



No. of Pages Lodged: 2

04 October 2021

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

Dear Sir/Madam

MARKET UPDATE ON FERROSILICON PRICES

OM Holdings Limited (ASX:OMH | BURSA:OMH-5298) (“**OMH**” or the “**Company**”) wishes to keep the market informed on the recent unprecedented increase in international prices reported for ferrosilicon (“**FeSi**”). This ferroalloy is produced by the Company’s 75% owned smelter plant in Sarawak, Malaysia (“**Sarawak Smelter Plant**”).

As previously announced in OMH’s June 2021 Quarterly Production and Market Update, S&P Global Platts reported that the price of FeSi shipped CIF Japan in the first half of 2021 was US\$1,582 per metric tonne, and it closed at US\$1,920 per metric tonne CIF Japan at the end of June 2021. S&P Global Platts has subsequently reported a significant increase in the price of FeSi closing at US\$4,150 per metric tonne (+116%) CIF Japan as at 29 September 2021 as shown in Figure 1 below.

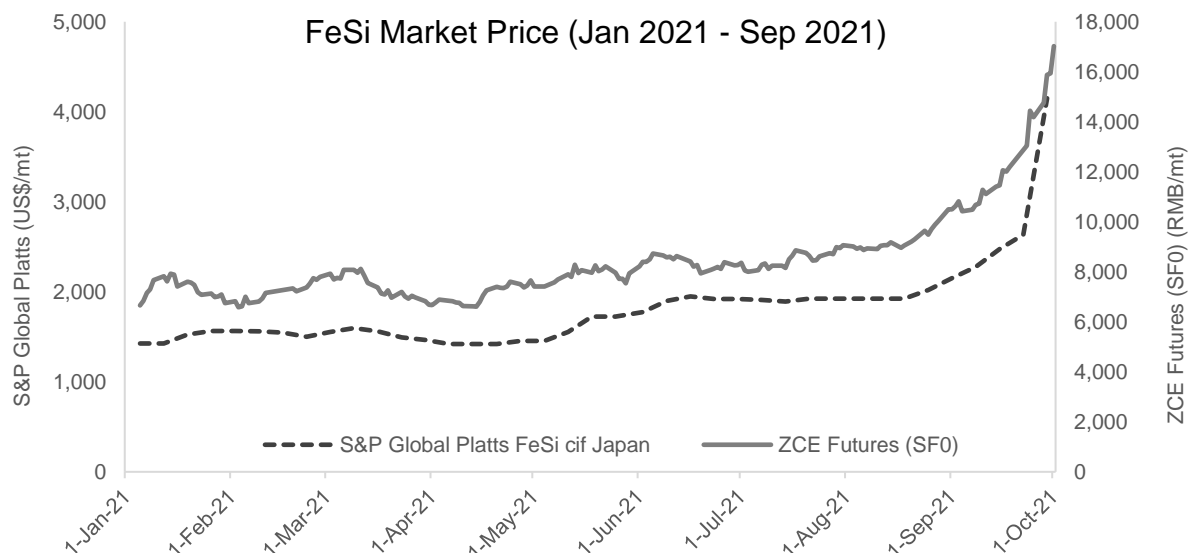


Figure 1. S&P Global Platts FeSi CIF Japan and Zhengzhou Commodity Exchange (ZCE) Ferrosilicon Continuous Futures (SF0)

Source: S&P Global Platts and <https://finance.sina.com.cn/futures/quotes/SF0.shtml>

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)



It is important to note that the financial impact to OMH of the recent price changes will continue to be modulated by the forward delivery nature of ferroalloy sales, where newly contracted prices will be reflected in OMH's financial results with a lag of several months, subject to previously committed sales. The Company sells the ferroalloys it produces using a blend of formula (index based) and fixed price contracts.

The recent surge in global prices is due in part to government policies in China relating to the on-going power shortage, with power rationing being imposed on energy-intensive industries thus limiting ferroalloy production and causing Chinese ferroalloy futures to surge to historical highs. These factors, in conjunction with record high ocean freight rates and uncertainty in global ferroalloy production have substantially supported prices for FeSi for the better part of 2021.

The Sarawak Smelter Plant is currently operating 12 furnaces (out of 16 furnaces) as at 30 September 2021 with 6 FeSi and 6 silicomanganese ("**SiMn**") furnaces in operation. As previously announced, it should be emphasized that production plans at the Sarawak Smelter Plant in Q4 2021 will be subject to changes given anticipated pressures and constraints on the existing labour force brought about by the COVID-19 pandemic and the resultant restrictions inhibiting cross border movements.

The Company will provide a further update in the September 2021 Quarterly Production and Market Update due to be lodged later in October 2021.

***About FeSi and SiMn** - FeSi is used to deoxidize molten steel and has a particular application in electrical steels. SiMn serves to remove sulphur and oxygen from molten steel, at the same time improves physical properties such as hardness. Both ferroalloys are essential and irreplaceable for the most basic forms of steel making.*

Yours faithfully

OM HOLDINGS LIMITED

Heng Siow Kwee/Julie Wolseley
Joint Company Secretary

Further enquiries please contact:

Ms Jenny Voon

T: +65 6346 5515

E: investor.relations@ommaterials.com

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