



**FOR IMMEDIATE RELEASE**

## **95% Revenue Surge in 1HFY2026 as Newly Acquired Rare Earth Operations Drive Profit Turnaround**

- 1HFY2026 revenue surged 95.4% y-o-y to RM137.3 million
- Achieved financial turnaround with gross profit of RM5.4 million
- Completed 40% acquisition of MCRE Resources Sdn. Bhd., Malaysia's first and only operational REE mine
- Chaah Mine's underground operations and promising gold exploration results at Tenggaroh provide strong multi-year growth catalysts

Singapore, 12 March 2026 – Southern Alliance Mining Ltd. ("**SAM**" or the "**Company**", together with its subsidiaries, "**the Group**"), a leading producer of high-grade iron and a pioneer in rare earth mining in Malaysia, today announced its unaudited financial results for the six months ended 31 January 2026 ("**1HFY2026**").

### **1HFY2026 Financial Highlights**

	<b>1HFY2026</b>	<b>1HFY2025</b>	<b>Y-o-Y</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>Change</b>
<b>Revenue</b>	137,301	70,278	95.4%
<b>Gross Profit/(Loss)</b>	5,442	(7,069)	n.m.*
<b>Gross Profit/(Loss) Margin (%)</b>	4.0%	(10.1)%	14.1 ppt <sup>^</sup>
<b>Loss before Tax</b>	(2,007)	(11,464)	(82.5)%
<b>Loss Attributable to Equity Holders</b>	(4,197)	(10,282)	(59.2)%
<b>Net Cash from/(used in) Operating Activities</b>	8,978	(5,604)	n.m.*
<b>Basic &amp; Diluted LPS</b>	(0.77)	(2.10)	(63.3)%

\*n.m.: Not Meaningful

<sup>^</sup>ppt: Percentage points



The Group reported revenue of RM137.3 million for 1HFY2026, a 95.4% increase from RM70.3 million in 1HFY2025. Growth was predominantly driven by the Group's newly acquired 40.0% stake in MCRE Resources Sdn Bhd ("**MCRE**"), which contributed RM63.1 million through the sale of 580 dry metric tonnes (DMT) of rare earth oxide (REO). Additional contributions came from a new bauxite sales contract at the Kahang Mine, which realised RM13.4 million from the sale of approximately 51,300 DMT, as well as crushed iron ore sales, which surged 212.5% to 25,000 metric tonnes.

MCRE drove a meaningful turnaround in profitability. Gross profit reached RM5.4 million, reversing the RM7.1 million gross loss recorded in 1HFY2025, and lifting the gross margin to 4.0%. Loss before tax narrowed by 82.5% to RM2.0 million, compared to RM11.5 million in the year-ago period. The Group closed the period with a strong balance sheet, with cash and bank balances of RM111.4 million.

### **Business Outlook**

SAM is accelerating its expansion into rare earth elements (REEs), building on its established mining expertise and the structural tailwinds supporting the sector. REEs are critical components in semiconductors, electric vehicles, and renewable energy systems, with long-term demand expected to outpace supply.

Following the completion of its 40% stake acquisition in MCRE in September 2025, SAM is uniquely positioned as the only Southeast Asian company offering investors direct exposure to a producing, profitable REE operation. The Gerik Mine employs an environmentally responsible in-situ leaching (ISL) method, which avoids large-scale land clearing and minimises soil disturbance. This low-carbon approach, combined with the deposit's high concentration of Heavy Rare Earth Elements (HREE), positions SAM's operations in the first quartile of the global NdPr cost curve, supporting strong margin resilience. The third and largest land plot at the Gerik Mine is on track to commence production in FY2026/FY2027.

In its iron ore segment, the Chaah Mine has transitioned fully to underground operations, designed to improve long-term efficiency and production stability. The Group is also encouraged by progress at its Tenggaroh Gold Prospect, where 21.04% of assay samples have indicated potential gold mineralisation, presenting an attractive near-term exploration



opportunity in a supportive gold price environment.

Dato' Sri Pek Kok Sam, Managing Director of Southern Alliance Mining, commented:

***"The first half of FY2026 has been a transformational period for Southern Alliance Mining. The seamless integration of our rare earth business has immediately validated our diversification strategy, delivering a powerful boost to our revenue and gross margins. With the global transition towards clean energy accelerating, our market-leading, low-carbon REE operations place us at the forefront of the critical minerals supply chain. Supported by our ongoing underground iron ore developments and exciting gold exploration prospects, we are highly confident in delivering an improved performance for the full year and generating sustainable, long-term value for our shareholders."***

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## 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, listed on the Catalyst board of the Singapore Exchange on 26 June, 2020 (**SGX:QNS**). Headquartered in Pahang, Malaysia, the Group is principally engaged 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 five (5) 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. The Group has also extended its core business to include mining of gold and other precious metals, base metals and minerals as well as trading in other commodities. The Group has been granted to right to carry out exploration for gold mineralisation in the State of Johor and had commenced exploration activities since February 2022.

In September 2025, the Group successfully acquired a 40% equity interest in MCRE Resources Sdn Bhd, marking its strategic entry into the rare earth elements (REEs) sector. This move is intended to capitalise on the increasing demand for REEs and to further diversify the Group’s income streams, reducing dependence on a single commodity.



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