



FOR IMMEDIATE RELEASE

High-grade Iron Ore Producer Southern Alliance Mining Ltd. Starts Trading on the Catalist of SGX-ST

- Share price closed at S\$0.27, a premium of 8% from the placement price of S\$0.25 per share
- Approximately 4.23 million shares changed hands, and market capitalisation was S\$132.0 million as at close of market today
- The impact of COVID-19 on economic growth and the demand for iron and steel products is expected to be mitigated by government stimuli to support infrastructure projects, and in turn, drive steel demand in both Malaysia and China

Singapore, 26 June 2020 – Southern Alliance Mining Ltd. (“**Southern Alliance Mining**”, or “**SAM**”, and together with its subsidiaries, the “**Group**”) (SGX:QNS), an established high-grade iron ore producer headquartered in Pahang, Malaysia, debuted today on the Catalist of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The share price closed at S\$0.27 on the first day of trading, 8% higher than the placement price of S\$0.25 per share.

A total of approximately 4.23 million shares changed hands today with a turnover of approximately S\$1.11 million. The market capitalisation as at the close of market today was S\$132.0 million.

Commenting on the first day of trading, Dato’ Sri Pek Kok Sam, CEO and Executive Director of the Group, said, *“The official listing of Southern Alliance Mining on the SGX-ST marked a significant milestone in our history. We are also honoured to be the first IPO in the mining sector to be listed*



on the Catalist of SGX-ST in 2020. Despite the weakened market sentiment and the economic uncertainties caused by the COVID-19 pandemic, the response from investors to our share offering has been encouraging. We appreciate our investors for their trust and support, and we look forward to creating value for our shareholders, leveraging on Singapore’s sophisticated economic infrastructure and the favourable ecosystem for the iron ore sector.”

Dato’ Teh Teck Tee, Non-Executive Non-Independent Chairman of the Group, added, *“Since the operation at our Chaah Mine started in 2008, we experienced the ups and downs in both the iron ore and the oil & gas markets, and it proved the value of having a unique product mix that brings us diversified revenue streams and market opportunities in two industry sectors. We hope that our elevated identity as a public-listed company will enhance our customers’ trust in Southern Alliance Mining, as we continue to supply high grade iron ore products to meet our customers’ demand.”*

Southern Alliance Mining received strong interest from investors and raised gross proceeds of S\$19.0 million. The IPO is priced at approximately 6.13 times price-to-earnings based on the Group’s audited profit before tax for the financial year ended 31 July 2019 (“**FY2019**”), which excludes a one-off tax credit in FY2019.

As at 31 October 2019, the total Ore Reserves for the Group’s primary operating site, the Chaah Mine, was 6.1 million tonnes at 51.2% Fe. In addition to the Chaah Mine, the Group has also been granted the right to carry out exploration and mining operations at three potential iron ore assets located in Johor, Malaysia (“**Exploration Assets**”). With the proceeds raised from the IPO, the Group plans to conduct further exploration work at the Chaah Mine to define extensions to the existing Mineral Resources and Ore Reserves and to commence exploration work for mineral deposits at the Exploration Assets. The IPO proceeds will also be used in the investment in mining equipment and infrastructure, and its expansion through potential acquisitions, joint ventures, strategic alliances and/or development of new mines.

- The End -



About Southern Alliance Mining Ltd.

Southern Alliance Mining Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) is an established producer of high-grade iron ore products in Malaysia, and is listed on the Catalist of Singapore Exchange on 26 June, 2020 (SGX:QNS). Headquartered in Pahang, Malaysia, the Group is principally involved in the exploration, mining and processing of iron ore for subsequent sale. The Group sells (i) iron ore concentrate of low level of impurities with total Fe grade of between 62% to 65% to steel mills and trading companies mainly located in Malaysia and China; and (ii) pipe coating materials that are crushed iron ore with a natural characteristic of a higher density for subsea pipes.

The Group’s primary mining asset, the Chaah Mine, is an open mine pit consisting of two (2) mining leases and covering an aggregate area of 225.7 hectares. The Chaah Mine is strategically located near existing road networks to ports. The Group’s established supporting infrastructure and facilities consist of four (4) fixed crushing plants, two (2) lines of mobile crushers and two (2) beneficiation plants both capable of operating on a 24-hour shift. The Group has an approximate monthly production capacity of 60,000 tonnes of iron ore concentrates (not including pipe coating materials).

In addition to the Chaah Mine, the Group has also been granted the right to carry out exploration and mining operations at three (3) potential iron ore mines located in Johor, Malaysia (“**Exploration Assets**”). The Group plans to undertake formalised exploration activities at the Exploration Assets to identify mineral deposits for further business growth.

Issued for and on behalf of Southern Alliance Mining Ltd.

By Financial PR Pte. Ltd.

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*Southern Alliance Mining Ltd. (the “**Company**”) was listed on Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 26 June 2020. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”).*



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This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor in accordance with Rule 226(2)(b) and 753(2) of the SGX-ST Listing Manual Section B: Rules of Catalist.

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement. The Sponsor has also not drawn on any specific technical expertise in its review of this announcement.

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship (Mailing address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).
