/A
14.2 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	\$ N/A
14.3 Date to which the profit (loss) in item 14.2 has been calculated	N/A
14.4 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	\$ N/A
14.5 Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	\$ N/A

Dividends (in the case of a trust, distributions)

15.1 Date the dividend (distribution) is payable	20 Jun 03
15.2 ⁺ Record date to determine entitlements to the dividend (distribution) (ie, on the basis of proper instruments of transfer received by 5.00 pm if ⁺ securities are not ⁺ CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if ⁺ securities are ⁺ CHESS approved)	2 May 03
15.3 If it is a final dividend, has it been declared? <i>(Preliminary final report only)</i>	No (only proposed)

⁺ See chapter 19 for defined terms.

Amount per security

		Amount per security	Franked amount per security at % tax (see note 4)	Amount per security of foreign source dividend
15.4	<i>(Preliminary final report only)</i> Final dividend: Current year	A 0.25 ¢	N/A ¢	A 0.25 ¢
15.5	Previous year	A 0.25 ¢	N/A ¢	A 0.25 ¢
15.6	<i>(Half yearly and preliminary final reports)</i> Interim dividend: Current year	A 0.50 ¢	N/A ¢	A 0.50 ¢
15.7	Previous year	A 0.25 ¢	N/A ¢	A 0.25 ¢

Total dividend (distribution) per security (interim plus final)

(Preliminary final report only)

	Current year	Previous year
15.8 +Ordinary securities	A 0.75 ¢	A 0.50 ¢
15.9 Preference +securities	N/A ¢	N/A ¢

**Half yearly report - interim dividend (distribution) on all securities or
Preliminary final report - final dividend (distribution) on all securities**

	Current period \$A'000	Previous corresponding period - \$A'000
15.10 +Ordinary securities <i>(each class separately)</i>	108	133
15.11 Preference +securities <i>(each class separately)</i>	N/A	N/A
15.12 Other equity instruments <i>(each class separately)</i>	N/A	N/A
15.13 Total	108	133

The +dividend or distribution plans shown below are in operation.

N/A

The last date(s) for receipt of election notices for the +dividend or distribution plans

N/A

Any other disclosures in relation to dividends (distributions). *(For half yearly reports, provide details in accordance with paragraph 7.5(d) of AASB 1029 Interim Financial Reporting)*

+ See chapter 19 for defined terms.

N/A

Details of aggregate share of profits (losses) of associates and joint venture entities

Group's share of associates' and joint venture entities':	Current period \$A'000	Previous corresponding period - \$A'000
16.1 Profit (loss) from ordinary activities before tax	N/A	N/A
16.2 Income tax on ordinary activities	N/A	N/A
16.3 Profit (loss) from ordinary activities after tax	N/A	N/A
16.4 Extraordinary items net of tax	N/A	N/A
16.5 Net profit (loss)	N/A	N/A
16.6 Adjustments	N/A	N/A
16.7 Share of net profit (loss) of associates and joint venture entities	N/A	N/A

+ See chapter 19 for defined terms.

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities. *(If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ("from dd/mm/yy") or disposal ("to dd/mm/yy").)*

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss) (item 1.9)	
	Current period	Previous corresponding period	Current period \$A'000	Previous corresponding period - \$A'000
17.1 Equity accounted associates and joint venture entities	N/A	N/A	N/A	N/A
17.2 Total	N/A	N/A	N/A	N/A
17.3 Other material interests	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A
17.4 Total	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current period

(Description must include rate of interest and any redemption or conversion rights together with prices and dates)

Category of ⁺ securities	Total number	Number quoted	Issue price per security (see note 14)	Amount paid up per security (see note 14)
18.1 Preference ⁺securities <i>(description)</i>	N/A	N/A	N/A	N/A
18.2 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions	N/A	N/A	N/A	N/A
18.3 ⁺Ordinary securities	47,520,001 shares issued up to 31 December 2002	47,520,001	A\$0.50	A\$0.50
18.4 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks	N/A	N/A	N/A	N/A
18.5 ⁺Convertible debt securities <i>(description and conversion factor)</i>	N/A	N/A	N/A	N/A
18.6 Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted	N/A	N/A	N/A	N/A
18.7 Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date (if any)</i>
18.8 Issued during current period	Unlisted Options 3,964,000	Nil	A\$0.15	21 Jan 07
18.9 Exercised during current period	Nil	Nil	Nil	Nil
18.10 Expired during current period	Unlisted Options 2,000,000 500,000	Nil Nil	A\$0.80 A\$0.50	8 Dec 02 8 Dec 02
18.11 Debentures <i>(description)</i>	N/A	N/A		
18.12 Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted	N/A N/A	N/A N/A		

+ See chapter 19 for defined terms.

18.13 Unsecured notes <i>(description)</i>	N/A	N/A
18.14 Changes during current period		
(a) Increases through issues	N/A	N/A
(b) Decreases through securities matured, converted	N/A	N/A

Segment reporting

(Information on the business and geographical segments of the entity must be reported for the current period in accordance with *AASB 1005: Segment Reporting* and for half year reports, *AASB 1029: Interim Financial Reporting*. Because entities employ different structures a pro forma cannot be provided. Segment information in the layout employed in the entity's ⁺accounts should be reported separately and attached to this report.)

< Please see attachment III >

Comments by directors

(Comments on the following matters are required by ASX or, in relation to the half yearly report, by *AASB 1029: Interim Financial Reporting*. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) and may be incorporated into the directors' report and statement. For both half yearly and preliminary final reports, if there are no comments in a section, state NIL. If there is insufficient space to comment, attach notes to this report.)

Basis of financial report preparation

19.1 *If this report is a half yearly report, it is a general purpose financial report prepared in accordance with the listing rules and AASB 1029: Interim Financial Reporting. It should be read in conjunction with the last ⁺annual report and any announcements to the market made by the entity during the period. The financial statements in this report are "condensed financial statements" as defined in AASB 1029: Interim Financial Reporting. This report does not include all the notes of the type normally included in an annual financial report. [Delete if preliminary final report.]*

19.2 Material factors affecting the revenues and expenses of the economic entity for the current period. In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations.

Please see attachment IV

19.3 A description of each event since the end of the current period which has had a material effect and which is not already reported elsewhere in this Appendix or in attachments, with financial effect quantified (if possible).

⁺ See chapter 19 for defined terms.

N/A

19.4 Franking credits available and prospects for paying fully or partly franked dividends for at least the next year.

N/A

19.5 Unless disclosed below, the accounting policies, estimation methods and measurement bases used in this report are the same as those used in the last annual report. Any changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows. (Disclose changes and differences in the half yearly report in accordance with *AASB 1029: Interim Financial Reporting*. Disclose changes in accounting policies in the preliminary final report in accordance with *AASB 1001: Accounting Policies-Disclosure*).

N/A

19.6 Revisions in estimates of amounts reported in previous interim periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous +annual reports if those revisions have a material effect in this half year.

N/A

19.7 Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last + annual report.

N/A

+ See chapter 19 for defined terms.

Additional disclosure for trusts

20.1	Number of units held by the management company or responsible entity or their related parties.	N/A
20.2	A statement of the fees and commissions payable to the management company or responsible entity. Identify: <ul style="list-style-type: none"> • initial service charges • management fees • other fees 	N/A

Annual meeting

(Preliminary final report only)

The annual meeting will be held as follows:

Place	To be advised
Date	To be advised
Time	To be advised
Approximate date the ⁺ annual report will be available	29 Apr 03

Compliance statement

1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX (see note 12).

Identify other standards used	Statements of Standard Accounting Practice in Hong Kong (As permitted by the ASX)
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2 This report, and the ⁺accounts upon which the report is based on Hong Kong Companies Ordinance, use the same accounting policies.

3 This report does give a true and fair view of the matters disclosed (see note 2).

⁺ See chapter 19 for defined terms.

- 4 This report is based on ⁺accounts to which one of the following applies.
(Tick one)
- | | | | |
|-------------------------------------|---|--------------------------|---|
| <input type="checkbox"/> | The ⁺ accounts have been audited. | <input type="checkbox"/> | The ⁺ accounts have been subject to review. |
| <input checked="" type="checkbox"/> | The ⁺ accounts are in the process of being audited or subject to review. | <input type="checkbox"/> | The ⁺ accounts have <i>not</i> yet been audited or reviewed. |
- 5 If the audit report or review by the auditor is not attached, details of any qualifications are attached/will follow immediately they are available* *(delete one)*. *(Half yearly report only - the audit report or review by the auditor must be attached to this report if this report is to satisfy the requirements of the Corporations Act.)*
- 6 The entity ~~has~~/does not have* *(delete one)* a formally constituted audit committee.

Sign here: Date: 12 Mar 03
(~~Director~~/Company Secretary)

Print name: Julie Wolseley/Heng Siow Kwee

Notes

- For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show whether the change was up or down. If changes in accounting policies or procedures have had a material effect on reported figures, do not show either directional or percentage changes in profits. Explain the reason for the omissions in the note at the end of the announcement section. Entities are encouraged to attach notes or fuller explanations of any significant changes to any of the items in page 1. The area at the end of the announcement section can be used to provide a cross reference to any such attachment.
- True and fair view** If this report does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the entity must attach a note providing additional information and explanations to give a true and fair view.

⁺ See chapter 19 for defined terms.

3. **Condensed consolidated statement of financial performance**

Item 1.1 The definition of “revenue” and an explanation of “ordinary activities” are set out in *AASB 1004: Revenue*, and *AASB 1018: Statement of Financial Performance*.

Item 1.6 This item refers to the total tax attributable to the amount shown in item 1.5. Tax includes income tax and capital gains tax (if any) but excludes taxes treated as expenses from ordinary activities (eg, fringe benefits tax).

4. **Income tax** If the amount provided for income tax in this report differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts. The rate of tax applicable to the franking amount per dividend should be inserted in the heading for the column “Franked amount per security at % tax” for items 15.4 to 15.7. (Refer Attachment V)

5. **Condensed consolidated statement of financial position**

Format The format of the consolidated statement of financial position should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *AASB 1029: Interim Financial Reporting*, and *AASB 1040: Statement of Financial Position*. Also, banking institutions, trusts and financial institutions may substitute a clear liquidity ranking for the Current/Non-Current classification.

Basis of revaluation If there has been a material revaluation of non-current assets (including investments) since the last ⁺annual report, the entity must describe the basis of revaluation adopted. The description must meet the requirements of *AASB 1010: Accounting for the Revaluation of Non-Current Assets*. If the entity has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required.

6. **Condensed consolidated statement of cash flows** For definitions of “cash” and other terms used in this report see *AASB 1026: Statement of Cash Flows*. Entities should follow the form as closely as possible, but variations are permitted if the directors (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of *AASB 1026*. ⁺Mining exploration entities may use the form of cash flow statement in Appendix 5B.

7. **Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the ⁺ordinary securities (ie, all liabilities, preference shares, outside ⁺equity interests etc). ⁺Mining entities are *not* required to state a net tangible asset backing per ⁺ordinary security.

8. **Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the ⁺accounts. Details must include the contribution for each gain or loss that increased or decreased the entity’s consolidated profit (loss) from ordinary activities and extraordinary items after tax by more than 5% compared to the previous corresponding period.

9. **Rounding of figures** This report anticipates that the information required is given to the nearest \$1,000. If an entity reports exact figures, the \$A’000 headings must be amended. If

⁺ See chapter 19 for defined terms.

an entity qualifies under ASIC Class Order 98/0100 dated 10 July 1998, it may report to the nearest million dollars, or to the nearest \$100,000, and the \$A'000 headings must be amended.

10. **Comparative figures** Comparative figures are to be presented in accordance with *AASB 1018* or *AASB 1029 Interim Financial Reporting* as appropriate and are the unadjusted figures from the latest annual or half year report as appropriate. However, if an adjustment has been made in accordance with an accounting standard or other reason or if there is a lack of comparability, a note explaining the position should be attached. For the statement of financial performance, *AASB 1029 Interim Financial Reporting* requires information on a year to date basis in addition to the current interim period. Normally an Appendix 4B to which *AASB 1029 Interim Financial Reporting* applies would be for the half year and consequently the information in the current period is also the year to date. If an Appendix 4B Half yearly version is produced for an additional interim period (eg because of a change of reporting period), the entity must provide the year to date information and comparatives required by *AASB 1029 Interim Financial Reporting*. This should be in the form of a multi-column version of the consolidated statement of financial performance as an attachment to the additional Appendix 4B.
11. **Additional information** An entity may disclose additional information about any matter, and must do so if the information is material to an understanding of the reports. The information may be an expansion of the material contained in this report, or contained in a note attached to the report. The requirement under the listing rules for an entity to complete this report does not prevent the entity issuing reports more frequently. Additional material lodged with the +ASIC under the Corporations Act must also be given to ASX. For example, a director's report and declaration, if lodged with the +ASIC, must be given to ASX.
12. **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if one exists) must be complied with.
13. **Corporations Act financial statements** This report may be able to be used by an entity required to comply with the Corporations Act as part of its half-year financial statements if prepared in accordance with Australian Accounting Standards.
14. **Issued and quoted securities** The issue price and amount paid up is not required in items 18.1 and 18.3 for fully paid securities.
15. **Details of expenses** *AASB 1018* requires disclosure of expenses from ordinary activities according to either their nature or function. For foreign entities, there are similar requirements in other accounting standards accepted by ASX. *AASB ED 105* clarifies that the disclosures required by *AASB 1018* must be either *all* according to nature or *all* according to function. Entities must disclose details of expenses using the layout (by nature or function) employed in their +accounts.

The information in lines 1.23 to 1.27 may be provided in an attachment to Appendix 4B.

Relevant Items *AASB 1018* requires the separate disclosure of specific revenues and expenses which are not extraordinary but which are of a size, nature or incidence that disclosure is *relevant* in explaining the financial performance of the reporting entity. The term "relevance" is defined in *AASB 1018*. There is an equivalent requirement in *AASB 1029*:

+ See chapter 19 for defined terms.

Interim Financial Reporting. For foreign entities, there are similar requirements in other accounting standards accepted by ASX.

16 Dollars If reporting is not in A\$, all references to \$A must be changed to the reporting currency. If reporting is not in thousands of dollars, all references to “000” must be changed to the reporting value.

17. Discontinuing operations

Half yearly report

All entities must provide the information required in paragraph 12 for half years beginning on or after 1 July 2001.

Preliminary final report

Entities must either provide a description of any significant activities or events relating to discontinuing operations equivalent to that required by paragraph 7.5 (g) of *AASB 1029: Interim Financial Reporting*, or, the details of discontinuing operations they are required to disclose in their ⁺accounts in accordance with *AASB 1042 Discontinuing Operations*.

In any case the information may be provided as an attachment to this Appendix 4B.

18. Format

This form is a Word document but an entity can re-format the document into Excel or similar applications for submission to the Companies Announcements Office in ASX.

⁺ See chapter 19 for defined terms.

OM HOLDINGS LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2002
CONSOLIDATED INCOME STATEMENT

	<u>2002</u>	<u>2001</u>
	<i>A\$'000</i>	<i>A\$'000</i>
Turnover	110,996	116,350
Cost of sales	(103,146)	(105,480)
Gross profit	<u>7,850</u>	<u>10,870</u>
Other revenue	1,145	1,102
Less:		
Distribution costs	(3,232)	(6,147)
Administrative expenses	(4,031)	(4,193)
Other operating expenses	(743)	(366)
Profit from operating activities	<u>989</u>	<u>1,266</u>
Finance costs	(231)	(293)
Profit before taxation	<u>758</u>	<u>973</u>
Taxation	(427)	(317)
Profit before minority interests	<u>331</u>	<u>656</u>
Minority interests	(275)	(247)
Profit attributable to shareholders	<u>56</u>	<u>409</u>
Dividends paid or payable	<u>(323)</u>	<u>(265)</u>

OM HOLDINGS LIMITED
31st December 2002

STATEMENT OF CASHFLOW

	Consolidated			
	31-Dec-02 HKD'000	31-Dec-02 AUD'000	31-Dec-01 HKD'000	31-Dec-01 AUD'000
Cash flows from operating activities				
Profit before tax	3,345	758	3,881	973
Adjustments for :				
Depreciation and amortization	1,654	375	1,730	433
Interest income	(242)	(55)	(792)	(199)
Dividend income	-	-	(42)	(11)
Interest expense	1,004	228	1,158	290
Hire purchase charges	12	3	11	3
Net (gain)/loss on disposal of property, plant and equipment	9	2	(97)	(24)
Loss on disposal of long term investment	420	95	-	-
Bad debts written off and provision for doubtful debts	2,636	598	1,200	301
Written off of creditors and accruals	(845)	(192)	-	-
Operating profit before working capital changes	7,993	1,812	7,049	1,766
Decrease in inventories	3,616	820	(6,220)	(1,559)
Increase in trade and bills receivables	(8,809)	(1,998)	(14,242)	(3,570)
(Increase)/decrease in other receivables	(3,213)	(728)	615	155
Increase/(decrease) in trade and bills payables	(464)	(105)	20,410	5,117
Increase/(decrease) in other payables	1,650	374	1,165	291
Cash generated from operations	773	175	8,777	2,200
Interest paid	(1,004)	(228)	(1,158)	(290)
Interest element of hire purchase payments	(12)	(3)	(11)	(3)
Dividends paid to minority shareholders	(1,036)	(235)	-	-
Dividends paid	(1,480)	(335)	(1,585)	(397)
Hong Kong profits tax paid	-	-	(541)	(136)
Hong Kong profits tax refunded	1,449	329	-	-
Overseas tax paid	(1,609)	(365)	(2,145)	(538)
Overseas tax refund	62	14	38	10
Net cash (used)/from operating activities	(2,857)	(648)	3,375	846
Cash flows from investing activities				
Payments for exploration and evaluation costs	(3,514)	(797)	(614)	(154)
Purchase of property, plant and equipment	(3,748)	(850)	(5,339)	(1,339)
Proceeds from disposal of property, plant and equipment	104	24	224	56
Interest received	242	55	792	199
Dividend received	-	-	42	11
Proceeds from disposal of long term investment	3,780	857	-	-
Net cash used in investing activities	(3,136)	(711)	(4,895)	(1,227)
Cash flows from financing activities				
Payment of finance lease liabilities	(63)	(14)	(86)	(22)
Repayment of bank loans	-	-	(2,156)	(541)
Net proceeds from short term bank loan	1,430	325	3,172	795
Decrease/(increase) in cash collateral	7,009	1,589	(8,850)	(2,219)
Proceeds from issue of share capital of a subsidiary to minority	318	72	532	133
Net cash from/(used) in financing activities	8,694	1,972	(7,388)	(1,854)
Net increase in cash and cash equivalents	2,701	613	(8,908)	(2,235)
Effect of foreign exchange rate	(163)	(37)	(226)	(55)
Cash and cash equivalents at beginning of year	15,118	3,428	24,252	6,080
Cash and cash equivalents at end of year	17,656	4,004	15,118	3,790
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
Cash (excluding cash collateral)	17,656	4,004	15,118	3,790
	17,656	4,004	15,118	3,790

SEGMENT INFORMATION

All operating revenue, segment results and segment assets for the financial years ended 31 December 2002 and 31 December 2001 were related to the Economic Entity's principal business activity and were derived from Hong Kong and the PRC. The Economic Entity

Analysis of operating revenue, segment results and segment assets by geographical location is as follows:

	PRC, Hong Kong		Year ended 31 December 2002 PRC, elsewhere		Consolidated	
	HKS'000	AS'000	HKS'000	AS'000	HKS'000	AS'000
Operating revenue						
Sales to customers outside the Economic Entity	442,436	100,326	47,056	10,670	489,492	110,996
Other revenue	4,432	1,005	618	140	5,050	1,145
Total revenue	446,868	101,331	47,674	10,810	494,542	112,141
Segment results	434	98	4,796	1,088	5,230	1,186
Unallocated expenses					(869)	(197)
Profit from operation					4,361	989
Finance costs					(1,016)	(231)
Profit before taxation					3,345	758
Taxation					(1,883)	(427)
Profit before minority interests					1,462	331
Minority interests					(1,214)	(275)
Profit for the year					248	56
Segment assets	96,776	21,945	57,452	13,028	154,228	34,973
Unallocated corporate assets					991	225
					155,219	35,198
Segment liabilities	68,498	15,532	26,076	5,913	94,574	21,445
Unallocated corporate liabilities					5,694	1,292
Minority interest					9,898	2,244
					110,166	24,982
Other information:						
Cost to acquire property, plant and equipment	59	13	3,689	837	3,748	850
Depreciation and amortisation on property, plant and equipment	253	58	1,254	284	1,507	342

SEGMENT INFORMATION

	PRC, Hong Kong		Year ended 31 December 2001 PRC, elsewhere		Consolidated	
	HKS'000	AS'000	HKS'000	AS'000	HKS'000	AS'000
Operating revenue						
Sales to customers outside the Economic Entity	411,693	103,217	52,380	13,132	464,073	116,350
Other revenue	4,235	1,062	238	60	4,473	1,121
Total revenue	<u>415,928</u>	<u>104,279</u>	<u>52,618</u>	<u>13,192</u>	<u>468,546</u>	<u>117,471</u>
Segment results	<u>4,568</u>	<u>1,145</u>	<u>1,202</u>	<u>301</u>	<u>5,770</u>	<u>1,447</u>
Unallocated expenses					<u>(720)</u>	<u>(181)</u>
Profit from operation					5,050	1,266
Finance costs					<u>(1,169)</u>	<u>(293)</u>
Profit before taxation					3,881	973
Taxation					<u>(1,264)</u>	<u>(317)</u>
Profit before minority interests					2,617	656
Minority interests					<u>(986)</u>	<u>(247)</u>
Profit for the year					<u>1,631</u>	<u>409</u>
Segment assets	<u>96,050</u>	<u>24,082</u>	<u>54,297</u>	<u>13,613</u>	<u>150,347</u>	<u>37,695</u>
Unallocated corporate assets					<u>2,402</u>	<u>602</u>
					<u>152,749</u>	<u>38,297</u>
Segment liabilities	<u>57,319</u>	<u>14,372</u>	<u>27,331</u>	<u>6,852</u>	<u>84,650</u>	<u>21,224</u>
Unallocated corporate liabilities					13,458	3,374
Minority interest					9,364	2,348
					<u>107,472</u>	<u>26,946</u>
Other information:						
Cost to acquire property, plant and equipment	<u>5</u>	<u>1</u>	<u>5,334</u>	<u>1,338</u>	<u>5,339</u>	<u>1,339</u>
Depreciation and amortisation on property, plant and equipment	<u>133</u>	<u>33</u>	<u>1,456</u>	<u>365</u>	<u>1,589</u>	<u>398</u>

OM HOLDINGS LIMITED

ARBN 081 028 337

ATTACHMENT IV

REVIEW OF OPERATIONS

FINANCIAL RESULT FOR THE YEAR ENDED 31 DEC 2002

OM Holdings Limited (ASX: OMH) advises that its preliminary audited result for the year 2002 was a consolidated net profit for the year of A\$0.056 million. This compared to a consolidated net profit in the prior year of A\$0.4 million.

The 2002 result was derived from total sales revenues of A\$111 million compared to A\$116 million in the prior year. Sales of Ore amounted to A\$45.7 million and sales of Alloys totaled A\$63.2 million.

Gross profit declined from A\$10.9 million to A\$7.9 million. OMH's strategy has been to focus on the sale of Manganese Alloys in 2002, which has contributed to the 16% increase in the sales revenue from Alloys. The general practice of CIF terms when purchasing Ore has resulted in the decrease of ocean freight expenditure but with less profit margin earned.

2002 resulted in an approximate 10 % appreciation to the Australian currency against the Hong Kong currency. In 2001, a prevailing exchange rate of 1 AUD to HK\$3.988 was adopted by OMH for group consolidation purposes as compared to 1 AUD to HK\$4.41 in the year 2002. This exchange difference has significantly impacted the group's performance in terms of Australian currency reporting requirements. In reality, actual domestic turnover has increased from HK\$464,073,343 to HK\$ 489,491,874, representing a 5% increase.

The main operating subsidiaries reported good operating profits except a net loss of A\$0.2 million was reported from the Hong Kong subsidiary. This arose from a prudent and conservative accounting policy practiced by the management in recognising a full and abnormally high provision for one of its customers. Management is continuing to pursue collection of this receivable. Prior to recording this provision the operating profit for the group was higher than in the prior year. Turnover derived from the PRC subsidiary remains stable.

Total administrative and distribution costs of A\$7.3 million have declined by 30% over the corresponding prior year.

Non-current assets amounted to A\$4.9 million compared to A\$4.8 million at the end of previous year. The major increase was attributable to the increase in the capitalisation of the exploration expenditure in Bootu Creek Resources ("BCR") and the ongoing capital evaluation works related to the Qinzhou Project.

OMH is constantly seeking to improve the Group's range of mineral products and other mineral related opportunities worldwide. OMH gladly embraces the challenge to explore and test its strategic presence in Australia.

OMH continues to internally fund its operating strategies and has no long term gearing in the year 2002.

Dividend

A final dividend of A\$0.0025 per share has been declared which is payable on 20 June 2003, with a record date for entitlements of 2 May 2003. OMH prides itself on the objective of appropriating the group benefits to all shareholders. The total dividends paid and provided in 2002 of A\$0.0075 were 50% higher compared to the prior year.

Outlook

OMH has experienced another challenging year but one in which the group has successfully initiated its business strategy throughout the activities of the group. Initial exploration opportunities of BCR have been successfully achieved.

OMH has benefited greatly from the Board, Management's and staff's continual commitment and generosity in giving their time and expertise to the group. OMH possesses a strong marketing and operational team. All employees in OMH have continued to work very hard. Their expertise, enthusiasm and energy have combined to ensure that the group achieves positive returns on all the planned ventures.

Market demand of Manganese is perceived to be optimistic in the year 2003. Sales of Manganese is expected to improve compared to prior year. Despite the marginal rise in the price of Manganese Alloy, profit margins remain constant driven by a longer lead time and in turn higher operating costs.

The market perception of Ferro Chrome has been promising for the preliminary results of 2003 and market demand is expected to remain stable.

OMH recognises the quality service, smooth delivery and timely performance that is required by its multinational customers. OMH continues to play a vital role in that process.

BCR

OMH has a 60.2% investment in Bootu Creek Resources Pty Ltd, an entity incorporated to explore for Manganese in the Northern Territory of Australia. BCR has been successful in securing suitable tenements and conducting exploration drilling that has defined a large Manganese resource.

On 19 September 2002, BCR reached agreement with Groote Eylandt Mining Company (GEMCO) whereby GEMCO can fund the next A\$3 million of exploration and feasibility study costs to earn 25% of the project and tenements. The agreement allows for GEMCO to consider the results of exploration gained from the first A\$700,000 of expenditure and then elect to either continue with the project or walk away from the project without any interest in the project or any requirement for BCR to refund the A\$700,000. BCR retains management of the project and all expenditures are conducted by BCR on agreed plans and budgets. The first A\$700,000 was expended on the project in a 10,000 metre drilling program.

Total expenditure on the project to date is A\$1.2 million of which A\$700,000 has been funded by way of GEMCO's first obligation.

OMQ

All the required relevant government approvals and permits have now been granted. The core group of the working team has been established in Qinzhou. A chief engineer with a good background of Ferroalloy experience has been appointed. Technical design of the supporting, auxiliary building has been advancing in accordance with management's expectations. The construction of the Processing Plant is expected to near completion by the first quarter of 2004.

Further independent technical experts are to be engaged to assist to consult on the specialised design and building technology of the Ferroalloy production.

We are grateful to our business associates, management, board members and staff for their dedicated support and commitment and for keeping the spirit of positive business alive.

OM Holdings Limited
For the year ended 31 December 2002
Reconciliation of accounting profit to taxable profit under
the requirement of Note 4 of App.4B(rule 4.13(b))

Attachment V

	Liaoyang International Ferroalloy Co Ltd	OM Resources (HK) Ltd	OM Materials (Tianjin) Ltd	OM Materials (Singapore) Ltd	Total
	A\$	A\$	A\$	A\$	A\$
Profit per accounts	866,855	-	105,806	438,206	
Add back non-deductible expenses :					
Depreciation per account	-	-	-	43,530	
Interest paid (late payment)	-	-	-	162	
Hire purchase interest	-	-	-	2,649	
Motor vehicle expenses	-	-	-	7,139	
Voluntary CPF	-	-	-	761	
Freight & local transport	-	-	-	4,275	
Exchange loss	-	-	-	157,880	
Legal and professional fee	-	-	-	3,967	
Interest income	-	-	-	11,811	
Others	5,071	-	150,696	-	
	891,926	-	256,504	670,380	
Less tax deduction and reliefs:					
Unabsorbed loss	-	-	-	(32,617)	
Wear & tear allowances	-	-	-	(20,750)	
Exempt amount	-	-	-	(52,024)	
Bank interest income exempted	-	-	-	(11,811)	
Taxable profits	891,926	-	256,504	553,178	
Tax rate	27%	16%	30%	22%	
Provision for the year	240,820	-	76,951	121,699	439,470
Underprovision in prior years	28,418	-	-	-	28,418
Overprovision in prior years	-	(40,809)	-	-	(40,809)
	269,238	(40,809)	76,951	121,699	427,079