

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



No. of Pages Lodged: 3

14 June 2022

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

Dear Sir/Madam

**EXECUTION OF CONDITIONAL SHARE PURCHASE AGREEMENT FOR ACQUISITION OF THE
REMAINING 25% INTEREST IN KEY MALAYSIAN OPERATING SUBSIDIARIES, OM SARAWAK
AND OM SAMALAJU FOR USD 120 MILLION**

Further to the ASX announcements dated [5 May 2022](#) and [31 May 2022](#), 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 conditional share purchase agreement (“**SPA**”) with Samalaju Industries Sdn Bhd (“**SISB**”) for SISB to sell all its shares held (25% interest) in OM Materials (Sarawak) Sdn Bhd (“**OM Sarawak**”) and OM Materials (Samalaju) Sdn Bhd (“**OM Samalaju**”), (collectively the “**Targets**”) (“**Sale Shares**”) for total cash consideration of United States Dollar (“USD”) 120 million less the aggregate amount of Shareholders’ Loans (as defined below) (“**Purchase Consideration**”). Following the sale and 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).

Singapore Office:
10 Eunos Road 8, #09-03A
Singapore Post Centre, Singapore 408600
Tel: 65-6346 5515 Fax: 65-6342 2242
Email address: om@ommaterials.com
Website: www.omholdingsltd.com

Malaysian Registered Office:
Unit 30-01, Level 30, Tower A
Vertical Business Suite Avenue 3
Bangsar South, No.8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia

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



Subject to the terms and conditions as set out in the SPA, 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 “**Transaction**”)

The Transaction 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 May 2022.

The salient terms of the SPA are as follows:

1. Sale and Purchase of Sale Shares and Repayment of Shareholder’s Loans

1.1 Sale and Purchase of Sale Shares

- (i) SISB agrees to sell the Sale Shares and OMS agrees to purchase the Sale Shares, free from all encumbrances and together with all rights, benefits, entitlements and advantages attaching to them as at the business day falling within sixty (60) business days following the date of the fulfilment or waiver of the conditions precedent set out in Section 3 below or such other date as may be mutually agreed in writing between SISB and OMS (“**Closing Date**”).
- (ii) OMS and SISB hereby agree that they shall not be obliged to complete the sale and purchase of any of the Sale Shares unless the purchase of all the Sale Shares are completed simultaneously.

1.2 Repayment of Shareholder’s Loans

Subject to closing of the sale and purchase of the Sale Shares, OMS shall further procure the Targets to repay the Shareholder’s Loans to SISB on the Closing Date in accordance with Section 2 below.

2. Timing and Method of Payment

OMS shall pay the Purchase Consideration (after deducting a sum equivalent to 3% of the purchase price attributable to the Sale Shares of OM Sarawak and the stamp duty for the transfer of the Sale Shares, if applicable) and procure the repayment by the Targets of the Shareholder’s Loans by way of cash to SISB’s designated bank account on the Closing Date.

3. Conditions Precedent

The agreement to sell and purchase the Sale Shares contained in Section 1.1 above is conditional upon satisfaction or waiver (as the case may be) of the following conditions on or prior to 15 September 2022 or such other date as may be agreed in writing between OMS and SISB:-



-
- (a) prior written consent, approval, waiver or letter of no objection (as the case may be) of any specified third party(ies) required under any commercial or financial agreements, and which consents are necessary to effect the Transaction;
 - (b) the facility agent and the other financing parties to the Facilities Agreement with OM Sarawak agreeing in writing to release the charge over the Sale Shares of OM Sarawak and the full written discharge of any proportionate guarantee executed by SISB and/or CMS pursuant to the Facilities Agreement after the Closing Date;
 - (c) approval of the shareholders of OMS and OMH, if required;
 - (d) approval of the shareholders of SISB and CMS;
 - (e) approval of the Australian Securities Exchange, if required;
 - (f) any regulatory approval under any licence, permit and/or registration held by the Targets, if required; and
 - (g) the approval in writing of the board of directors of OMS and OMH for the acquisition by OMS of the Sale Shares and the approval in writing of the board of directors of SISB and CMS for the disposal of the Sale Shares to OMS having been obtained and remaining valid and subsisting.

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. OMS and SISB have agreed that the conditions set out in Section 3(b), (d), (e) and (g) above cannot be waived. Any of the other conditions set out in Section 3 above can only be waived, in whole or in part, by mutual written agreement between OMS and SISB.

4. Manner of payment of the Purchase Consideration

Upon fulfilment or waiver of the last condition precedent within the SPA, OMS shall pay the Purchase Consideration by way of cash on the Closing Date.

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