

## CIRCULAR DATED 4 NOVEMBER 2021

**THIS CIRCULAR 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 Circular.

This Circular is issued by Southern Alliance Mining Ltd. (the “**Company**”). The purpose of the Circular is to provide Shareholders with the rationale for and information relating to, and to seek Shareholders’ approval for the Proposed Resolutions to be tabled at the EGM. The Notice of EGM and Proxy Form are published on (i) the SGX-ST’s website at <https://www.sgx.com/securities/company-announcements>; and (ii) the Company’s corporate website at [www.southernallianceminig.com](http://www.southernallianceminig.com).

If you have sold or transferred all your shares in the capital of the Company, you should immediately inform the purchaser or transferee, or to the bank, stockbroker or agent through whom you effected the sale or transfer, that this Circular, together with the Notice of EGM and the attached Proxy Form is available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements> and the Company’s website at the URL [www.southernallianceminig.com](http://www.southernallianceminig.com).

*The Company was listed on Catalist of the SGX-ST on 26 June 2020. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”).*

*This Circular has been reviewed by the Company’s Sponsor. It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and the SGX-ST 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 document.*

*The contact person for the Sponsor is Ms. Ng Shi Qing, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, [sponsorship@ppcf.com.sg](mailto:sponsorship@ppcf.com.sg).*

### **SOUTHERN ALLIANCE MINING LTD.**

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 201931423D)

#### **CIRCULAR TO SHAREHOLDERS**

#### **IN RELATION TO**

- (I) THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE;**
- (II) THE PROPOSED RENEWAL OF THE IPT GENERAL MANDATE; AND**
- (III) THE PROPOSED DIVERSIFICATION.**

#### **IMPORTANT DATES AND TIMES**

Due to the current COVID-19 situation, Shareholders will not be allowed to attend the EGM in person. The EGM will be convened and held by electronic means. Shareholders must appoint the Chairman of the EGM as their proxy to attend, speak and vote on their behalf at the EGM.

Last date and time for lodgement of Proxy Form	:	23 November 2021 at 10.30 a.m.
Date and time of EGM	:	26 November 2021 at 10.30 a.m. or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held at 10.00 a.m. at the same day
Place of EGM:	:	The EGM will be held by electronic means

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## DEFINITIONS

The following definitions apply throughout in this Circular except where the context otherwise requires or otherwise stated:

<b>"2020 AGM"</b>	:	The AGM of the Company that was held on 27 November 2020
<b>"ACRA"</b>	:	The Accounting and Corporate Regulatory Authority of Singapore
<b>"AGM"</b>	:	The annual general meeting of the Company
<b>"Aggregated Transactions"</b>	:	Has the meaning ascribed to it in Section 4.4 of this Circular
<b>"AK Relevant Cost"</b>	:	The relevant costs to be borne by Aras Kuasa for the transportation of the pipe coating materials from the Company's mine site to the End Customer's Competitor's premises
<b>"Annual Agreement"</b>	"	Has the meaning ascribed to it in Section 3.8(b) of this Circular
<b>"Aras Kuasa"</b>	:	Aras Kuasa Sdn. Bhd.
<b>"Audit Committee"</b>	:	The audit committee of the Board, for the time being or from time to time, as the case may be
<b>"August 2021 EGM"</b>	:	The EGM that was held on 20 August 2021
<b>"Average Closing Price"</b>	:	The average of the closing market prices of a Share 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 after the relevant five-day period
<b>"associated company"</b>	:	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 of not less than 20.0% but not more than 50.0% of the aggregate of the nominal amount of all the voting shares; 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 able to control or influence materially
<b>"Board"</b>	:	The board of Directors of the Company as at the Latest Practicable Date
<b>"Catalist"</b>	:	The sponsor-supervised listing platform of the SGX-ST
<b>"Catalist Rules"</b>	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as may be amended, modified or supplemented from time to time

## DEFINITIONS

" <b>CDP</b> "	:	The Central Depository (Pte) Limited
" <b>Chief Executive Officer</b> " or " <b>CEO</b> "	:	The chief executive officer of the Company for the time being
" <b>Chief Financial Officer</b> " or " <b>CFO</b> "	:	The chief financial officer of the Company for the time being
" <b>Circular</b> "	:	This circular to Shareholders dated 4 November 2021
" <b>Companies Act</b> "	:	Companies Act (Chapter 50 of Singapore), as may be amended, modified, or supplemented from time to time
" <b>Company</b> "	:	Southern Alliance Mining Ltd.
" <b>Constitution</b> "	:	The constitution of the Company, as may be amended, modified or supplemented from time to time
" <b>Date of Listing</b> "	:	The admission of the Company to Catalist on 26 June 2020
" <b>date of the making of the offer</b> "	:	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
" <b>Directors</b> "	:	The directors of the Company as at the Latest Practicable Date
" <b>End Customer</b> "	:	One of the Group's major pipe coating customers which requires such pipe coating materials and has strict in-house policies which prohibit their suppliers from supplying the same products to their customers directly
" <b>End Customer's Competitor</b> "	:	A competitor of the End Customer
" <b>EGM</b> "	:	The extraordinary general meeting of the Company to be held by way of electronic means on 26 November 2021 at 10.30 a.m. or as soon thereafter following the conclusion or adjournment of the AGM of the Company to be held on the same day by electronic means
" <b>EPS</b> "	:	Earnings per Share
" <b>Existing Business</b> "	:	Shall have the meaning ascribed to it in Section 4.1 of this Circular
" <b>FY 2021</b> "	:	Financial year ended 31 July 2021
" <b>Group</b> "	:	The Company and its subsidiaries, collectively
" <b>HChem Marketing</b> "	:	HChem Marketing (M) Sdn. Bhd.
" <b>Interested Person</b> "	:	(a) a Director, Chief Executive Officer, or Controlling Shareholder; or

## DEFINITIONS

		(b) an associate of any such Director, Chief Executive Officer, or Controlling Shareholder
<b>“Interested Person Transaction”</b>	:	A transaction between an entity at risk and an Interested Person
<b>“IPT General Mandate”</b>	:	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 Section 3.6 of this Circular 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 the Company and its minority Shareholders, subject to the guidelines and review procedures for such transactions
<b>“IRB”</b>	:	The Malaysian Inland Revenue Board
<b>“IRB Guidelines”</b>	:	The Malaysian Transfer Pricing Guidelines 2012 including updated Guidelines issued by IRB in July 2017
<b>“Latest Practicable Date”</b>	:	29 October 2021, being the latest practicable date prior to the printing of this Circular
<b>“Malaysian Transfer Pricing Rules”</b>	:	Has the meaning ascribed to it in Section 3.8 of this Circular
<b>“Mandated Interested Person”</b>	:	Any person as defined in Section 3.5 of this Circular
<b>“Mandated Interested Person Transactions”</b>	:	Any transaction as defined in Section 3.6 of this Circular
<b>“Market Day”</b>	:	A day on which the SGX-ST is open for trading in securities
<b>“Market Purchase”</b>	:	Has the meaning ascribed to it in Section 2.3.3(a) of this Circular
<b>“MAS”</b>	:	The Monetary Authority of Singapore
<b>“Maximum Number of Shares”</b>	:	Has the meaning ascribed to it in Section 2.3.1 of this Circular
<b>“Maximum Price”</b>	:	Has the meaning ascribed to it in Section 2.3.4 of this Circular
<b>“Multiline Trading”</b>	:	Multiline Trading Sdn. Bhd.
<b>“NTA”</b>	:	Net tangible assets
<b>“Off-Market Purchase”</b>	:	Has the meaning ascribed to it in Section 2.3.3(b) of this Circular
<b>“Ordinary Resolution 1”</b>	:	The ordinary resolution to approve the Proposed Renewal of the Share Purchase Mandate

## DEFINITIONS

<b>“Ordinary Resolution 2”</b>	:	The ordinary resolution to approve the Proposed Renewal of the IPT General Mandate
<b>“Ordinary Resolution 3”</b>	:	The ordinary resolution to approve the Proposed Diversification
<b>“Other Commodities”</b>	:	Has the meaning ascribed to it in Section 4.1 of this Circular
<b>“PCM Gross Margin”</b>	:	The gross margin to be derived by the Group from the sale of pipe coating materials to Aras Kuasa
<b>“Proposed Diversification”</b>	:	The proposed diversification of the Group’s business into the Proposed New Business as described in Section 4.2 of this Circular
<b>“Proposed New Business”</b>	:	Has the meaning ascribed to it in Section 4.2 of this Circular
<b>“Proposed Renewal of the IPT General Mandate”</b>	:	Has the meaning ascribed to it in Section 3.1 of this Circular
<b>“Proposed Renewal of the Share Purchase Mandate”</b>	:	Has the meaning ascribed to it in Section 2.3 of this Circular
<b>“Proposed Resolutions”</b>	:	Has the meaning ascribed to it in Section 1 of this Circular
<b>“Proxy Form”</b>	:	The proxy form in respect of the EGM to be held on 26 November 2021 at 10.30 a.m. or as soon thereafter following the conclusion or adjournment of the AGM of the Company to be held at 10.00 a.m. at the same day as set out in this Circular
<b>“SFA”</b>	:	Securities and Futures Act (Chapter 289 of Singapore), as may be amended, modified or supplemented from time to time
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Share Purchase(s)”</b>	:	The purchase or acquisition by the Company of its own Shares pursuant to the Share Purchase Mandate
<b>“Share Purchase Mandate”</b>	:	The general mandate to enable the Company to purchase or otherwise acquire its issued Shares
<b>“Shared Services Agreement”</b>	:	Has the meaning ascribed to it in Section 3.8(d)(i) of this Circular
<b>“Shared Services Cost”</b>	:	Has the meaning ascribed to it in Section 3.8(d)(i) of this Circular
<b>“Shareholders”</b>	:	Registered holders of Shares except that where the registered holder is CDP, the term <b>“Shareholders”</b> 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

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<b>“Shares”</b>	:	Ordinary shares in the capital of the Company
<b>“SIC”</b>	:	The Securities Industry Council of Singapore
<b>“Similar Transactions”</b>	:	Has the meaning ascribed to it in Section 3.8(c)(i) of this Circular
<b>“Southern Alliance Mining PSP”</b>	:	The Southern Alliance Mining Performance Share Plan, the terms of which are stated in the offer document dated 16 June 2020 issued by the Company
<b>“SRS”</b>	:	Supplementary Retirement Scheme
<b>“SRS Investors”</b>	:	Investors who bought Shares under the SRS
<b>“Substantial Shareholder”</b>	:	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
<b>“Take-over Code”</b>	:	The Singapore Code on Take-overs and Mergers, as may be amended, modified or supplemented from time to time
<b>“Ultimate Selling Price”</b>	:	Has the meaning ascribed to it in Section 3.8(a)(i) of this Circular
<b><u>Currency, Units and Others</u></b>		
<b>“%”</b>	:	Percentage or per centum
<b>“RM” and “sen”</b>	:	Malaysian ringgit and sen respectively, the lawful currency of Malaysia
<b>“S\$”</b>	:	Singapore Dollars, the lawful currency of the Republic of Singapore

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures 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 the neuter genders and vice versa. References to persons shall, where applicable, include corporations and limited liability partnerships.

Any reference in this Circular 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, Securities and Futures Act, the Catalist Rules or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, Securities and Futures Act, the Catalist Rules or any statutory modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day and dates in this Circular is made by reference to Singapore time and dates, unless otherwise stated.

Any discrepancies in figures included in this Circular between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

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## DEFINITIONS

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### **Cautionary Note on Forward Looking Statements**

All statements contained in this Circular, statements made in press releases and oral statements that may be made by the Group, its directors, executive officers, employees or authorised persons acting on the Group's behalf that are not statements of historical fact, constitute "forward-looking statements". Some of these forward-looking statements can be identified by terms such as "expects", "believes", "plans", "intends", "estimates", "anticipates", "may", "will", "would" and "could" or similar words and phrases. However, it should be noted that these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Group's expected financial position, business strategies, plans and prospects are forward-looking statements.

These forward-looking statements and other matters discussed in this Circular regarding matters that are not historical facts, are only predictions. These forward-looking statements reflect the Group's current views with respect to future events and are not guarantees of future performance. These statements are based on the Group's beliefs and assumptions, which in turn are based on currently available information. Although the Group believes the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be inaccurate. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Group's actual results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by these forward-looking statements.

Given the risks and uncertainties that may cause the Group's actual future results, performance or achievements to be materially different from those expected, expressed or implied by the forward-looking statements in this Circular, Shareholders are cautioned to not place undue reliance on those statements which apply only as at the date of this Circular. Neither the Group nor any other person represents or warrants to you that the Group's actual future results, performance or achievements will be as discussed in those statements. These forward-looking statements are applicable only as at the date of this Circular. All forward-looking statements contained in this Circular are expressly qualified in their entirety by such factors. The Group's actual results may differ materially from those anticipated in these forward-looking statements as a result of the risks faced by the Group. Further, the Group disclaims any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future.



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## LETTER TO SHAREHOLDERS

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### SOUTHERN ALLIANCE MINING LTD.

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 201931423D)

**Directors:**

Dato' Teh Teck Tee (Non-Executive Non-Independent Chairman)  
Dato' Sri Pek Kok Sam (CEO and Executive Director)  
Dato' Sri Mohd Jamidan Abdullah (Lead Independent Director)  
Mr Chin Chee Choon (Independent Director)  
Mr Sim Chin Hoe (Independent Director)  
Dato' Gainneos Jacob Goldie (Independent Director)

**Registered Office:**

80 Robinson Road  
#02-00  
Singapore 068898

Date: 4 November 2021

**To: The Shareholders of the Company**

Dear Sir/Madam

- (1) **THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE**
- (2) **THE PROPOSED RENEWAL OF THE IPT GENERAL MANDATE**
- (3) **THE PROPOSED DIVERSIFICATION INTO THE PROPOSED NEW BUSINESS**

#### 1. INTRODUCTION

The purpose of this Circular is to provide Shareholders with information relating to, and to seek the approval of the Shareholders for the same, at the EGM to be held on 26 November 2021 at 10.30 a.m. or as soon thereafter following the conclusion or adjournment of the AGM of the Company to be held at 10.00 a.m. at the same day by electronic means for the following matters:

- (a) the Proposed Renewal of the Share Purchase Mandate;
- (b) the Proposed Renewal of the IPT General Mandate; and
- (c) the Proposed Diversification.

(collectively, the "**Proposed Resolutions**").

The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed, or reports contained in this Circular. If any Shareholder is in doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

The Company has appointed Bird & Bird ATMD LLP as the legal adviser to the Company as to Singapore law in relation to the Proposed Resolutions.

#### 2. PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

##### 2.1 Background

Shareholders had approved the Share Purchase Mandate at the August 2021 EGM to enable the Company to buy-back or otherwise acquire issued Shares. The authority conferred on the

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## LETTER TO SHAREHOLDERS

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Directors under the current Share Purchase Mandate will expire at the AGM to be held on 26 November 2021 at 10.00 a.m. Accordingly, the Directors propose to seek the approval of Shareholders for the renewal of the Share Purchase Mandate.

### 2.2 Rationale for the Share Purchase Mandate

The rationale for the Company to undertake Share Purchases, is as follows:

- (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 PSP, 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.

Share Purchases 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 authorised. 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.

### 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 EGM ("**Proposed Renewal of the Share Purchase Mandate**"), are summarised below:

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## LETTER TO SHAREHOLDERS

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### 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 EGM 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 489,000,000 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 EGM, not more than 48,900,000 Shares, representing 10% of 489,000,000 Shares may be purchased by the Company pursuant to the Share Purchase Mandate.

### 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 EGM 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.

### 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;

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## LETTER TO SHAREHOLDERS

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- (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:

- (1) the terms and conditions of the offer;
- (2) the period and procedures for acceptances;
- (3) the reasons for the proposed Share Purchases;
- (4) the consequences, if any, of Share Purchases by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (5) whether the Share Purchases, if made, could affect the listing of the Company's equity securities on the SGX-ST;
- (6) 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
- (7) 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

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## LETTER TO SHAREHOLDERS

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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.

#### 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:-

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- (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.

### 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(1) 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:

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### 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.

### 2.8.2. Number of Shares Acquired or Purchased

Based on 489,000,000 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 EGM, the exercise in full of the Share Purchase Mandate, on the Latest Practicable Date, would result in the purchase or acquisition of 48,900,000 Shares, representing 10% of 489,000,000 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 48,900,000 Shares at the Maximum Price of S\$0.8453 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 Catalyst immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 48,900,000 Shares is S\$41,335,170 (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 48,900,000 Shares at the Maximum Price of S\$0.9660 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 Catalyst immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 48,900,000 Shares is S\$47,237,400 (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 year ended 31 July 2021 ("FY2021") are set out below.

The financial effects are prepared on the following assumptions:

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- (a) the Company has 489,000,000 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 EGM;
- (b) the purchase of the Maximum Number of Shares pursuant to the Share Purchase Mandate had taken place on 1 August 2020 for the purpose of computing the financial effects on the EPS of the Group;
- (c) 50% of such purchase or acquisition of Shares is financed by the internal resources of the Group available as at 1 August 2020 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;
- (d) 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;
- (e) the Company will be able to fulfil the "public float" requirement pursuant to Rule 723 of the Catalist Rules following the purchase of the Maximum Number of Shares pursuant to the Share Purchase Mandate;
- (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 : RM3.0817 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 FY2021 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.

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### (A) Market/Off-Market Purchases made entirely out of profits and held as treasury shares

	GROUP			COMPANY		
	Before Share Purchase	After Share Purchase		Before Share Purchase	After Share Purchase	
		Shares assuming Market Purchase	Shares assuming Off-Market Purchase		Shares assuming Market Purchase	Shares assuming Off-Market Purchase
As at 31 July 2021	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Share capital	218,154	218,154	218,154	218,154	218,154	218,154
Shareholders' funds <sup>(1)</sup>	365,877	238,496	220,307	207,693	80,312	62,123
NTA <sup>(2)</sup>	365,877	238,496	220,307	207,693	80,312	62,123
Current assets	345,371	281,680	272,586	34,062	34,062	34,062
Current liabilities	60,250	123,941	133,035	849	128,230	146,419
Working capital	285,121	157,739	139,551	33,213	(94,168)	(112,357)
Total borrowings	4,103	67,794	76,888	-	-	-
Cash and cash equivalents	245,506	181,815	172,721	6,145	6,145	6,145
Profit after tax and minority interest	148,130	148,130	148,130	7,640	7,640	7,640
Number of Shares (excluding treasury shares)	489,000	440,100	440,100	489,000	440,100	440,100
Treasury shares	-	48,900	48,900	-	48,900	48,900
<b>Financial Ratios</b>						
NTA per Share (sen) <sup>(3)</sup>	74.82	54.19	50.06	42.47	18.25	14.12
Weighted average number of Shares	489,000	440,100	440,100	489,000	440,100	440,100
Gearing ratio (times) <sup>(4)</sup>	0.01	0.28	0.35	-	-	-
Current ratio (times) <sup>(5)</sup>	5.73	2.27	2.05	40.12	0.27	0.23
EPS (sen)	30.29	33.66	33.66	1.56	1.74	1.74

**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.

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### (B) Market/Off-Market Purchases made entirely out of capital and cancelled

	GROUP			COMPANY		
	Before Share Purchase	After Share Purchase Shares assuming Market Purchase	Shares assuming Off-Market Purchase	Before Share Purchase	After Share Purchase Shares assuming Market Purchase	Shares assuming Off-Market Purchase
As at 31 July 2021	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Share capital	218,154	90,773	72,584	218,154	90,773	72,584
Shareholders' funds <sup>(1)</sup>	365,877	238,496	220,307	207,693	80,312	62,123
NTA <sup>(2)</sup>	365,877	238,496	220,307	207,693	80,312	62,123
Current assets	345,371	281,680	272,586	34,062	34,062	34,062
Current liabilities	60,250	123,941	133,035	849	128,230	146,419
Working capital	285,121	157,739	139,551	33,213	(94,168)	(112,357)
Total borrowings	4,103	67,794	76,888	-	-	-
Cash and cash equivalents	245,506	181,815	172,721	6,145	6,145	6,145
Profit after tax and minority interest	148,130	148,130	148,130	7,640	7,640	7,640
Number of Shares (excluding treasury shares)	489,000	440,100	440,100	489,000	440,100	440,100
Treasury shares	-	-	-	-	-	-
<b>Financial Ratios</b>						
NTA per Share (sen) <sup>(3)</sup>	74.82	54.19	50.06	42.47	18.25	14.12
Weighted average number of Shares	489,000	440,100	440,100	489,000	440,100	440,100
Gearing ratio (times) <sup>(4)</sup>	0.01	0.28	0.35	-	-	-
Current ratio (times) <sup>(5)</sup>	5.73	2.27	2.05	40.12	0.27	0.23
EPS (sen)	30.29	33.66	33.66	1.56	1.74	1.74

**Notes:**

- Shareholders' funds exclude minority interests.
- NTA refers to net assets less intangible assets and minority interests.
- 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.
- Gearing ratio equals to total borrowings divided by shareholders' funds.
- Current ratio equals to current assets divided by current liabilities.

**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 EPS 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 2021, and is not necessarily representative of future financial performance.**

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## LETTER TO SHAREHOLDERS

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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 Catalyst Rules

The Catalyst 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 Catalyst 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.

The Catalyst 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 Catalyst 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 Catalyst 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 75,265,000 of the issued Shares are held by public shareholders, representing approximately 15.4% 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 26,365,000 Shares, representing approximately 5.4% of the total number of issued Shares of the Company. As there is an insufficient number of Shares

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held by public shareholders, the Company is unable to undertake Share Purchases up to the full 10% limit pursuant to the Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST. Accordingly, the Company shall ensure that the number of Shares it purchases or acquires pursuant to the Share Purchase Mandate will not result in the number of Shares remaining in the hands of the public to fall below 10% of the total number of issued shares of the Company (excluding treasury shares, preference shares and convertible equity securities) or to such a level as to cause trading illiquidity or to affect orderly trading of its Shares. Notwithstanding the above, the Company anticipates that the public float percentage of the issued Shares will change from time to time consequent upon the dynamic changing profile of public shareholders of the Company. For this reason, the Company is therefore seeking Shareholders' approval to enable the Company to purchase or acquire Shares up to a maximum of 10% of the issued Shares (excluding treasury shares and subsidiary holdings) for flexibility to prospectively cater to any future increase in the number of issued Shares held in public hands.

### 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.

#### 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), cooperate, 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

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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.

### 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 5 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

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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 had not made any Share Purchases in the last 12 months immediately preceding the Latest Practicable Date.

### 2.13 Limits on Shareholdings

The Company does not have any limits on the shareholding of any Shareholder.

### 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 the Company's first AGM following the Date of Listing; or (b) the first anniversary of the Date of Listing. At the 2020 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 ("**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 Section 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 Section 3.8 of this Circular.

Pursuant to Rule 920(1)(c) of the Catalist Rules, the Audit Committee confirms that: (a) the methods or procedures for determining the transaction prices have not changed since the IPT General Mandate was last approved by Shareholders; and (b) the methods or procedures referred to in sub-paragraph (a) above are sufficient to ensure that the Mandated Interested Person Transactions carried out thereunder will be on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority shareholders. Accordingly, an independent financial adviser's opinion is not required for the Proposed Renewal of the IPT General Mandate.

### 3.2. The Particulars of the IPT General Mandate to be Renewed

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The categories of transactions, procedures, and entities at risk and Interested Persons to which the Proposed Renewal of the IPT General Mandate will apply to are the same as that of the IPT General Mandate renewed at the 2020 AGM.

The renewed IPT General Mandate will take effect from the passing of the ordinary resolution relating thereto at the forthcoming EGM and will (unless revoked or varied by the 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 the Company and its minority Shareholders.

### **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 the 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.

### **3.5. Names of Mandated Interested Persons contemplated under the IPT General Mandate**

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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**”):

(a) Aras Kuasa

The CEO and Executive Director, Dato’ Sri Pek Kok Sam, the Non-Executive Non-Independent Chairman, Dato’ Teh Teck Tee, the Substantial Shareholder, Dato’ Lee Tek Mook @ Lee Teh Moh, and the CFO, Mr. Lim Wei Hung, 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. Currently, Aras Kuasa is responsible for the sale of the Group’s pipe coating materials solely to the End Customer’s Competitor. We will also procure Shared Services from Aras Kuasa.

(b) 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 CEO and Executive 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.

(c) Multiline Trading

Multiline Trading is incorporated in Malaysia and is principally engaged in the business of provision of transportation services. The CEO and Executive 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 engages Multiline Trading for, inter alia, the transportation of its iron ore products to ports or to the Company’s 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 CFO and be subject to such verifications or declarations as required by the Audit Committee for such period as determined by them.

### 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:

- (a) The sale of pipe coating materials by the Group to Aras Kuasa for onward sale to only the End Customer’s Competitor;
- (b) The procurement of hiring and transportation services by the Group from Multiline Trading;
- (c) The purchase of lubricants by the Group from HChem Marketing;



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- (d) The procurement of spare parts and equipment by the Group from Multiline Trading; and
- (e) 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 channelled towards attaining other corporate objectives.

### 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 the Company and its minority Shareholders.

In particular, the following methods and/or procedures have been implemented:

- (a) Sale of pipe coating materials to Aras Kuasa
  - (i) The Group shall determine the selling price of the pipe coating materials to be sold to Aras Kuasa for its onward sale of such pipe coating materials to the End Customer's Competitor based on the price offered to and accepted by the End Customer's Competitor. The price offered to and accepted by the End Customer's Competitor, which is computed by price per tonne multiplied by the total volume purchased, shall be made fully transparent to the Group ("**Ultimate Selling Price**"). The Ultimate Selling Price is negotiated by Aras Kuasa, who will then inform the Group of its discussions with the End Customer's Competitor. In the event that the Group does not agree with the Ultimate Selling Price, the Group can choose not to enter into the transaction for the sale of pipe coating materials to Aras Kuasa or onsell to the End Customer's Competitor.
  - (ii) The Group will then calculate the AK Relevant Cost. Such AK Relevant Cost includes but is not limited to freight and transportation charges, insurance and port charges.

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- (iii) For the effort put in by Aras Kuasa in liaising with the End Customer's Competitor and for arranging the relevant logistics for the sale to the End Customer's Competitor, Aras Kuasa will also charge the Group a percentage of the Ultimate Selling Price. In determining the percentage of the Ultimate Selling Price, the Group will take into account the Group's past transactions with Aras Kuasa for the most recently completed financial year. The percentage of the Ultimate Selling Price shall not be higher than the highest historical rate of such transactions. Accordingly, the selling price of the Group's pipe coating materials to Aras Kuasa shall be computed as follows:

$$\text{Selling Price to Aras Kuasa Cost} = \text{Ultimate Selling Price} - \text{AK Relevant} \\ - \text{Percentage of Ultimate Selling Price}$$

- (iv) In addition, the Company will also calculate the PCM Gross Margin. The PCM Gross Margin shall not be lower than the average gross margin of the Group for the most recently completed financial year.
- (v) Prior to any sale of pipe coating materials to Aras Kuasa, the Group will assess and determine whether (i) there is existing demand for pipe coating materials from the End Customer; and (ii) the profit margin from the sale of iron ore concentrate is not higher than the profit margin from the sale of pipe coating materials to Aras Kuasa. The Group will only accept the order for the sale of the pipe coating materials to Aras Kuasa when (i) there is sufficient supply to satisfy demands of pipe coating materials from the End Customer; and (ii) the profit margin from the sale iron ore concentrate is not higher than the sale of pipe coating materials to Aras Kuasa.
- (vi) If the Group engages other third parties for the onward sale of the Group's pipe coating materials in the future, the prices and terms of the sale of pipe coating materials to Aras Kuasa will be determined with reference to a minimum of two (2) other contracts or invoices issued to unrelated third parties for the same or substantially similar type of transactions. The terms of the transaction must be consistent with the margins and on terms which are no more favourable to Aras Kuasa than those extended to unrelated third parties.
- (vii) All sales of pipe coating materials to Aras Kuasa shall be tabled to the Audit Committee for its approval before execution.
- (viii) The Group has considered the relevant transfer pricing issues for the aforesaid arrangements, based on the following:
- (a) both Aras Kuasa and the End Customer's Competitor are companies incorporated in Malaysia;
  - (b) there is no differential in the tax rates charged for both companies; and
  - (c) the percentage of sale consideration is supportable by past transactions and the Company has the requisite supporting documents.

Accordingly, there is no potential loss in tax revenue to the authorities. During the course of the financial statements audit, no material transfer pricing concerns has come to the attention of Ernst & Young LLP.

Additionally, the Group has engaged Ernst & Young Tax Consultants Sdn Bhd to update the Group's transfer pricing analysis and documentation for the fiscal year 2021 in accordance with the principles set out in the Gazette Order P.U.(A) 132 Income Tax (Transfer Pricing) Rules 2012 ("**Malaysian Transfer Pricing Rules**") and the Malaysian Transfer Pricing Guidelines 2012 including updated Guidelines issued by the Inland

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Revenue Board (“**IRB**”) in July 2017 (“**IRB Guidelines**”). There is no change to the transfer pricing practices for the sales of pipe coating materials, which is in line with the comparable uncontrolled price method sanctioned by the Malaysian Transfer Pricing Rules and IRB Guidelines.

(b) Procurement of hiring and transportation services to 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 the Group’s products and the price for each type of vehicle and the distance for transportation of the Group’s 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 arrangements 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 CFO or a senior executive of the Company designated by the 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.

(c) 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

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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 CFO 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.
- (d) Procurement of the 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 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.
  - (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 the Audit Committee and any renewal or amendment to the Shared Services Agreement, in particular the Shared Services Cost, shall be reviewed and approved by the Audit Committee.

### 3.9. Approvals Thresholds

The approval thresholds for each Mandated Interested Person Transaction (other than the sale of pipe coating materials) are as follows:

<b>Value of each Mandated Interested Person Transaction</b>	<b>Approval Authority</b>
Below 3.0% of the latest audited NTA of the Group	CFO
Equals to or exceeds 3.0% but below 5.0% of the latest audited NTA of the Group	CFO and an Independent Director

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Equals to or exceeds 5.0% of the latest audited NTA of the Group	CFO and the Audit Committee
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### 3.10. Additional Procedures for Mandated Interested Person Transactions

- (a) 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. All transactions in relation to the sale of pipe coating materials will be subject to the review and prior approval of the Audit Committee.
- (b) 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.
- (c) 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.
- (d) 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.
- (e) 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 the 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 Interested Person Transaction, he will abstain from any deliberation and decision-making by the Directors or the Audit Committee in respect of the said transaction.
- (f) 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 the 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.
- (g) 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.

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### 3.11. 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 \$100,000 and transactions conducted under the Shareholders' 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)

## 4. THE PROPOSED DIVERSIFICATION

### 4.1. Existing Business of the Group (the "Existing Business")

The Group is an established high-grade iron ore producer with a 13-year track record in the exploration, mining, and processing of high-grade iron ore in Malaysia. The Group primarily 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. At the August 2021 EGM, the Shareholders passed a resolution authorising the expansion of the Group's business to include the mining of gold and other precious metals, base metals and minerals ("**Other Commodities**").

The Group has also commenced mine development works at the Mao'kil Mine to establish mineral resources and reserves.

### 4.2. The Proposed Diversification

Given the Company's business presently involves the mining of Other Commodities, the Directors believe that diversification into the trading of iron ore and Other Commodities is a natural expansion and progression of the Group's business, given that the Group is well acquainted with the intricacies of the industry. The diversification into the trading of iron ore and Other Commodities would enable the Group to extend its revenue base by leveraging on its relevant mining skills, materials, competencies, expertise, experience by capitalising on its Existing Business (the "**Proposed New Business**").

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It is envisaged that the Proposed Diversification will change the existing risk profile of the Group as it is different from the Company's Existing Business. Accordingly, the Company is seeking Shareholders' approval for the proposed diversification of the Existing Business to include the Proposed New Business (the "**Proposed Diversification**").

The Company intends to undertake trading of iron ore and Other Commodities in relation to the Proposed New Business using a two-pronged approach:

- (a) trading in iron ore and Other Commodities mined from its own mining assets and facilities; and
- (b) trading in iron ore and Other Commodities sourced from third parties or the businesses or joint ventures the Group intends to participate in.

The Group does not plan to restrict the Proposed New Business to any specific geographical market as each investment will be evaluated and assessed by the Board on its merits. Nevertheless, as at the Latest Practicable Date, the Group's plans in relation to the Proposed New Business are primarily within Malaysia. The Group may, as part of the Proposed New Business, invest in or dispose of shares or interests in any entity that is in the Proposed New Business. The Group may also explore joint ventures, partnerships, cooperation and/or strategic alliances with third parties who have the relevant expertise and resources to carry out the Proposed New Business as and when the opportunity arises.

The decision on whether an investment should be undertaken by the Group on its own or in collaboration with third parties will be made by the Board after taking into consideration various factors, such as the nature and scale of the respective business, amount of investment required and risks associated with such an investment, nature of expertise required and economic conditions, taking into account the opportunities available.

The Proposed Diversification into the Proposed New Business is a recognition on the part of the Company that significant benefit can be derived through developing a complementary business, and thus, can reduce costs for the Company while boosting its competitive advantage. As at the Latest Practicable Date, while the Company is considering the trading of tin ore and other base metals, the Company has not identified any binding or affirmative plans in respect of the Proposed New Business.

### 4.3. RATIONALE FOR THE PROPOSED DIVERSIFICATION

The Company proposes to expand its business to include the Proposed New Business for the following reasons:

- (a) Provide the Group with new revenue stream

The Directors believe that the Proposed Diversification will allow the Group to have better prospects of achieving profitability and ensure longer-term growth. The Group is well established within the mining industry and engaging in the Proposed New Business will allow it to capitalize on this. The Proposed New Business is also complementary and has potential and beneficial synergies with the Existing Business as the iron ore and Other Commodities mined pursuant to the Existing Business can be channelled into the Proposed New Business, reducing the Company's reliance on upstream suppliers, giving the Company a competitive advantage in the Proposed New Business.

- (b) Reduce reliance on the Existing Business

The Group is of the view that the Proposed Diversification would facilitate the Company's aim to reduce its reliance on the Existing Business while adequately balancing the need to mitigate its exposure to risk effectively since the Company already possesses

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substantial knowledge of the industry, its demands and its operations. The Proposed New Business would allow the Group to diversify into the trading aspect of the commodities industry which may present a more stable growth prospect. This will facilitate the Group's quest for sustained performance in the future, and also allow the Group to be more resilient in the face of challenging times.

(c) Enhance Shareholders' value

The Proposed Diversification is part of the corporate strategy of the Group to provide Shareholders with diversified returns and to enhance the Group's long-term prospects for profitability and growth. It is hoped that the additional income streams will provide the Group with additional funds, which can be channelled towards the enhancement of Shareholders' value over the long term.

#### 4.4. APPLICATION OF CHAPTER 10 OF THE CATALIST RULES

Upon the approval by Shareholders of the Proposed Diversification, any acquisition which is in or in connection with, the Proposed New Business, may be deemed to be in the Group's ordinary course of business and therefore not fall under the definition of a "transaction" under Chapter 10 of the Catalist Rules. As set out in Practice Note 10A of the Catalist Rules, an acquisition that is regarded to be in, or in connection with, the ordinary course of an issuer's business, is not subject to the requirements under Chapter 10 of the Catalist Rules (except for Part VIII on very substantial acquisitions or reverse takeovers). An acquisition can be regarded to be in or in connection with the ordinary course of the issuer's business if the asset to be acquired is part of its existing principal business and the acquisition does not change the issuer's risk profile. Accordingly, the Group may possibly, in its ordinary course of business, enter into transactions relating to the Proposed New Business which do not change the risk profile of the Group, in an efficient and timely manner without the need to convene separate general meetings from time to time to seek for Shareholders' approval as and when potential transactions relating to the Proposed New Business arise, even where they cross the threshold of a "major transaction". This will reduce substantially the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Company. A disposal of an issuer's business (or a substantial part of its business) will usually not be considered to be in the ordinary course of business, and where any Divestment involves a disposal of the Group's business (or a substantial part thereof), shareholders' approval will be sought in accordance with Chapter 10 of the Catalist Rules.

Pursuant to Rule 1014 of the Catalist Rules, a major transaction is a transaction (as defined in Rule 1002(1) of the Catalist Rules) where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules (a) exceeds 75% but is less than 100% (for an acquisition) or (b) exceeds 50% (for a disposal or the provision of financial assistance), and must be made conditional upon approval by shareholders in a general meeting.

In accordance with the SGX-ST's recommended practice in relation to diversification of business, if an issuer has not operated in the new business space and did not provide sufficient information about the new business at the time when it is seeking shareholders' approval for the diversification mandate, where the issuer enters into the first major transaction involving the new business (the "**First Major Transaction**"), or where any of the figures computed based on Rule 1006 of the Catalist Rules in respect of several transactions involving the new business aggregated (the "**Aggregated Transactions**") over the course of a financial year exceeds 75%, such First Major Transaction or the last of the Aggregated Transactions will be made conditional upon shareholders' approval.

For the avoidance of doubt, notwithstanding that Shareholders' approval of the Proposed Diversification has been obtained:

- (a) where an acquisition of assets (whether or not the acquisition is deemed in the ordinary course of business of the Company) is one where any of the relative figures as computed



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on the bases set out in Rule 1006 of the Catalist Rules is 100% or more, or is one which will result in the change of control of the Company, the transaction is classified as a very substantial acquisition or reverse takeover and would be subject to Rule 1015 of the Catalist Rules and would be subject to approval of Shareholders;

- (b) Practice Note 10A of the Catalist Rules will apply and Shareholders' approval would be required for any transaction (which falls within the definition as set out in Rule 1002(1) of the Catalist Rules) which changes the risk profile of the Company;
- (c) where any transaction constitutes an "interested person transaction" as defined under Chapter 9 of the Catalist Rules, Chapter 9 of the Catalist Rules will apply to such a transaction and the Company will comply with the provisions of Chapter 9 of the Catalist Rules. In particular, pursuant to Rule 905 of the Catalist Rules, where any interested person transaction is of a value equal to or more than 3% of the Group's latest audited NTA, or when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to or more than 3% of the Group's latest audited NTA, the Group 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, where any interested person transaction is of a value equal to or more than 5% of the Group's latest audited NTA, or when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to or more than 5% of the Group's latest audited NTA, the Group must obtain shareholder approval for the interested person transaction; and
- (d) the First Major Transaction or the last of the Aggregated Transactions will be made conditional upon Shareholders' approval, if applicable.

Pursuant to Rule 1005 of the Catalist Rules, separate transactions completed within the last 12 months may also be aggregated and treated as if they were one transaction in determining whether a transaction falls into category (a), (b), (c) or (d) of Rule 1004 of the Catalist Rules. The Company will be required to comply with any applicable and prevailing Catalist Rules as amended or modified from time to time.

### 4.5. MANAGEMENT OF THE PROPOSED NEW BUSINESS

It is currently envisaged that the Proposed New Business will be initially spearheaded by the CEO and Executive Director of the Company, who will be supported by the Non-Executive Non-Independent Chairman of the Company and senior management of the Group, and that that they will be responsible for overseeing the entire operations of the Proposed New Business.

Dato' Sri Pek Kok Sam is the CEO and Executive Director of the Company and one of the founders of the Group. He has over 18 years' experience in the mining and exploration of iron ore, tin and limestone. Prior to establishing the Group, Dato' Sri Pek Kok Sam conducted limestone quarrying activities in Malaysia from 1993 to 2005. Dato' Sri Pek Kok Sam will continue with his current responsibilities which include overseeing the quality analysis and control, safety and environmental aspects of the Group's operations, and further exercise oversight over the new strategic trading direction of the Group for the Proposed New Business.

Dato' Teh Teck Tee is the Non-Executive Non-Independent Chairman of the Company and one of the founders of the Group. He has more than 13 years of experience in the iron ore exploration and mining industry. Dato' Teh Teck Tee is responsible for maintaining relationships with the Group's customers and suppliers. Dato' Teh Teck Tee will continue with his current responsibility which includes maintaining relationships with the Group's customers and suppliers, and further contribute valuable insight as regards the new strategic direction of the Group for the Proposed New Business.

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Mr. Lim Wei Hung is the Chief Financial Officer of the Group. He joined the Group in 2013 and is responsible for the management of the administrative and financial matters of the Group. In 2016 and 2017, prior to the listing of the Company, he was involved in the negotiation and execution of an exploration arrangement for a gold mine exploration project undertaken by a company related to the Group prior to the restructuring exercise undertaken for the listing. Mr. Lim was also involved in overseeing and monitoring the progress of the exploration works as well as the economic evaluation process of the aforementioned project. Mr. Lim will continue with his current responsibilities and work alongside the CEO and Executive Director and Non-Executive Non-Independent Chairman to execute the business plans for the Proposed New Business.

The Group will carefully monitor developments and progress in the Proposed New Business. Where necessary, it will strengthen the management and execution team of the Proposed New Business with additional candidates with the credentials and experience relevant to the Proposed New Business. The Group will also continually evaluate the manpower and expertise required for the Proposed New Business and will, as and when required, engage suitably qualified external personnel, consultants, industry experts and professionals for the Proposed New Business. In making decisions, the Board and senior management will seek the advice of these reputable external consultants and experts where necessary and appropriate. Where necessary, work may be outsourced to these third parties who have expertise in the relevant area.

#### **4.6. FUNDING FOR THE PROPOSED NEW BUSINESS**

The proposed diversification into the Proposed New Business will be funded primarily through internal funds and/or borrowings from financial institutions. As and when necessary and deemed appropriate, the Company may explore secondary fund-raising exercises by tapping the capital markets including but not limited to rights issues, share placements and/or issuance of debt instruments.

The Company will remain prudent and take into account the financial condition of the Company in deciding the types of projects and related investments it undertakes, and the amounts thereof.

#### **4.7. INTERNAL CONTROLS AND RISK MANAGEMENT OF THE PROPOSED NEW BUSINESS**

The Board does not have a separate risk committee as the Board is currently assisted by the Audit Committee, internal auditors and external auditors in carrying out its responsibility of overseeing the Group's risk management framework and policies. To address the risks presented by the Proposed Diversification, the members of the Audit Committee will be tasked with the responsibility of overseeing the risk management activities of the Company in relation to the Proposed New Business following the Proposed Diversification. The Audit Committee will be required to approve appropriate risk management procedures and measurement methodologies and be involved in identifying and managing the various business risks for the Proposed New Business.

The Company will endeavour to ensure that the risk management systems implemented commensurate with the risk and business profile, nature, size and complexity of operations and business activities of the Proposed New Business, and will review such risk management systems periodically to assess adequacy.

The Board and the Audit Committee will adopt internal policies and procedures for the management of the Proposed New Business to consider before tabling proposals for any new projects or investments under the Proposed New Business. Further, investments above an internally-determined threshold (which shall initially be approximately 10% of the Group's NTA and may be modified by the Board from time to time) must be specifically approved by the Audit Committee. In addition, the Board and the Audit Committee, who review the risk exposure of the Proposed New Business of the Company at regular intervals, will review the risk exposure of the Proposed New Business at intervals of not less than annually.

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The risk management and internal control systems, no matter how sophisticated in design, still contains inherent limitations caused by misjudgement or fault. Accordingly, there is no assurance that the risk management and internal control systems are adequate or effective notwithstanding the Group's efforts, and any failure to address any internal control matters and other deficiencies may result in investigations and/or disciplinary actions, or even prosecution being taken against the Company and/or its employees, disruption to the risk management system, and an adverse effect on the Group's financial condition and results of operations.

### 4.8. RISK FACTORS

In undertaking the Proposed Diversification, the Group could be affected by a number of risks which relate to the Proposed New Business as well as those which may generally arise from, inter alia, economic, business, market and political factors, including the risks set out herein. Shareholders should carefully consider and evaluate each of the following considerations and all other information contained in this Circular.

To the best of the Directors' knowledge and belief, all risk factors which are material to Shareholders in making an informed decision on the Proposed Diversification have been set out below. If any of the factors and/or uncertainties described below develops into actual events affecting the Proposed Diversification, this may have a material and adverse impact on the overall results of operations, financial condition and prospects of the Group.

The risks described below are not intended to be exhaustive and are not presented in any particular order of importance. New risk factors may emerge from time to time, and it is not possible for the Board to predict all risk factors, nor can the Board assess the impact of all factors on the Proposed Diversification or the extent to which any factor, or combination of factors, may affect the Proposed Diversification. There may also be other risks associated with entry into the Proposed Diversification which are not presently known to the Group, or that the Group may currently deem immaterial and as such have not been included in the discussion below.

- (a) The Proposed New Business is highly exposed to declines in the current and expected volumes of supply or demand for iron ore and Other Commodities and to deteriorations in economic and financial conditions

The Proposed New Business is exposed to declines in the current and expected volumes of supply or demand for iron ore and Other Commodities, its prices and to deterioration in general economic and financial conditions. The current and expected volumes of supply and demand for iron ore and Other Commodities can vary vastly over time based on changes in resource availability, government policies and regulation, costs of production, global, regional and national economic conditions, demand in end markets for products in which the commodities are used, technological developments, including commodity substitutions, fluctuations in global production capacity, global and regional weather conditions and natural disasters including, earthquake, tsunami, hurricanes, wildfire, drought, and flooding, all of which impact global markets and demand for iron ore and Other Commodities. Furthermore, changes in current and expected supply and demand conditions impact the current and expected future prices (and thus the price curve) of iron ore and Other Commodities. Declines in the volume of iron ore and Other Commodities mined, produced or traded by the Group, as well as declines in the price of iron ore and Other Commodities, could materially adversely impact the Group's business, results of operations and earnings. The above are factors beyond the control of the Group. As a result, the timing, nature and degree of changes in the industry conditions are unpredictable.

In addition, a decline in economic and financial conditions globally or in a specific country, region or sector may have a material adverse effect on the Group's business, results of operations or earnings. For example, although most commodities' fixed pricing periods are relatively short, a significant rapid reduction or increase in the prices of iron ore and Other Commodities could result in customers or suppliers, as the case may be, being

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## LETTER TO SHAREHOLDERS

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unwilling or unable to honour their contractual commitments to purchase or sell iron ore and Other Commodities on pre-agreed pricing terms. In addition, a tightening of available credit may make it more difficult for the Group to obtain, or may increase the cost of obtaining, financing for its trading activities and capital expenditures on its industrial assets.

- (b) The Proposed New Business inherently involves liquidity risk and a failure to obtain funds could limit its ability to grow its business.

Liquidity risk is the risk that the Group is unable to meet its payment obligations when due, or that it is unable, on an ongoing basis, to borrow funds in the market on an unsecured or secured basis at an acceptable price to fund actual or proposed commitments. A lack of liquidity may mean that the Group will not have funds available to maintain or increase its trading activities, meet margin requirements, grow the Proposed New Business as planned or take advantage of other opportunities that may arise in its trading activities.

The Group's trading activities will require employment of significant amounts of working capital to fund purchases of iron ore and Other Commodities for the Proposed New Business and to fund the acquisition and maintenance of the Group's assets such as its mines which complement its trading activities. Continued funding of and access to working capital is critical for the Group to maintain acceptable levels of trading activity and increase such levels in the future. The Group's mining activities are also capital-intensive, and the continued funding of such activities is critical for the Group to maintain its ownership interests in its mining assets, to maintain production levels in periods when net operating cash flow is negative or insufficient to cover capital expenditures, and to develop its activities or increase production levels in the future in accordance with the needs of the Proposed New Business.

Prudent liquidity risk management for the Proposed New Business requires the Group to maintain sufficient cash and cash equivalents through the accumulation of retained earnings and to have ready sources of committed funding available to meet anticipated and unanticipated funding needs for its trade activities. While the Group adjusts its minimum internal liquidity targets in response to changes in market conditions, its liquidity may be impaired due to circumstances it is unable to control, such as general market disruptions, fluctuations or an operational problem that affect its suppliers or customers or the Group itself.

In addition, debt financing may limit the Group's ability to withstand competitive pressures and render its businesses more vulnerable to economic downturns by exposing it to volatile interest rates, tighter credit markets and potentially reduced access to funding that may be needed to take advantage of future business opportunities.

On the other hand, equity financing may result in a dilution to Shareholders' equity interests and may, in the case of a rights issue, require additional investments by Shareholders. Further, an issue of Shares below the then prevailing market price will also affect the value of Shares then held by investors. Dilution in Shareholders' equity interests may occur even if the issue of Shares is at a premium to the market price.

- (c) The success of the Proposed New Business depends in part on the Group's ability to identify and take advantage of arbitrage opportunities.

Discrepancies generally arise in respect of the prices at which the iron ore and Other Commodities can be bought or sold in different forms, geographic locations or time periods, taking into account the numerous relevant pricing factors, including product quality. These pricing discrepancies can present the Group with arbitrage opportunities whereby the Group is able to generate profit by sourcing, transporting, blending, storing or processing the said iron ore and Other Commodities.

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## LETTER TO SHAREHOLDERS

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The Proposed New Business's profitability is, in large part, dependent on its ability to identify and exploit such arbitrage opportunities. A lack of such opportunities, for example due to a prolonged period of pricing stability in a particular market, or an inability to take advantage of such opportunities when they present themselves, because of, for example, a shortage of liquidity or an inability to access required logistics assets or other operational constraints, could adversely impact the Group's business, results of operations and financial condition.

- (d) The Group is heavily reliant on third parties and non-controlled entities to source the iron ore and Other Commodities utilised for its trading activities.

The Group will derive a portion of iron ore and Other Commodities sold by its trading operations from its own mining activities in its Existing Business. The remainder of the iron ore and Other Commodities for the Proposed New Business will be purchased from third party suppliers. Consequently, the Group is exposed to both price and supply risks with respect to commodities sourced from third parties and entities in which it holds a minority stake, including joint ventures and non-controlled associated entities. The supply agreements between the Group and such third parties or non-controlled entities range from short-term spot contracts to multiple years in duration. However, in general, these companies have no obligation to renew their supply agreements with the Group. The Group may not be able to compel the relevant company to enter into or renew a supply agreement with it. The Group relies on these agreements to source some of the iron ore and Other Commodities and any termination or failure to renew such agreements at the end of their terms could have an adverse effect on the Group's business, results of operations and financial condition.

Any increases in the Group's purchase price of the iron ore and Other Commodities relative to the price at which the Group trades the iron ore and Other Commodities could adversely affect the Group's margins. The Group's business, results of operations, financial condition and prospects could be materially adversely impacted if it is unable to continue to source required volumes of the iron ore and Other Commodities from its suppliers on reasonable terms or at all.

To the extent that the Group sources iron ore and Other Commodities from third parties, any disruptions in the supply of iron ore and Other Commodities by factors such as weather and other natural disasters, insolvency or business failure of its third-party suppliers, unexpected maintenance problems, damage to production sites, collapse of mines, labour disruptions and changes in laws and regulations could adversely affect the Group's margins. The Group's business, results of operations, financial condition and prospects could be materially adversely impacted if it is unable to continue to source the required volumes of iron ore and Other Commodities from its third-party suppliers on reasonable terms, without interruption, or at all.

- (e) The Group is exposed to counterparty risk in its trading activities pursuant to the Proposed New Business

The Group's trading and industrial activities are subject to non-performance risk by its suppliers, customers and hedging counterparties. For example:

- (i) a significant rapid increase in prices of iron ore and Other Commodities could result in suppliers being unwilling to honour their contractual commitments to sell the iron ore and Other Commodities to the Group at pre-agreed prices;
- (ii) a significant rapid reduction in prices of the iron ore and Other Commodities could result in customers being unwilling or unable to honour their contractual commitments to purchase the iron ore and Other Commodities from the Group at pre-agreed prices; or

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## LETTER TO SHAREHOLDERS

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(iii) customers may take delivery of the iron ore and Other Commodities from the Group and then find themselves unable to honour their payment obligations due to financial distress or any other reasons.

(f) The Proposed New Business faces intense competition, and the Group may have difficulty effectively competing with other commodity trading and industrial companies

The Group faces strong competition in the Proposed New Business. Competitors may expand and diversify their commodity sourcing, processing or trading operations, or engage in pricing or other financial or operational practices that could increase competitive pressure on the Group. Further, the Group does not have a proven track record in managing and operating the Proposed New Business and as such will face the usual risks, uncertainties and problems associated with the entry into any new business which it has limited prior experience or track record. Increased competition, compounded with the Group's relative inexperience, may result in losses of market share for the Group and could materially adversely affect the Group's business, results of operations and financial condition.

(g) The Group is subject to various government regulations for the viability of the Proposed New Business

Obtaining or renewing the necessary governmental permits and approvals to extract the iron ore and Other Commodities from mines which are crucial to the feasibility of the Proposed New Business can be a complex and time-consuming process involving several layers of approvals from government and regulatory bodies and often involving costly undertakings on the Group's part.

As such, the Proposed New Business is exposed to the risks posed by current and potential future regulations and legislation that apply to the country or industry in which the Group or its joint venture partners operate and the countries or industries its clients operate. The Proposed New Business may require certain statutory and regulatory licences, permits, consents and approvals to operate. These licences, permits, consents and approvals may be granted for fixed periods of time and may need to be renewed after expiry from time to time. The Group may not be able to apply for and obtain the relevant licences, permits, consents and approvals required for its projects or otherwise within the statutory time limits, and there can be no assurance that the relevant authorities will issue any such licences, permits, consents or approvals in time or at all. Failure by the Group to renew, maintain or obtain the required licences, permits, consents or approvals, or cancellation, suspension or revocation of any of its licences, permits, consents or approvals may result in the Group being unable to undertake the relevant segment of the Proposed New Business and/or in the interruption of the operations of the Proposed New Business and may have a material adverse effect on the Group's business, financial condition, results of operations and prospects. The Group must also comply with the applicable laws and regulations in the Proposed New Business, failing which the Group may be subject to penalties, have its licences or approvals revoked, or lose its right to own or manage its properties which may have a material and adverse impact on the Group's business, financial condition, results of operations and prospects. Further, any changes in applicable laws and regulations could result in higher compliance costs and materially and adversely affect the Group's business, results of operations and financial condition.

(h) The Proposed New Business will be dependent on the recruitment and retention of qualified employees and consultants for its operations and profitability and may be affected by a shortage of skilled management resources

In addition to the existing management team, the Company may recruit appropriate management resources for its Proposed New Business to provide guidance, and/or

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## LETTER TO SHAREHOLDERS

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approach investment partners to jointly undertake the projects coming within the scope of the Proposed New Business. The Company cannot guarantee that it will not experience initial operational difficulties or disputes with its investment partners or that its operations will achieve the expected level of revenue and profitability. The growth of the Proposed New Business will be dependent on the Group's ability to identify, recruit, train and retain qualified employees to form a relevant and strong management team with the requisite technical expertise to oversee the operations of the Proposed New Business. The competition for qualified personnel in the Proposed New Business may be intense, and the loss of services of one or more of such individuals without adequate replacement, or the inability to attract qualified personnel at a reasonable cost could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

- (i) The Group is subject to risks associated with joint ventures, strategic alliances, partnerships and associated companies as a result of the Proposed New Business

The Group intends to undertake the Proposed New Business from time to time through the formation of joint ventures, strategic alliances, partnerships and associated companies with external parties. There is a potential alliance risk that may arise from disagreement between the Group and its business partners. This risk is exacerbated if the Group has a minority stake in such joint ventures, strategic alliances, partnerships and associate companies.

These business partners may have economic or business interests or goals that are inconsistent with those of the Group's, and/ or take actions which are not aligned with the Group's objectives, or are unable or unwilling to fulfil their obligations or differ with the Group as to the scope of their responsibilities and obligations. Accordingly, disputes may arise from such differences. If any disputes with the Group's business partners cannot be resolved amicably, there is a risk that such dispute could escalate and become litigious or result in the early termination of such joint venture, strategic alliance, associate company or cooperation arrangements which in turn could adversely affect the Group's business, financial condition and results of operations.

- (j) The Proposed New Business may be affected by outbreaks of communicable diseases and other events beyond the Group's control

The Proposed New Business is susceptible to outbreaks of communicable diseases and other events beyond the Group's control which may lead to many uncertainties and cause disruptions to parts of its business and have an adverse effect on its business operations and financial performance. The Proposed New Business may also be materially and adversely impacted if the key suppliers of the Proposed New Business are affected by such occurrences and are unable to provide the raw materials needed on a timely basis or on terms that the Group finds acceptable. In the instance of the recent COVID-19 outbreak, there may be significant disruptions in the Proposed New Business. The Group may also be unable to proceed with its usual business operations due to control orders imposed by the government in view of any outbreak of any contagious disease. As the COVID-19 situation is still evolving rapidly, there can be no assurance that the spread of COVID-19 will be contained in the near term and the duration of the COVID-19 outbreak and its effects cannot be determined with certainty at present. As such, in the event that the containment of COVID-19 is not improved in the near term resulting in a global economy recession, this may have a protracted negative impact on the Proposed New Business. This may lead to a fall in demand of products under the Proposed New Business and/or an impact on the Group's ability to operate the Proposed New Business, which could in turn have materially and adversely affect the Group's business, results of operations and financial condition.

### 4.9. PROSPECTS AND FUTURE PLANS FOR THE PROPOSED NEW BUSINESS

## LETTER TO SHAREHOLDERS

The Group will continue with its Existing Business and remains committed in the continuance of the Existing Business for so long as it remains viable. The entry into the Proposed New Business is intended to be a diversification of the Group's Existing Business as part of the corporate strategy of the Group to provide Shareholders with diversified returns and long-term growth. The Proposed Diversification will offer new business opportunities and provide the Group with new revenue streams so as to enhance Shareholders' value for the Company.

#### 4.10. CHANGES TO THE BOARD OF DIRECTORS ARISING FROM THE PROPOSED DIVERSIFICATION

There will be no new appointment to the Board of Directors arising from the Proposed Diversification.

#### 4.11. FINANCIAL EFFECTS OF THE PROPOSED DIVERSIFICATION

As at the Latest Practicable Date, the Company has no affirmative and binding plans in relation to the Proposed New Business that is expected to materially impact the net profit, EPS or NTA of the Group. Should there be any material impact on the Group's NTA per Share and EPS for FY2022 as a result of any developments relating to the Proposed New Business, the Company will make the necessary announcements at the appropriate time.

#### 4.12. FINANCIAL REPORTING

For the purposes of reporting the financial performance of the Group, in accordance with the applicable accounting standards and the Catalist Rules, where the financial results of the Proposed New Business is material, it will be accounted for and disclosed as a separate segment in the Group's financial statements.

The Group's financial statements, which could include the financial results of the Proposed New Business, will continue to be periodically announced in accordance with the requirements set out under Chapter 7 of the Catalist Rules.

### 5. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

	Before Share Purchases						After Share Purchases <sup>2)</sup>
	Direct Interest		Deemed Interest		Total Interest <sup>1)</sup>		Total Interest
	Number of Shares	% <sup>3)</sup>	Number of Shares	% <sup>3)</sup>	Number of Shares	% <sup>3)</sup>	% <sup>3)</sup>
<b>Directors</b>							
Dato' Teh Teck Tee	30,100,000	6.16	-	-	30,100,000	6.16	6.84
Dato' Sri Pek Kok Sam	343,845,000	70.32	25,000 <sup>4)</sup>	0.01	343,870,000	70.33	78.13
Dato' Sri Mohd Jamidan Abdullah	-	-	-	-	-	-	-
Mr Chin Chee Choon	-	-	-	-	-	-	-



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## LETTER TO SHAREHOLDERS

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Mr Sim Chin Hoe	-	-	-	-	-	-	-
Dato' Gainneos Jacob Goldie	-	-	-	-	-	-	-

### Substantial Shareholders

Lee Tek Mook @ Lee Teh Moh	33,770,000	6.91	-	-	33,770,000	6.91	7.67
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#### 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 489,000,000 Shares.
- (2) Assuming that the Company purchases the maximum number of 48,900,000 Shares under the Share Purchase Mandate.
- (3) As a percentage of the total number of issued Shares comprising 440,100,000 Shares.
- (4) On 23 June 2021, Remparan Sdn Bhd acquired 25,000 Shares via a market transaction at an average price of S\$0.974 per Share. Remparan Sdn Bhd is wholly-owned by Multiline Trading Sdn Bhd, which is 99.0% owned by Dato' Sri Pek Kok Sam and 1.0% owned by Mr. Pek Kok Hua, the brother of Dato' Sri Pek Kok Sam.

Save as disclosed in this Circular, none of the Directors or Substantial Shareholders has any interest, direct or indirect, in the Proposed Resolutions other than through their respective shareholdings in the Company.

## 6. DIRECTORS' RECOMMENDATION

### 6.1. Proposed Renewal of the 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 1 relating to the Proposed Renewal of the Share Purchase Mandate to be tabled at the forthcoming EGM.

### 6.2. 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 2 relating to the Proposed Renewal of the IPT General Mandate to be tabled at the forthcoming EGM.

### 6.3. Proposed Diversification

The Directors having considered, inter alia, the terms and rationale of the Proposed Diversification, are of the opinion that Proposed Diversification is in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that Shareholders vote in favour of Ordinary Resolution 3 relating to the Proposed Diversification to be tabled at the forthcoming EGM.

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## LETTER TO SHAREHOLDERS

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### 7. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 of this Circular, will be held via electronic means on 26 November 2021 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held at 10.00 a.m. at the same day) for the purpose of considering and, if thought fit, passing with or without modifications the Proposed Resolutions set out in the Notice of EGM.

### 8. ABSENTION FROM VOTING

#### 8.1. Proposed Renewal of the IPT General Mandate

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 at the forthcoming EGM in respect of Ordinary Resolution 2 in relation to the Proposed Renewal of the IPT General Mandate. Furthermore, such persons shall not act as proxies or otherwise vote on the said resolution, in relation to such resolution unless specific voting instructions have been given.

### 9. ACTIONS TO BE TAKEN BY SHAREHOLDERS

#### 9.1. No Attendance at EGM

In view of the elevated safe distancing measures imposed by the Singapore Government due to the COVID-19 pandemic, the Company will be conducting the forthcoming EGM by electronic means and Shareholders will not be allowed to attend the EGM in person in accordance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts and Debentures Holders) Order 2020.

#### 9.2. Live Webcast or Live Audio Stream

For Shareholders who would like to attend the EGM by electronic means, Shareholders will need to state the preference of their attendance at the EGM via LIVE WEBCAST or LIVE AUDIO STREAM, and register at <https://conveneagm.com/sg/southernallianceminig>, and provide their personal particulars as follows:

- (a) Full name (for individuals)/company name (for corporates) as per CDP Account records;
- (b) National Registration Identity Card Number or Passport Number (for individuals)/ Company Registration Number (for corporates);
- (c) Number of Shares held;
- (d) Contact number; and
- (e) Email address,

(collectively, the "**Personal Particulars**"),

no later than 10.30 a.m. on 23 November 2021 (being no less than seventy-two (72) hours before the time appointed for holding the EGM (the "**Registration Deadline**") to enable the Company to verify the Shareholders' status.

Authenticated Shareholders will receive an email confirmation by 10.30 a.m. on 25 November 2021 which contains either (a) a unique link to access the LIVE WEBCAST to view the

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## LETTER TO SHAREHOLDERS

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proceedings the EGM (via smart phones, tablets or laptop/computers); or (b) a dial-in number with a conference code to access the LIVE AUDIO STREAM (via telephone) of the EGM proceedings.

Shareholders MUST NOT forward the abovementioned unique link or dial-in number with the conference code to other persons who are not Shareholders and who are not entitled to attend. This is also to avoid technical disruptions or overload the LIVE WEBCAST and LIVE AUDIO STREAM.

Investors who hold the Company's shares through relevant intermediaries (as defined in Section 181 of the Companies Act), including SRS Investors, and who wish to participate in the EGM by:

- (i) watching or listening to the EGM proceeding via a live webcast;
- (ii) submitting questions in advance of the EGM; and/or
- (iii) appointing the Chairman of the EGM as proxy to attend and vote on their behalf at the EGM,

respectively, should contact the relevant intermediary (which would include, in the case of SRS investors, their respective SRS Operators) through which they hold such shares as soon as possible in order for the necessary arrangements to be made for their participation in the EGM.

Shareholders who do not receive an email by 10.30 a.m. on 25 November 2021, but who have registered by the Registration Deadline should contact the Company for assistance at [general@SAMiningLtd.com](mailto:general@SAMiningLtd.com), with the following details included: (a) the member's full name; and (b) his/her/its identification/registration number.

All Shareholders will not be able to ask questions "live" via the Webcast. Instead, Shareholders may submit any questions related to the resolution to be tabled for approval at the EGM (i) via the registration website at <https://conveneagm.com/sg/southernallianceminig>; (ii) via electronic mail to the Company at the email address [general@SAMiningLtd.com](mailto:general@SAMiningLtd.com); or (iii) via post to the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898 by the cut-off date being 18 November 2021 at 10.30 a.m. Singapore time. The Company will announce the responses to substantial questions received from Shareholders on the SGX website at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL [www.southernallianceminig.com](http://www.southernallianceminig.com) within one (1) month after the conclusion of the EGM.

A Shareholder must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM. Where a Shareholder appoints the Chairman of the EGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the Chairman of the EGM shall abstain from voting. The instrument appointing the Chairman of the EGM as proxy must be submitted to the Company not later than the cut-off date being 23 November 2021 at 10.30 a.m. Singapore time, (a) by email to the following email address: [sg.is.proxy@sg.tricorglobal.com](mailto:sg.is.proxy@sg.tricorglobal.com) (e.g. enclosing a clear scanned completed and signed proxy form); or (b) by post to the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898.

### 10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Renewal of the Share Purchase Mandate, Proposed Renewal of the IPT General Mandate and Proposed Diversification, the Company and its subsidiaries, and the

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## LETTER TO SHAREHOLDERS

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Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular 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 Circular in its proper form and context.

### **11. DOCUMENTS AVAILABLE FOR INSPECTION**

Subject to prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be issued by the relevant authorities, a copy of the Constitution will be made available for inspection by Shareholders during normal business hours from 9:00 a.m. to 5:00 p.m. at the Company's registered office at 80 Robinson Road #02-00 Singapore 068898, for a period of three (3) months from the date of this Circular.

Due to the mandatory safe distancing measures issued by the Singapore Ministry of Health in relation to the COVID-19 outbreak, please contact the Company at +65 6236 3333 prior to making any visits to arrange for a suitable time slot for the inspection.

Yours faithfully  
For and on behalf of the Board of Directors of  
**SOUTHERN ALLIANCE MINING LTD**

**Dato' Sri Pek Kok Sam**  
**Executive Director and Chief Executive Officer**

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## NOTICE OF EGM

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**SOUTHERN ALLIANCE MINING LTD.**  
(Company Registration Number. 201931423D)  
(Incorporated in the Republic of Singapore)

*All capitalised terms in this Notice of EGM which are not defined herein shall have the same meaning ascribed to them in the circular to Shareholders dated 4 November 2021 (the “Circular”).*

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting (“**EGM**”) of Southern Alliance Mining Ltd. (the “**Company**”) will be held by way of electronic means on 26 November 2021 at 10.30 a.m. or as soon thereafter following the conclusion or adjournment of the AGM of the Company to be held at 10.00 a.m. at the same day for the purpose of transacting the following business:

Capitalised terms not defined herein shall refer to the definitions set out in the circular to Shareholders dated 4 November 2021 (the “**Circular**”).

### **ORDINARY RESOLUTION 1: THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE**

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Cap. 50 of Singapore (the “**Companies Act**”), the exercise by the Directors of the Company (the “**Directors**”) of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (the “**Shares**”) not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to but not exceeding the Maximum Price (as hereafter defined), whether by way of:

- (i) on-market purchases, transacted through the SGX-ST’s trading system or on any other securities exchange on which the Shares may for the time being be listed and quoted through one or more duly licensed stockbrokers appointed by the Company for the purpose of the Share Purchase (“**Market Purchases**”); and/or
- (ii) off-market purchases made in accordance with an equal access scheme as defined in Section 76C of the Companies Act (“**Off-Market Purchases**”).

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Purchase Mandate**”);

(b) unless revoked or varied by the Company in general meeting, 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 date of the passing of this Resolution and expiring on the earliest of:

- (i) the date on which the next annual general meeting of the Company is held;
- (ii) the date on which the next annual general meeting of the Company is required by law to be held; and
- (iii) 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;

(c) in this Resolution:

“**Average Closing Price**” means:

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## NOTICE OF EGM

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- (i) in the case of a Market Purchase, the average of the closing market prices of a Share over the last five (5) Market Days on which the Shares are transacted on the SGX-ST immediately preceding the date of the Market Purchase by the Company; or
- (ii) in the case of an Off-Market Purchase, the average of the closing market prices of a Share over the last five (5) Market Days on which the Shares are transacted on the SGX-ST immediately preceding the date of the making of the offer pursuant to the Off-Market Purchase,

and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action that occurs after the relevant five (5) day period;

**“date of the making of the offer”** means the date on which the Company makes an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

**“Market Day”** means a day on which the SGX-ST is open for trading in securities;

**“Maximum Percentage”** means that number of issued Shares representing 10.0% of the issued Shares (excluding Treasury Shares and subsidiary holdings) as at the date of the passing of this Resolution; and

**“Maximum Price”** in relation to a Share to be purchased or acquired, means the purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) which shall not exceed:

- (i) in the case of a Market Purchase, 105.0% of the Average Closing Price of the Shares; and
  - (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120.0% of the Average Closing Price of the Shares; and
- (d) the Directors and/or any of them be and are and/or is hereby authorised and empowered to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

### ORDINARY RESOLUTION 2: THE PROPOSED RENEWAL OF THE IPT GENERAL MANDATE

That:

- (a) approval be and is hereby given for the purposes of Chapter 9 of the Catalist Rules of the SGX-ST, for the Company, its subsidiaries and associated companies that are considered to be “entities at risk” (as that term is used in Chapter 9), or any of them to enter into any of the transactions falling within the types of Mandated Interested Person Transactions described in the Circular with any Mandated Interested Persons described in the Circular, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions;
- (b) the approval given in paragraph (a) above shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next annual general meeting of the Company; and
- (c) the Directors and/or any of them be and are and/or is hereby authorised and empowered to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

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## NOTICE OF EGM

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### **ORDINARY RESOLUTION 3: THE PROPOSED DIVERSIFICATION OF THE GROUP'S EXISTING BUSINESS TO INCLUDE THE PROPOSED NEW BUSINESS**

That:

- (a) approval be and is hereby given for the Proposed Diversification of the Group's Existing Business to include the Proposed New Business as described in Section 4 of the Circular (the "**Proposed Diversification**"), and any other activities related to the Proposed Diversification;
- (b) subject to compliance with the Catalist Rules requiring approval from Shareholders in certain circumstances, the Company (directly and/or through its subsidiaries) be and is hereby authorised to invest in, purchase or otherwise acquire or dispose of from time to time, any such assets, businesses, investments and shares or interests in any entity in relation to the Proposed New Business on such terms and conditions as the Directors deem fit, and such Directors be and are hereby authorised to take such steps and exercise such discretion and do all such acts and things as they deem desirable, necessary or expedient to give effect to any such investment, purchase, acquisition or disposal; and
- (c) the Directors or any of them be and are hereby authorised to complete and do all acts and things as they or each of them deem desirable, necessary or expedient to give effect to the matters contemplated by this resolution as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Company.

**SOUTHERN ALLIANCE MINING LTD.**  
(Incorporated in the Republic of Singapore)  
(Company Registration No.: 201931423D)

**PROXY FORM – EXTRAORDINARY GENERAL MEETING**

(Please see notes overleaf before completing this Proxy Form)

This Proxy Form has been made available on SGXNET and the Company's corporate website at the URL [www.southernallianceminig.com](http://www.southernallianceminig.com). A printed copy of this Proxy Form will NOT be despatched to members of the Company.

**IMPORTANT:**

1. Alternative arrangements relating to attendance at the Extraordinary General Meeting ("EGM") via electronic means (including arrangements by which the EGM can be electronically accessed via "live" audio-visual webcast ("LIVE WEBCAST") or "live" audio only stream ("AUDIO ONLY MEANS")), submission of questions in advance of the EGM, addressing of substantial queries and relevant comments, prior to, or at, the EGM and voting by appointing the Chairman of the EGM as proxy at the EGM, are set out in the Company's circular to shareholders dated 4 November 2021.
2. Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the EGM in person. A member will also not be able to vote online at the resolutions to be tabled for approval at the EGM. If a member (whether individual or corporate) wishes to exercise his/her/its votes, he/she/it must submit this Proxy Form to appoint the Chairman of the EGM to vote on his/her/its behalf. A member (whether individual or corporate and including a Relevant Intermediary\*) appointing the Chairman of the EGM as proxy must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in this Proxy Form, failing which the appointment will be treated as invalid.
3. An investor who holds shares under the Supplementary Retirement Scheme ("SRS Investor") who wish to vote at the EGM should approach their respective agent banks to submit their votes at least seven (7) working days before the date of the EGM (i.e. by 10.30 a.m. on 16 November 2021). SRS Investors are requested to contact their respective agent banks for any queries they may have with regard to appointment as to the appointment of the Chairman of the EGM as proxy for the EGM.
4. 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.
5. Please read the notes to this Proxy Form.

\*I/We \_\_\_\_\_ (Name) NRIC/Passport No. \_\_\_\_\_ of \_\_\_\_\_ (Address) being a \*member/members of Southern Alliance Mining Ltd. ("**Company**"), hereby appoint the Chairman of the EGM as my/our\* proxy to vote for me/us\* on my/our\* behalf at the EGM to be held by way of electronic means (via LIVE WEBCAST and AUDIO ONLY MEANS) on 26 November 2021 at 10.30 a.m. or soon thereafter following the conclusion or adjournment of the AGM of the Company to be held at 10.00 a.m. \*I/We direct \*my/our proxy to vote for, against and/or abstain from voting on the resolution to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, this Proxy Form shall be disregarded and the proxy shall abstain from voting on any matter arising at the EGM and at any adjournment thereof.

	No. of Votes "For"***	No. of Votes "Against"***	No. of Votes "Abstaining"***
<b>ORDINARY RESOLUTIONS:</b>			
1. The Proposed Renewal of the Share Purchase Mandate			
2. The Proposed Renewal of the IPT General Mandate			
3. The Proposed Diversification			

\* Delete accordingly.

\*\* Voting will be conducted by poll. If you wish the Chairman of the EGM as your proxy to exercise all your votes for or against or abstain from voting in respect of all your Shares the above Resolution, please tick (✓) within the relevant box provided. Alternatively, if you wish the Chairman of the EGM as your proxy to exercise some and not all of your votes for or against and/or abstain from voting for the Resolution and/or if you wish the Chairman of the EGM as your proxy to abstain from voting in respect of the Resolution, please indicate the number of votes "For", the number "Against" and/or the number "Abstaining" in the boxes provided for the Resolution. In the absence of specific directions, the appointment of the Chairman of the EGM as your proxy will be treated as invalid.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2021

**Total Number of Shares Held In:**

(a) Depository Register:

(b) Register of Members:

\_\_\_\_\_  
Signature of Shareholder(s), or Common Seal of Corporate Shareholder

**IMPORTANT: PLEASE READ THE NOTES ON THE NEXT PAGE CAREFULLY BEFORE COMPLETING THIS FORM**



## Notes

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (maintained by CDP), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members (maintained by or on behalf 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 appointing the Chairman of the EGM as proxy shall be deemed to relate to all the Shares held by you (in both the Depository Register and the Register of Members).
2. A member will not be able to attend the EGM in person and must appoint the Chairman of the EGM as proxy to attend, speak and vote on the member's behalf at the EGM and at any adjournment thereof. A member will also not be able to vote online on the resolutions to be tabled for approval at the EGM. If a member (whether individual or corporate and including a Relevant Intermediary\*) wishes to exercise his/her/its votes, he/she/it must submit this Proxy Form to appoint the Chairman of the EGM to vote on his/her/its behalf. A member (whether individual or corporate including a Relevant Intermediary\*) appointing the Chairman of the EGM as proxy must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in this Proxy Form, failing which the appointment will be treated as invalid. This Proxy Form may be accessed via SGXNET and the Company's website at [www.southernallianceminig.com](http://www.southernallianceminig.com).

**In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms by post, members are strongly encouraged to submit completed Proxy Forms electronically via email.**

3. The Chairman of the EGM, as proxy, need not be a member of the Company.
4. SRS Investors who wish to vote at the EGM should approach their respective agent banks to submit their votes at least seven (7) working days before the date of the EGM (i.e. by 10.30 a.m. on 16 November 2021). SRS Investors should not directly appoint the Chairman as proxy to direct the vote.
5. Relevant Intermediaries shall also appoint the Chairman of the EGM to act as proxy and direct the vote at the EGM. Together with the instrument appointing a proxy, the Relevant Intermediaries shall provide to the Company a list of attendees who would like to attend the EGM by way of a "live" webcast and/or audio only means with such information that may be requested by the Company.

\*

A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, 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;
  - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds shares in that capacity; or
  - (c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 of Singapore, 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 Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
6. 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 to attend the EGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore ("**Companies Act**").
  7. The instrument appointing the Chairman of the EGM as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the EGM as proxy is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. Where the instrument appointing the Chairman of the EGM as proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged at the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road, #11-02, Singapore 068898.
  8. The instrument appointing the Chairman of the EGM as proxy (the "**Proxy Form**") must be submitted to the Company in the following manner:
    - (a) if submitted by post, be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898; or
    - (b) if submitted electronically, be submitted via email to the to the Company's Share Registrar, Tricor Barbinder Share Registration Services at [sg.is.proxy@sg.tricorglobal.com](mailto:sg.is.proxy@sg.tricorglobal.com),

in any case, not later than 10.30 a.m. on 23 November 2021 (being 72 hours before the time fixed for the EGM) and in default the Proxy Form for the EGM shall not be treated as valid.

### General:

The Company shall be entitled to reject the instrument appointing the Chairman of the EGM as proxy if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the EGM as proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the EGM as proxy lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by CDP to the Company.

### Personal Data Privacy:

By submitting an instrument appointing the Chairman of the EGM as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 4 November 2021.