

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



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

Dear Sir/Madam

**USD 120 MILLION BINDING OFFER TO ACQUIRE THE REMAINING 25% INTEREST
IN KEY MALAYSIAN OPERATING SUBSIDIARIES, OM SARAWAK AND OM SAMALAJU**

The Board of OM Holdings Limited (ASX:OMH | BURSA:OMH-5298) (“**OMH**”) is pleased to advise that its 100% owned subsidiary, OM Materials (S) Pte Ltd (“**OMS**”) has entered into a binding letter of offer (conditional upon the future execution of a definitive agreement) with Samalaju Industries Sdn Bhd (“**SISB**”) for SISB to sell all its shares held in OM Materials (Sarawak) Sdn Bhd (“**OM Sarawak**”) and OM Materials (Samalaju) Sdn Bhd (“**OM Samalaju**”), (collectively the “**Targets**”) (“**Sale Shares**”). Following the sale and the purchase of the Sale Shares, OMS which currently holds 75% of the equity interest in the Targets will increase its equity interest in the Targets to 100%.

OM Sarawak owns and operates a ferrosilicon and manganese alloy smelter in Sarawak, East Malaysia, with an annual production capacity of approximately 200,000 to 210,000 tonnes of ferrosilicon, and approximately 250,000 to 300,000 tonnes of manganese alloy. The plant also consists of a sinter plant that has a design capacity to produce 250,000 tonnes of sinter ore per annum. OM Samalaju develops and manages selected capital projects for OM Sarawak.

OMS is a 100% owned subsidiary of OMH and SISB is a 100% owned subsidiary of Cahya Mata Sarawak Berhad (“**CMS**”) (BURSA: CMSB-2852).

The acquisition is advantageous to the OMH Group and its strategy of investing further in ferroalloy smelting, building organically on the success of the OM Sarawak smelter facility.

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ASX Code: OMH | Bursa Code: OMH (5298)



For a total consideration sum of USD120 million (“**Purchase Consideration**”), OMS agrees to purchase and SISB agrees to sell:

- (a) 165,594,162 ordinary shares representing 25% of the issued and paid up ordinary share capital of OM Sarawak and 43,690,300 irredeemable convertible preference shares in OM Sarawak, representing 25% of the issued and paid up preference share capital of OM Sarawak; and
- (b) 32,077,500 ordinary shares in OM Samalaju, representing 25% of the issued and paid up share capital of OM Samalaju.

(collectively, the “**Proposed Transaction**”)

The Sale Shares shall be sold by SISB, free from encumbrances, and together with all rights, benefits and entitlements attached as at the Closing Date (as defined below). OMS and SISB shall not be obliged to complete the sale and purchase of any of the Sale Shares unless the sale and purchase of all the Sale Shares are completed simultaneously.

The Proposed Transaction and the Purchase Consideration includes the full and final settlement and full discharge of all shareholders’ loans (including interests payable) between SISB and the Targets as of the Closing Date (“**Shareholders’ Loans**”). Collectively, these shareholders’ loans (including interests payable) amount to approximately USD 10.5 million as at 31 March 2022.

OMS and SISB agree to work in good faith to negotiate and enter into a definitive agreement (which will take the form of a share purchase agreement (“**SPA**”)) for the Proposed Transaction on or before 30 May 2022. The following conditions precedent are required to be fulfilled prior to the execution of the SPA:

- (a) approval of the board of directors of OMS and OMH, for the acquisition of the Sale Shares; and
- (b) approval of the board of directors of SISB and CMS, for the disposal of the Sale Shares.

The Proposed Transaction shall be conditional upon the following conditions precedent within the SPA having been fulfilled or waived by the agreement of both parties:

- (a) prior written consent of any third party(ies) required under any commercial or financial agreements, and which consents are necessary to effect the Proposed Transaction;
- (b) the facility agent and the other financing parties to the Facilities Agreement with OM Sarawak agreeing to release the charge over the Sale Shares of OM Sarawak and the full written discharge of any proportionate guarantee executed by SISB or CMS pursuant to the Facilities Agreement on or prior to the closing date;
- (c) approval of the shareholders of OMS, OMH, SISB and CMS, if required;
- (d) approval of the Australian Securities Exchange and/or Bursa Securities Malaysia Berhad, if required;
- (e) approval of Bank Negara Malaysia (the Central Bank of Malaysia) and other relevant authorities in respect of monetary exchange control regulations in relation to the payment of the Purchase Consideration, if required; and
- (f) any regulatory approval under any licence, permit and/or registration held by the Targets, if required.

The conditions precedent within the SPA must be fulfilled or waived on or prior to 15 September 2022, or such other date as may be agreed in writing by both parties.

Closing of the Proposed Transaction shall take place 10 days from the date of the last condition precedent in the SPA being fulfilled or waived, as the case may be (the “**Closing Date**”). Following the Closing Date, OM Sarawak and OM Samalaju will be 100% owned subsidiaries of the OMH Group.



Upon fulfilment or waiver of the last condition precedent within the SPA, the Purchase Consideration payable by OMS to CMSB will be as follows:

- (a) USD80 million within 14 business days from the Closing Date; and
- (b) USD40 million within 60 business days from the Closing Date.

OMH intends to fund the Purchase Consideration through a combination of existing cash reserves, future operating cash flows, and/or bank borrowings, and/or an equity raising in the second half of 2022.

On the Proposed Transaction, Mr Low Ngee Tong, Executive Chairman and Chief Executive Officer of OMH commented: *"We appreciate the past contributions by our partner, Cahya Mata Sarawak Berhad, to the Sarawak Project. Together with our recent secondary listing in Bursa, Malaysia, this transaction marks a key milestone in our journey and complements the wider OMH strategy of growing our Sarawak smelter and becoming the leading supplier of ferroalloys globally – building significant value for all shareholders."*

Yours faithfully

OM HOLDINGS LIMITED

Heng Siow Kwee/Julie Wolseley
Joint Company Secretary

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This ASX announcement was authorised for release by the Board of OM Holdings Limited.