SOUTHERN ALLIANCE MINING LTD.

(Company Registration No.: 201931423D)
(Incorporated in the Republic of Singapore on 19 September 2019)

SMART MINING FOR A GREENER WORLD



ANNUAL REPORT 2026

CONTENTS

01	VISION & MISSION
02	CHAIRMAN'S MESSAGE
06	MANAGING DIRECTOR'S MESSAGE
10	KEY FINANCIAL HIGHLIGHTS
11	ABOUT SAM
12	GROUP STRUCTURE
13	BOARD OF DIRECTORS
15	CORPORATE INFORMATION
16	SUSTAINABILITY REPORT
55	CORPORATE GOVERNANCE REPORT
97	ADDITIONAL INFORMATION
108	FINANCIAL CONTENTS
188	STATISTICS OF SHAREHOLDINGS
190	NOTICE OF ANNUAL GENERAL MEETING
197	APPENDIX
	PROXY FORM

*This annual report has been reviewed by the Company's Sponsor, PrimePartners Corporate Finance Pte.Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**the Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document. The Sponsor has also not drawn on any specific technical expertise in its review of this annual report.*

The contact person for the Sponsor is Ms. Ng Shi Qing, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.





VISION & MISSION

OUR VISION

We are committed to pursuing a long-term business strategy that drives continuous improvement in operational efficiency, technological advancement and responsible practices throughout the exploration, development and extraction of mineral resources. We aspire to create sustainable, long-term value through responsible mining operations that balance commercial objectives with environmental stewardship, social responsibility and the well-being of our people and communities. Through prudent resource management, operational excellence and a commitment to sustainable development, we seek to contribute positively to the mining industry while preserving environmental integrity and supporting the interests of future generations.

OUR MISSION

We strive to unlock the value of mineral resources responsibly through the adoption of industry best practices, continuous operational improvement and effective resource management. Working collaboratively with our employees, business partners and stakeholders, we are committed to maintaining high standards of operational performance, corporate governance, workplace safety and environmental responsibility. We aim to generate sustainable economic value for our stakeholders while minimising the environmental impact of our operations, fostering positive relationships with the communities in which we operate and contributing to broader social and economic development. Through responsible decision-making, accountability and a long-term perspective, we seek to ensure that our business activities support sustainable growth and create enduring value for our stakeholders and society.

CHAIRMAN'S MESSAGE



Dato' Gainneos Jacob Goldie
Independent Non-Executive Chairman

DEAR VALUED SHAREHOLDERS,

On behalf of the Board of Directors, I am pleased to present the annual report of Southern Alliance Mining Ltd. ("Southern Alliance Mining", or "SAM", and together with its subsidiaries, the "Group") for the financial year ended 31 July 2026 ("FY2026").

FY2026 was the year our diversification strategy began to show in the Group's results. Following the completion of our acquisition of a 40% interest in MCRE Resources Sdn. Bhd. ("MCRE") on 12 September 2025, rare earths contributed to the Group for the first time, and accounted for more than half of revenue. At the same time, our flagship Chaah Mine continued its move underground. That programme is capital-intensive and weighed on the iron ore segment during the year, but it has now entered its final phase.

OPERATIONAL AND FINANCIAL PERFORMANCE

Group revenue rose 29.3% to RM257.8 million (FY2025: RM199.5 million), driven by a maiden contribution of RM132.1 million from our rare earth business. Gross profit increased to RM25.3 million (FY2025: RM3.1 million), lifting the gross profit margin to 9.8% (FY2025: 1.6%). Earnings before interest, taxation, depreciation and amortisation ("EBITDA") attributable to the parent turned positive at RM23.8 million (FY2025: negative RM12.0 million).

Loss before tax narrowed by 53.2% to RM14.8 million (FY2025: RM31.6 million), after three non-cash charges that relate mainly to our joint venture, Rigid Temau Sdn. Bhd. These are accounting adjustments with no effect on the Group's cash flow, and they are set out in the Managing Director's Message.

Our financial position strengthened considerably over the year. Net cash generated from operating activities rose to RM65.9 million (FY2025: RM4.0 million), while cash and bank balances increased to RM151.6 million as at 31 July 2026 (31 July 2025: RM113.8 million), against total loans and borrowings of RM8.0 million. Net asset value per share rose to 79.39 Malaysian cents from 63.38 Malaysian cents. The Board has not recommended a dividend for FY2026, as the Group intends to conserve cash to fund its business expansion.

CHAIRMAN'S MESSAGE

PROGRESS AT THE CHAAH MINE

During FY2026, we continued to build out the underground infrastructure at the Chaah Mine, with work centred on tunnel infrastructure, access and dewatering. From May 2026, we expanded the scope of our underground mining subcontractor to cover the full operation, from extraction and hauling through to crushing, screening and processing. Ore extraction continued throughout the year, while processing was moderated so that the remaining development works could be completed.

With the development programme now in its final phase, we currently expect to transition to commercial underground operations in 2Q FY2027. Although the move underground has required significant upfront investment, it will provide access to deeper sections of the ore body and is expected to support more stable production. Exploration drilling during the year also intersected iron ore mineralisation beyond the boundaries of the existing resource block model. The Group will continue to evaluate these findings.

MINERAL RESOURCES STATEMENT

The Mineral Resources Statement for the Chaah Mine as at 31 July 2026 is set out below, prepared in accordance with the JORC Code (2012). The statement reflects the estimated remaining Mineral Resources following the deduction of direct resource depletion during FY2026, covering the period from 1 August 2025 to 31 July 2026, from the FY2025 Mineral Resources Statement. The accompanying table summarises the Mineral Resources as at the reporting date, together with the relevant Competent Person details and notes.

Statement of Mineral Resources as at 31 July 2026

Category	Mt	Fe (%)	SiO2 (%)	Al2O3 (%)	P2O5 (%)	Change in Tonnage (%)	Comments
	Gross attributable to license and net attributable to issuer						
Indicated (in-situ)	8.20	52.90	15.40	1.90	0.70	-4.70%	The Iron Ore Mineral Resources as at 31 July 2026 indicate a net decrease, primarily attributable to depletion from ongoing mining activities during the period from 1 August 2025 to 31 July 2026, with no additional exploration data incorporated into the resource model during the financial year.
Inferred (in-situ)	4.10	51.70	17.40	2.50	0.40	0.00%	
Subtotal (in-situ)	12.30	52.50	16.05	2.09	0.60	-3.10%	

Notes:

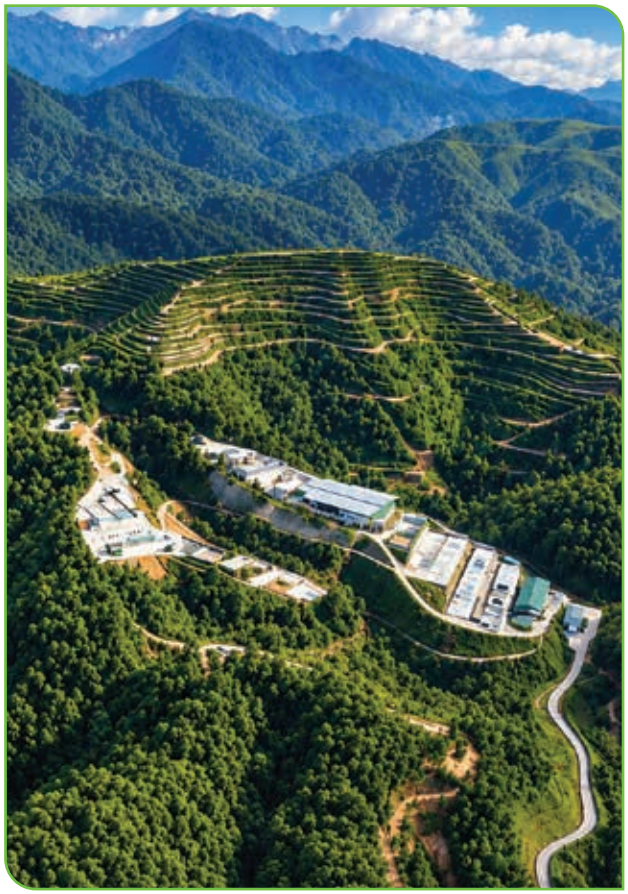
1. The resource model is valid from 1 June 2025 and was established by qualified person Mr. Jeremy Clark, who is an associate of CVC and an AusIMM-registered member.
2. Underground depleted to end July 2026 using production data to end of July 2026 (assumed all Indicated), Surface depletion as at 31st July 2024.
3. Resources are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves by the Joint Ore Reserves Committee ("JORC Code") (2012).
4. RPEEE (Reasonable Prospects of Eventual Economic Extraction) has been established through the use of an MSO optimisation of the total depleted in situ resource, including inferred material.
5. Density from Fe regression as per the following formula: Fe%*0.0401+2.2013
6. Mineral Resource estimates are not precise calculations, dependent on the interpretation of limited information on the location, shape, and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.
7. The Mineral Resources have been reported on a dry basis at a 100% equity stake and not factored for ownership proportions.

CHAIRMAN'S MESSAGE

DIVERSIFICATION BEYOND IRON ORE

In its first year within the Group, our rare earth business generated revenue of RM132.1 million and a profit before tax of RM31.5 million, after a non-cash amortisation charge of RM13.2 million arising from the acquisition. MCRE's Gerik Mine in Hulu Perak, Perak, produced approximately 3,600 wet tonnes of rare earth carbonate from its first two parcels during the year. Development of the third and largest parcel is under way, with operations targeted to commence by the middle of FY2027.

We are also building the relationships that will support the next stage of this business. In August 2025, we entered into an MoU with Universiti Malaya and MCRE to collaborate on rare earths research, including more sustainable leaching techniques. In April 2026, we signed a non-binding collaboration agreement with Brazilian Critical Minerals Limited (ASX: BCM) to explore synergies between our respective rare earth assets, including possible offtake arrangements. Our proposed acquisition of Paramount Synergy Sdn. Bhd., which holds approval for the exploration of rare earth minerals over 1,863 hectares in Johor, remains ongoing.



In gold, our subsidiary Selatan Anjung Minerals Sdn. Bhd. signed a six-year MoU with the Department of Mineral and Geoscience Malaysia, State of Johor, in June 2026, covering approximately 7,045 hectares of the Tenggaroh Exploration Licence area in Mersing. It gives us access to the Department's expertise and historical geoscience datasets. Exploration at the Tenggaroh Gold Prospect remains at an early stage.

MARKET CONDITIONS

Our two main commodities moved in different directions in FY2026. Rare earth elements are critical inputs for permanent magnets and a range of advanced technologies, from electric vehicles and renewable energy systems to semiconductors. Demand continues to grow, while supply and processing capacity remain highly concentrated. Prices for neodymium-praseodymium products recovered over the year from low levels seen in FY2025, although the market remains volatile and Chinese production and export quota policies continue to set the tone for near-term pricing. Malaysia is attracting growing international interest as a participant in more diversified rare earth supply chains, which we believe provides a supportive backdrop for MCRE and the Group.



CHAIRMAN'S MESSAGE



Iron ore was more subdued. Benchmark prices traded within a comparatively narrow band during the year, and the supply surplus of recent years is expected to persist. Regulatory oversight of mineral extraction in Malaysia also continues to tighten, particularly around environmental management and site compliance.

In this environment, our priorities are clear: to complete the underground development at the Chaah Mine and bring it into commercial operation, to develop MCRE's operations including the third parcel at Gerik, to pursue the disciplined expansion of our rare earth portfolio in Malaysia, and to maintain the financial prudence that has served the Group well.

COMMITMENT TO SUSTAINABILITY AND SAFETY

The Board regards regulatory compliance as fundamental to our licence to operate. During the year, MCRE was subject to temporary work suspension orders relating to certain operational and environmental management procedures. The orders were lifted in January 2026, after MCRE addressed the matters identified by the authorities and strengthened its operational and environmental management practices. MCRE continues to implement the follow-up measures agreed with the authorities.

Our mining methods support this commitment. The move underground at the Chaah Mine reduces land disturbance and waste generation compared with open-pit mining, and the in-situ leaching method used at the Gerik Mine avoids large-scale land clearing and minimises soil disturbance.

The safety and well-being of our workforce remain our highest priority. Underground infrastructure completed at the Chaah Mine during FY2026 included an emergency ramp providing secondary access between the upper mining levels, together with a new underground dewatering system. Both improve safety and operating conditions underground. We also remain committed to creating shared value with the communities in which we operate, through local employment, skills development and responsible resource management.

LOOKING AHEAD

SAM enters FY2027 with its most diversified operating base since listing. A producing rare earth operation with further capacity to come on stream, an iron ore mine approaching commercial underground operations, and a strengthened gold exploration platform underpin the Group's next phase of development. Barring unforeseen circumstances and any material deterioration in commodity prices or the wider operating environment, the Board remains cautiously optimistic about the Group's prospects for FY2027.

On behalf of the Board, I extend my sincere appreciation to our shareholders, employees, management team and business partners, and to the authorities with whom we work. Your support has been instrumental to SAM's progress this year, and it will remain so as we build a stronger and more diversified mining company.

Dato' Gainneos Jacob Goldie
Independent Non-Executive Chairman

MANAGING DIRECTOR'S MESSAGE



Dato' Sri Pek Kok Sam
Managing Director

DEAR VALUED STAKEHOLDERS,

The financial year ended 31 July 2026 ("FY2026") was the first year in which the diversification strategy of Southern Alliance Mining Ltd. ("Southern Alliance Mining", or "SAM", and together with its subsidiaries, the "Group") made a material difference to our results. In its first year of contribution, our 40% interest in MCRE Resources Sdn. Bhd. ("MCRE") generated revenue of RM132.1 million and a profit before tax of RM31.5 million. That contribution more than offset a weaker year in iron ore: Group revenue rose 29.3% to RM257.8 million and our loss before tax more than halved. At our flagship Chaah Mine, we made steady progress on the underground infrastructure that will underpin the next phase of iron ore production, and that programme has now entered its final phase.

We achieved this alongside a markedly stronger financial position: net cash from operating activities of RM65.9 million and cash and bank balances of RM151.6 million. That gives us a solid base from which to fund the next phase of growth.

OPERATIONAL REVIEW

Rare Earth

Following completion of the acquisition on 12 September 2025, MCRE is accounted for as a joint operation, with the Group recognising its 40% share of MCRE's revenue, expenses, assets and liabilities. During FY2026, the Group's share of rare earth sales was 1,150 dry metric tonnes ("DMT") of rare earth oxide ("REO"), being 40% of the 2,880 DMT sold, at an average realised selling price of RM114,655.35 per DMT. The rare earth segment delivered earnings before interest, taxation, depreciation and amortisation ("EBITDA") attributable to the parent of RM58.4 million and a profit before tax of RM31.5 million. This is after a non-cash amortisation charge of RM13.2 million, which arises from the excess of the acquisition consideration over the net book value of MCRE's mining assets.

MCRE's Gerik Mine in Hulu Perak, Perak, uses the in-situ leaching method, in which a leaching solution is injected into the ore body and the resulting solution is collected and processed into rare earth carbonate. During the year, the mine produced approximately 3,600 wet tonnes of rare earth carbonate from Parcels 1 and 2. Operations were subject to temporary work suspension orders; MCRE addressed the matters identified by the authorities and resumed operations in January 2026.

Meanwhile, we have been directing resources to mine development and construction of the injection system at Parcel 3, the third and largest parcel, where operations are targeted to commence by the middle of FY2027.

Iron Ore

At the Chaah Mine, FY2026 was a year of construction. From May 2026, we moved to a turnkey contractor model, expanding the scope of our underground mining subcontractor to cover the

MANAGING DIRECTOR'S MESSAGE

full mining operation – extraction, hauling, crushing, screening and processing. With the subcontractor's efforts focused on building the tunnel infrastructure for the next phase of production, processing was moderated and the Group drew down its iron ore concentrate stockpiles during the year.

Key underground works completed or advanced during the year included:

- the access ramp towards Level -162mRL, completed in July 2026, which opens up the deeper mining levels;
- the emergency ramp between Levels -23.5mRL and -42mRL, completed in June 2026;
- the underground dewatering system, completed in July 2026, with pumps commissioned at Level -62mRL;
- the conveyor belt adit from Level -150N to Level -12N, on which construction began in May 2026, with approximately 200 metres of the planned 570 metres completed by year end; and
- stoping drilling at Levels -42mRL, -57mRL and -72mRL, which resumed in April 2026 and was approximately 90% to 95% complete by year end.

Underground ore extraction continued through the year, with approximately 48,700 tonnes extracted in the fourth quarter. With the programme now in its final phase, we are focused on completing the remaining infrastructure and development works, and currently expect to transition to commercial underground operations in 2Q FY2027.

Iron ore revenue was RM112.0 million (FY2025: RM155.3 million). Sales volume of iron ore concentrate fell by 41.3% to 221,200 DMT as processing was moderated, while crushed iron ore sales volume rose by 122.2% to 80,000 metric tonnes. We also sold approximately 53,300 DMT of bauxite from the Kahang Mine, generating revenue of RM13.7 million (FY2025: RM44.1 million). The iron ore segment, which includes bauxite, recorded a loss before tax of RM40.8 million, reflecting the underground development phase and a negative inventory movement of RM29.1 million as concentrate stockpiles were drawn down.

Exploration at the Chaah Mine also progressed. We drilled approximately 4,685 metres during the year, completing seven surface and nine underground boreholes. Several of these intersected iron ore mineralisation beyond the boundaries of the existing resource block model, both in the northern area and underground. Assay results for some intervals are pending, and we will undertake further geological evaluation to assess the continuity and extent of these zones.









MANAGING DIRECTOR'S MESSAGE

FINANCIAL REVIEW

Group revenue rose 29.3% to RM257.8 million. Gross profit increased to RM25.3 million from RM3.1 million, with the gross profit margin improving by 8.2 percentage points to 9.8%. EBITDA attributable to the parent was RM23.8 million (FY2025: negative RM12.0 million).

Loss before tax narrowed by 53.2% to RM14.8 million (FY2025: RM31.6 million). This was after three non-cash charges: a RM17.5 million provision against a credit-impaired debtor and an amount receivable from our joint venture, Rigid Temau Sdn. Bhd. ("RTSB"); a RM9.5 million share of losses from RTSB, arising from the impairment of its mine properties following the expiry of its mining licence; and a RM0.6 million impairment of an inactive exploration asset at Bukit Kepong, Johor. These charges do not affect the Group's cash flow, and RTSB is engaging the relevant authorities to resolve the licence matter. After an income tax expense of RM8.5 million, arising mainly on the taxable profit of the rare earth business, the loss attributable to equity holders of the Company narrowed to RM23.3 million (FY2025: RM27.3 million).

Net cash generated from operating activities increased to RM65.9 million (FY2025: RM4.0 million), mainly reflecting the positive contribution from the rare earth business. During the year, we invested RM25.9 million in mine development and repaid RM11.2 million of loans and borrowings. As at 31 July 2026, cash and bank balances stood at RM151.6 million (31 July 2025: RM113.8 million), total loans and borrowings were reduced to RM8.0 million (31 July 2025: RM14.0 million) and net assets were RM506.1 million (31 July 2025: RM310.5 million). The increase in net assets largely reflects the issue of 147,982,380 consideration shares for the MCRE acquisition. Net asset value per share was 79.39 Malaysian cents (31 July 2025: 63.38 Malaysian cents).

RARE EARTH ELEMENTS OUTLOOK

The outlook for rare earths remains supported by growing global efforts to secure and diversify critical mineral supply chains. Rare earth elements are essential inputs across a range of advanced technologies, while global supply and processing capacity remain highly concentrated. Against this backdrop, we believe Malaysia is increasingly well-positioned to participate in the development of more diversified supply chains, and SAM intends to play its part.

Our immediate priority is the development of MCRE's operations, including bringing the third and largest parcel at Gerik into operation by the middle of FY2027. Beyond Gerik, we will continue to pursue opportunities to expand our rare earth portfolio in Malaysia, including advancing our Labis rare earth project as part of the Group's next phase of growth. The proposed acquisition of Paramount Synergy Sdn. Bhd. remains ongoing and, if completed, would further increase our exposure to Malaysia's developing rare earth sector. Our non-binding collaboration agreement with Brazilian Critical Minerals Limited allows us to explore how our in-situ leaching experience might complement its Ema Project in Brazil, including possible offtake arrangements, while our MoU with Universiti Malaya supports research into more sustainable leaching techniques.

IRON ORE OUTLOOK

FY2027 is expected to mark an important transition for the Chaah Mine as we complete the remaining underground development and infrastructure works and move to commercial underground operations, currently expected in 2Q FY2027. We expect the segment to stabilise as underground production ramps up, although performance will depend on the pace of the ramp-up, prevailing iron ore prices and movements in the ringgit against the US dollar. The mineralisation intersected beyond the existing block model during the year is encouraging, and we will continue to evaluate what it means for the longer-term potential of the mine.

GOLD OUTLOOK

At the Tenggaroh Gold Prospect, our six-year MoU with the Department of Mineral and Geoscience Malaysia, State of Johor, signed on 30 June 2026, gives us access to the Department's technical expertise and historical geoscience datasets across approximately 7,045 hectares of the Tenggaroh Exploration Licence area. We expect this to sharpen our exploration planning and geological interpretation. Exploration remains at an early stage, and we will advance it at a measured pace alongside our core operations.

SUSTAINABILITY AND COMMUNITY ENGAGEMENT

Responsible mining is fundamental to our licence to operate, and regulatory expectations in Malaysia's mining sector continue to rise. Our move underground at the Chaah Mine has reduced surface disturbance and the waste associated with open-pit mining, while the in-situ leaching method at the Gerik Mine avoids large-scale land clearing. We will keep strengthening environmental management and compliance across all our sites, and continue to invest in safety infrastructure, training and workforce engagement. We also support the communities around our operations through local employment and skills development.

MANAGING DIRECTOR'S MESSAGE

LOOKING AHEAD

As we enter FY2027, our focus is increasingly on execution and growth. We are targeting the transition of the Chaah Mine to commercial underground operations in 2Q FY2027, while at Gerik, development of MCRE's third and largest parcel continues, with operations targeted to commence by the middle of FY2027. At the same time, we will continue to pursue opportunities to expand our rare earth portfolio in Malaysia. Together, these initiatives are intended to broaden the Group's earnings base and position SAM for its next phase of development. Barring unforeseen circumstances, we are cautiously optimistic about the Group's prospects for FY2027.

I extend my heartfelt appreciation to our employees, management team, shareholders and partners for their dedication and support through a transformative year. We will continue to build a stronger, more resilient and more diversified mining company, with the goal of creating long-term, sustainable value for all our stakeholders.

Dato' Sri Pek Kok Sam
Managing Director



KEY FINANCIAL HIGHLIGHTS

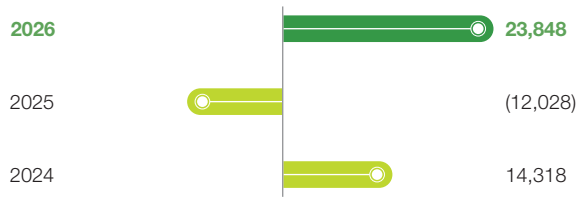
REVENUE (RM'000)



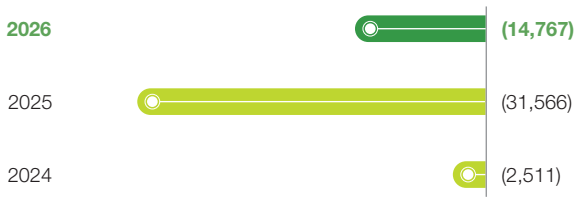
EBIT (RM'000)



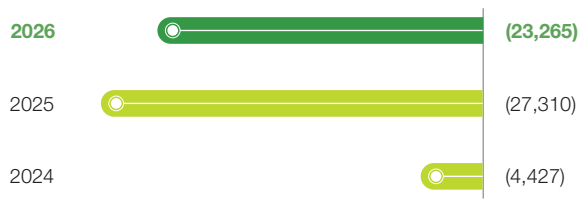
EBITDA (RM'000)



PBT (RM'000)



PAT (RM'000)



ABOUT SAM



WHO WE ARE

Southern Alliance Mining Ltd. ("Southern Alliance Mining", or "SAM", and together with its subsidiaries, the "Group") is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") under the stock code SGX: QNS.

SAM is a Malaysia-based mining group with an established high-grade iron ore business and a growing presence in rare earths. SAM was incorporated in September 2019; operations at its flagship Chaah Mine in Johor date back to 2008, and the mine has produced more than 9.8 million tonnes of iron ore to date. The Chaah Mine has moved from open-pit to underground mining, which reduces surface disturbance over the life of the mine. Underground development has entered its final phase, and the transition to commercial underground operations is currently expected in 2Q FY2027.

In September 2025, the Group completed the acquisition of a 40% stake in MCRE Resources Sdn. Bhd. ("MCRE"), Malaysia's first ionic rare earths company and the operator of the Gerik Mine in Hulu Perak, Perak. FY2026 was the first year in which rare earths contributed to the Group's results, and the rare earth business accounted for more than half of Group revenue.

The Group is also developing capability and partnerships in the sector, through a Memorandum of Understanding ("MoU") with Universiti Malaya on rare earths research and innovation, and a non-binding collaboration agreement with Brazilian Critical Minerals Limited (ASX: BCM) to explore synergies between the two companies' rare earth assets.

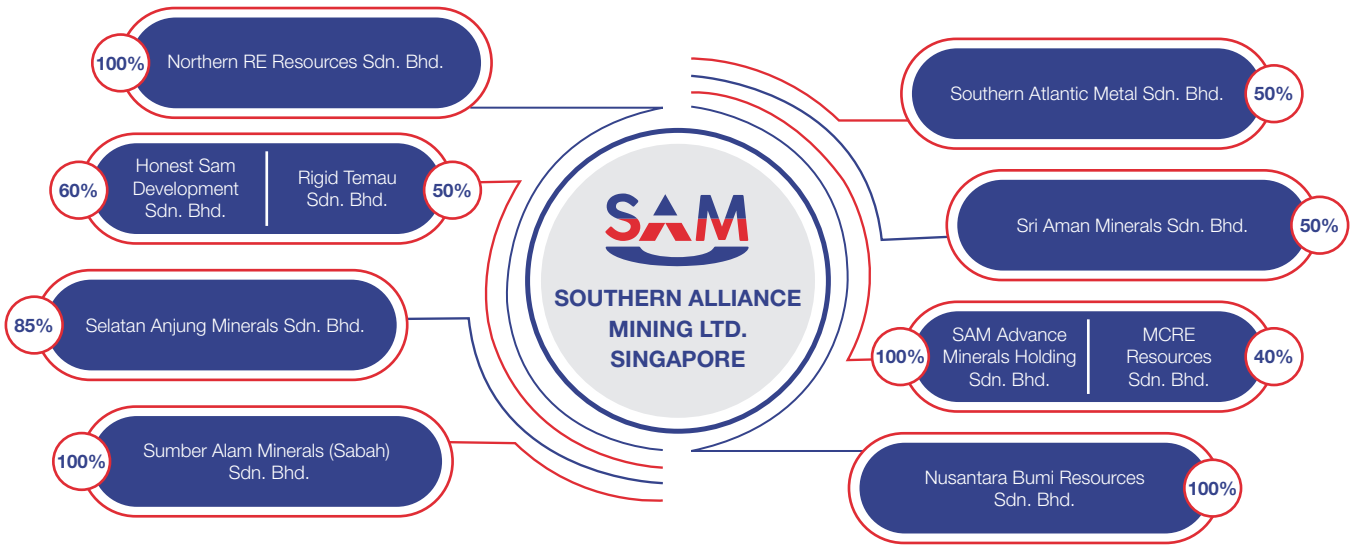
The Group is also progressing gold exploration at the Tenggaroh Gold Prospect in Mersing, Johor. In June 2026, it entered into a six-year MoU with the Department of Mineral and Geoscience Malaysia, State of Johor, giving it access to the Department's technical expertise and historical geoscience datasets in support of this work. Exploration remains at an early stage.

With a producing rare earth operation alongside its established iron ore business, SAM is building a diversified, multi-mineral portfolio in Malaysia. The Group's strategy is to draw on the experience of its iron ore business to expand into two areas: minerals that offer economic resilience, such as gold, and critical minerals, such as rare earth elements, which underpin the global transition to clean energy and advanced technologies.

SAM is also committed to responsible mining. The Group holds itself to rigorous environmental, health and safety standards and to full regulatory compliance, reports exploration results and mineral resources in accordance with the JORC Code, and supports the communities in which it operates.



GROUP STRUCTURE



Name of Company	Date and country of incorporation	Principal activities	Principal place of business	Proportion of shareholding interest held by the Company	Proportion of voting power held by the Company
Honest Sam Development Sdn. Bhd. ("*HSDSB*")	5-Apr-2001 Malaysia	Mining, processing and sales of iron ore, gold and other precious metals, base metals and minerals.	Malaysia	60.0%	100.0%
Rigid Temau Sdn. Bhd. ("*RT*")	14-Feb-2017 Malaysia	Mining, processing and sales of iron ore, stone, granite and other minerals.	Malaysia	50.0%	50.0%
Selatan Anjung Minerals Sdn. Bhd. ("*SELATAN*")	28-Aug-2020 Malaysia	Mining, quarrying and trading of various minerals and materials.	Malaysia	85.0%	85.0%
SAM Advance Minerals Holding Sdn. Bhd. ("*SAM Advance*")	5-Oct-2020 Malaysia	Mining, quarrying and trading of various minerals and materials.	Malaysia	100.0%	100.0%
MCRE Resources Sdn. Bhd. ("*MCRE*")	3-Apr-2020 Malaysia	Exploration, mining processing and sale of ion-adsorption clay rare earth minerals.	Malaysia	40.0%	40.0%
Sumber Alam Minerals (Sabah) Sdn. Bhd. ("*SABAH*")	16-Jul-2021 Malaysia	Mining, quarrying and trading of various minerals and materials.	Malaysia	100.0%	100.0%
Southern Atlantic Metal Sdn. Bhd. ("*SAMetal*")	16-Dec-2021 Malaysia	Mining, quarrying and trading of various minerals and materials.	Malaysia	50.0%	50.0%
Sri Aman Minerals Sdn. Bhd. ("*SAMinerals*")	9-Mar-2022 Malaysia	Mining, quarrying and trading of various minerals and materials.	Malaysia	50.0%	50.0%
Northern RE Resources Sdn. Bhd. ("*NRRSB*")	13-Mar-2025 Malaysia	Mining, quarrying and trading of various minerals and materials.	Malaysia	100.0%	100.0%
Nusantara Bumi Resources Sdn. Bhd. ("*NBRSB*")	13-Mar-2025 Malaysia	Mining, quarrying and trading of various minerals and materials.	Malaysia	100.0%	100.0%

BOARD OF DIRECTORS



Dato' Gainneos Jacob Goldie ("Dato' Jacob")

Independent Non-Executive Chairman

Dato' Gainneos Jacob Goldie was appointed to the Board as an Independent Director on 27 April 2020 and was subsequently redesignated as the Independent Non-Executive Chairman on 29 November 2024. Since 2000, Dato' Jacob has been the Managing Partner of Messrs Jacob Goldie S.S. Chew (JGSSC), where he also heads the litigation team, specialising in civil and commercial litigation involving debt recovery, construction disputes, arbitration and matters pertaining to mining laws. He was also previously a member of the Pahang State Representative in the Malaysian Bar Council from February 2014 to February 2020.

Dato' Jacob graduated with a Bachelor of Laws (Honours) from the University of London in 1991. He is a Barrister at Law and a member of the Honourable Society of the Middle Temple, England since 1992. Dato' Jacob is an Advocate and Solicitor of the Malaysian Bar since 1994 and is also a member of the Malaysian Chamber of Mines since November 2021. Dato' Jacob was conferred the title "Dato'" by Sultan of Pahang in 2010.



Dato' Sri Pek Kok Sam ("Dato' Sri Pek")

Managing Director

Dato' Sri Pek Kok Sam has extensive experience in the mining and exploration of iron ore, tin and limestone, with industry involvement dating back to 1993. Throughout his career, he has developed in-depth knowledge of mineral exploration, mining operations and mining project development, contributing to the Group's business growth and strategic direction.

As Managing Director, Dato' Sri Pek oversees the Group's business operations, including quality analysis and control, occupational safety and environmental management, and site operations. He also serves as a Council Member of the Malaysian Chamber of Mines, reflecting his continued involvement in the Malaysian mining industry.

Dato' Sri Pek completed his secondary education at Sultan Abu Bakar School in Kuantan, Malaysia, in 1985. In recognition of his contributions to the development of football in Pahang, he was conferred the title of "Dato'" by the Sultan of Pahang in 2011 and subsequently elevated to the title of "Dato' Sri" in 2016.



Dato' Teh Teck Tee ("Dato' Teh")

Non-Executive, Non-Independent Director

Dato' Teh Teck Tee is the Co-founder of the Group, with experience in the iron ore exploration and mining industry dating back to 2008. He is responsible for managing the Group's customer relationships.

He also oversees the business operations of Aras Kuasa Sdn Bhd, an associated company of the Group.

Prior to founding the Group, Dato' Teh worked in the logistic industry as Managing Director at TTS Transport from 1977 to 2011 and in the engineering and fabrication industry as Managing Director of TTS Engineering Sdn. Bhd. from 1985 to 2011. Capitalising on the resources and networks that Dato' Teh built up during his tenure at TTS Transport and TTS Engineering Sdn. Bhd., SAM has expanded its business to sell crushed iron ore to pipe coating customers.

A native of Malaysia, Dato' Teh was conferred the title of "Dato'" in 2017 by Sultan of Pahang for his contribution to society.

BOARD OF DIRECTORS



Mr Lim Wei Hung ("Mr Lim")

Executive Director & Chief Operating Officer

Mr Lim Wei Hung was appointed to the Board as an Executive Director and Chief Operating Officer on 1 November 2022. He oversees exploration (including minerals resources and ore reserves reporting) and mining activities, legal and contractual, as well as sustainability reporting-related matters, while actively focusing on diversification opportunities.

Mr Lim is an alternate council member of the Malaysian Chamber of Mines ("MCOM"), representing Dato' Sri Pek and is also the chairperson of the Tax Incentive Committee and Environment Impact Assessment Committee.

Mr Lim has more than 27 years of experience in auditing, accounting, taxation and financial management. Prior to joining our Group in 2013, he was the head of finance for Franky Construction Sdn. Bhd. ("Franky Construction"), a civil construction, property development and mining contract group from 2005 to 2013, as well as executive director for Franky Construction's granite quarrying arm. He had been a group accountant from 2000 to 2003 and the acting manager of the quarry division from 2003 to 2005 at Franky Construction. Mr Lim started his career with PricewaterhouseCoopers ("PwC") in 1997 as an audit assistant, and subsequently an audit senior before leaving in 2000.

Mr Lim graduated with a Bachelor of Accountancy from the University of Malaya in 1997. In 2000, Mr Lim was admitted to the Malaysian Institute of Accountants as a Public Accountant. He is a certified member of the Malaysian Association of Certified Public Accountants. Mr Lim is also registered as a Certified Financial Planner with Financial Planning Association of Malaysia.



Chin Chee Choon ("Mr Chin")

Independent Director

Mr Chin Chee Choon was appointed to the Board as an independent director on 27 April 2020. Mr Chin is currently an Assurance and Audit Partner with Forvis Mazars LLP Singapore. He was previously an Audit Partner and Head of Advisory in CLA Global TS Holdings Pte. Ltd and served in various positions with PwC Singapore and Deloitte Singapore. He has more than 27 years of experience in the area of auditing, reporting accountant for IPOs, risk advisory and sustainable reporting. He also serves as an Independent Director and Audit Committee chairman of MSM International Limited.

Mr Chin graduated with a Bachelor of Accounting from the University of South Australia in 1997, and subsequently obtained a Post Graduate Diploma in Organisational Leadership from the University of Oxford in 2015. Mr Chin is a Fellow Chartered Accountant of the Institute of Singapore Chartered Accountants and a Certified Internal Auditor of the Institute of Internal Auditors. He is also a member of the Singapore Institute of Directors, the Institute of Singapore Chartered Accountants, and the Institute of Internal Auditors.



Sim Chin Hoe ("Mr Sim")

Independent Director

Mr Sim Chin Hoe was appointed to the Board as an independent director on 27 April 2020. Mr Sim worked for Shawcor Singapore Pte Ltd ("Shawcor") and its Group for more than 30 years, with his last position as General Manager, both in Operations and Commercial, before his retirement in September 2016. He was also seconded to the Malaysian subsidiary of Shawcor, where he was in charge of the operations of Shawcor's pipe coating facility in Kuantan, Malaysia. Mr Sim graduated with a Diploma in Marine Engineering from Singapore Polytechnic in 1979.

CORPORATE INFORMATION

BOARD OF DIRECTORS
Dato' Gainneos Jacob Goldie
(Independent Non-Executive Chairman)
Dato' Sri Pek Kok Sam
(Managing Director)
Dato' Teh Teck Tee
(Non-Executive Non-Independent Director)
Lim Wei Hung
(Executive Director and Chief Operating Officer)
Chin Chee Choon
(Independent Director)
Sim Chin Hoe
(Independent Director)

AUDIT COMMITTEE
Chin Chee Choon (Chairman)
Dato' Gainneos Jacob Goldie
Sim Chin Hoe

REMUNERATION COMMITTEE
Dato' Gainneos Jacob Goldie (Chairman)
Dato' Teh Teck Tee
Chin Chee Choon
Sim Chin Hoe

NOMINATING COMMITTEE
Chin Chee Choon (Chairman)
Dato' Gainneos Jacob Goldie
Dato' Sri Pek Kok Sam
Sim Chin Hoe

SUSTAINABILITY COMMITTEE
Sim Chin Hoe (Chairman)
Dato' Gainneos Jacob Goldie
Dato' Sri Pek Kok Sam
Chin Chee Choon

COMPANY SECRETARIES
Kong Wei Fung
Chin Yee Seng

REGISTERED OFFICE
36 Robinson Road
#20-01 City House
Singapore 068877
Tel: +65-6990 8220
Fax: +65-6395 0670

PRINCIPAL PLACE OF BUSINESS
Level 8 Menara Zenith
Jalan Putra Square 6
Putra Square
25200 Kuantan
Pahang Malaysia
www.southernalliancemining.com

CONTINUING SPONSOR
PrimePartners Corporate Finance Pte. Ltd.
16 Collyer Quay
#10-00 Collyer Quay Centre
Singapore 049318

INDEPENDENT INTERNAL AUDITOR AND RISK GOVERNANCE AND CORPORATE CONSULTANT
IA Essential Pte. Ltd.
335B Smith Street
#08-51
Singapore 052335

INDEPENDENT AUDITORS
Ernst & Young LLP
One Raffles Quay
Level 18 North Tower
Singapore 048583
Partner-in-charge: Phua Chun Yen Alvin
(a member of the Institute of Singapore Chartered Accountants)
(Appointed since the financial year ended 31 July 2023)

SHARE REGISTRAR
Ascentium Corporate Services Pte. Ltd.
(formerly known as In.Corp Corporate Services Pte. Ltd.)
36 Robinson Road
#20-01 City House
Singapore 068877

INVESTORS RELATION
Gem Comm Pte Ltd
101A, Upper Cross Street,
#10-18, People's Park Centre,
Singapore 058358

SOLICITORS AND LEGAL ADVISERS
Bird & Bird ATMD LLP
2 Shenton Way
#18-01 SGX Centre 1
Singapore 068804

Jeff Leong, Poon & Wong
B-11-8 Level 11 Megan Avenue II
Jalan Yap Kwan Seng
50450 Kuala Lumpur
Malaysia

INDEPENDENT QUALIFIED PERSON
Lily Valley International Pty Ltd.
54 Ridgeland Drive
Teringie, 5072, South Australia
Qualified Person for Mineral Resources:
Jeremy Clark
(a member of the Australasian Institute of Mining and Metallurgy, and Australian Institute of Geoscientists)

Coverdale Consulting Limited
Unit D, 9F, Kai Centre,
36 Hung To Road, Kwun Tong,
Hong Kong
Qualified Person for Ore Reserves:
William Coverdale
(a member of the Australian Institute of Mining and Metallurgy)

PRINCIPAL BANKERS
Oversea-Chinese Banking Corporation Limited
63 Chulia Street
#02-00 OCBC Centre East
Singapore 049514

OCBC Bank (Malaysia) Berhad
No. 40 Jalan Teluk Sisek
25200 Kuantan Pahang Malaysia

SUSTAINABILITY REPORT

BOARD STATEMENT

The Board of Directors (the "**Board**") of Southern Alliance Mining Ltd (the "**Company**" or "**SAM**"), together with its subsidiaries (the "**Group**"), is pleased to present our Sustainability Report for the financial year from 1 August 2025 to 31 July 2026 ("**FY2026**"). This report reaffirms our ongoing commitment to transparency, accountability and the integration of sustainable practices into our business operations.

At SAM, our purpose is to create long-term value for all our stakeholders while minimising environmental impacts and contributing positively to the communities in which we operate. We recognise that sustainable development is an increasingly critical driver of business growth and societal progress. The Board continues to consider sustainability issues an integral part of formulating the Group's corporate strategy, working with the Management to align our business objectives with economic, environmental, social and governance ("**EESG**") commitments.

Global conditions have remained challenging over the past year. The World Economic Forum's Global Risks Report 2026[1] has identified uncertainty as the defining theme and geoeconomic confrontation as the foremost global risk this year. Extreme weather events, biodiversity loss and ecosystem collapse, and critical changes to Earth systems remain the three most severe long-term global risks. Against this volatile external environment, the Board is of the view that a disciplined and long-term approach to sustainability will strengthen the Group's organisational resilience as well as support early identification and management of risks and opportunities.

The Group's diversification into Rare Earth Element ("**REE**") mining reflects this approach in practice. REEs are essential to the green energy transition because their magnetic and electrochemical properties enable high-efficiency electric vehicle motors, lightweight wind turbines and durable energy storage systems. In September 2025, SAM completed the acquisition of a 40% stake in MCRE Resources Sdn Bhd ("**MCRE**"), the operator of the Gerik Mine, marking the Group's strategic entry into the REE sector. MCRE's operations employ in-situ leaching and low-carbon extraction techniques to improve environmental outcomes.

This year also marks a significant milestone as this is the Group's first report to incorporate the GRI 14: Mining Sector 2024 standard issued by the Global Reporting Initiative ("**GRI**"). This enhanced reporting demonstrates the Group's commitment to corporate transparency and adherence to internationally recognised sustainability reporting standards. In parallel, we continue to identify and manage climate-related risks and opportunities across our operations, and will progressively build up our capabilities to adopt the International Financial Reporting Standards ("**IFRS**") Sustainability Disclosure Standards for climate-related disclosures for FY2031 onwards, in line with the extended implementation schedule announced by Singapore Exchange Regulation ("**SGX RegCo**") in August 2025 for listed issuers.

Looking ahead, we remain committed to integrating responsible practices across our operations, improving our sustainability performance and working with stakeholders to respond to sustainability-related risks and opportunities. The Board would like to thank our employees, partners and all other stakeholders for their continued support in our sustainability journey. Together, we can create a prosperous and enduring future for all.

On behalf of the Board of Directors
Dato' Gainneos Jacob Goldie
Independent Non-Executive Chairman

[1] "Global Risks Report 2026", World Economic Forum, 14 January 2026, https://www.weforum.org/publications/globalrisks-report-2026/.

SUSTAINABILITY REPORT

ABOUT THIS REPORT

Reporting Standards and Framework

This year's Sustainability Report ("**SR2026**") has been prepared in accordance with Rule 711B and Practice Note 7F of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Section B: Rules of Catalist ("**Catalist Rules**"). Similar to previous years, the Sustainability Report is integrated with the Annual Report as a single publication so that readers can have a comprehensive view of the Group's financial and non-financial performance.

The Group has adopted the GRI framework as an internationally recognised reporting standard that covers a comprehensive range of sustainability disclosures and allows stakeholders to understand the core sustainability values, policies and practices of the organisation. This report has been prepared in accordance with the GRI Universal Standards 2021 and incorporates GRI 14: Mining Sector 2024, which applies to reports published on or after 1 January 2026.

On 25 August 2025, the Accounting and Corporate Regulatory Authority ("**ACRA**") and SGX RegCo announced extended timelines for the implementation of climate reporting requirements. non-Straits Times Index ("**non-STI**") constituent listed companies with a market capitalisation of less than S$1 billion, which is applicable to SAM, will be required to adopt the IFRS Sustainability Disclosure Standards for climate-related disclosures for the financial year starting 1 January 2030 onwards (i.e. FY2031 in the case of SAM). In the interim, the climate-related disclosures in this year's report have continued to be prepared in alignment with the Task Force on Climate-Related Financial Disclosures ("**TCFD**") recommendations, and we will progressively build up our knowledge and capabilities to comply with the new climate reporting requirements.

Reporting Scope

This report covers the key EESG initiatives carried out for FY2026, i.e. from 1 August 2025 to 31 July 2026, taking into consideration feedback and expectations from various stakeholders, the overall business environment, as well as external sustainability-related developments.

The data, statistics and targets in this report relate to the Group's operations at the Chaah Mine located in Johor, Malaysia, covering 225.7 hectares. In March 2026, the underground mining operations at Chaah Mine transitioned to a turnkey agreement whereby the appointed subcontractor operates and maintains the mining and processing equipment, extracts and processes the iron ore at their expense, employs the workforce, and implements energy efficiency measures and improvements in compliance with applicable laws and regulatory requirements. Consistent with the operational control approach adopted under the GHG Protocol, the subcontractor's operational data, including its GHG emissions and related targets, are excluded from the scope of this report.

The Gerik Mine, operated by MCRE, in which SAM holds a 40% interest, is excluded from the scope of this report as SAM does not exercise operational control. SAM's exploratory gold asset, the Tenggaroh project, is also excluded as there was no active mining, processing or production activity during FY2026.

Restatements

In FY2026, the Group has restated Scope 2 greenhouse gas ("**GHG**") emissions for FY2023 to FY2025 compared to last year's report using the updated grid emission factors as published by the Energy Commission in Malaysia for data accuracy. Details of the restatement are set out in the Energy and Emissions section of this report.

Internal Review and Assurance

We have relied on our internal sources of information and verification processes to ensure the accuracy of this report, including a review of the sustainability reporting process by Internal Audit as stipulated in SGX's Practice Note 7F Sustainability Reporting Guide. No external assurance has been sought. We will continue to monitor and improve the quality and completeness of our EESG disclosures where appropriate and practicable.

Feedback

You may visit the SGX website (https://www.sgx.com/securities/company-announcements) or our corporate website (https://investor.southernalliancemining.com/) to access soft copies of the current and previous years' sustainability reports.

We welcome feedback from our stakeholders to help us improve our sustainability policies, systems and outcomes. Please send your comments and suggestions to general@SAMiningltd.com.

SUSTAINABILITY REPORT

SAM'S SUSTAINABILITY APPROACH

Our Sustainability Methodology

At SAM, sustainability is integral to our corporate ethos of constant improvement. We adopt a balanced approach towards returns to shareholders, people and the planet, while creating value for our stakeholders. There are four focus areas in our long-term approach to sustainability:

- **We invest heavily in mine exploration activities** to assess the suitability, environmental effects and economic benefits before commencing mining activities.
- **We carry out our mining operations responsibly** by monitoring, managing and mitigating the environmental and social impacts.
- **We are committed to full compliance with all applicable laws and regulations** in the jurisdictions where we operate. This includes safeguarding the safety, health and wellness of our people and partners. We strive to align our policies and processes with international best practices.
- **We build ongoing and beneficial relationships with all our key stakeholders.** Our channels of communication are always open to listen and respond to our stakeholders' feedback, concerns and suggestions.

We adopt a systematic approach to managing corporate sustainability. We begin by scoping our sustainability strategy and plans in alignment with business objectives, compliance requirements and industry best practices. We engage stakeholders on sustainability matters and concerns to identify and crystallise the material sustainability issues. These sustainability issues are monitored and managed using relevant qualitative and quantitative information and data. Sustainability performance is monitored by the Board-level Sustainability Committee ("**SC**") and reported to the Board on an ongoing basis, while the publication of the annual sustainability report allows us to communicate our policies, practices and outcomes transparently to all stakeholders.



SUSTAINABILITY REPORT

Sustainability Governance

The Board is responsible for the Group's sustainability reporting and provides oversight of our sustainability strategy planning and implementation. The Board has considered sustainability issues in the Group's business and strategy, determined the material sustainability factors, and overseen the management and monitoring of the material EESG factors, including climate-related risks and opportunities. The Board provides ongoing guidance to the Management on effective implementation, prioritisation and monitoring of the relevant sustainability-related initiatives and indicators. All Board Members have attended sustainability training as mandated by the SGX.

The Board-level SC was established in FY2024 to assist the Board in overseeing the EESG framework, and to provide advice and direction to the Management on managing climate-related risks, opportunities and reporting. The SC, comprising three (3) Independent Directors and one (1) Managing Director, has tasked with the authority and responsibility to oversee the Company's strategic direction for sustainability, ensure regulatory compliance, and guide key business decisions. Please refer to the Corporate Governance Report section of the Annual Report 2026 for details about the SC's roles and responsibilities.

The Management – led by the Executive Director ("**ED**") who also serves as the Chief Operating Officer ("**COO**"), and the Financial Controller ("**FC**") – is collectively responsible for formulating sustainability plans, implementing initiatives and monitoring sustainability performance. Regular Management meetings are held to discuss and coordinate the Group's responses to sustainability issues.

An overview of the sustainability leadership structure, with the responsibilities of each level, is set out below.

Management

- The Management team consists of heads of department
- Meets regularly to discuss sustainability topics, and tracks progress of the sustainability programmes and initiatives
- Reports sustainability updates, results and issues to the Senior Management

Senior Management

- The Senior Management team consists of the Executive Director, who also serves as the Chief Operating Officer, and the Financial Controller
- Sets the Group's sustainability strategies, plans and resource allocation
- Monitors the material EESG factors, and reports progress and outcomes to the Board and Sustainability Committee

Sustainability Committee

- Appointed by the Board to assist in overseeing the EESG framework
- Provides advice and direction to the Senior Management on managing sustainability-related risks, opportunities and reporting

Board of Directors

- The Board regularly reviews the sustainability framework and oversees the effective implementation of sustainability strategies
- The Board ensures that sustainability strategies are aligned with the Group's corporate objectives and that stakeholders' interests have been considered
- The Board determines the material EESG factors

SUSTAINABILITY REPORT

Stakeholders Engagement

A core component of the Group's approach to sustainability is identifying the material sustainability factors across the established EESG pillars and seeking our stakeholders' feedback, concerns and recommendations. The interests and requirements of key stakeholders are considered when formulating corporate strategies on sustainability. These key stakeholders include employees, customers, suppliers, shareholders, investors and regulators.

The Group uses formal and informal communication channels to understand the needs of our key stakeholders and incorporate these into our corporate and EESG strategies to achieve mutually beneficial relationships. The table below sets out our modes of engagement with our key stakeholders, their concerns and the Group's responses to those concerns.

Stakeholders	Engagement and Communication Channels	Engagement Frequency	Areas of Concern	Corporate Responses
Employees	Performance Appraisal Coaching Sessions Employee Feedback Channels Training/Workshops	Annual Ongoing Ongoing Ongoing	High-performance workforce	• Develop a high-performance culture through careful recruitment, ongoing training and providing opportunities for career development. • Improve employee benefits.
			Occupational health and safety	• Compliance with health, safety and environment ("**HSE**") regulations and policies. • Conduct regular scheduled site inspections. • Commitment to work towards zero occupational health and safety incidents.
			Employee engagement	• Keep employees engaged to boost employee morale, productivity and retention.
Customers	Emails, phone calls Meetings Corporate website (https://southernalliancemining.com/)	Ongoing Ongoing Periodic updates	On-time delivery	• Align internal inventory strategies to promote shorter cycle times and improve on-time deliveries.
			Product quality	• Continuous research and innovation to improve products and services.
			Competitive prices	• Adopt customer-centric approaches, leveraging data and technology to optimise all business aspects and achieve competitive pricing.

SUSTAINABILITY REPORT

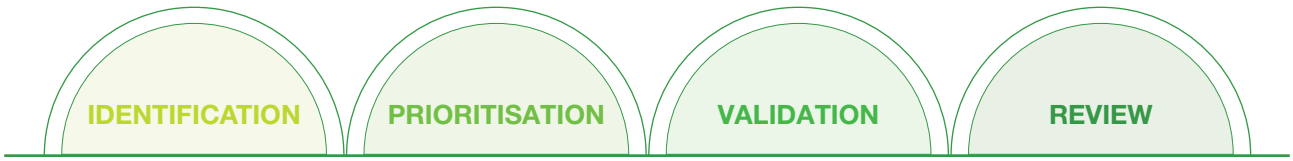
Stakeholders	Engagement and Communication Channels	Engagement Frequency	Areas of Concern	Corporate Responses
Suppliers and Service Providers	Continuous communication, checks and negotiations	Ongoing	Local procurement	• Priority is given to local suppliers in the community.
			Fair and transparent procurement practices	• Site inspections, contract negotiations and anti-bribery and anti-corruption policy.
			Timely payment	• Efficient payment and timely accounts payable processing.
Shareholders and Investors	Continuous engagement and communication	Annually, half-yearly and as required	Proper management of the Company with strategic business plans and risk management plans in place, including oversight of climate-related risks and opportunities	• Adherence to the Code of Business Conduct and Ethics, and effective communication during AGM and/or EGM.
			Effective communication, timely reporting and accurate disclosures	• Timely and comprehensive announcements made via SGXNet, the corporate website, social media, press releases and analyst briefings.
Government and Regulators	Continuous communication, timely reporting and information disclosure	Ongoing	Compliance with applicable laws, rules and regulations, including environmental compliance	• Ensure ongoing compliance with relevant laws and regulations, participation in various industry and government forums to keep abreast of latest developments and provide our feedback on policies.
			Obtaining all the required permits and licences	• Site inspections and engagement with the relevant authorities, independent third-party reporting from mining consultants, and adherence to the Environmental Impact Assessment ("**EIA**") and Environmental Management Plan ("**EMP**") requirements.
			Taxes and royalties	• Timely submissions and payments to the government.
			Occupational health, safety and wellbeing of the workforce	• Site inspections and engagement with the relevant authorities.

SUSTAINABILITY REPORT

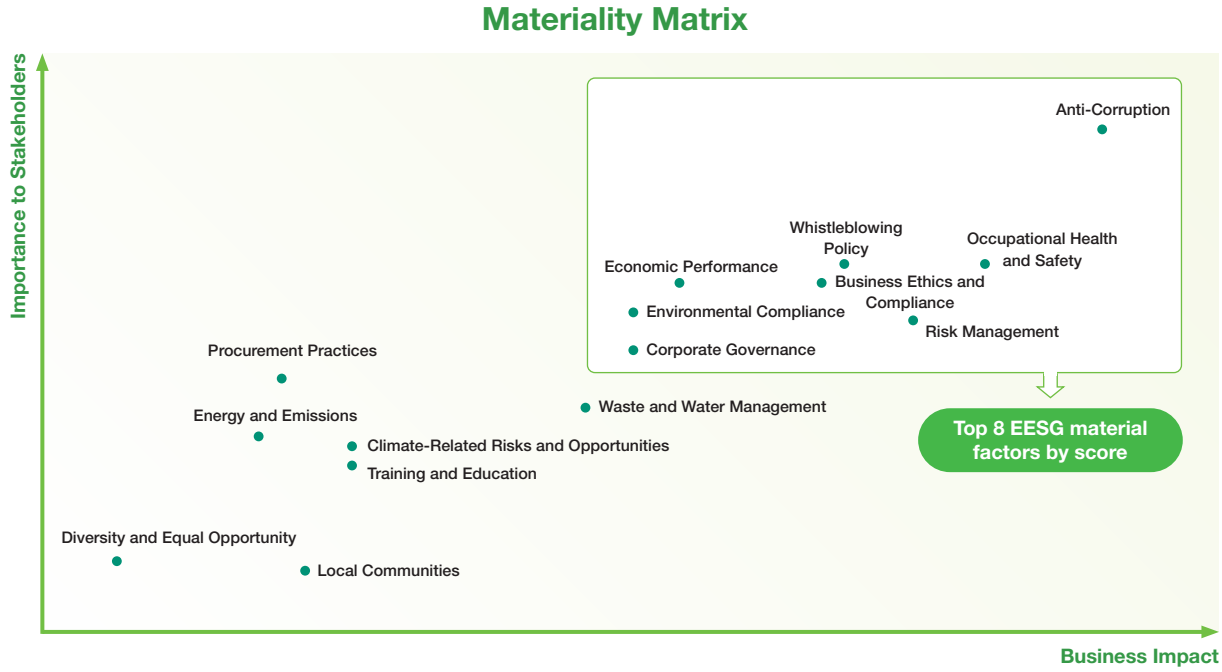
Materiality Assessment

The Group adopts a multi-step process to identify and prioritise the material EESG factors:

- First, we monitor external geopolitical events and industry developments that can impact our business.
- Second, through ongoing engagement with stakeholders and internal discussions, Management identifies and prioritises key EESG factors to focus on.
- Third, Management seeks the Sustainability Committee's and the Board's views and approval to validate the material factors.
- Fourth, we monitor the material factors closely throughout the financial year and if needed, review and adjust our plans to manage the factors and their impacts effectively.

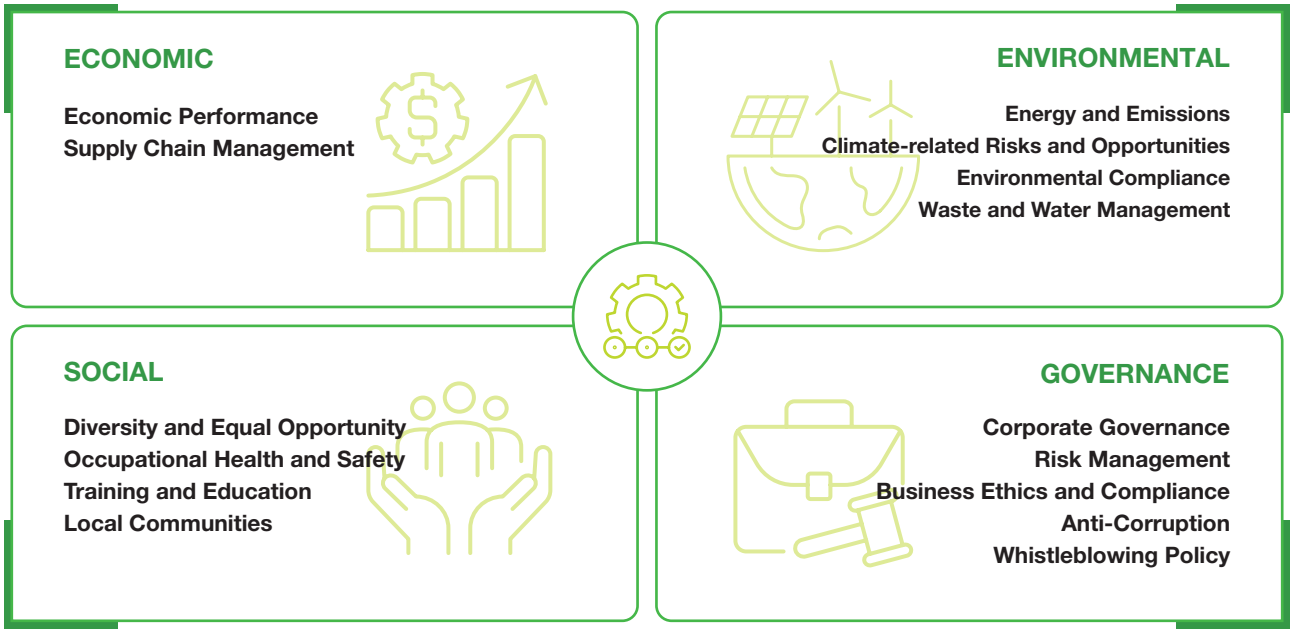


In FY2025, the Group carried out an online survey of our stakeholders for their feedback on the fifteen existing material EESG factors according to the perceived importance and impact on SAM's long-term value creation. The survey findings were used to develop a materiality matrix illustrating the relative importance of the material EESG factors and identify the top eight material EESG factors that merit closer attention.



As these findings continue to reflect stakeholders' current views, the Group has reviewed and retained all fifteen material EESG factors from FY2025 for FY2026.

FY2026 Material Factors



Sustainability Performance Overview for FY2026 and FY2027 Targets

The table below presents a summary of the Group's performance on key sustainability indicators and the following year's targets. The annual targets for FY2027, unless indicated otherwise, will serve as baseline targets for the short-term (within the next 5 years), medium-term (5-10 years) and long-term (beyond 10 years).

FY2026 Targets	FY2026 Performance	FY2027 Targets
Economic disclosures		
To improve financial performance for FY2026	**Met target.** Gross profit increased to RM25.3 million from RM3.1 million in FY2025. Net loss reduced to RM23.3 million from RM27.3 million in FY2025	To improve financial performance for FY2027
To maintain local procurement of at least 90% of total purchases	**Met target.** Achieved 92.7% local procurement	To maintain local procurement of at least 90% of total purchases
Environmental disclosures		
To achieve the production-to-electricity-consumption ratio of not less than 0.02 metric tonnes ("**MT**") of concentrate per 1 kWh of electricity usage and the material extraction to diesel consumption ratio of not less than 0.38 MT of materials (both ores and waste) extracted per litre of diesel usage	**Did not meet target for production to electricity consumption ratio.** Achieved ratio of 0.01 MT concentrates per 1 kWh of electricity usage **Did not meet target for material extraction to diesel consumption ratio.** Achieved ratio of 0.28 MT of materials extracted per litre of diesel usage	Targets will be discontinued for FY2027 following the Group's adoption of a turnkey agreement for the execution of mining operations at Chaah Mine in FY2026

SUSTAINABILITY REPORT

FY2026 Targets	FY2026 Performance	FY2027 Targets
To continue efforts to track and mitigate direct and indirect emissions from our operations	**Met target.** Scope 1 GHG emissions from diesel usage = 4,172 tCO_2e Scope 2 GHG emissions from purchase of electricity from the Malaysian grid = 10,580 tCO_2e Total of Scope 1 and Scope 2 GHG emissions = 14,752 tCO_2e (-43.5% compared to FY2025)	To continue efforts to track and mitigate direct and indirect emissions from our operations
To maintain zero incidents of environmental non-compliance	**Met target.** Zero incidents of environmental non-compliance	To maintain zero incidents of environmental non-compliance
Social disclosures		
To maintain zero incidents or complaints on employee discrimination	**Met target.** Zero incidents or complaints on employee discrimination	To maintain zero incidents or complaints on employee discrimination
To achieve zero major injuries and fatalities	**Met target.** Zero major injuries and fatal accidents	To achieve zero major injuries and fatal accidents
To provide an average of at least 7 training hours per employee	**Met target.** Attained 9.9 training hours per employee	To provide at least an average of 7 training hours per employee
To continue our contributions to the community through creating employment and other economic opportunities, as well as supporting underprivileged groups and community development programmes	**Met target.** Contributed a total of RM55,000 towards various community projects and assistance schemes	To contribute to the community by supporting underprivileged groups, to take greater participation in community development programmes and creating more employment opportunities
Governance disclosures		
To continue to comply with Singapore's Code of Corporate Governance and meet all governance requirements that are expected of the Group by all stakeholders	**Met target.** Complied with the principles and provisions as set out in the Code of Corporate Governance 2018 and Practice Guidance where applicable	To continue to comply with Singapore's Code of Corporate Governance and meet all governance requirements that are expected of the Group by all stakeholders
To conduct annual review of risk management and internal control systems to ensure that all relevant risks are identified, communicated and managed on a timely basis	**Met target.** Updated the Enterprise Risk Management framework to help the Board to identify, assess and treat the Group's enterprise risks	To conduct annual review of risk management and internal control systems to ensure that all relevant risks are identified, communicated and managed on a timely basis
To comply with SGX's latest requirements for climate-related disclosures	**Met target.** This is the fourth year of climate-related disclosures in line with SGX's reporting requirements	To comply with SGX's latest requirements for climate-related disclosures

FY2026 Targets	FY2026 Performance	FY2027 Targets
To maintain zero incidents of non-compliance, corruption, bribery or other form of dishonest practices	**Met target.** Zero incidents of non-compliance, corruption, bribery or other form of dishonest practices	To maintain zero incidents of non-compliance, corruption, bribery or other form of dishonest practices
To ensure that any whistleblowing report is promptly investigated and dealt with in accordance with the whistleblowing policy	Not applicable, as no whistleblowing reports were received in FY2026	To ensure that any whistleblowing report is promptly investigated and dealt with in accordance with the whistleblowing policy

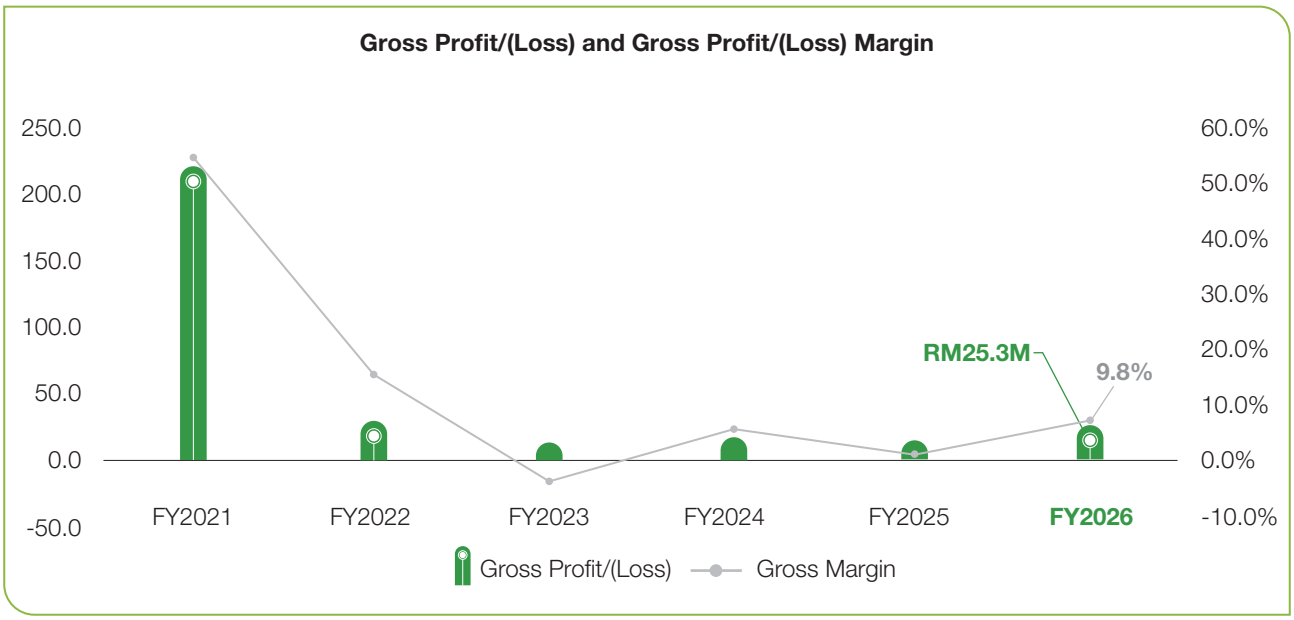
ECONOMIC DISCLOSURES

Economic Performance

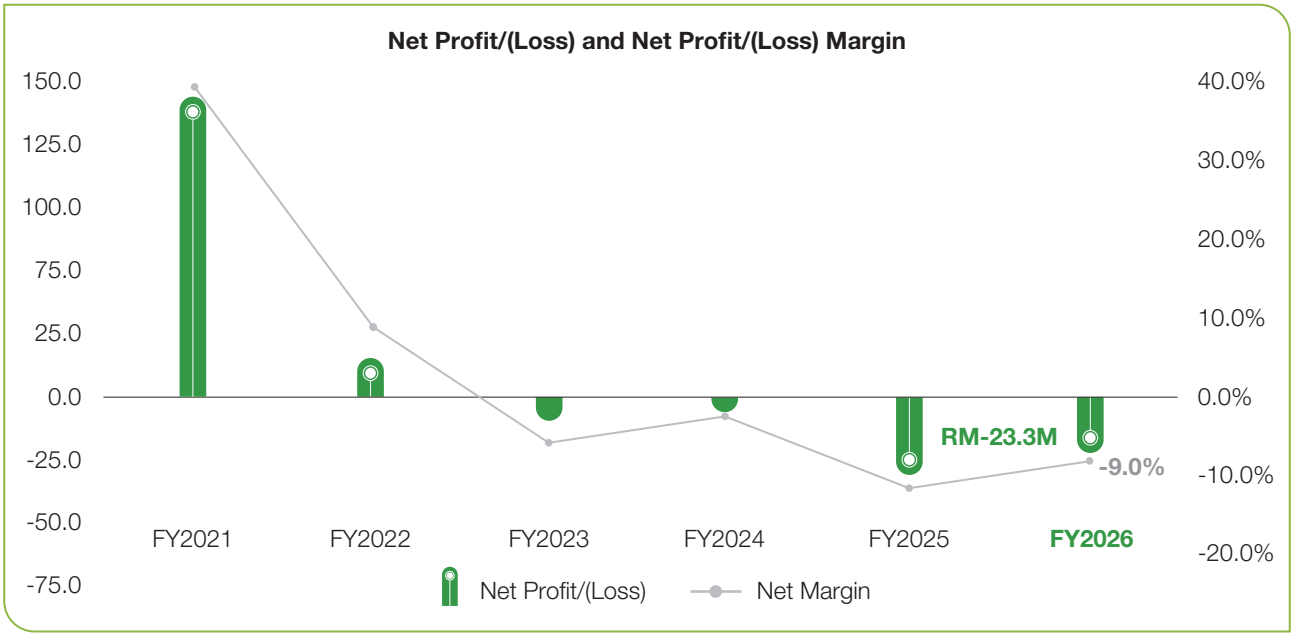
Since the Company's incorporation in 2019, the Group has grown into a listed company with a market capitalisation of S$261 million as of 31 July 2026. As a company headquartered in Pahang, Malaysia with its iron ore mine located in Johor, Malaysia, we view our economic impact in terms of:

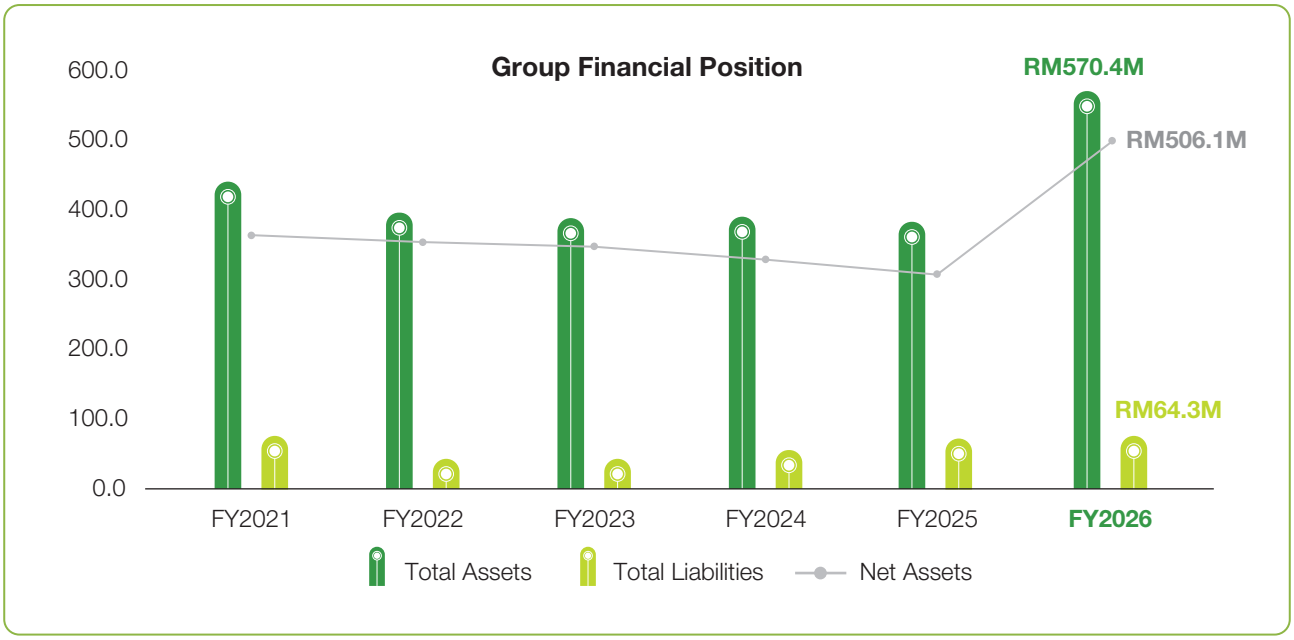
- Generating positive spin-offs to the economy, such as through investment in new mining equipment and digitalisation, as well as purchasing from local suppliers.
- Creating jobs and generating income for our employees to support their families.
- Reducing imports of iron ore concentrate for domestic use, thereby reducing the outflow of Malaysian Ringgit, which helps reduce the country's trade deficit and strengthen the currency.
- Supporting local infrastructure such as the repair and maintenance of village roads leading to the Chaah Mine, improving accessibility and safety for the surrounding communities.

The Group views economic sustainability in terms of sustained, long-term growth as well as generating surpluses to reinvest into the business and reward our stakeholders.



SUSTAINABILITY REPORT





In FY2026, the Group's net loss decreased to RM23.3 million from RM27.3 million in FY2025.

In September 2025, the Group completed the acquisition of a 40% stake in MCRE Resources Sdn Bhd through its wholly owned subsidiary, SAM Advance Minerals Holding Sdn Bhd. MCRE is engaged in the exploration, mining, processing and sale of ion-adsorption clay rare earth minerals in Malaysia, and is currently the appointed mining operator for rare earth extraction activities at the Gerik Mine. This marks a significant diversification of the Group beyond its iron ore mining operations to gold exploration and now the rare earth sector.

Please refer to the Managing Director's Message and Key Financial Highlights in the Annual Report 2026 for details about the Group's FY2026 financial performance.

Our Target for FY2027

- To improve financial performance for FY2027.

Supply Chain Management

We strive to make a positive impact on the communities where we operate. Wherever possible, we support local businesses by engaging them as suppliers, provided they can meet the Group's specifications and deliver on commercially acceptable terms.

For FY2026, the Group met the target of 90% of our purchases from local suppliers. Local purchases for the year amounted to RM67.85 million, representing 92.7% of total purchases of RM73.16 million.

Since FY2022, the Group has put in place a Supplier Code of Conduct – administered by the purchasing department – that sets out the minimum standards of ethical, social and environmental responsibilities required of all suppliers. The Code of Conduct covers anti-bribery and corruption, conflicts of interest, ethical business practices, compliance with applicable laws and regulations, human rights and good employment practices, health and safety, and environmental compliance. The Code of Conduct is disseminated to all the Group's suppliers, whose acknowledgement is obtained as part of an ongoing process. Suppliers are to use best efforts to ensure that their own sub-suppliers, subcontractors, agents and third parties engaged in work for the Group act consistently with the Code of Conduct. Non-compliance with the code could lead to termination or suspension of the relationship with the supplier.

Furthermore, we use a comprehensive onboarding checklist for all new suppliers that includes their business registration details; financial statements; third-party certifications; copies of their safety, sustainability and corporate responsibility policies; acknowledgement of the Group's Anti-Corruption and Anti-Bribery Policy and related training attendance; and acknowledgement of the Supplier Code of Conduct. In FY2026, we did not identify any suppliers with actual or potential negative social impacts.

Our Target for FY2027

- To maintain local procurement of at least 90% of total purchases.

ENVIRONMENTAL DISCLOSURES

Energy and Emissions

The Group uses grid electricity and diesel to power the daily operations. Electricity is used in processing plants, offices and staff facilities, while diesel fuel is used for excavators, dump trucks, drilling machines, lorries and generator sets.

In May 2026, underground mining operations at Chaah Mine shifted to a turnkey arrangement with a subcontractor. Under this contractual model, the subcontractor retains full operational autonomy and is responsible for managing its own energy consumption and associated GHG emissions. Accordingly, such energy and emissions data have been excluded from the Group's reporting boundary from May 2026 onwards.

SUSTAINABILITY REPORT

Our energy consumption[2] for FY2023 to FY2026 is as follows:

	FY2023	FY2024	FY2025	FY2026
Electricity consumption (kWh)	21,699,000	24,804,000 (+14.3%)	25,595,000 (+3.2%)	14,297,000 (-44.1%)
Diesel consumption (litres)	5,767,000	2,324,000 (-59.7%)	2,465,000 (+6.1%)	1,434,000 (-41.8%)
Total energy consumption (kWh)[3]	82,601,000	49,351,000 (-40.3%)	51,630,000 (+4.6%)	29,437,000 (-43.0%)
Energy intensity (kWh per RM million revenue)	665,660	297,566 (-55.3%)	258,847 (-13.0%)	114,162 (-55.9%)

Our electricity and diesel consumption decreased in FY2026, consistent with the boundary change from May 2026 as explained above. Consumption was further affected by geotechnical issues, which led to a temporary suspension of mining activities, and by upgrading works at the processing plant, which affected normal plant operations and production activities.

Malaysia's Energy Efficiency and Conservation Act 2024 ("**EECA 2024**") came into effect on 1 January 2025. The Act is applicable to the Group as our annual electricity consumption is above the stipulated 6,000,000 kWh/year threshold. The Act establishes key requirements – such as the appointment of a Registered Energy Manager ("**REM**"), the implementation of an Energy Management System ("**EnMS**"), periodic reporting on energy efficiency and conservation measures to the Malaysian Energy Commission, and the appointment of certified auditors to carry out mandatory five-year energy audits – to promote nationwide energy efficiency and conservation. In FY2026, the Group secured an Energy Audit Conditional Grant ("**EACG**") of RM40,000 from the Sustainable Energy Development Authority ("**SEDA**") to fund the mandatory energy audit with the first 20% of the grant disbursed by SEDA. As part of the energy audit process, UTHM, the Group's appointed Energy Services Company ("**ESCO**") subcontractor, completed data logging at two substations in December 2025, establishing the baseline for subsequent energy conservation measures.



Pictures: The Chaah mining site and underground mining

The energy audit for two plants was carried out from January to April 2026, with data analysis completed in June 2026. The final audit report, presenting the findings and proposed energy-saving measures ("**ESMs**"), was submitted to SEDA in September 2026 to fulfil the grant requirements. Following the turnkey agreement with the subcontractor, a site visit was subsequently conducted to assess the upgraded facilities, the associated investment costs and the applicability of the proposed ESMs, with a committee meeting to discuss the findings to be held subsequently.

Our production-to-energy-consumption ratios for FY2023 to FY2026 are as follows:

	FY2023	FY2024	FY2025	FY2026
Iron ore concentrate production to electricity consumption in MT per kWh	0.01	0.01 (no change)	0.01 (no change)	0.01 (no change)
Material extraction to diesel consumption in MT per litre	1.23	0.38 (-69.1%)	0.41 (+7.9%)	0.28 (-31.7%)

For FY2027 onwards, the iron ore concentrate production to electricity consumption ratio and the material extraction to diesel consumption ratio will no longer be tracked in the sustainability report in view of the turnkey agreement whereby the appointed subcontractor will be responsible for the iron ore extraction and processing output.







[2] Numbers are rounded to the nearest thousand.

[3] Total energy consumption includes energy from electricity and diesel (converted from litres to kWh using the conversion factor published by the United Kingdom's Department for Environment, Food and Rural Affairs ("**DEFRA**")).

The Group reports GHG emissions to manage climate-related risks, support international efforts in climate action and meet SGX's requirements for climate risk disclosures. We have referred to the GHG Protocol in calculating emissions.

Our Scope 1 (direct) and Scope 2 (indirect) GHG emissions for FY2023 to FY2026 are as follows:

	FY2023	FY2024	FY2025	FY2026
Scope 1 emissions[4] from diesel usage (tCO_2e)	15,432	6,764	7,168	4,172
Scope 2 emissions[5] from purchase of electricity from the National Grid (tCO_2e)	16,565	18,532	18,940	10,580
Total Scope 1 and Scope 2 GHG emissions (tCO_2e)	31,997	25,296 (-20.9%)	26,108 (+3.2%)	14,752 (-43.5%)
Scope 1 and Scope 2 GHG emissions intensity (tCO_2e per RM million revenue)	257.8	152.5 (-40.8%)	130.9 (-14.2%)	57.2 (-56.3%)

Our Scope 1 and Scope 2 GHG emissions decreased in FY2026, consistent with the boundary change from May 2026 as explained above. The Scope 2 GHG emissions are location-based as the Group does not have separate renewable energy procurement contracts. Scope 2 GHG emissions for FY2023 to FY2025 have been restated compared to last year's report using the updated grid emission factors for data comparability.

Our Target for FY2027

- To continue efforts to track and mitigate direct and indirect emissions from our operations.

Climate-Related Risks and Opportunities

The Group started to identify climate-related risks and opportunities relevant to our business in FY2023. The Group has continued to reference the TCFD recommendations in reporting our climate-related disclosures around the four areas of governance, strategy, risk management, and metrics and targets.

In January 2026, an external consultant conducted training on Climate Risk Assessment and Disclosure for the Board Members. The training covered an update on the current state of climate change, the climate-related risks and opportunities relevant to the Group's operations, and reporting requirements for the new IFRS Sustainability Disclosure Standards. This is part of the Group's efforts to build up our knowledge so that we can comply with the new standards for climate-related disclosures for FY2031 onwards.

Climate change exposes our mining operations to physical risks and transition risks. Physical risks include damage from extreme weather events such as water damage from floods and infrastructural damage from tornadoes, business disruption due to facility shutdown, and costs/provisions for repairs. We are mindful of acute physical risks given the accelerating pace of climate impacts around the world, including Malaysia. Transition risks are business-related risks that follow societal and economic shifts toward a low-carbon future. These risks can include policy and regulatory risks, rising compliance and insurance costs, obsolete infrastructure, technological risks, market risks and reputational risks. Concurrently, climate change can present new business opportunities for the Group to invest in innovation, improving efficiency, differentiation and diversification.

Our scenario analysis has considered two divergent scenarios based on the Representative Concentration Pathways ("**RCPs**") as spelt out in the Fifth Assessment Report on Climate Change by the Intergovernmental Panel on Climate Change ("**IPCC**"):

- an optimistic scenario aligned with the Paris Agreement, under which global CO_2 emissions would progressively decline and global temperature rise would be capped at 2°C or lower by 2100. Extreme weather events, while likely to increase in impacts compared to the current state, are relatively less frequent and less severe compared to the pessimistic scenario. Regulatory pressures will intensify as governments impose stricter emissions regulations, carbon taxes and other measures to curb environmental damage. Additionally, companies that proactively invest in climate-resilience measures and sustainable practices benefit from enhanced operational efficiency and reduced exposure to regulatory and reputational risks. In this scenario, ongoing investment in the mitigation of risks, especially transition risks, will provide companies with strong competitive advantages.

- A pessimistic scenario whereby emissions would rise throughout the 21st century and global temperature rise could be 3°C or higher by 2100, exacerbating climate-related risks such as sea-level rise, extreme temperatures and natural disasters. Companies would face escalating acute and chronic physical risks from climate change, including damage to infrastructure, business interruptions, disruption of supply chains and loss of assets. In this scenario, companies will require ongoing investments to thrive in a hotter and more unpredictable world, particularly in adaptation measures to strengthen infrastructure, operations and business continuity.

[4] Scope 1 emissions are calculated using GHG Protocol's Cross-sector Emission Factors.

[5] Scope 2 emissions are calculated using Grid Emission Factors from Malaysian Energy Commission published on 23 February 2026.

SUSTAINABILITY REPORT

We have used the Climate Impact Explorer tool[6], published by the international non-profit Climate Analytics, to examine the divergent impacts of the two scenarios. For Johor State, Malaysia – where the Group's Chaah Mine is located – the mean air temperature under the pessimistic scenario would increase more rapidly compared to the optimistic scenario, culminating in a 2°C warming differential between the two scenarios by 2100. Labour productivity could decline by up to 30.9% due to heat stress, and 59 days of extreme fire weather are projected under the pessimistic scenario.

To manage the physical risks of climate change, our strategy will focus on both adaptation and operational resilience. To mitigate heat stress, we will work with the appointed subcontractor to continually review and enhance safety protocols, including adjusted work schedules during days of extreme heat. To address increased extreme rainfall and potential flooding, we will invest in reinforced drainage infrastructure and slope stabilization at the Chaah Mine to prevent erosion, thus ensuring the safety and business continuity of our mining operations.

The tables below present an overview of the Group's climate-related risks and opportunities in terms of the timeframe, potential impact and possible mitigation measures. Both optimistic and pessimistic scenarios were considered in assessing the potential impact and mitigation measures. Short-term refers to within 5 years, medium-term refers to 5-10 years, and long-term refers to beyond 10 years.

Climate-related Physical Risks	Time Period	Potential Impact	Mitigation Measures
1. Acute extreme weather events – Including heavy rain and flash floods, hurricanes and wildfires	Short term	• Extreme weather and knock-on effects • Disruption to operations, including safety and site accessibility risks • Adverse impacts are often unpredictable and location-specific • Costs to repair or replace damaged or destroyed assets, value impairment • Property downtime and business disruption • Potential for increased insurance costs or reduced/no insurance availability	• Monitor our mining operations' exposure under the two different scenarios • In the pessimistic scenario, track and manage the increased likelihood of such events happening • Monitor weather forecasts closely to ensure worker safety and adequate preparation • Increase resilience through contingency plans and insurance arrangements

[6] https://climate-impact-explorer.climateanalytics.org/. The Network for Green the Financial System ("**NGFS**") "Current Policies" (pessimistic) and "Below 2 °C" (optimistic) scenarios were used for the analysis.

Climate-related Physical Risks	Time Period	Potential Impact	Mitigation Measures
2. Chronic and progressive changes in weather patterns – Including higher average temperatures, increasing or volatile precipitation levels and water stress	Medium- to long term	• Increased heat-related safety risks for workers, especially those working outdoors • Disruption in water supply can impact mining operations • Increased wear and tear or damage to assets, leading to higher maintenance costs • Increased operating costs due to the need for additional or alternative resources (energy and/or water) to operate infrastructure and machinery • Cost of investment in adaptation measures, such as elevating buildings or incorporating additional cooling methods • Potential for increased insurance costs or reduced insurance availability	• In both scenarios, prioritise deployment of climate-resilient infrastructure and equipment • Implement energy-efficient processes and adopt renewable energy sources to improve operational resilience

Climate-related Transition Risks	Time Period	Potential Impact	Mitigation Measures
1. Policy and regulation risks – Including climate risk disclosure, tougher environmental standards and carbon tax	Medium- to long term	• Increased cost of doing business due to new disclosure requirements and compliance measures • Increased taxes when the Malaysian government implements a carbon tax aimed at the iron, steel and energy industry in the future • Additional capital investment to comply with stricter regulations	• Stay informed of regulatory developments • Source suppliers that can supply products with low-carbon specifications • Leverage government schemes and incentives to offset green investments and transition costs
2. Resource and technology risks – Changes in the availability, pricing and supply volatility of key resources, as well as technology-related risks	Short- to long term	• Increased costs and reduced net operating income due to higher prices for energy, water and mining equipment • Additional capital expenditure to adapt buildings and assets to operate with reduced or alternative resources • Inability to keep up with technology changes can impact mining operations and competitiveness	• Build up knowledge and capability to monitor, assess and deploy low-carbon technologies and processes to enhance ore extraction and processing efficiency • Explore collaborations with technology providers and research institutions to develop new mining methods that improve efficiency and reduce the environmental impact

SUSTAINABILITY REPORT

Climate-related Transition Risks	Time Period	Potential Impact	Mitigation Measures
3. Market risks – The possibility that businesses and industries vulnerable to climate change will become less attractive to investors over time. This can lead to rising capital costs for building and maintaining infrastructure to manage climate risks	Medium- to long term	• Mining companies that are perceived as not taking sufficient steps to address climate change could face reputational damage and reduced access to capital • Reduced asset values • Changing customer requirements and contract risks	• Invest in sustainable practices and technologies to meet the growing demand for environmentally responsible products, which could improve market positioning • Focus on higher-grade or specialized iron ore products that are in demand for low-carbon steel production, which could command premium pricing • Diversify the business beyond iron ore mining into REEs essential for clean energy technologies
4. Financial risks – Financial institutions may be less likely to provide financing to businesses that do not manage their climate risks proactively	Medium- to long term	• Reduced access to capital, higher borrowing rates and increased financing costs	• Improve sustainability practices to align with investor and lender expectations, making the company more attractive to financial institutions • Explore green bonds, sustainability-linked loans, and other financial instruments that reward climate-friendly practices, reducing the cost of capital • Invest in climate-resilient infrastructure and technologies to reduce operational risks and enhance long-term viability, reassuring potential investors and lenders • Align climate-related disclosures with international standards to meet financial institutions' information requirements
5. Reputational risks – Growing stakeholder preference to work with companies incorporating climate risk into investment decisions and operations	Medium- to long term	• Risk to brand and market perception if the company is not on par with industry peers in managing climate risks • Lower liquidity and/or reduced attractiveness of assets that have not incorporated climate mitigation	• Maintain a focus on environmental responsibility and ensure it is well documented and transparently communicated • Engage with stakeholders, customers and investors to share our sustainability plans and achievements

Climate-related Opportunities	Time Period	Potential Benefits	Possible Measures
1. Resource efficiency	Short- to medium term	• Implementing technologies and practices that improve resource efficiency can reduce waste generation and energy consumption, leading to cost savings and environmental benefits	• Invest in high-efficiency equipment and implement energy management systems
2. Renewable energy adoption	Short- to long term	• Integrating renewable energy sources into the operations can reduce greenhouse gas emissions and energy costs while enhancing long-term resilience	• Explore the technical and operational feasibility of on-site renewable energy projects
3. Diversification	Short- to long term	• The Group is exploring diversification into extraction of other base metals, gold and rare-earth elements, recognising changing market demands as the world shifts towards cleaner technologies	• Accelerate ongoing diversification strategy to leverage the global green transition and improve value creation
4. Circular economy	Short- to medium term	• The Group can explore opportunities to recycle and reuse equipment and materials in our operations, which will minimise waste and reduce purchasing expenses	• Explore other on-site circular practices beyond the current closed-loop water use for iron ore processing, such as waste recycling, equipment reuse and energy recovery
5. Green bonds and financing	Short- to medium term	• The Group is exploring opportunities to tap into the growing market for green financing, which provides capital for projects with positive environmental impacts	• Enhance sustainability performance and reporting to meet the criteria of green investors and financial institutions • Pursue green certifications to demonstrate commitment to sustainability

We are using Scope 1 and Scope 2 GHG emissions as the primary metrics to assess climate-related risks and opportunities. This is because an increase in emissions would expose the Group to higher levels of physical and transition climate-related risks. As Scope 1 and Scope 2 GHG emissions are primarily generated from the use of fossil fuels and purchased electricity, the ongoing goal is to optimise our use of resources, such as efforts to switch from using fossil fuels to electrifying the mine operations. Our long-term goal is to switch to greener fuels and renewable energy, taking into consideration availability, cost-effectiveness, government regulations, market norms and operational needs.

SUSTAINABILITY REPORT

Environmental Compliance

The Group complies with all applicable environmental regulations and guidelines to minimise environmental pollution, resource depletion, and adverse impacts on local communities and ecosystems. This includes the following regulatory requirements:

- Environment Quality Act, 1974 and regulations
- Manual Saliran Mesra Alam ("**MASMA**") and Erosion and Sediment Control Plan ("**ESCP**") Guidelines
- Mineral Development Act, 1994 and regulations
- Mineral Enactment (Johor), 2003 and regulations
- National Land Code 1965 and regulations
- National Forestry Act 1984

In FY2026, we continued to engage external environmental consultants to conduct environmental monitoring checks at our mining site for water quality (monthly), ambient noise (quarterly) and ambient air (quarterly). The water test samples were taken from different locations, including an existing stream at the catchment pond. Results were within the permitted range of Malaysia's National Water Quality Standards, which indicated that the mining activities did not have an adverse impact on water quality in the surrounding area. Ambient noise and ambient air quality readings were taken within the Chaah mining site area and near worker quarters. Results showed that all readings were within permitted levels.

There were no reported incidents of environmental non-compliance with the relevant regulations and no penalty imposed by local authorities in FY2026.

Our Target for FY2027

- To maintain zero incidents of environmental non-compliance.

Waste and Water Management

The quantities of overburden (i.e. excavated waste rock) for FY2023 to FY2026 are as follows:

	FY2023	FY2024	FY2025	FY2026
Waste excavated in MT	6,213,261	139,400 (-97.8%)	0 (-100.0%)	0 (0%)

The adoption of the underground mining method since September 2023 has eliminated large-scale waste removal associated with open pit mining method. Material identified as waste rock is transported to the designated waste-dumping area. A portion of the waste rock may be recovered and crushed to produce crusher run and used for access-road repair and maintenance. The quantities of waste rock recycled and crusher run produced are not tracked or recorded separately.

Tailings, i.e. waste materials left over from the processing of iron ore, at the Chaah Mine are directed to tailing ponds located near the processing plants. Once a pond reaches capacity, the settled tailings are excavated and left to dry beside the pond. The dried tailings are sampled and segregated by iron and phosphorus content. Tailings meeting an acceptable iron grade and low phosphorus content can be sold as a secondary product, while lower-grade material goes to a designated area for future evaluation, processing or disposal. This method of drying and relocating tailings supports continuous operations without the need for new tailings storage to be constructed.

There were no issues of legal or regulatory non-compliance related to our mining waste management activities in FY2026.

Most of the water for the iron ore processing at the Chaah Mine is recycled from on-site settling ponds at the tailings facilities and supplemented by pumping from a local water supply dam and recycled from the tailings storage facilities. There is no piped water at the Chaah site and water for workers' daily use is collected from natural streams replenished by rain. The water usage is not tracked because of practical constraints in measuring recycled sources. Sewage is collected in subterranean tanks and removed periodically by a sewage disposal truck.

SOCIAL DISCLOSURES

Focus On Employees and Community

We pursue social sustainability by investing in our employees and the broader community. Our employees are the Group's most valuable asset. We cultivate a nurturing work environment characterised by growth and respect through programmes that recruit, develop, reward and motivate all our employees. These efforts foster loyalty and enhance the Group's reputation as an employer of choice.

Discrimination is prohibited in our hiring practices and operations. We uphold fair treatment for all employees, irrespective of race, nationality, gender, sexual orientation, language, religion, age or marital status. In turn, we expect our employees to engage with colleagues, clients and the community in a fair and respectful manner.

SUSTAINABILITY REPORT

The safety of our employees is a top priority. Following the transition of our Chaah Mine to the turnkey arrangement with the appointed subcontractor, safety continues to be a top priority and a shared responsibility with the subcontractor.

Ongoing safety measures include developing standard operating procedures for underground mining operations, hazard identification, issuance and proper use of personal protective equipment, safety checklists, control of access and egress, fire prevention and control, ventilation requirements, air monitoring and dust control, and emergency management. The Group engages security personnel to protect our assets and maintain workers' safety and security. Security personnel are briefed by the Health and Safety Officer on the Group's relevant policies.

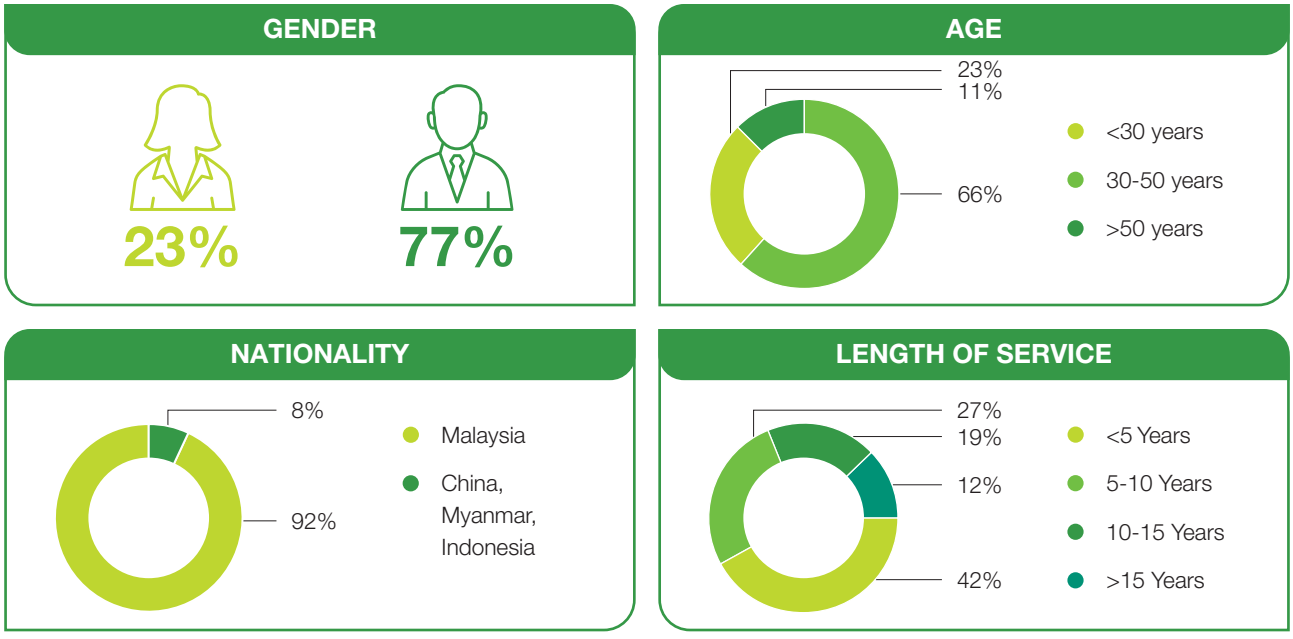
The Group aspires to be a responsible corporate citizen and partner to the local community. We respect human rights and adhere to labour laws, including the prohibition against child labour. We take a leadership role in providing a safe and healthy environment for the communities in which we operate.

Workforce Overview

In FY2026, the Group transitioned its mining operations at Chaah Mine to a turnkey arrangement with a subcontractor under which the subcontractor is responsible for its own workforce. The transition resulted in changes to the Group's workforce structure in line with the new operating arrangement.

In FY2026, we recruited 6 new employees, ending the year with a total of 96 employees, compared with 169 employees in FY2025, following the transition to the new operating arrangement. The female-to-male gender ratio was 23% to 77% in FY2026, compared with 21% to 79% in FY2025.

Our workforce as at the end of FY2026, which comprises Management and all other employees but excludes Board Members, is as follows:



SUSTAINABILITY REPORT

The Group publishes an Employee Handbook, provided to every employee, which sets out the employment contract and terms, compensation and benefits, and workplace policies and practices.

The Group maintains a remuneration policy to ensure the total compensation offered to all employees remains competitive and sufficient to attract, retain and motivate good performers. We communicate to all employees that remuneration is linked to the achievement of both organisational and individual performance objectives, and it is benchmarked against relevant market or industry compensation standards.

The Group provides all full-time employees with staff benefits in line with regulatory requirements and market practices. In 2024, we transitioned from a 6-day to a 5-day work week in the corporate office to promote better work-life balance and support employee well-being as part of our sustainability-centric and people-first ethos. A Volunteer Leave Policy was also introduced in 2024 for employees to engage in community service during work hours, thus promoting social responsibility and employee well-being. All confirmed employees are entitled to one day paid leave per calendar year to engage in volunteer activities with recognised welfare or charitable organisations.

The Group provides parental leave to eligible male and female employees in accordance with Malaysia's Employment Act, and is committed to supporting employees through significant life events and facilitating a smooth transition back to work following the parental leave.

	FY2026	
Parental Leave	**Male**	**Female**
Total number of employees that were entitled to parental leave	42	13
Total number of employees that took parental leave	2	2
Total number of employees that returned to work in FY2026 after parental leave ended	2	1
Total number of employees that returned to work after parental leave ended in FY2025 that were still employed 12 months after their return to work	1	2
Return to work rates of employees that took parental leave	100%	100%
Retention rates of employees that took parental leave	100%	100%

Diversity and Equal Opportunity

Within the Group, we prioritise diversity across gender, age, nationality and years of service. We actively promote an inclusive workplace where employees work with and learn from one another regardless of cultural background. All employees receive equal opportunities, fair treatment, and access to training and other organisational resources. Our staff recruitment and annual appraisals are based strictly on merit by focusing on performance, work attitude, collaboration with colleagues and external partners, as well as efficient and effective outcomes.

As of FY2026, all of the Group's senior management were local hires.

For FY2026, there were no reported incidents or complaints of employee discrimination.

Our Target for FY2027

- To maintain zero incidents or complaints on employee discrimination.

Occupational Health and Safety

Safeguarding the safety and health of our employees against workplace hazards is one of the Group's top corporate priorities. The Group works with the appointed subcontractor in maintaining a standing Health and Safety Committee ("**HSE Committee**") led by the Executive Director and Mine Manager, comprising a secretary, employer representatives and subcontractor representatives. The HSE Committee oversees the development and continuous updating of health and safety policies, standards, rules and operating measures to maintain and improve the overall safety environment for all employees and stakeholders. The subcontractor representatives play a critical role in providing feedback and insights on the current safety practices to identify and address any implementation gaps.

The Group's Occupational Health and Safety ("**OHS**") policy was reviewed in FY2025 to ensure alignment with the Malaysian Occupational Safety and Health (Amendment) Act 2022 ("**OSHA 2022**") whose provisions and subsidiary legislations came into force on 1 June 2024. The updates were communicated to all employees.

SUSTAINABILITY REPORT

The HSE Committee oversees regulatory compliance, which involves implementing and improving existing OHS measures such as the following:

- Conducting monthly workplace inspections to identify hazards and potential risks and implement appropriate mitigation measures.
- Holding quarterly HSE Committee meetings to gather feedback from all levels of employees to drive continuous improvement in workplace safety.
- Setting safety key performance indicators ("**KPIs**") to involve everyone in promoting safety awareness and shared responsibility.
- Conducting daily departmental safety toolbox briefings to inculcate a safe system of work and a strong safety culture.
- Providing regular and refresher training sessions and briefings for all new and existing employees on potential health and safety risks at the workplace, which include defensive driving training for heavy machinery operators to equip them with the knowledge to manage such risks.

The HSE Committee organisational structure was revised for FY2026 following the subcontractor assuming control of the mining operations. The subcontractor is responsible for monitoring the safety and health of their employees while the Group oversees the overall safety of the mine site. Under the turnkey agreement, the subcontractor is also responsible for holding valid fitness or competency certificates for Permit Mesin Angkut ("**PMA**"), Permit Mesin Dandang ("**PMD**"), Permit Mesin Tekanan ("**PMT**") and complying with safety rules and applicable laws, including the Factories and Machinery Act 1967, the Occupational Safety and Health Act 1994, and the Environmental Quality Act 1974.

The Group has in place an incident management policy that is communicated to all employees. Any accident/incident in the workplace, including near-miss events, must be reported immediately to the designated Safety Officer. The incident site will be barricaded or sealed to preserve evidence. The machine or equipment involved will be cordoned off. A preliminary incident notification will be sent to relevant key personnel. The parties involved will be summoned for interviews or questionnaires in the presence of their superiors. Statements will be recorded, and consent will be obtained from the individuals. Thereafter, a









Proper equipment use and OHS training and briefings were conducted throughout the year

SUSTAINABILITY REPORT

site investigation will be conducted with the right team, including evidence collection and witness statements. Once all necessary information is gathered, a cause tree analysis will be conducted to identify the root cause(s). After pinpointing the root cause(s), a detailed report will be formulated and presented to management, along with a proposal for preventing the recurrence of such incidents.

In FY2026, OHS-related initiatives such as emergency response plan preparation and team formation, emergency drills, Hearing Conservation Programme and audiometric tests were conducted.





On-site emergency response and fire safety training in December 2025





Hearing Conservation Programme and occupational noise induced hearing loss assessment

In FY2026, we achieved zero major injury and fatal accidents. We also recorded zero cases of work-related ill health.

Our Target for FY2027

- To achieve zero major injuries and fatalities.

Training and Education

SAM provides all employees with regular and timely training to enable them to perform their tasks competently and safely, upgrade their skill and professionalism, and keep pace with the Group's growth and industry developments. Each year, our Human Resource ("**HR**") department engages with respective heads of departments to identify staff development needs and review suitable training providers and programmes.

In FY2026, we conducted a range of training courses, including:

- Safety and Operations – Toolbox Briefing, Radiation Protection, Hearing Conservation Programme Training, Basic Safety of Fire Awareness Training and Employer's Responsibility Towards Employees.

- HR and Finance – Strategic Procurement, Negotiation and Contract Management, Tax Compliance, Tax Knowledge and Tax Complexity, Malaysian Financial Reporting Standards ("**MFRS**") 18 (Presentation and Disclosure in Financial Statements), Small and Medium Enterprises ("**SMEs**") Digital Transformation and Tax Seminar, and Malaysian Institute of Accountants ("**MIA**") Accounting and Financial Technology Showcase 2026.

- Governance and Sustainability – Energy Management and Energy Audit for Industrial Installation, Climate Risk Assessment & Disclosure, SDG-ESG Mining and Quarrying Industry 2026 Communication, Education and Public Awareness Program ("**CEPA**") at the Johor State Level, and Seminar on Mineral Resources & Technology ("**SMART**") 2025.

The average training hours per employee for FY2026 was 9.9 hours, a 27.8% reduction compared to FY2025's average of 13.8 hours per employee. The total number of training hours in FY2026 amounted to 954 hours, a 59.0% reduction compared to the 2,328 hours of training in FY2025.

Our Target for FY2027

- To provide at least an average of 7 training hours per employee.

Local Communities

Long-term sustainability is founded on a mutually beneficial partnership with local communities. The Group, including our on-site mining operations in Johor, generates jobs and other economic opportunities for local residents. The Group adheres to all applicable environmental regulations to minimise negative environmental impacts on residential and other areas adjacent to our mining operations.

The Group has a community support policy of rendering relevant assistance to underprivileged groups and conducting periodic community development programmes. In FY2026, the Group contributed a total of RM55,000 towards community and non-profit projects and causes.

During FY2026, SAM did not identify any spills and significant actual or potential negative impacts on local communities, and did not receive any complaints from surrounding communities.

Our Target for FY2027

- To contribute to the community by supporting underprivileged groups, to take greater participation in community development programmes and creating more employment opportunities.

GOVERNANCE DISCLOSURES

Corporate Governance

The Board and Management of the Group are committed to practising good corporate governance and adhering to best practices to ensure sustainability of the Group's operations. We aim to maintain transparent, accountable and equitable systems and processes that enhance the Company's value for its shareholders and other stakeholders.

In FY2026, we complied fully with Singapore's Code of Corporate Governance. Please refer to the Annual Report 2026 for the Group's Corporate Governance Report.

Our Target for FY2027

- To continue to comply with Singapore's Code of Corporate Governance and meet all governance requirements that are expected of the Group by all stakeholders.

Risk Management

The Board is responsible for the governance of risk and ensuring that the Management maintains a robust system of risk management and internal controls to safeguard the interest of shareholders and the Group's assets.

The Board, with the support of the Audit Committee ("**AC**"), is responsible for the overall governance of the risk management of the Company, establishing risk management policies and tolerance strategies that set the direction for the Group and overseeing the implementation of risk management framework to ensure that risks are identified and managed.

SUSTAINABILITY REPORT

The Group has a comprehensive Enterprise Risk Management ("**ERM**") framework to help the Board formally identify, assess and treat the Group's enterprise risks. The framework includes the risk register and risk map covering financial, operational, compliance and information technology risks. These risks are prioritised based on risk appetite and risk tolerance levels that the Board adopts. Key risks are escalated to, and discussed at the Board level while all the other risks are handled at Management level and reported to the Board on an exceptional basis. The ERM framework was updated in FY2026 to strengthen the Board's ability to identify, assess and treat the Group's enterprise risks. For additional information on Risk Management, please refer to the Corporate Governance Report section of the Annual Report 2026.

The Group started its climate risk assessment reporting journey in FY2023 by identifying climate-related risks and reporting our Scope 1 and Scope 2 GHG emissions. Climate-related and other sustainability-related risks are integrated into the ERM framework for ongoing monitoring and management, ensuring alignment between corporate sustainability and broader business objectives. The Board maintains oversight of climate-related risks as part of its overall risk governance responsibility, alongside the Group's other enterprise risks.

Our Target for FY2027

- To conduct an annual review of risk management and internal control systems to ensure that all relevant risks are identified, communicated and managed on a timely basis.
- To comply with SGX's latest requirements for climate-related disclosures.

Business Ethics and Compliance

All staff are reminded regularly and clearly of the importance of upholding the highest standards in business ethics. The Group promptly updates relevant staff on any applicable developments in international and local regulations.

The Group also complies fully with all applicable tax laws and regulations in Malaysia, maintaining a zero-tolerance position on any intentional breach of tax laws and regulations. The Group engages qualified external tax advisors to ensure compliance at the transaction level and to meet statutory filing obligations, while relevant staff attend tax-related training to stay updated on regulatory changes. Any instance of non-compliance identified is reported to the Board and/or AC for resolution.

There were no fines or non-monetary sanctions for non-compliance with laws and regulations in FY2026.

Anti-Corruption

SAM adopts a zero-tolerance approach towards bribery and corruption, and strives to conduct business with utmost integrity and transparency. This commitment has been communicated clearly to all the Group's Directors, officers, employees, suppliers and business partners. We have established a whistleblowing email account so that anyone wishing to report corruption-related issues can do so confidentially. All reports of corruption shall be escalated to the attention of the AC.

We have in place risk mitigation actions that include:

- Providing periodic training and awareness to all Directors, senior management, employees and business associates.
- Conducting an annual Anti-Bribery and Anti-Corruption briefing for office-based employees, leaders and the top 30 suppliers.
- Setting of approval limits on gifts, hospitality and entertainment, donation, sponsorship and referral payments and the periodic reporting thereof.
- Conducting onboarding screening of high-risk business associates, such as contractors and suppliers.
- Requiring all suppliers to acknowledge and comply with the Supplier Code of Conduct's anti-bribery and corruption provisions, with non-compliance constituting grounds for suspension or termination of the relationship.
- Oversight of tender selection and approval procedures.
- Implementation of reliable whistleblowing reporting and protection procedures for whistleblowers.

In FY2026, there were no reported incidents of corruption.

Whistleblowing Policy

The Group has a whistleblowing policy that provides an avenue for employees and external parties to report possible improprieties or any wrongdoings. It assures them that they will be protected from any reprisal or victimisation for whistleblowing in good faith.

Reports can be lodged directly with the AC Chairman via email to honestsam@whistleblower.com.my, which is administered by the Group's Internal Auditor. The Group has made available the whistleblowing policy, processes and email address to staff and business partners for the safe and confidential reporting of any suspected fraud, corruption or any form of dishonest practices. In addition, employees and customers may raise concerns directly to Management, who will escalate significant issues to the Board as required.

The Company has confidentiality clauses that protect the identity of the whistleblower and ensure that it remains confidential. The Company is also committed to ensure the protection of the whistleblower against any detrimental or unfair treatment. The AC is responsible for the oversight and monitoring of whistleblowing.

The AC is satisfied that proper arrangements and procedures are in place to ensure independent investigation of such matters and that appropriate follow-up actions are taken.

There were no complaints, concerns or issues raised, and no whistleblowing reports were received in FY2026.

Our Target for FY2027

- To maintain zero incidents of non-compliance, corruption, bribery or other form of dishonest practices.
- To ensure that any whistleblowing report is promptly investigated and dealt with in accordance with the whistleblowing policy.

SUSTAINABILITY REPORT

GRI CONTENT INDEX

Statement of use	Southern Alliance Mining Ltd has reported in accordance with the GRI Standards 2021 for the period 1 August 2025 to 31 July 2026.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	GRI 14: Mining Sector Standards

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organisational details	Corporate Website (https://southernalliancemining.com/)				
	2-2 Entities included in the organisation's sustainability reporting	Board Statement, Page 16				
	2-3 Reporting period, frequency and contact point	About This Report, Page 17				
	2-4 Restatements of information	About This Report, Page 17				
	2-5 External assurance	Nil				
	2-6 Activities, value chain and other business relationships	Corporate Website (https://southernalliancemining.com/)				
	2-7 Employees	Workforce Overview, Page 35				
	2-8 Workers who are not employees	Workforce Overview, Page 35				
	2-9 Governance structure and composition	Sustainability Governance, Page 19 Corporate Governance, Annual Report Page 55-88				
	2-10 Nomination and selection of the highest governance body	Sustainability Governance, Page 19 Corporate Governance, Annual Report Page 55-84				
	2-11 Chair of the highest governance body	Sustainability Governance, Page 19 Corporate Governance, Annual Report Page 55-84				
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Governance, Page 19				

SUSTAINABILITY REPORT

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	2-13 Delegation of responsibility for managing impacts	Sustainability Governance, Page 19				
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Governance, Page 19				
	2-15 Conflicts of interest	Corporate Governance Report, Annual Report Page 56				
	2-16 Communication of critical concerns	Feedback, Page 17 Whistleblowing Policy, Page 41 Corporate Governance, Annual Report Page 82-92				
	2-17 Collective knowledge of the highest governance body	Sustainability Governance, Page 19 Corporate Governance, Annual Report Page 55-73				
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Report, Annual Report Page 55-82				
	2-19 Remuneration policies	Workforce Overview, Page 36 Corporate Governance, Annual Report Page 73-82				
	2-20 Process to determine remuneration	Workforce Overview, Page 35 Corporate Governance Report, Annual Report Page 73-82				
	2-21 Annual total compensation ratio	Nil	a, b, c	Confidentiality constraints	Not disclosed for confidentiality reasons	
	2-22 Statement on sustainable development strategy	Our Sustainability Methodology, Page 18				
	2-23 Policy commitments	Our Sustainability Methodology, Page 18				
	2-24 Embedding policy commitments	Our Sustainability Methodology, Page 18				
	2-25 Processes to remediate negative impacts	Our Sustainability Methodology, Page 18 Feedback, Page 17 Whistleblowing Policy, Page 41				
	2-26 Mechanisms for seeking advice and raising concerns	Whistleblowing Policy, Page 41				

SUSTAINABILITY REPORT

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	2-27 Compliance with laws and regulations	Environmental Compliance, Page 34 Business Ethics and Compliance, Page 40 Corporate Governance, Page 39				
	2-28 Membership associations	Nil				
	2-29 Approach to stakeholder engagement	Stakeholder Engagement, Page 20-21				
	2-30 Collective bargaining agreements	Nil	a, b	Not applicable	SAM's employees are not covered under any collective bargaining agreement	
GRI 14: Mining Sector 2024	Mine-site disclosure	About This Report, Page 17				14.0.1
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Assessment, Page 22-23				
	3-2 List of material topics	Materiality Assessment, Page 22-23				
	3-3 Management of material topics	Materiality Assessment, Page 22-23				14.1.1
14.1 Climate change						
GRI 102: Climate Change 2025	102-1 Transition plan for climate change mitigation	Climate-Related Risks and Opportunities, Page 29-33				14.1.2
	102-2 Climate change adaptation plan	Climate-Related Risks and Opportunities, Page 29-33				14.1.3
	102-3 Just transition	Climate-Related Risks and Opportunities, Page 30-33				14.1.4
	102-4 GHG emissions reduction targets and progress	Energy and Emissions, Page 29				14.1.5
	102-5 Scope 1 GHG emissions	Energy and Emissions, Page 29				14.1.6
	102-6 Scope 2 GHG emissions	Energy and Emissions, Page 29				14.1.7

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	102-7 Scope 3 GHG emissions	Nil	a, b, c, d, e, f	Not applicable	In line with SGX's Extended Timelines for Climate Reporting Requirements published in August 2025, Scope 3 GHG emissions reporting for non-STI constituent listed companies will be voluntary until further notice.	14.1.8
	102-8 GHG emissions intensity	Energy and Emissions, Page 29				14.1.9
	102-9 GHG removals in the value chain	Nil	a, b, c, d, e	Not applicable	SAM has neither purchased nor utilised carbon credits to offset its current emissions.	14.1.10
	102-10 Carbon credits	Nil	a, b, c, d, e	Not applicable	SAM has neither purchased nor utilised carbon credits to offset its current emissions.	14.1.11
GRI 103: Energy 2025	103-1 Energy policies and commitments	Energy and Emissions, Page 27-29				14.1.12
	103-2 Energy consumption and self-generation within the organisation	Energy and Emissions, Page 27-29				14.1.13
	103-3 Upstream and downstream energy consumption	Nil	a, b	Information unavailable/ incomplete	Metric is currently not tracked	14.1.14
	103-4 Energy intensity	Energy and Emissions, Page 27-29				14.1.15

SUSTAINABILITY REPORT

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
14.5 Waste						
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste and Water Management, Page 34				14.5.2
	306-2 Management of significant waste-related impacts	Waste and Water Management, Page 34				14.5.3
	306-3 Waste generated	Waste and Water Management, Page 34				14.5.4
	306-4 Waste diverted from disposal	Nil	a, b, c, d, e	Information unavailable	Metric is currently not tracked	14.5.5
	306-5 Waste directed to disposal	Nil	a, b, c, d, e	Information unavailable	Metric is currently not tracked	14.5.6
14.6 Tailings						
GRI 14: Mining Sector 2024	Tailings disposal methods	Waste and Water Management, Page 34				14.6.2
	Tailings facilities					14.6.3
14.7 Water and effluents						
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Waste and Water Management, Page 34				14.7.2
	303-2 Management of water discharge-related impacts	Waste and Water Management, Page 34				14.7.3
	303-3 Water withdrawal	Nil	a, b, c, d	Not applicable	There is no piped water at the Chaah Mine, as the water used in operations is recycled from on-site settling ponds.	14.7.4
	303-4 Water discharge		a, b, c, d, e			14.7.5
	303-5 Water consumption		a, b, c, d			14.7.6

SUSTAINABILITY REPORT

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
14.8 Closure and rehabilitation						
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Workforce Overview, Page 35-36	b	Not applicable	SAM's employees are not covered under any collective bargaining agreement	14.8.2
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Training and Education, Page 38-39				14.8.3
14.9 Economic impacts						
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Economic Performance, Page 25-27				14.9.2
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Economic Performance, Page 25-27				14.9.3
	203-2 Significant indirect economic impacts	Local Communities, Page 39				14.9.4
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Supply Chain Management, Page 27				14.9.5
14.10 Local communities						
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Local Communities, Page 39				14.10.2
	413-2 Operations with significant actual and potential negative impacts on local communities	Local Communities, Page 39				14.10.3

SUSTAINABILITY REPORT

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
14.14 Security practices						
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	*Focus On Employees and Community, Page 35*				14.14.2
14.15 Critical incident management						
GRI 306: Effluents and Waste 2016	306-3 Significant spills	Local Communities, Page 39				14.15.2
14.16 Occupational health and safety						
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety, Page 36-38				14.16.2
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety, Page 36-38				14.16.3
	403-3 Occupational health services	Occupational Health and Safety, Page 36-38				14.16.4
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety, Page 36-38				14.16.5
	403-5 Worker training on occupational health and safety	Occupational Health and Safety, Page 36-38				14.16.6
	403-6 Promotion of worker health	Occupational Health and Safety, Page 36-38				14.16.7
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety, Page 36-38				14.16.8
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety, Page 36-38				14.16.9
	403-9 Work-related injuries	Occupational Health and Safety, Page 36-38				14.16.10
	403-10 Work-related ill health	Occupational Health and Safety, Page 36-38				14.16.11

SUSTAINABILITY REPORT

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
14.17 Employment practices						
GRI 202: Market Presence 2016	202-1 Ratios of standard entry-level wage by gender compared to local minimum wage	Nil	a, b, c, d	Confidentiality constraints	Not disclosed for confidentiality reasons	14.17.2
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Workforce Overview, Page 35				14.17.3
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Workforce Overview, Page 36				14.17.4
	401-3 Parental leave	Workforce Overview, Page 36				14.17.5
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Workforce Overview, Page 35-36	b	Not applicable	SAM's employees are not covered under any collective bargaining agreement	14.17.6
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Training and Education, Page 38-39				14.17.7
	404-2 Programs for upgrading employee skills and transition assistance programs	Training and Education, Page 38-39				14.17.8
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Supply Chain Management, Page 27				14.17.9
	414-2 Negative social impacts in the supply chain and actions taken	Supply Chain Management, Page 27				14.17.10

SUSTAINABILITY REPORT

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
14.18 Child labour						
GRI 408: Child labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	Supply Chain Management, Page 27 Focus on Employees and Community, Page 34				14.18.2
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Supply Chain Management, Page 27				14.18.3
14.19 Forced labour and modern slavery						
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Supply Chain Management, Page 27 Focus on Employees and Community, Page 34				14.19.2
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Supply Chain Management, Page 27				14.19.3
14.21 Non-discrimination and equal opportunity						
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	Workforce Overview, Page 36				14.21.2
GRI 401: Employment 2016	401-3 Parental leave	Workforce Overview, Page 36				14.21.3
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Training and Education, Page 38-39				14.21.4
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Workforce overview, Page 36 Board of Directors, Annual Report Page 13-14				14.21.5
	405-2 Ratio of basic salary and remuneration of women to men	Nil	a, b	Information unavailable	This is currently not tracked.	14.21.6
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Workforce overview, Page 36				14.21.7

SUSTAINABILITY REPORT

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
14.22 Anti-corruption						
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Anti-corruption, Page 40				14.22.2
	205-2 Communication and training about anti-corruption policies and procedures	Anti-corruption, Page 40				14.22.3
	205-3 Confirmed incidents of corruption and actions taken	Anti-corruption, Page 40				14.22.4
14.23 Payments to governments						
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Economic Performance, Page 25-26 Financial Contents, Annual Report Page 119-187				14.23.2
	201-4 Financial assistance received from government	Nil				14.23.3
GRI 207: Tax 2019	207-1 Approach to tax	Business Ethics and Compliance, Page 40				14.23.4
	207-2 Tax governance, control, and risk management	Business Ethics and Compliance, Page 40				14.23.5
	207-3 Stakeholder engagement and management of concerns related to tax	Business Ethics and Compliance, Page 40				14.23.6
	207-4 Country-by-country reporting	Financial Contents, Annual Report Page 119-125				14.23.7

SUSTAINABILITY REPORT

Topics in the applicable GRI Sector Standards determined as not material	
TOPIC	**EXPLANATION**
GRI 14: Mining Sector 2024	
14.3 Air emissions	SAM does not currently monitor or track NOx, SOx or other significant air emissions from its operations. Regular air quality monitoring is conducted where applicable to assess ambient air quality and ensure compliance with relevant environmental requirements.
14.4 Biodiversity	SAM will continue to assess the need for biodiversity-related studies at our mine sites in the future, where appropriate and in compliance with any regulatory requirements.
14.11 Rights of Indigenous Peoples	SAM does not hire indigenous people.
14.12 Land and resource rights	SAM's business activities are not at risk of affecting stakeholders' rights to land and resources and involving involuntary resettlement.
14.13 Artisanal and small-scale mining	SAM does not operate artisanal and small-scale mining.
14.20 Freedom of association and collective bargaining	SAM's workers are not part of any unions.
14.24 Public policy	SAM is not involved in public policy and lobbying efforts.
14.25 Conflict-affected and high-risk areas	SAM does not operate in conflict-affected and high-risk areas.

TCFD DISCLOSURES

TCFD Thematic Areas	Recommended Disclosures	References and Remarks	Page
1. Governance Disclose the organisation's governance around climate-related risks and opportunities	a) Describe the board's oversight of climate-related risks and opportunities	The Board oversees the corporate governance structure and sustainability strategy of the Group, including climate-related issues. See the **Sustainability Governance** section.	19
	b) Describe management's role in assessing and managing climate-related risks and opportunities	The Management implements, monitors and reports on ESG performance, including climate-related issues. See the **Sustainability Governance** section.	19
2. Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	See the **Climate-Related Risks and Opportunities** section.	29-33
	b) Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning	See the **Climate-Related Risks and Opportunities** section.	29-33
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Southern Alliance Mining Ltd has identified and taken into consideration two divergent climate-related scenarios. See the **Climate-Related Risks and Opportunities** section.	29-33
3. Risk Management Disclose how the organisation identifies, assesses, and manages climate-related risks	a) Describe the organisation's processes for identifying and assessing climate-related risks	See the **Risk Management** section.	40
	b) Describe the organisation's processes for managing climate-related risks	See the **Risk Management** section.	40
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	See the **Risk Management** section.	40

SUSTAINABILITY REPORT

TCFD Thematic Areas	Recommended Disclosures	References and Remarks	Page
4. Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	See the **Climate-Related Risks and Opportunities** section.	29-33
	b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	See the **Energy and Emissions** section.	27-29
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	See the **Energy and Emissions and Climate-Related Risks and Opportunities** sections.	27-33

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "**Board**") of Southern Alliance Mining Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") is committed to ensure that high standards of corporate governance are practised throughout the Group, as a fundamental part of its responsibilities to protect and enhance shareholders' value and the financial performance of the Group.

This corporate governance report ("**Report**") outlines the Group's corporate governance practices that were in place during the financial year ended 31 July 2026 ("**FY2026**") with specific reference made to the Principles of Code of Corporate Governance 2018 ("**Code 2018**") and its related practice guidance issued on 7 February 2020 ("**Practice Guidance**"), which forms part of the continuing obligations of the SGX-ST Listing Manual Section B: Rules of Catalist ("**Catalist Rules**").

The Group also ensures that all applicable laws, rules and regulations including the Securities and Futures Act 2001 of Singapore ("**Securities and Futures Act**") are duly complied with.

Provision	Code Description	Company's Compliance or Explanation
General	a) Has the Company complied with all the principles and provisions of the Code 2018?	The Company has complied with the principles and provisions as set out in Code 2018 and the Practice Guidance where applicable.
	If not, please state the specific deviations and alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code 2018.	There were no alternative Corporate Governance practiced in FY2026, except for the variations expressly explained in this Report.
	b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and confirm to the provisions of the Code?	There were no alternative Corporate Governance practiced in FY2026, except for the variations expressly explained in this Report.
BOARD MATTERS **The Board's Conduct of Affairs** ***Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.***		
1.1	**Board Composition and Role of the Board**	All Directors objectively discharge their duties and responsibilities as fiduciaries and make decisions in the best interests of the Group at all times. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organizational culture and ensures proper accountability within the Group. The Board also ensures that good corporate governance practices are in place to protect the interests of shareholders.

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>
The Board has clear policies and procedures for dealing with conflicts of interest. Where a Director faces a conflict of interest, he is required to notify the Company promptly of all conflicts of interest as soon as practicable as well as when required and refresh the required declarations annually. The Director would also recuse himself from discussions and decisions involving the issues of conflict.

The Board is entrusted to lead and oversee the Company, with the fundamental principle to act in the best interests of the Company. In addition to its statutory duties, the Board oversees the management staff of the Company (the "Management"), affairs of the Group's business and oversees processes for evaluating the adequacy and effectiveness of the Group's internal controls and risk management systems. It focuses on the strategies and policies, with particular attention paid to growth and financial performance. The Board works with the Management to achieve this and the Management remains accountable to the Board. Each individual Director has objectively discharged his duties and responsibilities at all times as fiduciaries in the interests of the Company.

As at the date of this Report, the Board comprises six (6) members as follows:

Table 1.1 – Composition of the Board
<table>
<tr><th>Name of Director</th><th>Designation</th><th>Date of last Re-election</th></tr>
<tr><td>Dato' Gainneos Jacob Goldie</td><td>Independent Non-Executive Chairman</td><td>28 November 2024(1)</td></tr>
<tr><td>Dato' Sri Pek Kok Sam</td><td>Managing Director</td><td>23 November 2023(2)</td></tr>
<tr><td>Dato' Teh Teck Tee</td><td>Non-Executive Non-Independent Director</td><td>28 November 2024(3)</td></tr>
<tr><td>Mr Lim Wei Hung</td><td>Executive Director and Chief Operating Officer</td><td>24 November 2025(4)</td></tr>
<tr><td>Mr. Chin Chee Choon</td><td>Independent Director</td><td>23 November 2023(5)</td></tr>
<tr><td>Mr. Sim Chin Hoe</td><td>Independent Director</td><td>24 November 2025(5)</td></tr>
</table>
Notes:
(1) Dato' Gainneos Jacob Goldie was first appointed as the Independent Director on 27 April 2020 and he was subsequently redesignated as the Independent Non-Executive Chairman with effect from 29 November 2024.
(2) Dato' Sri Pek Kok Sam was first appointed to the Board on 19 September 2019.
(3) Dato' Teh Teck Tee was first appointed on 27 April 2020 and he was subsequently redesignated as the Non-Executive Non-Independent Director with effect from 29 November 2024.
(4) Mr Lim Wei Hung was first appointed on 1 November 2022.
(5) Mr Chin Chee Choon and Mr Sim Chin Hoe were first appointed to the Board on 27 April 2020.
</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
1.2	**Induction, Training and Development**	The Company provides a comprehensive orientation programme to familiarize the new Directors with the Group's businesses, accounting control policies, procedures and internal control policies and procedures, including an overview of the written policies and procedures in relation to the financial, operational and compliance controls; as well as the Group's history, core values, strategic direction and industry-specific knowledge so as to assimilate them into their new roles. All our Directors have been provided with the orientation programme. The Company will also arrange for first-time directors to attend the relevant training on the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST within one (1) year of their appointment and if necessary, in areas such as accounting, legal and industry specific knowledge as appropriate. The training of Directors will be arranged and funded by the Company. All Directors have completed the training courses and mandatory sustainability modules conducted by the Singapore Institute of Directors ("**SID**"), as prescribed by the SGX-ST pursuant to Practice Note 4D of the Catalist Rules. In order to contribute to the Board and serve effectively, the Board recognises the importance of ongoing trainings as part of their continual professional development during the term of their appointment. Such trainings may relate to a particular subject area, committee membership, key developments in the Company's operating environment or specific trainings that are provided by accredited training providers such as SID. The Directors are continually and regularly updated on the Group's businesses and governance practices, including changes in laws and regulations, financial reporting standards and code of corporate governance so as to enable Directors to effectively discharge their duties. New releases issued by the SGX-ST and the Accounting and Corporate Regulatory Authority ("**ACRA**") which are relevant to the Group and/or Directors are circulated to the Board. All Directors are also encouraged to be members of SID to receive journal updates and training from SID.

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>At the Board meetings of the Company and on an ongoing basis, the external auditors ("EA") will brief the Audit Committee and the Board on changes and amendments to the accounting standards while the Company Secretaries will brief the Board on any regulatory changes, such as changes to the Companies Act, Catalist Rules and the Code 2018. The Company Secretaries would also inform the Directors of the upcoming conferences and seminars relevant to their roles as Directors of the Company. The Directors are encouraged to attend seminars and trainings to update themselves to assist in the discharge of Directors' duties and responsibilities, at the expense of the Company. Changes to regulations and accounting standards are monitored closely by the Management. In addition, the Management regularly updates and familiarizes the Directors on the business activities of the Company during Board and Board Committees' meetings. Courses, conferences and seminars attended by the Directors in FY2026 include:
<table>
<tr><th colspan="3">Table 1.2(b) – Training(s) attended by Directors in FY2026</th></tr>
<tr><th>Attendee</th><th>Course Organizer</th><th>Course Name</th></tr>
<tr><td>Dato' Gainneos Jacob Goldie</td><td>SustainableSG</td><td>Climate Risk Assessment and Disclosure</td></tr>
<tr><td>Dato' Sri Pek Kok Sam</td><td>SustainableSG</td><td>Climate Risk Assessment and Disclosure</td></tr>
<tr><td>Dato' Teh Teck Tee</td><td>SustainableSG</td><td>Climate Risk Assessment and Disclosure</td></tr>
<tr><td>Lim Wei Hung</td><td>SustainableSG</td><td>Climate Risk Assessment and Disclosure</td></tr>
<tr><td rowspan="5">Chin Chee Choon</td><td>SustainableSG</td><td>Climate Risk Assessment and Disclosure</td></tr>
<tr><td>Institute of Singapore Chartered Accountants</td><td>ISCA Annual Conference</td></tr>
<tr><td>Forvis Mazars</td><td>Singapore FRS update Training</td></tr>
<tr><td>Forvis Mazars</td><td>Key Audit Matters Training</td></tr>
<tr><td>Forvis Mazars</td><td>Singapore Code of Conduct relating to Singapore Auditing Standards</td></tr>
<tr><td>Sim Chin Hoe</td><td>SustainableSG</td><td>Climate Risk Assessment and Disclosure</td></tr>
</table></td></tr>
</table>

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
1.3	**Matters requiring Board's approval**	The Board has put in place internal guidelines in relation to matters reserved for the Board's approval. Specifically, matters and transactions that require the Board's approval include, among others, the following: • release of the half year and full year results announcements; • annual report and financial statements; • annual budgets and financial plans of the Company; • business, strategy and capital expenditure budgets; • convening of shareholders' meetings, circulars to shareholders and related announcements to be submitted to the SGX-ST; • overall corporate strategy and changes to the corporate structure; • acquisitions, investments and disposals of assets exceeding a certain threshold; • share issuances; • recommendation/declaration of dividends; • appointment of Directors, key executives and Company Secretary of the Company; • terms of reference for the Board Committees; • review of Directors and key executives' performance and remuneration packages; • interested person transactions; • material regulatory matters or litigation; and • compliance matters associated with the Catalist Rules, Securities and Futures Act or other relevant laws and regulations. The Board decides on matters requiring its approval and clearly communicates this to the Management in writing.
1.4/Rule 406(3)(e) of the Catalist Rules	**Board Committees**	To assist in the execution of its responsibilities, the Board is supported by four board committees, namely the Audit Committee ("**AC**"), Nominating Committee ("**NC**"), Remuneration Committee ("**RC**") and Sustainability Committee ("**SC**") (collectively the "**Board Committees**"). As the Board retains the ultimate responsibility on all decisions made, all matters discussed at the Board Committee meetings are presented and reported to the Board for approval prior to its implementation. The Board Committees function within clearly defined terms of reference and operating procedures, and play an important role in ensuring good corporate governance in the Company and within the Group. The terms of reference of the Board Committees will be reviewed by the Board if there is any changes to the current terms of references to enhance the effectiveness of these Board Committees. The terms of reference of the respective Board Committees, as well as other relevant information on the Board Committees, can be found in the subsequent sections of this Report.

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>The composition of the Board Committees as at the date of this Report are as follows:

Table 1.4 – Composition of the Board Committees
<table><tr><th></th><th>AC[1]</th><th>NC[2]</th><th>RC[3]</th><th>SC[4]</th></tr><tr><td>Chairman</td><td>Mr Chin Chee Choon</td><td>Mr Chin Chee Choon</td><td>Dato' Gainneos Jacob Goldie</td><td>Mr Sim Chin Hoe</td></tr><tr><td>Member</td><td>Dato' Gainneos Jacob Goldie</td><td>Dato' Sri Pek Kok Sam</td><td>Dato' Teh Teck Tee</td><td>Dato' Sri Pek Kok Sam</td></tr><tr><td>Member</td><td>Mr Sim Chin Hoe</td><td>Dato' Gainneos Jacob Goldie</td><td>Mr Sim Chin Hoe</td><td>Mr Chin Chee Choon</td></tr><tr><td>Member</td><td>–</td><td>Mr Sim Chin Hoe</td><td>Mr Chin Chee Choon</td><td>Dato' Gainneos Jacob Goldie</td></tr></table>
Notes:
(1) The AC comprised three (3) members, all of whom (including the Chairman) are independent.
(2) The NC comprised four (4) members, the majority of whom (including the Chairman) are independent.
(3) The RC comprised four (4) members, all members are non-executive and the majority of whom (including the Chairman) are independent.
(4) The SC comprised four (4) members, the majority of whom (including the Chairman) are independent.</td></tr>
<tr><td>1.5</td><td>Board and Board Committees Meetings</td><td>The Board meets on a quarterly and on an ad-hoc basis, if required, as deemed appropriate by the Board members, to review and discuss matters of the Group as well as to oversee the business affairs of the Group. The calendar of all the Board and Board Committees meetings are scheduled in advance. The Board is free to seek clarification and information from the Management on all matters within their purview. Ad-hoc meetings are convened as may be necessary to address any specific significant matters that may arise. The Constitution of the Company and terms of reference for each individual Board Committee allow the Directors to participate in Board and Board Committees meetings to be held by means of telephonic, video conferencing or other communication facilities to communicate with each other simultaneously and instantaneously. Important matters concerning the Group are also put to the Board for its decision by way of written resolutions.</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>In FY2026, the number of Board and Board Committee meetings held, and the attendance of each Board member are shown below.

<table>
<tr><td colspan="8">Table 1.5 – Directors' Attendance</td></tr>
<tr><td></td><td></td><td colspan="4">Board Committees</td><td colspan="2">General Meetings</td></tr>
<tr><td></td><td>Board</td><td>AC</td><td>NC</td><td>RC</td><td>SC</td><td>AGM</td><td>EGM</td></tr>
<tr><td>Number of meetings held</td><td>4</td><td>4</td><td>1</td><td>1</td><td>2</td><td>1</td><td>1</td></tr>
<tr><td>Dato' Teh Teck Tee</td><td>4</td><td>4**</td><td>1**</td><td>1</td><td>2**</td><td>1</td><td>1</td></tr>
<tr><td>Dato' Sri Pek Kok Sam</td><td>4</td><td>4**</td><td>1</td><td>1**</td><td>2</td><td>1</td><td>1</td></tr>
<tr><td>Mr Lim Wei Hung</td><td>4</td><td>4**</td><td>1**</td><td>1**</td><td>2**</td><td>1</td><td>1</td></tr>
<tr><td>Dato' Gainneos Jacob Goldie</td><td>4</td><td>4</td><td>1</td><td>1</td><td>2</td><td>1</td><td>1</td></tr>
<tr><td>Mr. Chin Chee Choon</td><td>4</td><td>4</td><td>1</td><td>1</td><td>2</td><td>1</td><td>1</td></tr>
<tr><td>Mr. Sim Chin Hoe</td><td>4</td><td>4</td><td>1</td><td>1</td><td>2</td><td>1</td><td>1</td></tr>
</table>
** by invitation

All Directors (including those with multiple board representations) ensure that sufficient time and attention are given to the affairs of the Company.</td></tr>
<tr><td>1.6</td><td>Access to Information</td><td>The Management provides the Board with key information that is complete, adequate and in advance to enable the Directors to make timely decisions, effectively discharge their duties and make a balanced and informed assessment of the performance, position and prospects of the Company. Key information comprises, among others, properly organized board papers (with background or explanatory information relating to the matters brought before the Board, where necessary), updates to Group operations and the markets in which the Group operates in, budgets and/or forecasts, management accounts, External Auditor (EA) Reports and reports on on-going or planned corporate actions.</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
		All scheduled Board and Board Committees' meetings are planned ahead. Board papers are sent to Directors prior to each Board and Board Committee meeting in a timely manner. Management recognises the importance of circulating information on a timely basis to ensure that the Board has adequate time to review the materials to facilitate a constructive and effective discussion during the scheduled meetings. As such, Management endeavours to circulate information at least one week prior to the meetings to allow sufficient time for review by the Directors. Such board papers usually include budgets, forecasts and periodic management accounts. In respect of budgets, any material variances between the projections and actual results are disclosed and explained to the Board. Directors are also informed on a regular basis as and when there are any significant developments or events relating to the Group's business operations. Management will also provide any additional material information that is requested by Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects. Management will also endeavour to encrypt documents containing material price-sensitive information when circulating them electronically.
1.7	**Access to Management and Company Secretaries**	The Board has separate and independent access to the Financial Controller and any other key management personnel ("**Key Management Personnel**"), external advisers (where necessary) and the Company Secretaries at all times. The Company Secretaries and/or their representative(s) attend all Board and Board Committee meetings and prepare minutes of Board and Board Committees meetings. The responsibilities of the Company Secretaries include advising the Board on governance matters, facilitating the process of appointment of new Directors and assisting the Chairman of the Board in ensuring that Board procedures are followed in accordance with the Company's Constitution so that the Board functions effectively and the relevant requirements of the Companies Act 1967 of Singapore ("**Companies Act**") are complied with. The Company Secretaries will also provide the Board with updates to regulations and legislations that the Company is required to comply with, as required. The appointment and removal of the Company Secretaries is to be decided by the Board as a whole. Where decisions to be taken by the Board require specialised knowledge or expert opinion, the Directors may direct the Company to appoint external advisers to enable the Board and/or the Independent Directors to discharge their responsibilities effectively, the cost of which will be borne by the Company.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
Board Composition and Guidance ***Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.***		
2.1/ Rule 1204 (10B) of the Catalist Rules	**Board Composition and Independence Assessment of Directors**	As at the date of this report, the Board comprises six (6) Directors, including three (3) of whom are Independent Directors, one (1) Non-Executive Non-Independent Director and two (2) Executive Directors. Accordingly, the Board has satisfied the requirements for (i) independent directors to make up at least one third of the Board where the Chairman of the Board is independent; and (ii) non-executive directors to make up a majority of the Board. The composition of the Board is as follows:– Dato' Gainneos Jacob Goldie – Independent Non-Executive Chairman Dato' Sri Pek Kok Sam – Managing Director ("**MD**") Dato' Teh Teck Tee – Non-Executive Non-Independent Director Mr Lim Wei Hung – Executive Director ("**ED**") and Chief Operating Officer ("**COO**") Mr Chin Chee Choon – Independent Director Mr Sim Chin Hoe – Independent Director The Board assesses the independence of each Director in accordance with the guidance provided in Code 2018 as well as Rule 406(3)(d) of the Catalist Rules. An Independent Director is one who is independent in conduct, character and judgment and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgment in the best interests of the Company. On an annual basis, each Independent Director is required to complete a "Confirmation of Independence" form to confirm his independence. The said form was drawn up based on the definitions and guidelines set forth in the Code 2018. The Directors are required to disclose to the Board any such relationship as and when it arises and the Board will state the reasons if it determines that a director is independent notwithstanding the existence of a relationship or circumstances which may appear relevant to the Board's determination. The NC will also examine the different relationships identified by the Catalist Rules, the Code 2018 and the circumstances set out in the Practice Guidance that might impair each Independent Director's independence and objectivity and conclude whether each Independent Director is able to exercise independent business judgment in the best interests of the Company and its shareholders.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
		The Independent Directors have confirmed their independence in accordance with the Code 2018 and Rule 406(3)(d) of the Catalist Rules. The NC has reviewed the "Confirmation of independence" forms completed by each Independent Director and is satisfied that they are independent in accordance with the Provision 2.1 of the Code 2018 and Rule 406(3)(d) of the Catalist Rules. For FY2026, there is no Director who is deemed independent by the Board, notwithstanding the existence of a relationship as stated in the Code 2018 and the Catalist Rules that would otherwise deem him not to be independent. There is currently no Independent Director who has served on the Board for more than nine (9) years since the date of his first appointment.
2.2	**Independent Directors**	The current Board composition complies with Provision 2.2 of Code 2018 where Independent Directors make up at least one third of the Board where the Chairman is independent.
2.3	**Non-Executive Directors**	The Non-Executive Directors will meet without the presence of the Executive Directors and Management at least once annually so as to facilitate a more effective check on the Management. The Chairman of such meeting will provide feedback to the Board as appropriate. The current Board composition complies with Provision 2.3 of Code 2018 where Non-Executive Directors make up a majority of the Board.
2.4	**Board Size and Diversity**	The size and composition of the Board is reviewed at least annually to ensure that the Board has the appropriate mix of expertise, skills, knowledge, experience and other aspects of diversity such as gender and age so as to avoid groupthink and foster constructive debate. The Board, in concurrence with the NC, is of the view that the current number of six (6) Directors and the composition are appropriate and effective, taking into consideration the scope and nature of the Company's operations. No individual or small group of individuals dominates the Board's decision-making. The Board is committed to ensuring diversity on the Board including but not limited to appropriate balance and mix of skills, knowledge, experience, gender, age and the core competencies of accounting or finance, legal and regulatory, business or management experience, industry knowledge, and strategic planning to avoid groupthink and foster constructive debate.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
		As of the date of this report, the Company has adopted a Board Diversity Policy ("**Policy**") which focuses on an appropriate balance of skills, experience, knowledge, and other aspects of diversity (e.g., gender and age) in building an effective Board with the ability to guide and support the achievement of the Group strategy objectives and for sustainable development and growth. Under the Policy, the NC is responsible for reviewing the Board's composition and considering relevant aspects of diversity and the needs of the Company. All Board appointments shall be based on merit and will be considered against objective criteria and having due regard for the benefits of diversity on the Board and the Company's needs. The current Board comprises six (6) male Directors with an age group ranging from 53 to 74 years old. Each Director has been appointed based on the strength of his calibre, experience, grasp of corporate strategy and potential to contribute to the Company and its businesses. The Board provides diversity of expertise and knowledge in areas such as accounting, finance, strategic planning, investment, business management and administration, industry knowledge, engineering technology and economics. This diversity facilitates constructive debate on the business activities of the Company and enables Management to benefit from a diverse and objective set of perspectives on issues that are brought before the Board. The Board, in concurrence of the NC, is of the view that the current Directors possess the necessary competencies to provide the Management with a diverse and objective perspective on issues so as to lead and govern the Company effectively. The Board's policy in identifying directors is primarily to have an appropriate mix of members with complementary skills, core competencies and experience that could effectively contribute to the Group, regardless of gender. The Board will seek to incorporate diversity aspect, including gender, professional background, and to appoint a director with skill and experience in various environmental, social and governance ("**ESG**") areas, preferably pertaining to the mining industry as and when the opportunity arises. The Board has deliberated on whether specific targets and timelines should be adopted for these diversity objectives and has concluded that a rigid timetable may not be suitable at this stage, given the specialised nature of the Company's operations and the need to select directors based on merit and fit. Instead, the Board has committed to reviewing its composition and measurable diversity objectives annually to ensure steady progress while maintaining the flexibility necessary to preserve Board efficiency.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
		As at the date of this Report, the Board, taking into account the views of the NC, considers that the current composition of the Board and Board committees comprise a balance and mix of skills, experience and individual attributes which promote effectiveness of the Board as a whole and that of its Board committees. The key information of the Directors up for re-election at the forthcoming AGM, including their appointment dates, academic and professional qualifications, Board Committees served on, principal commitment(s) and directorships in other listed company(ies) are set out on pages 97 to 107 of this annual report.
2.5	**Meeting in the Absence of the Management**	The Non-Executive Directors and Independent Directors will meet without the presence of the Executive Directors and Management at least once annually so as to facilitate a more effective check on the Management. The Chairman of such meeting will provide feedback to the Board as appropriate. During FY2026, the Non-Executive Directors and Independent Directors met at least once in the absence of Management. Independent Directors fulfil a pivotal role in corporate accountability. Their presence is particularly important as they provide unbiased and independent views, advice and judgment to take care of the interests, not only of the Company but also of the shareholders, employees, customers, suppliers and the many communities with which the Company conducts business with.
Chairman and Managing Director ***Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.***		
3.1 3.2	**Role of Chairman and MD**	The Company has a separate Chairman and Managing Director to ensure an appropriate balance of power, increased accountability and greater capacity of the Board in terms of independent decision-making. There is clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making. Dato' Gainneos Jacob Goldie ("Dato' Jacob") is the Chairman of the Board, while Dato' Sri Pek Kok Sam ("Dato' Sri Pek") is the Managing Director ("MD") of the Company. Separation of the roles of Chairman of the Board and Managing Director is part of the Group's continuing efforts to enhance the standards of its corporate governance.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
		As the Independent Non-Executive Chairman, Dato' Jacob assumes responsibility for:– (a) in consultation with the MD, setting the agenda (with the assistance of the Company Secretaries) and ensuring that adequate time is available for discussion of all agenda items; (b) ensuring that all agenda items are adequately and openly debated at the Board meetings; (c) ensuring that all Directors receive complete, adequate and timely information; and (d) assisting in ensuring that the Group complies with Code 2018 and maintains high standards of corporate governance. As the MD of the Group, Dato' Sri Pek is responsible for the overall management, operations, strategic planning and business expansion of the Group. He oversees the execution of the Group's corporate and business strategies and the day-to-day operations of the Group. His performance and appointment to the Board will be reviewed periodically by the NC and his remuneration package is reviewed by the RC. The Company has not appointed a lead independent director as the Chairman is independent, has no familial or other close ties with the MD and is not a substantial shareholder. Furthermore, the Board comprises a majority of non-executive Directors with one-third of the Board being Independent Directors. If the Chairman is conflicted on any matter, the Independent Directors will fulfil the role, on a case-by-case basis, as circumstances warrant. Dato' Jacob was redesignated as the Independent Non-Executive Chairman with effect from 29 November 2024. As the Independent Non-Executive Chairman, he serves as the main liaison on Board matters between the Independent Directors and the ED and MD. He is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Management are inappropriate or inadequate, at the following email address: jacobgoldie@saminingltd.com.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
Board Membership ***Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.***		
4.1	**Role of the Nominating Committee**	The NC is guided by key terms of reference as follows: (a) reviewing and recommending the appointment of new directors and executive officers, and the re-nomination of Directors having regard to each Director's contribution, performance and ability to commit sufficient time, resources and attention to the affairs of the Group, and each Director's respective commitments outside the Group including his principal occupation and board representations on other companies, if any; (b) determining annually, and as and when circumstances require, whether or not a Director is independent, in accordance with the Code 2018 and any other salient factors; (c) deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director; (d) developing a process for evaluating the performance of the Board as a whole and its Board Committees, and for assessing the contribution of each Director to the effectiveness of the Board; (e) reviewing the composition of the Board to ensure that the committees comprise an appropriate mix of skills, experience, core competencies and knowledge of the Group that the Directors require to function competently and efficiently; (f) reviewing succession plans for the Executive Director(s); (g) reviewing the training and professional development programs for the Board and its Directors; (h) determining and recommending to the Directors the maximum number of listed company board representations which any Director may hold and disclosing this in the annual report; (i) reviewing and approving the employment of persons related to the Directors, MD or Substantial Shareholder and the proposed terms of their employment;

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
		(j) following any processes implemented by the Board for assessing effectiveness of the Directors as a whole, and for assessing the contribution of each individual Director to the effectiveness of the Board of Directors; and (k) deciding how the Directors' performance is to be evaluated and will propose objective performance criteria, subject to the approval of the Directors, which address how the Directors have enhanced long-term Shareholders' value.
4.2	**Composition of the Nominating Committee**	The NC comprises three (3) Independent Directors and one (1) Managing Director who have been tasked with the authority and responsibility to devise an appropriate process to review and evaluate the performance of the Board as a whole and each of the Board Committees. The Chairman of the NC is Mr Chin Chee Choon, who is an Independent Director. The composition of the NC is as follows: Mr Chin Chee Choon – Chairman Dato' Gainneos Jacob Goldie – Member Dato' Sri Pek Kok Sam – Member Mr Sim Chin Hoe – Member
4.3 4.4 Rule 720(4) of the Catalist Rules	**Selecting, Appointment and Re-appointment of Directors**	The NC conducts an annual review of the balance, diversity and size of the Board to determine whether any changes are required in relation to the Board composition. Where new directors are required, the NC will identify the current needs and inadequacies the Board requires and the key attributes that an incoming director should have to complement and strengthen the Board, which is based on a matrix of the attributes of the existing Board and the requirements of the Group. After the Board endorsed the key attributes, the NC taps on the resources of the Directors' contacts and/or engage external consultants to source for potential candidates. The NC will review and interview shortlisted candidates to assess their suitability before providing a recommendation for the Board's consideration and approval. For the re-appointment of Directors, the NC would assess the performance of the Director in accordance with the performance criteria set by the Board while considering the current needs of the Board before recommending the re-appointment of the Director to the Board for its consideration and approval, subject to his satisfactory assessment.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
		The NC also conducts an annual review of the independence of Independent Directors having regard to the circumstances set forth in Provision 2.1 of the Code 2018, Rule 406(3)(d) of the Catalist Rules and the Practice Guidance. Sufficient information will accompany all resolutions for the Directors' appointments and re-appointments to enable the Board to make informed decisions. After reviewing and considering the NC's recommendations, the Board would make the decision to appoint the new director and/or propose the re-election of the incumbent director for shareholders' approval. Pursuant to Rule 720(4) of the Catalist Rules, all Directors must submit themselves for re-nomination and re-appointment at least once every three (3) years. Pursuant to Regulation 96 of the Company's Constitution, at each annual general meeting of the Company ("**AGM**"), at least one-third of the Directors, or if their number is not three or a multiple of three, the number nearest to one-third but not less than one-third, shall retire by rotation and that all Directors shall retire at least once every three (3) years and such retiring Director shall be eligible for re-election. The NC, with the respective members interested in the discussion having abstained from the deliberations, recommended that Dato' Sri Pek Kok Sam and Mr Chin Chee Choon be nominated for re-election at the forthcoming AGM. The Board had accepted the NC's recommendation and had tabled the re-election of Dato' Sri Pek Kok Sam and Mr Chin Chee Choon as Directors of the Company for shareholders' approval at the forthcoming AGM. Please refer to the Notice of AGM for the resolutions put forth in relation to the respective re-elections and details of required under Appendix 7F of the Catalist Rules disclosed on pages 97 to 107 of this annual report. Dato' Sri Pek Kok Sam will, upon re-election as a Director, remain as the Managing Director of the Company, a member of the SC and NC. Mr Chin Chee Choon will, upon re-election as a Director, remain as an Independent Director of the Company, the Chairman of the AC and NC and a member of the SC and RC.
4.5	**Multiple Directorships**	The NC is responsible for reviewing the ability of Directors to devote sufficient time and attention to the affairs of the Company and in particular, to take into account multiple directorships and significant principal commitments held by the Directors.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
		The NC requires each Director to declare any new additional directorships or significant principal commitments during the financial year to enable the ongoing monitoring of the time commitment, attendance and contributions of the Directors to the Company. The Board has not imposed any limit to the maximum number of listed company board representations each Director may hold as it is of the view that the number of directorships and principal commitments that an individual may hold should be considered on a case-by-case basis, as a person's available time and attention may be affected by many different factors. The NC also does not wish to omit from considering outstanding individuals who, despite the demands on their time, have the capacity to participate and contribute as members of the Board. Directors with multiple Board representations would ensure that sufficient time and attention are given to the affairs of the Company. Based on its assessment, the NC and the Board concluded that the nature of the organisations in which the Directors with multiple directorships hold appointments in and the Board Committees on which they serve are of different complexities. Accordingly, each Director would personally determine the demands of his competing directorships and obligations. During FY2026, the Directors and Board Committee members had attended all Board and Board Committees meetings respectively. In addition to the meetings, they have dedicated sufficient time and attention and also discharged their responsibilities towards the affairs of the Company particularly by participating in various discussions via the Company's internal correspondence channel. The NC is satisfied that the other directorships and principal commitments of the Directors did not impede their respective performance nor hindered them from carrying out their duties as Directors of the Company and all the Directors were able to and had diligently and adequately carried out their duties as Directors of the Company in FY2026. In coming to such conclusion, the NC had reviewed the declarations by each Director of their other principal commitments and listed company directorships (if any), and the confirmations made by each Director annually on his ability to devote sufficient time and attention to the Company's affairs, having regard to his other commitments, and also taking into consideration their attendance record at the relevant Board and committee meetings, and the results of the Board assessment questionnaire described under section 5 below. The key information of the Directors, including their appointment dates, academic and professional qualifications, Board Committees served on, principal commitment(s) and directorships in other listed company(ies) is set out on pages 13 to 14 of this annual report.

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>Practice Guidance 4</td><td>Alternate Directors</td><td>The Company does not have any alternate Directors.</td></tr>
<tr><td colspan="3">Board Performance
Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.</td></tr>
<tr><td>5.1</td><td>Performance Criteria</td><td>The NC has implemented a self-assessment questionnaire that requires each Director to assess the performance and effectiveness of the Board as a whole, each of the Board Committees and the contribution by the Chairman and each individual Director to the effectiveness of the Board, for each financial year. The table below sets out the performance criteria used in the questionnaire, recommended by the NC and approved by the Board, to evaluate the effectiveness of the Board as a whole and assess the contribution by each Director.

Table 5.1 – Performance Criteria
<table><tr><th>Board</th><th>Individual Directors</th></tr><tr><td>1. Size and composition
2. Information to the Board
3. Board procedures
4. Board risk management and internal control
5. Strategic planning
6. Standard of conduct</td><td>1. Commitment of time
2. Knowledge and abilities
3. Teamwork
4. Independence and objectivity
5. Integrity
6. Overall effectiveness</td></tr></table>
The NC would review the questionnaire periodically to ensure that the questionnaire is able to provide an accurate and effective performance assessment taking into consideration industry standards and the economic climate with the objective to enhance long-term shareholder value, thereafter propose amendments if any, to the Board for approval.

The NC did not propose any changes to the performance criteria for FY2026 as compared to the previous financial year as the Board composition remained unchanged. The Group's principal business activities continued to include iron ore mining with the addition of rare earth business activities in September 2025.</td></tr>
<tr><td>5.2</td><td>Performance Review</td><td>The Board assessment questionnaire has been developed for the Board to implement a formal annual process to assess the effectiveness of the Board as a whole and the contribution of each Board Committee and each individual Director to the effectiveness of the Board.

The Company Secretaries will collate the results and the summary of the assessment will be presented to the Chairman and the NC for review and collective discussion with other Board members to address or recommend any areas for improvement and follow-up actions.</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
		NC makes recommendations to the Board aimed at helping the Board to discharge its duties effectively. The Chairman of the Board acts on the results of the performance evaluation and the recommendation of the NC, and where appropriate, in consultation with the NC, and new members may be appointed or resignation of directors may be sought. The NC has full authority to engage external facilitator to assist the NC to carry out the evaluation process, if the need arises. The NC has reviewed the overall performance of the Board, Board Committees and individual Directors for FY2026 and is satisfied that the Board as a whole and each Board Committee have met the performance evaluation criteria and objectives and each Director has contributed effectively and demonstrated commitment to their respective roles, including commitment of time for the Board and Board Committee meetings and any other duties in FY2026. All NC members have abstained from the voting or review process of any matters in connection with the assessment of his performance or re-appointment as a Director of the Company. The Board has not considered the use of external facilitators as it is of the view that for FY2026, the NC has a sufficient level of objectivity in its evaluation process.
REMUNERATION MATTERS **Procedures for developing remuneration policies** ***Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and Key Management Personnel. No director is involved in deciding his or her own remuneration.***		
6.1	**Role of Remuneration Committee**	The RC is established for the purposes of ensuring that there is a formal and transparent process for fixing the remuneration packages of individual Directors and Key Management Personnel and makes recommendations to the Board on all remuneration matters. The RC has a formal set of terms of reference approved by the Board. A summary of the RC's key responsibilities includes recommending to the Directors a framework of remuneration for the Directors, MD and executive officers, and determining specific remuneration packages for each Executive Director. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind shall be reviewed by the RC. Each RC member will abstain from participating in the deliberations of and voting on any resolution in respect of his remuneration package or that of employees related to him.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
		The RC is guided by key terms of reference as follows: (a) recommending to the Directors a framework of remuneration for the Directors, MD and executive officers, and determine specific remuneration packages for each Executive Director. The recommendations of the RC will be submitted for endorsement by the Directors. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind shall be reviewed by the RC; (b) administering the Southern Alliance Mining Performance Share Plan; (c) reviewing the remuneration of employees who are related to the Directors, MD or Substantial Shareholder who hold managerial positions annually to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities; (d) reviewing and approving any bonuses, pay increments and/or promotions for related employees who hold managerial positions; and (e) reviewing and approving the employment and proposed term of employment of related staff. In the event that a member of the RC is related to the staff under review, he will abstain from the review.
6.2	**Composition of Remuneration Committee**	The RC comprises three (3) Independent Directors and one (1) Non-Executive Non-Independent Director who have been tasked with the authority and responsibility to devise an appropriate process and policy in fixing the remuneration packages of Directors and Key Management Personnel. The Chairman of the RC is Dato' Gainneos Jacob Goldie, who is an Independent Non-Executive Chairman. All of the RC members are Non-Executive Directors. The composition of the RC is as follows: Dato' Gainneos Jacob Goldie – Chairman Dato' Teh Teck Tee – Member Mr Sim Chin Hoe – Member Mr Chin Chee Choon – Member

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
6.3	**Termination Clauses**	The RC reviews and considers all aspects of remuneration including termination terms, to ensure they are fair and not overly generous. Termination clauses are included in the service agreements for Directors and Key Management Personnel. The RC has reviewed and recommended to the Board and the Board concurred that the termination clauses are fair, reasonable and are not overly generous. There was no termination of any Directors and Key Management Personnel during FY2026.
6.4	**Engagement of Remuneration Consultants**	The RC has access to expert professional advice on human resource matters whenever there is a need to consult externally. In its deliberations, the RC takes into consideration industry practices and norms in compensation, in addition to the Group's relative performance to the industry and the performance of the individual Directors. The Company has not engaged any remuneration consultants for FY2026. The Company will continue to monitor the need to engage external remuneration consultants and, where applicable, will review the independence of the external firm before any engagement.
Level and Mix of Remuneration ***Principle 7: The level and structure of remuneration of the Board and Key Management Personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.***		
7.1	**Remuneration Framework**	The Company's remuneration policy (which covers all aspects of remuneration, including directors' fees, salaries, allowances and bonuses, grant of share options, and other benefits) is to ensure that the remuneration offered is competitive and sufficient to attract, retain and motivate Directors and Key Management Personnel of the required experience and expertise. The policy articulates to staff that total compensation has been linked to be the achievement of organizational and individual performance objectives, and benchmarked against relevant and comparative compensation in the market or the industry. In determining such remuneration packages, the RC will ensure that they are adequate by considering, in consultation with the Chairman, the respective individual's responsibilities, skills, expertise and contribution to the Company's performance, and whether they are competitive and sufficient to ensure that the Company is able to attract and retain the best available executive talent, without being excessively generous and be able to motivate the Directors to provide good stewardship of the Company and Key Management Personnel to successfully manage the Company for the long term. The Board believes that the current remuneration framework allows the Company to attract sufficiently qualified talent.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
		The remuneration package of Key Management Personnel comprises a base fixed cash component, including the base salary and compulsory employer contribution to the Key Management Personnel's employee pension funds account, and a variable cash component. The variable cash component is dependent on a Key Management Personnel's ability to achieve the performance targets, both personal and that of the Group. This aligns the compensation of Key Management Personnel with that of the shareholders in terms of value creation. Key performance indicators for Key Management Personnel are aligned to the interests and value creation to all stakeholders. The following key performance indicators were chosen to align the short-term compensation of Executive Director, such as variable bonus, with the value creation and interests of all stakeholders: A. Quantitative performance criteria: 1. Consolidated profit before income tax (before non-recurring exceptional items and minority interests for the relevant financial year) of the Group B. Qualitative performance criteria: 1. Macro-economic factors; 2. Current market and industry practices; 3. Leadership; and 4. Teamwork and commitments. The RC has reviewed and noted that the quantitative performance criteria were not met for FY2026. The improvement in loss before tax is mainly attributable to the significant positive contribution from the newly acquired stake in the rare earth business but was partially offset by the non-cash provision made for credit-impaired debtors and the Group's share of losses of joint ventures. Save for the aforementioned, the remaining performance criteria were satisfied.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
		Dato' Sri Pek Kok Sam, the MD of the Company, has a service agreement with the Company for an initial period of three (3) years upon listing of the Company ("**Service Agreement**") and subsequently renewed on yearly basis, including the calendar year 2027. The variable component of Dato' Sri Pek Kok Sam's remuneration is tied solely to the consolidated profit before income tax (before non-recurring exceptional items and minority interests for the relevant financial year) of the Group ("**Consolidated PBT**") and does not take into account of any qualitative performance criteria. For further information on the remuneration of Dato' Sri Pek Kok Sam, please refer to the section entitled "Directors, Management and Staff – Service Agreement and Appointment" of the Company's offer document dated 16 June 2020 ("**Offer Document**"). Mr Lim Wei Hung, the ED and COO of the Company, entered into a service agreement with the Company for a period of three (3) years from the date of his appointment, which has since been renewed on annual basis, including the calendar year 2027. Under the terms of his service agreement, Mr Lim Wei Hung is entitled only to a fixed monthly basic salary. His remuneration package is disclosed under Provision 8.1(a), "Remuneration Breakdown of Directors and MD". The Company has also adopted the Southern Alliance Mining Performance Share Plan ("**Plan**") as a long-term incentive of the Group, which serves to encourage the Board and Management to develop a more robust business plan and invest in mines that will not only create but also enhance the value of the Group to benefit all stakeholders. Please refer to the next section for more information on the Plan. Save for the above, there are no bonus or profit sharing plans or any other profit-linked agreements or arrangements between the Company and any of the Directors or Key Management Personnel.
	Long-term Incentives	The Plan had been approved by the Shareholders pursuant to the written resolutions passed on 27 April 2020. The objectives of the Plan include fostering an ownership culture within the Group which aligns the interests of participants with the interests of Shareholders, motivating participants to achieve key financial and operational goals of the Company and/or their respective business divisions and encourage greater dedication and loyalty to the Group.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
		The focus of the Plan is to target selected management in key positions who are able to drive the growth of the Company through creativity, firm leadership and excellent performance. Under the rules of the Plan, full time employees of the Group and Group Directors who have attained the age of 21 years on or before any grant of award under the Plan shall be eligible to participate in the Plan. Employees who are a Controlling Shareholder or associates of a Controlling Shareholder, and who are also Group Executives shall be eligible to participate in the Plan subject to, inter alia, their participation and the terms of each grant of award under the Plan and actual number of shares having been approved by independent shareholders at a general meeting of the Company. The eligibility of any participation in the Plan shall be at the absolute discretion of the RC. Controlling Shareholders and their associates who are eligible to participate or are granted shares/award under the Plan are required to abstain from voting on any Shareholders' resolution relating to the Plan. Under the Plan, the aggregate number of shares over which options or awards are granted under any share option schemes or share schemes of our Company shall not exceed 15% of the total issued share capital (excluding treasury shares and subsidiary holdings) on the day preceding the date of shares are awarded and will be in force for a maximum period of ten (10) years. The aggregate number of shares which may be issued or transferred pursuant to awards granted under the Plan to: 1) participants who are Controlling Shareholders and their Associates (including adjustments made in accordance with Rule 9 of the Plan); 2) each participant who is a Controlling Shareholder or his Associate (including adjustments made in accordance with Rule 9 of the Plan); or 3) a participant who is a Non-Executive Director shall not exceed 25.0%, 10.0% or 10.0% of the total number of shares available under the Plan respectively.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
		The selection of a participant and the number of shares to be granted in accordance with the Plan is determined in the absolute discretion of the RC, taking into consideration criteria such as his/her rank, job performance during the performance period, potential for future development, his/her future contribution to the success and development of the Group and the extent of effort to achieve the performance target(s) within the performance period. Details of the Plan are available in the Offer Document. No awards or award shares have been granted pursuant to the Plan since its adoption and as at the date of issuance of this annual report.
7.2	**Remuneration Structure of Non-Executive Directors**	The RC has adopted a framework which consists of a base fee to remunerate Independent Directors and Non-Executive Non-Independent Directors, based on their appointments and roles in the respective Board Committees, taking into account the level of contribution and factors such as effort, time spent and responsibilities and the fees paid by comparable companies. Directors' fees to be paid to the Independent Directors and Non-Executive Non-Independent Director will be tabled for shareholders' approval at the AGM. The Directors' fees are reviewed annually to ensure that the Independent Directors and Non-Executive Non-Independent Director are not overcompensated to the extent that their independence may be compromised. The RC has reviewed and assessed that the remuneration of the Independent Directors and Non-Executive Non-Independent Directors for FY2026 is appropriate, considering the effort, time spent and responsibilities.
	Contractual Provisions to Reclaim Incentives	The Company does not have and is of the view that there is presently no urgent need to initiate any contractual provisions in the terms of employment that allow for the reclaiming of incentive components from the Executive Directors and Key Management Personnel in the exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Group. The Executive Directors and Key Management Personnel owe fiduciary duties to the Company. Furthermore, the Company believes that there are alternative legal avenues to these specific contractual provisions that will enable the Company to recover financial losses arising from such exceptional events from the Executive Directors and Key Management Personnel.

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td colspan="3">Disclosure on Remuneration
Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.</td></tr>
<tr><td>8.1(a) and 8.3</td><td>Remuneration Breakdown of Directors and MD</td><td>The actual remuneration received by the Directors from the Company during the financial year ended 31 July 2026 is set out below:

Table 8.1(a) – Remuneration of Directors
<table><tr><th>Name</th><th>Base/Fixed Salary and statutory contributions (S$)*</th><th>Bonus/ variable performance bonus (S$)</th><th>Directors Fees (S$)</th><th>Other Benefits (S$)</th><th>Total (S$)</th></tr><tr><td>Dato' Sri Pek Kok Sam</td><td>1,191,961</td><td>181,693**</td><td>–</td><td>–</td><td>1,373,654</td></tr><tr><td>Mr Lim Wei Hung</td><td>277,360</td><td>–</td><td>–</td><td>–</td><td>277,360</td></tr><tr><td>Dato' Teh Teck Tee</td><td>59,050</td><td>–</td><td>55,000</td><td>–</td><td>114,050</td></tr><tr><td>Dato' Gainneos Jacob Goldie</td><td>–</td><td>–</td><td>83,700</td><td>–</td><td>83,700</td></tr><tr><td>Mr. Chin Chee Choon</td><td>–</td><td>–</td><td>73,700</td><td>–</td><td>73,700</td></tr><tr><td>Mr. Sim Chin Hoe</td><td>–</td><td>–</td><td>62,200</td><td>–</td><td>62,200</td></tr></table>* Remuneration paid in Ringgit Malaysia is translated at an exchange rate of S$1.00 to RM3.1702.
** Relates to dividend payment paid by the joint operator prior to acquisition.

The bonus for Dato' Sri Pek Kok Sam was calculated in accordance with his Service Agreement, pursuant to which he is entitled to receive an annual incentive bonus based on the consolidated profit before income tax (before non-recurring exceptional items and minority interests for the relevant financial year) of the Group for the relevant financial year. As the Group incurred a consolidated loss before tax for FY2026, there will be no incentive payment to Dato' Sri Pek Kok Sam.</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>The RC recommends Directors' fees for the Board's endorsement and approval by shareholders at the Company's AGM and the fees are determined having regard to the scope and extent of the responsibilities and obligation to the Company. Directors' fees amounting S$274,600 for the financial year 2027 will be paid after approval is obtained from shareholders at the forthcoming AGM.

No Director is involved in deciding his own remuneration. Each RC member has abstained from participating in the deliberations of and voting on any resolution in respect of his remuneration package or that of employees related to him.

There were no termination, post-employment and retirement benefits granted to the Directors in FY2026.</td></tr>
<tr><td>8.1(b) and 8.3</td><td>Remuneration Breakdown of Key Management Personnel</td><td>As at the date of this annual report, the Company has only one (1) key management personnel i.e. the Financial Controller, Ms Chong Yee Ching. The disclosure for the remuneration of the Company's Key Management Personnel (who are not Directors or the MD) for FY2026 is as follows:

<table>
<tr><td colspan="5">Table 8.1(b) – Remuneration of Key Management Personnel</td></tr>
<tr><th>Name</th><th>Base/Fixed Salary and Statutory Contributions (%)</th><th>Variable or Performance Related Income/ Bonuses (%)</th><th>Other Benefits (%)</th><th>Total (%)</th></tr>
<tr><td colspan="5">Remuneration Band below S$250,000</td></tr>
<tr><td>Ms Chong Yee Ching</td><td>91.7</td><td>8.3</td><td>–</td><td>100</td></tr>
</table>

The Company believes that it should not disclose the remuneration paid to Key Management Personnel in absolute amount due to the highly competitive market and in the interest of maintaining good morale and teamwork within the Group.

There were no termination and retirement and post-employment benefits granted to the top Key Management Personnel during FY2026.</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>8.2</td><td>Remuneration of Related Employees</td><td>Ms Pek Siew Mei, the sister of the MD, Dato' Sri Pek Kok Sam, is an Office Manager of Honest Sam Development Sdn Bhd ("HSDSB").

Mr Pek Kok Hing, the brother of the MD, Dato' Sri Pek Kok Sam, is a Director of HSDSB.

The remuneration of the aforementioned related employees for FY2026 is as follows:

<table>
<tr><td colspan="2">Table 8.2 – Remuneration of Related Employees</td></tr>
<tr><td>Name</td><td>Relationship</td></tr>
<tr><td colspan="2">Remuneration Band between S$50,000 to S$100,000</td></tr>
<tr><td>Ms Pek Siew Mei</td><td>Sister of Dato' Sri Pek Kok Sam, the MD</td></tr>
<tr><td>Mr Pek Kok Hing</td><td>Brother of Dato' Sri Pek Kok Sam, the MD</td></tr>
</table>

Note:
(1) Mr Pek Kok Hing had been a Director of HSDSB since 2001.

Save as disclosed, there is no employee of the Group who is a substantial shareholder, an immediate family member of a Director, MD or substantial shareholder whose remuneration exceeded S$100,000 during FY2026.</td></tr>
<tr><td>8.3</td><td>Employee Share Scheme(s)</td><td>Information on the Plan is set out under Principle 7 above and on page 110 of this annual report and further information can be found in the Offer Document.</td></tr>
<tr><td colspan="3">ACCOUNTABILITY AND AUDIT
Risk Management and Internal Controls
Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.</td></tr>
<tr><td>9.1</td><td>Risk Governance</td><td>The Company does not have a Board Risk Committee. The Board, with the support of the AC, is responsible for the overall governance of the risk management of the Company, establishing risk management policies and tolerance strategies that set the direction for the Group and overseeing the implementation of risk management framework to ensure that risks are identified and managed.</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
		The Enterprise Risk Management ("**ERM**") framework, which was last updated by IA Essential Pte. Ltd ("**IA Essential**") in FY2025, continue to guide the Board in identifying and assessing the Group's enterprise risks. The Board and Management continue to monitor and review the risk register and risk map covering financial, operational, compliance and information technology risks. These risks are prioritised in line with the Group's risk appetite and tolerance levels. Key risks are escalated to, and deliberated at the Board level, while all the other risks are handled at Management level and reported to the Board on an exceptional basis. The ERM framework is reviewed by the AC and approved by the Board to ensure its continued relevance and effectiveness. The Management and the internal auditor, IA Essential, conduct reviews and audits that involve testing the adequacy and effectiveness of material internal controls on key risks. Any material non-compliance or lapses in internal controls and its corresponding mitigating actions will be reported to the AC. At least annually, the Board, with the assistance from the AC, will review the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational, compliance and information technology risks.
9.2	**MD and ED Assurance**	For FY2026, the Board has received assurance from the MD and the ED: (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and (b) on the adequacy and the effectiveness of the Group's risk management systems and internal control systems, including financial, operational, compliance and information technology controls.
	Board Conclusion	In addition, the external auditors will also highlight internal control weaknesses which have come to their attention in the course of their statutory audit. All external and internal audit findings and recommendations will be reported to the AC and discussions will be held between the AC and auditors in the absence of the Key Management Personnel to review and address any potential concerns. The Board noted there were no major adverse findings on risk management and internal control systems relating to the agreed internal audit scope.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
		Based on the assurance from the MD and the ED referred to in the preceding paragraph, the internal controls established and maintained by the Group, the review performed by the Management and the AC, the work performed by the internal auditors, the review undertaken by the external auditors as part of their statutory audit, and the Enterprise Risk Management framework that has been developed, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems, were adequate and effective for FY2026.
Audit Committee ***Principle 10: The Board has an Audit Committee which discharges its duties objectively.***		
10.1	**Role of the Audit Committee**	In performing its functions in accordance with a set of terms of reference, the AC's principal responsibilities include, amongst others the following: (a) review, with the internal and external auditors, the audit plans, scope of work, their evaluation of our system of internal controls, audit reports, their management letters and our Management's response, and the results of audits compiled by our internal and external auditors, and will review, at regular intervals with the Management, the implementation of the internal control recommendations made by our internal and external auditors by our Group; (b) review the periodic consolidated financial statements and any formal announcements relating to the Group's financial performance before submission to the Directors for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments arising from the audit, compliance with accounting standards, compliance with the Catalist Rules and any other statutory and regulatory requirements, concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of the Management, where necessary, before submission to the Directors for approval; (c) review and report to the Directors, at least annually, the effectiveness and adequacy of our internal control procedures addressing financial, operational, information technology and compliance risks and discuss issues and concerns, if any, arising from the internal audits;

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
		(d) review and discuss with our independent and internal auditors, any suspected fraud, irregularity or infringement of any relevant laws, rules and regulations, which has or is likely to have a material impact on the Group's results of operation, financial performance or financial position and our Management's response; (e) review our key financial risk areas, with a view to provide an independent oversight on our Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, to be immediately announced via SGXNET; (f) review and approve any interested person transactions falling within the scope of Chapter 9 of the Catalist Rules and review procedures thereof, including the general mandate adopted by the Company in relation to ongoing and recurrent interested person transactions; (g) review our Company's Corruption Preventive Policy Framework, which includes the Anti-Bribery Guidelines and Whistleblowing Policy and Procedures set out in Appendix M of the Offer Document by which employees of our Group may, in confidence, report to the chairman of our AC, possible improprieties in matters of financial reporting or other matters and ensure that there are arrangements in place for independent investigation and follow-up actions thereto; (h) review transactions falling within the scope of Chapter 10 of the Catalist Rules, if any; (i) review the adequacy, effectiveness, independence, scope and results of the external audit and our Group's internal audit function; (j) review the effectiveness and adequacy of our Group's administrative, operating, internal accounting and financial control procedures; and (k) undertake generally such other functions and duties as may be required by law or the Catalist Rules, and by such amendments made thereto from time to time. The AC has authority to investigate any matter within its term of reference and have been given full access to the Management and reasonable resources to enable it to discharge its functions properly. The AC has full discretion to invite any Director or Key Management Personnel to attend its meetings.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
		The Group's Whistleblowing Policy provides mechanisms which ensure a secure and confidential channel that allows employees and external parties to report possible improprieties and disclose any wrongdoings such as fraud, misconduct, breach of any laws or any other illegal acts directly to the AC Chairman. Reports can be lodged via email to honestsam@whistleblower.com.my which is administered by the internal auditor. In addition, there are policies and reporting mechanisms for employees and customers to raise concerns to the Management, who will escalate significant issues to the Board as required. The Company has confidentiality clauses that protect the identification of the whistleblower and ensures that the identity of the whistleblower is kept confidential. The Company is also committed to ensure the protection of the whistleblower against any detrimental or unfair treatment. The AC is responsible for the oversight and monitoring of whistleblowing. The AC is satisfied that arrangements are in place to ensure independent investigation of such matters and for appropriate follow-up actions to be taken. There were no complaints, concerns of issues, and whistleblowing reports received by the AC in FY2026.
10.2 10.3	**Composition of the Audit Committee**	All members of the AC are Independent Directors who do not have any management and business relationships with the Company or any substantial shareholder of the Company. None of the AC members were previously partners or directors of the Company's external audit firm within a period of two (2) years commencing on the date of him ceasing to be a partner or director of the external audit firm or hold any financial interest in the external audit firm. The composition of the AC is as follows: Mr Chin Chee Choon – Chairman Dato' Gainneos Jacob Goldie – Member Mr Sim Chin Hoe – Member Our AC does not comprise at least two (2) members who have recent and relevant accounting or related financial management expertise or experience. Notwithstanding this, the Board of Directors is of the view that our AC is able to discharge its duties sufficiently as our AC Chairman, Mr Chin Chee Choon, has relevant accounting and related financial management background and experience. Further, Dato' Gainneos Jacob Goldie has extensive contract and mining law knowledge which are important for the AC to tap on. In addition, Mr Sim Chin Hoe has extensive management and operational experience (which, as part of their managerial experience in their various capacities during their employment history, include financial management experience) to provide the necessary insights as members of the AC.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
10.4	**Internal Audit Function**	The Group has engaged IA Essential as the internal auditors of the Company, who reports directly to the AC and administratively to the Executive Director and Financial Controller. The AC is responsible for the hiring, removal, evaluation and compensation of the accounting or auditing firm or corporation which the internal audit function of the Company is outsourced to and the AC has approved the engagement, evaluation, and compensation of IA Essential as the internal auditors of the Company. The role of IA Essential is to provide independent assurance to the AC that the Group maintains adequate and effective risk management and internal control systems. The AC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit. The internal audit plan complements that of the external auditors and together forms a robust risk-based audit approach to facilitate the AC's review of the adequacy and effectiveness of the Group's risk management and internal control systems. For FY2026, the AC is satisfied that IA Essential had been able to discharge its duties effectively as the internal auditor. IA Essential has unfettered access to all documents, records, properties and personnel, including access to the AC. IA Essential has adequate resources to perform its functions effectively and it is independent from the activities that it audits and has appropriate standing within the Group. In assessing the engagement of IA Essential for the internal audit function, the Board and the AC ensured that the internal audit function is sufficiently resourced and internal audits are to be performed by competent professional staff with the relevant qualifications and experience. The Enterprise Risk Management framework was developed by IA Essential Pte Ltd and is subsequently reassessed by the Management on half yearly basis to determine its adequacy. This framework will be used as a guide to determine the scope of the internal audit. The scope also covers key aspects of the Group's internal controls established to address financial, operational, compliance and information technology risks. In addition, the internal auditor's activities (including the periodic update of the aforementioned Enterprise Risk Management framework, where appropriate) are also guided by IA Essential's global internal auditing methodology which is in line with the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.
10.5	**Meeting Auditors in the Absence of the Management**	The AC meets with the internal and external auditors at least once annually to discuss audit findings and recommendations, without the presence of the Management. For FY2026, the AC has met with the IA and EA once without the presence of the Management.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
	Summary of Audit Committee and Risk Management Activities	The AC has reviewed the annual financial statements of the Group, the quality and reliability of information for inclusion in financial reports, policies and practices put in place by the Management, reviewed all interested person transactions, nominated and recommended the reappointment of the external auditors and reviewed the adequacy, effectiveness and independence of the internal and external auditors. The AC has assisted the Board in reviewing the adequacy and effectiveness of the risk management and internal control systems, addressing financial, operational, compliance and information technology risks of the Group. Changes to the accounting standards and issues that have direct impact on financial statements were reported to and discussed with the AC by the external auditors, in order for the AC members to keep abreast of changes to such accounting standards and issues. In the review of the Group's financial statements, the AC had discussed with the Management on the accounting principles that were applied and considered the clarity of key disclosures in the financial statements. The AC had also reviewed and discussed the FY2026 key audit matter ("**KAM**") with Management and the external auditors. In assessing the KAM, the AC took into consideration the approach, accounting treatment, methodology and key assumptions applied. The AC concurred with the basis and conclusions included in the FY2026 Independent Auditors' Report with respect to the KAM.
SHAREHOLDER RIGHTS AND ENGAGEMENT **Shareholder Rights and Conduct of General Meetings** ***Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.***		
11.1	**Shareholders' Participation at General Meetings**	All Shareholders are treated fairly and equitably, and the Group strives to disclose information on all major developments that could materially impact the Group in a timely manner. Shareholders are entitled to attend the general meetings of shareholders and are afforded the opportunity to participate effectively in and vote at general meetings of shareholders. Shareholders will be briefed on the rules governing such meetings and voting procedures of the general meetings. Scrutineer is appointed by the Company for general meetings who will explain the voting procedures that govern the general meetings of shareholders. Result of voting are announcement on timely manner via SGXNET.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
11.2	**Bundling of Resolutions**	Each distinct issue is proposed as a separate resolution at general meetings unless they are closely related and are more appropriately tabled together. Reasons, and implications of why resolutions are bundled will be set out in the notice of meeting sent out. All resolutions proposed at general meetings shall be put to vote by way of a poll pursuant to Rule 730A(2) of the Catalist Rules. All votes cast, for or against or abstain, and the respective percentages, in respect of each resolution are tallied and disclosed at the meeting and an announcement with the detailed results showing the numbers of votes cast for and against for each resolution and the respective percentage will be released via SGXNET after the general meetings.
11.3	**Attendance at General Meetings**	The Board welcomes questions from shareholders who have an opportunity to raise issues either informally or formally before or at the general meetings of shareholders. All Directors, in particular the Chairman, the respective Chairmans of the AC, NC, RC and SC will be present and available to address shareholders' queries at the general meetings. The external auditor will also be present to address queries regarding the conduct of the audit and the preparation and content of the auditor's report.
11.4	**Voting Procedures**	At general meetings, all shareholders are encouraged to attend, participate effectively and vote in person or by proxy. The Company's Constitution provides for a shareholder or a depositor to appoint not more than two (2) proxies to attend and vote at the general meetings of the Company. Where the member is Central Depository (Pte) Ltd (or its nominee as notified in writing to the Company), it can appoint more than two (2) proxies. Proxies need not be a shareholder of the Company. Shareholders are informed of such meetings through notice in its annual report and announcements released via SGXNET, at least 14 days before the meeting. Shareholders will be briefed on the rules governing such meetings and voting procedures of the general meetings. An independent polling agent is appointed by the Company for general meetings who will explain the voting procedures that govern the general meetings of shareholders. Results of voting are announced on a timely manner via SGXNET. Voting in absentia by email, mail or fax is not implemented due to authentication and other security related concerns.
11.5	**Minutes of General Meetings**	All minutes of general meetings as well as the substantial and relevant comments or queries raised by shareholders in relation to the meeting agenda and the responses from the Board and/or Management, will be made available to shareholders via SGXNET and on the Company's website at www.investor.southernalliancemining.com/ within (1) one month from the date of the general meeting.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
11.6	**Dividend Policy**	The Company does not have a fixed dividend policy. The form, frequency and amount of future dividends on the Company's shares will depend on the Group's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may, in their absolute discretion, deem appropriate ("**Dividend Factors**"). Therefore, there is no assurance that dividends will be paid in the future or of the amount or timing of any future dividends. The Company may declare an annual dividend subject to the approval of the shareholders in a general meeting but the amount of such dividend shall not exceed the amount recommended by our Directors. The Directors may also declare an interim dividend without the approval of our shareholders. There is no dividend declared and recommended for the year ended 31 July 2026 as the Company intends to conserve cash in line with the Group's business expansion strategy.
Engagement with Shareholders ***Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.***		
12.1	**Communication with Shareholders**	The Company believes in high standards of transparent corporate disclosure and is committed to disclose to its shareholders, the information in a timely and fair manner via SGXNET and the Company's website at www.southernalliancemining.com/. Where there is inadvertent disclosure made to a selected group, the Company would make the same disclosure publicly to all stakeholders as soon as practicable. Communication with shareholders is managed by the Executive Director. Communication is made through: (a) Annual reports prepared and issued to all shareholders. The Board ensures that the annual report includes all relevant information of the Company and the Group, including future developments, if any, and other disclosures required by the Companies Act 1967 of Singapore and Singapore Financial Reporting Standards and the Catalist Rules; (b) Half-yearly announcements containing a summary of the financial information and affairs of the Group for the reported period; (c) Press releases on major developments of the Group; (d) Analyst briefings and roadshow; and (e) Shareholders and investors can send their inquiries via email to general@SAMiningltd.com, which is administered by the Company.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
		The shareholders can access the financial information, corporation announcements, press releases, annual reports and profile of the Group on the Company's website at www.southernalliancemining.com/ as well as through SGXNET.
12.2	**Investor Relations Policy**	The Company solicits feedback from and addresses the concerns of shareholders (including institutional and retail investors) via investors/ analyst briefings and the corporate email address on its website. The Company held one (1) investor briefing in FY2026. The Group will provide shareholders and prospective investors with pertinent information necessary to make well-informed investment decisions. By providing shareholders with reliable and timely information, the Company is able to strengthen the relationship with its shareholders based on trust and accessibility. The Company's investor relations (IR) team is led by the Executive Director and Chief Operating Officer, Mr Lim Wei Hung, who is responsible for integrating operations, finance, accounting, corporate communications and legal compliance to enable effective communication between the Company and the investors.
12.3	**Investor Engagement**	The Company conducts briefings to present its financial results to the media and analysts. Apart from the financial result announcement periods, the IR team will meet investors and analysts who wish to seek a better understanding of the Group's business and operations when necessary and appropriate. The Company will also conduct media interviews and media-pitch to industry related media as and when appropriate to give shareholders and the public deeper insights of the Group's business and strategies when opportunities present themselves. These efforts enable the Company to solicit feedback from the investment community on a range of strategic and topical issues which provide valuable insights to the Company from investors' views. Shareholders may raise questions to the Company through the Company's website and through which the Company may respond to such questions.
MANAGING STAKEHOLDERS RELATIONSHIPS **Engagement with Stakeholders** ***Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.***		
13.1, 13.2 and 13.3	**Stakeholders Management**	The Board considers the Company's obligations to its shareholders and also the interests of its material stakeholders as the relationships with material stakeholders may have an impact on the Company's long-term sustainability.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
		Stakeholders are parties who may be affected by the Company's activities or whose actions can affect the ability of the Company to conduct its activities. The Board has identified its stakeholders as customers, employees, suppliers, landlords, investors, media, government institutions and the communities. The Company also assesses the material environmental, social and governance factors that affects the Group. The Company maintains its Company's website to communicate and engage with the stakeholders to ensure that the business interests of the Group are balanced against the needs and interests of its stakeholders. Please refer to the Group's sustainability report for FY2026 for details on the commitment made by the Company in fostering the creation of long-term value for the stakeholders and sustainable development of the global economy.

COMPLIANCE WITH APPLICABLE CATALIST RULES		
711A	**Sustainability Report**	The Group has issued its sustainability report for financial year ended 31 July 2026, details of which is set out in pages 16 to 54 of this annual report to keep stakeholders informed on the commitment made by the Company in fostering the creation of long-term value for the stakeholders and sustainable development of the global economy.
	Role of Sustainability Committee ("SC")	The SC comprises three (3) Independent Directors and one (1) Managing Director who have been tasked with the authority and responsibility to oversee the company's strategic direction, ensure regulatory compliance, and provide guidance on key business decisions. The chairman of the SC is Mr Sim Chin Hoe, who is an Independent Director. The composition of the SC is as follows: Mr Sim Chin Hoe – Chairman Dato' Sri Pek Kok Sam – Managing Director Dato' Gainneos Jacob Goldie – Member Mr. Chin Chee Choon – Member In performing its functions in accordance with a set of terms of reference, the SC's principal responsibilities include, amongst others the following: (a) Review and recommend to the Board for approval the Group's ESG framework and strategy including related policies, targets, priorities and Key Performance Indicators ("**KPIs**") to measure the Group's performance taking into account the environment in which the Group operates and the requirement of all stakeholders.

CORPORATE GOVERNANCE REPORT

COMPLIANCE WITH APPLICABLE CATALIST RULES		
		(b) Provide oversight and monitor the execution and effectiveness of the Group's ESG framework and strategy, and the Group's progress on its long-term sustainability and climate goals and targets, including progress in relation to sustainability material matters. (c) Review issues relating to sustainability arising from independent audits and assurance reports as well as any matters pertaining to sustainability highlighted by regulators or relevant consultants. (d) Receive half yearly update from Management on the progress towards achieving the Group's sustainability targets. (e) Review and recommend to the Board for approval the Sustainability Report for Annual Report to ensure that the Group's sustainability initiatives and outcomes are effectively communicated to investors and other stakeholders. (f) Review and recommend for the Board's approval additional disclosures to be made Sustainability Report for Annual Report. (g) To monitor the Sustainability KPIs of the SAM Group and their implementation in accordance to the blueprint and roadmaps.
1204(6)(A)	**Non-audit Fees**	The aggregate amount of fees paid/payable to the external auditors for audit services rendered for the audit of the financial statements of the Group for FY2026 is RM752,513 (94.4%). The non-audit fees paid/payable to the external auditors for the FY2026 is RM44,872 (5.6%).
1204(6)(B)	**Confirmation by AC**	The AC is satisfied that the independence of the external auditors is not prejudiced as the non-audit services rendered during FY2026 were not substantial. Having reviewed, amongst other, the scope and quality of the audit and independence of the external auditor, the AC has recommended and the Board has approved the nomination for re-appointment of Ernst & Young LLP as the external auditors of the Company at the forthcoming AGM.
1204(6)(C)	**Appointment of Auditors**	The Company confirms its compliance with Rules 712 and 715 of Catalist Rules.

CORPORATE GOVERNANCE REPORT

COMPLIANCE WITH APPLICABLE CATALIST RULES		
1204(8)	**Material Contracts**	Save for service agreements, there were no material contracts entered into by the Group involving the interest of the MD, any Director, or controlling shareholder, which are either still subsisting at the end of FY2026 or if not then subsisting, entered into since the end of the previous financial year.
1204(10)	**Adequacy of Internal Controls**	The Board, with the concurrence of the AC, is of the opinion that the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems, were adequate and effective as at FY2026 based on the assurance from the MD and the ED set out in page 83 of this annual report, the internal controls established and maintained by the Group, the review performed by the Management and the AC, the work performed by the internal auditors and no internal controls matters being raised by the external auditors during the course of the statutory audit.
1204(17)	**Interested Persons Transaction ("IPT")**	The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that the transactions are conducted at arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders. The Group has obtained a general mandate from shareholders for the following IPTs including: a. The procurement of hiring and transportation services by our Group from Multiline Trading; b. The purchase of lubricants by our Group from HChem Marketing; c. The procurement of spare parts and equipment by our Group from Multiline Trading; and d. The procurement of Shared Services by our Group from Aras Kuasa pursuant to the Shared Services Agreement.

CORPORATE GOVERNANCE REPORT

COMPLIANCE WITH APPLICABLE CATALIST RULES

Save as disclosed in the table below, there were no interested person transactions of S$100,000 and above during FY2026.

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
		S$'000	S$'000
Multiline Trading Sdn Bhd	Related party Entity of Managing Director, Dato' Sri Pek Kok Sam	–	3,440[1]
Teras Megajaya Sdn Bhd	Related party Entity of Managing Director, Dato' Sri Pek Kok Sam	228[2]	–

(1) Based on exchange rate of RM100:S$31.39 as at 31 July 2026.

(2) Office rental contract entered for the period from 1 January 2026 to 31 December 2028, based on the exchange rate of RM100:S$31.64 as of 2 January 2026.

The Company will prepare relevant information to assist the AC in its review and will keep a register recording all interested person transactions. The register shall also record the basis for entry into the transactions, including the quotations and other evidence obtained to support such basis. The AC will include the review of interested person transactions as part of its procedures while examining the adequacy of our internal controls. Further, if during these periodic reviews, the AC believes that the guidelines and procedures as stated above are not sufficient to ensure that the interests of minority Shareholders are not prejudiced, the Company will adopt new guidelines and procedures. The AC may request for an independent financial adviser's opinion if it deems fit.

The AC shall review all IPTs at least on a quarterly basis to ensure that they are carried out on normal commercial terms and in accordance with the procedures and to ensure that the prevailing rules and regulations in particular, Chapter 9 of the Catalist Rules are complied with.

CORPORATE GOVERNANCE REPORT

COMPLIANCE WITH APPLICABLE CATALIST RULES		
1204(19)	**Dealing in Securities**	The Company has adopted an internal compliance code of conduct to guide and advise Directors and all executives of the Company with regard to dealings in the Company's securities in compliance with Rule 1204(19) of the Catalist Rules. The Company, Directors and executives shall not deal in the Company's shares on short-term considerations or if they are in possession of price sensitive information and during the period commencing one (1) month prior to release of the half-year and full-year financial results announcement and ending on the date of the announcement of the results. Directors and senior management are also expected to observe insider-trading laws at all times even when dealing in securities within permitted trading periods while in possession of price-sensitive information. In general, the Group's policy encourages Directors, officers and employees of the Group to not deal in Company's securities on short term considerations. The policy is to ensure that the Company's Directors, officers, employees of the Group are aware of their legal obligations towards the dealing of securities of the Company. Persons who are in possession of unpublished material price sensitive information and use such information for their own material gain are committing an offence of insider trading.
1204(21)	**Non-sponsor Fees**	There were $177,000 non-sponsor fees paid/payable to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. during FY2026.

ADDITIONAL INFORMATION

The dates of initial appointment of each Director to be re-elected at the forthcoming AGM are set out as follows:

Name of Directors	**Dato' Sri Pek Kok Sam**	**Chin Chee Choon**
Appointment	Managing Director	Independent Director
Date of initial appointment	19 September 2019	27 April 2020
Date of last re-election	23 November 2023	23 November 2023
Directorship in other listed companies – Present	N/A	MSM International Limited
Directorship in other listed companies and/or other principal commitments – Past (in the last three preceding years)	Please refer to the "Principal commitments" as set out in the table for Dato' Sri Pek's re-election as set out in the table disclosing the requirements of Appendix 7F of the Catalist Rules below.	N/A
Present principal commitments		Forvis Mazars LLP

ADDITIONAL INFORMATION

Please refer to the table below for additional information on Directors to be re-elected at the forthcoming AGM:

	Dato' Sri Pek Kok Sam
Date of Appointment	19 September 2019
Age	59
Country of principal residence	Malaysia
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the NC and assessed the qualifications and experience and suitability of Dato' Sri Pek Kok Sam for re-election as a Managing Director and member of the SC and NC of the Company. The Board have reviewed and concluded that Dato' Sri Pek Kok Sam possess the requisite experience, knowledge and capabilities to assume the duties and responsibilities as a Managing Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Dato' Sri Pek Kok Sam, as the Group's Managing Director, will be responsible to overseeing the operational aspects of our business including quality analysis and control, safety and environmental, maintenance and mine/site management aspects of our business. He is also responsible for the overall management, operations, strategic planning and business expansion of the Group. He oversees the execution of the Group's corporate and business strategies and the day-to-day operations of the Group.
Job Title	Managing Director
Professional qualifications	N/A
Working experience and occupation(s) during the past 10 years	Dato' Sri Pek Kok Sam has over 24 years of experience in the mining and exploration of iron ore, tin and limestone in Malaysia.
Shareholding interest in the listed issuer and its subsidiaries	Dato' Sri Pek Kok Sam hold a direct interest in 354,896,770 shares in the Company. Dato' Sri Pek Kok Sam is deemed interested in 25,000 ordinary shares and 5,819,100 ordinary shares in the Company held through Remparan Sdn Bhd and his wife, Ms Xu Liyan respectively.
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Dato' Sri Pek Kok Sam is a director of Honest Sam Development Sdn. Bhd., Selatan Anjung Minerals Sdn. Bhd., Sumber Alam Minerals (Sabah) Sdn. Bhd., SAM Advance Minerals Holding Sdn. Bhd., Northern RE Resources Sdn. Bhd. and Nusantara Bumi Resources Sdn. Bhd., which are principal subsidiaries of the Company.

ADDITIONAL INFORMATION

Conflict of interest (including any competing business)	No, except for the Company's principal subsidiary's former holding Company, Aras Kuasa Sdn. Bhd.. However, the Company have entered into a Non-Compete Undertakings with the Director. The Non-Compete Undertakings shall be effective immediately upon the admission of the Company to the Catalist of the SGX-ST. Refer to the Company's offer document dated 16 June 2020 under 'Potential Conflict of Interest'.
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments (for the last 5 years)	Cocopalm Beach Resorts Sdn. Bhd. Equal Greens Sdn. Bhd. Gempower Resources Sdn. Bhd. Geo Fleet Sdn. Bhd. Grandwood Paradise Sdn. Bhd. Green Illuminar Sdn. Bhd. Gubahan Embun Sdn. Bhd. Hundred Gold Properties Sdn. Bhd. Lakaran Samudera Sdn. Bhd. Pembalakan L & Perkayuan Rimba Murni Sdn. Bhd. Rigid Paragon City Sdn. Bhd. Rigid Topland Sdn. Bhd. Sam World Development Sdn. Bhd. Sam World Land Sdn. Bhd. Serta Cemerlang Sdn. Bhd. Starlife Tech Sdn. Bhd. Supercoin Properties Sdn. Bhd. YBS Mineral Resources Sdn. Bhd.
Present	Acara Realty Sdn. Bhd. AK Timber Sdn. Bhd. Aras Kuasa Geological Sdn. Bhd. Aras Kuasa Resources (Terengganu) Sdn. Bhd. Aras Kuasa Sdn. Bhd. Bold Paradise Development Sdn. Bhd. Bumi Kinabalu Resources Sdn. Bhd. Crystal Future Sdn. Bhd. Daratan Galian Sdn. Bhd. Fajar Mahawangsa Sdn. Bhd. Goldfield Paradise Sdn. Bhd. Green Agroland Sdn. Bhd. H Power Management Sdn. Bhd. Harapan Setia Jaya Sdn. Bhd. Hchem Marketing (M) Sdn. Bhd. Honest Sam Development Sdn. Bhd. Infra Daya Sdn. Bhd.

ADDITIONAL INFORMATION

	Jalur Eureka Sdn. Bhd. Jalur Galian Sdn. Bhd. Junjung Bumi Sdn. Bhd. Lebar Jasa Sdn. Bhd. Mcre Resources Sdn. Bhd. Memori Bintang Sdn. Bhd. Multi Zillion Properties Sdn. Bhd. Multiline Trading Sdn. Bhd. Mutiara Galian Sdn. Bhd. My Suncity Sdn. Bhd. Nadi Mesra Sdn. Bhd. Northern Re Resources Sdn. Bhd. Nusantara Bumi Resources Sdn. Bhd. One World Mining Sdn. Bhd. Optimis Unggul Sdn. Bhd. Papacare Sdn. Bhd. Paramount Synergy Sdn. Bhd. Pks Hartamas Sdn. Bhd. Remparan Sdn. Bhd. Rigid Temau Sdn. Bhd. Ritz Atlantic Sdn. Bhd. Royar Creative Wood Sdn. Bhd. Saba Citra Sdn. Bhd. Sam Advance Minerals Holding Sdn. Bhd. Sam Advance Minerals Sdn. Bhd. Sam's Asset Management Sdn. Bhd. Sejati Emas Sdn. Bhd. Selatan Anjung Minerals Sdn. Bhd. Setia Alam Mentari Sdn. Bhd. Sin Agro Murni Sdn. Bhd. Solar Alliance Management Sdn. Bhd. Solid Mega Resources Sdn. Bhd. Southern Atlantic Metal Sdn. Bhd. Southern We Solutions Sdn. Bhd. Sri Aman Minerals Sdn. Bhd. Sumber Alam Minerals (Sabah) Sdn. Bhd. Super Maxlink Sdn. Bhd. Super Smartlink Sdn. Bhd. Tanjung Tunggal Sdn. Bhd. Tegas Serimas Sdn. Bhd. Teguh Permata Sdn. Bhd. Teras Megajaya Sdn. Bhd. Terrific Mining Sdn. Bhd. Tg Agas Makmur Sdn. Bhd. Tulus Mentari Holdings Sdn. Bhd. World Megalink Sdn. Bhd.

ADDITIONAL INFORMATION

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.	
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
c) Whether there is any unsatisfied judgment against him?	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No

ADDITIONAL INFORMATION

f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–	No
	i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	
	ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	

ADDITIONAL INFORMATION

iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No
Disclosure applicable to the appointment of Director only	
Any prior experience as a director of an issuer listed on the Exchange? If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N/A. This is a re-election of director.

ADDITIONAL INFORMATION

	Mr. Chin Chee Choon
Date of Appointment	27 April 2020
Age	53
Country of principal residence	Malaysia
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the NC and assessed the qualifications and experience and suitability of Mr. Chin Chee Choon for re-appointment as a Director, Chairman of the AC and NC and member of the SC and RC of the Company. The Board have reviewed and concluded that Mr. Chin Chee Choon possess the requisite experience, knowledge and capabilities to assume the duties and responsibilities as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	No
Job Title	Independent Director
Professional qualifications	Mr. Chin Chee Choon is a Public Accountant and a Chartered Accountant of Singapore, a Certified Internal Auditor of the Institute of Internal Auditors and a Fellow Chartered Accountant of the Institute of Singapore Chartered Accountants. He has also been a member of the Singapore Institute of Directors since 2010, a member of the Institute of Singapore Chartered Accountants and a member of the Institute of Internal Auditors.
Working experience and occupation(s) during the past 10 years	Mr. Chin Chee Choon has been working with Nexia TS Public Accounting Corporation since September 2007 until December 2021 as a position as an Assurance Director. He is currently an Assurance and Audit Partner with Forvis Mazars LLP Singapore.
Shareholding interest in the listed issuer and its subsidiaries	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments (for the last 5 years)	N/A
Present	Forvis Mazars LLP MSM Malaysia Holdings Berhad

ADDITIONAL INFORMATION

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.	
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
c) Whether there is any unsatisfied judgment against him?	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No

ADDITIONAL INFORMATION

f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–	No
	i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	
	ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	

ADDITIONAL INFORMATION

iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No
Disclosure applicable to the appointment of Director only	
Any prior experience as a director of an issuer listed on the Exchange? If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N/A. This is a re-election of director.

FINANCIAL CONTENTS

109 DIRECTORS' STATEMENT

113 INDEPENDENT AUDITOR'S REPORT

119 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

120 STATEMENTS OF FINANCIAL POSITION

122 STATEMENTS OF CHANGES IN EQUITY

124 CONSOLIDATED STATEMENT OF CASH FLOWS

126 NOTES TO THE FINANCIAL STATEMENTS



DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Southern Alliance Mining Ltd. (the "Company") and its subsidiaries (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 July 2026.

1. Opinion of the directors

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 July 2026 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

(ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The directors of the Company in office at the date of this statement are:

Dato' Sri Pek Kok Sam
Dato' Teh Teck Tee
Dato' Gainneos Jacob Goldie
Chin Chee Choon
Sim Chin Hoe
Lim Wei Hung

3. Arrangements to enable directors to acquire shares or debentures

Except as described in paragraph five below, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

4. Directors' interests in shares or debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act 1967, an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest		Deemed interest	
Name of director	**At the beginning of financial year**	**At the end of financial year**	**At the beginning of financial year**	**At the end of financial year**
Ordinary shares of the Company				
Dato' Sri Pek Kok Sam	305,102,500	369,223,270	5,844,100	5,844,100
Dato' Teh Teck Tee	22,600,000	86,720,770	–	–
Lim Wei Hung	6,020,000	6,020,000	–	–

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

4. Directors' interests in shares or debentures (Continued)

By virtue of Section 7 of the Singapore Companies Act 1967, Dato' Sri Pek Kok Sam is deemed to have an interest in the shares of the subsidiaries to the extent held by the Company.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 August 2026.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or at the end of the financial year.

5. Options and Performance share plan

Southern Alliance Mining Performance Share Plan ("Southern Alliance Mining PSP")

The Group operates a Performance Share Plan, the Southern Alliance Mining PSP, which was approved pursuant to a written resolution passed by the shareholders on 27 April 2020.

The Southern Alliance Mining PSP is administered by the Remuneration Committee (the "RC"), whose members are:

- Dato' Gainneos Jacob Goldie (Chairman)
- Chin Chee Choon
- Dato' Teh Teck Tee
- Sim Chin Hoe

Subject to the absolute discretion of the RC, awards may be granted to full-time employees and Directors of our Group who have attained the age of 21 years on or before the date of the grant of the Award and hold such rank as may be designated by the RC from time to time.

The maximum number of shares issuable or to be transferred by the Company under the Southern Alliance Mining PSP, when aggregated with the aggregate number of shares over which options or awards granted under any other share option schemes or schemes of the Company, will be 15% of the Company's total number of issued shares (excluding treasury shares) from time to time.

Since the commencement of the Southern Alliance Mining PSP till the date of the end of the financial year, there has been no grant of share awards.

During the financial year, no option to take up unissued shares of the Company was granted and there were no shares issued by virtue of the exercise of options to take up unissued shares of the Company.

At the end of the financial year, there were no unissued shares of the Company under option.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

6. Audit committee

The audit committee (the "AC") carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act 1967, including the following:

- Reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors
- Reviewed the annual financial statements and the independent auditor's report on the annual financial statements of the Group and the Company before their submission to the board of directors
- Reviewed effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor
- Met with the internal and external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators
- Reviewed the cost effectiveness and the independence and objectivity of the external auditor
- Reviewed the nature and extent of non-audit services provided by the external auditor
- Recommended to the board of directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit
- Reported actions and minutes of the AC to the board of directors with such recommendations as the AC considered appropriate
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual

The AC, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor. The AC has also conducted a review of interested person transactions.

The AC convened four meetings during the year with full attendance from all members. The AC has also met with internal and external auditors, without the presence of the Company's management, at least once a year. Further details regarding the AC are disclosed in the Report on Corporate Governance.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

7. Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors,

Dato' Sri Pek Kok Sam
Director

Dato' Teh Teck Tee
Director

Singapore

5 November 2026

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTHERN ALLIANCE MINING LTD.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Southern Alliance Mining Ltd. (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 July 2026, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group, the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 July 2026 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

Key audit matters (Continued)

Accounting for the acquisition of MCRE Resources Sdn. Bhd.

In September 2025, the Group through its wholly owned subsidiary, SAM Advance Minerals Holding Sdn. Bhd., completed the acquisition of a 40% equity interest in MCRE Resources Sdn. Bhd. ("MCRE"). The Group assessed the acquisition arrangement as a joint operation and, accordingly, recognised its share of the assets, liabilities, revenue and expenses of MCRE from the date of acquisition.

Management elected to apply the optional concentration test under SFRS(I) 3 Business Combinations to determine whether the acquired set of activities and assets is not a business. Management assessed the mine properties and exploration and evaluation assets as a group of similar identifiable assets and concluded that substantially all the fair value of the gross assets acquired was concentrated in this group. Accordingly, the acquisition was determined not to be a business and the transaction was accounted for as an asset acquisition. Management engaged an external valuation specialist to assist them with the measurement of their fair value of the mine properties and exploration and evaluation assets as at acquisition date. The cost of the asset acquisition was subsequently allocated to the identifiable assets acquired and liabilities assumed on a relative fair value basis.

Due to the significant judgement involved in applying the concentration test and determining the fair value of the identifiable assets and liabilities assumed we have considered this area to be a key audit matter.

As part our audit procedures, we assessed management's application of the optional concentration test under SFRS(I) 3 which included evaluating the completeness and appropriateness of the gross assets included in the calculation, evaluated management's judgement that the mine properties and exploration and evaluation assets constitute a group of similar identifiable assets by considering the nature of the assets, their stage of development, the underlying mineral reserves, and the risks associated with the assets. We assessed the competence, capabilities and objectivity of the valuer, and together with our valuation specialists assessed the reasonableness of the valuation and key assumptions used.

We also reviewed the adequacy of the Group's disclosures in relation to the acquisition in Note 17 to the financial statements.

Revenue recognition

For the financial year ended 31 July 2026, revenue from sale of iron ores, rare earth oxide ("REO") and bauxite amounted to RM257,852,000. Revenue recognition is considered as a key audit matter because revenue is a key financial performance measure which could create an incentive for revenue to be recognised prematurely. Relevant areas from the revenue recognition perspective are accuracy of the recognised amounts, timing of revenue recognition and amount of quality adjustments.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

Key audit matters (Continued)

Revenue recognition (Continued)

As part of our audit procedures, we discussed with management to understand the Group's revenue recognition policy and process, including that of quality adjustments. We understood and performed test of controls on recording of revenue and cash receipts. Using data auditing techniques, we reperformed journal entry postings between revenue, trade receivables, contract assets and cash to understand and test transactions which are outside the expected range of a regular transaction. In order to rely on the data extracted, we reconciled journal entry transactional data provided from opening trial balance as of 1 August 2025 through to the closing trial balance as of 31 July 2026. We also performed testing, on a sample basis, to verify the accuracy of cash entries posted against trade receivables. This provided audit evidence for us to determine that the data extracted was reliable for the purposes of reperforming the journal entry postings between revenue, trade receivables, contract assets and cash. We performed sales cut off procedures by agreeing deliveries occurring before and after year end to supporting documentation, such as invoices, shipping documents and contracts with customer to establish that sales and corresponding trade receivables are properly recorded in the correct period. We performed review of credit notes, debit notes and invoices issued on a sample basis made subsequent to year end, checking that revenue are recorded appropriately in the correct period. We obtained trade receivable confirmations and evidence of receipts from the customers subsequent to the year end. We also compared the actual monthly average selling price per unit to the market value to investigate any unusual variance.

We also reviewed the adequacy of the Group's disclosures made in Note 2.17 and Note 4 to the financial statements.

Impairment assessment of Group's mining assets related to iron ore mining operations

The Group primarily operates mining and production of iron ore at Chaah Mine located in Johor, Malaysia. As at 31 July 2026, the assets related to mining assets of Chaah mine comprise the property, plant and equipment, right-of-use assets and mining properties. The total carrying amount of the assets related to mining assets of Chaah mine represent 17.2% of the Group's total assets. Management has identified impairment indicators at the reporting date for mining assets of Chaah Mine. Accordingly, Management has prepared a discounted cash flow model to determine the recoverable value of the assets using the value-in-use method. The assessment for impairment and the recoverable value is considered a key audit matter as management exercises significant judgement in making assumptions and estimates in the preparation of the discounted cash flow model.

As part of our audit procedures, we obtained the cash flow forecasts approved by management and evaluated the reasonableness of the key assumptions and inputs used, including forecasted iron ore prices and production volume. We corroborated the production volume in the impairment assessment to the total resource volume indicated in the independent qualified person's report. Further, we assessed the appropriateness of the discount rates used by management with the assistance of our internal valuation specialist. We also performed sensitivity analysis on the value-in-use amounts to changes in discount rate, selling price and production volume.

We also reviewed the adequacy of the Group's disclosures in relation to the impairment assessments in Note 14 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

Other information

Management is responsible for other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

Auditor's responsibilities for the audit of the financial statements (Continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Phua Chun Yen Alvin.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
5 November 2026

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

	Note	2026 RM'000	2025 RM'000
Revenue	4	**257,852**	199,460
Cost of sales		**(232,540)**	(196,365)
Gross profit		**25,312**	3,095
Other income	5	**8,095**	12,231
Other operating expenses		**(1,094)**	(863)
General and administrative expenses		**(35,806)**	(42,820)
Share of loss of joint ventures		**(9,540)**	(568)
Finance costs	6	**(1,734)**	(2,641)
Loss before tax	7	**(14,767)**	(31,566)
Income tax (expense)/benefit	9	**(8,545)**	4,215
Loss for the year, representing total comprehensive income for the year		**(23,312)**	(27,351)
Attributable to:			
Equity holders of the parent		**(23,265)**	(27,310)
Non-controlling interest		**(47)**	(41)
Loss per share			
Basic and diluted	10	**(3.76)**	(5.59)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 JULY 2026

	Note	Group		Company	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Non-current assets					
Property, plant and equipment	12	**42,597**	41,164	**–**	–
Mine properties	14	**183,811**	63,600	**–**	–
Exploration and evaluation assets	15	**104,850**	14,267	**–**	–
Investment in subsidiaries	16	**–**	–	**415,463**	195,381
Investment securities		**32**	43	**–**	–
Investment in joint ventures	17	**–***	9,540	**–***	–*
Other non-current assets	18	**12,978**	21,352	**2,360**	1,760
		344,268	149,966	**417,823**	197,141
Current assets					
Inventories	19	**21,585**	46,816	**–**	–
Trade and other receivables	20	**28,589**	22,772	**15**	102
Contract assets	4	**13,408**	4,781	**–**	–
Prepayments		**8,162**	9,246	**2,203**	5,523
Cash and bank balances	21	**151,648**	113,755	**2,691**	2,595
Income tax recoverable		**2,736**	23,105	**–**	–
		226,128	220,475	**4,909**	8,220
Total assets		**570,396**	370,441	**422,732**	205,361
Current liabilities					
Loans and borrowings	22	**5,050**	12,403	**–**	–
Trade and other payables	23	**31,850**	43,543	**3,823**	1,812
Provision for rehabilitation	24	**282**	–	**–**	–
Income tax payable		**3,144**	–	**–**	–
		40,326	55,946	**3,823**	1,812
Net current assets		**185,802**	164,529	**1,086**	6,408
Non-current liabilities					
Loans and borrowings	22	**2,972**	1,612	**–**	–
Other payable	23	**18,917**	–	**–**	–
Provision for rehabilitation	24	**162**	–	**–**	–
Deferred tax liabilities	9	**1,880**	2,432	**–**	–
		23,931	4,044	**–**	–
Total liabilities		**64,257**	59,990	**3,823**	1,812
Net assets		**506,139**	310,451	**418,909**	203,549

STATEMENTS OF FINANCIAL POSITION

AS AT 31 JULY 2026

	Note	Group		Company	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Equity attributable to owners of the Company					
Share capital	25	**437,154**	218,154	**437,154**	218,154
Treasury shares	25	**(509)**	(509)	**(509)**	(509)
Retained earnings/(accumulated losses)		**236,713**	259,978	**(17,736)**	(14,096)
Merger reserve	27	**(167,829)**	(167,829)	**–**	–
		505,529	309,794	**418,909**	203,549
Preference shares	26	**733**	733	**–**	–
Non-controlling interest		**(123)**	(76)	**–**	–
Total equity		**506,139**	310,451	**418,909**	203,549

* *Less than RM1,000*

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

	Attributable to owners of the Company							
	Share capital RM'000 (Note 25)	Treasury shares RM'000 (Note 25)	Merger reserve RM'000 (Note 27)	Retained earnings RM'000	Total RM'000	Preference shares RM'000 (Note 26)	Non-controlling interests RM'000	Total equity RM'000
Group								
2026								
Opening balance at 1 August 2025	**218,154**	**(509)**	**(167,829)**	**259,978**	**309,794**	**733**	**(76)**	**310,451**
Issuance of ordinary shares	**219,000**	**–**	**–**	**–**	**219,000**	**–**	**–**	**219,000**
Loss for the year representing total comprehensive income	**–**	**–**	**–**	**(23,265)**	**(23,265)**	**–**	**(47)**	**(23,312)**
Closing balance at 31 July 2026	**437,154**	**(509)**	**(167,829)**	**236,713**	**505,529**	**733**	**(123)**	**506,139**
2025								
Opening balance at 1 August 2024	218,154	(509)	(167,829)	287,288	337,104	733	(35)	337,802
Loss for the year representing total comprehensive income	–	–	–	(27,310)	(27,310)	–	(41)	(27,351)
Closing balance at 31 July 2025	218,154	(509)	(167,829)	259,978	309,794	733	(76)	310,451

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

	Share capital RM'000	Treasury shares RM'000	Accumulated losses RM'000	Total equity RM'000
	(Note 25)	(Note 25)		
Company				
2026				
Opening balance at 1 August 2025	**218,154**	**(509)**	**(14,096)**	**203,549**
Issuance of ordinary shares	**219,000**	**–**	**–**	**219,000**
Loss for the year representing total comprehensive income	**–**	**–**	**(3,640)**	**(3,640)**
Closing balance at 31 July 2026	**437,154**	**(509)**	**(17,736)**	**418,909**
2025				
Opening balance at 1 August 2024	218,154	(509)	(2,062)	215,583
Loss for the year representing total comprehensive income	–	–	(12,034)	(12,034)
Closing balance at 31 July 2025	218,154	(509)	(14,096)	203,549

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

	2026 RM'000	2025 RM'000
Operating activities		
Loss before tax	**(14,767)**	(31,566)
Adjustments for:		
Interest expenses	**1,734**	2,641
Interest income	**(4,369)**	(4,976)
Unrealised loss on foreign exchange	**1,334**	4,327
Depreciation of property, plant and equipment	**13,370**	12,122
Impairment of investment in joint ventures	**–**	7,155
Impairment of mining assets	**–**	18,865
Impairment of exploration and evaluation assets	**566**	–
Impairment of non-trade debtors	**17,524**	–
Gain on disposal of property, plant and equipment	**(1,219)**	(4,912)
Amortisation of mine properties	**27,833**	9,710
Write-down of inventories	**218**	–
Fair value loss on investment securities	**11**	11
Share of loss of joint ventures	**9,540**	568
Gain on lease modification	**(4)**	–
Asset written-off	**1**	82
Total adjustments	**66,539**	45,593
Operating cash flows before changes in working capital	**51,772**	14,027
Changes in working capital		
Decrease/(increase) in inventories	**37,169**	(18,609)
Increase in trade and other receivables and contract assets	**(19,579)**	(8,653)
Decrease in prepayments	**8,777**	964
(Decrease)/increase in trade and other payables	**(25,619)**	12,626
Total working capital changes	**748**	(13,672)
Cash flows generated from operations	**52,520**	355
Income taxes refunded	**12,049**	1,006
Interest received	**3,030**	3,641
Interest paid	**(1,716)**	(996)
Net cash generated from operating activities	**65,883**	4,006
Investing activities		
Investment in exploration and evaluation assets	**(78)**	(2,469)
Purchase of property, plant and equipment	**(918)**	(1,022)
Proceeds from disposal of property, plant and equipment	**2,893**	3,823
(Placement)/uplift of term deposits	**(24,000)**	7,131
Investment in mine infrastructures	**(25,915)**	(24,694)
Cash and cash equivalents inflow on acquisition of joint operation	**8,324**	–
Net cash used in investing activities	**(39,694)**	(17,231)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

	2026 RM'000	2025 RM'000
Financing activities		
Repayment of lease and hire-purchase liabilities	**(2,924)**	(5,687)
Repayment of term loan	**(4,249)**	(1,730)
(Repayment)/drawdown of credit facility	**(4,000)**	4,000
Net cash used in financing activities	**(11,173)**	(3,417)
Net increase/(decrease) in cash and cash equivalents	**15,016**	(16,642)
Effect of exchange rate changes on cash and cash equivalents	**(1,123)**	(4,137)
Cash and cash equivalents at beginning of financial year	**113,755**	134,534
Cash and cash equivalents at end of financial year	**127,648**	113,755

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at the reporting date:

	2026 RM'000	2025 RM'000
Cash and bank balances (Note 21)	**151,648**	113,755
Less:		
Deposits more than three months (Note 21)	**(24,000)**	–
Cash and cash equivalents at end of financial year	**127,648**	113,755

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

1. GENERAL INFORMATION

1.1 The Company

The Company was incorporated on 19 September 2019 under the Singapore Companies Act 1967 as a private limited company domiciled in Singapore. On 27 April 2020, the Company was converted to a public company limited by shares. The Company is listed on the Catalist Board of Singapore Exchange Securities Trading Limited (the "SGX-ST") on 26 June 2020.

The registered office and principal place of business of the Company is located at 36 Robinson Road, #20-01 City House, Singapore 068877 and Level 8 Menara Zenith, Jalan Putra Square 6, Putra Square, 25200 Kuantan, Malaysia respectively.

The principal activities of the Company are those of investment holding and provision of management services. The principal activities of the subsidiaries are disclosed in Note 16.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The consolidated financial statements are presented in Ringgit Malaysia ("RM") and rounded to the nearest thousand (RM'000), unless stated otherwise.

The consolidated financial statements of the Group have been prepared on the basis that it will continue to operate as a going concern.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial period beginning on 1 August 2025. The adoption of these standards did not have any material effect on the consolidated financial statements of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Standards issued but not yet effective

A number of new standards and amendments to standard that have been issued are not yet effective and have not been applied in preparing these consolidated financial statements.

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 9 and SFRS(I) 7: *Amendments to the Classification and Measurement of Financial Instruments*	1 January 2026
Annual Improvements to SFRS(I)s – Volume 11	1 January 2026
SFRS(I) 18: *Presentation and Disclosure in Financial Statements*	1 January 2027
SFRS(I) 19: *Amendments to SFRS(I) 19: Subsidiaries without Public Accountability*	1 January 2027
SFRS(I) 1-21: *Amendments to SFRS(I) 1-21: Translation to a Hyperinflationary Presentation Currency*	1 January 2027
Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined

The directors expect that the adoption of the standards above will have no material impact on the Group's consolidated financial statements in the year of initial application, except for SFRS(I) 18.

SFRS(I) 18 Presentation and Disclosure in Financial Statements

SFRS(I) 18 replaces SFRS(I) 1-1 Presentation of Financial Statements and introduces new presentation requirements for the income statement, including specified totals and subtotals, as well as new disclosure requirements for management-defined performance measures and the aggregation and disaggregation of financial information. The Group is currently in the process of assessing the impact of adopting this standard.

2.4 Basis of consolidation and business combinations

(a) *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 July 2026. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

– Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)

– Exposure, or rights, to variable returns from its involvement with the investee

– The ability to use its power over the investee to affect its returns

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Basis of consolidation and business combinations (Continued)

(a) *Basis of consolidation (Continued)*

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

– The contractual arrangement(s) with the other vote holders of the investee

– Rights arising from other contractual arrangements

– The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

(b) *Business combinations involving entities under common control*

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Basis of consolidation and business combinations (Continued)

(b) *Business combinations involving entities under common control (Continued)*

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SFRS(I) 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with SFRS(I) 9. Other contingent consideration that is not within the scope of SFRS(I) 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

(c) *Asset acquisition*

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

Where an acquisition does not meet the definition of business under SFRS(I) 3, it is considered an asset acquisition, resulting in the fair value of the purchase consideration being allocated to individual identifiable asset acquired and liabilities assumed, on a relative fair value basis.

The purchase consideration consists of cash and non-cash consideration. Where non-cash consideration exists, the fair value of these assets or services are included within the total acquisition price allocatable to the identified net assets acquired.

All directly attributable acquisition costs incurred relating to an asset acquisition are included in the purchase consideration, rather than being expensed to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.5 Foreign currency transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Company and its subsidiaries and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

2.6 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land has an unlimited useful life and therefore is not depreciated.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

		Useful lives
Office premises	–	30 years
Buildings	–	10 years
Motor vehicles and heavy-duty mobile equipment	–	5 years
Plant and machinery	–	5 – 10 years
Furniture, fittings, containers, signboard, renovation and other equipment	–	5 – 10 years

Assets under construction included in plant and equipment are not depreciated as these assets are not yet available for use.

The residual value, useful lives and depreciation method are reviewed at least at the end of each financial period, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.7 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or, where applicable, when an annual impairment testing for an asset is required), the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.8 Subsidiary

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In the Company's statement of financial position, investment in subsidiaries is accounted for at cost, less impairment loss, if any.

2.9 Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.9 Joint arrangements (Continued)

Joint ventures

The Group recognises its interest in joint venture as an investment and accounts for the investment using the equity method from the date on which it becomes a joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities represents goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in joint venture is carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the joint venture. The profit or loss reflects the share of results of the operations of the joint venture. Distributions received from the joint venture reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

When the Group's share of losses in the joint venture equals or exceeds the carrying amount of the investment, together with any long-term interests that form part thereof, the Group discontinues recognising its share of further losses.

After the Group's interest is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in joint venture. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount in profit or loss.

The consolidated financial statements of the joint venture are prepared as the same reporting date as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.9 Joint arrangements (Continued)

Joint operations

The Group recognises in relation to its interest in a joint operation,

(a) its assets, including its share of any assets held jointly;

(b) its liabilities, including its share of any liabilities incurred jointly;

(c) its revenue from the sale of its share of the output arising from the joint operation;

(d) its share of the revenue from the sale of the output by the joint operation; and

(e) its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with the applicable accounting policies.

2.10 Financial instruments

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of a third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income (FVOCI) and FVPL. The Group only has debt instruments at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.10 Financial instruments (Continued)

(a) *Financial assets (Continued)*

Subsequent measurement (Continued)

Debt instruments (Continued)

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income which will not be reclassified subsequently to profit or loss. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income.

For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.10 Financial instruments (Continued)

(b) *Financial liabilities (Continued)*

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.11 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group considers a financial asset in default on a case-by-case basis assessment which includes the counterparty going into bankruptcy or a request for a discounted repayment scheme is received due to financial difficulties. Additionally, the Group considers forward-looking factors specific to the debtors and the economic environment. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.11 Impairment of financial assets (Continued)

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks including short-term deposits generally maturing within 3 months which are subjected to an insignificant risk of changes in value, less bank overdraft and pledged deposits.

2.13 Inventories

Inventories comprise iron ores, REO and bauxite, consumables and spares. Inventories are stated at the lower of cost and net realisable value. Cost is determined by using the weighted average method. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

– Cost of extracting, removing and transporting mineral ores plus relevant mining fees and duties paid/payable, or;

– The original purchase price of mineral ores plus cost incurred in bringing the inventories to their present location and condition.

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

2.14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.15 Employee benefits

(a) *Short-term benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(b) *Defined contribution plans*

The Group makes contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.16 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) *As lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.7.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.16 Leases (Continued)

(b) *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(c) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment and property that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.17 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. Revenue is presented, net of value-added tax, rebates and discounts, and after eliminating revenue within the Group.

Revenue is recognised when the Group satisfies the performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.17 Revenue (Continued)

(a) *Sale of iron ores, bauxite and rare earth oxide*

Revenue from sale of iron ores, bauxite and rare earth oxide are recognised at a point in time when control transfers upon satisfaction of performance obligation when goods are delivered to customers and all criteria for acceptance have been satisfied. The enforceable contract is each purchase order, which is an individual short-term contract.

The amount of revenue recognised is based on the estimated transaction price which comprises of the contractual price, net of quality adjustments. The majority of the Group's sale of iron ores, bauxite and rare earth oxide allow for quality adjustments based on the quality of iron ore, bauxite and rare earth oxide delivered to the customers. Adjustments to sales are made based on the quality of the iron ore, bauxite and rare earth oxide and the period between provisional invoicing and the final invoice can be between one day and one month. Payment for the invoice for the sale of iron ores, bauxite and rare earth oxide are typically due 14-60 days from the date of invoice.

(b) *Rendering of hiring, transportation and management services*

Revenue from services is recognised at a point in time net of service taxes and discounts as and when the services are performed and rendered.

2.18 Mine infrastructure

With the full implementation of the underground mining method in September 2023, the Group incurred development costs related to the ramp infrastructure and waste removal during the construction of the underground tunnels. Underground development activities can result in the mixture of the development of the underground mine and also production of inventory where costs are intermingled and developing an allocation method to be applied in segregating these costs requires judgement. The identification and segregation of costs attributable to these activities is treated as such that:

(i) where costs result in the production of inventory, they form part of the inventory cost and are expensed to cost of goods sold once the inventory is sold; or

(ii) where costs can be attributed to the development of the underground mine, and it is expected to bring future economic benefits as they provide both accessibility and connectivity to the ore body, they are capitalised.

The underground development asset is accounted for as an addition to, or an enhancement of, an existing asset, being the mine asset, and is presented as part of 'Mine properties' in the statement of financial position. This forms part of the total investment in the relevant cash generating unit(s), which are reviewed for impairment if events or changes of circumstances indicate that the carrying value may not be recoverable.

This mine infrastructure asset is subsequently amortised on a unit of production basis over the life of the identified ore body determined by the economically recoverable reserves. The mine infrastructure asset is then carried at cost less amortisation and any impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.19 Mine properties

Mine properties include all mining related development expenditure. This includes development stripping cost, mine infrastructure and rehabilitation assets. Mine properties have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses. The cost depreciated on a unit of production basis based on expected production of ore over the life of the component. Mine properties are written off to profit or loss if the mine is abandoned.

Mine development costs are capitalised when the existence of a commercially viable mineral deposit has been established. Initial payments for the acquisition of intangible lease assets are capitalised and amortised over the term of the permit. Administration costs that are not directly attributable to a specific exploration area are charged to the income statement.

2.20 Exploration and evaluation assets

Exploration and evaluation activity involve the search for mineral resources, the determination of technical feasibility and the assessment of the commercial viability of an identified resource. Costs incurred before the Group have obtained the legal rights to explore an area are recognised in profit or loss. Exploration and evaluation costs are capitalised in respect of each area of interest for which the rights to tenure are current and where:

(i) the exploration and evaluation costs are expected to be recouped through successful development and exploitation of the area of interest; or alternatively, by its sale; or

(ii) exploration and evaluation activities in the area of interest have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the areas of interest are continuing.

Exploration and evaluation assets are stated at cost less accumulated impairment losses, if any. Exploration and evaluation costs include the cost of acquiring exploration rights, researching and analysing existing exploration data, gathering exploration data through topographical, geochemical and geophysical studies, exploratory drilling, trenching and sampling, determining and examining the volume and grade of the resource, examining and testing extraction and treatment methods, surveying transportation and infrastructure requirements, compiling pre-feasibility and feasibility studies, gaining access to areas of interest including occupancy and relocation compensation and/or amortisation and depreciation charges in respect of assets consumed during the exploration and evaluation activities.

General and administrative costs are allocated to, and included in, the cost of exploration and evaluation asset only to the extent that those costs can be related directly to operational activities in the area of interest to which the exploration and evaluation asset relates. In all other cases, these costs are expensed as incurred.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation assets may exceed its recoverable amount. Where a potential impairment is indicated, assessment is performed for each area of interest in conjunction with the group of operating assets (representing a cash-generating unit) to which the exploration and evaluation is attributable. To the extent that capitalised exploration and evaluation is not expected to be recovered, it is charged to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.21 Taxes

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

– Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

– Receivables and payables that are stated with the amount of sales tax included.

(d) *Tributes*

Tributes are accounted for under SFRS(I) 1-12 when they have the characteristics of an income tax. This is considered to be the case when they are imposed under government authority and the amount payable is based on taxable income – rather than physical quantities produced or as a percentage of revenue – after adjustment for temporary differences. For such arrangements, current and deferred tax is provided on the same basis as described above for other forms of taxation. Obligations arising from tribute arrangements and other types of taxes that do not satisfy these criteria are recognised as current provisions and included in cost of sales. The tribute taxes payable by the Group does not meet the criteria to be treated as part of income taxes. Hence, it is included in cost of sales.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.22 Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.23 Convertible preference shares

The convertible preferences shares are regarded as equity instruments. Preference shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Preference shares are classified as equity. Dividends on convertible preference shares are recognised in equity in the period in which they are declared.

2.24 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.25 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company if that person:

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Company or of a parent of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.25 Related parties (Continued)

(b) An entity is related to the Company if any of the following conditions applies:

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) both entities are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) the entity is controlled or jointly controlled by a person identified in (a); or

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2.26 Segment reporting

For management purposes, the Group is organised into operating segments based on their products. In 2025, the Group is principally engaged in the exploration, mining and processing and sales of primarily iron ore extracted from a single mine (i.e. Chaah mine). Although the Group generates revenue and derives profit from sale of bauxite, the Group's chief operating decision maker reviews the operating results and makes resource allocation decisions of the Group on a consolidated basis. While the Group has extended its core business to include mining of gold and other base metals and minerals, they are still in early part of the exploration stage and have yet to contribute to the earnings of the Group. Accordingly, the Group does not present separate segmental information in 2025.

In 2026, the completion of the acquisition of MCRE Resources Sdn Bhd ("**MCRE**") as a joint operation of the Group resulted in the Group having two reportable operating segments.

All revenue, operating expenses and assets and liabilities are derived from the operations based in Malaysia. The Group generates revenues from transactions with 2026: 3 (2025: 3) major customers, each making up greater than 10% of the Group's revenue, amounting to a total of RM208,050,000 (2025: RM138,200,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

(a) *Exploration and evaluation assets*

The future recoverability of capitalised exploration and evaluation expenditure is dependent on several factors, including whether the Group decides to exploit the related area of interest, if not, whether it can successfully recover the related exploration and evaluation asset through sale. Factors which could impact the future recoverability include the level of ore reserves and mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made. The carrying amount of the Group's exploration and evaluation expenditure at 31 July 2026 is disclosed in Note 15.

(b) *Accounting for acquisition of MCRE*

The Group applies judgement in determining whether an acquisition constitutes an asset acquisition or a business combination. In making this determination, the Group applies the optional concentration test permitted under SFRS(I) 3 Business Combinations. Under this test, the Group assesses whether substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets. Where the concentration test is met, the acquired set is determined not to constitute a business, and the transaction is accounted for as an asset acquisition. The Group assessed that substantially all of the fair value of the gross assets acquired was concentrated in the mine properties and exploration and evaluation assets. Accordingly, the acquisition was accounted for as an asset acquisition, as disclosed in Note 17.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

(a) *Amortisation of mine properties*

Reserves are estimates of the amount of iron ore and REO that can be economically and legally extracted from the Group's mining properties. The Group estimates its iron ore and REO and respective mineral resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the iron ore and REO body and suitable production techniques and recovery rates. Such an analysis requires complex geological judgements to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs, along with geological assumptions and judgements made in estimating the size and grade of the iron ore and REO body.

Estimated economically recoverable reserves are used in determining the amortisation of mine-specific assets. This results in an amortisation charge proportional to the depletion of the anticipated remaining life-of-mine production. The life of each item has regard to both its physical life limitations and present assessments of economically recoverable reserves of the mine property at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure. Numerous units of production ("UOP") amortisation methodologies are available to choose from. The Group adopts a methodology involving run-of-mine ("ROM") tonnes of iron ore and REO produced for mining costs and a methodology involving ounces/tonnes of metal produced for post-mining costs. The calculation of the UOP rate of amortisation could be impacted to the extent that actual production in the future is different from current forecast production based on economically recoverable reserves, or if future capital expenditure estimates change. Changes to economically recoverable reserves could arise due to changes in the factors or assumptions used in estimating reserves, including:

(i) The effect on economically recoverable reserves of differences between actual commodity prices; and

(ii) Unforeseen operational issues.

Changes in estimates are accounted for prospectively.

(b) *Impairment of mine properties and property, plant and equipment ("mining assets") and investment in subsidiaries*

The Group assesses whether there are any indicators of impairment for its mining assets and investment in subsidiaries at each reporting date. Mining assets and investment in subsidiaries are tested for impairment when there are indicators that the carrying value of an asset or cash-generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

The value in use calculation is based on a discounted cash flow model. Management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate to calculate the present value of those cash flows. Further details of the key assumptions applied in the impairment assessment and the carrying amount of the Group's mining assets are disclosed in Note 14.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

(c) *Impairment of investment in joint ventures*

The Group assesses whether there are any indicators of impairment for its investment in joint ventures at each reporting date. Investment in joint ventures is tested for impairment when there are indicators that the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

The value in use calculation is based on a discounted cash flow model. Management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate to calculate the present value of those cash flows.

As at 31 July 2026, Rigid Temau Sdn Bhd ("RTSB") had considered the impact of the expired mining licence in the preparation of the discounted cash flow model while RTSB actively engage with the relevant authority to resolve the matter. The Group had recognised its share of losses of RTSB and impairment loss on investment in RTSB, respectively, and capped at the carrying amount of the investment in RTSB. Based on these assumptions, the carrying amount of the Group's investment in joint ventures are disclosed in Note 17.

(d) *Valuation of MCRE assets*

The initial accounting on the acquisition when the Group acquired 40% interest in MCRE involves identifying and determining the fair values of the entire identifiable assets and liabilities and the deferred consideration. The fair value of the mine properties and exploration and evaluation assets were determined by independent, professional qualified valuers by reference to the estimated reserves held by MCRE and the expected future cash flows generated from the mine operations. This involved significant management estimation and judgement on the various assumptions used in the cash flow forecasts. The purchase consideration is allocated to individual identifiable assets acquired and liabilities assumed, on a relative fair value basis. Any changes in the estimates and assumptions in determining the fair value will impact the carrying amount of the assets acquired. Further details of the investment in joint operation are disclosed in Note 17(b).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

4. REVENUE

	Group	
	2026 RM'000	**2025 RM'000**
Recognised at a point in time		
Sale of iron ores	**111,976**	155,316
Sale of bauxite	**13,735**	44,144
Sale of rare earth oxide ("**REO**") equivalent	**132,141**	–
	257,852	199,460

All revenues are derived from the operations based in Malaysia. Currently, MCRE is pending approval for its export permit application for the export of rare earth products, which was expired in June 2026.

Contract assets

Information about receivables, contract assets and contract liabilities from contracts with customers is disclosed as follows:

	Group		
	2026 RM'000	**2025 RM'000**	**1 August 2024 RM'000**
Receivables from contracts with customers (Note 20)	**2,575**	13,101	10,507
Contract assets	**13,408**	4,781	2,336

Contract assets primarily relate to the Group's right to consideration for iron ore and REO delivered but not yet billed at reporting date for the sale of iron ores and REO. Contract assets are transferred to receivables when the rights become unconditional.

Contract assets have substantially the same credit risk characteristics including concentration risks as the trade receivables for the sales of iron ore contracts. The Group has therefore concluded that the expected credit loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets as disclosed in Note 2.11 and Note 31(a).

Significant changes in contract assets are explained as follows:

	Group	
	2026 RM'000	**2025 RM'000**
Contract assets reclassified to receivables	**4,781**	2,336

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

5. OTHER INCOME

	Group	
	2026 RM'000	**2025 RM'000**
Interest income		
– Fixed deposits	**1,374**	1,581
– Bank balances	**1,794**	2,259
– Notional interest income on advance to a joint venture	**856**	810
– Notional interest income on advance to a related party	**345**	326
Gain on disposal of property, plant and equipment	**1,219**	4,912
Rendering of hiring, transportation and management services	**725**	157
Realised gain on foreign exchange	**731**	100
Insurance claim	**5**	1,809
Sundry income	**517**	277
Compensation received	**529**	–
	8,095	12,231

6. FINANCE COSTS

	Group	
	2026 RM'000	**2025 RM'000**
Interest expense on:		
– Lease liabilities	**232**	253
– Term loan	**287**	551
– Revolving credit	**187**	192
– Discount on non-current receivables	**–**	1,645
– Notional interest expense on deferred consideration payable	**1,023**	–
– Notional interest expense on rehabilitation provision	**5**	–
	1,734	2,641

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

7. LOSS BEFORE TAX

The following items have been included in arriving at loss before tax:

	Group	
	2026 RM'000	**2025 RM'000**
Audit fees		
Auditors of the Company	**550**	486
Affiliates of auditors of the Company	**281**	249
Non-audit fees		
Audit related services fees		
Auditors of the Company	**–**	142
Affiliates of auditors of the Company	**–**	39
Non-audit related services fees		
Auditors of the Company	**1**	7
Affiliates of auditors of the Company	**38**	37
Employee benefits expense (Note 8)	**17,335**	11,365
Depreciation of property, plant and equipment (Note 12)	**13,370**	12,122
Amortisation of mine properties (Note 14)	**27,833**	9,710
Tributes	**13,942**	36,000
Assets written-off (Note 12)	**1**	82
Realised gain on foreign exchange	**(731)**	(100)
Unrealised loss on foreign exchange	**1,334**	4,327
Impairment of investment in joint ventures (Note 17)	**–**	7,155
Impairment of mining assets (Note 14)	**–**	18,865
Impairment of non-trade debtors – non-current (Note 18)	**16,024**	–
Impairment of non-trade debtors – current (Note 20)	**1,500**	–
Impairment of exploration and evaluation assets (Note 15)	**566**	–
Write-down of inventories	**218**	–
Fair value loss on investment securities	**11**	11

8. EMPLOYEE BENEFITS

	Group	
	2026 RM'000	**2025 RM'000**
Wages and salaries	**17,022**	12,283
Social security contributions	**154**	128
Statutory contributions to Employees Provident Fund	**1,333**	1,045
	18,509	13,456

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

8. EMPLOYEE BENEFITS (CONTINUED)

The employee benefits expenses are allocated as follows:

	Group	
	2026 RM'000	**2025 RM'000**
Charged to profit or loss	**17,335**	11,365
Capitalised in inventories	**1,174**	2,091
	18,509	13,456

9. INCOME TAX

(a) ***Major components of income tax expense/(benefit)***

The major components of income tax expense*/(benefit)* for the years ended 31 July 2026 and 2025 are:

	Group	
	2026 RM'000	**2025 RM'000**
Current income tax		
Current income taxation	**11,467**	2,190
(Over) /under provision in respect of previous years	**(660)**	17
	10,807	2,207
Deferred tax		
Origination and reversal of temporary differences	**(2,802)**	(6,983)
Under provision in respect of previous years	**540**	561
	(2,262)	(6,422)
Income tax expense/(benefit) recognised in profit or loss	**8,545**	(4,215)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

9. INCOME TAX (CONTINUED)

(b) ***Relationship between income tax and loss before tax***

The reconciliation between income tax and the product of loss before tax multiplied by the applicable corporate tax rate for the years ended 31 July 2026 and 2025 are as follows:

	Group	
	2026 RM'000	**2025 RM'000**
Loss before tax	**(14,767)**	(31,566)
Tax at the domestic rates applicable to profits in the countries where the Group operates	**(3,287)**	(6,734)
Adjustments:		
Non-deductible expenses	**9,961**	2,424
Share of loss of joint ventures	**2,290**	136
Income not subject to taxation	**(299)**	(619)
(Over)/under provision of income tax in respect of previous years	**(120)**	578
Income tax expense/(benefit) recognised in profit or loss	**8,545**	(4,215)

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

Deferred tax relates to the following:

	Deferred income tax assets			**Deferred income tax liabilities**		**Deferred income tax liabilities, net**
	Unutilised business losses and capital allowances RM'000	**Provision for rehabilitation RM'000**	**Foreign exchange differences on other balance sheet items RM'000**	**Property, plant and equipment RM'000**	**Mine properties RM'000**	**Total RM'000**
2026						
As at 1 August 2025	**–**	**–**	**941**	**(1,837)**	**(1,536)**	**(2,432)**
Acquisition of joint operation	**–**	**–**	**(10)**	**(659)**	**(1,041)**	**(1,710)**
Recognised in profit or loss (Note 9(a))	**4,107**	**56**	**(648)**	**(285)**	**(968)**	**2,262**
At 31 July 2026	**4,107**	**56**	**283**	**(2,781)**	**(3,545)**	**(1,880)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

9. INCOME TAX (CONTINUED)

(b) ***Relationship between income tax and loss before tax (Continued)***

	Deferred income tax assets		Deferred income tax liabilities		Deferred income tax liabilities, net
	Unutilised capital allowances RM'000	Foreign exchange differences on other balance sheet items RM'000	Property, plant and equipment RM'000	Mine properties RM'000	Total RM'000
2025					
As at 1 August 2024	1,199	–	(4,709)	(5,344)	(8,854)
Recognised in profit or loss (Note 9(a))	(1,199)	941	2,872	3,808	6,422
At 31 July 2025	–	941	(1,837)	(1,536)	(2,432)

10. LOSS PER SHARE ("LPS")

Basic earnings per share are calculated by dividing loss for the year, net of tax, attributable to the owners of the Company by weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2026	**2025**
Loss attributable to owners of the Company (RM'000)	**(23,265)**	(27,310)
Weighted average number of ordinary shares for basic earnings per shares computation ('000)	**619,308**	488,759
Basic and fully diluted basis LPS (Malaysian cents per share)	**(3.76)**	(5.59)

11. SEGMENT INFORMATION

For the purposes of resource allocation and assessment of segment performance, the Group's Managing Director together with the Executive Director and Chief Operating Officer (the Group's Chief Operating Decision Makers) have focused on the business operating units which in turn are segregated based on the type of minerals mined, processed and sold.

Operating segments are aggregated into a single reportable operating segment if they have similar nature of activities and processes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

11. SEGMENT INFORMATION (CONTINUED)

In September 2025, the Group completed the acquisition of 40% stake in MCRE. Upon completion, MCRE became a joint operation of the Group resulting in the Group having two reportable operating segments as follows:

– Iron ore

– Rare earth elements ("**REE**")

Segment revenue represents revenue generated from external customers. Segment results represent the (loss)/profit from each segment after allocating costs directly attributable to a segment as well as those that can be allocated on a reasonable basis. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

Assets and liabilities are allocated by segment as they are considered critical by the chief operating decision maker in resource allocation and assessment of segment performance.

	Iron Ore* RM'000	REE RM'000	Unallocated RM'000	Consolidated RM'000
FY2026				
Revenue				
Segment revenue	**125,711**	**132,141**	**–**	**257,852**
Segment Results				
(Loss)/profit before tax	**(40,825)**	**31,491^**	**(5,433)**	**(14,767)**
Income tax benefit/(expense)	**2,682**	**(11,228)**	**1**	**(8,545)**
Segment (loss)/profit after tax	**(38,143)**	**20,263**	**(5,432)**	**(23,312)**
Total assets	**262,660**	**290,281**	**17,455**	**570,396**
Total liabilities	**19,353**	**44,035**	**869**	**64,257**

* Includes revenue from the sales of bauxite

^ Includes amortisation of the excess of consideration paid for the acquisition of the rare earth business over the net book value of the acquired mining assets of RM13,203,000.

12. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land RM'000	Construction in progress RM'000	Buildings RM'000	Motor vehicles and heavy-duty mobile equipment RM'000	Plant and machinery RM'000	Other equipment RM'000	Furniture and fittings, containers, signboard and renovation RM'000	Total RM'000
Group								
Cost								
At 1 August 2024	–	75	24,707	39,026	163,518	900	5,275	233,501
Additions	–	10	–	474	713	19	22	1,238
Disposals	–	–	–	(776)	(6,203)	–	(90)	(7,069)
Write-off	–	–	–	(120)	–	–	(712)	(832)
Reclassification	–	(18)	–	–	–	–	–	(18)
At 31 July 2025 and 1 August 2025	–	67	24,707	38,604	158,028	919	4,495	226,820
Acquisition of a joint operation	88	747	1,070	1,517	7,969	1,169	331	12,891
Lease modification	447	–	–	–	–	–	–	447
Additions	–	324	1,221	79	1,020	399	43	3,086
Disposals	–	–	(5)	(161)	(1,707)	–	–	(1,873)
Write-off	–	–	–	–	–	–	(15)	(15)
Transfer	–	(1,072)	1,072	–	–	–	–	–
At 31 July 2026	**535**	**66**	**28,065**	**40,039**	**165,310**	**2,487**	**4,854**	**241,356**
Accumulated depreciation								
At 1 August 2024	–	–	9,659	35,956	118,903	333	2,958	167,809
Depreciation charge for the year (*)	–	–	2,337	716	13,522	78	335	16,988
Disposals	–	–	–	(686)	(4,889)	–	(46)	(5,621)
Write-off	–	–	–	(40)	–	–	(710)	(750)
At 31 July 2025 and 1 August 2025	–	–	11,996	35,946	127,536	411	2,537	178,426
Depreciation charge for the year (*)	79	–	2,148	859	10,851	527	364	14,828
Disposals	–	–	(5)	(47)	(1,640)	–	–	(1,692)
Write-off	–	–	–	–	–	–	(14)	(14)
At 31 July 2026	**79**	**–**	**14,139**	**36,758**	**136,747**	**938**	**2,887**	**191,548**
Group								
Impairment (Note 14)								
At 31 July 2025 and 1 August 2025	–	–	1,764	171	4,922	73	300	7,230
Disposals	–	–	–	(10)	(9)	–	–	(19)
At 31 July 2026	–	–	1,764	161	4,913	73	300	7,211
Net carrying amount								
At 31 July 2026	**456**	**66**	**12,162**	**3,120**	**23,650**	**1,476**	**1,667**	**42,597**
At 31 July 2025	–	67	10,947	2,487	25,570	435	1,658	41,164

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Note:

* During the year ended 31 July 2026, the Group has incurred a total depreciation of RM14,828,000 (2025: RM16,988,000), Nil (2025: RM110,000) capitalised as exploration and evaluation assets, RM1,458,000 (2025: RM4,756,000) capitalised as inventories and RM13,370,000 (2025: RM12,122,000) charged to profit or loss.

During the year ended 31 July 2026, the Group acquired assets amounting to RM12,891,000 through the acquisition of MCRE. The cash outflow on acquisition of property, plant and equipment amounted to RM918,000 (2025: RM1,022,000).

Out of total proceeds from disposed assets amounted to RM1,381,000 (2025: RM6,360,000), the Group had received cash inflows from disposed assets of RM1,381,000 (2025: RM3,343,000) and no balance remained as other receivables in the balance sheet as at 31 July 2026 (2025: RM3,017,000). Accordingly, gain on disposal amounted to RM1,219,000 (2025: RM4,912,000).

During the same period, the Group also received cash inflows of RM1,512,000 (2025: RM480,000) from the disposal of property, plant and equipment in the financial year ended 31 July 2025, resulting in total cash inflows of RM2,893,000 (2025: RM3,823,000) from the disposal of property, plant and equipment in the financial year ended 31 July 2026.

Assets held under hire purchase

The Group acquired plant and machinery, motor vehicles and heavy-duty mobile equipment with an aggregate cost of RM174,000 in 2026 (2025: RM Nil) by means of hire purchase.

The net carrying amount of the Group's plant and machinery, motor vehicles and heavy-duty mobile equipment held under hire purchase agreements as at 31 July 2026 was RM3,598,000 (2025: RM4,442,000).

Assets pledged as security

In addition to assets held under hire purchase, the Group's machineries with net carrying amount of RM5,582,000 (2025: RM7,629,000) in 2026 are pledged to secure the Group's bank borrowings (Note 22).

Right-of-use of assets

Right-of-use of assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 13.

13. LEASES

The Group leases leasehold land, office premises, plant, machinery and motor vehicles, including heavy mobile equipment for its operations. Leases of plant and machinery and motor vehicles, including heavy mobile equipment generally have lease terms of 5 years while leasehold land and office premises have a lease term of 6 years and 3 years, respectively. The Group's lease liabilities are secured by the lessor's title to the leased assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

13. LEASES (CONTINUED)

Set out below are the carrying amounts of right-of-use assets, classified within property, plant and equipment, recognised and the movement during the year:

	Leasehold land RM'000	Office premises RM'000	Telecom-munication tower RM'000	Total RM'000
Group				
As at 1 August 2024	–	321	843	1,164
Depreciation	–	(227)	(102)	(329)
Impairment loss (Note 14)	–	(14)	(115)	(129)
As at 31 July 2025	–	80	626	706
Acquisition of a joint operation	88	35	–	123
Addition	–	669	–	669
Modification	447	–	–	447
Depreciation	(78)	(240)	(86)	(404)
As at 31 July 2026	**457**	**544**	**540**	**1,541**

The Group also has leases with lease terms of 12 months or less for staff accommodation. The Group applies the "short-term lease" recognition exemptions for these leases.

Lease and hire purchase liabilities

	Leasehold land RM'000	Office premises RM'000	Telecom-munication tower RM'000	Motor vehicles and heavy-duty mobile equipment RM'000	Plant and machinery RM'000	Total RM'000
Group						
As at 1 August 2025	–	99	483	193	1,282	2,057
Acquisition of a joint operation	95	35	–	333	1,859	2,322
Additions	–	669	–	215	960	1,844
Modification	443	–	–	–	–	443
Interest expense	13	19	25	23	152	232
Lease payments						
– Prepayment	(7)	–	–	–	–	(7)
– Principal portion	(89)	(252)	(56)	(378)	(2,149)	(2,924)
– Interest portion	–	(19)	(25)	(23)	(152)	(219)
As at 31 July 2026	**455**	**551**	**427**	**363**	**1,952**	**3,748**
As at 1 August 2024	–	326	536	637	6,245	7,744
Interest expense	–	13	28	21	191	253
Lease payments						
– Principal portion	–	(227)	(53)	(444)	(4,963)	(5,687)
– Interest portion	–	(13)	(28)	(21)	(191)	(253)
As at 31 July 2025	–	99	483	193	1,282	2,057

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

13. LEASES (CONTINUED)

Lease and hire purchase liabilities (Continued)

	Group	
	2026 RM'000	**2025 RM'000**
Current	**1,686**	1,483
Non-current	**2,062**	574

The maturity analysis of lease and hire purchase liabilities is disclosed in Note 31(b).

The following are the amounts recognised in profit or loss:

	Group	
	2026 RM'000	**2025 RM'000**
Depreciation of right-of-use assets	**404**	329
Interest expenses on lease and hire purchase liabilities included in finance costs	**232**	253
Variable lease payments included in cost of sales	**7,550**	11,879
Expenses relating to short-term leases included in general and administrative expenses	**8**	11
Total amount recognised in profit or loss	**8,194**	12,472
Total cash outflows for leases and hire purchases	**10,341**	10,652

Agreement with lease component

The Group has an agreement with a third party for the processing of iron ore that contains an operating lease component pertaining to the underlying plant and equipment where the Group is the lessee. The payments required under the agreement depends on the actual amount of iron ore processed, among others such as the agreed contractual rates and the market price of iron ore. All the payments under this agreement are variable in nature and are recognised as expenses as incurred. For the financial year ended 31 July 2026, variable payments expensed under this agreement, inclusive of non-lease elements amount to RM7,550,000 (2025: RM11,879,000) respectively.

Total future cashflows for which the Group is potentially exposed to under this agreement that are not reflected in the measurement of lease liabilities cannot be estimated reliably.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

14. MINE PROPERTIES

	Producing mine RM'000	Mine infra-structure RM'000	Stripping activity asset RM'000	Rehabilitation assets RM'000	Total RM'000
Group					
Cost					
At 1 August 2024	30,210	19,846	64,818	–	114,874
Addition during the year	–	33,347	–	–	33,347
At 31 July 2025 and 1 August 2025	30,210	53,193	64,818	–	148,221
Acquisition of a joint operation	124,348	–	–	211	124,559
Addition during the year	16,522	9,393	–	228	26,143
At 31 July 2026	**171,080**	**62,586**	**64,818**	**439**	**298,923**
Accumulated amortisation					
At 1 August 2024	15,489	2,018	40,958	–	58,465
Charge for the year	2,233	8,668	3,620	–	14,521
At 31 July 2025 and 1 August 2025	17,722	10,686	44,578	–	72,986
Charge for the year	26,329	2,950	1,098	114	30,491
At 31 July 2026	**44,051**	**13,636**	**45,676**	**114**	**103,477**
Impairment					
At 1 August 2024	–	–	–	–	–
Provided for the year	1,931	6,574	3,130	–	11,635
At 31 July 2025, 1 August 2025 and 31 July 2026	1,931	6,574	3,130	–	11,635
Net carrying amount					
At 31 July 2026	**125,098**	**42,376**	**16,012**	**325**	**183,811**
At 31 July 2025	10,557	35,933	17,110	–	63,600

During the year ended 31 July 2026, the Group completed the acquisition of 40% equity interest in MCRE. The Group acquired rare earth mine properties valued at RM124,348,000 which consist of mine properties at cost of RM26,213,000 and RM98,135,000 was the excess purchase consideration allocated to mine properties.

During the year ended 31 July 2026, the Group had capitalised RM26,143,000 (2025: RM33,347,000) as producing mine, mine infrastructure and rehabilitation assets which consist of non-cash expenditure of RM228,000 (2025: RM8,653,000) and cash outflow of RM25,915,000 (2025: RM24,694,000).

During the year ended 31 July 2026, the Group has incurred amortised charges of producing mine of RM26,329,000 (2025: RM2,233,000) which consist of amortisation of tangible producing mine of RM13,126,000 and amortisation of excess of consideration paid for the acquisition of the rare earth business over the net book value of the acquired mining assets of RM13,203,000 (2025: RM Nil).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

14. MINE PROPERTIES (CONTINUED)

During the year ended 31 July 2026, the Group has incurred a total amortisation of RM30,491,000 (2025: RM14,521,000), RM2,658,000 (2025: RM4,811,000) was capitalised as inventories and RM27,833,000 (2025: RM9,710,000) charged to profit or loss.

During the year ended 31 July 2025, the Group has provided for a non-cash impairment of mining assets amounting to RM11,635,000 based on assessment of the recoverable value.

Impairment assessment of property, plant and equipment (including right-of-use assets) and mine properties

The Group performed impairment assessments and carried out reviews of the recoverable amounts of the mining assets of Chaah mine and Gerik mine (FY2025: Chaah mine) which comprise:

	Carrying value as at	
	31 July 2026 RM'000	**31 July 2025 RM'000**
Property, plant and equipment	**39,668**	40,457
Right-of-use assets	**1,541**	707
Mine properties	**183,811**	63,600
	225,020	104,764

The recoverable amount of the mining assets is determined from value in use ("VIU") calculations based on cash flow forecasts for the next six (6) years for Chaah mine and nine (9) years for Gerik mine (31 July 2025: six (6) years for Chaah mine) taking into account the life-of-mine ("LOM") and development plans as part of the long-term planning process.

The key assumptions for these VIU calculations for Chaah mine are as follows:

(i) The anticipated extraction volume of iron ore used in the cash flow projections of the mining assets based on total reserves available of 5,415,000 MT depleted from the Summary Independent Qualified Person Report 2024.

(ii) The anticipated average realised selling price projected based on forecasted S&P Global Market Intelligence for concentrated iron ore with adjustment to account for prices applied to the local market and the anticipated foreign exchange rate projected based on forecasts published by various reputed banks.

(iii) Discount rate is determined to be 14.0% (2025: 13.7%).

The key assumptions for these VIU calculations for Gerik mine are as follows:

(i) The anticipated extraction volume of REO used in the cash flow projections of the mining assets based on total reserves available of 35,287 tons depleted from the Summary Qualified Person's Report 2025.

(ii) The anticipated average realised selling price projected based on Asian Metal Market Index for the REO.

(iii) Discount rate is determined to be 11.4%.

Based on the assessment performed in 2026, the management is of the view that there is no impairment required in relation to the mining assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

14. MINE PROPERTIES (CONTINUED)

The impairment assessment performed during the year ended 31 July 2025 resulted in an impairment loss of RM18,865,000 which have been allocated proportionately to property, plant and equipment, right-of-use assets and mine properties based on their carrying values in accordance with SFRS(I) 1-36. The impairment loss of RM18,865,000 was recognised in "General and administrative expenses" line item of profit or loss for the financial year ended 31 July 2025.

	Impairment provided for the year ended 31 July 2025 RM'000
Property, plant and equipment	7,101
Right-of-use assets	129
	7,230
Mine properties	11,635
	18,865

15. EXPLORATION AND EVALUATION ASSETS

	Group	
	2026 RM'000	**2025 RM'000**
Cost		
At 1 August	**14,267**	11,688
Acquisition of a joint operation	**91,071**	–
Additions	**78**	2,579
At 31 July	**105,416**	14,267
Impairment		
At 1 August	**–**	–
Provided for the year	**566**	–
At 31 July	**566**	–
Carrying amount		
At 31 July	**104,850**	14,267

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

15. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

During the year ended 31 July 2026, the Group acquired rare earth exploration and evaluation assets valued at RM91,071,000 which consist of cost of RM4,556,000 and the balance of RM86,515,000 was the excess purchase consideration allocated to exploration and evaluation assets.

The carrying amount of the exploration and evaluation assets as at 31 July 2025 mainly relates to the exploration cost incurred on prospect sites located at the state of Johor, Malaysia. During the year ended 31 July 2026, the Group has assessed that the Bukit Kepong is inactive and the Company has no active plan to carry out exploration as at the reporting date and provided for an impairment of RM566,000. There are no exploration and evaluation expenditure expensed off in the consolidated statement of comprehensive income during the year.

16. INVESTMENT IN SUBSIDIARIES

	Company	
	2026	**2025**
	RM'000	**RM'000**
Unquoted equity shares, at cost	**174,565**	174,565
Amount due from subsidiaries	**233,582**	13,500
	408,147	188,065
Less: Impairment loss	**(4,684)**	(4,684)
	403,463	183,381
Redeemable preference shares	**12,000**	12,000
	415,463	195,381

The amount due from subsidiaries is unsecured and interest-free. Settlement of the balance is neither planned nor likely to occur in the foreseeable future as they are, in substance, a part of the Company's net investment in the subsidiaries.

The Company recognised an impairment of RM4,684,000 for the financial year ended 31 July 2025 in respect of the amount due from a subsidiary, Sumber Alam Minerals (Sabah) Sdn Bhd, arising from the non-renewal of the exploration licence for its project in Sabah, Malaysia. The impairment was determined based on an assessment of the recoverable amount in accordance with SFRS(I) 1-36.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

16. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) **Unquoted equity shares**

Composition of the Company

The Company has the following subsidiaries as at financial year ended 31 July 2026 and 2025:

Name	Country of incorporation and place of business	Principal activities	Proportion (%) of shareholdings held	
			2026 %	2025 %
Honest Sam Development Sdn. Bhd.*	Malaysia	Mining, processing and sales of iron ore, gold and other precious metals, base metals and minerals	**60(1)**	60(1)
Selatan Anjung Minerals Sdn. Bhd.*	Malaysia	Mining and quarrying of various minerals and materials	**85**	85
SAM Advance Minerals Holding Sdn. Bhd.*	Malaysia	Mining, quarrying and trading of various minerals and materials	**100**	100
Sumber Alam Minerals (Sabah) Sdn Bhd*	Malaysia	Mining, quarrying and trading of various minerals and materials	**100**	100
Nusantara Bumi Resources Sdn Bhd**	Malaysia	Dormant	**100**	–
Northern RE Resources Sdn Bhd**	Malaysia	Dormant	**100**	–

* Audited by Ernst & Young, Malaysia

** Audited by YN See & Co, Kuantan

(1) The Company holds 60% of shareholdings in Honest Sam and the remaining 40% shareholdings are held by the Bumiputera Shareholders through Convertible Preference Shares ("CPS") as disclosed in Note 26. These CPS are convertible at the sole discretion of Honest Sam into 1 ordinary share of Honest Sam for a minimal consideration of RM100 and do not carry any voting rights. Accordingly, the Company has 100% effective ownership interest and voting rights in Honest Sam Development Sdn Bhd and therefore no amount was attributed to non-controlling interest. Dividends to CPS are recognised when declared.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

16. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) **Redeemable preference shares**

On 10 March 2022, the Company subscribed to 1,000 units of redeemable cumulative preference shares issued by its subsidiary, Selatan Anjung Minerals Sdn Bhd, at RM10,000 per unit. On 10 December 2024, the Company subscribed additional 200 units, resulting in owning 1,200 units of redeemable cumulative preference shares of Selatan Anjung Minerals Sdn Bhd.

The salient features of the RPS are as follows:

(a) The value of the RPS shall be RM10,000 per unit only;

(b) It shall carry a cumulative dividend rate of 5% per annum or such other rate as may be determined by the Board of Directors whichever is higher from the respective date of issuance of the RPS until the date of the redemption of the RPS;

(c) It shall be redeemable at any time at the option of the company by notice to the holders of the RPS in the proportion based on their respective holdings of RPS, at the redemption price for each RPS being the aggregate of:

(i) The issue price for each such RPS; and

(ii) Any accrued and unpaid dividends in respect of each such RPS for the period; and

(iii) The RPS have a maturity period of ten (10) years from the date of issuance and may be redeemed at any time one (1) year after the issuance.

17. INTERESTS IN JOINT ARRANGEMENTS

(a) **Joint ventures**

	Group		Company	
	2026 RM'000	2025 RM'000	**2026 RM'000**	2025 RM'000
Unquoted ordinary shares, at cost	**11,864**	11,864	**–**	–
Amounts due from joint ventures	**3,024**	3,024	**3,024**	3,024
Share of post-acquisitions reserves	**(12,560)**	(3,020)	**–**	–
Deemed cost of investment for notional interest on advances provided to a joint venture	**5,031**	5,031	**–**	–
Elimination of downstream gain for assets disposed to a joint venture	**(204)**	(204)	**–**	–
	7,155	16,695	**3,024**	3,024
Less: Impairment loss	**(7,155)**	(7,155)	**(3,024)**	(3,024)
	–	9,540	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

17. INTERESTS IN JOINT ARRANGEMENTS (CONTINUED)

(a) **Joint ventures (Continued)**

The amount due from joint ventures are unsecured and interest-free. Settlement of the balance is neither planned nor likely to occur in the foreseeable future as they are, in substance, a part of the Company's net investment in the joint ventures.

The Company has recognised an impairment loss of RM7,155,000 for the financial year ended 31 July 2025 in respect of the investment in joint ventures following the assessment of the recoverable amount in accordance with SFRS(I) 1-36. In 2025, the impairment loss was arising from the non-renewal of the exploration licences of MH, SA Metal and SA Minerals in Sabah, Malaysia and the impairment loss in RT was recognised following the assessment of recoverable amount of the investment which was lower than the carrying amount. The impairment loss of RM7,155,000 was recognised in "General and administrative expenses" line item of profit or loss for the financial year ended 31 July 2025. For the financial year ended 31 July 2026, no impairment loss was recognised in respect of the investment in joint ventures.

The summary of impairment of investment in joint ventures recognised during the year is as follows:

	Group	
	2026	**2025**
	RM'000	**RM'000**
Rigid Temau Sdn Bhd	–	2,169
Maha Hijau Sdn Bhd	–	4,047
Southern Atlantic Metal Sdn Bhd	–	433
Sri Aman Minerals Sdn Bhd	–	506
	–	7,155

During the year ended 31 July 2025, the recoverable amount of the investment in RT is determined from value in use ("VIU") calculations based on cash flow forecasts for the next eleven (11) years taking into account the life-of-mine ("LOM") and development plans as part of the long-term planning process. The key assumptions for these VIU calculations are as follows:

(i) The anticipated extraction volume of iron ore used in the cash flow projections of the CGU based on total resources available of 12,631,494 MT stated in the Operational Mining Scheme ("OMS") report.

(ii) The anticipated average realised selling price projected based on forecasted S&P Global Market Intelligence for concentrated iron ore with adjustment to account for prices applied to the local market and the anticipated foreign exchange rate projected based on forecasts published by various reputed banks.

(iii) Discount rate is determined to be 13.7%.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

17. INTERESTS IN JOINT ARRANGEMENTS (CONTINUED)

(a) **Joint ventures (Continued)**

As at 31 July 2026, RT has considered the impact of the expired mining licences and to the date of this report the Company has yet to secure the renewal. Notwithstanding that the management of RT is engaging with local authorities, a full impairment was provided for its mine properties and the exploration cost capitalised as exploration and evaluation assets as there is uncertainty on the renewal of the licences.

The Group has a 50% interest each in RT, Southern Atlantic Metal Sdn Bhd and Sri Aman Minerals Sdn Bhd and a 49% interest in MH which are accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its MFRS financial statements, and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below.

Details of the joint ventures are as follows:

Name	Country of incorporation and place of business	Principal activities	Proportion (%) of shareholdings held	
			2026 %	2025 %
Rigid Temau Sdn Bhd (RT)*	Malaysia	Principally engaged to carry on the business of quarry operators, iron-ore, stone, granite and other minerals	**50**	50
Maha Hijau Sdn Bhd (MH)**	Malaysia	Business of exploration, mining, transportation, sale and export of mining minerals	**49**	49
Southern Atlantic Metal Sdn Bhd*	Malaysia	Mining, quarrying and trading of various minerals and materials	**50**	50
Sri Aman Minerals Sdn Bhd*	Malaysia	Mining, quarrying and trading of various minerals and materials	**50**	50

* Audited by Ernst & Young, Malaysia
** Audited by Ernst & Young, Malaysia in 2025 and Ash'aricheong, Kuantan in 2026

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

17. INTERESTS IN JOINT ARRANGEMENTS (CONTINUED)

(a) Joint ventures (Continued)

The summarised financial information of RT, not adjusted for the proportion of ownership interest held by the Company, is as follows:

Summarised statement of financial position of RT

	2026 RM'000	2025 RM'000
Assets and liabilities		
Non-current assets	**15,219**	45,946
Current assets	**5,015**	18,305
Total assets	**20,234**	64,251
Non-current liabilities	**1,411**	2,281
Current liabilities	**43,020**	48,205
Total liabilities	**44,431**	50,486
Net (liabilities)/assets	**(24,197)**	13,765

Summarised statement of comprehensive income of RT

	2026 RM'000	2025 RM'000
Revenue	**18,053**	34,533
Loss before tax, for the year	**(28,335)**	(481)
Loss net of tax, for the year	**(28,635)**	(538)

Reconciliation of the summarised financial information presented above to carrying amount of the Company's interest in the joint venture, RT, is as follows:

	2026 RM'000	2025 RM'000
Net assets at 1 August	**13,765**	14,853
Loss for the year ending 31 July	**(18,888)**	(538)
Amortisation of intangible assets	**(193)**	(550)
Net (liabilities)/assets at 31 July	**(5,316)**	13,765
Interest in the joint venture	**50%**	50%
	(2,658)	6,882
Elimination of downstream gain for assets disposed to a joint venture	**(204)**	(204)
Deemed cost of investment for notional interest on advances provided to joint venture	**5,031**	5,031
Impairment loss	**(2,169)**	(2,169)
Net carrying amount of the joint venture	**–**	9,540
Unrecognised share of loss	**4,874**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

17. INTERESTS IN JOINT ARRANGEMENTS (CONTINUED)

(a) Joint ventures (Continued)

The summarised financial information of MH, not adjusted for the proportion of ownership interest held by the Company, is as follows:

Summarised statement of financial position of MH

	2026 RM'000	2025 RM'000
Assets and liabilities		
Current assets, representing total assets	**38**	74
Current liabilities, representing total liabilities	**2,988**	3,007
Net liabilities	**(2,950)**	(2,933)

Summarised statement of comprehensive income of MH

	2026 RM'000	2025 RM'000
Revenue	**–**	–
Loss before tax, for the year	**(17)**	(1,523)
Loss net of tax, for the year	**(17)**	(1,523)
Loss net of tax attributable to the owners of the Company	**(17)**	(987)

Reconciliation of the summarised financial information presented above to carrying amount of the Company's interest in the joint venture, MH, is as follows:

	2026 RM'000	2025 RM'000
Net liabilities at 1 August	**(1,084)**	(971)
Loss for the year ending 31 July	**–**	(113)
Net liabilities at 31 July	**(1,084)**	(1,084)
Interest in the joint venture	**49%**	49%
	(531)	(531)
Share of goodwill in the joint venture	**3,123**	3,123
Amount due from the joint venture	**1,455**	1,455
Impairment loss	**(4,047)**	(4,047)
Net carrying amount of the joint venture	**–**	–
Unrecognised share of loss	**472**	463

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

17. INTERESTS IN JOINT ARRANGEMENTS (CONTINUED)

(a) Joint ventures (Continued)

The summarised financial information of Southern Atlantic Metal Sdn Bhd, not adjusted for the proportion of ownership interest held by the Company, is as follows:

Summarised statement of financial position of Southern Atlantic Metal Sdn Bhd

	2026 RM'000	2025 RM'000
Assets and liabilities		
Current assets, representing total assets	**1,023**	1,050
Current liabilities, representing total liabilities	**3,160**	3,162
Net liabilities	**(2,137)**	(2,112)

Summarised statement of comprehensive income of Southern Atlantic Metal Sdn Bhd

	2026 RM'000	2025 RM'000
Revenue	**–**	–
(Loss)/profit before tax, for the year	**(25)**	162
(Loss)/profit net of tax, for the year	**(25)**	162
(Loss)/profit net of tax attributable to the owners of the Company	**(20)**	167

Reconciliation of the summarised financial information presented above to carrying amount of the Company's interest in the joint venture, Southern Atlantic Metal Sdn Bhd, is as follows:

	2026 RM'000	2025 RM'000
Net liabilities at 1 August	**(2,262)**	(2,429)
Profit for the year ending 31 July	**–**	167
Net liabilities at 31 July	**(2,262)**	(2,262)
Interest in the joint venture	**50%**	50%
	(1,131)	(1,131)
Share of goodwill in the joint venture	**47**	47
Amount due from the joint venture	**1,517**	1,517
Impairment loss	**(433)**	(433)
Net carrying amount of the joint venture	**–**	–
Unrecognised share of loss	**10**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

17. INTERESTS IN JOINT ARRANGEMENTS (CONTINUED)

(a) **Joint ventures (Continued)**

The summarised financial information of Sri Aman Minerals Sdn Bhd, not adjusted for the proportion of ownership interest held by the Company, is as follows:

Summarised statement of financial position of Sri Aman Minerals Sdn Bhd

	2026 RM'000	2025 RM'000
Assets and liabilities		
Non-current assets	**–**	4
Current assets	**807**	779
Total assets	**807**	783
Current liabilities, representing total liabilities	**3,087**	3,035
Net liabilities	**(2,280)**	(2,252)

Summarised statement of comprehensive income of Sri Aman Minerals Sdn Bhd

	2026 RM'000	2025 RM'000
Revenue	**–**	–
Loss before tax, for the year	**(28)**	(491)
Loss net of tax, for the year	**(28)**	(491)
Loss net of tax attributable to the owners of the Company	**(25)**	(486)

Reconciliation of the summarised financial information presented above to carrying amount of the Company's interest in the joint venture, Sri Aman Minerals Sdn Bhd, is as follows:

	2026 RM'000	2025 RM'000
Net liabilities at 1 August	**(2,026)**	(1,922)
Loss for the year ending 31 July	**–**	(104)
Net liabilities at 31 July	**(2,026)**	(2,026)
Interest in the joint venture	**50%**	50%
	(1,013)	(1,013)
Share of goodwill in the joint venture	**12**	12
Amount due from the joint venture	**1,507**	1,507
Impairment loss	**(506)**	(506)
Net carrying amount of the joint venture	**–**	–
Unrecognised share of loss	**204**	191

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

17. INTERESTS IN JOINT ARRANGEMENTS (CONTINUED)

(a) Joint ventures (Continued)

The summary of investment in joint ventures is as follows:

	Group	
	2026 RM'000	2025 RM'000
Carrying amount for, investment in:		
Rigid Temau Sdn Bhd	–	9,540
Maha Hijau Sdn Bhd	–	–
Southern Atlantic Metal Sdn Bhd	–	–
Sri Aman Minerals Sdn Bhd	–	–
	–	9,540

The summary of share of (loss)/profit in joint ventures is as follows:

	Group	
	2026 RM'000	2025 RM'000
Rigid Temau Sdn Bhd	**(9,540)**	(544)
Maha Hijau Sdn Bhd	–	(56)
Southern Atlantic Metal Sdn Bhd	–	84
Sri Aman Minerals Sdn Bhd	–	(52)
	(9,540)	(568)

(b) Joint operation

In September 2025, the Group completed the acquisition of 40% equity interest in MCRE. The initial consideration of RM219.0 million was paid through the allotment and issuance of 147,982,380 new shares of the Company. Deferred consideration of RM23.4 million is payable over a period of four years and is included within 'Trade and other payables' (Note 23). The fair value of the deferred consideration was calculated by applying the income approach, discounted at the prevailing discount rate. As at the acquisition date, the fair value of the deferred consideration was estimated to be RM19.9 million. Accordingly, notional interest on deferred consideration of RM1.0 million was recognised in the "Finance costs" line item (Note 6) in the Group's profit or loss for the financial year ended 31 July 2026.

The Group has elected to apply the 'concentration test' and assessed that substantially all of the fair value of the gross assets is concentrated in mine properties and exploration and evaluation assets. Therefore, the acquisition does not meet the requirements of SFRS(I) 3 – *Business* Combinations, and results in the transaction being treated as an asset acquisition. Consequently, the purchase consideration is allocated to individual identifiable assets acquired and liabilities assumed, on a relative fair value basis.

Directly attributable transaction costs associated with the acquisition amounting to RM4.2 million have been capitalised to the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

17. INTERESTS IN JOINT ARRANGEMENTS (CONTINUED)

(b) **Joint operation (Continued)**

The proportionate relative fair values of the net assets and liabilities recognised as a result of the acquisition are as follows:

	RM'000
Mine properties (Note 14)	124,559
Property, plant and equipment (Note 12)	12,891
Exploration and evaluation assets (Note 15)	91,071
Inventory	8,040
Cash and cash equivalents	8,324
Trade and other receivables	4,272
Prepayments and deposits	7,699
Trade and other payables	(8,590)
Lease and hire purchase liabilities (Note 13)	(2,322)
Deferred income tax liabilities (Note 9)	(1,710)
Income tax payable	(657)
Long term loan (Note 22)	(242)
Provision for rehabilitation (Note 24)	(211)
Total net assets acquired, representing total consideration	243,124

18. OTHER NON-CURRENT ASSETS

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Other receivables				
Amount due from a joint venture	**16,024**	15,168	**–**	–
Amount due from a related party	**6,529**	6,184	**–**	–
Prepayment	**129**	–	**–**	–
Deposits	**6,320**	–	**–**	–
Dividend receivable on RPS	**–**	–	**2,360**	1,760
	29,002	21,352	**2,360**	1,760
Less: Allowance for impairment				
– Joint venture	**(16,024)**	–	**–**	–
	12,978	21,352	**2,360**	1,760

Amount due from a joint venture

The amount due from a joint venture mainly relates to advances to a joint venture for general working capital purposes, capital and exploration and evaluation expenditures. This amount is unsecured, non-interest bearing and not repayable within a year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

18. OTHER NON-CURRENT ASSETS (CONTINUED)

Amount due from a related party

Advances to a related party relates to exploration and evaluation expenditures made for the purpose of assessing a proposed acquisition as part of the Group's diversification strategy. This amount is unsecured, non-interest bearing and repayable between August 2028 and November 2029.

Deposits

These amounts mainly relate to sums deposited with local authority for the renewal of lanthanide minerals mining licenses. This amount is unsecured, non-interest bearing and not repayable within a year.

Expected credit losses

The movement in allowance for expected credit losses are as follows:

	Group	
	2026	**2025**
	RM'000	**RM'000**
Balance as at 1 August	**–**	–
Provided during the year	**16,024**	–
Balance as at 31 July	**16,024**	–

As at 31 July 2026, the Company has considered the impact of the expired mining licences of RT and to the date of this report the Company has yet to secure the renewal, hence, a provision was made to fully impair the amount due from RT.

Dividend receivable on RPS

The dividend receivable on RPS relates to dividend on redeemable preference shares issued to a subsidiary, Selatan Anjung Minerals Sdn Bhd. The amount is unsecured and bear fixed rate interest at 5.00% per annum (2025: 5.00% per annum).

It is categorised as non-current assets in current year on the basis that the amount is not expected to be repaid within 1 year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

19. INVENTORIES

	Group	
	2026 RM'000	**2025 RM'000**
Consolidated statement of financial position:		
Iron ores (at lower of cost and net realisable value)	**7,886**	37,241
Bauxite (at cost)	**–**	9,575
Rare earth oxide (at cost)	**13,699**	–
Total inventories at the lower of cost and net realisable value	**21,585**	46,816
Consolidated statement of comprehensive income:		
Cost of inventories sold	**149,553**	144,482

20. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Current assets				
Trade receivables				
Third parties	**2,575**	13,101	**–**	–
Other receivables				
Third parties	**1,859**	3,455	**15**	102
Related party	**4,837**	75	**–**	–
Advances on capital expenditures	**405**	908	**–**	–
Advances to subcontractors	**18,193**	3,700	**–**	–
Other advances	**20**	74	**–**	–
Other income receivable from rendering services to subcontractor	**565**	–	**–**	–
Interest receivable from placement of short-term deposits with licensed banks	**138**	139	**–**	–
Deposits	**1,503**	1,320	**–**	–
	27,520	9,671	**15**	102
Less: Allowance for impairment – Third parties	**(1,506)**	–	**–**	–
Other receivables, net	**26,014**	9,671	**15**	102
Total trade and other receivables	**28,589**	22,772	**15**	102
Add: Cash and bank balances (Note 21)	**151,648**	113,755	**2,691**	2,595
Add: Non-current other receivables	**12,978**	21,352	**2,360**	1,760
Less: Advances – current	**(18,618)**	(4,682)	**–**	–
Less: Prepayment – non-current	**(129)**	–	**–**	–
Total financial assets carried at amortised cost	**174,468**	153,197	**5,066**	4,457

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

20. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) ***Trade receivables***

Trade receivables are non-interest bearing and are generally on 14 to 60 days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Aging analysis of trade receivables

The aging analysis of the Group's trade receivables are as follows:

	Group	
	2026 RM'000	**2025 RM'000**
Not past due	**1,238**	13,101
60 to 90 days past due	**846**	–
More than 90 days past due not impaired	**491**	–
Trade receivables	**2,575**	13,101

(b) ***Other receivables***

Advances to subcontractors

Advances to subcontractors mainly relate to tunnelling and exploration activities, iron ore production expenditures and bauxite production expenditure.

Advances on capital expenditures

Advances relate to downpayment to suppliers for construction of buildings and purchase of dump trucks.

Expected credit losses

The movement in allowance for expected credit losses of other receivables are as follows:

	Group	
	2026 RM'000	**2025 RM'000**
Balance as at 1 August	**–**	27
Acquisition of a joint operation	**6**	–
Provided during the year	**1,500**	–
Write-off	**–**	(27)
Balance as at 31 July	**1,506**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

20. TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade and other receivables denominated in foreign currency as at 31 July are as follows:

	Group		Company	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Chinese Yuan ("CNY")	**3,621**	–	**–**	–

21. CASH AND BANK BALANCES

	Group		Company	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Cash in hand and at banks	**92,444**	68,265	**2,691**	2,595
Short term deposits	**59,204**	45,490	**–**	–
	151,648	113,755	**2,691**	2,595

Cash at banks earn interest at floating rates based on daily bank deposit rates. Short-term deposits are made for one (1) to four (4) months (2025: three (3) months) depending on the immediate cash requirements of the Group and earn interests at the respective short-term deposit rates. The weighted average effective interest rate as at 31 July 2026 for the Group was 3.40% (2025: 3.20%) per annum.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at the reporting date:

	Group		Company	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Cash and bank balances	**151,648**	113,755	**2,691**	2,595
Less: Deposits more than three months	**(24,000)**	–	**–**	–
	127,648	113,755	**2,691**	2,595

Cash and short-term deposits denominated in foreign currencies as at 31 July are as follows:

	Group		Company	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
United States Dollar ("USD")	**36,386**	30,450	**–**	–
Singapore Dollar ("SGD")	**24,342**	25,230	**1,037**	1,659
Chinese Yuan ("CNY")	**10,699**	1,138	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

22. LOANS AND BORROWINGS

		Group	
	Maturity	**2026 RM'000**	**2025 RM'000**
Secured lease liabilities (Note 13)			
Current	2027	**1,686**	1,483
Non-current	2028 – 2033	**2,062**	574
Total lease and hire purchase liabilities		**3,748**	2,057
Secured term loan and credit facility			
Current	2027	**3,364**	10,920
Non-current	2028 – 2034	**910**	1,038
Total term loan and credit facility		**4,274**	11,958
Secured loans and borrowings			
Current	2027	**5,050**	12,403
Non-current	2028 – 2034	**2,972**	1,612
Total loans and borrowings		**8,022**	14,015

The remaining maturities of the loans and borrowings as at 31 July 2026 and 2025 are as follows:

	Group	
	2026 RM'000	**2025 RM'000**
On demand or within one year	**5,050**	12,403
More than 1 year and less than 2 years	**1,850**	1,245
More than 2 years and less than 5 years	**1,029**	200
More than 5 years	**93**	167
	8,022	14,015

Term loan 1 (TL1)

The TL1 is denominated in RM and is used to part finance the purchase of 20 units of dump trucks. The TL1 is repayable within 4 years and the first instalment to commence on the 13th month from the date of first drawdown. The first drawdown is 19 April 2024 and the first instalment commences on 19 May 2025 and the interest is to be served separately on monthly basis until the TL1 is fully settled. The interest rate is 1.75% per annum above the Bank's Cost of Funds.

Term loan 2 (TL2)

The TL2 is denominated in RM and is used to part finance the purchase of 4 units of service apartment. The TL2 is repayable within 10 years and the first instalment to commence on the 1st month of the date of first drawdown. The first drawdown is 25 September 2024 and the first instalment commences on 1 November 2024, with the interest is to be served separately on monthly basis until the TL2 is fully settled. The interest rate is 4.52% per annum above the Bank's Cost of Funds.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

22. LOANS AND BORROWINGS (CONTINUED)

Revolving credit (RC)

The RC is denominated in RM and for the use as working capital. The Group has drawn RM4,000,000 from the RC facility in 2025. Each of the disbursements made shall be repaid on the respective maturity dates. The interest rate is 1.75% per annum above the Bank's Cost of Funds. The Group has fully settled the outstanding in 2026.

The facility is secured by the following:

– Debenture (specific assets) incorporating a fixed specific charge for all monies owing and payable under the facility (excluding RC) over specific dump trucks to be financed by the bank.

A reconciliation of liabilities arising from Group's financing activities is as follows:

	2025	Cash flows	Non-cash changes			2026
	RM'000	RM'000	Acquisition of joint operation RM'000	Additions RM'000	Other* RM'000	RM'000
Lease and hire purchase liabilities						
– current	1,483	(2,924)	2,192	–	935	**1,686**
– non-current	574	–	130	2,287	(929)	**2,062**
	2,057	(2,924)	2,322	2,287	6	**3,748**
Term loan						
– current	6,920	(4,249)	–	–	693	**3,364**
– non-current	1,038	–	242	323	(693)	**910**
	7,958	(4,249)	242	323	–	**4,274**
Revolving credit	4,000	(4,000)	–	–	–	**–**
Total	14,015	(11,173)	2,564	2,610	6	**8,022**

	2024	Cash flows	Non-cash changes	2025
	RM'000	RM'000	Other* RM'000	RM'000
Lease and hire purchase liabilities				
– current	5,190	(5,687)	1,980	1,483
– non-current	2,554	–	(1,980)	574
	7,744	(5,687)	–	2,057
Term loan				
– current	807	(1,730)	7,843	6,920
– non-current	8,881	–	(7,843)	1,038
	9,688	(1,730)	–	7,958
Revolving credit	–	4,000	–	4,000
Total	17,432	(3,417)	–	14,015

* The 'other' column relates to reclassification of non-current portion of borrowings, obligations under finance leases and lease and hire purchase liabilities due to passage of time.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

22. LOANS AND BORROWINGS (CONTINUED)

These lease liabilities are secured by a charge over the leased assets. The average discount rate implicit in the leases is 4.95% (2025: 5.25%) per annum.

23. TRADE AND OTHER PAYABLES

	Group		Company	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Non-current				
Other payable				
Deferred cash purchase consideration payable pertains to the acquisition of joint operation	**18,917**	–	**–**	–
Current				
Trade payables				
Third parties	**10,109**	18,089	**–**	–
Amounts due to related parties	**2,248**	3,120	**–**	–
	12,357	21,209	**–**	–
Other payables				
Accruals to subcontractors	**816**	15,721	**–**	–
Accruals to consultants	**–**	158	**–**	–
Other accruals	**6,793**	4,230	**740**	1,358
Contract liabilities	**3,439**	–	**–**	–
Third parties	**878**	723	**83**	454
Amounts due to related parties	**5**	2	**–**	–
Amounts due to shareholders of joint operation entity	**4,849**	–	**–**	–
Amount due to subsidiary	**–**	–	**3,000**	–
Deferred cash purchase consideration payable pertains to the acquisition of joint operation	**1,963**	–	**–**	–
Tribute payables	**750**	1,500	**–**	–
	19,493	22,334	**3,823**	1,812
Total current trade and other payables	**31,850**	43,543	**3,823**	1,812
Total trade and other payables	**50,767**	43,543	**3,823**	1,812
Add: Loans and borrowings (Note 22)	**8,022**	14,015	**–**	–
Less: Contract liabilities	**(3,439)**	–	**–**	–
Total financial liabilities carried at amortised cost	**55,350**	57,558	**3,823**	1,812

(a) ***Trade payables***

These amounts are unsecured and non-interest bearing. Trade payables are normally settled on 60 days (2025: 60 days) terms.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

23. TRADE AND OTHER PAYABLES (CONTINUED)

(b) ***Other payables – Third parties***

These amounts are unsecured and non-interest bearing. Other payables to third parties are normally settled on an average term of three months.

(c) ***Other payables – Amounts due to related parties, shareholders of joint operation entity and subsidiary***

These amounts are unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

(d) ***Tribute payables***

Tributes relate to payment to a mine leaseholder pursuant to a mining activity. The tributes payables of RM750,000 (2025: RM1,500,000) are unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

(e) ***Contract liabilities***

Contract liabilities relate to the Group's obligation to deliver the iron ore to customers for which the Group has received considerations from customers. Contract liabilities are recognised as revenue as the Group performs under the contract.

(f) **Deferred cash purchase consideration payable pertains to the acquisition of joint operation**

These amounts are unsecured, non-interest bearing and are to be settled in cash. The deferred cash purchase consideration shall be paid annually over a period of four (4) years from the completion of MCRE acquisition.

(g) ***Accruals to subcontractors***

Accruals to subcontractors relate to tunnelling activities and iron ore and bauxite productions.

(h) ***Accruals to consultants***

Accruals to consultants relate to exploration and evaluation expenditures made for the purpose of assessing a proposed acquisition as part of the Group's diversification strategy.

Trade and other payables denominated in foreign currencies as at 31 July are as follows:

	Group		Company	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
United States Dollar ("USD")	**481**	157	**–**	88
Singapore Dollar ("SGD")	**823**	1,489	**823**	1,489
Chinese Yuan ("CNY")	**19**	–	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

24. PROVISION FOR REHABILITATION

	Group	
	2026 RM'000	2025 RM'000
At 1 August	–	–
Acquisition of a joint operation	211	–
Provision made for the year	228	–
Unwinding of discount on provision	5	–
At 31 July	444	–
Provision for rehabilitation		
– Current	282	–
– Non-current	162	–
At 31 July	444	–

The Group recognises a provision for rehabilitation costs in respect of its obligation to restore and rehabilitate the project site upon cessation of operations, in accordance with SFRS(I) 1-37: *Provisions, Contingent Liabilities and Contingent Assets* when it has a present legal or constructive obligation arising from past events, it is probable that an outflow of economic resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The provision represents management's best estimate of the present value of the future restoration and rehabilitation expenditures, taking into account current legal and constructive obligations arising from its operations, expected restoration methods, inflation rates and discount rates.

25. SHARE CAPITAL AND TREASURY SHARES

	Group and Company			
	2026		2025	
	No. of shares	RM'000	No. of shares	RM'000
Share capital				
Issued and fully paid ordinary shares	636,982,380	437,154	489,000,000	218,154
Treasury shares				
At 1 August and 31 July	241,000	509	241,000	509

The Company allotted and issued 147,982,380 new ordinary shares, being part of the purchase consideration for acquiring MCRE, at an issue price of S$0.4471 per share, amounting to approximately RM219,000,000.

As at 31 July 2026, the Company's total issued shares is 636,741,380 ordinary shares (2025: 488,759,000) excluding 241,000 shares held as treasury shares (2025: 241,000).

Treasury shares relate to ordinary shares of the Company that is held by the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

26. PREFERENCE SHARES

	Group			
	2026		2025	
	No. of shares	RM'000	No. of shares	RM'000
Issued convertible preference shares ("CPS")				
At 1 August and 31 July	**733,335**	**733**	733,335	733

On 12 January 2015, Honest Sam Development Sdn Bhd allotted 733,335 unit of CPS to Good Orient Resources Sdn Bhd, a non-related party. The convertible preference shares shall confer on the holder thereof the following rights and privileges and be subject to the following conditions:

(i) Income: the CPS shall confer on the holder a right to receive dividends and bonus shares when, as and if declared by the board of directors of Honest Sam Development Sdn Bhd ("Honest Sam"), on the basis that each CPS will be treated as an ordinary share. Such dividends and bonus shares shall be payable out of the profits of Honest Sam resolved to be distributed in respect of a financial year without any rights in case of deficiency to resort to any reserves representing profits of the previous financial year or to profits of subsequent years. With effect from 31 July 2015, the dividends to which the holders of the CPS are legally entitled shall be subject to an aggregate annual limit of RM100,000 in respect of all the CPS;

(ii) Anti-dilution right: In the event of any new issuance of shares in the capital of Honest Sam, CPS holder shall have the right to subscribe for such number of CPS representing its then existing proportion of shareholdings in the capital of Honest Sam for the time being so as to allow the holder of CPS to maintain its then existing proportion of shareholdings in Honest Sam;

(iii) Conversion: all the existing CPS at the date of conversion shall be convertible at the sole discretion of board of directors of Honest Sam, into one (1) ordinary share in the capital of Honest Sam upon payment by the Honest Sam to the CPS holder of a nominal consideration of RM100. Honest Sam shall, at least 30 days prior to the conversion date, send to the holder of CPS a written notice specifying the conversion date;

(iv) Voting: subject to the provisions of the constitution of Honest Sam in relation to variation of class rights, the CPS holder shall not be entitled to attend or vote at any general meeting of Honest Sam;

(v) Transfers: the CPS are not transferable other than to the ordinary shareholders at the exercise of the option of the ordinary shareholders in the proportion to their then existing shareholding in Honest Sam and at a total nominal consideration of RM100.00 for all the CPS then in issue, payable to the holders of all the CPS in the proportion of their respective holdings of the CPS; and

(vi) Repayment of capital: in the event of a liquidation, dissolution, winding up or return of capital of Honest Sam, the CPS shall not confer on the CPS holder the right to be paid in priority to the ordinary shareholders, and all the issued CPS shall be treated as if they have been converted into one (1) ordinary share and shall rank *pari passu* with other ordinary shares in Honest Sam. Save as aforementioned, the CPS shall not confer upon the holder any further right to participate in the Honest Sam's profits or surplus assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

27. MERGER RESERVE

Merger reserve represents the difference between the purchase consideration paid and the carrying value of net assets of entities acquired under common control.

28. RELATED PARTY DISCLOSURES

(a) ***Sales and purchases of goods and services***

In addition to the related party information disclosed elsewhere in the consolidated financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group	
	2026 RM'000	**2025 RM'000**
Transactions with related parties		
Purchase of equipment and motor vehicle	**(2)**	(232)
Procurement of services	**(69)**	(136)
Rental of office from interested person	**(266)**	(240)
Hiring and transportation services procured	**(10,953)**	(5,116)
Purchase of lubricants, spare parts and equipment	**(267)**	(820)
Advances to a related party	**–**	83
Disposal of machineries and equipment	**–**	169

(b) ***Compensation of key management personnel***

	Group	
	2026 RM'000	**2025 RM'000**
Short-term employee benefits	**6,283**	4,669
Key management compensation comprises the following:		
Remuneration to Directors of the Company	**4,964**	3,453
Directors' fees	**862**	895
Defined contributions	**457**	321
	6,283	4,669

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

29. COMMITMENTS

Capital commitments

Capital expenditure contracted for as at the end of the reporting period but not recognised in the consolidated financial statements are as follows:

	Group	
	2026 RM'000	2025 RM'000
Capital commitments in respect of property, plant and equipment	–	–

30. FAIR VALUE OF ASSETS AND LIABILITIES

Determination of fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Management assessed that the fair values of cash and short-term deposits, trade and other receivables, trade and other payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Financial instruments that are carried at fair value

Investment securities are measured at fair value and is determined by direct reference to their bid price quotations in an active market at the end of the reporting period.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and foreign currency risk. Management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. It is and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group does not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

31. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(a) ***Credit risk***

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities and cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due, which are derived based on the Group's historical information, unless in exceptional case, which historically creditworthy third party fails to settle contractual payment but informed the Group and is committed to settle the outstanding.

Trade receivables are mainly due from customers based in Malaysia. At the end of the reporting period, approximately 100% (2025: 100%) of the Group's trade receivables were due from 3 (2025: 3) customers.

The maximum exposure to credit risk at the reporting date is the carrying value of contract assets and each class of financial assets disclosed in Note 4 and Note 20 respectively. The Group does not hold collateral as security for its contract assets and financial assets.

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forward-looking information, where applicable and available, which may include the following indicators:

– Internal credit rating

– External credit rating

– Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations

– Actual or expected significant changes in the operating results of the borrower

– Significant increases in credit risk on other financial instruments of the same borrower

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

31. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(a) ***Credit risk (Continued)***

– Significant changes in the value of the collateral supporting the obligation or in the quality of third-party or credit enhancements

– Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 60 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

– There is significant difficulty of the issuer or the borrower

– A breach of contract, such as a default or past due event

– It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation

– There is a disappearance of an active market for that financial asset because of financial difficulty

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 90 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, then Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

For the financial years ended 31 July 2026 and 2025, no material loss allowances have been recorded for both contract assets and trade receivables.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 20. Trade and other receivables that are neither past due nor impaired are with credit worthy debtors with good payment record with the Group. Deposits with licensed banks that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 20.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

31. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(b) ***Liquidity risk***

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within one year RM'000	One to five years RM'000	More than five years RM'000	Total RM'000
Group				
2026				
Financial liabilities:				
Trade and other payables	**29,448**	**20,400**	**–**	**49,848**
Loans and borrowings	**5,303**	**2,848**	**368**	**8,519**
	34,751	**23,248**	**368**	**58,367**
2025				
Financial liabilities:				
Trade and other payables	43,543	–	–	43,543
Loans and borrowings	12,775	1,475	178	14,428
	56,318	1,475	178	57,971
Company				
2026				
Financial liabilities:				
Trade and other payables	**3,823**	**–**	**–**	**3,823**
2025				
Financial liabilities:				
Trade and other payables	1,812	–	–	1,812

(c) ***Foreign currency risk***

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales or purchases or assets or liabilities that are denominated in a currency other than the functional currency of the Group. The foreign currencies in which these transactions are denominated are mainly United States Dollars ("USD").

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2026

31. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(c) ***Foreign currency risk (Continued)***

Approximately 17% (2025: 5%) of the Group's costs are denominated in foreign currency and approximately 71% (2025: 35%) of sales are denominated in the foreign currency of the Group. The Group's trade payable and trade receivable balances at the reporting date have similar exposures.

The following table demonstrates the sensitivity of the Group's loss net of tax to a reasonably possible change in the USD, SGD and CNY exchange rates against the functional currency of the Group, with all other variables held constant.

Sensitivity analysis for foreign currency risk

	2026 RM'000	**2025 RM'000**
USD/RM		
– Strengthened 5% (2025: 5%)	**1,795**	2,004
– Weakened 5% (2025: 5%)	**(1,795)**	(2,004)
SGD/RM		
– Strengthened 5% (2025: 5%)	**1,176**	1,187
– Weakened 5% (2025: 5%)	**(1,176)**	(1,187)
CNY/RM		
– Strengthened 5% (2025: 5%)	**715**	57
– Weakened 5% (2025: 5%)	**(715)**	(57)

32. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit standing and healthy capital ratios in order to support its business and maximise shareholder value. The capital structure of the Group comprises issued share capital and retained earnings.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the years ended 31 July 2026 and 2025.

33. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 July 2026 were authorised for issue in accordance with a resolution of the directors on 5 November 2026.

STATISTICS OF SHAREHOLDINGS

AS AT 15 OCTOBER 2026

Number of Ordinary Shares in issue	:	636,741,380
Number of Subsidiary Holdings Held	:	Nil
Number of Treasury Shares Held	:	241,000
Class of Shares	:	Ordinary
Voting Rights	:	One Vote each Ordinary Share held

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 15 OCTOBER 2026

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	2	0.88	100	0.00
100 – 1,000	16	7.05	7,600	0.00
1,001 – 10,000	112	49.34	634,100	0.10
10,001 – 1,000,000	87	38.33	8,087,000	1.27
1,000,001 AND ABOVE	10	4.40	628,012,580	98.63
TOTAL	**227**	**100.00**	**636,741,380**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	UOB KAY HIAN PTE LTD	399,775,300	62.78
2	PEK KOK SAM	64,120,770	10.07
3	TEH TECK TEE	64,120,770	10.07
4	LEE TEK MOOK @ LEE TEH MOH	49,840,840	7.83
5	PHILLIP SECURITIES PTE LTD	28,101,800	4.41
6	OCBC SECURITIES PRIVATE LTD	6,987,700	1.10
7	ABN AMRO CLEARING BANK N.V.	6,907,300	1.08
8	CGS INTL SECURITIES SINGAPORE PL	3,757,100	0.59
9	LB VENTURE CAPITAL PTE LTD	2,823,000	0.44
10	CITIBANK NOMS SPORE PTE LTD	1,349,300	0.21
11	HOW MAK WEI @LOW MAK WEI	782,100	0.12
12	MAYBANK SECURITIES PTE. LTD.	527,200	0.08
13	IFAST FINANCIAL PTE LTD	487,300	0.08
14	DBS NOMINEES PTE LTD	431,100	0.07
15	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	409,800	0.06
16	CHANG YEW KWONG	400,000	0.06
17	CHEE SEE GIAP @ SIN CHIEN	353,100	0.06
18	ALVIN S/O S LOURUDURAJU	300,000	0.05
19	LIM AND TAN SECURITIES PTE LTD	269,800	0.04
20	TAN JIAO JIE, CHERIE	267,700	0.04
	TOTAL	**632,011,980**	**99.26**

STATISTICS OF SHAREHOLDINGS

AS AT 15 OCTOBER 2026

SUBSTANTIAL SHAREHOLDERS

As record in the Registered of Substantial Shareholders

Name of Substantial Shareholder	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Dato' Sri Pek Kok Sam[1]	354,896,770	55.74	5,844,100	0.92
Dato' Teh Teck Tee	86,720,770	13.62	–	–
Dato' Lee Tek Mook @ Lee Teh Moh	53,510,840	8.40	–	–

Note:

(1) Dato' Sri Pek Kok Sam is deemed interested in (i) 25,000 (0.01%) ordinary shares of the Company held through Remparan Sdn. Bhd and (ii) 5,819,100 (0.91%) ordinary shares held through his spouse, Ms Xu Liyan.

Dato' Sri Pek Kok Sam holds indirectly 99.99% of the issued share capital of Remparan Sdn. Bhd.

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HAND

Based on the information available to the Company as at 15 October 2026, approximately 13.8% of the Company's shares listed in the Singapore Exchange Securities Trading Limited ("**SGX-ST**") was held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Annual General Meeting (the "**AGM**") of Southern Alliance Mining Ltd. (the "**Company**") will be held at Room 3-2, ISCA House, 60 Cecil Street, Singapore 049709 on Thursday, 26 November 2026, at 10.00 a.m., for the purpose of transacting the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 July 2026 together with the Auditors' Report thereon. **Resolution 1**

2. To re-elect Dato' Sri Pek Kok Sam, as a Director of the Company, who is retiring pursuant to Regulation 96 of the Company's Constitution.
(See Explanatory Note 1) **Resolution 2**

3. To re-elect Mr Chin Chee Choon, as a Director of the Company, who is retiring pursuant to Regulation 96 of the Company's Constitution.
(See Explanatory Note 2) **Resolution 3**

4. To approve the payment of Directors' fees of up to S$274,600 for the financial year ending 31 July 2027 (the financial year ended 31 July 2026: S$274,600). **Resolution 4**

5. To re-appoint Messrs Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 5**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

6. **Authority to allot and issue shares**

That pursuant to Section 161 of the Companies Act 1967 of Singapore (the "**Companies Act**") and Rule 806 of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the Directors of the Company to:

(a) (i) allot and issue shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to, the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

NOTICE OF ANNUAL GENERAL MEETING

(b) Notwithstanding that the authority conferred by this ordinary resolution may have ceased to be in force, allot and issue Shares in pursuance of any Instrument made or granted by the Directors of the Company while this resolution was in force, provided that:

(1) the aggregate number of new Shares to be issued pursuant to this resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) shall not exceed 100% of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be allotted and issued other than on a pro-rata basis to existing shareholders of the Company (including Shares to be allotted and issued in pursuance of Instruments made or granted pursuant to this resolution) shall not exceed 50% of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below) or such other limit as may be prescribed by the Catalist Rules as at the date of this resolution in force;

(2) subject to such calculation and adjustments as may be prescribed by the SGX-ST, for the purpose of determining the aggregate number of Shares that may be allotted and issued under sub-paragraph (1) above, the percentage of total issued Shares shall be based on total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, at the time this resolution is passed after adjusting for:

(a) new Shares arising from the conversion or exercise of the Instruments or any convertible securities;

(b) new Shares arising from exercising share options or vesting of share awards, provided that the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares,

adjustments in accordance with Rule 806(3) of the Catalist Rules are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of passing of the resolution approving the mandate;

(3) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by SGX-ST) and all legal requirements under the Companies Act and the Company's Constitution; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until (i) the conclusion of the next AGM of the Company or (ii) the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

(See Explanatory Note 3) **Resolution 6**

NOTICE OF ANNUAL GENERAL MEETING

7. **Authority to allot and issue Shares under the Southern Alliance Mining Performance Share Plan**

That pursuant to Section 161 of the Companies Act 1967 of Singapore and the provisions of the Southern Alliance Mining Performance Share Plan (the "**Share Plan**"), authority be and is hereby given to the Directors of the Company to allot and issue from time to time such number of Shares in the capital of the Company as may be required to be issued pursuant to the vesting of awards under the Share Plan, provided always that the aggregate number of additional ordinary Shares to be allotted and issued pursuant to the Share Option Scheme and the Share Plan collectively shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.

(See Explanatory Note 4) **Resolution 7**

8. **Renewal of Share Purchase Mandate**

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act 1967 (the "**Companies Act**"), and such other laws and regulations as may for the time being be applicable, approval be and is hereby given for the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the share capital of the Company ("**Shares**") not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) on-market share purchases ("**Market Purchase**"), transacted on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") or as the case may be, other stock exchange ("**Other Exchange**") for the time being on which the Shares may be listed or quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(ii) off-market share purchases ("**Off-Market Purchase**") (if effected otherwise than on the SGX-ST and/or the Other Exchange, as the case may be) in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Catalist Rules;

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Purchase Mandate shall, at the absolute discretion of the Directors, either be cancelled, transferred for the purposes of or pursuant to any share incentive scheme(s) implemented or to be implemented by the Company, or held in treasury and dealt with in accordance with the Companies Act;

(c) the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this resolution and the expiring on the earlier of:

(i) the conclusion of the next AGM of the Company or the date on which such AGM of the Company is required by law to be held;

NOTICE OF ANNUAL GENERAL MEETING

(ii) the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or

(iii) the date on which the authority contained in the Share Purchase Mandate is varied or revoked by an ordinary resolution of the shareholders of the Company in general meeting;

(d) for the purposes of this resolution:

"**Prescribed Limit**" means 10% of the total issued ordinary share capital of the Company (excluding any treasury shares and subsidiary holdings) as at the date of passing of this resolution, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of Shares of the Company shall be taken to be the total number of Shares of the Company as altered after such capital reduction (excluding any treasury shares and subsidiary holdings);

"**Relevant Period**" means the period commencing from the date on this resolution is passed and expiring on the date of the next AGM of the Company is held or is required by law to be held, or the date on which the purchases of the Shares are carried out to the full extent mandated, whichever is earlier, unless prior to that, it is varied or revoked by resolution of the shareholders of the Company in general meeting;

"**Maximum Price**" in relation to the Shares to be purchased, means an amount (excluding brokerage, commission, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and

(ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price of the Shares,

where:

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last five (5) Market Days on which the Shares are transacted on Catalist immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Catalist Rules, for any corporate action that occurs during the relevant five (5)-day period and the day which the purchases are made;

"**date of making of the offer**" means the date on which the Company makes an offer for the purchase or acquisition of Shares from Shareholders, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

"**Market Day**" means a day on which the SGX-ST is open for trading in securities;

(e) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including, without limitation, executing such documents as may be required) as they and/or he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this resolution.

(See Explanatory Note 5) **Resolution 8**

NOTICE OF ANNUAL GENERAL MEETING

9. **Renewal of Shareholders' Mandate for Interested Persons Transactions**

(a) That approval be and is hereby given for the purpose of Chapter 9 of the Catalist Rules for any of the Entities at Risk (as defined in the Appendix to the Annual Report ("**Appendix**") to enter into any of the transactions falling within the types of interested persons transactions ("**IPTs**") (particulars of which are set out in the Appendix) with the Interested Persons in accordance with the guidelines of the Company for IPTs as set out in the Appendix, and subject to the review procedures for such IPTs as set out in the Appendix (the "**IPT Mandate**");

(b) That such approval shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company;

(c) That the Audit Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of review procedures for the IPTs and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Catalist Rules which may be prescribed by the SGX-ST from time to time; and

(d) That the Directors of the Company and each of them be and are hereby authorised to do all such acts and things (including without limitation executing all such documents as may be required) as they may consider expedient or necessary or in the interest of the Company to give effect to the transactions contemplated and/or authorised by the proposed IPT Mandate and/or this resolution.
(See Explanatory Note 6) **Resolution 9**

BY ORDER OF THE BOARD

Kong Wei Fung and Chin Yee Seng
Company Secretaries

10 November 2026
Singapore

Explanatory Notes:

1. Dato' Sri Pek Kok Sam will, upon re-election as a Director of the Company, remain as the Managing Director and continue as a member of the Sustainability and Nominating Committees. Key information on Dato' Sri Pek Kok Sam required pursuant to Rule 720(5) of the Catalist Rules can be found under "Additional Information on Directors Seeking Re-election at 2026 AGM" of the Company's Annual Report 2026.

2. Mr Chin Chee Choon will, upon re-election as a Director of the Company, remain as an Independent Director and continue as the Chairman of the Audit and Nominating Committees, a member of the Sustainability and Remuneration Committees. Key information on Mr Chin Chee Choon required pursuant to Rule 720(5) of the Catalist Rules can be found under "Additional Information on Directors Seeking Re-election at 2026 AGM" of the Company's Annual Report 2026. Mr. Chin will be considered independent for the purpose of Rule 704(7) of the Catalist Rules.

3. Ordinary Resolution 6 proposed in item 6 above, if passed, will empower the Directors of the Company, from the date of this AGM until the date of the next AGM, or the date by which the next AGM is required by law to be held or the date such authority is revoked by the Company in a general meeting, whichever is the earliest, to allot and issue Shares and convertible securities in the Company. The aggregate number of Shares (including any Shares issued pursuant to the convertible securities) which the Directors may allot and issue under this resolution will not exceed 100% of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings), of which up to 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company may be issued other than on a pro-rata basis to existing shareholders.

4. Ordinary Resolution 7 proposed in item 7 above, if passed, will authorise and empower the Directors of the Company, from the date of this AGM until the date of the next AGM, or the date by which the next AGM is required by law to be held, whichever is the earlier, to allot and issue Shares in the Company, collectively of up to a number not exceeding in total 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time pursuant to the grant of share awards under the Share Plan.

NOTICE OF ANNUAL GENERAL MEETING

5. Ordinary Resolution 8 proposed in item 8 above, if passed, will empower the Directors, effective until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company at a general meeting, whichever is earliest, to make purchases (whether by way of Market Purchases or Off-Market Purchases on an equal access scheme) from time to time of up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at prices up to but not exceeding the Maximum Price. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of Shares by the Company is set out in the Appendix. Please refer to the Appendix for more details.

6. Ordinary Resolution 9 proposed in item 9 above, if passed, will renew the IPT Mandate for certain transactions with interested persons and empower the Directors of the Company from the date of the above meeting until the date of the next AGM to do all acts necessary to give effect to the resolution. This authority will, unless previously revoked or varied at a general meeting, expire at the conclusion of the next AGM of the Company. Please refer to the Appendix for more details.

   In accordance with the requirements under Chapter 9 of the Catalist Rules, Dato' Teh Teck Tee and Dato' Sri Pek Kok Sam, will abstain from voting, and will ensure that their associates abstain from voting, on Ordinary Resolution 9 relating to the IPT Mandate.

Notes:

1. The members of the Company are invited to attend physically at the AGM. There will be no option for members to participate virtually.

2. Printed copies of this Notice of AGM, accompanying Proxy Form and the Annual Report request form will be sent by post to all members. This Notice of AGM, Proxy Form and Annual Report will also be published electronically on SGXNET at https://www.sgx.com/securities/company-announcements and the Company's website at www.southernalliancemining.com/.

   A member who wishes to request for a physical copy of the Annual Report may do so by completing and returning the Request Form which is sent to him/her/it by post to the Company no later than 19 November 2026.

3. Members may submit questions related to the resolutions which will be tabled for approval at the AGM, in advance of the AGM by email to the Company at general@SAMiningLtd.com by 19 November 2026. When submitting the questions, please provide the Company with the following details, for verification purpose:–

   (i) Full name as it appears on his/her/its CDP/Scrip/SRS share records;
   (ii) NRIC/Passport/UEN number;
   (iii) Current address;
   (iv) Contact number; and
   (v) Number of shares held.

   Please also indicate the manner in which you hold shares in the Company (e.g. via CDP, Scrip or SRS). The Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its shareholder status.

4. The Company will respond to substantive and relevant questions received from members by publishing the responses to such questions on the Company's website at URL https://southernalliancemining.com/ and on SGXNet at URL https://www.sgx.com/securities/company-announcements by 20 November 2026, after trading hours. Any subsequent clarifications sought, or follow-up questions, or substantive and relevant questions received after the cut-off date will be consolidated and addressed at the AGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

5. A member of the Company (other than a Relevant Intermediary*) entitled to attend and vote at the AGM of the Company may appoint not more than two proxies to attend, speak and vote in his/her stead. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy in the proxy form. A member of the Company, which is a corporation, is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a member of the Company.

   An investor who holds shares under the Supplementary Retirement Scheme ("**SRS Investor**") (as may be applicable) and who wishes to appoint the Chairman of the Meeting as proxy should approach their SRS Operators to submit their votes at least seven (7) working days before the AGM, by no later than 10.00 a.m. (Singapore time) on 16 November 2026.

6. The instrument appointing a proxy(ies), together with the power of attorney or other authority, if any, under which the instrument of proxy(ies) is signed or a duly certified copy of that power of attorney or other authority (failing previous registration with the Company) shall be attached to the instrument of proxy(ies) and must be left at the office or such other place (if any) as is specified for the purpose in the notice convening the AGM not less than 72 hours before the time appointed for the holding of the AGM or adjourned AGM (or in the case of a poll before the time appointed for the taking of the poll) at which it is to be used failing which the instrument may be treated as invalid.

7. The instrument appointing a proxy(ies) must:

   (i) if sent by hand or by post, be deposited at the office of the Company's Share Registrar, Ascentium Corporate Services Pte. Ltd., at 36 Robinson Road #20-01 City House Singapore 068877; or

   (ii) if submitted electronically, to be submitted via email to Ascentium Corporate Services Pte. Ltd. at sg-shareregistry@ascentium.com,

   in either case, by no later than 10.00 a.m. (Singapore time) on 23 November 2026, being not less than 72 hours before the time appointed for the AGM, and in default the instrument of proxy(ies) shall not be treated as valid.

   Members are strongly encouraged to submit completed proxy forms electronically by email to the Company at sg-shareregistry@ascentium.com.

NOTICE OF ANNUAL GENERAL MEETING

* A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

PERSONAL DATA PRIVACY

By (a) attending, speaking or voting at the AGM and/or adjournment thereof; (b) submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof; or (c) submitting any questions prior to, or at, the AGM, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof), addressing substantive and relevant questions from members received prior to, or at, the AGM, preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company (or its agents or service providers) in connection with any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of the representation and warranty.

APPENDIX

APPENDIX DATED 10 NOVEMBER 2026

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt about its contents or the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Unless otherwise defined, capitalised terms used on this cover shall have the same meaning as ascribed to them in the section titled "DEFINITIONS" of this Appendix.

This Appendix is issued by Southern Alliance Mining Ltd. (the "**Company**") together with the 2026 Annual Report. The purpose of the Appendix is to provide Shareholders with the rationale for and information relating to, and to seek Shareholders' approval for the Proposed Renewal of Share Purchase Mandate and the Proposed Renewal of IPT General Mandate (as defined in this Appendix) to be tabled at the 2026 AGM. The AGM will be convened in a wholly physical format. Printed copies of the Notice of AGM and Proxy Form will be sent to the member via post. Printed copies of the Annual Report FY2026 and this Appendix will not be sent to members of the Company unless requested by the shareholder pursuant to a submitted request. Shareholders who wish to receive a printed copy of the AR FY2026 and Appendix are required to complete the Request Form and to return it to the Company by post or by email by 19 November 2026. The Notice of AGM and the accompanying proxy form are enclosed with the 2026 Annual Report which can be found on (i) the SGX-ST's website at the URL https://www.sgx.com/securities/company-announcements; and (ii) our Company's corporate website at the URL www.southernalliancemining.com.

If you have sold or transferred all your Shares, you should immediately forward this Appendix, the Notice of AGM and the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee.

*This Appendix has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this Appendix, including the correctness of any of the statements or opinions made or reports contained in this Appendix. The Sponsor has also not drawn on any specific technical expertise in its review of this Appendix.*

The contact person for the Sponsor is Ms Ng Shi Qing, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.

SOUTHERN ALLIANCE MINING LTD.
(Company Registration Number. 201931423D)
(Incorporated in the Republic of Singapore)

APPENDIX

IN RELATION TO

(I) PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE; AND

(II) PROPOSED RENEWAL OF THE IPT GENERAL MANDATE.

APPENDIX

CONTENTS

		Page
DEFINITIONS		199
LETTER TO SHAREHOLDERS		204
1.	INTRODUCTION	204
2.	PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE	204
3.	PROPOSED RENEWAL OF THE IPT GENERAL MANDATE	219
4.	INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS	228
5.	DIRECTORS' RECOMMENDATION	229
6.	DIRECTORS' RESPONSIBILITY STATEMENT	229
7.	DOCUMENTS AVAILABLE FOR INSPECTION	230

APPENDIX

DEFINITIONS

For the purpose of this Appendix, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

"ACRA"	:	Accounting and Corporate Regulatory Authority
"2026 Annual Report"	:	The annual report of the Company for the financial year ended 31 July 2026
"2025 AGM"	:	The annual general meeting of the Company that was held at Room 3-2, ISCA House, 60 Cecil Street, Singapore 049709 on 24 November 2025 at 10.00 a.m., the notice of which is set out on pages 168 to 173 of the 2025 Annual Report
"2026 AGM"	:	The annual general meeting of the Company to be convened and held at Room 3-2, ISCA House, 60 Cecil Street, Singapore 049709 on 26 November 2026 at 10.00 a.m., the notice of which is set out on pages 190 to 196 of the 2026 Annual Report
"AGM"	:	The annual general meeting of the Company
"Appendix"	:	This appendix dated 10 November 2026 in relation to the Proposed Renewal of the Share Purchase Mandate and the Proposed Renewal of IPT General Mandate
"Annual Agreement"	:	Has the meaning ascribed to it in Section 3.8(a) of this Appendix
"Aras Kuasa"	:	Aras Kuasa Sdn. Bhd.
"associated company"	:	In relation to a corporation, means: (a) any corporation in which the corporation or its subsidiary has, or the corporation and its subsidiary together have, a direct interest in voting shares of not less than 20.0% but not more than 50.0% of the total votes attached to all the voting shares in the corporation; or (b) any corporation, other than a subsidiary of the corporation or a corporation which is an associated company by virtue of paragraph (a), the policies of which the corporation or its subsidiary, or the corporation together with its subsidiary, is or are able to control or influence materially
"Audit Committee"	:	The audit committee of the Company for the time being or from time to time, as the case may be
"Average Closing Price"	:	The average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the share were recorded, before the day on which the purchase are made or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Catalist Rules, for any corporate action that occurs during the relevant five-day period and the day on which the purchases are made

APPENDIX

"Board" *or* ***"Board of Directors"***	:	The board of directors of the Company for the time being or from time to time, as the case may be
"Catalist"	:	The Catalist board of the SGX-ST
"Catalist Rules"	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as may be amended, modified or supplemented from time to time
"CDP"	:	The Central Depository (Pte) Limited
"Managing Director" *or* ***"MD"***	:	The Managing Director of the Company for the time being
"Chief Operating Officer" *or* ***"COO"***	:	The Chief Operating Officer of the Company for the time being
"Companies Act"	:	The Companies Act 1967 of Singapore, as may be amended, modified or supplemented from time to time
"Company"	:	Southern Alliance Mining Ltd.
"Constitution"	:	The constitution of the Company, as may be amended, modified or supplemented from time to time
"Date of Listing"	:	The admission of the Company to Catalist on 26 June 2020
"Directors"	:	The directors of the Company as at the Latest Practicable Date
"EPS"	:	Earnings per Share
"FY2026"	:	Financial year ended 31 July 2026
"Group"	:	The Company and its subsidiaries, collectively
"HChem Marketing"	:	HChem Marketing (M) Sdn. Bhd.
"Interested Person"	:	(a) a Director, Chief Executive Officer, or Controlling Shareholder; or (b) an associate of any such Director, Chief Executive Officer, or Controlling Shareholder
"Interested Person Transaction"	:	A transaction between an entity at risk and an Interested Person

APPENDIX

"IPT General Mandate"	:	The general mandate obtained from the Shareholders pursuant to Chapter 9 of the Catalist Rules, authorising the Group, in its ordinary course of business, to enter into the transactions specified in paragraph 3.6 of this Appendix with any Mandated Interested Persons which are necessary for its day-to-day operations, provided that all such transactions are carried out on normal commercial terms and are not prejudicial to the interests of our Company and its minority Shareholders, subject to the guidelines and review procedures for such transactions
"IRB"	:	The Malaysian Inland Revenue Board
"IRB Guidelines"	:	The Malaysian Transfer Pricing Guidelines 2012 including updated Guidelines issued by IRB in July 2017
"Latest Practicable Date"	:	27 October 2026, being the latest practicable date prior to the date of this Appendix
"LPS"	:	Loss per Share
"Malaysian Transfer Pricing Rules"	:	Refers to the Gazette Order P.U.(A) 132 Income Tax (Transfer Pricing) Rules 2012
"Mandated Interested Person"	:	Any person as defined in paragraph 3.5 of this Appendix
"Mandated Interested Person Transaction"	:	Any transaction as defined in paragraph 3.6 of this Appendix
"Market Day"	:	A day on which the SGX-ST is open for trading in securities
"Market Purchase"	:	Has the meaning ascribed to it in Section 2.3.3(a) of this Appendix
"MAS"	:	The Monetary Authority of Singapore
"Maximum Number of Shares"	:	Has the meaning ascribed to it in Section 2.3.1 of this Appendix
"Maximum Price"	:	Has the meaning ascribed to it in Section 2.3.4 of this Appendix
"Multiline Trading"	:	Multiline Trading Sdn. Bhd.
"Notice of AGM"	:	The notice of the 2026 AGM
"NTA"	:	Net tangible assets
"Offer Document"	:	The offer document dated 16 June 2020 issued by the Company (registered by the SGX-ST, acting as an agent on behalf of the Monetary Authority of Singapore on 16 June 2020) in respect of the Listing

APPENDIX

"Off-Market Purchase"	:	Has the meaning ascribed to it in Section 2.3.3(b) of this Appendix
"Proposed Renewal of the Share Purchase Mandate"	:	Has the meaning ascribed it Section 2.3 of the Appendix
"Proposed Renewal of IPT General Mandate"	:	Has the meaning ascribed to it in Section 3.1 of this Appendix
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"SFA"	:	The Securities and Futures Act 2001 of Singapore, as may be amended, modified or supplemented from time to time
"Share Purchase(s)"	:	The purchase or acquisition by the Company of its own Shares pursuant to the Share Purchase Mandate
"Share Purchase Mandate"	:	The general mandate to enable the Company to purchase or otherwise acquire its issued Shares
"Shared Services"	:	The information technology services that Aras Kuasa provides to the Group
"Shared Services Agreement"	:	Has the meaning ascribed to it in Section 3.8(c)(i) of this Appendix
"Shared Services Cost"	:	Has the meaning ascribed to it in Section 3.8(c)(i) of this Appendix
"Shareholders"	:	Registered holders of Shares except that where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with the Shares
"Shares"	:	Ordinary shares in the capital of the Company
"SIC"	:	The Securities Industry Council of Singapore
"Similar Transactions"	:	Has the meaning ascribed in Section 3.8(b)(i) of this Appendix
"Sponsor"	:	PrimePartners Corporate Finance Pte. Ltd.
"Substantial Shareholder"	:	A person who has an interest or interests in one (1) or more voting shares in the Company, and the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all the voting shares in the Company
"Take-Over Code"	:	The Singapore Code on Take-Overs and Mergers

APPENDIX

Currencies and Units

"S$" *and* ***"cents"***	:	Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore
"RM" *and* ***"sen"***	:	Malaysian ringgit and sen respectively, the lawful currency of Malaysia
"%" *or* ***"per cent."***	:	Per centum or percentage

The terms "**Depositor**", "**Depository**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them, respectively, in Section 81SF of the SFA.

The term "**subsidiary**" shall have the meaning ascribed to it in Section 5 of the Companies Act.

The term "**treasury shares**" shall have the meaning ascribed to it in Section 76H of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations and limited liability partnerships.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof and not otherwise defined in this Appendix, shall have the same meaning assigned to it under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof, as the case may be.

Any reference to a time of day in this Appendix shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in figures included in this Appendix between the amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures that precede them.

APPENDIX

LETTER TO SHAREHOLDERS

SOUTHERN ALLIANCE MINING LTD.

(Company Registration Number: 201931423D)
(Incorporated in the Republic of Singapore)

Board of Directors:
Dato' Gainneos Jacob Goldie (Independent Non-Executive Chairman)
Dato' Sri Pek Kok Sam (Managing Director)
Dato' Teh Teck Tee (Non-Executive Non-Independent Director)
Mr Lim Wei Hung (Executive Director and Chief Operating Officer)
Mr Chin Chee Choon (Independent Director)
Mr Sim Chin Hoe (Independent Director)

Registered Office:
36 Robinson Road
#20-01 City House
Singapore 068877

10 November 2026

To: The Shareholders of Southern Alliance Mining Ltd.

Dear Sir/Madam

1. INTRODUCTION

1.1. We refer to the Notice of AGM which is set out on pages 190 to 196 of the 2026 Annual Report and published on (i) the SGX-ST's website at URL https://www.sgx.com/securities/company-announcements; and (ii) the Company's corporate website at URL www.southernalliancemining.com. The Directors intend to seek Shareholders' approval at the 2026 AGM for the following matters:

(i) the Proposed Renewal of the Share Purchase Mandate; and

(ii) the Proposed Renewal of the IPT General Mandate.

1.2. The purpose of this Appendix is to provide Shareholders with information relating to and the reasons for the Proposed Renewal of the Share Purchase Mandate and the Proposed Renewal of the IPT General Mandate.

1.3. Shareholders should read this Appendix carefully and consider the recommendation of the Directors in paragraph 5 of this Appendix.

2. PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

2.1. Background

Shareholders had approved the Share Purchase Mandate at the 2025 AGM to enable the Company to buy-back or otherwise acquire issued Shares. The Share Purchase Mandate was subsequently renewed at the annual general meeting of the Company held on 24 November 2025 and will expire on the date of the forthcoming AGM to be held on 26 November 2026 at 10.00 a.m. Accordingly, the Directors propose to seek the approval of Shareholders for the Proposed Renewal of the Share Purchase Mandate.

APPENDIX

2.2. Rationale for the Share Purchase Mandate

The Company proposes to renew the Share Purchase Mandate as:

(a) in line with international practice, the Share Purchase Mandate will provide the Company with greater flexibility in managing its capital and maximising return to its Shareholders. To the extent that the Company has capital and surplus funds which are in excess of its financial needs, taking into account its growth and expansion plans, the Share Purchase Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner;

(b) in managing its business, the Group strives to increase Shareholders' value by improving, inter alia, the return on equity and a Share Purchase is one way by which the return on equity may be enhanced;

(c) Share Purchases may help mitigate short-term market volatility in the Company's share price, offset the effects of short-term speculation and bolster Shareholders' confidence;

(d) insofar as it is permitted by law, the Share Purchase Mandate will permit the Directors to undertake Share Purchases which will enable the Directors to utilise the Shares which are purchased or acquired and held as treasury shares to satisfy the Company's obligation to furnish Shares to participants under the Southern Alliance Mining Performance Share Plan, thus giving the Company greater flexibility to select the method of providing Shares to its employees which would be most beneficial to the Company and its Shareholders;

(e) all things being equal, purchases or acquisitions of Shares pursuant to the Share Purchase Mandate will result in a lower number of issued Shares being used for the purpose of computing EPS, if the purchased Shares are subsequently cancelled or during the period such Shares are held as treasury shares. Therefore, Share Purchases under the Share Purchase Mandate will improve the Company's EPS, which in turn is expected to have a positive impact on the fundamental value of the Shares;

(f) Shares purchased under the Share Purchase Mandate will enable the Directors to utilise the Shares which are purchased or acquired and held as treasury shares to be sold for cash or transferred as consideration for the acquisition of shares in or assets of another company or assets of a person, which may be less dilutive than if new Shares were issued for this purpose; and

(g) the Share Purchase Mandate will provide the Company the flexibility to undertake share repurchases at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force.

APPENDIX

2.3. Authority and Limits of the Share Purchase Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Purchase Mandate, if renewed at the forthcoming AGM ("***Proposed Renewal of the Share Purchase Mandate***"), are summarised below:

2.3.1. Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Purchase Mandate shall not exceed 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company as at the date of the AGM on which the resolution authorising the proposed renewal of the Share Purchase Mandate is passed. Treasury shares and subsidiary holdings will be disregarded for purposes of computing the 10% limit.

Purely for illustration purposes, on the basis of 636,741,380 Shares in issue (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the forthcoming AGM, not more than 63,674,138 Shares, representing 10% of 636,741,380 Shares which may be purchased by the Company pursuant to the Share Purchase Mandate.

While the Share Purchase Mandate would authorize a purchase or acquisition of Shares up to the 10% limit, shareholders should note that share purchase will only be undertaken if it can benefit the Company and Shareholders. Shareholders should note that Share Purchases may not be carried out to the full limit as authorized. No Share Purchases will be made in circumstances which would have or may have a material adverse effect on the liquidity and capital adequacy position and listing status of the Company and/or the Group as a whole.

Therefore in such a case and in order not to adversely affect the listing status of the Shares on the SGX-ST, the Company will not be permitted to undertake purchases or acquisitions of its Shares to the full 10% limit pursuant to the Share Buy-Back Mandate if it will result in the number of Shares held by public Shareholders falling below 10% of the remaining issued Shares of the Company. Accordingly, as at the Latest Practicable Date, the Company is restricted to purchases or acquisitions of up to 27,078,180 Shares which would result in the number of Shares in the hands of the public to be reduced to 60,966,320 Shares, representing 10% of the issued Shares of the Company (excluding treasury shares and subsidiary holdings).

2.3.2. Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the forthcoming AGM at which the renewal of the Share Purchase Mandate is approved, up to the earliest of:

(a) the date on which the next AGM is held or required by law to be held;

(b) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or

(c) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by Shareholders in general meeting.

The Share Purchase Mandate may be renewed at each AGM or other general meetings of the Company.

APPENDIX

2.3.3. Manner of Purchases or Acquisitions of Shares

Purchases or acquisitions of Shares may be made by way of:

(a) on-market share purchase(s) ("**Market Purchase**"), transacted on the SGX-ST, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(b) off-market share purchase(s) ("**Off-Market Purchase**") effected pursuant to an equal access scheme in accordance with Section 76C of the Companies Act and the Catalist Rules.

The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Constitution, the Catalist Rules and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes.

An Off-Market Purchase pursuant to an equal access scheme must, however, satisfy all the following conditions:

(i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;

(ii) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made; and

(iii) the terms of all the offers shall be the same, except that there shall be disregarded:

  (a) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;

  (b) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid (if applicable); and

  (c) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

If the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, the Company must, as required under Rule 870 of the Catalist Rules, issue an offer document to all Shareholders containing at least the following information:

(i) the terms and conditions of the offer;

(ii) the period and procedures for acceptances;

(iii) the reasons for the proposed Share Purchases;

(iv) the consequences, if any, of Share Purchases by the Company that will arise under the Take-over Code or other applicable take-over rules;

APPENDIX

(v) whether the Share Purchases, if made, could affect the listing of the Company's equity securities on the SGX-ST;

(vi) details of any Share Purchases made by the Company in the previous 12 months (whether by way of Market Purchase or Off-Market Purchase), setting out the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the Share Purchases, where relevant, and the total consideration paid for the Share Purchases; and

(vii) whether the Shares purchased or acquired by the Company will be cancelled or kept as treasury shares.

2.3.4. Maximum Purchase Price

The purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors. The purchase price to be paid for the Shares as determined by the Directors must not exceed:

(a) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and

(b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price of the Shares,

in each case, excluding related expenses of the purchase, or acquisition (the "**Maximum Price**").

2.4. Status of Purchased Shares

Shares purchased or acquired by the Company are deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Shares will expire on such cancellation) unless such Shares are held by the Company as treasury shares. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

Any Shares purchased or acquired and cancelled by the Company will be automatically delisted by the SGX-ST, and (where applicable) all certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following the settlement of any such purchase or acquisition.

2.5. Treasury Shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

2.5.1. Maximum holdings

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

APPENDIX

2.5.2. Voting and other rights

The Company cannot exercise any right in respect of treasury shares and any purported exercise of such right is void. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury shares into treasury shares of a smaller amount is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

2.5.3. Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time (but subject always to the Take-over Code):

(a) sell the treasury shares for cash;

(b) transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;

(c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;

(d) cancel the treasury shares; or

(e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

Under the Catalist Rules, the Company must immediately announce any sale, transfer, cancellation and/or use of treasury shares held by it stating the following:–

(a) date of the sale, transfer, cancellation and/or use;

(b) purpose of such sale, transfer, cancellation and/or use;

(c) number of treasury shares sold, transferred, cancelled and/or used;

(d) number of treasury shares before and after such sale, transfer, cancellation and/or use;

(e) percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and

(f) value of the treasury shares if they are used for a sale or transfer, or cancelled.

APPENDIX

2.6. Source of Funds

The Company intends to use internal sources of funds, external borrowings or a combination of internal resources and external borrowings to finance the purchases or acquisition of the Shares. The Directors do not propose to exercise the Share Purchase Mandate in such a manner and to such an extent that the liquidity and capital adequacy position and listing status of the Company and/or the Group would be materially affected.

2.7. Solvency Test

Under the Companies Act, any Share Purchases may only be made if the Company is solvent. It is an offence for a Director or manager of the Company to approve or authorise the Share Purchases, knowing that the Company is not solvent. For this purpose, a company is solvent if at the date of the payment referred to in Section 76F(4) of the Companies Act:

(a) there is no ground on which the company could be found to be unable to pay its debts;

(b) if–

(i) it is intended to commence winding up of the company within the period of 12 months immediately after the date of the payment, the company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or

(ii) it is not intended so to commence winding up, the company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and

(c) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase, acquisition, variation or release (as the case may be), become less than the value of its liabilities (including contingent liabilities).

2.8. Financial Effects

The financial effects arising from a purchase or acquisition of Shares pursuant to the Share Purchase Mandate of the Group and the Company will depend on, *inter alia*, whether the Shares are purchased or acquired out of profits and/or capital of the Company, the number of Shares purchased or acquired, the consideration paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled. The financial effect on the audited financial statements of the Group and the Company will depend, *inter alia*, on the factors set out below:

2.8.1. Purchase or Acquisition out of Profits and/or Capital

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's profits and/or capital so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

APPENDIX

2.8.2. Number of Shares Acquired or Purchased

Based on 636,741,380 issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the forthcoming AGM, the exercise in full of the Share Purchase Mandate as summarised in Section 2.3.1, on the Latest Practicable Date, will be restricted to the purchase or acquisition of up to 27,078,180 Shares.

2.8.3. Maximum Price Paid for Shares Acquired or Purchased

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 27,078,180 Shares at the Maximum Price of S$0.4421 per Share (being the price equivalent to 5% above the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on Catalist immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 27,078,180 Shares is S$11,971,263 (excluding brokerage, commission, applicable goods and services tax and other related expenses).

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 27,078,180 Shares at the Maximum Price of S$0.5052 per Share (being the price equivalent to 20% above the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on Catalist immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 27,078,180 Shares is S$13,679,897 (excluding brokerage, commission, applicable goods and services tax and other related expenses).

2.8.4. Illustrative Financial Effects

For illustrative purposes only, assuming that the Company had purchased the Maximum Number of Shares pursuant to the Share Purchase Mandate in a Market Purchase or Off-Market Purchase, the financial effects of: (a) the purchase of the Maximum Number of Shares by the Company at the Maximum Price pursuant to the Share Purchase Mandate by way of purchases made out of capital and profits and held as treasury shares; and (b) the purchase of the Maximum Number of Shares by the Company at the Maximum Price pursuant to the Share Purchase Mandate by way of purchases made out of capital and profits and cancelled, on the audited financial statements of the Group for FY2026 are set out below.

The financial effects are prepared on the following assumptions:

(a) the Company has 636,741,380 issued and paid-up Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date, and no additional Shares were issued on or prior to the 2026 AGM;

(b) while the Share Purchase Mandate would authorize a purchase or acquisition of Shares up to the 10% of the issued and paid-up Shares, the Company is restricted to market purchases of up to 27,078,180 Shares which would result in the number of Shares in the hands of the public to be reduced to 60,966,320 Shares, representing 10% of the issued Shares of the Company;

APPENDIX

(c) the purchase of the Maximum Number of Shares pursuant to the Share Purchase Mandate had taken place on 1 August 2025 for the purpose of computing the financial effects on the LPS of the Group;

(d) 50% of such purchase or acquisition of Shares is financed by the internal resources of the Group available as at 1 August 2025 and the balance via short term borrowing. The rationale for not fully utilising the internal funding is due to the need to provide sufficient internal resources to ensure smooth operations of the Group;

(e) part of the internal resources utilised for the purchase or acquisition of the Shares would be disbursed from the Company's subsidiaries to the Company;

(f) the consideration for the purchase or acquisition of the Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax, clearance fees and other related expenses) is financed by internal sources of funds and external borrowings;

(g) transaction costs incurred for the purchase or acquisition of the Shares are assumed to be insignificant and have been disregarded; and

(h) based on the exchange rate of S$1.00: RM3.1908 as at the Latest Practicable Date, obtained from the website of the MAS.

The illustrations set out below are based on the audited financial statements of the Company and the Group for FY2026 and are purely for illustrative purposes only. Accordingly, such illustrations are not representative or otherwise indicative of future financial performance of the Company and/or the Group.

APPENDIX

A. Market/Off-Market Purchases made entirely out of profits and held as treasury shares

	GROUP			COMPANY		
		After Share Purchase			After Share Purchase	
As at 31 July 2026	**Before Share Purchase RM'000**	**Shares assuming Market Purchase RM'000**	**Shares assuming Off-Market Purchase RM'000**	**Before Share Purchase RM'000**	**Shares assuming Market Purchase RM'000**	**Shares assuming Off-Market Purchase RM'000**
Share capital	437,154	437,154	437,154	437,154	437,154	437,154
Shareholders' funds[1]	505,529	467,331	461,879	418,909	380,711	375,259
NTA[2]	505,529	467,331	461,879	418,909	380,711	375,259
Current assets	226,128	207,029	204,303	4,909	4,909	4,909
Current liabilities	40,326	59,425	62,151	3,823	42,021	47,473
Working capital	185,802	147,604	142,152	1,086	-37,112	-42,564
Total borrowings	8,022	27,121	29,847	–	–	–
Cash and cash equivalents	127,648	108,549	105,823	2,691	2,691	2,691
Loss after tax and minority interest	-23,265	-23,265	-23,265	-3,640	-3,640	-3,640
Number of Shares (excluding treasury shares) ('000)	636,741	609,663	609,663	636,741	609,663	609,663
Number of treasury shares ('000)	241	27,319	27,319	241	27,319	27,319
Financial Ratios						
NTA per Share (sen)[3]	79.39	76.65	75.76	65.79	62.45	61.55
Weighted average number of Shares ('000)	619,308	592,230	592,230	619,308	592,230	592,230
Gearing ratio (times)[4]	0.02	0.06	0.06	–	–	–
Current ratio (times)[5]	5.61	3.48	3.29	1.28	0.12	0.10
LPS (sen)	-3.76	-3.93	-3.93	-0.59	-0.61	-0.61

Notes:

1. Shareholders' funds exclude minority interests.
2. NTA refers to net assets less intangible assets and minority interests.
3. NTA per Share is computed based on the NTA (i.e., net assets less intangible assets and minority interests) divided by the number of Shares issued.
4. Gearing ratio equals to total borrowings divided by shareholders' funds.
5. Current ratio equals to current assets divided by current liabilities.

APPENDIX

B. Market/Off-Market Purchases made entirely out of capital and cancelled

	GROUP			COMPANY		
		After Share Purchase			After Share Purchase	
As at 31 July 2026	Before Share Purchase RM'000	Shares assuming Market Purchase RM'000	Shares assuming Off-Market Purchase RM'000	Before Share Purchase RM'000	Shares assuming Market Purchase RM'000	Shares assuming Off-Market Purchase RM'000
Share capital	437,154	398,956	393,504	437,154	398,956	393,504
Shareholders' funds[1]	505,529	467,331	461,879	418,909	380,711	375,259
NTA[2]	505,529	467,331	461,879	418,909	380,711	375,259
Current assets	226,128	207,029	204,303	4,909	4,909	4,909
Current liabilities	40,326	59,425	62,151	3,823	42,021	47,473
Working capital	185,802	147,604	142,152	1,086	-37,112	-42,564
Total borrowings	8,022	27,121	29,847	–	–	–
Cash and cash equivalents	127,648	108,549	105,823	2,691	2,691	2,691
Loss after tax and minority interest	-23,265	-23,265	-23,265	-3,640	-3,640	-3,640
Number of Shares (excluding treasury shares) ('000)	636,741	609,663	609,663	636,741	609,663	609,663
Number of treasury shares ('000)	241	241	241	241	241	241
Financial Ratios						
NTA per Share (sen)[3]	79.39	76.65	75.76	65.79	62.45	61.55
Weighted average number of Shares ('000)	619,308	592,230	592,230	619,308	592,230	592,230
Gearing ratio (times)[4]	0.02	0.06	0.06	–	–	–
Current ratio (times)[5]	5.61	3.48	3.29	1.28	0.12	0.10
LPS (sen)	-3.76	-3.93	-3.93	-0.59	-0.61	-0.61

Notes:

1. Shareholders' funds exclude minority interests.
2. NTA refers to net assets less intangible assets and minority interests.
3. NTA per Share is computed based on the NTA (i.e., net assets less intangible assets and minority interests) divided by the number of Shares issued.
4. Gearing ratio equals to total borrowings divided by shareholders' funds.
5. Current ratio equals to current assets divided by current liabilities.

APPENDIX

Shareholders should note that the financial effects, based on the respective aforementioned assumptions, are for illustrative purposes only. In particular, it is important to note that it is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions that may be made pursuant to the Share Purchase Mandate on the NTA per Share and LPS as the resultant effect would depend on the factors such as the aggregate number of Shares purchased, the purchase price paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases or acquisitions. The above analysis is based on historical numbers as at 31 July 2026, and is not necessarily representative of future financial performance.

It should also be noted that purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate would only be made in circumstances where it is considered to be in the best interest of the Company, and the purchases or acquisitions of Shares may not be carried out to the full 10% as mandated. Further, the Directors would emphasise that they do not propose to carry out Share Purchase to such an extent that would, or in circumstances that might, result in a material adverse effect on the financial position of the Company or the Group, or results in the Company being delisted from the SGX-ST. The Company will take into account both financial and non-financial factors (for example, share market conditions and the performance of the Shares) in assessing the relative impact of a Share Purchase before execution.

2.9. Tax Implications

Shareholders who are in doubt as to their respective tax positions or the tax implications of Share Purchases by the Company or to who may be subject to tax whether in or outside Singapore should consult their own professional advisers.

2.10. Catalist Rules

The Catalist Rules specify that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m.:

(a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares; and

(b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

Such announcement (which must be in the form of Appendix 8D to the Catalist Rules) must include, *inter alia*, the details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, and the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued Shares excluding treasury shares and subsidiary holdings, and the number of treasury shares held after the purchase.

APPENDIX

The Catalist Rules do not expressly prohibit any purchase or acquisition of its own shares by a listed company during any particular time or times. However, as the Company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued Shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate at any time after a price-sensitive development has occurred or has been the subject of a decision of the Directors until such time as the price-sensitive information has been publicly announced or disseminated in accordance with the requirements of the Catalist Rules.

In particular, the Company would not purchase or acquire any Share through Market Purchases during the period of one (1) month immediately preceding the announcement of the Company's half-year and full-year results of the financial year.

Rule 723 of the Catalist Rules requires a listed company to ensure that at least 10% of any class of its listed securities (excluding treasury shares, preference shares and convertible equity securities) must be held by public shareholders. As at the Latest Practicable Date, approximately 88,044,500 of the issued Shares are held by public shareholders, representing approximately 13.83% of the total number of issued Shares.

Assuming that the Company purchases its Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate from the public, the number of issued Shares held by public shareholders would be reduced to 24,370,362 Shares, representing approximately 4.25% of the remaining issued Shares of the Company. Therefore, in such a case and in order not to adversely affect the listing status of the Shares on the SGX-ST, the Company will not be permitted to undertake purchases or acquisitions of its Shares to the full 10% limit pursuant to the Share Buy-Back Mandate if it will result in the number of Shares held by public Shareholders falling below 10% of the remaining issued Shares of the Company. Accordingly, the Company is restricted to market purchases of up to 27,078,180 Shares which would result in the number of Shares in the hands of the public to be reduced to 60,966,320 Shares, representing 10% of the issued Shares of the Company (excluding treasury shares and subsidiary holdings). In undertaking any Share Purchase, the Directors will use their best efforts to ensure that, notwithstanding such Share Purchase, a sufficient float in the hands of the public will be maintained so that the Share Purchase will not adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the Shares.

2.11. Take-over Implications

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

2.11.1. Obligation to make a take-over offer

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of the Take-over Code. If such increase results in the change of effective control (as defined in the Take-over Code), or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code.

APPENDIX

2.11.2. Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons will be presumed to be acting in concert:

(a) a company with its parent company, subsidiaries, fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights;

(b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;

(c) a company with any of its pension funds and employee share schemes;

(d) a person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis;

(e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;

(f) directors of a company, together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts, which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;

(g) partners; and

(h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

APPENDIX

2.11.3. Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its issued Shares, the voting rights of such Directors and the persons acting in concert with them would increase to 30% or more, or in the event that such Directors and the persons acting in concert with them hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and the persons acting in concert with them would increase by more than 1% in any period of six months.

Under Appendix 2 of the Take-over Code, a Shareholder who is not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if such Shareholders holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholders would increase by more than 1% in any period of six months. Such a Shareholder need not abstain from voting in respect of the Ordinary Resolution authorising the Share Purchase Mandate.

Shareholders are advised to consult their professional advisers and/or the SIC at the earliest opportunity as to whether an obligation to make a takeover offer would arise by reason of any Share Purchases by the Company.

2.11.4. Application of the Take-over Code

The interests of the Directors and Substantial Shareholders of the Company in the Shares as at the Latest Practicable Date are disclosed in Section 4 below. As at the Latest Practicable Date, as far as the Company is aware, none of the Directors or Substantial Shareholders of the Company would become obliged to make a takeover offer for the Company under Rule 14 of the Take-over Code as a result of the Share Purchases by the Company of the maximum limit of 10% of the total number of issued Shares as at the Latest Practicable Date. Shareholders are advised to consult their professional advisers and/or the SIC and/or the relevant authorities at the earliest opportunity as to whether an obligation to make a takeover offer would arise by reason of any Share Purchases by the Company pursuant to the Share Purchase Mandate.

2.12. Shares Purchases in the Previous 12 Months

The Company has not purchased or acquired any Shares during the twelve (12) month period immediately preceding the Latest Practicable Date.

2.13. Limits on Shareholdings

The Company does not have any limits on the shareholding of any Shareholder.

APPENDIX

2.14. Reporting Requirements under the Companies Act

Within 30 days of the passing of the Shareholders' resolution to approve the Proposed Renewal of the Share Purchase Mandate, the Company shall lodge a copy of the resolution with ACRA. Within 30 days of a Share Purchase on Catalist or otherwise, the Company shall lodge with ACRA a notice of the purchase or acquisition in the prescribed form, such notification including, inter alia, the date of the purchase or acquisition, the number of Shares purchased or acquired by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued ordinary share capital before and after the Share Purchase, the amount of consideration paid by the Company for the Share Purchase, and whether the Shares were purchased or acquired out of the profits or the capital of the Company.

3. PROPOSED RENEWAL OF THE IPT GENERAL MANDATE

3.1. BACKGROUND

The IPT General Mandate was adopted by the Company's then Shareholders on 11 June 2020, and was effective from the Date of Listing pursuant to Rule 920(2) of Chapter 9 of the Catalist Rules by way of the Offer Document issued by the Company dated 16 June 2020 and was expressed to take effect until the earlier of the following: (a) the conclusion of our Company's first AGM following the Date of Listing; or (b) the first anniversary of the Date of Listing. At the 2025 AGM, the IPT General Mandate was renewed. As such, the IPT General Mandate will expire upon the conclusion of the forthcoming AGM. Pursuant to Rule 920 of the Catalist Rules, the Company will seek Shareholders' approval for the Proposed Renewal of the IPT General Mandate.

The Proposed Renewal of the IPT General Mandate will enable the Group, in its ordinary course of business, to enter into the Interested Person Transactions specified in paragraph 3.6 below with any Mandated Interested Persons, provided that such transactions are made on normal commercial terms, will not be prejudicial to the interests of the Company and its minority Shareholders, and are in accordance with the guidelines and review procedures for such transactions set out in paragraph 3.8 of this Appendix.

3.2. PARTICULARS OF THE IPT GENERAL MANDATE TO BE RENEWED

The categories of transactions, procedures, and entities at risk and Interested Persons to which the Proposed Renewal of IPT General Mandate will apply to are the same as that of the IPT General Mandate renewed at the 2025 AGM.

The renewed IPT General Mandate will take effect from the passing of the ordinary resolution relating thereto at the forthcoming AGM, and will (unless revoked or varied by our Company in a general meeting) continue in force until the conclusion of the next AGM. Approval from Shareholders will be sought for the renewal of the IPT General Mandate at the next AGM and each subsequent AGM, subject to satisfactory review by the Audit Committee of its continued relevance and application to the transactions with the Mandated Interested Persons, and its confirmation that the methods and review procedures for the transactions with the Mandated Interested Persons are sufficient to ensure that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of our Company and its minority Shareholders.

APPENDIX

3.3. CHAPTER 9 OF THE CATALIST RULES

Chapter 9 of the Catalist Rules governs transactions which a listed company or any of its subsidiaries or associated companies enters into or proposes to enter into with a party who is an Interested Person of the listed company. The objective of Chapter 9 (as stated in Rule 901 of the Catalist Rules) is to guard against the risk that the Interested Persons could influence a listed company, its subsidiaries or associated companies to enter into transactions with Interested Persons that may adversely affect the interests of the listed company or its shareholders.

Pursuant to Rule 905 of the Catalist Rules, a listed company must make an immediate announcement of any Interested Person Transaction of a value equal to, or more than 3.0% of the Group's latest audited NTA. If the aggregate value of all transactions entered into with the same Interested Person during the same financial year amounts to 3.0% or more of the Group's latest audited NTA, the listed company must make an immediate announcement of the latest transaction and all future transactions entered into with that same Interested Person during that financial year.

Pursuant to Rule 906 of the Catalist Rules, a listed company must obtain shareholder approval for any Interested Person Transaction of a value equal to, or more than:

(a) 5.0% of the Group's latest audited NTA; or

(b) 5.0% of the Group's latest audited NTA, when aggregated with other transactions entered into with the same Interested Person during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

3.4. ENTITIES AT RISK CONTEMPLATED UNDER THE IPT GENERAL MANDATE

For the purposes of the IPT General Mandate, an "entity at risk" means:

(a) the Company;

(b) a subsidiary of the Company (excluding subsidiaries listed on the SGX-ST or an approved exchange); or

(c) an associated Company of our Company (other than an associated Company that is listed on the SGX-ST or an approved exchange) over which the Group, or the Group and its Interested Person(s), has or have control.

APPENDIX

3.5. NAMES OF MANDATED INTERESTED PERSONS CONTEMPLATED UNDER THE IPT GENERAL MANDATE

The IPT General Mandate will apply to the transactions that are carried out between the Group and the following persons (collectively, the "**Mandated Interested Persons**" and each a "**Mandated Interested Person**"):

(i) Aras Kuasa

The Managing Director, Dato' Sri Pek Kok Sam, the Non-Executive Non-Independent Director, Dato' Teh Teck Tee, the Substantial Shareholder and Dato' Lee Tek Mook @ Lee Teh Moh hold in aggregate 100.0% of the issued share capital of Aras Kuasa. Aras Kuasa is principally engaged in the exploration, mining, processing and sale of minerals such as bauxite and base metals in Malaysia. We have procured Shared Services from Aras Kuasa.

(ii) HChem Marketing

HChem Marketing is incorporated in Malaysia and is principally engaged in the business of dealing in engine lubricant and other related products. The Managing Director, Dato' Sri Pek Kok Sam and his wife, Ms. Xu Liyan, hold in aggregate 100.0% of the issued share capital of HChem Marketing. The Company may from time to time purchase lubricants from HChem Marketing for heavy equipment.

(iii) Multiline Trading

Multiline Trading is incorporated in Malaysia and is principally engaged in the business of provision of transportation services. The Managing Director, Dato' Sri Pek Kok Sam, and his brother, Mr. Pek Kok Hua, hold in aggregate 100.0% of the issued share capital of Multiline Trading. Multiline Trading is principally engaged in the business of provision of hiring and transportation services. The Company engage Multiline Trading for, *inter alia*, the transportation of its iron ore products to ports or to our customers' premises. As Multiline Trading is also in the business of trading of spare parts and equipment for heavy machinery and vehicles, the Company may from time to time purchase such products from Multiline Trading.

The Company's finance department shall maintain a list of the Interested Persons and their associates (which will be updated immediately if there are any changes) to enable identification of the Interested Persons. The list of Interested Persons shall be reviewed on a quarterly basis by the COO and be subject to such verifications or declarations as required by the Audit Committee for such period as determined by them.

APPENDIX

3.6. CATEGORIES OF THE INTERESTED PERSON TRANSACTIONS CONTEMPLATED UNDER THE IPT GENERAL MANDATE

The IPT General Mandate will apply to the following transactions between the Group and the Mandated Interested Persons ("**Mandated Interested Person Transactions**"), including but not limited to:

(i) The procurement of hiring and transportation services by the Group from Multiline Trading;

(ii) The purchase of lubricants by the Group from HChem Marketing;

(iii) The procurement of spare parts and equipment by the Group from Multiline Trading; and

(iv) The procurement of Shared Services by the Group from Aras Kuasa pursuant to the Shared Services Agreement.

The Mandated Interested Person Transactions relate to the provision to, or obtaining from, Mandated Interested Persons of products and services in the ordinary course of business of the Group or which are necessary for the day-to-day operations, but not in respect of the purchase or sale of assets, undertakings or businesses. Transactions with the Mandated Interested Persons which do not fall within the ambit of the Mandated Interested Person Transactions will be subject to the relevant provisions of Chapter 9 of the Catalist Rules and/or other applicable provisions of the Catalist Rules.

3.7. RATIONALE FOR AND BENEFITS OF THE PROPOSED RENEWAL OF THE IPT GENERAL MANDATE

The IPT General Mandate (and its subsequent renewal thereafter on an annual basis) is intended to facilitate the Mandated Interested Person Transactions in the ordinary course of business of the Group as described in section 3.6 above, which the Directors envisage are likely to be transacted with some frequency and from time to time with the Interested Persons, provided that they are carried out on the Group's normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

The IPT General Mandate will enhance the ability of companies in the Group to pursue business opportunities which are time-sensitive in nature, and will eliminate the need for the Company to announce, or to announce and convene separate general meetings on each occasion to seek Shareholders' approval for the entry by the relevant company in the Group into such transactions. This will substantially reduce the expenses associated with the convening of general meetings on an ad hoc basis, improve administrative efficacy considerably, and allow manpower resources and time to be channeled towards attaining other corporate objectives.

APPENDIX

3.8. GUIDELINES AND REVIEW PROCEDURES UNDER THE IPT GENERAL MANDATE

The Company has implemented the following internal controls system as well as methods and procedures, to ensure that Mandated Interested Person Transactions with the Mandated Interested Persons will be carried out on normal commercial terms, supported by independent valuation where appropriate, and are consistent with the Group's usual business policies and practices and are not prejudicial to the interests of our Company and our minority Shareholders.

In particular, the following methods and/or procedures have been implemented:

(a) Procurement of hiring and transportation services from Multiline Trading

(i) Given the frequency of such hiring and transportation services, the Group will negotiate for an annual transportation and hiring agreement with Multiline Trading ("**Annual Agreement**"). The Annual Agreement shall set out the basic terms of the services, in particular, the price per tonnage and travel distance for the transportation of our products and the price for each type of vehicle and the distance for transportation of our equipment. Prior to the entry into the Annual Agreement with Multiline Trading, we will compare the terms offered by or to Multiline Trading with the terms offered by or to other similar annual arrangement offered by a minimum of two (2) unrelated third parties.

(ii) For the procurement of hiring and transportation services by the Group from Multiline Trading, the Group will only enter into the Annual Agreement with Multiline Trading if the terms offered by Multiline Trading are comparable to those offered by a minimum of two (2) other unrelated third parties for the same or substantially similar type of services. In determining whether the price and terms offered by Multiline Trading are fair and reasonable, all pertinent factors, including but not limited to the availability of suitable vehicle and resources, response time, age of vehicles, credit terms and track record of the counterparty will be taken into consideration. All hiring and transportation services procured by the Group from Multiline Trading are to be carried out on terms which are no more favourable to Multiline Trading than the usual commercial terms extended from unrelated third parties or otherwise in accordance with applicable market norms.

(iii) In the event that it is impractical or impossible to obtain such comparable quotations, the COO or a senior executive of the Company designated by our Audit Committee (who must have no interest, direct or indirect in the transactions) will, subject to the approval thresholds set out below, determine whether the price and terms offered by Multiline Trading are fair and reasonable, taking into account factors including but not limited to contract specifications and requirements, delivery schedules, duration, credit terms, track record of the counterparty, experience and expertise of the counterparty, any preferential rates extended, usual or historical margins or cost and reliability of the counterparty.

APPENDIX

(b) Purchase of (i) lubricants; and (ii) spare parts and equipment from HChem Marketing and Multiline Trading respectively

(i) For purchases of (i) lubricants; and (ii) spare parts and equipment by the Group from HChem Marketing and Multiline Trading respectively, the relevant department which has the knowledge of the context of the transactions, shall obtain quotations (wherever possible or available) from a minimum of two (2) unrelated third party suppliers for the same or substantially similar quantities and/or qualities of products and/or services, prior to the entry into a transaction with HChem Marketing or Multiline Trading, as the case may be, as comparison to determine whether the price and terms offered by HChem Marketing or Multiline Trading, as the case may be, are fair and reasonable and comparable to those offered by other unrelated third parties for the same or substantially similar type of products and/or services. In determining whether the price and terms offered by HChem Marketing or Multiline Trading, as the case may be, are fair and reasonable, all pertinent factors, including but not limited to the quality of products, delivery schedules, duration, credit terms and track record, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases, of the counterparty will be taken into consideration. The Group shall ensure that such transactions are conducted at prices and terms not less favourable to the Group than those offered by other unrelated third party suppliers, contemporaneous with similar transactions of comparable quantities and products specifications ("**Similar Transactions**").

(ii) In the event that it is impractical or impossible to obtain Similar Transactions (for instance, if there are no unrelated third party vendors of similar products or services, or if the product is a proprietary item), the COO or a senior executive of the Company designated by the Audit Committee (whom must have no interest, direct or indirect in the transactions) will, subject to the approval thresholds set out below, determine whether the price and terms offered by HChem Marketing or Multiline Trading, as the case may be, are fair and reasonable, taking into account factors such as, including but not limited to, the costs and benefits of entering into the transactions and the prices charged to unrelated third parties by HChem Marketing or Multiline Trading, as the case may be.

(c) Procurement of Shared Services from Aras Kuasa

(i) The Group has entered into a Shared Services Agreement dated 21 January 2020 with Aras Kuasa ("**Shared Services Agreement**") for the procurement of Shared Services.

Pursuant to the terms of the Shared Services Agreement, the Group and Aras Kuasa shall share the monthly costs of the information technology services incurred which mainly include the cost of purchasing information technology infrastructure, equipment and spare parts, the cost of personnel engaged to maintain the information technology system and any other costs in relation and necessary for the maintenance and upgrading of the information technology systems. The total monthly costs incurred shall be split based on the number of users of each group and Aras Kuasa will invoice the Group for the Shared Services Cost on a monthly basis ("**Shared Services Cost**"). The Group is of the view that this split is appropriate as the expenses incurred for the provision of Shared Services are mainly user driven, for example, the capacities of storage and email servers are based on the number of users and key information technology equipment such as computers are allocated to all office staff on a one-to-one basis.

APPENDIX

(ii) The Company's finance department shall review the costing provided by Aras Kuasa on a monthly basis to ensure that it tallies with the invoice.

(iii) The Shared Services Agreement shall be subject to annual review by our Audit Committee and any renewal or amendment to the Shared Services Agreement, in particular the Shared Services Cost, shall be reviewed and approved by our Audit Committee.

Approval Thresholds

The approval thresholds for each Mandated Interested Person Transaction are as follows:

Value of each Mandated Interested Person Transaction	**Approval Authority**
Below 3.0% of the latest audited NTA of our Group	COO
Equals to or exceeds 3.0% but below 5.0% of the latest audited NTA of our Group	COO and an Independent Director
Equals to or exceeds 5.0% of the latest audited NTA of our Group	COO and the Audit Committee

3.9. ADDITIONAL PROCEDURES FOR MANDATED INTERESTED PERSON TRANSACTIONS

(i) All transactions will be reviewed monthly by the Group's finance department to identify the Mandated Interested Person Transactions and ensure that they have been transacted within the parameters of the IPT General Mandate. If any person has an interest in a Mandated Interested Person Transaction, he or she will abstain from any deliberation and decision-making in respect of the said transaction.

(ii) The Group's finance department shall record all Mandated Interested Person Transactions in the register of Mandated Interested Person Transactions. The register will include all information pertinent to all the Mandated Interested Person Transactions, including but not limited to, the nature of the transactions, the amount, the basis and rationale for determining the transaction prices, material terms and conditions and supporting evidence and quotations obtained to support such basis.

(iii) The Audit Committee will review the register of Mandated Interested Person Transactions on a quarterly basis to ascertain that the relevant procedures, guidelines and policies established to monitor the Mandated Interested Person Transactions have been complied with.

(iv) The annual internal audit plan will incorporate a review of the Mandated Interested Person Transactions entered into, pursuant to the IPT General Mandate to ensure that the methods and procedures in respect of the Mandated Interested Person Transactions have been adhered to.

(v) The Directors and the Audit Committee will have the overall responsibility for the determination of the review procedures, including any addition or variation thereto, where applicable. The Directors and the Audit Committee may also appoint individuals or committees within our Company to examine the Mandated Interested Person Transactions as they deem appropriate. If a member of the Directors or the Audit Committee has an interest in a Mandated Transaction, he will abstain from any deliberation and decision-making by the Directors or the Audit Committee in respect of the said transaction.

APPENDIX

(vi) If during any of the reviews by the Audit Committee, the Audit Committee is of the view that the review procedures for Mandated Interested Person Transactions have become inappropriate or insufficient in the event of changes to the nature of, or manner in which, the business activities of the Group or the Mandated Interested Persons are conducted, or the review procedures for Mandated Interested Person Transactions are not sufficient to ensure that the Mandated Interested Person Transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, we will seek a fresh general mandate from Shareholders based on new review procedures so that Mandated Interested Person Transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. The Mandated Interested Persons will abstain, and have agreed to ensure that their associates will abstain, from voting on such resolutions.

(vii) Disclosure will be made in the Company's financial results announcements and the annual report of the Company in respect of the Mandated Interested Person Transactions in accordance with Chapter 9 of the Catalist Rules.

3.10. DISCLOSURE UNDER THE CATALIST RULES

The Company will announce the aggregate value of transactions conducted with the Mandated Interested Person(s) pursuant to the IPT General Mandate for the relevant financial periods which the Company is required to report on pursuant to Rule 705 of the Catalist Rules and within the time frame required for such announcements.

Disclosure will also be made in our Company's annual report of the aggregate value of transactions conducted with the Mandated Interested Person(s) pursuant to the IPT General Mandate during the financial year, and in the annual reports for subsequent financial years that the IPT General Mandate continues in force, in accordance with the requirements of Chapter 9 of the Catalist Rules.

The name of the Interested Person, nature of relationship and the corresponding aggregate value of the transactions with the Interested Person will be presented in the following format (or in such other form as the Catalist Rules may require from time to time):

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions during the financial year/period under review (excluding transactions less than S$100,000 and transactions conducted under the Shareholders' general mandate pursuant to Rule 920 of the Catalist Rules)	Aggregate value of all interested person transactions conducted under the Shareholders' general mandate pursuant to Rule 920 of the Catalist Rules during the financial year/period under review (excluding transactions less than S$100,000)

APPENDIX

3.11. STATEMENT OF THE AUDIT COMMITTEE

Pursuant to Rule 920(1)(c) of the Catalist Rules, the Audit Committee confirms that:

(a) the methods and procedures for determining the transaction prices of the Mandated Interested Person Transactions have not changed since the 2025 AGM;

(b) the methods and procedures referred to in sub-paragraph (a) above are sufficient to ensure that the Mandated Interested Person Transactions, shareholders carried out thereunder will be on normal commercial terms and will not be prejudicial to the interests of the Group and the minority Shareholders; and

(c) If, during the periodic reviews by the Audit Committee, the Audit Committee is of the view that the review procedures are inadequate or inappropriate to ensure that the relevant transactions with the Mandated Interested Person will be carried out on normal commercial terms and will not be prejudicial to the interests of our Company and its minority Shareholders, or in the event of any amendment to Chapter 9 of the Catalist Rules, the Audit Committee will, in consultation with the Board, take such action as it deems proper in respect of such procedures and/or modify or implement such procedures as may be necessary and direct the Company to revert to Shareholders for a fresh mandate based on the new guidelines and procedures for the Mandated Interested Person Transactions.

3.12. ABSTENTION FROM VOTING

Pursuant to Rule 920(1)(b)(viii) of the Catalist Rules, Dato' Sri Pek Kok Sam and Dato' Teh Teck Tee will abstain, and have undertaken to ensure that their respective associates will abstain, from voting on Resolution 9 as set out in the Notice of AGM in relation to the Proposed Renewal of IPT General Mandate.

In addition, our Company will procure that Dato' Sri Pek Kok Sam, Dato' Teh Teck Tee and/or or any of their respective associates will also decline to accept appointment as proxy for any Shareholder to vote in respect of the Proposed Renewal of IPT General Mandate, unless the Shareholder concerned have given instructions in his/her proxy form as to the manner in which his/her votes are to be cast in respect of the Proposed Renewal of IPT General Mandate; and our Company shall disregard votes cast by Dato' Sri Pek Kok Sam, Dato' Teh Teck Tee and/or any of their respective associates in respect of their holdings of Shares (if any) in relation to the Proposed Renewal of IPT General Mandate.

APPENDIX

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the shareholdings of Directors and Substantial Shareholders of the issued Shares of our Company as recorded respectively in the Register of Directors' Shareholdings and Substantial Shareholders, are as follows:

	Before Share Purchases						After Share Purchases[2]
Name	**Direct Interest**		**Deemed Interest**		**Total Interest**		**Total Interest**
	No. of Shares	**%[1]**	**No. of Shares**	**%[1]**	**No. of Shares**	**%[1]**	**%[3]**
Directors							
Dato' Sri Pek Kok Sam	354,896,770	55.74	5,844,100[4]	0.92	360,740,870	56.66	59.17
Lim Wei Hung	6,020,000	0.95	–	–	6,020,000	0.95	0.99
Dato' Teh Teck Tee	86,720,770	13.62	–	–	86,720,770	13.62	14.22
Chin Chee Choon	–	–	–	–	–	–	–
Sim Chin Hoe	–	–	–	–	–	–	–
Dato' Gainneos Jacob Goldie	–	–	–	–	–	–	–
Substantial Shareholder (other than Directors)							
Dato' Lee Tek Mook @ Lee Teh Moh	53,510,840	8.40	–	–	53,510,840	8.40	8.78

Notes:

(1) As a percentage of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date comprising 636,741,380 Shares.

(2) Assuming that the Company purchases the maximum number of 27,078,180 Shares under the Share Purchase Mandate.

(3) As a percentage of the total number of issued Shares comprising 609,663,200 Shares.

(4) Consisting of shares held by Remparan Sdn Bhd and Ms. Xu Liyan of 25,000 Shares and 5,819,100 Shares respectively. Remparan Sdn Bhd is wholly-owned by Multiline Trading Sdn Bhd, which is 99.99% owned by Dato' Sri Pek Kok Sam and 0.01% owned by Mr. Pek Kok Hua, the brother of Dato' Sri Pek Kok Sam and Ms Xu Liyan is spouse of Dato' Sri Pek Kok Sam.

Saved as disclosed in this Appendix, none of the Directors or Substantial Shareholders has any interest, direct or indirect, in the Proposed Renewal of Share Purchase Mandate and Proposed Renewal of IPT General Mandate other than through their respective shareholdings in the Company.

APPENDIX

5. DIRECTORS' RECOMMENDATION

5.1. Proposed Renewal of Share Purchase Mandate

The Directors having considered, inter alia, the terms and rationale of the Proposed Renewal of the Share Purchase Mandate, are of the opinion that Proposed Renewal of the Share Purchase Mandate is in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that Shareholders vote in favour of Ordinary Resolution 8 relating to the Proposed Renewal of the Share Purchase Mandate to be tabled at the forthcoming 2026 AGM.

5.2. Proposed Renewal of the IPT General Mandate

The Directors, save for Dato' Sri Pek Kok Sam and Dato' Teh Teck Tee, having considered, inter alia, the terms and rationale of the Proposed Renewal of the IPT General Mandate, are of the opinion that Proposed Renewal of the IPT General Mandate is in the best interests of the Company and the Shareholders. Accordingly, the Directors, save for Dato' Sri Pek Kok Sam and Dato' Teh Teck Tee, recommend that Shareholders vote in favour of Ordinary Resolution 9 relating to the Proposed Renewal of the IPT General Mandate to be tabled at the forthcoming 2026 AGM.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposed Renewal of Share Purchase Mandate and the Proposed Renewal of IPT General Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading.

Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

APPENDIX

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of our Company at 36 Robinson Road, #20-01 City House, Singapore 068877, during normal business hours from the date of this Appendix up to and including the date of the 2026 AGM:

(a) the Constitution of the Company; and

(b) the 2026 Annual Report.

Yours faithfully

For and on behalf of the Board of
SOUTHERN ALLIANCE MINING LTD.
Dato' Sri Pek Kok Sam
Managing Director

10 November 2026

SOUTHERN ALLIANCE MINING LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 201931423D)

IMPORTANT

1. An investor who holds shares under the Supplementary Retirement Scheme ("**SRS Investor**") may attend and cast his vote(s) at the Annual General Meeting ("**AGM**") in person. SRS Investors who are unable to attend the AGM but would like to vote, may inform their SRS Operators to appoint the Chairman of the AGM to act as their proxy and submit their votes at least 7 working days before the AGM, in which case, the SRS Investors shall be precluded from attending the AGM.
2. This Proxy Form is not valid for use by SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM FOR ANNUAL GENERAL MEETING

I/We* _____ (Name) _____ (NRIC/Passport No./Company Registration No.)

of _____ (Address),
being a member/members* of Southern Alliance Mining Ltd. (the "**Company**") hereby appoint:

Name	**NRIC/Passport No.**	**Proportion of Shareholding(s)**	
		No. of Shares	**%**
Address			

and/or* (delete as appropriate)

Name	**NRIC/Passport No.**	**Proportion of Shareholding(s)**	
		No. of Shares	**%**
Address			

or failing him/her/them*, the **Chairman of the AGM** as my/our* proxy/proxies* to attend, speak and vote for me/us* on my/our* behalf at the AGM to be held at Room 3-2, ISCA House, 60 Cecil Street, Singapore 049709 on Thursday, 26 November 2026 at 10.00 a.m. and at any adjournment thereof.

I/We* direct my/our proxy/proxies* to vote for or against or to abstain from voting on the resolutions to be tabled at the AGM as indicated hereunder. If no specific direction as to voting or abstention is given or in the event of any other matter arising at the AGM and at any adjournment thereof, my/our proxy/proxies* may vote or abstain from voting at his/her/their* or her discretion.

Voting will be conducted by poll. Please indicate your vote "For", "Against" or "Abstain" from voting with a tick (√) within the boxes provided. Alternatively, please indicate the number of votes as appropriate. If you mark the "Abstain" box for a particular resolution, you are directing your proxy not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

	Resolutions relating to:	**No. of Votes For**	**No. of Votes Against**	**No. of Votes Abstain**
ORDINARY BUSINESS				
1.	Adoption of Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 July 2026 together with the Auditors' Report thereon			
2.	Re-election of Dato' Sri Pek Kok Sam as a Director of the Company			
3.	Re-election of Mr Chin Chee Choon as a Director of the Company			
4.	Approval for payment of Directors' fees of S$274,600 for the financial year ending 31 July 2027			
5.	Re-appointment of Messrs Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix their remuneration			
SPECIAL BUSINESS				
6.	Authority to allot and issue shares			
7.	Authority to allot and issue Shares under the Southern Alliance Mining Performance Share Plan			
8.	Renewal of Share Purchase Mandate			
9.	Renewal of Shareholders' Mandate for Interested Persons Transactions			

* Delete as appropriate

Dated this _____ day of _____ 2026

Total number of Shares in:	**No. of Shares**
(a) Depository Register	
(b) Register of Members	

_____

Signature(s) of Member(s)
or Common Seal of Corporate Member

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument shall be deemed to relate to all the Shares held by you.

2. A member of the Company (other than a Relevant Intermediary*) entitled to attend, speak and vote at the AGM of the Company is entitled to appoint not more than two proxies to attend, speak and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member (other than a Relevant Intermediary*) appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. A Relevant Intermediary* may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member (which number or class of shares shall be specified).

5. Subject to note 6, completion and return of this instrument appointing a proxy(ies) shall not preclude a member from attending, speaking and voting at the AGM if the member so wishes. Any appointment of the proxy(ies) will be deemed to be revoked if a member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any proxy(ies) appointed under the instrument of proxy(ies) to the AGM.

6. An investor who holds shares under Supplementary Retirement Scheme ("**SRS Investor**") (as may be applicable) may attend, speak and cast his/her vote(s) at the AGM in person. SRS Investors who are unable to attend the AGM but would like to vote, may inform their SRS Operators to appoint the Chairman of the AGM to act as his/her proxy, in which case, SRS Investors shall be precluded from attending the AGM.

7. The instrument appointing a proxy(ies), together with the power of attorney or other authority, if any, under which the instrument of proxy(ies) is signed or a duly certified copy of that power of attorney or other authority (failing previous registration with the Company) shall be attached to the instrument of proxy(ies) and must be left at the office or such other place (if any) as is specified for the purpose in the notice convening the AGM not less than 72 hours before the time appointed for the holding of the AGM or adjourned AGM (or in the case of a poll before the time appointed for the taking of the poll) at which it is to be used failing which the instrument may be treated as invalid.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

9. The instrument appointing a proxy(ies) must:

   (i) if sent by hand or by post, be deposited at the office of the Company's Share Registrar, Ascentium Corporate Services Pte. Ltd. at 36 Robinson Road #20-01 City House Singapore 068877; or

   (ii) if submitted electronically, to be submitted via email to Ascentium Corporate Services Pte. Ltd. at sg-shareregistry@ascentium.com,

   in either case, by no later than 10.00 a.m. (Singapore time) on 23 November 2026, being not less than 72 hours before the time appointed for the AGM, and in default the instrument of proxy(ies) shall not be treated as valid.

   Members are strongly encouraged to submit completed proxy forms electronically by email to the Company at sg-shareregistry@ascentium.com.

*A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001, and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

General:

The Company shall be entitled to reject an instrument appointing a proxy(ies) which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument appointing a proxy(ies). In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument appointing a proxy(ies) lodged if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 10 November 2026.

This page has been intentionally left blank

This page has been intentionally left blank



Southern Alliance Mining Ltd.
(Company Registration No.: 201931423D)
(Incorporated in the Republic of Singapore on 19 September 2019)

Registered office:
36 Robinson Road, #20-01
City House, Singapore 068877

Principal place of business:
Level 8 Menara Zenith
Jalan Putra Square 6
Putra Square
25200 Kuantan
Pahang Malaysia
www.southernalliancemining.com