



CAHYA MATA SARAWAK
Company No: 21076-T



OM MATERIALS (SARAWAK) SDN BHD

FOR IMMEDIATE RELEASE

OM SARAWAK SUCCESSFULLY COMPLETES EPC CONTRACT

Leveraging on the economic opportunities in SCORE

Kuching (Sarawak), Monday, 8 April 2013. OM Materials (Sarawak) Sdn Bhd (“OM Sarawak”) is pleased to announce today that it has successfully executed the lump-sum turnkey Engineering, Procurement and Construction (“EPC”) contract for the Ferro Alloy Smelting Project in Samalaju, Sarawak, Malaysia (“Project”). OM Sarawak is a joint venture company in which Cahya Mata Sarawak Berhad (CMSB - 2852) has a 20% equity interest through its wholly owned subsidiary, Samalaju Industries Sdn Bhd (“SISB”), and in which ASX listed OM Holdings Limited (ASX:OMH) has an 80% equity interest.

The EPC contract was signed with Sinohydro Corporation Limited and Sinohydro Corporation (M) Sdn Bhd (collectively “Sinohydro”) and Sinosteel Jilin Electro-Mechanical Equipment Co. Ltd (“Sinosteel Jilin”) as a nominated sub-contractor, for the construction and commissioning of Project. The signing of the EPC contract completes the final stage in the Project’s planning and preparation process, paving the way for a full scale Project construction phase to commence immediately.

The Project represents a significant milestone for CMSB and OMH to proceed with its expansion plans and to ride on the economic potential of Sarawak’s growth story driven by the availability



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of hydro power. The Project is poised to be a key catalyst for CMSB and OMH's earnings going forward.

Sinohydro participated in the construction of the Bakun hydroelectric project in Sarawak and its current contracts include the construction of the Murum Hydroelectric Project which is worth approximately USD1.3 billion in Sarawak and the Hulu Terengganu Hydroelectric Project estimated at USD276 million in Peninsular Malaysia.

Sinosteel Jilin is one of China's leading designer, manufacturer and installer of submerged electric arc furnaces, furnace automation, control systems and furnace transformers.

OMH's Executive Chairman, Low Ngee Tong, commented, "The successful completion of the key components of our project preparation, being the power contract, environmental approval, project financing and now the EPC contract, leading to the commencement of full-scale project construction, signify a very important milestone not only for OMH and OM Sarawak, but also for the global steel and alloy industries and the Samalaju industrial development project." He further added, "10 years ago OMH embarked on a ferro alloy smelting project in Qinzhou, China. Standing in the middle of a small fishing village at the time we envisioned a future port and smelting hub with close proximity to power, imported and domestic raw materials and customers. Today, Qinzhou is the world's largest manganese import port and a major global alloy smelting hub and OM Qinzhou developed into a world-class smelting and sintering facility serving the domestic market. We see the same vision for Samalaju and OM Sarawak - only bigger."

Commenting on the contract update, Mr. Peter Toth, CEO of OM Holdings Limited said, "To ensure the most effective and efficient funding and execution of the Project, OM Sarawak will execute the Project in two phases. Phase 1 will fast-track higher margin ferrosilicon production



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to ensure optimum construction and ramp-up flexibility, while continuing with the technical and commercial optimisation of Phase 2.”

CMSB’s Group Managing Director Dato Richard Curtis said, “Demand for Ferro Alloy is expected to be robust as global and regional steel production continues to grow. Presently, China accounts for approximately 70% of the global ferro silicon and approximately 50% of global manganese alloy production. China is currently undergoing some challenges in terms of limited availability, increasing power costs, enforcement of environmental controls, rising labour costs and government imposed financial disincentives on energy intensive exports.”

“Against this backdrop, the development and commissioning of the Bakun Hydroelectric Dam and the Sarawak Corridor of Renewable Energy (SCORE) initiative will enable OM Sarawak to establish one of the world’s lowest cost Equator Principle compliant and strategically located greenfield Ferro Alloy plants. It has many competitive advantages such as competitive power pricing, reliable power supply, tax incentives, close proximity to raw material sources and is located in the fast growing East Asian regional with expanding demand and pool of customers. This in turn will accelerate CMSB’s growth moving forward and create long-term financial and strategic value for our shareholders” Dato Curtis added.

OM Sarawak is targeting production to commence in 2Q14 and expects to achieve full commissioning and full production in 2Q15.

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About Cahya Mata Sarawak Berhad

Cahya Mata Sarawak Berhad is a leading corporation listed on the Main Market of the Malaysian stock exchange, Bursa Malaysia, and is a major private-sector player in Sarawak, the largest state in Malaysia.

Cahya Mata Sarawak Berhad has evolved from a single product manufacturer of cement beginning in 1974 to become a corporation focused on its Vision "To become the Pride of Sarawak and Beyond".

Today, our portfolio of over 30 companies spans both our core businesses in the manufacturing & trading of cement & construction materials, construction, road maintenance, township, property & infrastructure development and our strategic investments in financial services (through K&N Kenanga Holdings Bhd), education and steel & pipe fabrication & installation (through KKB Engineering Bhd).

About OM Sarawak

Company Overview

OM Holdings Limited (ASX Code: OMH) is an independent, internationally diversified minerals group with its primary focus on expanding its fully integrated manganese business. Its international operations currently comprise a successful Singapore based metals marketing business supported by a manganese mine in Australia and a ferro alloy processing facility in China. OMH is a constituent of the S&P/ ASX 200, a securities index comprised of the top 200 ASX listed companies.

The key objectives underpinning OMH's fully integrated international manganese business incorporate contributions by the following three business segments:

- the mining of manganese at the 100% owned Bootu Creek Project, located in the Northern Territory of Australia. It has high value in use for siliceous and sinter feed grade ore and is uniformly low in contaminant phosphorous and the operation has no logistical constraints being in close proximity to rail and road links to the Port of Darwin. It has a 1 Mtpa production capacity and a mine life of 13 years, based on mineral resources.*
- the production of manganese ferro alloys at a furnace complex located at Qinzhou in Guangxi Province, south west China. This is a pivotal region for ferro alloy smelters and ore distribution at Qinzhou. This site, adjacent to a port development, was chosen for its excellent transport logistics and competitive power costs. It has a 50 Ktpa High Carbon Ferro Manganese capacity and a new 300 Ktpa sinter plant with expansion plans to double its capacity; and*
- the trading of manganese ore and alloys. OMH through its trading division OM Materials has a highly experienced China focused marketing and trading team based in Singapore and has developed a profitable Manganese ore and alloy trading business. It has developed a China specific logistics and distribution capabilities and enjoyed a more than 10% market share of Manganese ore import into China. The sale of its equity production to the global steel industry includes third party trading of Manganese and Chrome Ore/ Alloys and Iron Ore.*



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OMH and its business units aim to continue to build upon the expertise and relationships forged by its key management team particularly within the expanding economy of the People's Republic of China, thereby fulfilling its market niche in the specialised metal materials market.

The development of a ferroalloy smelting plant in Sarawak was formally approved by the Board in November 2011 following the completion of a definitive feasibility study. The project entails the development of a greenfield manganese and ferro silicon alloy smelter with an annual production capacity of 600,000 tonnes in the Samalaju Industrial Park, Sarawak, Malaysia. Commercial production of the Project is expected to be executed on a phased ramp-up basis. Production is expected to commence no later than Q1 2014 with full commercial capacity scheduled to be reached no later than Q2 2015. The Project is 80% owned by the OMH Group, with a 20% strategic equity investment with Samalaju Industries Sdn Bhd, a wholly-owned subsidiary of Cahya Mata Sarawak Berhad, a listed conglomerate on the Main Market of the Malaysian Stock Exchange, Bursa Malaysia.

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