

OM HOLDINGS LIMITED

(ARBN 081 028 337)



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

Dear Sir/Madam

OMQ BUSINESS AND OPERATIONS UPDATE

OM Holdings Limited (ASX:OMH) (“**OMH**” or the “**Company**”) wishes to provide a business update on its China operations further to the December 2020 Quarterly Production and Market Update released on 28 January 2021.

The Company’s smelter plant located in Qinzhou, China (“**OMQ**” or the “**Qinzhou Plant**”) encompassing its smelting operation and sinter ore production has been suspended since March 2020 due to the COVID-19 pandemic. The decision to suspend the operations at the Qinzhou Plant has subsequently been re-evaluated.

During the downtime period, OMQ was able to carry out major maintenance on 1 of the furnaces while the other furnace was upgraded from 16.5 MVA to 25.5 MVA. The furnace upgrade will improve production efficiency and increase total capacity at the Qinzhou Plant with an added flexibility to produce either silicomanganese or high carbon ferromanganese. After a period of trial production, full commercial operations for the upgraded furnace and the manganese ore sinter plant restarted on 31 January 2021, while the other furnace is anticipated to recommence production in 1H 2021.

Commenting on the furnace commissioning, OMH Executive Chairman, Mr Low Ngee Tong said: “*As China remains the world’s largest producer and consumer of steel, this capacity upgrade of our Qinzhou plant will increase the Company’s smelting capability and create more synergies with our manganese ore distribution activities in China.*”

The Qinzhou Plant now encompasses two sets of furnaces, 25.5 MVA and 16.5 MVA respectively, with a closed furnace design that enables the recycling of flue gases for sintering. Following the completion of the upgrading and maintenance of the two sets of furnaces, the Qinzhou Plant is expected to have a production capacity of 80,000 to 95,000 tonnes per annum of manganese alloys and 300,000 tonnes per annum of sintered ore.

Yours faithfully

OM HOLDINGS LIMITED

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