

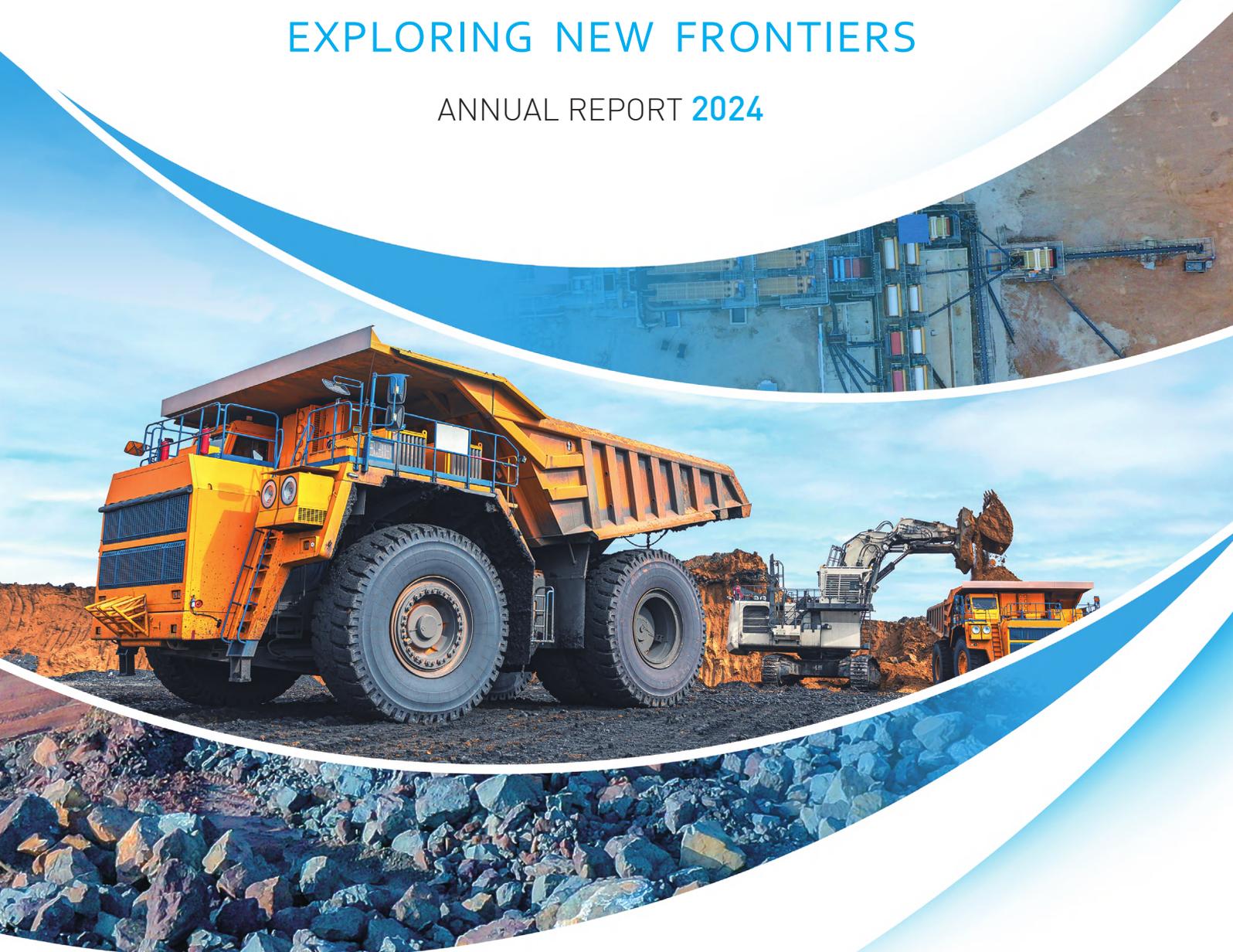


fortress

FORTRESS MINERALS LIMITED

DIVERSIFYING MINERALS EXPLORING NEW FRONTIERS

ANNUAL REPORT 2024





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PROXY FORM

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

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

CORPORATE PROFILE

Fortress Minerals Group remains focused on actively executing its strategic growth plans by leveraging the sustained demand for its high-grade iron ore products and strong business relationships to broaden and diversify its revenue streams.

Fortress Minerals Limited (“**Fortress**” or the “**Company**” and collectively with its subsidiaries, the “**Group**”) is principally in the business of exploration, mining, production and sale of iron ore of low level of impurities. All of our iron ore are efficiently priced in the United States Dollar against international iron ore indexes as practiced world-wide.

The Group is enhancing its production capabilities and expanding its mineral resources at the Bukit Besi mine. It is also developing a new integrated processing plant at the CASB mine and advancing its prospecting efforts in Sabah through various phases of mineral exploration.

The Group continues to seek opportunities to grow its commodities portfolio prudently and in a disciplined

manner via acquisitions, joint ventures and/or providing mining contracting services both in Malaysia and in the region, where its strong capabilities provide a competitive edge to tap on the demand.

Fortress is committed to our team’s safety and values of integrity, sustainability, empowerment, and prosperity. Our team drives the business to achieve our vision of excelling in mineral exploration through strategic insights and alliances, addressing regional client demands, and maintaining ethical excellence.

Fortress Minerals Limited (OAJ: SGX) has been listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) since 27 March 2019.



OUR CORE VALUES



INTEGRITY

Uphold transparency, accountability, and ethical conduct in all our actions and decisions.



SUSTAINABILITY

Committed to environmental stewardship, social responsibility, and economic viability.



EMPOWERMENT

Strive to equip and support individuals in every way possible to achieve a sustainable, successful society.



PROSPERITY

A community that thrives together, experiencing fruitful and meaningful growth.



OUR VISION

Embarking on a mineral exploration journey guided by strategic geological insights and alliances.

Addressing demands from regional clients while prioritising sustainability, safety, and ethical excellence.

Elevate operations with protocols improvement and streamlined efficiency measures.



OUR MISSION

Striving in the mineral resources industry by leveraging innovative technology to deliver values to stakeholders, and building a sustainable future where empowerment and prosperity are shared by all.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chew Wai Chuen

(Chairman and Independent Director)

Dato' Sri Ivan Chee

(Executive Director and Chief Executive Officer (“CEO”))

Ng Mun Fey

(Executive Director and Chief Operating Officer (“COO”))

Edmund Chee Ji Kang

(Executive Director)

Teh Lip Kim

(Non-executive and Non-independent Director)

Loong Ching Hong

(Non-executive and Non-independent Director)

Willa Chee Keng Fong

(Non-executive and Non-independent Director)

Anita Chew Cheng Im

(Independent Director)

Goh Kah Im

(Independent Director)

AUDIT COMMITTEE

Goh Kah Im

(Chairman)

Anita Chew Cheng Im

Chew Wai Chuen

REMUNERATION COMMITTEE

Chew Wai Chuen

(Chairman)

Anita Chew Cheng Im

Loong Ching Hong

NOMINATING COMMITTEE

Anita Chew Cheng Im

(Chairman)

Chew Wai Chuen

Dato' Sri Ivan Chee

JOINT COMPANY SECRETARIES

Nor Hafiza Alwi

Loh Mei Ling

REGISTERED OFFICE

77 Robinson Road
#06-03, Robinson 77
Singapore 068896
Tel: (65) 6538 0779
Fax: (65) 6438 7926
Email: corporate@fortress.sg

PRINCIPAL PLACE OF BUSINESS

9-1 Jalan PJS 8/18
Dataran Mentari
46150 Petaling Jaya
Malaysia
www.fortress.sg

CONTINUING SPONSOR

PrimePartners Corporate Finance Pte. Ltd.

16 Collyer Quay
#10-00 Collyer Quay Centre
Singapore 049318

INDEPENDENT AUDITORS

BDO LLP

600 North Bridge Road
#23-01 Parkview Square
Singapore 188778

Partner-in-charge: Liang Hongzhou

(a member of the Institute of Singapore Chartered Accountants)
(Appointed since the financial year ended 28 February 2023)

SHARE REGISTRAR

B.A.C.S. Private Limited

77 Robinson Road
#06-03 Robinson 77
Singapore 068896

INVESTOR RELATIONS

Teneo

One George Street
#12-01/02
Singapore 049145
Email: fortressminerals@teneo.com

PRINCIPAL BANKERS

Oversea-Chinese Banking Corporation Limited

63 Chulia Street
#10-00
Singapore 049514

OCBC Bank (Malaysia) Berhad

Menara OCBC, 18 Jalan Tun Perak
50050 Kuala Lumpur
Malaysia

Malayan Banking Berhad

No.30&32, Jalan PJS 11/28a, Bandar Sunway
46150 Petaling Jaya, Selangor
Malaysia

CIMB Islamic Bank Berhad

Level 1-2, Wisma BU8, No.11
Lebuhr Bandar Utama, Bandar Utama
47800 Petaling Jaya, Selangor
Malaysia

CHAIRMAN'S MESSAGE



Chew Wai Chuen

Chairman and Independent Director

Dear Shareholders,

On behalf of the board of directors of Fortress Minerals Limited (“**Fortress**” or the “**Company**” and collectively with its subsidiaries, the “**Group**”), I am pleased to present to you our annual report for the financial year ended 29 February 2024 (“**FY2024**”).

We have reached our milestone fifth year of listing on the Catalist Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and continue to grow our resilience as we progress our strategic growth plans to future proof our operations. Despite volatile macroeconomic and geopolitical landscape and presence of inflationary pressure, including higher interest rates during the year, we were determined to leverage our strengths and focus on operational excellence so as to deliver sustained, quality returns for shareholders. I am delighted to share that our dedicated efforts have earned us ‘*The Edge Singapore Centurion Club 2023 Highest Weighted ROE Over Three Years Award*’ over our peers across several related sectors, with Fortress delivering total returns of over 56% since IPO.

We thank shareholders for your support and remain committed to delivering sustainable long-term value for our shareholders as we continue our journey of establishing a leading mining group in the region.

Clear path to growth

The global economic recovery post-pandemic has been uneven and brought both opportunities and challenges. Macroeconomic and market conditions notably have been characterised by inflationary pressures, supply chain disruptions, and geopolitical tensions, impacting the mining industry’s trajectory. Despite these complexities, we see a clear path to growth and have positioned ourselves strategically to capture key opportunities.

Our overarching strategy extends beyond growing through a single resource or asset as we leverage our established mining expertise to create value in parallel opportunities. These are opportunities that will enlarge our commodity portfolio, diversify our revenue streams and align us with critical industry trends such as the green energy transition, decarbonisation and the artificial intelligence and electric vehicle boom. This approach will support demand for our resources and strengthen our resilience over the long term.

We have made significant progress on our planned strategic initiatives. This includes the recent expansion of our production capabilities at the Bukit Besi mine through the addition of two new ball mills, which is expected to significantly increase our nameplate capacity in FY2025. We have also made headway on the development of a new integrated processing plant at the CASB mine, completing metallurgical test works and feasibility studies. On our exploration projects, we remain on track at various stages of surveying and prospecting.

Together, these milestones mark the successful implementation of our immediate expansion plans and will progressively contribute to enhancing shareholder value over the short, medium, and long term.

A people-first approach to success

Social responsibility is critical and embedded in our business ethos, and we firmly believe that people are our most sacred and important resource. By upholding our values and providing opportunities for our workforce to grow together with the Company, we inculcate an organisational culture that is conducive to the growth and continuity of our business. Our resources focus on providing sustainable, supportive and fulfilling jobs, as it is critical that we contribute to the communities in which we operate. Our top priority is the safety of our people, above all else. Fortress recognises the inherent risks in our operations and takes extensive measures to safeguard our personnel.

CHAIRMAN'S MESSAGE

Committed to transparent communications

At Fortress, effective stakeholder engagement is a key element of our governance and oversight. We are steadfast in our commitment to provide timely and accurate information and disclosures to analysts and investors. We voluntarily publish our financial statements on a quarterly basis to uphold transparent and consistent communication with existing and prospective shareholders. Our objective is to position ourselves as the preferred choice for investors in our sector.

Over the course of the year, we actively engaged with the investment community through results briefings as well as individual meetings with investors and analysts. Furthermore, we communicate with the broader investment community through issuing announcements on SGXNet, updates on our corporate website (www.fortress.sg), and through the dissemination of annual reports and during annual general meetings.

Enhancing shareholder value

Our commitment to maximising shareholder value remains. In FY2024, we continued to leverage our strategic assets and operational capabilities to produce positive results.

For FY2024, we have declared and subject to shareholders' approval, will be paying a final dividend of 0.60 Singapore cents per share, representing a dividend payout ratio of 23.3% to reward shareholders for their support.

We are confident in our strategic growth efforts in the upcoming year and look to generate positive outcomes for our shareholders. We will continue to pursue growth opportunities while exercising financial prudence and prioritise the interests of our stakeholders.

Appreciation

On behalf of the Board, I would like to take this opportunity to express my gratitude to all our employees and senior management team for their unwavering determination, resilience and commitment to the organisation. Additionally, I would also like to extend our appreciation to our valued customers, business associates, and financiers, for your support and trust in Fortress.

Chew Wai Chuen

Chairman and Independent Director



CEO'S MESSAGE



Dato' Sri Ivan Chee

Executive Director and CEO
Fortress Minerals Limited

Dear Shareholders,

I am delighted to share Fortress' annual report for FY2024.

The past year saw market volatility, shaped by shifting geopolitical dynamics and inflationary concerns. Aggressive monetary tightening continued as governments prioritised combatting rising inflation. Despite these challenges, we continue to maintain our position as a premier miner and exporter of iron ore concentrate in Malaysia. Our Group has achieved significant milestones, maintaining strong customer demand, delivering on shareholder returns, and making steadfast progress in the expansion of the business.

Fortress was honoured to receive The Edge Singapore Centurion Club 2023 *Highest Weighted ROE Over Three Years Award* for excellence in the Applied Resources, Chemicals, Energy, Mineral Resources, Renewable Energy, and Utilities sectors. This prestigious accolade underscores our steadfast and unwavering commitment to financial excellence, efficient capital utilisation, and delivering strong returns to our valued shareholders. Through disciplined capital management and strategic expansion initiatives, we are fully committed to sustaining this momentum and driving continued success across all aspects of our business.

Our commitment to strategic expansion remains steadfast, guided by a disciplined and responsible approach. As we witness growing demands from our customers, our goal is to uphold our reputation as their preferred and reliable producer, while continuing to deliver sustainable value to our shareholders.

Operations Review

In FY2024, our Group achieved sales of 550,887 dry metric tonnes ("**DMT**") of iron ore concentrate, marking the second consecutive year of reaching the highest sales volume since the Group's establishment. Since our listing, we have effectively more than doubled our sales volume from 269,615 DMT.

With economic activity in the region normalising and demand both domestically and regionally remaining robust, the group continues to be favourably positioned to capture this demand. Our resource levels now stand at a healthy 7.79 million tonnes ("**MT**") of indicated and inferred resources, marking a notable 15.8% increase from 6.73MT in FY2023, with a high weighted average grade of 38.88% Fe. FY2024 saw significant investments in stripping activities aimed at enhancing exploration and evaluation across the East, Valley, and West Deposits at our Bukit Besi Mine. This strategic move ensures the growth of our mineral resources and positions us strongly to meet the escalating market demand.

The Group continues to grow its production capabilities at its first mine at Bukit Besi. Two new ball mills are expected to increase nameplate capacity to range of 50,000 to 60,000 tonnes per month, representing a targeted c.20% yoy increase from FY2024. Commissioning of the ball mills is targeted for 2Q FY2025. Additionally, the Group continues to further develop its East, Valley and West deposits at the Bukit Besi mine to expand its mineral resource for cost-efficient growth.

CEO'S MESSAGE

The Group has engaged the services of a renowned metallurgical and engineering company, and has completed metallurgical test works and feasibility studies for the development of a new integrated processing plant at the CASB mine. This plant will be able to produce copper concentrate, pyrrhotite concentrate and high-grade iron ore concentrates. The results of these studies will develop the ongoing flowsheet and engineering design of the plant which is targeted for completion by 2Q FY2025.

We also remain on track at our exploration projects with the two prospecting licences granted to 65%-owned Saga Mineral Sdn. Bhd. ("**SMSB**") and 51%-owned Kencana Primary Sdn. Bhd. ("**KPSB**"). The Group has completed Phase 1 "Reconnaissance Survey" at SMSB which consisted of works such as spur & ridge and initial topography survey, geological mapping, stream sediment sampling, rock chip sampling, soil sampling, and accompanying geochemistry analysis and has identified several prospecting targets. Based on findings from Phase 1, the Group has progressed to Phase 2, "Prospecting" works. This entails the narrowing down of targets for the upcoming trenching and pitting program. This was completed in May 2024. Phase 3, "Detail Mapping" also includes trenching, pitting and further mineral studies and is projected to start in 2Q FY2025. The findings from Phase 3 will subsequently inform and allow for Phase 4, the exploration of identified mineralisation zones by means of geophysical survey and drilling. For KPSB, Phase 1 has commenced and is expected to complete by 2Q FY2025.

Our strategic plans to diversify our business has made significant strides since the start of FY2023. The progress we have made in expanding into new minerals has laid a strong foundation for the transformative steps we will be taking in the years ahead.

Notably, shareholders in FY2023 approved our plans to expand into a wide array of minerals, including manganese, copper, nickel, cobalt, zinc, lead, tin, chromite, tungsten, gold, silver, and other minerals.

Fortress' relationships with our business partners have been cultivated on a foundation of trust, reliability and consistency across both the quality of our products and service excellence. Supported by the established relationships with our business partners, we entered into three new offtake agreements in FY2023 representing a combined production amount of 480,000 WMT. In October 2023, we entered into two new nine-month offtake agreements with independent third-party domestic steel mill in Malaysia. The two agreements will supply 150,000 WMT and 90,000 WMT respectively to a domestic steel mill for the period commencing 1 October 2023 to 30 June 2024. In January 2024, we entered into our third offtake agreement of FY2024 with a third-party domestic steel mill in Malaysia. This 12-month agreement will supply 240,000 WMT of iron ore for the period commencing 2 January 2024 to 31 December 2024. This reflects the stable and growing demand for the Group's high-grade iron ore concentrate.

Overall, our strategy now encompasses forging strategic partnerships and alliances as we progress towards a matured and diversified business. The focus of diversification is to achieve business resiliency, sustained value creation and enhanced shareholder returns. We aim to keep up with market demand and remain ahead of the market. By producing minerals that are in demand as well as are in line with critical future trends, the Group will be able to build the business to ensure growth and enhance shareholder value in the long term.



CEO'S MESSAGE

Fortress Minerals remains focused on actively executing its strategic growth plans by leveraging the sustained demand for its high-grade iron ore products and strong business relationships to broaden and diversify its revenue streams.

Financial Review

Revenue and Profitability

Fortress Minerals reported revenue of US\$53.9 million for FY2024, a 0.7% year-on-year (“yoy”) increase, due to higher volume of iron ore sold.

Overall, sales volume for FY2024 increased 0.9% yoy to 550,887 DMT, the second year in a row the group has reported a record volume sold. This is following a 104.3% increase since listing in FY2020. This is a testament to strong customer relationships the Group has in the ecosystem in Asia. The increased sales volume offset the marginal 0.2% decline in average realised selling price to US\$97.85/DMT.

Net cash flow generated from operating activities for FY2024 remained robust at US\$14.7 million, supported by an EBITDA of US\$21.0 million. Overall, our Group posted an NPAT of US\$10.0 million and earnings per share stood at 1.93 US cents for FY2024.

The Group reported a healthy gross profit margin of 61.7% for FY2024. Average unit costs for FY2024 rose 29.1% yoy to US\$34.06/WMT, due to higher inflation and increased production costs. This was partially mitigated by a 1.4% yoy increase in volume sold for FY2024 which yielded cost efficiencies for the Group.

Financial Position

The Group's net assets increased to US\$72.2 million as at 29 February 2024 from US\$62.2 million as at 28 February 2023, mainly due to internally generated profits in FY2024 as a result of the Group's commitment to maximise shareholders' value.

As at 29 February 2024, the Group had cash and bank balances of US\$9.9 million* and recorded a positive working capital position of US\$8.2 million.

Supported by the Group's consistent growth efforts, net asset value per share was 10.9% higher yoy at 13.81 US cents as at 29 February 2024. This shows consistent annual growth, as compared to 12.45 US cents as at 28 February 2023 and 11.36 US cents as at 28 February 2022. The Group remains committed to disciplined capital management and growing its operations strategically to maximise long-term value for its shareholders.

Cash Flow

For FY2024, the Group's net cash generated from operating activities was US\$14.7 million.

During FY2024, net cash flow used in investing activities was US\$5.7 million decreasing by US\$4.4 million primarily attributable to a decrease in capital expenditure investments for the mining and exploration activities of the Group in Bukit Besi mine, CASB mine and prospecting areas in Sabah.

Net cash flow used in financing activities was US\$7.1 million as compared to US\$13.4 million in FY2023. The decrease of US\$6.3 million was primarily due to proceeds from issuance of new ordinary shares in FY2024.

* Including money market fund.



CEO'S MESSAGE

Bukit Besi Mine Mineral Resource

In the 2023 calendar year, just over an area of 1,893m of resource definition drilling was completed from 13 drillholes to support the magnetite mining operations at Bukit Besi.

An update of the Bukit Besi Mineral Resource Estimate (“**MRE**”) was prepared from drill datasets dated 29 February 2024 and a mine survey dated 30 December 2023. The drilling, sampling, survey, and estimation methodologies are described in a Mineral Resource update as at 29 February 2024 (“**2024 Mineral Resource update**” or “**2024 MRE Update**”). The 2024 Mineral Resource update was included in the Group’s FY2024 financial results, which were announced on the SGXNet on 24 April 2024 and is also available from the Company’s website. The announcement includes the JORC Table 1 and summary information, both of which remain applicable for the FY2024 Mineral Resource update.

Michael Andrew, working as an Executive Consultant with Snowden Optiro, prepared the 2024 MRE Update and reported them in accordance with JORC guidelines. The following summary of the Bukit Besi Mineral Resources is formatted following the requirements set out in Appendix 7D of the Catalist Rules.

The updated and depleted MRE for the Bukit Besi Iron Project is 7.8 million tonnes grading 38.88% iron, with a reporting date of 29 February 2024. The MRE is classified as Indicated and Inferred following the JORC guidelines on a qualitative basis, considering numerous factors, including data quality, geological complexity, data coverage, estimation validation and limited magnetite mass recovery data and reconciliation against production from the mine.

Date of report: 24 April 2024

Date of previous report: 26 April 2023

Bukit Besi Mineral Resource Estimate as of 29 February 2024*

| Area | Classification | Gross attributable to ML7/2013 | | Net attributable to Fortress | | Change from previous update (%) | Remarks |
|------------------|----------------|--------------------------------|--------------|------------------------------|--------------|---------------------------------|-------------|
| | | Tonnes (Mt) | Grade (Fe%) | Tonnes (Mt) | Grade (Fe%) | | |
| East | Indicated | 0.13 | 34.13 | 0.13 | 34.13 | -19% | None |
| Valley | | 0.15 | 40.93 | 0.15 | 40.93 | na | (1) |
| West | | 0.32 | 38.53 | 0.32 | 38.53 | -24% | None |
| Sub-Total | | 0.60 | 38.18 | 0.60 | 38.18 | 5% | None |
| East | Inferred | 0.88 | 36.21 | 0.88 | 36.21 | 34% | None |
| Valley | | 3.93 | 40.88 | 3.93 | 40.88 | -15% | None |
| West | | 2.38 | 36.74 | 2.38 | 36.74 | 170% | (1) |
| Sub-Total | | 7.19 | 38.93 | 7.19 | 38.93 | 17% | None |
| TOTAL | | 7.79 | 38.88 | 7.79 | 38.88 | 16% | None |

Notes:

* Based on a block cut-off grade of 10% Fe and magnetic susceptibility greater than 100 and sulphur less than 10%. Some discrepancies may occur due to rounding.

(1) Classification update due to additional infill drilling within the Valley and West pits.

Name of Competent Person: Michael Andrew

Date: 24 April 2024

Professional Society Affiliation/Membership: Australasian Institute of Mining and Metallurgy (FAusIMM)

CEO'S MESSAGE

Fortress Mengapur Mineral Resource

In the financial year ended 29 February 2024, there was not any further work or mining undertaken on the reported Mengapur deposit, the reported MRE is unchanged from the previously reported grade and tonnages in April 2023.

The following is an extract from the 2023 Financial results to provide some context for the 2024 resource statement.

Since the acquisition of Mengapur in 2021, the Company has drilled 48 infill drillholes for 5,391 metres with sample analysis completed at both Bukit Besi and the Company's newly commissioned Mengapur laboratory. The updated MRE has incorporated this drilling with the existing drill data. Only drill data generated by Fortress and the previous owner Monument has been used to generate the pyrrhotite and magnetite resources. The skarn hosted copper resources were initially informed by only the Fortress and Monument data, any uninformed areas of the estimate after the initial pass were then informed by the lower confidence historic drilling completed prior to Monument's ownership of the deposit. Any material informed by the pre-Monument data was classified as Inferred. Any material classified as Indicated Resources has only been informed by the Fortress and Monument data.

The Mineral Resource is limited to within the CASB and SDSB mining lease boundaries and is also constrained within an optimised pit shell based on the recovery of copper only, no value was attributed to iron hosted by the magnetite units or the gold and silver or any other materials present on the mining leases. The parameters used in the pit optimisation were high level assumptions provided by Fortress based on the limited metallurgical test work to date. The parameters used are presented below:

- Costs
 - Mining cost – US\$1.15/t rock
 - Process cost – US\$10.27/t ore
 - Selling cost – US\$23.82/t Cu conc
- Recoveries
 - Cu – 85%
- Price
 - US\$10,000/t Cu
 - Cu Payability – 83%
- Slopes
 - 45 degrees
- Min grade – 0.3% Cu

Previously the copper mineralisation has been reported at a cut-off grade of 0.5% copper, which accounts for the increase in the copper resource. The reduction in the magnetite resource is a reflection of reporting the resource within the optimised pit shell based on the copper mineralisation.

Michael Andrew, working as an Executive Consultant with Snowden Optiro, prepared the 2023 MRE Update and reported them in accordance with JORC guidelines. The following summary of the Mengapur Mineral Resources is formatted following the requirements set out in Appendix 7D of the Catalyst Rules. More information can be found in the 2023 Summary QPR announced via SGXNet on 26 April 2023.

CEO'S MESSAGE

Date of report: 29 February 2024

Date of previous report: 25 April 2023

Fortress Mengapur Mineral Resource Estimate as at 29 February 2024:

| Classification | Cut-off grade | Mineralisation | Gross Attributable to Licences | | | | | | Net Attributable to Fortress | | | | | | Change from previous update | Remarks |
|----------------|---------------|------------------------|--------------------------------|--------------|-------------|-------------|-------------|-------------|------------------------------|--------------|-------------|-------------|-------------|-------------|-----------------------------|---------|
| | | | Tonnes | Grade Fe | Grade Cu | Grade Au | Grade Ag | Grade S | Tonnes | Grade Fe | Grade Cu | Grade Au | Grade Ag | Grade S | Tonnes | |
| | | | Mt | % | % | g/t | g/t | % | Mt | % | % | g/t | g/t | % | % | |
| Indicated | 0.3% Cu | Skarn Cu | 20.30 | 20.76 | 0.41 | 0.12 | 7.26 | 4.60 | 20.30 | 20.76 | 0.41 | 0.12 | 7.26 | 4.60 | 0% | None |
| | | Pyrrhotite Cu | 0.70 | 29.11 | 0.55 | 0.28 | 3.48 | 14.14 | 0.70 | 29.11 | 0.55 | 0.28 | 3.48 | 14.14 | | |
| | | Sub Total | 21.00 | 21.03 | 0.42 | 0.13 | 7.13 | 4.92 | 21.00 | 21.03 | 0.42 | 0.13 | 7.13 | 4.92 | | |
| | 25% Fe | Skarn Magnetite | 0.34 | 27.66 | 0.13 | 0.09 | 1.52 | 6.23 | 0.34 | 27.66 | 0.13 | 0.09 | 1.52 | 6.23 | | |
| | | Breccia Magnetite | 0.01 | 46.28 | 0.21 | 0.23 | 5.66 | 0.13 | 0.01 | 46.28 | 0.21 | 0.23 | 5.66 | 0.13 | | |
| | | Sub Total | 0.34 | 28.01 | 0.13 | 0.09 | 1.60 | 6.12 | 0.34 | 28.01 | 0.13 | 0.09 | 1.60 | 6.12 | | |
| Inferred | 0.3% Cu | Skarn Cu | 7.93 | 22.39 | 0.41 | 0.13 | 8.42 | 4.62 | 7.93 | 22.39 | 0.41 | 0.13 | 8.42 | 4.62 | 0% | None |
| | | Pyrrhotite Cu | 6.96 | 29.26 | 0.60 | 0.27 | 3.56 | 13.75 | 6.96 | 29.26 | 0.60 | 0.27 | 3.56 | 13.75 | 0% | |
| | | Sub Total | 14.89 | 25.60 | 0.50 | 0.19 | 6.15 | 8.89 | 14.89 | 25.60 | 0.50 | 0.19 | 6.15 | 8.89 | 0% | |
| | 25% Fe | Skarn Magnetite | 1.38 | 27.80 | 0.13 | 0.12 | 1.35 | 5.89 | 1.38 | 27.80 | 0.13 | 0.12 | 1.35 | 5.89 | 0% | None |
| | | Breccia Magnetite | 0.38 | 41.51 | 0.20 | 0.17 | 6.04 | 0.19 | 0.38 | 41.51 | 0.20 | 0.17 | 6.04 | 0.19 | 0% | |
| | | Sub Total | 1.76 | 30.75 | 0.14 | 0.13 | 2.36 | 4.67 | 1.76 | 30.75 | 0.14 | 0.13 | 2.36 | 4.67 | 0% | |
| Total | 0.3% Cu | Total Cu | 35.89 | 22.93 | 0.45 | 0.16 | 6.72 | 6.56 | 35.89 | 22.93 | 0.45 | 0.16 | 6.72 | 6.56 | 0% | None |
| | 25% Fe | Total Magnetite | 2.10 | 30.30 | 0.14 | 0.13 | 2.24 | 4.90 | 2.10 | 30.30 | 0.14 | 0.13 | 2.24 | 4.90 | 0% | None |

Notes:

- The Mineral Resource is limited to within the CASB and SDSB mining lease boundaries and is also constrained within an optimised pit shell based on the recovery of copper only, no value was attributed to iron hosted by the magnetite units or the gold and silver or any other materials present on the mining leases.
- Some discrepancies may occur due to rounding.

Name of Competent Person: Michael Andrew

Date: 29 February 2024

Professional Society Affiliation/Membership: Australasian Institute of Mining and Metallurgy (FAusIMM)

Competent Person Statement

The Competent Person responsible for the preparation and reporting of the Bukit Besi Mineral Resource Estimate and Fortress Mengapur Mineral Resource Estimate is Michael Andrew, who is an Executive Consultant with Snowden Optiro, mining industry consultants. Michael Andrew has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Michael Andrew is a Fellow of the Australian Institute of Mining and Metallurgy (Membership No. 111172).

Competent Person Consent

Michael Andrew consents to the inclusion in this annual report of the matters based on the information in the form and context in which they appear.

CEO'S MESSAGE



Outlook

Fortress is well positioned to capitalise on the growing steel and iron ore markets in Asia. Steel production capacity is on the rise in emerging Asian markets, specifically Indonesia and Malaysia.

Demand for the Group's iron ore concentrate from regional steel mills remains strong and is well supported by the three recent offtake agreements in FY2024. This is further supported as Malaysia's steel industry is developing rapidly, with exports expected to increase.

The Group is well-positioned to continue production capability expansions to meet steel demands in the market.

Malaysia's economic outlook looks optimistic for 2024, with Malaysia's central bank forecasting the country's economy to grow between 4 and 5 per cent in 2024¹. As inflation continues to cool, Fortress expects to capitalise on growing economic outlook while reducing production costs.

The Group's high grade iron ore continues to be a favourable determining factor in pricing and appetite for iron ore. Increased focus on high grade magnetite iron ore continues to underpin demand and is expected to continue its expansion in the coming years, driven by the growing demand for sustainable and innovative products. China, in particular, is showing increased interest due to the push for green steel², while demand in Southeast Asia is anticipated to rise in the near future³.

The Group remains committed to expanding its commodities portfolio strategically, utilising acquisitions, joint ventures, and mining contracting services in Malaysia and the region.

Acknowledgements

I would like to express my gratitude for the collaborations with our business associates, customers, employees, and the community to ensure our sustained growth. As we continue to pursue growth opportunities, we pledge to remain steadfast on our values and principles, to continue cultivating the strong relationships established within the regional iron ore ecosystem.

I would also like to thank our Board of Directors for their strategic counsel and guidance amidst the volatilities faced.

We have developed strong industry expertise and deep relationships in the region. We remain cautiously optimistic as we continue to execute our next phase of growth to enhance long-term value going into FY2025.

Dato' Sri Ivan Chee

Executive Director and CEO
Fortress Minerals Limited

¹ Bank Negara Malaysia, 17 May 2024: "Economic and Financial Developments in Malaysia in the First Quarter of 2024"

² Australian Manufacturing, 13 March 2024: "China's green steel push could crush Australia's dirty iron ore exports"

³ Fastmarkets, 21 December 2023: "Asia's move toward green steel picks up pace"

KEY FINANCIAL HIGHLIGHTS



Revenue
(US\$'000)



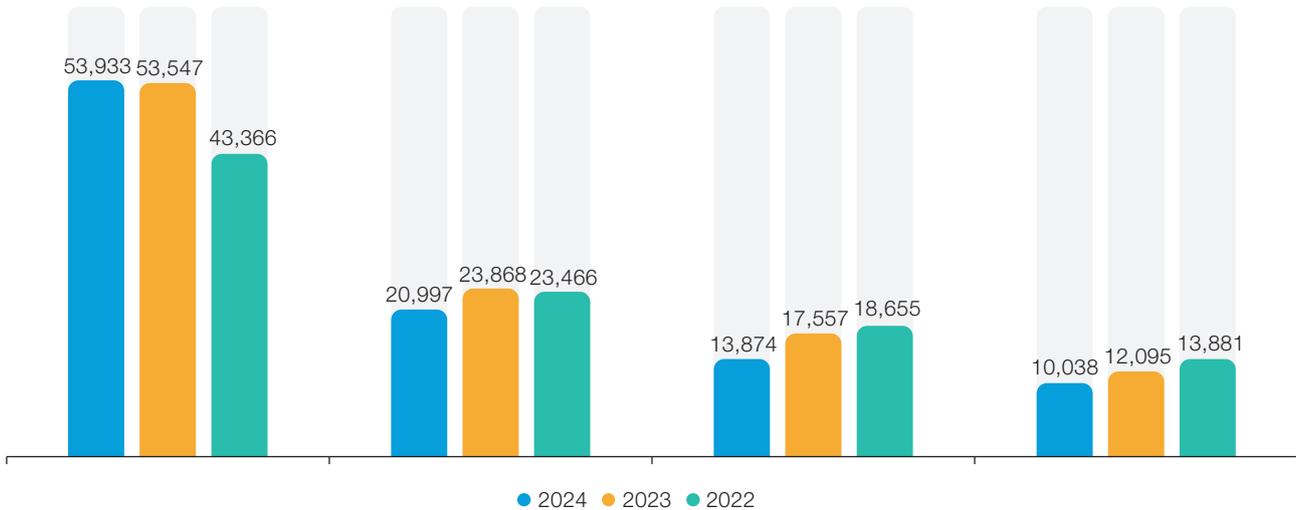
EBITDA
(US\$'000)



Profit before tax
(US\$'000)



Profit after tax
(US\$'000)



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | FY2024 | FY2023 | FY2022 |
|-------------------------------|-------------------|-------------------|-------------------|
| US\$'000 | (MAR'23 – FEB'24) | (MAR'22 – FEB'23) | (MAR'21 – FEB'22) |
| Gross profit | 33,262 | 37,752 | 33,381 |
| Gross profit margin (%) | 61.7 | 70.5 | 77.0 |
| Profit before tax margin (%) | 25.7 | 32.8 | 43.0 |
| Net profit margin (%) | 18.6 | 22.6 | 32.0 |
| Earnings per share (US cents) | 1.93 | 2.42 | 2.78 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

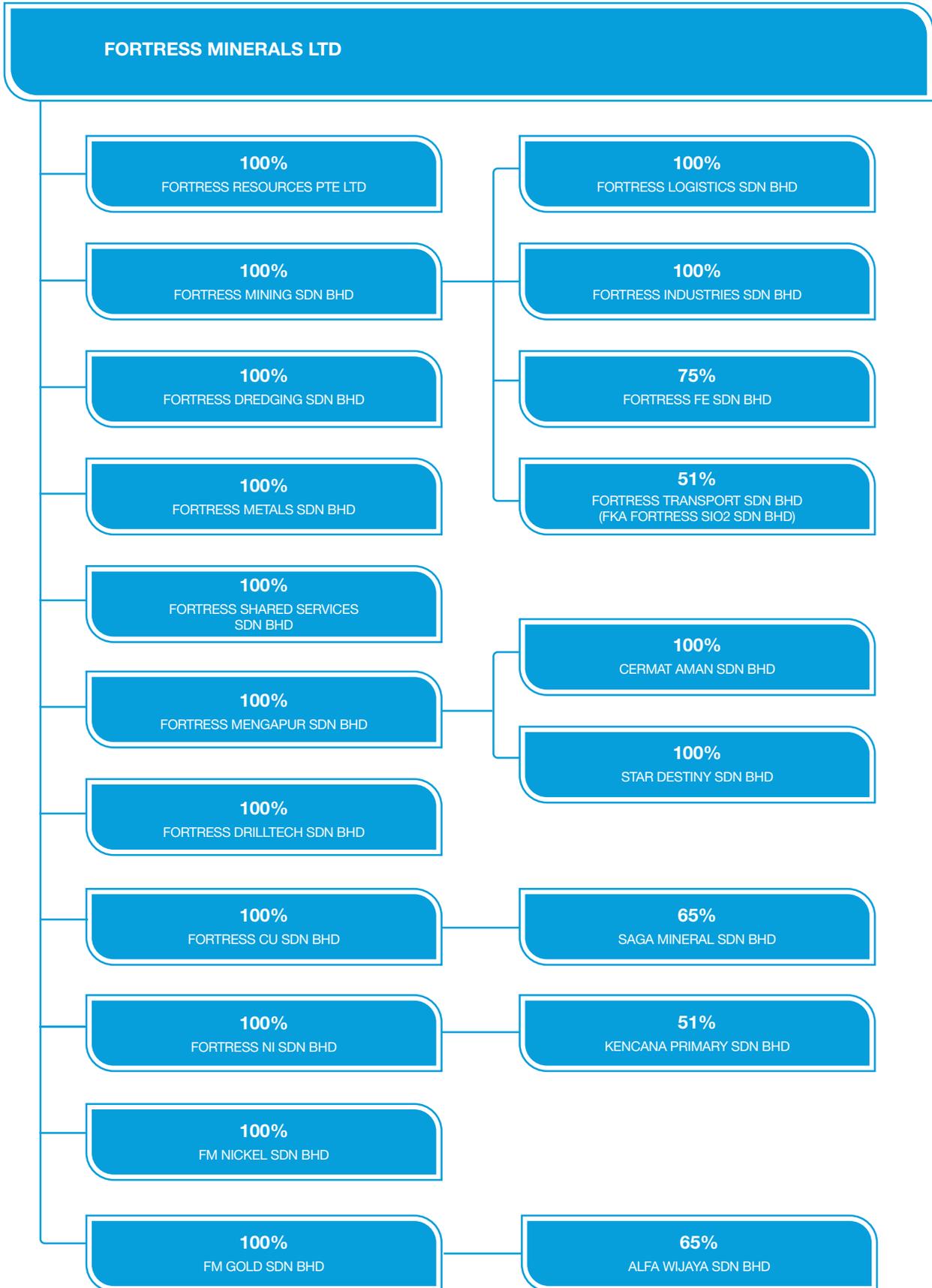
| US\$'000 | AS AT 29 FEB 2024 | AS AT 28 FEB 2023 | AS AT 28 FEB 2022 |
|----------------------------------------------|-------------------|-------------------|-------------------|
| Non-current assets | 72,050 | 73,236 | 74,264 |
| Current assets | 25,171 | 20,454 | 17,771 |
| Non-current liabilities | 7,977 | 13,614 | 20,204 |
| Current liabilities | 16,997 | 17,861 | 15,046 |
| Equity attributable to owners of the Company | 72,245 | 62,240 | 56,805 |
| Net asset value per share (US cents) | 13.81 | 12.45 | 11.36 |

Note:

(1) Earnings before interest, taxation, depreciation and amortisation.

GROUP STRUCTURE

AS AT 29 FEBRUARY 2024



GROUP STRUCTURE

| Name of subsidiaries | Date/Place of incorporation & principal business | Percentage owned by the Group (%) | Principal activities |
|--------------------------------------------------------------------------|--------------------------------------------------|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Fortress Resources Pte. Ltd. | 8 November 2017 Singapore | 100 | Wholesale trade of a variety of goods without a dominant product |
| Fortress Mining Sdn. Bhd. | 14 December 2010 Malaysia | 100 | Acquisition of mines, mining rights, metalliferous land, quarries and trading in minerals |
| Fortress Logistics Sdn. Bhd. | 3 September 2018 Malaysia | 100 | Transport of iron ore and minerals; renting of transport equipment and vehicles; supporting services for transport equipment and vehicles |
| Fortress Industries Sdn. Bhd. ⁽¹⁾ | 18 September 2018 Malaysia | 100 | Processing and pelletising of iron ore concentrate and other minerals and trading in minerals. |
| Fortress FE Sdn. Bhd. ⁽¹⁾ | 7 October 2020 Malaysia | 75 | Acquisition of mines, mining rights, metalliferous land, quarries and trading in minerals |
| Fortress Transport Sdn. Bhd. (formerly known as Fortress SiO2 Sdn. Bhd.) | 26 October 2022 Malaysia | 51 | Transport of iron ore and minerals; renting of transport equipment and vehicles; supporting services for transport equipment and vehicles |
| Fortress Dredging Sdn. Bhd. ⁽¹⁾ | 20 February 2020 Malaysia | 100 | Business of extraction, dredging and dealing of industrial sand; acquisition of mines, mining rights, metalliferous land, quarries and dealing in minerals |
| Fortress Metals Sdn. Bhd. ⁽¹⁾ | 8 April 2020 Malaysia | 100 | Acquisition of mines, mining rights, metalliferous land, quarries and trading in minerals |
| Fortress Shared Services Sdn. Bhd. | 2 March 2021 Malaysia | 100 | Function as the centre of excellence and provide support across the Group's financial accounting, payroll, information technology, purchasing, corporate services and others |
| Fortress Mengapur Sdn. Bhd. | 6 April 2011 Malaysia | 100 | Investment Holding |
| Cermat Aman Sdn. Bhd. | 13 October 1997 Malaysia | 100 | Acquisition of mines, mining rights, metalliferous land, quarries and trading in minerals |
| Star Destiny Sdn. Bhd. | 14 February 2006 Malaysia | 100 | Acquisition of mines, mining rights, metalliferous land, quarries and trading in minerals |
| Fortress Drilltech Sdn. Bhd. | 11 May 2021 Malaysia | 100 | To carry on business as contractors for drilling and blasting works, other site preparation activities and mining work of any kind |
| Fortress Cu Sdn. Bhd. | 29 June 2022 Malaysia | 100 | Investment Holding |
| Saga Mineral Sdn. Bhd. | 23 November 2020 Malaysia | 65 | Acquisition of mines, mining rights, quarries and trading in minerals |
| Fortress Ni Sdn. Bhd. | 25 October 2022 Malaysia | 100 | Investment Holding |
| Kencana Primary Sdn. Bhd. | 24 July 2017 Malaysia | 51 | Acquisition of mines, mining rights, quarries and trading in minerals |
| FM Nickel Sdn. Bhd. ⁽¹⁾ | 18 April 2023 Malaysia | 100 | Investment Holding |
| FM Gold Sdn. Bhd. | 7 June 2023 Malaysia | 100 | Investment Holding |
| Alfa Wijaya Sdn. Bhd. ⁽¹⁾ | 14 July 2017 Malaysia | 65 | Acquisition of mines, mining rights, quarries and trading in minerals |

Note:

(1) The entity has been dormant since the date of its incorporation.

Saved as disclosed above, our Group does not have any other subsidiaries or associated companies. Our subsidiaries are not listed on any stock exchange.

BOARD OF DIRECTORS

CHEW WAI CHUEN

Chairman and Independent Director

CHEW WAI CHUEN is our Chairman and Independent Director and he is also Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee. He was appointed to our Board on 19 February 2019.

Mr. Chew is presently a non-executive director of Tungsten Mining NL, an Australian-based resources company listed on the Australian Securities Exchange and primarily focused on the exploration and development of tungsten projects in Australia, and the managing partner of Precious Capital Pte Ltd, a company engaged in the business of providing management and advisory services to mining companies in Australia and South East Asia.

Mr. Chew has more than 15 years of financial advisory experience, and specialises in the provision of corporate and wealth management for ultra-high net worth individuals. Prior to joining our Group, Mr. Chew served as banking relationship manager at Credit Suisse Singapore, United Overseas Bank, Standard Chartered Bank and OCBC Bank Singapore.

Mr. Chew graduated from The Chartered Institute of Marketing with a Postgraduate Diploma in Marketing in June 1998. Subsequently, he obtained his Bachelor's degree in Business Administration from Thames Valley University (formally known as University of West London) in February 2000.

DATO' SRI IVAN CHEE

Executive Director and CEO

DATO' SRI IVAN CHEE is our Executive Director and CEO and he is also a member of the Nominating Committee. He was appointed to our Board on 13 November 2017.

Dato' Sri Ivan Chee has been with our Group since 2011 and is currently responsible for the overall management and operations of our Group, including formulating, implementing and monitoring our Group's strategic directions, growth plans, financials and risk management.

Dato' Sri Ivan Chee has over 20 years of civil and structural engineering experience and approximately 13 years of experience in the mining industry. He had undertaken several iron ore mining projects since the early 2010s, and has built up his reputation and portfolio in the mining industry. Over the years, he has developed a wide network of industry contacts, ranging from industry professionals and specialists, steel mills and trading houses in the PRC and a broad network of investors in the region. His strong network has contributed significantly to the success of our Group.

Dato' Sri Ivan Chee is also presently a controlling shareholder and non-executive director of Norwest Minerals Limited, a gold and base metals exploration company listed on the Australian Securities Exchange.

Dato' Sri Ivan Chee obtained a diploma from Taylor's College Subang Jaya, Malaysia in December 1987. In 2018, he was awarded with the Legacy and Business Excellence of the Year award by the SME & Entrepreneurship Business Award in Malaysia.

NG MUN FEY

Executive Director and COO

NG MUN FEY is our Executive Director and COO. He was appointed to our Board on 19 February 2019.

Mr. Ng has been with our Group since 2015, and is currently responsible for the overall management and day-to-day operations of our Bukit Besi Mine and CASB Mine including but not limited to heading our Group's marketing, geology, mining, processing and other supporting divisions. He has approximately 8 years of relevant experience in the mining industry.

Prior to joining the Group, Mr. Ng served various positions in several private companies in the advertising, internet, publication and engineering consultancy industry. He graduated from the University of Southern Queensland with a Bachelor in Engineering Technology in September 2004.

BOARD OF DIRECTORS

EDMUND CHEE JI KANG

Executive Director

EDMUND CHEE JI KANG is our Executive Director. He was appointed to our Board on 1 August 2023.

Mr. Edmund Chee has been with the Group since 2022 and currently holds the position of IT Transformation Director. He remains dedicated to driving innovation and efficiency within the Company, focusing on identifying areas of improvement and implementing IT solutions to enhance operational performance. Collaborating closely with key stakeholders, he leads strategic initiatives aimed at streamlining processes, improving precision, and optimising resource utilisation.

In addition, Mr. Edmund Chee collaborates closely with the CEO and COO, immersing himself in the intricacies of the organisation and gaining invaluable insights into its operations. Together, Mr. Edmund Chee engaged in discussions with potential business partners and meets with key individuals to foster strategic alliances and promote company growth. He also work alongside each department collaboratively, understanding their core values and operational challenges.

Mr. Edmund Chee holds a Bachelor of Science in Computer Science with Information Security from Royal Holloway, University of London, providing him with a solid foundation in technology and innovation.

Mr. Edmund Chee is the son of our CEO, Dato' Sri Ivan Chee.

WILLA CHEE KENG FONG

Non-executive and Non-independent Director

WILLA CHEE KENG FONG is our Non-executive and Non-independent Director. She was appointed to our Board on 19 February 2019.

Ms. Willa Chee is presently a Technical Engagement Partner for JobStreet.com Shared Services (SEEK Asia). She partners with the business and works on early engagement, advisory and execution planning of multiple key technology initiatives in Asia.

Ms. Willa Chee graduated from Cardiff University with a Bachelor of Science in Finance and Management in July 2015. She started her career as a Digital Marketer (Performance & Analytics Associate) with Dex Ventures Sdn Bhd. In 2016, she left the company and joined AirAsia Berhad. In the period of 4 years in AirAsia Berhad, Ms Willa has been moving roles from Digital Analyst to Associate Product Owner and prior to her exit in AirAsia, she worked as an UX Engineer. In 2020, she took up the role as a Technical Analytics Specialist for IPGA Management Services (REA Group Asia, later PropertyGuru Group) focused on the area of online Analytics and Insights across Business.

Ms. Willa Chee is the daughter of our CEO, Dato' Sri Ivan Chee.

TEH LIP KIM

Non-executive and Non-independent Director

TEH LIP KIM is our Non-executive and Non-independent Director. She was appointed to our Board on 19 February 2019.

Ms. Teh has been with our Group since 2017 and has always served in a non-executive function in our Group. She is presently the managing director and a substantial shareholder of Selangor Dredging Berhad, a property development company listed on Bursa Malaysia, which is the holding company of SDB Mining Sdn Bhd, a substantial shareholder of our Company.

Ms. Teh graduated with a Bachelor of Science (Honours) in Accounting and Economics from Southampton University in United Kingdom in June 1989. Subsequently in 1991, she completed her Masters in Shipping, Trade and Finance from the City University Business School in England.

BOARD OF DIRECTORS

LOONG CHING HONG

Non-executive and Non-independent Director

LOONG CHING HONG is our Non-executive and Non-independent Director and he is also a member of the Remuneration Committee. He was appointed to our Board on 19 February 2019.

Mr. Loong has been with our Group since 2017 and has always served in a non-executive function in our Group. He is presently the group general manager of Selangor Dredging Berhad, a property development company listed on Bursa Malaysia, which is the holding company of SDB Mining Sdn Bhd, a substantial shareholder of our Company.

In addition, Mr. Loong is also presently a substantial shareholder and non-executive director of Norwest Minerals Limited, a gold and base metals exploration company listed on the Australian Securities Exchange.

Mr. Loong is a member of the Malaysian Institute of Accountants and a Fellow Member of the Association of Chartered Certified Accountants, United Kingdom.

ANITA CHEW CHENG IM

Independent Director

ANITA CHEW CHENG IM is our Independent Director and she is also Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee. She was appointed to our Board on 19 February 2019.

Ms. Anita Chew is presently an independent and non-executive director of several companies listed on Bursa Malaysia Berhad, namely Kimlun Corporation Berhad, K-One Technology Berhad, SKP Resources Berhad and Kuchai Development Berhad.

Ms. Anita Chew has substantial experience in the investment banking industry with a focus on corporate finance work including advising on initial public offerings, funds raising and corporate and debt restructuring exercises. She also has extensive experience as an independent director of listed companies gained from her multiple past and present directorships in various companies listed on Bursa Malaysia and the Hong Kong Stock Exchange.

Ms. Anita Chew graduated from Monash University, Australia in April 1990 with a Bachelor of Economics, majoring in Accounting.

GOH KAH IM

Independent Director

GOH KAH IM is our Independent Director and he is also Chairman of the Audit Committee. He was appointed to our Board on 19 February 2019.

Mr. Goh is presently a freelance management consultant and an independent director of SKP Resources Berhad, a company listed on Bursa Malaysia Berhad.

Prior to this, he had held various senior managerial positions in Oxford University Press Group, a department of the University of Oxford and in the steel industry working for one of the largest companies in Australia, BHP/BlueScope Group. In addition, Mr. Goh also served as group accountant at Star Cruise Sdn Bhd and audit senior at Deloitte Kassim Chan, an international public accounting firm based in Kuala Lumpur.

Mr. Goh graduated from the University of Otago, New Zealand in 1989 with a Bachelor of Commerce (Accounting) degree. He is currently a Chartered Accountant registered with the Malaysian Institute of Accountants.

KEY EXECUTIVE

FIONNE CHUA

FIONNE CHUA is our Financial Controller, and she joined our Group in May 2017.

As our Financial Controller, Ms. Chua primarily manages all the finance and accounting operations of our Group, coordinates and directs the preparation of the budget and financial forecast and report, prepares and publishes timely monthly financial statements, and coordinates the preparation of regulatory reporting. Further, Ms. Chua is responsible for issues on compliance, ensures quality control over financial transactions and financial reporting, and develops and documents business processes and accounting policies, in order to maintain and strengthen internal controls.

Ms. Chua obtained her qualification from the Association of Chartered Certified Accountants, United Kingdom in 2000. She is currently a Chartered Accountant registered with the Malaysian Institute of Accountants.

SUSTAINABILITY REPORT

About the Report

Fortress Minerals Limited (“**Fortress**” or “**Company**”, “**we**” or “**us**”, and collectively with its subsidiaries, the “**Group**”), presents its 4th sustainability report (“**Report**”) for the financial year ended 29 February 2024 (“**FY2024**”). This Report provides information on the Group’s sustainability activities including its environmental, social and governance (“**ESG**”) risks and opportunities which are material to our business and our stakeholders. The Report also covers the Group’s ESG performance in FY2024 and provides updates on our progress towards our sustainability targets.

This Report should be read together with the other sections within Fortress’ Annual Report 2024, for a more detailed overview of Fortress’ financial performance in FY2024 and to have a better understanding of the Group’s core business, the products, markets served, the Group structure and its operating entities. Details of Fortress’ Board of Directors (“**Board**”) are also covered within the Annual Report 2024.

Monetary references in this Report are presented in United States Dollar (“**US\$**”), unless otherwise stated.

Reporting Period

We publish our sustainability report annually, with our last sustainability report published in June 2023. This Report covers information on the Group’s sustainability performance during the period of 1 March 2023 to 29 February 2024, for the FY2024, unless otherwise stated.

Scope and Basis of Scope

The scope of the Report includes the sustainability performance and progress of the business operations and activities of Fortress’ as the holding company as well as the operating subsidiaries in Malaysia within the Group. The Group presently produces high grade iron ore mined from its Bukit Besi mine and Cermat Aman Sdn Bhd (“**CASB**”) mine. Unless otherwise stated, sustainability data and information presented in this Report covers the Group’s head office in Selangor, Malaysia, prospecting areas in Sabah and the 2 mining operations sites known as Bukit Besi mine and CASB mine.

The Group structure is available on page 13 of the Annual Report 2024.

Reporting Frameworks and Standards

We have prepared this Report in accordance with the Sustainability Reporting Guide under Practice Note 7F of the Catalyst Rules of the Singapore Exchange Securities Trading Limited (“**SGX**”) (“**Catalist Rules**”). We are proud to continue our reporting journey with the guidance from the Global Reporting Initiatives (“**GRI**”) Universal Standards 2021. We have adopted selected GRI Standards and part of their contents in this Report as cited in the GRI Content Index on pages 55 to 58. For this Report, we have embarked on aligning our climate-related disclosures with elements of the Task Force on Climate-related Financial Disclosures (“**TCFD**”) recommendations’ framework.



SUSTAINABILITY REPORT

Assurance

Internal controls and verification mechanisms have been established by management to ensure the accuracy and reliability of narratives and data. The Group has subjected our sustainability reporting process to internal review by our internal auditors, as required by Rule 711B (3) of the Catalist Rules. The Board of Directors will continue to assess if external assurance is required for the subsequent sustainability reports.

Feedback

As part of our ongoing commitment to sustainability, we value and encourage all our stakeholders to provide feedback on this Report. Any feedback regarding the content of this Report may be emailed to corporate@fortress.sg.

Core Values



INTEGRITY

Uphold transparency, accountability, and ethical conduct in all our actions and decisions.



SUSTAINABILITY

Committed to environmental stewardship, social responsibility, and economic viability.



EMPOWERMENT

Strive to equip and support individuals in every way possible to achieve a sustainable, successful society.



PROSPERITY

A community that thrives together, experiencing fruitful and meaningful growth.

Vision

Embarking on a mineral exploration journey guided by strategic geological insights and alliances.

Addressing demands from regional clients while prioritising sustainability, safety, and ethical excellence.

Elevate operations with protocols improvement and streamlined efficiency measures.

Mission

Striving in the mineral resources industry by leveraging innovative technology to deliver values to stakeholders, and building a sustainable future where empowerment and prosperity are shared by all.



SUSTAINABILITY REPORT

Board Statement

Dear Stakeholders,

The Board is delighted to present the Company's 4th Sustainability Report, highlighting the Group's ESG performance and activities in FY2024.

During the year, the Board has overseen sustainability issues in its business strategic review for the Group. The identified ESG factors are material to the business and are monitored and managed across the Group. The Board, with the support of the management, is committed to integrating the ESG factors into aspects of the Group's operations for sustainable growth and long-term value creation for our stakeholders.

We are committed to minimise our environmental footprint through responsible practices, aimed to reduce greenhouse gas emissions, conserving water and managing waste generated from our mining operations more efficiently. In FY2024, we have also continued to prioritise the health, safety and well-being of our employees with established policies and safety protocols. Through our commitment to serve our communities, the Group has continued to contribute by way of donations or sponsorships to improve the welfare of underprivileged groups. With a robust governance framework, the Board continues to provide oversight to ensure transparent, accountable and ethical conduct in all of the Group's dealings.

This year, we have initiated our climate-related disclosures, to align with the TCFD recommendations and in preparation for the mandatory reporting in 2025 against global baseline standards developed by the International Sustainability Standards Board. Our goal is to enhance our disclosures progressively to address climate-related risks and opportunities that are likely to impact the Group's future financial position and performance.

The Board is confident in our journey forward and our capacity to build a resilient and responsible business. We recognise that this is an ongoing journey and strive to continuously strengthen our sustainability disclosures, practices, manage and monitor our ESG factors consistently. Where appropriate, we aim to periodically review our targets and establish suitable baselines to effectively measure and manage the Group's ESG performance.

We thank you, our employees and all our valued stakeholders for your continuous support and dedication to help us shape a sustainable future for our Company and the communities we serve.

Board of Directors



SUSTAINABILITY REPORT

Our Approach to Sustainability

Sustainability Governance

At Fortress, our sustainability approach starts from the top. The Board provides oversight on sustainability issues as part of the Group's strategic direction. The Board has committed to continuously monitor sustainability issues for the Group. The Senior Management team, comprising of the Chief Executive Officer ("CEO") and the Chief Operating Officer ("COO"), is tasked, among others, to develop the policies and practices, review material impacts, consider stakeholder priorities and set goals and targets for the Board's consideration. The operational management team coordinates and consolidates the sustainability report and data for the Senior Management and Board. All sustainability-matters are governed and managed across various levels in the organisation.



All our Board members have attended training focusing on sustainability topics to keep themselves abreast on the latest developments in the sustainability space. This will also enable the Board to effectively guide management on its sustainability strategies.

Risk Management

The Board recognises that for good corporate governance, it is important to maintain sound risk and internal controls system. The Group has established policies and procedures that incorporate sustainability considerations ensuring environmental and social factors are an integral part of our business practices. The Board's primary responsibilities include, among others, the review of the financial performance of the Group, the adequacy and effectiveness of the Company's internal controls and risk management systems and monitor Fortress' compliance with legal, regulatory and Company policies. The Board has embarked on integrating climate-related risks into the Group's existing risk management framework.

SUSTAINABILITY REPORT

Stakeholders' Engagement

Fortress has a broad range of stakeholder groups that have interests that are affected or could be affected by the Group and our activities. We aim to maintain an open channel of communication (both informal and formal) with our key stakeholder groups who contribute to the long-term success of our business. Throughout the year, we continued to engage with our key stakeholders to align their key priorities and concerns with our business practices and strategies, for the long-term value of Fortress and for our stakeholders.

Who are our Key Stakeholders?

- Government and regulators
- Employees
- Customers
- Business partners and suppliers
- Community
- Shareholders and Investors

The table below provides an overview of our engagement approach with the different key stakeholder groups.

| Key Stakeholders | Engagement Channels | Key Concerns | Group's Response |
|----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p>Government and Regulators</p> | <ul style="list-style-type: none"> - Active collaborations - Meetings with government bodies and agencies - Reporting | <ul style="list-style-type: none"> - Health and safety at site - Good corporate governance - Waste, water, noise and air pollution management | <ul style="list-style-type: none"> - Regular monitoring and updates to the Department of Environment ("DOE") on air, noise and water quality - Quarterly inspection from the Department of Occupational Safety and Health ("DOSH") - Engage third-party consultants to carry out environmental monitoring - Waste and environmental hazards management at the sites - Compliance with laws and regulations |
|  <p>Employees</p> | <ul style="list-style-type: none"> - Internal communication via electronic mail - Meetings and dialogue sessions - Employee engagement - Employee appraisal | <ul style="list-style-type: none"> - Safe and healthy work environment - Career development opportunities - Remuneration and benefits - Diversity and inclusion | <ul style="list-style-type: none"> - Adherence to the Occupational Safety and Health Act 1994 ("OSHA") - Annual performance appraisal process - Provide relevant upskilling and development programmes - Provide equal employment opportunities |

SUSTAINABILITY REPORT

| Key Stakeholders | Engagement Channels | Key Concerns | Group's Response |
|---------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p>Customers</p> | <ul style="list-style-type: none"> – Meetings – Site-visits | <ul style="list-style-type: none"> – Product and service quality – Protection of customer privacy – Pricing and contract terms – Timeliness in delivery | <ul style="list-style-type: none"> – Adherence to quality standards to produce iron ore in a timely manner to meet customer's expectations – Direct communication with customer team and contract negotiations |
|  <p>Business Partners and Suppliers</p> | <ul style="list-style-type: none"> – Meetings – Site-visits – Supplier appraisals | <ul style="list-style-type: none"> – Fair treatment – Professional and transparent procurement operations – Timely payments – Sustainable supply chain operations – Ethical business practices – Social and environmental responsibility | <ul style="list-style-type: none"> – Daily engagements – Contract negotiations – Anti-bribery and anti-corruption Policy and Code of Conduct – Close monitoring of credit terms and maintaining reliable payment processes for timely payments |
|  <p>Community</p> | <ul style="list-style-type: none"> – Donations – Meetings/Dialogues | <ul style="list-style-type: none"> – Impact of operations on community – Social inclusion, local community development and caring for the underprivileged | <ul style="list-style-type: none"> – Providing employment from local communities – Donations to charitable organisations |
|  <p>Shareholders and Investors</p> | <ul style="list-style-type: none"> – Annual report – Announcement – Annual general meeting – Press releases | <ul style="list-style-type: none"> – Transparent and accurate disclosures – Return on investment – Sound corporate governance practices – Long-term growth of business – Effective business strategies | <ul style="list-style-type: none"> – Annual general meeting – Extraordinary general meeting – Timely updates via investor briefings and announcements – Upholding good governance practices across the Group |

Materiality Assessment

At Fortress, we recognise the fact that our material issues can directly and indirectly impact our ability to create long-term value for our stakeholders. While we aim to conduct a comprehensive materiality assessment in the near future, we undertake an annual review of the relevance of our previously prioritised ESG impacts including the economic factors that arise from the Group's activities. An internal materiality assessment was conducted in FY2022 involving the Heads of Department ("HOD") and process owners to evaluate the applicability and relevance of previously identified material sustainability matters to the business operations and stakeholders. Based on the assessment, the following 11 sustainability matters were identified and prioritised during the assessment process:

1. Environmental compliance
2. Pollution control
3. Carbon emissions
4. Resource and waste management
5. Occupational health and safety
6. Training and development
7. Inclusion and gender diversity
8. Local community
9. Financial performance
10. Anti-corruption
11. Procurement practices

SUSTAINABILITY REPORT

This year, through our limited-scale materiality review, we concluded that all 11 of our existing material matters are aligned with Fortress’s strategic and stakeholder expectations. This assessment was carried out through a desktop review of the existing SGX Core Metrics and the relevant reporting principles under the GRI standards.

While the significance of our material matters has not changed, we have updated the material matters list as follows:

- Environmental** – We refined the topic “Resource and Waste Management” as “Energy Management”, “Water and Effluents” and “Waste Management” under separate material matters headings. We have also repositioned “Environmental Compliance” to be managed under the “Compliance with Laws and Regulations” heading and the respective Environmental material topics to better reflect the issues under each topic.
- Social** – We included “Employment Practices” as a new material matter and renamed the heading “Inclusion and Gender Diversity” to “Diversity and Equal Opportunities”, to outline our previously reported disclosures more systematically.
- Governance** – We have also streamlined under the Governance pillar to include “Compliance with Laws and Regulations” as an additional material matter, repositioned “Whistleblowing” topic under the “Anti-corruption” heading and renamed “Procurement Practices” to “Supply Chain Management”.

These updates are to align our disclosures more closely with the current global trends, the disclosures under the SGX Core Metrics and the relevant reporting principles under the GRI standards.



SUSTAINABILITY REPORT

Sustainability Framework

Our updated sustainability framework provides a focus on the material matters which forms the basis of this Report, while the respective indicators facilitate the monitoring and measurement of our sustainability performance.

| Environmental | Social | Governance |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> Water and Effluents Pollution Control Energy Management Waste Management Emissions | <ul style="list-style-type: none"> Employment Practices Diversity and Equal Opportunities Training and Development Occupational Health and Safety Local Community | <ul style="list-style-type: none"> Compliance with Laws and Regulations Anti-corruption Financial Performance Supply Chain Management |

Key Sustainability Highlights In FY2024

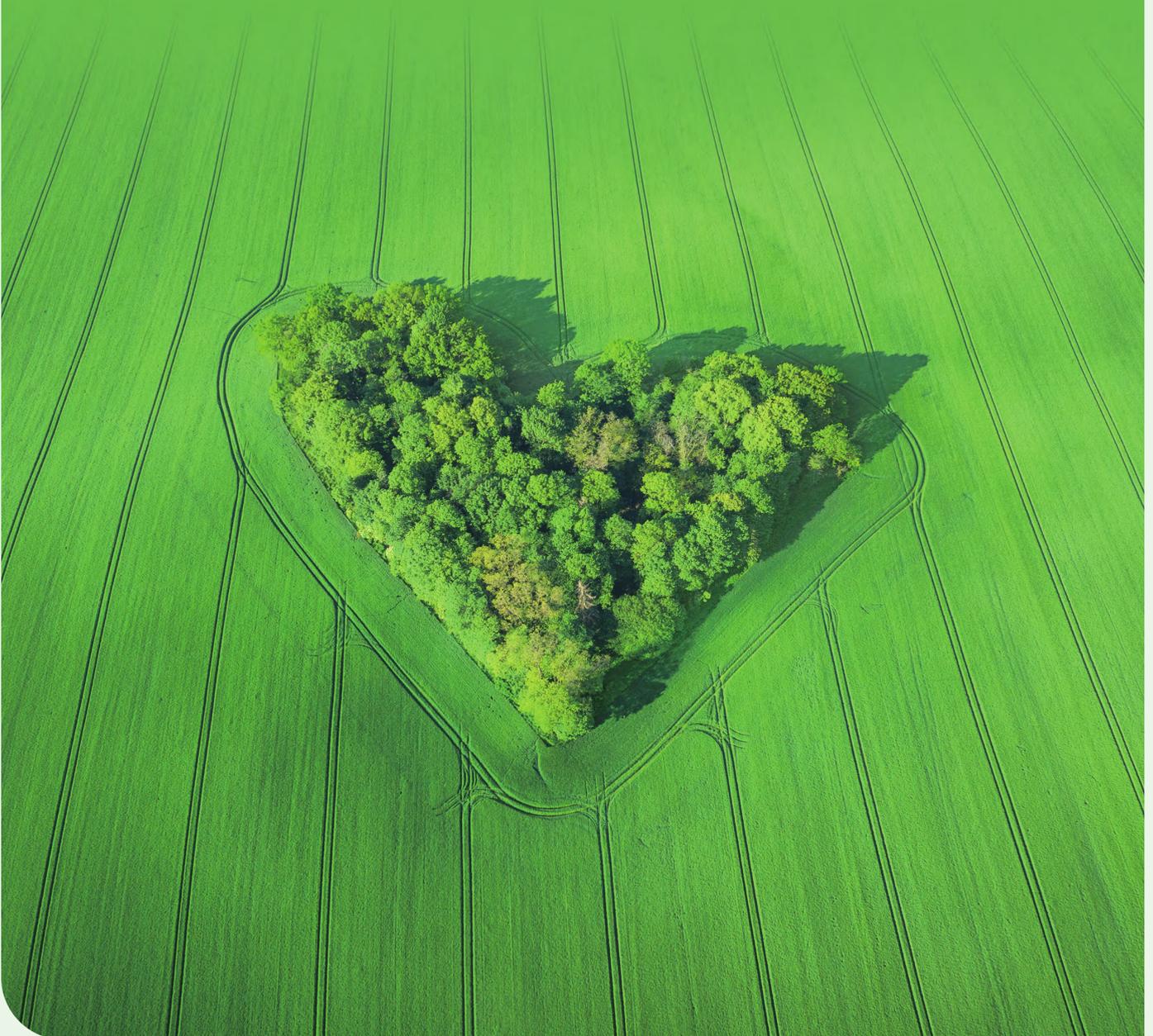


| ENVIRONMENTAL | SOCIAL | GOVERNANCE |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>AIR QUALITY AND NOISE POLLUTION MAINTAINED at permissible levels</p> <p>100% use of rainwater for washing plant and ball mill</p> <p>1.6% reduction in waste generation</p> | <p>41% turnover rate</p> <p>8.6 average training hours per employee</p> <p>1/3 FEMALE representation on the Board</p> <p>101 LTI-days</p> <p>4 accident cases</p> <p>ZERO work-related fatalities</p> <p>US\$188,285 in community investments</p> | <p>1 whistleblowing complaint reported</p> <p>ZERO incidents of corruption</p> <p>ZERO incidents of environmental non-compliance without any fines or non-monetary sanctions imposed</p> <p>More than 80% LOCAL SOURCING</p> |

The Group’s management approach to each of the material matters under the ESG pillars is outlined in the next section of this Report.

ENVIRONMENTAL

We value the importance of responsible stewardship of our natural environment to minimise any adverse impacts from the Group's operations and to enable our valuable ecosystems to be protected.



SUSTAINABILITY REPORT

As the Group is primarily involved in iron ore extraction and processing operations, protecting the environment is vital for us as our operations have direct impact on the land, air, water and ecosystems of the surrounding areas. Our approach to manage these impacts include regular monitoring of our environmental performance and implementing continuous improvements to ensure full compliance with all applicable laws and regulations.

At both the Bukit Besi and CASB mining sites, we take pride in ensuring sound internal policies are put in place for the Group to promote the importance of complying with laws and regulations governing environmental conservations. The Group is committed to protect the natural environment and the preservation of local cultures. Each mining site has established internal controls and policies to address their commitment to prevent and/or minimise damage to the environment.

The Board provides oversight on the management practices, capability and the effectiveness of the Group's environmental practices. The Group's mining operations are governed by relevant laws and regulations, such as the Mineral Development Act 1994, various State Mineral Enactments and the relevant mining permits required to operate at the Bukit Besi and CASB mining sites.

Since commencement of operations at both the mining sites, environmental monitoring system has been implemented to monitor and address any potential impact on pollution. We have appointed third party consultants to carry out monthly or quarterly tests to ensure that our operations comply and are within the permissible limits under the respective laws and regulations in Malaysia.

An Environmental Compliance Audit Report issued in April 2024 by an independent third-party consultant for the CASB mine, observed several good practices for the site:

- (a) quarterly submission of reports to DOE and environmental monitoring reports;
- (b) scheduled waste was well managed;
- (c) regular maintenance of erosion and sediment control plan ("**ESCP**") components such as sediment basin, check dam and slope protection were conducted frequently;
- (d) regular pH monitoring record of the tailing pond at the final spillway and solution pond with no abnormality sighted; and
- (e) routine performance monitoring for scrubber units.

There was 1 non-compliance finding from the audit relating to water quality, which showed high records of industrial effluents and other minerals due to surface runoff. Existing treatment is ongoing, and alternative control measures are being implemented to reduce the readings to the permissible levels.

SUSTAINABILITY REPORT

GRI 303: Water and Effluents 2018

Water and Effluents

Water is critical to our operations. We also recognise water as a scarce natural resource. Our sites are located in areas where seasonal variations may occur with heavier rainfall recorded in some periods of the year. Site-related risks may include flooding when excessive rainfall occur or dry spells during hot weather conditions.

Water is used at our sites mainly for:

- Exploration works;
- Operations of processing plants to produce iron ore; and
- Domestic use.

Water used at the sites are sourced from various sources including water from the local water utilities provider (piped-in potable water), surface water, recycled water, water from tailing ponds and rain water. Water is sourced from the local water utilities supplier for the basic needs such as cooking and drinking.

Each processing plant at the respective mining site is equipped with its water treatment system to ensure water is treated for re-use and to minimise discharge into the nearby water bodies.

Water Quality

At both the Bukit Besi and CASB mining sites, we conduct monthly water quality tests and send samples for testing at an independent accredited laboratory to ensure water quality complies within the prescribed standards stipulated by the DOE under the Environmental Quality Act 1974. Water samples are collected at identified water monitoring collection stations located at discharge points at each site. Water quality results are monitored and assessed to ensure the PH levels are within acceptable limits and there is no impact to the local water resources.

In FY2023, several parameters were found in the sampling tests at the CASB mining site that did not comply with the recommended limits due to surface runoff. The CASB site team is committed to addressing this matter and have been advised to continuously monitor the effectiveness of the various mitigation measures as proposed in the Environmental Impact Assessment and the Environmental Management plan. These measures are currently being implemented to prevent pollution to the environment.

Other measures undertaken by the mining sites to manage water quality include:

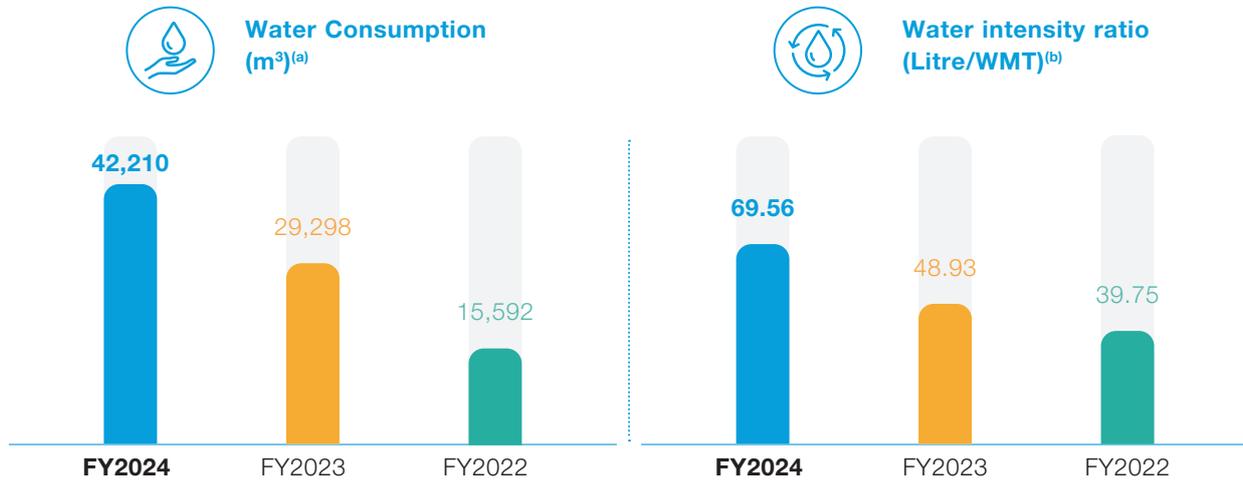
- Ensuring no direct water discharges into any of the nearby water courses
- Channelling surface water run-off into sedimentation and tailing ponds before eventual discharge
- Maintenance of sedimentation and tailing ponds

Our processing plant follows a systematic approach to managing water, ensuring efficient recycling and reuse. Initially, water from our operations flows into Tailing Pond 1, then progresses through subsequent ponds where sediment settles, improving water quality. However, the Group does not currently measure how much water is recycled back into the operations. Eventually, the water reaches a final tailing pond, now clean enough for reuse within our processing activities. This process reflects our commitment to sustainable practices. Additionally, rainwater captured in sedimentation ponds is also used in our processing plant, further enhancing our environmental responsibility and operational efficiency.

SUSTAINABILITY REPORT

Water and Effluents (cont'd)

The following graphs provides the Group's water consumption and intensity over the last 3 financial reporting years:



Notes:

- (a) Water consumption includes water usage in Bukit Besi and CASB mining sites, including the head office in Selangor, Malaysia.
- (b) Intensity ratio is calculated using the total water consumption in litre over the production volume in Wet Metric Tonnes ("WMT") for FY2024, FY2023 and FY2022.

| Performance and Targets for FY2024 | Target for FY2025 onwards |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| <p>Reduce intensity ratio for water consumption by 1% year on year.</p> <p>Progress: Water consumption intensity increased by 42% in FY2024 driven by higher water usage at the site due to an increased number of employees residing on-site and a pipe burst incident recorded at the Bukit Besi mining site.</p> | <p>Optimise site water efficiency and reduce water consumption intensity ratio by 10% by FY 2030 from FY2024.</p> |
| <p>Maintain 100% usage of rainwater for washing plant and ball mill.</p> <p>Progress: On track</p> | <p>Continue to maintain 100% usage of rainwater for washing plant and ball mill.</p> |

SUSTAINABILITY REPORT

GRI 305: Emissions 2016

Pollution Control

Air Pollution

The Group monitors and manages air quality across its operations. Addressing air pollution is one of our key focus at the mining operations. The Group is committed to control the air quality to minimise dust, its health and environmental impact in the operations through stringent measures and controls. Dust in the air is an inevitable occurrence in the nature of a mining operations.

At our mining sites, several mitigating measures have been adopted to manage air pollution, including:

- Regular spraying of water at various locations at the mining site to reduce airborne dust.
- Imposing speed limits and traffic volume restrictions to minimise dust from moving vehicles.
- Prohibition on burning of plant debris and other construction wastes.
- Proper maintenance and frequent servicing of vehicles to reduce exhaust fume emissions.

With the assistance of third-party environmental consultants for both Bukit Besi and CASB mining sites, air quality is monitored on a quarterly basis to assess whether particulate matters, metals and gaseous substances emitted from our operations are below the standard limit prescribed by the DOE under the Environmental Quality (Clean Air) Regulations 2014. The tests are carried out at various sampling locations at the mining sites.

During FY2024, the air quality monitoring for the Total Suspended Particulate (“**TSP**”) and the Particulate Matter (“**PM₁₀**”) were found to be within the Malaysian Recommended Air Quality Guideline Limits.

Noise pollution

Noise pollution is also another concern for our mining operations, and we are committed to managing its impact responsibly. Excessive noise can have adverse impacts on the environment, the well-being of our employees and the nearby communities. To ensure noise levels are managed below the maximum permissible sound level (“**LAeq**”), the Group has engaged third party environmental consultants in FY2024 to assist with the regular monitoring of noise levels at key locations.

In accordance with the Designated Industrial Zones and Schedule 1, Annex A in the Planning Guidelines for Environmental Noise Limits and Control from DOE, the recommended noise levels for daytime are at 70-weighted decibels (“**DBA**”) and at night at 60 DBA. The method used to detect noise is based on the ISO 1996 Sound Level Meter and Octave Filter. We maintained the noise levels within the specified parameters set by DOE as indicated in the quarterly environmental monitoring reports. Our goal is to maintain noise pollution within the permissible levels to the best of our ability.

| Performance and Targets for FY2024 | Target for FY2025 onwards |
|--------------------------------------------------------------------|--------------------------------------------------------------------------------|
| Maintain air and noise pollution within the DOE permissible levels | Continue to maintain air and noise pollution within the DOE permissible levels |
| Progress: On track | |

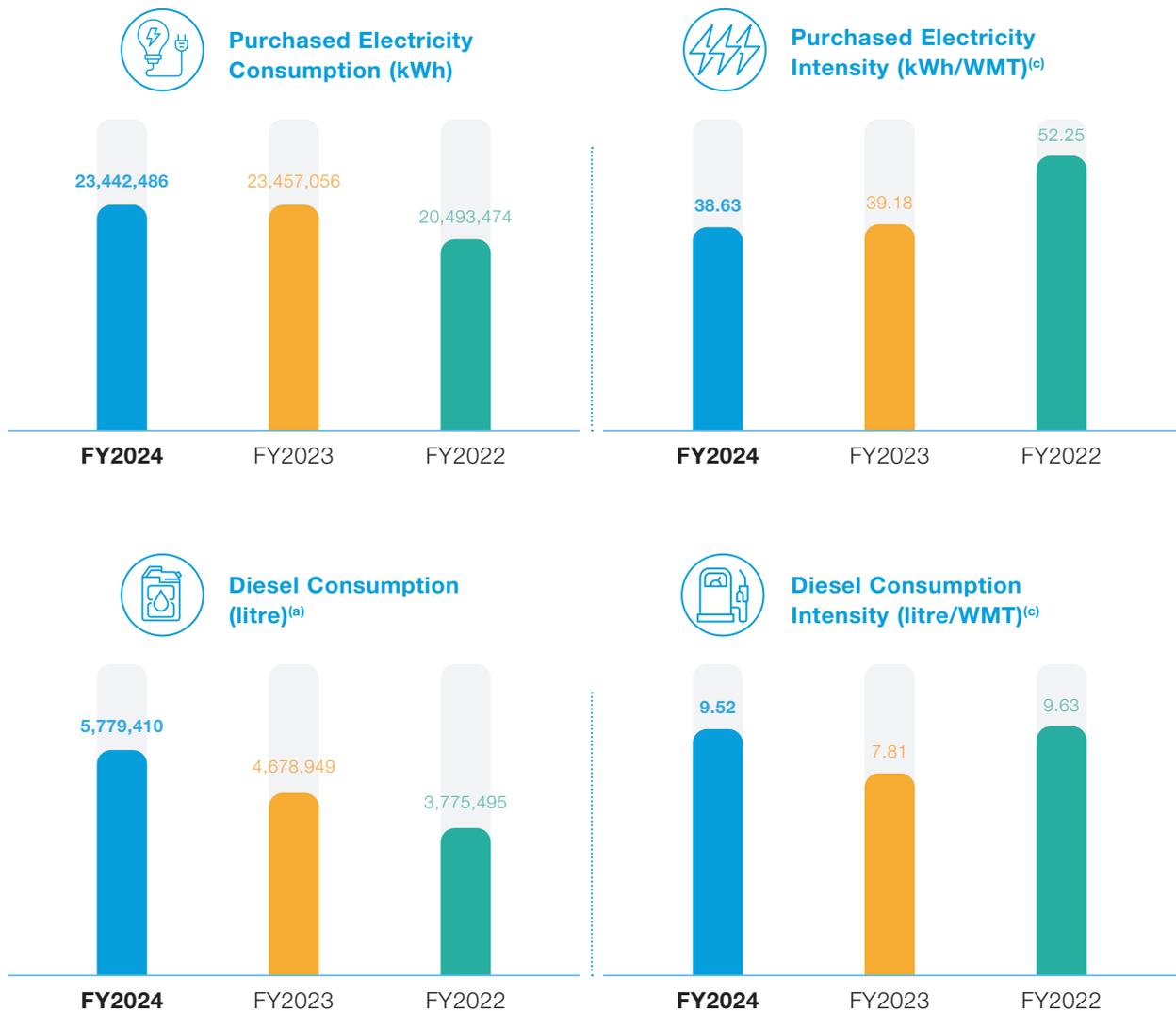
SUSTAINABILITY REPORT

GRI 302 : Energy 2016

Energy Management

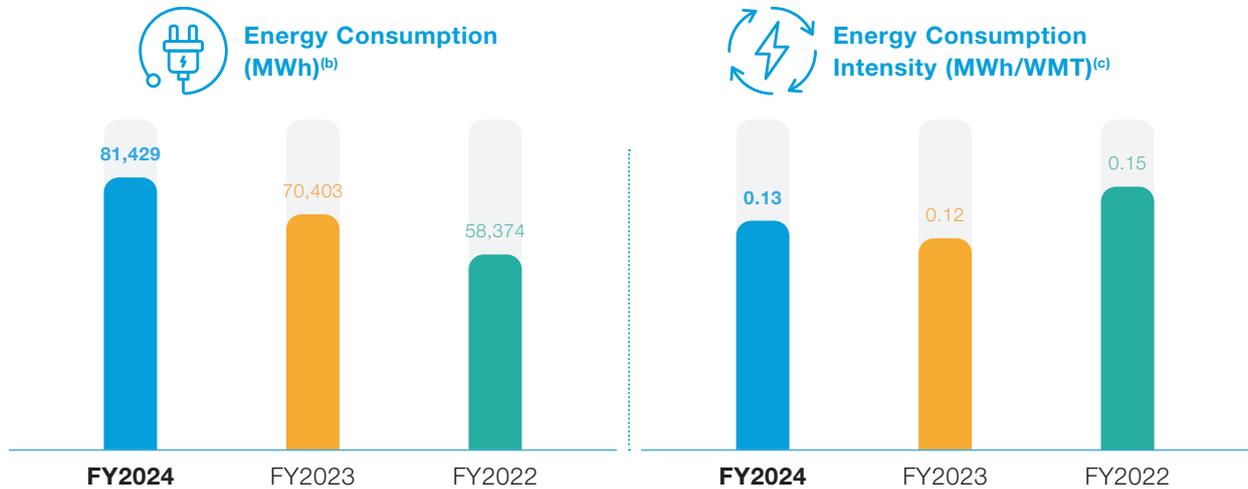
We depend on non-renewable fuel sources and purchased electricity for the operations. We acknowledge that the Group's energy consumption is a contributor to its operational emissions. Purchased electricity is the main source of energy at the Bukit Besi mine site. At our CASB site, we are reliant on diesel fuel to generate electricity as the mining site is not connected to any grid-electricity at this stage. Diesel fuel is also used in the mining equipment (such as dump trucks and excavators) and our transportation fleet for journeys to and from our customers sites.

The graphs below provides the overview of the Group's energy consumption and intensity over the last 3 financial years.



SUSTAINABILITY REPORT

Energy Management (cont'd)



Notes:

- Diesel fuel consumption is estimated based on purchase orders.
- New indicator to align with the SGX Core Metrics. Total energy consumption includes the purchased electricity consumption and the diesel fuel consumption data.
- Intensity ratio is calculated using the production volume in WMT for FY2024, FY2023 and FY2022.
- More details on energy consumption can be found under the "Emissions" section and should be read in conjunction with this material matter.

GRI 306 : Waste 2020

Waste Management

Effective waste management practices are paramount in our mining operations, reflecting our commitment to environmental sustainability and responsibility in managing our resources. We recognise that there may be negative impacts to the environment, and to our people and nearby communities, should there be any improper handling of waste at our sites.

Non-hazardous waste generated by the mining operations, the supporting facilities and offices includes general waste from food or office materials, construction and demolition waste. Currently, we do not measure the non-hazardous waste produced at these sites. Our mining operations also generate other mining-related waste such as tailings, rock, sand and sediment particles. Tailings are by-products from the mining process, which consists of a slurry of rock, waste minerals and water left from the separation during the processing stage.

We currently measure and manage hazardous waste generated by the operations, categorised as scheduled waste under the First Schedule of the Environmental Quality (Scheduled Wastes) Regulations 2005. One of our personnel within the Group is an experienced environmental professional in scheduled waste management. He is a competent person to handle the specific waste management practices for the Group.

SUSTAINABILITY REPORT

Waste Management (cont'd)

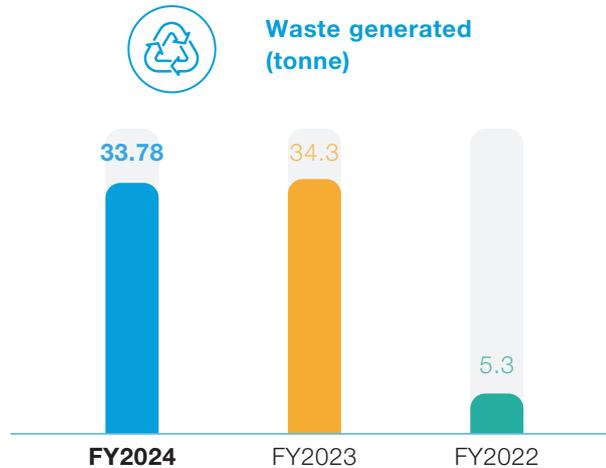
The Group is guided by its best practices on how to properly store, manage, dispose and ongoing monitoring practices to minimise waste generation and any adverse impact on the environment. Hazardous wastes are stored in a separate and locked area at each of the sites. Our proactive approach includes appointment of authorised schedule waste contractors to regularly collect and manage the disposal of hazardous waste, including recycling, treatment or disposal when the waste bins are full. All scheduled waste is required to be disposed within 6 months from the period it is generated, with weight not exceeding 20 tonnes. We continuously monitor waste levels at our sites to ensure we adhere to the local regulations.

Types of Scheduled Waste

| No. | Waste Code | Type of Waste |
|-----|------------|-----------------------------------------------------|
| 1 | SW102 | Waste of used batteries |
| 2 | SW303 | Hydroseeding tackifiers |
| 3 | SW305 | Used engine oil, Lubricating oil |
| 4 | SW306 | Used hydraulic oil |
| 5 | SW322 | Non-halogenated organic solvent |
| 6 | SW404 | Clinical waste |
| 7 | SW408 | Contaminated soil |
| 8 | SW409 | Contaminated glass bead, Chemical container |
| 9 | SW410 | Contaminated air filter, Lab glove, Used oil filter |
| 10 | SW421 | Lab waste |
| 11 | SW430 | Obsolete lab chemical |

In FY2024, the Group generated 33.78 tonnes of waste, a 1.6% decrease from the 34.3 tonnes of waste generated in FY2023.

The graph provides an overview of the Group’s waste generated and managed over the last 3 financial reporting years.



| Performance and Targets for FY2024 | Target for FY2025 onwards |
|----------------------------------------------------------------------------------------------------------------|-------------------------------------------------|
| Reduction of waste production year on year. | Reduce waste production intensity year on year. |
| Progress: On track. The Group recorded a reduction of 1.6% of waste generated in FY2024 as compared to FY2023. | |

SUSTAINABILITY REPORT

GRI 305: Emissions 2016

Emissions

Mining activities are energy intensive and generate greenhouse gas (“GHG”) emissions that contribute to climate change. The GHG emissions from the Group’s activities are associated mainly with the use of diesel and consumption of purchased electricity. Across our supply chain, GHG emissions are recorded from the transportation of goods to our customers, waste generated from our operations and from business travel activities of our personnel. Climate change impacts can be seen today from changing weather patterns, rising sea levels and from the increase in the frequency of extreme weather patterns. To manage these impacts, the Group is committed to adopting and implementing emission reduction strategies. We are assessing ways to decarbonise and reduce our footprint, such as to invest in cleaner technologies, optimise energy use and promote sustainable practices throughout our operations.

Direct Scope 1 GHG emissions can come from sources owned or controlled by an organisation, which can include generation of electricity from combustion of fuels in stationary sources (such as generators), transportation of materials, products, waste, workers and passengers. Under the GRI standards, energy indirect Scope 2 GHG emissions include but not limited to emissions generated from purchased or acquired electricity, heating, cooling and steam consumed by an organisation. Scope 3 GHG emissions are indirect emissions that result from the activities of a company, but occur from sources that are not owned or controlled by the company. They are emissions that the company is indirectly responsible for in its upstream and downstream activities. Some examples include emissions from extraction and production of purchased materials, transportation of purchased fuels in vehicles not owned or controlled by the company as well as emissions from decomposing of the company’s waste.

Breakdown of the emissions and the associated activities across the Group



Notes:

- (1) Own heavy machineries (excavators and dump trucks) & generators to produce electricity at the mining sites
- (2) Bukit Besi mining site and HQ office

SUSTAINABILITY REPORT

Emissions (cont'd)

The table below provides an overview of the Group's GHG emissions.

| | FY2024 | FY2023 | FY2022 |
|------------------------------------------------------------------------------------|--------|--------|--------|
| Direct Scope 1 GHG emissions (tCO ₂ e) | 15,854 | 12,855 | 10,373 |
| Scope 1 emissions intensity ^(a) (tCO ₂ e/WMT) ^(c) | 26.12 | 21.47 | 26.44 |
| Energy Indirect Scope 2 GHG emissions (tCO ₂ e) ^(b) | 8,797 | 9,119 | 7,967 |
| Scope 2 emissions intensity ^(a) (tCO ₂ e/WMT) ^(c) | 14.50 | 15.23 | 20.31 |
| Other Indirect Scope 3 GHG emissions (tCO ₂ e) | 39,925 | 23,581 | 15,552 |
| Scope 3 emissions intensity ^(a) (tCO ₂ e/WMT) ^(c) | 65.79 | 39.38 | 39.65 |
| Total GHG Emissions | 64,576 | 45,555 | 33,892 |
| GHG emissions intensity (tCO ₂ e/WMT) ^(c) | 106.41 | 76.08 | 86.41 |

Notes:

- (a) New indicator to align with the SGX Core Metrics.
- (b) Carbon emission factors were sourced from U.S. Environmental Protection Agency's ("U.S. EPA") Emission Factors for GHG as at 13 February 2024, www.epa.gov/climateleadership. Only CO₂, CH₄ and N₂O emissions are included in the calculations of GHG emissions.
- (c) Intensity ratio is calculated based on production volume in WMT for FY2024, FY2023 and FY2022.

In FY2024, the Group's GHG emissions saw notable changes across Scope 1, Scope 2, and Scope 3. Scope 1 emissions increased by 23% to 15,854 tCO₂e, reflecting higher diesel consumption due to increased production activity levels during the reporting year. Scope 2 emissions decreased by 4% to 8,797 tCO₂e, indicating improved energy efficiency and reduced purchased electricity consumption. Scope 3 emissions experienced a significant 69% increase to 39,925 tCO₂e, mainly due to the revised emission factor applied to sea freight exports, as updated by the U.S. EPA.

| Performance and Targets for FY2024 | Target for FY2025 onwards |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| <p>Reduce GHG emissions intensity by 1% year on year.</p> <p>Progress: The Group recorded an increase of 40% in its GHG emissions intensity in FY2024, primarily due to an increase in the emissions factors applied to sea freight exports in FY2024.</p> | <p>Reduce GHG emissions intensity by 20% by FY2030 from FY2024.</p> |

Climate Change

At Fortress, we have embarked on enhancements to improve management of our climate-related disclosures and responsibilities in the current and anticipated climate-related risks challenges facing the world today. We recognise the urgent need for us to take steps to align our strategies to transition to a low-carbon economy and to better understand the impacts of climate change may have on our environment and our stakeholders.

In this Report, we have initiated our climate-related disclosures based primarily on the core framework of the TCFD recommendations. Fortress is committed to provide more clarity on the steps being taken by the Group to manage its climate-related risks and opportunities.

Fortress has adopted a phased approach to prepare for SGX's mandatory climate reporting from 2025 onwards.

SUSTAINABILITY REPORT

Climate Change (cont'd)

The table below provides an overview of Fortress's progress and next steps on the TCFD framework:

| TCFD Disclosure | Alignment with TCFD | Next Steps |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Governance <i>Fortress governance around climate-related risks and opportunities</i></p> | <p>Fortress has in place a robust governance structure with effective processes. The Board provides oversight on sustainability matters at Fortress. The Board has considered sustainability issues in Fortress' business and strategy, determined the material ESG factors and overseen the management and monitoring of the material ESG factors.</p> <p>Currently, the Board has included as part of its meeting agenda, updates on ESG and climate change.</p> <p>The Senior Management team assesses and recommends to the Board the climate-related risks and opportunities. For details on the Senior Management team's roles, please refer to Sustainability Governance under section "Our Approach to Sustainability".</p> | <p>Board to provide continuous oversight in reviewing the identified climate-related risks and opportunities.</p> <p>To include quarterly GHG emissions updates in the Board agenda.</p> |
| <p>Strategy <i>Actual and potential impacts of climate-related risks and opportunities on Fortress' businesses, strategy, and financial planning</i></p> | <p>In FY2024, the Board has considered sustainability issues and embarked on a review of key climate-related risks as part of its strategic formulation. The risks associated with climate change include transition risks relating to the transition to a lower carbon global economy and physical risks from changing weather patterns. Fortress is committed to transition to a lower carbon economy.</p> <p>In FY2024, the management considered and identified key climate-related risks and opportunities, for the Board's approval.</p> <p>Some potential measures considered to manage these risks include:</p> <ul style="list-style-type: none"> – Transition to lower carbon intensive technologies – Operational efficiency <p>The Group does not currently have a system in place to calculate the financial implications or costs due to climate change. We will review the requirements and assess how to develop and implement the necessary systems for the Group.</p> | <p>Continue to assess any other potential climate-related risks and opportunities exposure over short, medium and long-term.</p> |

SUSTAINABILITY REPORT

Climate Change (cont'd)

| TCFD Disclosure | Alignment with TCFD | Next Steps |
|--------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Risk Management <i>How Fortress' identifies, assesses and manages climate-related risks</i></p> | <p>The Group's risk assessment and risk control framework are aligned to the business objectives, goals and vision to enable us to deliver leading performance and effectively manage risks.</p> <p>We have identified climate change as a significant area of risk and opportunity for the Group's businesses, focusing on transition and physical risk elements.</p> <p>Transition Risks Transition risks and opportunities are associated with policy, legal, regulatory, technological, market, behavioural and reputational developments arising from the global transition to a lower-carbon economy. The Group's potential transition risks include:</p> <ul style="list-style-type: none"> – Legal/Regulatory risks: increased regulatory costs, carbon tax, potential exposure to litigation – Technology risks: slow pace of technology and significant costs to transition to lower carbon intensive technologies – Market risks: increased costs from suppliers, reduction in commodities pricing due to poor market perception of mining industries – Reputation risks: decline in share prices, inability to attract or retain employees due to poor reputation <p>Physical Risks Physical risks include acute climate change risks from the increasing frequency and intensity of extreme weather events such as floods, landslides, cyclones, wildfires and hot and cold extremes. They also include chronic climate change risks from sustained shifts in climate patterns such as higher average temperatures causing droughts, sea level rise, increasing and decreasing regional long-term precipitation.</p> <p><i>Acute Risks:</i> Flash floods, soil erosion and potential landslides from flood</p> <p><i>Chronic Risks:</i> Rise in temperature, spread of vector-borne diseases and negative impact to health of workforce</p> | <p>Formalise risks into the risk register and identify mitigation measures for Fortress to reduce potential risks and explore ways to leverage on opportunities.</p> |
| <p>Metrics and Targets <i>Report on the metrics and targets used to assess and manage climate-related risks and opportunities</i></p> | <p>We currently track climate-related risks in the following areas and where applicable, set targets:</p> <ul style="list-style-type: none"> (a) Scope 1, 2 and 3 GHG emissions – Reduce GHG emissions intensity by 20% by 2030 (b) Energy consumption (c) Water consumption – Optimise site water efficiency and reduce water intensity ratio by 10% by 2030 (d) Waste generation – Reduce waste production intensity year on year | <p>To continuously develop and disclose GHG emissions, monitor and report on climate-related metrics and targets.</p> <p>To develop a comprehensive decarbonisation strategy to reduce GHG emissions across the Group.</p> |

SOCIAL

At Fortress, we are committed to the well-being of our employees, the safety of our operations, promotion of diversity and equal opportunities for all and to ensure the best interests of the communities where we serve. Our commitment to social responsibility is integral to our business in guiding our actions to make a meaningful difference in the lives of our employees and the communities we serve.



SUSTAINABILITY REPORT

GRI 401: Employment 2016

Employment Practices

Our employees are one of our most valuable assets and we recognise that every individual's contribution is important. We are committed to recruiting, developing and retaining high performing employees while providing a safe, inclusive and supportive work environment.

Our human resources ("HR") department is responsible to oversee all the HR-related matters for the Group. The Group's Employment Policy and Handbook outlines the terms and conditions of service for all employees within the Group. All employees are guided by the Group's Code of Conduct in the Employee Handbook which reinforces what the employees can and cannot do during the course of their employment. A list of minor and major misconduct is provided under section 11 of the Employee Handbook.

In FY2024, the Group recorded no material breach of employment related laws, and continued to adhere to all the local labour and employment-related laws in our HR practices and management.

Onboarding of New Employees

We have in place onboarding processes when new employees join any of the companies within the Group. Onboarding programmes are designed to transition individuals who are newly hired or transferred from within the Group to new positions. New joiners are required to attend an onboarding orientation to understand the Group's business, operations and processes, and terms under the Group's Employee Handbook. This includes briefing on the Group's anti-corruption practices.

Performance Appraisal and Compensation

At Fortress, we conduct a year end performance review for all our employees, providing them an opportunity to self-assess, provide feedback, engage with the head or supervisor, and receive necessary coaching and support. During the performance appraisal sessions, several topics are usually discussed, such as challenges faced while on the job and timeliness in task completion. The HODs are responsible to identify the skill gaps and weaknesses of each employee and categorise suitable training programmes required by the employees. We give recognition to our employees through bonuses and promotions. We also strive to provide an encouraging environment by offering opportunities for career growth and advancement. Besides offering our employees entitlements such as leave days, our employees are entitled to benefits including medical, insurance coverage and many more. Our benefits and compensation packages are competitive, as we offer comparable, if not above-market packages as compared to those offered by the other players in the industry.

Employee Engagement Activities

To foster closer working relationships and camaraderie within the Group, we organised various gatherings at each mining operations site and at the headquarters office to celebrate festive occasions and engage in team-building activities during the year.



Hari Raya Luncheon at Bukit Besi site



CASB Site's Festive Hari Raya Dinner



Fortress HQ's Bowling Team-building Night

SUSTAINABILITY REPORT

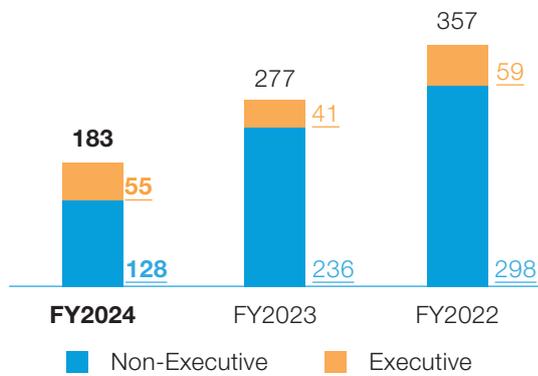
Employment Practices (cont'd)

Total Workforce

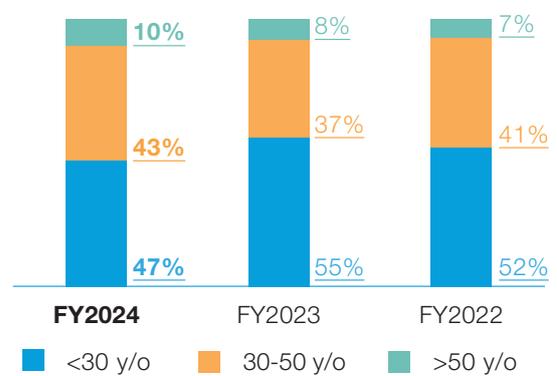
In FY2024, the Group had over 400 employees across its operations. The average employee headcount is 7% lower when compared to the previous reporting period. The new hires rate for the Group in FY2024 is 45% (FY2023: 64%) and the turnover rate for the Group this reporting year sits at 41%, which is lower than the 54% turnover rate recorded in FY2023.

Overview of the new hires for the Group

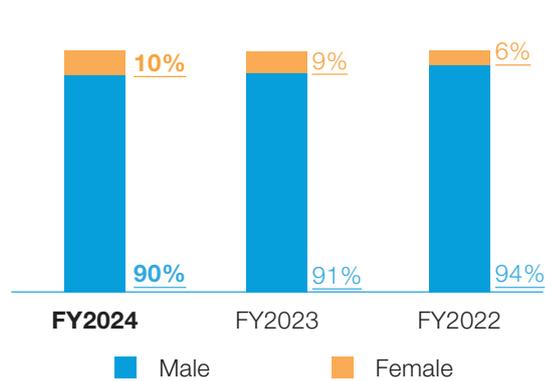
New Hires by Employee Category (No.)



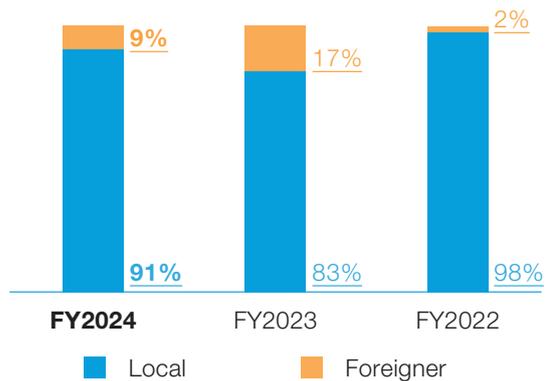
New Hires by Age Group (%)



New Hires by Gender (%)



New Hires by Employment Type (%)

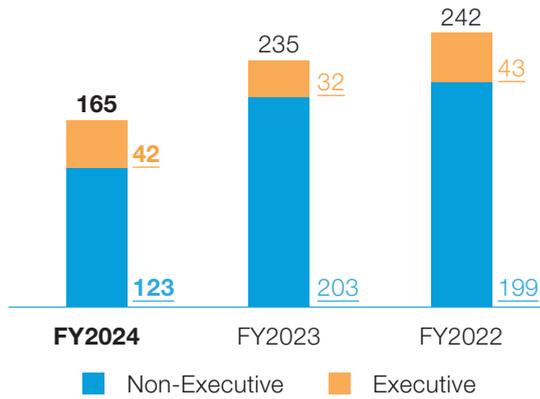


SUSTAINABILITY REPORT

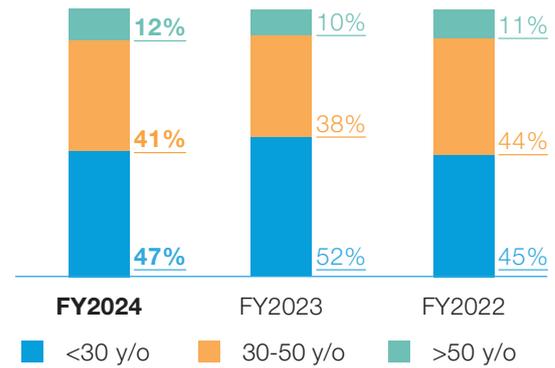
Employment Practices (cont'd)

Overview of the turnover for the Group

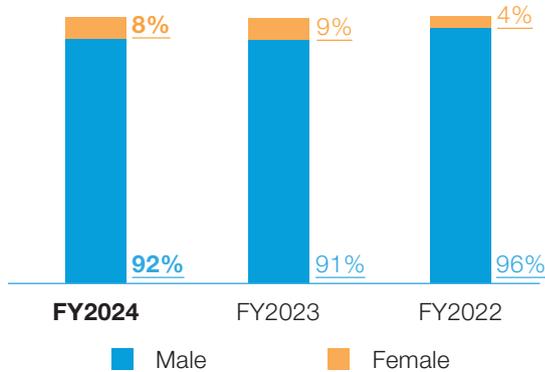
Turnover by Employee Category (No.)



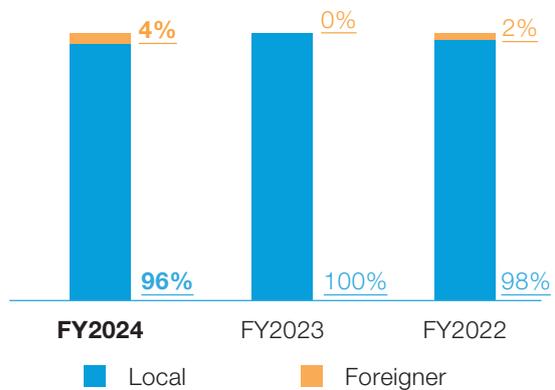
Turnover by Age Group (%)



Turnover by Gender (%)



Turnover by Employment Type (%)



| Performance and Targets for FY2024 | Target for FY2025 onwards |
|---------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| No material breach of employment laws. Progress: On track. | No material breach of employment laws. |
| Conduct performance appraisal for all employees annually. Progress: On track. Achieved 100% engagement rate. | Conduct annual performance appraisal for all employees. |
| Maintain or reduce employee (including site labourers) turnover rate to below 50%. Progress: 41% turnover rate recorded in FY2024. | Maintain or reduce employee (including site labourers) turnover rate to below 50%. |

SUSTAINABILITY REPORT

GRI 405: Diversity and Equal Opportunity 2016

Diversity and Equal Opportunities

Having the right mix of people is vital to drive innovation and growth. We value diversity and multicultural teamwork as a way to gain broader perspectives and to attain synergy and global success.

Guided by the Group's Employee Handbook, the Group is committed to creating a diverse and inclusive workplace where all our employees feel safe, valued and respected. We are dedicated to maintaining fair employment practices. We do not tolerate any form of unlawful discrimination such as harassment or bullying. We believe that our hiring and employment practices provide equal opportunities to all candidates irrespective of race, religion, colour, age, gender, sexual orientation, gender identity and expression, ethnicity, national origin, religion, disability, pregnancy, political affiliation, union membership, covered veteran status, protected generic information or marital status. This includes the hiring and employment practices such as wages, promotions, rewards and access to training.

At the Group, employees receive competitive wages that are free from any gender discrimination. All decisions on promotions, recognition and rewards are approached in a fair and unbiased manner, strictly based on employee's performance and merit.

The total average workforce for the Group in FY2024 was 405, comprising 10% of female and 90% of male employees. The total average number of employees decreased from FY2023. Due to the nature of the mining industry, we recognise that a majority of the workforce is made up on male employees. While female employees may encounter challenges in a male dominated work site, the Group offers opportunities for female employees to work in mining operations if they are willing to work in the challenging environment. Fortress aims to maintain the rate of 25% female representation in its executive and managerial positions. In FY2024, 27% of the female workforce held executive and managerial positions within the Group.

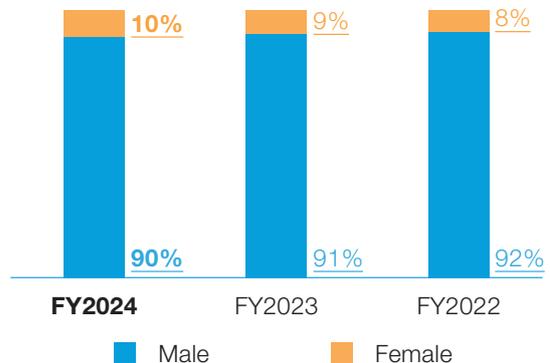
Overview of the Group's workforce profile and performance

Employee Composition

Employees by Employee Category (No.)

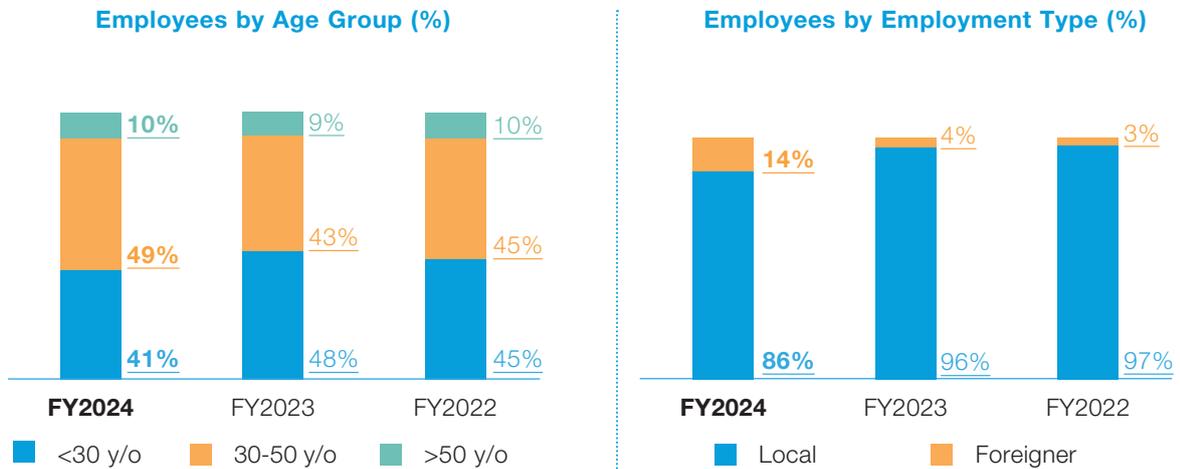


Employees by Gender (%)



SUSTAINABILITY REPORT

Diversity and Equal Opportunities (cont'd)



Board Composition

Our Board comprises diverse individuals from various backgrounds. The Board is committed to ensuring diversity on the Board to avoid groupthink and foster constructive debate. A dedicated Board Diversity Policy was established in FY2023 to address diversity in terms of experience, skills, knowledge, gender and age, as well as other relevant aspects of diversity.

The current Board comprises 3 female Directors and 6 male directors. Female directors represent 1/3 of the Board, which had decreased from the previous 2 reporting periods due to the appointment of a new male director in FY2024. 1/3 of the Board comprising of independent directors, do not have any management or business relationships with the Company or any substantial shareholder of the Company.

Further details on the Board’s composition including the size, diversity and independence are outlined in the Corporate Governance Report on page 67 of the Annual Report 2024.

| Performance and Targets for FY2024 | Target for FY2025 onwards |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
| Maintain 1/3 female representation at Board level. Progress: Female representation at the Board sits at 1/3. | Maintain 1/3 female representation at Board level. |
| Maintain over 25% female employment in the business (Executive and managerial levels). Progress: 27% female representation in the executive and managerial positions, a reduction in women representation as compared to 29% recorded in FY2023. | Maintain over 25% female employment in the business (Executive and managerial levels). |
| Maintain at least 80% of local employment. Progress: On track. 86% of employees were locals in FY2024. | Maintain at least 80% of local employment. |

SUSTAINABILITY REPORT

GRI 404: Training and Education 2016

Training and Development

We recognise that creating a learning development culture is essential for the future of our business. Our training and development programmes are designed to enhance skills, knowledge and capabilities enabling employees to be updated with the latest knowledge and skills needed in our daily business and operations to reach their full potential. These training programmes aim to foster a resilient and skilled workforce necessary to thrive in the ever-changing market landscape.

With the assistance of the HR department, training needs are identified during the annual performance appraisal assessment conducted by the respective HOD.



Firefighting and Emergency Response Training



Basic First-Aid Awareness Training

Training Programmes

In FY2024, we offered a range of learning opportunities. Our training and development initiatives, conducted both internally and externally, encompassed a range of programmes in the following areas:

- Professional courses focused on environmental topics
- Anti-bribery and corruption risk and management systems
- Leadership development
- Technical skills development
- Health and safety
- Emergency readiness
- Compliance

| Year | HRDF ^(a) yearly contributions | HRDF ^(a) actual utilisation | Total Training | Average Training |
|--------|------------------------------------------|----------------------------------------|----------------|--------------------|
| | US\$ | US\$ | Hours | Hours per employee |
| FY2024 | 37,818 | (17,954) | 3,498.0 | 8.6 |
| FY2023 | 38,728 | (12,176) | 1,317.5 | 3.0 |
| FY2022 | 17,637 | (5,666) | 399.5 | 1.2 |

Notes:

- (a) HRDF refers to the Human Resources Development Fund, a Malaysian statutory body under the Ministry of Human Resources.
- (b) A lower HRDF contribution was recorded in FY2024 due to exchange rate fluctuations. HRDF contributions are made in Ringgit Malaysia.

SUSTAINABILITY REPORT

Training and Development (cont'd)

| MALE | FEMALE |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| 7.3 average training hours | 5.3 average training hours |
| Performance and Targets for FY2024 | Target for FY2025 onwards |
| <p>To maintain or increase average training hours per employee year on year.</p> <p>Progress: Average training hours increased by 287% in FY2024 as compared to FY2023. More training programmes were made available for all employees during the year, supported by improved planning to address training needs.</p> | <p>Maintain or increase average training hours per employee year on year.</p> |
| <p>To maintain or increase training investments per year for employees year on year.</p> <p>Progress: On track.</p> | <p>Maintain or increase training investments per year for employees year on year.</p> |

GRI 403: Occupational Health and Safety 2018

Occupational Health and Safety

Safety is paramount in everything we do. We must adhere to the highest standards of health and safety to protect our employees, contractors and the communities where we operate. Due to the nature of our mining activities, there are number of potential hazards which our workforce may be exposed to. The Group has in place health and safety protocols which are regularly reviewed and updated to ensure compliance with the laws and regulations. We aim for zero harm and continuously work towards creating culture which places high importance on safety.

Each mining site address their health and safety risks under their respective policies and procedures. Bukit Besi mining site has established a Health, Safety and Environmental Policy, while the CASB mining site has adopted an Occupational Safety and Health Policy.

At each mining site, we have established an Occupational Health and Safety Committee in accordance with the OSHA. The respective committees meet every quarter with various departments and management represented in the meetings, to ensure that issues are discussed at all levels. At the committee meetings, representatives discuss all health and safety matters, including hazards identification, risk assessment and other areas to manage or reduce risk levels.

SUSTAINABILITY REPORT

Occupational Health and Safety (cont'd)

Training and Awareness Building

We provide health and safety training to all our employees from the point of recruitment, on-the-job and regular refresher training, where required, for existing employees. An annual health and safety training schedule and awareness plan is prepared to outline the areas to be covered each year. In FY2024, the training programs covered included basic first-aid, fire prevention and safety awareness, proper use of personal protective equipment (“PPE”) training, emergency response training, chemical exposure monitoring program, scrubber operation training and safe machinery handling. Employees are encouraged to actively participate in all mandatory safety training sessions during the year.

In FY2024, a total of 330 employees from the Group were given various trainings related to health and safety standards.

Safety signages are also placed across the site areas to remind all our employees and contractors to be vigilant of potential hazards. The Health and Safety officers at each site hold weekly toolbox meetings to promote a safety culture, constantly encourage employees to prioritise safety in all their activities and to address any safety concerns raised by the workers.



Work-related injuries

The Group strives to eliminate any fatalities and reduce injuries or incidents in their daily operations. We conduct risk identification assessments to determine the potential impacts of any fatalities or injuries from potential risks at our mining operations. Notwithstanding the Group's internal controls and measures in place, we recorded 4 accidents (major and minor cases) in FY2024 (FY2023: 4 accidents (major and minor cases), with no work-related fatalities reported (FY2023: 1 fatality, FY2022: 0 fatality).

Whenever there are any incidents involving any of our employees or contractors, we prepare an internal report to document the findings. Subsequently, an official report is submitted to DOSH. There are no medical service facilities available at the mining operations sites. However, trained first aiders are on-site to provide immediate medical support before any injured individual is brought to the nearest medical clinic to receive the necessary medical treatment.

SUSTAINABILITY REPORT

Occupational Health and Safety (cont'd)

Number of Accidents and Lost-Time Injury ("LTI") Days

| Details | FY2024 | FY2023 | FY2022 |
|--------------------------------------------------|--------|--------|--------|
| Fatalities | 0 | 1 | 0 |
| High – consequence injuries^(a) | 3 | 3 | 1 |
| Recordable injuries^(b) | 4 | 4 | 1 |
| Near misses^(c) | 0 | 0 | 0 |
| Total LTI Days^(d) | 101 | 6,110 | 6 |

Notes:

- (a) High-consequence work-related injuries includes major accidents that cause employees to be on medical leave for more than 4 days (excluding fatalities during the reporting period).
- (b) Recordable work-related injuries include both major and minor accidents. Minor accidents are recorded for those accidents that cause employees to be on medical leave for 4 days and below or without any injuries.
- (c) Near misses are incidents that have the potential to cause but does not result in human injury, environmental or equipment damage, or interruption to the Group's normal operations.
- (d) Total LTI days includes both Bukit Besi and CASB mining operations. Fatal accident represents lost-time injury of 6,000 days.

| Performance and Targets for FY2024 | Target for FY2025 onwards |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| <p>To continuously monitor and reduce the number of accident cases from the previous reporting period.</p> <p>Progress: A total of 4 accident cases recorded in FY2024, similar to the number of cases recorded in FY2023.</p> | Continuously monitor and reduce the number of accident cases from the previous reporting period. |
| <p>To continuously monitor and maintain or reduce the number of LTI days from the previous reporting period.</p> <p>Progress: Total LTI 101 days.</p> | Continuously monitor and reduce the number of LTI days from the previous reporting period. |
| <p>To continuously monitor and maintain or reduce the total recordable injury frequency ("TRIF") per 200,000 hours worked from the previous reporting period.</p> <p>Progress: TRIF of 0.91 per 200,000 hours worked.</p> | Continuously monitor and reduce the TRIF per 200,000 hours worked from the previous reporting period. |
| <p>Zero work-related fatalities or permanent disabilities.</p> <p>Progress: Zero work-related fatalities recorded in FY2024.</p> | Maintain zero work-related fatalities or permanent disabilities. |
| <p>Zero significant incidents of non-compliance resulting in regulatory breaches under OSHA.</p> <p>Progress: No significant incidents of non-compliance recorded in FY2024.</p> | Maintain zero significant incidents of non-compliance resulting in regulatory breaches under OSHA. |

SUSTAINABILITY REPORT

GRI 413-1: Local Community

Local Community

We recognise the importance of giving back to the communities where we operate in. We engage with the communities to support various initiatives involving the underprivileged through educational, religious, welfare, and health care initiatives. The Group also sponsors other various activities, including family days, charity runs and other events, by providing donations. Fortress believes that promoting responsible practices can have positive, long-term impacts on the communities and eventually strengthen our relationship with the local communities.

A breakdown of the Group’s community investments made to the local communities and organisations in Singapore and Malaysia are as follows:

| Country | FY2024 | | FY2023 | | FY2022 | |
|--------------|----------------|--------------|----------------|--------------|---------------|--------------|
| | Amount (US\$) | % | Amount (US\$) | % | Amount (US\$) | % |
| Malaysia | 188,285 | 100.0 | 112,990 | 83.8 | 41,025 | 52.9 |
| Singapore | – | – | 21,813 | 16.2 | 36,570 | 47.1 |
| Total | 188,285 | 100.0 | 134,803 | 100.0 | 77,595 | 100.0 |

| Performance and Targets for FY2024 | Target for FY2025 onwards |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|
| <p>Provided community investments of US\$188,285 as donations and sponsorship of events to selected organisations.</p> <p>Progress: The Group has increased its contributions to the local communities in FY2024, focusing on donations aimed to improve the welfare of the underprivileged communities.</p> | <p>Continue to engage with the local communities.</p> |



GOVERNANCE

At Fortress, we believe that operating our businesses with accountability, integrity and transparency not only builds trust with its stakeholders but contributes to the long-term success of our business.



SUSTAINABILITY REPORT

GRI 2-27: Compliance with laws and regulations

Compliance with Laws and Regulations

Compliance with all the laws and regulations is a critical area of our operations at Fortress. We are committed to upholding the highest standards to ensure compliance with all applicable laws and regulations relevant to the Group and all other aspects of the business. Our compliance framework is designed to ensure adherence to relevant laws and regulations governing environmental protection, health and safety, ethical business practices and labour standards. Through our internal controls, the Group strives to identify and mitigate any compliance risks. We have put in place measures and monitoring mechanisms to assist the Group to minimise potential impacts on the Group, in particular on any environmental issues. In FY2024, the Group did not record any significant instances of non-compliance with laws and regulations for which fines or non-monetary sanctions were imposed.

We strongly believe that effective corporate governance practices enhance the Group's reputation as a responsible organisation among our stakeholders. For details on the Group's corporate governance framework, please refer to the Corporate Governance Report on page 59 in the Annual Report 2024.

| Performance and Targets for FY2024 | Target for FY2025 onwards |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| <p>Zero incidents of non-compliance with the Catalyst Rules or Code of Corporate Governance.</p> <p>Progress: On track.</p> | <p>Zero incidents of non-compliance with the Catalyst Rules or Code of Corporate Governance.</p> |
| <p>Zero incidents of environmental non-compliance year on year.</p> <p>Progress: The Group achieved zero incidents of environmental non-compliance that resulted in fines or non-monetary sanctions being imposed on the Group. Although the environmental audit for CASB found 1 non-compliance issue relating to water quality at the CASB site, measures are being put in place to ensure water quality is maintained at permissible levels.</p> | <p>No significant instances of non-compliance with laws and regulations for which fines or non-monetary sanctions are imposed.</p> |

GRI 205: Anti-corruption 2016

Anti-corruption

The Group is committed to apply the highest standards of ethical conduct, integrity and accountability in all our business activities and operations.

Anti-bribery and corruption

The Group has in place an Anti-Bribery and Corruption Policy since 2020, which reaffirms the Group's commitment to zero-tolerance approach towards any form of bribery and corruption by its employees or any other persons acting for and behalf of the companies within the Group.

In addition, the Group has also established an Anti-bribery and corruption Code of Conduct to provide guidance to all our employees on the required practices in all business dealings and transactions. The Anti-bribery and corruption Code of Conduct applies to and all other business associates, and intermediaries acting on behalf of the Group. In reinforcing Fortress stand on anti-bribery, the management, employees and business associates are responsible to establish and foster an ethical business culture to ensure bribery risk is managed.

SUSTAINABILITY REPORT

Anti-corruption (cont'd)

The Board is primarily responsible for ensuring that the Group effectively manages its key corruption risks. The Board believes that the Group's risk assessment must be effective and embedded at all levels of the organisation to intermittently assess corruption risks, when necessary, for example, to conduct an annual risk assessment on corruption risk or when there is reasonable suspicion to do so.

Non-compliance with the Anti-bribery and corruption Code of Conduct may lead to significant legal and financial consequences for both the individual as well as the Group. Both the Policy and the Code of Conduct are available on Fortress' corporate website at www.fortress.sg.

All the Malaysian entities within the Group are required to comply with the provisions in accordance with the Guidelines on Adequate Procedures pursuant subsection (5) of Section 17A under the Malaysian Anti-Corruption Commission Act 2009 ("**MACC Act**"). This provision under the MACC Act requires companies to have in place adequate procedures to prevent any associated persons from committing any acts of corruption.

All our employees receive training on the anti-bribery and anti-corruption practices upon joining the Group. Additional refresher training is provided to existing employees from time to time to remind them of the activities that constitute bribery and the consequences for those who are involved in such activities. In FY2024, 82 (20%) employees (inclusive of executive and non-executive employees) received anti-corruption training. In FY2023, only 37 executive employees, representing 35% of the total executive employees, received refresher training on anti-corruption.

Whistleblowing

In maintaining Fortress' commitment to transparency and upholding its ethical business practices, we have in place a robust mechanism to encourage and protect whistle-blowers who report on any suspected inappropriate behaviour or misconduct relating to fraud, corrupt practices and or abuses involving the Group's resources.

Fortress has adopted a Whistle-blowing Policy and Procedures that ensures confidentiality and provides protection against any reprisals and or retaliation as a result of the report. The Audit Committee is responsible for the administration and compliance of the policy and procedures. The Whistle-blowing Policy and Procedures is published on Fortress corporate website at www.fortress.sg.

The whistle-blowing channel is open to any employees, vendors, contractors or the general public. By fostering a culture that values integrity and accountability, we aim to maintain trust with our stakeholders and uphold our commitment to responsible practices.

In FY2024, we received 1 complaint through the whistle-blowing channel (FY2023: 1 complaint, FY2022: 0 complaints). The procedures as set out in the Whistleblowing Policy have been adhered to in the handling of this matter.

| Performance and Targets for FY2024 | Target for FY2025 onwards |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|
| Zero incidents of non-compliance with anti-corruption regulations. Progress: On track. | Maintain zero incidents of corruption. |
| Zero reports of whistleblower complaints. Progress: We recorded 1 complaint via the whistleblowing channel in FY2024. For more details, please refer to page 88 of the Corporate Governance Report. | Maintain zero reports of whistle-blower complaints. |

SUSTAINABILITY REPORT

GRI 201: Economic Performance 2016

Financial Performance

At Fortress, we recognise the importance of delivering value to our stakeholders while also considering the importance of other impacts on the economy and our society. Our financial performance is guided by a commitment to responsible financial management to ensure profitability and long-term viability. The Board, with the support of the Audit Committee, reviews the financial performance for the Group on a regular basis.

The Group also contributes to economic development in the areas where we operate in through job creation, local procurement and community investment initiatives.

This year, the Group recorded a total revenue of US\$53,932,963. Further details of our full economic performance can be found in the audited financial statements on page 121 of the Annual Report 2024.

Winner of the Edge Singapore Centurion Club 2023: Highest Weighted ROE over 3 years



GRI 204: Procurement Practices 2016

Supply Chain Management

Fortress is dedicated to promoting responsible procurement practices and enhancing its supply chain resilience. The Group supports local businesses and driving economic growth in the communities where we operate in. During the reporting year, we prioritised sourcing from local suppliers wherever we can.

For our business, we procure project materials, tools and parts, chemicals, machinery, and equipment such as laboratory, geological and electrical equipment from various suppliers.

In FY2024, out of the US\$28.9 million spent on procurement, 90% was spent for purchase of raw materials, equipment and services from local suppliers in Malaysia.

SUSTAINABILITY REPORT

Supply Chain Management (cont'd)

The table below indicates the Group's contribution to the local community through its procurement spend over the last 3 financial reporting periods.

| Year | FY2024 | | FY2023 | | FY2022 | |
|--------------|-------------------|--------------|-------------------|---------------|-------------------|--------------|
| | Amount (US\$'000) | % | Amount (US\$'000) | % | Amount (US\$'000) | % |
| Singapore | 341 | 1.2 | 969 | 3.5 | 742 | 1.5 |
| Malaysia | 26,161 | 90.3 | 22,719 | 83.0 | 43,045 | 84.2 |
| Others | 2,464 | 8.5 | 3,692 | 13.5 | 7,315 | 14.3 |
| Total | 28,966 | 100.0 | 27,380 | 100.00 | 51,102 | 100.0 |

* Others include countries such as Australia, China, Indonesia, Thailand and United States of America

The Group has in place standard operating procedures for the purchasing department when sourcing from suppliers. The procedures provide a control document to ensure purchases are made with approved suppliers by using clearly defined requirements. If non-approved suppliers are identified, a due diligence review will be conducted on the new supplier. The supplier will then be required to complete a "New Business Partner Registration" form, along with an anti-bribery and corruption form.

Supplier Assessment

Supplier's performance is evaluated annually. If they do not conform to the requirements, alternative suppliers shall be selected. Where required, the supplier will be removed from the approved supplier list. Moving forward, the Group will re-evaluate the process for assessing both existing and new suppliers to ensure they meet our sustainability requirements. The Group is committed to continually seek ways to improve its procurement processes.

Our vendors are selected based on the following criteria:

- Suitability of required specifications
- Quality of product/service
- Timeliness in delivery
- Price

All our suppliers are expected to adhere to our Anti-bribery and corruption Policy and Code of Conduct.

| Performance and Targets for FY2024 | Target for FY2025 onwards |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| Minimum 80% of goods and services to be procured locally. Progress: On track. 90% of raw materials, equipment and services sourced locally. | Maintain a minimum of 80% of goods and services to be procured locally. |
| At least 80% annual evaluation rating for key suppliers. Progress: On track. | Maintain at least 80% annual evaluation rating for key suppliers. |

SUSTAINABILITY REPORT

GRI CONTENT INDEX

| | |
|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Statement of Use | Fortress Minerals Limited has reported the information cited in this GRI content index for the period 1 March 2023 to 29 February 2024 with reference to the GRI Standards. |
| GRI 1 used | GRI 1: Foundation 2021 |

| GRI Standard | Disclosure | Section | Location |
|--------------------------------------------------------|-----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| GRI 2: General Disclosures 2021 | | | |
| 1. The Organisation and its Reporting Practices | | | |
| 2-1 | Organisational details | Annual Report 2024 (“ AR ”): Corporate Information AR: Corporate Profile Sustainability Report 2024 (“ SR ”): About The Report | Page 2 Page 1 Page 19 |
| 2-2 | Entities included in the organisation’s sustainability reporting | AR: Group Structure SR: About The Report | Page 13 Page 19 |
| 2-3 | Reporting period, frequency and contact point | SR: About The Report | Page 19 Reporting period aligns with the Company’s financial reporting period |
| 2-4 | Restatements of information | – | No restatements made. |
| 2-5 | External Assurance | SR: About The Report | Page 20 |
| 2. Activities and workers | | | |
| 2-6 | Activities, value chain and other business relationships | AR: Corporate Profile SR: Supply Chain Management | Page 1 Page 53-54 |
| 2-7 | Employees | SR: Employment Practices SR: Diversity and Equal Opportunities | Page 40-42 Page 43-44 |
| 3. Governance | | | |
| 2-9 | Governance structure and composition | AR: Board of Directors AR: Corporate Governance Report | Page 15-17 Page 59-96 |
| 2-10 | Nomination and selection of the highest governance body | AR: Corporate Governance Report | Page 59-96 |
| 2-11 | Chair of the highest governance body | AR: Board of Directors AR: Corporate Governance Report | Page 15-17 Page 59-96 |
| 2-12 | Role of the highest governance body in overseeing the management of impacts | SR: Sustainability Governance | Page 22 |
| 2-13 | Delegation of responsibility for managing impacts | SR: Sustainability Governance | Page 22 |
| 2-14 | Role of the highest governance body in sustainability reporting | SR: Board Statement SR: Sustainability Governance | Page 21 Page 22 |
| 2-15 | Conflicts of interest | AR: Corporate Governance Report | Page 59-96 |
| 2-16 | Communication of critical concerns | SR: Anti-corruption | Page 51-52 |

SUSTAINABILITY REPORT

| GRI Standard | Disclosure | Section | Location |
|--------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| 3. Governance (cont'd) | | | |
| 2-17 | Collective knowledge of the highest governance body | SR: Sustainability Governance | Page 22 |
| 2-18 | Evaluation of the performance of the highest governance body | AR: Corporate Governance Report | Page 59-96 |
| 2-19 | Remuneration policies | AR: Corporate Governance Report | Page 59-96 |
| 2-20 | Process to determine remuneration | AR: Corporate Governance Report | Page 59-96 |
| 2-21 | Annual total compensation ratio | – | Not available |
| 4. Strategy, policies and practices | | | |
| 2-22 | Statement on sustainable development strategy | AR: CEO's Message SR: Board Statement | Page 5-11 Page 21 |
| 2-26 | Mechanisms for seeking advice and raising concerns | SR: Anti-corruption | Page 51-52 |
| 2-27 | Compliance with laws and regulations | SR: Compliance with laws and regulations | Page 51 |
| 2-28 | Membership associations | – | None |
| 5. Stakeholder Engagement | | | |
| 2-29 | Approach to stakeholder engagement | SR: Stakeholder Engagement | Page 23-24 |
| 2-30 | Collective bargaining agreements | – | No collective bargaining agreements in place or trade unions established |
| GRI 3: Material Topics 2021 | | | |
| 3-1 | Process to determine material topics | SR: Materiality Assessment | Page 24-25 |
| 3-2 | List of material topics | SR: Materiality Assessment SR: GRI Content Index | Page 24-25 Page 55-58 |
| 3-3 | Management of material topics | SR: Materiality Assessment SR: Environmental, Social and Governance pillars | Page 24-25 Page 27-54 |
| GRI 201: Economic Performance 2016 | | | |
| 201-1 | Direct economic value generated and distributed | AR: Financial Performance SR: Local Community | Page 53 Page 49 |
| 201-2 | Financial implications and other risks and opportunities due to climate change | SR: Climate Change | Page 36-38 |
| GRI 204: Procurement Practices 2016 | | | |
| 204-1 | Proportion of spending on local suppliers | SR: Supply Chain Management | Page 53-54 |

SUSTAINABILITY REPORT

| GRI Standard | Disclosure | Section | Location |
|-----------------------------------------------------|----------------------------------------------------------------------------------------------------|------------------------------------|------------|
| GRI 205: Anti-corruption 2016 | | | |
| 205-1 | Operations assessed for risks related to corruption | SR: Anti-corruption | Page 51-52 |
| 205-2 | Communication and training about anti-corruption policies and procedures | SR: Anti-corruption | Page 51-52 |
| 205-3 | Confirmed incidents of corruption and actions taken | SR: Anti-corruption | Page 51-52 |
| GRI 302: Energy 2016 | | | |
| 302-1 | Energy consumption within the organisation | SR: Energy Management | Page 32-33 |
| 302-3 | Energy intensity | SR: Energy Management | Page 32-33 |
| GRI 303: Water and Effluents 2018 | | | |
| 303-5 | Water Consumption | SR: Water and Effluents | Page 29-30 |
| GRI 305: Emissions 2016 | | | |
| 305-1 | Direct (Scope 1) GHG emissions | SR: Emissions | Page 35-36 |
| 305-2 | Energy indirect (Scope 2) GHG emissions | SR: Emissions | Page 35-36 |
| 305-3 | Other indirect (Scope 3) GHG emissions | SR: Emissions | Page 35-36 |
| 305-4 | GHG emissions intensity | SR: Emissions | Page 35-36 |
| GRI 306: Waste 2020 | | | |
| 306-1 | Waste generation and significant waste-related impacts | SR: Waste Management | Page 33-34 |
| 306-2 | Management of significant waste-related impacts | SR: Waste Management | Page 33-34 |
| 306-3 | Waste Generated | SR: Waste Management | Page 33-34 |
| GRI 401: Employment 2016 | | | |
| 401-1 | New employee hires and employee turnover | SR: Employment Practices | Page 40-42 |
| 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | SR: Employment Practices | Page 40-42 |
| GRI 403: Occupational Health and Safety 2018 | | | |
| 403-2 | Hazard identification, risk assessment, and incident investigation | SR: Occupational Health and Safety | Page 46-48 |
| 403-3 | Occupational health services | SR: Occupational Health and Safety | Page 46-48 |
| 403-4 | Worker participation, consultation, and communication on occupational health and safety | SR: Occupational Health and Safety | Page 46-48 |
| 403-5 | Worker training on occupational health and safety | SR: Occupational Health and Safety | Page 46-48 |

SUSTAINABILITY REPORT

| GRI Standard | Disclosure | Section | Location |
|--------------------------------------------------------------|-----------------------------------------------------------------------------------------|--------------------------------------------------------------------------|--------------------------|
| GRI 403: Occupational Health and Safety 2018 (cont'd) | | | |
| 403-9 | Work-related injuries | SR: Occupational Health and Safety | Page 46-48 |
| 403-10 | Work-related ill health | SR: Occupational Health and Safety | Page 46-48 |
| GRI 404: Training and Education 2016 | | | |
| 404-1 | Average hours of training per year per employee | SR: Training and Development | Page 45-46 |
| 404-2 | Programs for upgrading employee skills and transition assistance programs | SR: Training and Development | Page 45-46 |
| GRI 405: Diversity and Equal Opportunity 2016 | | | |
| 405-1 | Diversity of governance bodies and employees | AR: Corporate Governance Report SR: Diversity and Equal Opportunities | Page 59-96 Page 43-44 |
| GRI 413: Local Communities 2016 | | | |
| 413-1 | Operations with local community engagement, impact assessments and development programs | SR: Local Community | Page 49 |



CORPORATE GOVERNANCE REPORT

The Board of Directors (the “**Board**”) is committed to ensure that high standards of corporate governance are practiced throughout the Group, as a fundamental part of its responsibilities to protect and enhance shareholders’ value and the financial performance of the Group.

This report outlines the Group’s corporate governance practices that were in place during the financial year ended 29 February 2024 (“**FY2024**”) with specific reference made to the Principles of Code of Corporate Governance 2018 (“**Code 2018**”) and the disclosure guide developed by SGX-ST in January 2015 (the “**Guide**”). The Group strives to comply with the provisions set out in Code 2018 and the Guide and where it has deviated from the Code 2018 and/or the Guide, appropriate explanations are provided.

The Group also ensures that all applicable laws, rules and regulations including the Securities and Futures Act 2001 of Singapore (“**Securities and Futures Act**”) and the SGX-ST Listing Manual Section B: Rules of Catalyst (“**Catalist Rules**”) are duly complied with.

| Provision | Code Description | Company’s Compliance or Explanation |
|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| General | (a) Has the Company complied with all the principles and provisions of the new Code? If not, please state the specific deviations and alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code. | The Company has complied with the principles and provisions as set out in Code 2018 and the Guide, where applicable. Appropriate explanations have been provided in the relevant sections below where there are deviations from Code 2018 and/or the Guide. |
| | (b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the provisions of the Code? | Not applicable. The Company did not adopt any alternative corporate governance practices in FY2024. |

CORPORATE GOVERNANCE REPORT

| Provision | Code Description | Company's Compliance or Explanation |
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| BOARD MATTERS The Board's Conduct of Affairs <i>Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company</i> | | |
| 1.1 | Directors' duties and responsibilities | <p>All Directors objectively discharge their duties and responsibilities as fiduciaries and take decisions in the best interests of the Group at all times. The Board puts in place a code of conduct and ethics, sets desired organisational culture and ensures proper accountability within the Group. The Board has clear policies and procedures for dealing with conflicts of interest. Where the Director faces a conflict of interest, he or she would recuse himself or herself from discussions and decisions involving the issues of conflict.</p> <p>The Board is entrusted to lead and oversee the Company, with the fundamental principle to act in the best interests of the Company. In addition to its statutory duties, the Board oversees the management staff of the Company (the "Management") and affairs of the Group's business and oversees processes for evaluating the adequacy and effectiveness of the Group's internal controls and risk management systems. It focuses on the strategies and policies, with particular attention paid to growth and financial performance. The Board works with the Management to achieve this and the Management remains accountable to the Board. Each individual Director has objectively discharged his duties and responsibilities at all times as fiduciaries in the interests of the Company.</p> <p>During FY2024, Directors are provided with briefings and updates on (i) the developments in financial reporting and governance standards by the Company's external auditors and (ii) changes in the relevant laws and regulations pertaining to the Group's business and changing commercial risks and business conditions of the Group by the Management during the Board Committee meetings, so as to enable them to make well-informed decisions and to properly discharge their duties as Board or Board Committee members.</p> |

CORPORATE GOVERNANCE REPORT

| Provision | Code Description | Company's Compliance or Explanation | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| | | <p>As at the date of this Report, the Board comprises nine (9) members as follows:</p> <table border="1"> <thead> <tr> <th colspan="3"><i>Table 1.1 – Composition of the Board</i></th> </tr> <tr> <th>Name of Director</th> <th>Designation</th> <th>Date of Appointment</th> </tr> </thead> <tbody> <tr> <td>Mr Chew Wai Chuen</td> <td>Independent and Non-Executive Chairman</td> <td>19 February 2019</td> </tr> <tr> <td>Dato' Sri Ivan Chee Yew Fei (“Dato' Sri Ivan Chee”)</td> <td>Executive Director and Chief Executive Officer (“CEO”)</td> <td>13 November 2017</td> </tr> <tr> <td>Mr Ng Mun Fey</td> <td>Executive Director and Chief Operating Officer (“COO”)</td> <td>19 February 2019</td> </tr> <tr> <td>Mr Edmund Chee Ji Kang (“Mr Edmund Chee”)</td> <td>Executive Director</td> <td>1 August 2023</td> </tr> <tr> <td>Mr Goh Kah Im</td> <td>Independent Director</td> <td>19 February 2019</td> </tr> <tr> <td>Ms Anita Chew Cheng Im (“Ms Anita Chew”)</td> <td>Independent Director</td> <td>19 February 2019</td> </tr> <tr> <td>Ms Teh Lip Kim</td> <td>Non-Executive and Non-Independent Director</td> <td>19 February 2019</td> </tr> <tr> <td>Mr Loong Ching Hong</td> <td>Non-Executive and Non-Independent Director</td> <td>19 February 2019</td> </tr> <tr> <td>Ms Willa Chee Keng Fong (“Ms Willa Chee”)</td> <td>Non-Executive and Non-Independent Director</td> <td>19 February 2019</td> </tr> </tbody> </table> | <i>Table 1.1 – Composition of the Board</i> | | | Name of Director | Designation | Date of Appointment | Mr Chew Wai Chuen | Independent and Non-Executive Chairman | 19 February 2019 | Dato' Sri Ivan Chee Yew Fei (“ Dato' Sri Ivan Chee ”) | Executive Director and Chief Executive Officer (“ CEO ”) | 13 November 2017 | Mr Ng Mun Fey | Executive Director and Chief Operating Officer (“ COO ”) | 19 February 2019 | Mr Edmund Chee Ji Kang (“ Mr Edmund Chee ”) | Executive Director | 1 August 2023 | Mr Goh Kah Im | Independent Director | 19 February 2019 | Ms Anita Chew Cheng Im (“ Ms Anita Chew ”) | Independent Director | 19 February 2019 | Ms Teh Lip Kim | Non-Executive and Non-Independent Director | 19 February 2019 | Mr Loong Ching Hong | Non-Executive and Non-Independent Director | 19 February 2019 | Ms Willa Chee Keng Fong (“ Ms Willa Chee ”) | Non-Executive and Non-Independent Director | 19 February 2019 |
| <i>Table 1.1 – Composition of the Board</i> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Name of Director | Designation | Date of Appointment | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mr Chew Wai Chuen | Independent and Non-Executive Chairman | 19 February 2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dato' Sri Ivan Chee Yew Fei (“ Dato' Sri Ivan Chee ”) | Executive Director and Chief Executive Officer (“ CEO ”) | 13 November 2017 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mr Ng Mun Fey | Executive Director and Chief Operating Officer (“ COO ”) | 19 February 2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mr Edmund Chee Ji Kang (“ Mr Edmund Chee ”) | Executive Director | 1 August 2023 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mr Goh Kah Im | Independent Director | 19 February 2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ms Anita Chew Cheng Im (“ Ms Anita Chew ”) | Independent Director | 19 February 2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ms Teh Lip Kim | Non-Executive and Non-Independent Director | 19 February 2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mr Loong Ching Hong | Non-Executive and Non-Independent Director | 19 February 2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ms Willa Chee Keng Fong (“ Ms Willa Chee ”) | Non-Executive and Non-Independent Director | 19 February 2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

CORPORATE GOVERNANCE REPORT

| Provision | Code Description | Company's Compliance or Explanation |
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| 1.2 | Induction, Training and Development | <p>The Company provides a comprehensive orientation programme to familiarise the new Directors with the Group's businesses, accounting control policies, procedures and internal control policies and procedures, including an overview of the written policies and procedures in relation to the financial, operational and compliance controls; as well as the Group's history, core values, strategic direction and industry-specific knowledge so as to assimilate them into their new roles.</p> <p>For newly appointed Directors who do not have prior experience as a director of a public listed company in Singapore, they will attend relevant training courses organised by the Singapore Institute of Directors, and the Institute of Singapore Chartered Accountants and SAC Capital pursuant to Catalyst Rule 406(3)(a) and Practice Note 4D of the Catalyst Rules within one year from the date of their appointment, as well as other courses relating to accounting, legal and industry-specific knowledge, where appropriate, organised by other training institutions, in connection with their duties, and such training will be funded by the Company.</p> <p>As a first-time Director of SGX-ST listed company, Mr. Edmund Chee who was appointed on 1 August 2023 will be completing the SGX-ST prescribed First-Time Director training within one year from the date of his appointment.</p> <p>The Directors are updated regularly when there are changes to the Catalyst Rules, Code of Corporate Governance, insider trading and the key changes in the relevant regulatory requirements and international financial reporting standards and the relevant laws and regulations to facilitate effective discharge of their fiduciary duties as Board or Board Committees members. New releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority ("ACRA") which are relevant to the Directors are circulated to the Board. At the Board meetings of the Company, the external auditors ("EA") had briefed the AC and the Board on changes and amendments to the accounting standards.</p> <p>The Company Secretary would also inform the Directors of the upcoming conferences and seminars relevant to their roles as Directors of the Company. The Directors are encouraged to attend seminars and training to update themselves in the discharge of Directors' duties and responsibilities, at the expense of the Company. Changes to regulations and accounting standards are monitored closely by the Management. In addition, the Management regularly updates and familiarises the Directors on the business activities of the Company during Board and Board Committees' meetings.</p> |

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| | | <p>Table 1.2 – Training and Development</p> <table border="1"> <thead> <tr> <th>Name of directors</th> <th>Training attended</th> </tr> </thead> <tbody> <tr> <td>Mr Chew Wai Chuen</td> <td>1) Refresher training on Implications from the Corporate Liability on Bribery</td> </tr> <tr> <td>Dato' Sri Ivan Chee</td> <td>1) Refresher training on Implications from the Corporate Liability on Bribery</td> </tr> <tr> <td>Mr Ng Mun Fey</td> <td>1) Refresher training on Implications from the Corporate Liability on Bribery</td> </tr> <tr> <td>Mr Edmund Chee</td> <td>1) Refresher training on Implications from the Corporate Liability on Bribery 2) LED 1: Listed Entity Director Essentials 3) LED 2: Board Dynamics 4) LED 3: Board Performance 5) LED 9: Environmental, Social & Governance Essentials 6) Geology for Non-Geologists 7) Mining for Non-Miners 8) Understanding Mineral Processing Fundamentals 9) Legislation Course for Mining & Quarrying 2024</td> </tr> <tr> <td>Mr Goh Kah Im</td> <td>1) Refresher training on Implications from the Corporate Liability on Bribery 2) Business Intelligence and Analytics with Power BI for Accountants 3) EY: Environmental, Social and Governance IFRS S1 and S2: Beyond compliance</td> </tr> <tr> <td>Ms Anita Chew</td> <td>1) Refresher training on Implications from the Corporate Liability on Bribery 2) SC's AOB Conversation with Audit Committee</td> </tr> <tr> <td>Ms Teh Lip Kim</td> <td>1) Refresher training on Implications from the Corporate Liability on Bribery 2) Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers</td> </tr> <tr> <td>Mr Loong Ching Hong</td> <td>1) Refresher training on Implications from the Corporate Liability on Bribery 2) ACCA Technical Symposium 2023 3) Implementation of e-invoicing in Malaysia 4) Technical Updates on MFRS</td> </tr> <tr> <td>Ms Willa Chee</td> <td>1) Refresher training on Implications from the Corporate Liability on Bribery</td> </tr> </tbody> </table> | Name of directors | Training attended | Mr Chew Wai Chuen | 1) Refresher training on Implications from the Corporate Liability on Bribery | Dato' Sri Ivan Chee | 1) Refresher training on Implications from the Corporate Liability on Bribery | Mr Ng Mun Fey | 1) Refresher training on Implications from the Corporate Liability on Bribery | Mr Edmund Chee | 1) Refresher training on Implications from the Corporate Liability on Bribery 2) LED 1: Listed Entity Director Essentials 3) LED 2: Board Dynamics 4) LED 3: Board Performance 5) LED 9: Environmental, Social & Governance Essentials 6) Geology for Non-Geologists 7) Mining for Non-Miners 8) Understanding Mineral Processing Fundamentals 9) Legislation Course for Mining & Quarrying 2024 | Mr Goh Kah Im | 1) Refresher training on Implications from the Corporate Liability on Bribery 2) Business Intelligence and Analytics with Power BI for Accountants 3) EY: Environmental, Social and Governance IFRS S1 and S2: Beyond compliance | Ms Anita Chew | 1) Refresher training on Implications from the Corporate Liability on Bribery 2) SC's AOB Conversation with Audit Committee | Ms Teh Lip Kim | 1) Refresher training on Implications from the Corporate Liability on Bribery 2) Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers | Mr Loong Ching Hong | 1) Refresher training on Implications from the Corporate Liability on Bribery 2) ACCA Technical Symposium 2023 3) Implementation of e-invoicing in Malaysia 4) Technical Updates on MFRS | Ms Willa Chee | 1) Refresher training on Implications from the Corporate Liability on Bribery |
| Name of directors | Training attended | | | | | | | | | | | | | | | | | | | | | |
| Mr Chew Wai Chuen | 1) Refresher training on Implications from the Corporate Liability on Bribery | | | | | | | | | | | | | | | | | | | | | |
| Dato' Sri Ivan Chee | 1) Refresher training on Implications from the Corporate Liability on Bribery | | | | | | | | | | | | | | | | | | | | | |
| Mr Ng Mun Fey | 1) Refresher training on Implications from the Corporate Liability on Bribery | | | | | | | | | | | | | | | | | | | | | |
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| Mr Goh Kah Im | 1) Refresher training on Implications from the Corporate Liability on Bribery 2) Business Intelligence and Analytics with Power BI for Accountants 3) EY: Environmental, Social and Governance IFRS S1 and S2: Beyond compliance | | | | | | | | | | | | | | | | | | | | | |
| Ms Anita Chew | 1) Refresher training on Implications from the Corporate Liability on Bribery 2) SC's AOB Conversation with Audit Committee | | | | | | | | | | | | | | | | | | | | | |
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| 1.3 | Matters reserved for the Board | <p>The Board has put in place internal guidelines for matters reserved for the Board's approval. Specifically, matters and transactions that require the Board's approval include, among others, the following:</p> <ul style="list-style-type: none"> • release of the quarterly and full year results announcements; • annual report and financial statements; • annual budgets and financial plans of the Company; • business, strategy and capital expenditure budgets; • convening of shareholders' meetings, circulars to shareholders and related announcements to be submitted to the SGX-ST; • overall corporate strategy and changes to the corporate structure; • acquisitions, investments and disposals of assets exceeding a certain threshold; • share issuances; • recommendation/declaration of dividends; • appointment of Directors and key executives, Company Secretary of the Company and terms of reference for the Board Committees; • review of Directors and key executives' performance and remuneration packages; • interested person transactions; • material regulatory matters or litigation; and • compliance matters associated with the Catalyst Rules, Securities and Futures Act or other relevant laws and regulations. |
| 1.4/Rule 406(3)(e) of the Catalyst Rules | Board Committees | <p>To assist in the execution of its responsibilities, the Board is supported by three board committees, namely the Audit Committee ("AC"), Nominating Committee ("NC") and the Remuneration Committee ("RC") (collectively "Board Committees"). As the Board retains ultimate responsibility on all decisions, all matters discussed at the Board Committee meetings are presented and reported to the Board for approval prior to its implementation. The Board Committees function within clearly defined terms of reference and operating procedures, and play an important role in ensuring good corporate governance in the Company and within the Group. The terms of reference of the Board Committees are reviewed by the Board on a regular basis to enhance the effectiveness of these Board Committees. The terms of reference of the respective Board Committees, as well as other relevant information on the Board Committees, can be found in the subsequent sections of this Report.</p> |

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| 1.4/Rule 406(3)(e) of the SGX-ST | Board Committees | <p>The compositions of the Board Committees as at the date of this Report are as follows:</p> <table border="1"> <caption>Table 1.4 – Composition of the Board Committees</caption> <thead> <tr> <th></th> <th>AC⁽¹⁾</th> <th>NC⁽²⁾</th> <th>RC⁽³⁾</th> </tr> </thead> <tbody> <tr> <td>Chairman</td> <td>Mr Goh Kah Im</td> <td>Ms Anita Chew</td> <td>Mr Chew Wai Chuen</td> </tr> <tr> <td>Member</td> <td>Mr Chew Wai Chuen</td> <td>Mr Chew Wai Chuen</td> <td>Ms Anita Chew</td> </tr> <tr> <td>Member</td> <td>Ms Anita Chew</td> <td>Dato' Sri Ivan Chee</td> <td>Mr Loong Ching Hong</td> </tr> </tbody> </table> <p>Notes:</p> <p>(1) The AC comprised three (3) members, all of whom (including the Chairman) are independent.</p> <p>(2) The NC comprised three (3) members, the majority of whom (including the Chairman) are independent.</p> <p>(3) The RC comprised three (3) members, all non-executive and the majority of whom (including the Chairman) are independent.</p> | | AC ⁽¹⁾ | NC ⁽²⁾ | RC ⁽³⁾ | Chairman | Mr Goh Kah Im | Ms Anita Chew | Mr Chew Wai Chuen | Member | Mr Chew Wai Chuen | Mr Chew Wai Chuen | Ms Anita Chew | Member | Ms Anita Chew | Dato' Sri Ivan Chee | Mr Loong Ching Hong |
| | AC ⁽¹⁾ | NC ⁽²⁾ | RC ⁽³⁾ | | | | | | | | | | | | | | | |
| Chairman | Mr Goh Kah Im | Ms Anita Chew | Mr Chew Wai Chuen | | | | | | | | | | | | | | | |
| Member | Mr Chew Wai Chuen | Mr Chew Wai Chuen | Ms Anita Chew | | | | | | | | | | | | | | | |
| Member | Ms Anita Chew | Dato' Sri Ivan Chee | Mr Loong Ching Hong | | | | | | | | | | | | | | | |
| 1.5 | Board and Board Committees meeting | <p>The Board will meet at least quarterly, and on an ad-hoc basis, if required, as deemed appropriate by the Board members, to review and discuss the performance of the Group, to approve the quarterly and full year results announcements as well as to oversee the business affairs of the Group. The calendar of all the Board and Board Committees meetings are scheduled in advance. The Board is free to seek clarification and information from the Management on all matters within their purview. Ad-hoc meetings are convened as may be necessary to address any specific significant matters that may arise. The Constitution of the Company and terms of reference for each individual Board Committee allow the Directors to participate in Board and Board Committees meetings to be held by means of telephonic, video conferencing or other communication facilities to communicate with each other simultaneously and instantaneously. Important matters concerning the Group are also put to the Board for its decision by way of written resolutions.</p> | | | | | | | | | | | | | | | | |

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| | | <p>During FY2024, the number of Board and Board Committee meetings held and the attendance of each Board member at such meetings are set out below:</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th rowspan="2">Board</th> <th colspan="3">Board Committees</th> <th rowspan="2">Annual General Meeting</th> <th rowspan="2">Extra-ordinary General Meeting</th> </tr> <tr> <th>AC</th> <th>NC</th> <th>RC</th> </tr> </thead> <tbody> <tr> <td>Number of meetings held</td> <td>4</td> <td>4</td> <td>2</td> <td>3</td> <td>1</td> <td>1</td> </tr> <tr> <td>Directors in service as at 29 February 2024</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Mr Chew Wai Chuen</td> <td>4</td> <td>4</td> <td>2</td> <td>3</td> <td>√</td> <td>√</td> </tr> <tr> <td>Dato' Sri Ivan Chee</td> <td>4</td> <td>3*</td> <td>2</td> <td>1*</td> <td>√</td> <td>√</td> </tr> <tr> <td>Mr Ng Mun Fey</td> <td>3</td> <td>3*</td> <td>–</td> <td>–</td> <td>√</td> <td>√</td> </tr> <tr> <td>Mr Edmund Chee#</td> <td>2</td> <td>3*</td> <td>–</td> <td>–</td> <td>–</td> <td>–</td> </tr> <tr> <td>Mr Goh Kah Im</td> <td>4</td> <td>3</td> <td>–</td> <td>–</td> <td>√</td> <td>√</td> </tr> <tr> <td>Ms Anita Chew</td> <td>4</td> <td>4</td> <td>2</td> <td>3</td> <td>√</td> <td>√</td> </tr> <tr> <td>Ms Teh Lip Kim</td> <td>4</td> <td>–</td> <td>–</td> <td>–</td> <td>√</td> <td>√</td> </tr> <tr> <td>Mr Loong Ching Hong</td> <td>4</td> <td>–</td> <td>–</td> <td>3</td> <td>√</td> <td>√</td> </tr> <tr> <td>Ms Willa Chee</td> <td>3</td> <td>–</td> <td>–</td> <td>–</td> <td>√</td> <td>√</td> </tr> </tbody> </table> <p>* By invitation # Appointed as a Director with effect from 1 August 2023</p> | | Board | Board Committees | | | Annual General Meeting | Extra-ordinary General Meeting | AC | NC | RC | Number of meetings held | 4 | 4 | 2 | 3 | 1 | 1 | Directors in service as at 29 February 2024 | | | | | | | Mr Chew Wai Chuen | 4 | 4 | 2 | 3 | √ | √ | Dato' Sri Ivan Chee | 4 | 3* | 2 | 1* | √ | √ | Mr Ng Mun Fey | 3 | 3* | – | – | √ | √ | Mr Edmund Chee# | 2 | 3* | – | – | – | – | Mr Goh Kah Im | 4 | 3 | – | – | √ | √ | Ms Anita Chew | 4 | 4 | 2 | 3 | √ | √ | Ms Teh Lip Kim | 4 | – | – | – | √ | √ | Mr Loong Ching Hong | 4 | – | – | 3 | √ | √ | Ms Willa Chee | 3 | – | – | – | √ | √ |
| | Board | Board Committees | | | Annual General Meeting | Extra-ordinary General Meeting | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | AC | NC | RC | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Number of meetings held | 4 | 4 | 2 | 3 | 1 | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Directors in service as at 29 February 2024 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mr Chew Wai Chuen | 4 | 4 | 2 | 3 | √ | √ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dato' Sri Ivan Chee | 4 | 3* | 2 | 1* | √ | √ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mr Ng Mun Fey | 3 | 3* | – | – | √ | √ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mr Edmund Chee# | 2 | 3* | – | – | – | – | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mr Goh Kah Im | 4 | 3 | – | – | √ | √ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ms Anita Chew | 4 | 4 | 2 | 3 | √ | √ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ms Teh Lip Kim | 4 | – | – | – | √ | √ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mr Loong Ching Hong | 4 | – | – | 3 | √ | √ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ms Willa Chee | 3 | – | – | – | √ | √ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Multiple board representation | Directors with multiple Board representations would ensure that sufficient time and attention are given to the affairs of the Company. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.6 | Board information | The Management provides the Board with key information that is complete, adequate and in advance to enable the Directors to make timely decisions, effectively discharge their duties and make a balanced and informed assessment of the performance, position and prospects of the Company. Key information comprises, among others, properly organised board papers (with background or explanatory information relating to the matters brought before the Board, where necessary), updates to Group operations and the markets in which the Group operates, budgets and/or forecasts, management accounts, EA reports and reports on on-going or planned corporate actions. Where the situation requires, Directors are entitled to request for additional information from Management and such information are provided to the Directors in a timely manner. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| 1.7 | Board's access | <p>The Board has separate and independent access to the Senior Management team, external advisers (where necessary) and the Company Secretary at all times.</p> <p>The Company Secretary and/or her representative(s) attend all Board and Board Committees meetings. The responsibilities of the Company Secretary include advising the Board on governance matters, facilitating the process of appointment of new Directors and assisting the Chairman of the Board in ensuring information flows within the Board and its Board Committees and between the Management and the Directors. The Company Secretary will also provide the Board with updates to regulations and legislations that the Company are required to comply with, as required. The appointment and removal of the Company Secretary is to be decided by the Board as a whole.</p> <p>Where decisions to be taken by the Board require specialised knowledge or expert opinion, the Directors may direct the Company to appoint external advisers to enable it or the Independent Directors to discharge the responsibilities effectively, the cost of which will be borne by the Company.</p> |
| <p>Board Composition and Guidance Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company</p> | | |
| 2.1 Rule 1204(10B) of the Catalist Rules | Board composition – independence and diversity | <p>As at the date of this report, the Company is in compliance with Provision 2 of Code 2018.</p> <p>The Board comprises 9 members, out of which three (3) are Executive Directors, three (3) are Independent Directors and three (3) are Non-Executive Non-Independent Directors. Non-Executive Directors make up majority of the Board.</p> <p>Mr Chew Wai Chuen – Chairman and Independent Director Dato' Sri Ivan Chee – Executive Director and CEO Mr Ng Mun Fey – Executive Director and COO Mr Edmund Chee – Executive Director Mr Goh Kah Im – Independent Director Ms Anita Chew – Independent Director Ms Teh Lip Kim – Non-Executive and Non-Independent Director Mr Loong Ching Hong – Non-Executive and Non-Independent Director Ms Willa Chee – Non-Executive and Non-Independent Director</p> <p>The Chairman of the Board (the “Chairman”) is an Independent Director and not part of the Management team. The Chairman and the CEO are also not immediate family members nor related.</p> |

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| | | <p>The Board assesses the independence of each Director in accordance with the guidance provided in Code 2018 as well as Rule 406(3)(d) of the Catalist Rules. An Independent Director is one who is independent in conduct, character and judgement and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his/her independent business judgement in the best interests of the Company.</p> <p>On an annual basis, each Independent Director is required to complete a "Confirmation of Independence" form to confirm his/her independence. The said form was drawn up based on the definitions and guidelines set forth in the Code 2018. The Directors are required to disclose to the Board any such relationship as and when it arises and the Board will state the reasons if it determines that a director is independent notwithstanding the existence of a relationship or circumstances which may appear relevant to the Board's determination.</p> <p>The NC will also examine the different relationships identified by Code 2018 that might impair each Independent Director's independence and objectivity and concluded that all the Independent Directors are able to exercise independent business judgement in the best interests of the Company and its shareholders.</p> <p>The Independent Directors have confirmed their independence in accordance with the Code 2018 and Rule 406(3)(d) of the Catalist Rules.</p> <p>As at the date of this Report, the NC has reviewed the independence status of the Independent Directors and is satisfied that Mr Chew Wai Chuen, Mr Goh Kah Im and Ms Anita Chew are independent in accordance with the Provision 2.1 of the Code 2018 and Rule 406(3)(d) of the Catalist Rules.</p> <p>There is no Director who is deemed independent by the Board, notwithstanding the existence of a relationship as stated in the Code 2018 that would otherwise deem him not to be independent. There is currently no Independent Director who has served on the Board for more than nine years.</p> |
| 2.2 | Independent Directors | As the Chairman of the Board is independent, the Company need not comply with Provision 2.2 of the Code 2018. The Company has three (3) Independent Directors. |
| 2.3 | Non-Executive Directors | To facilitate a more effective review of Management, the Non-Executive Directors will communicate on an ad-hoc basis without the presence of the Management and Executive Directors to discuss the performance of the Management and any matters of concern. The current Board composition complies with Provision 2.3 of the Code 2018 where Non-Executive Directors make up a majority of the Board. |

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| 2.4 | Board size and diversity | <p>The size and composition of the Board is reviewed at least annually to ensure that the Board has the appropriate mix of expertise, skills, knowledge, experience and gender diversity for effective decision-making. The Board, in concurrence with the NC, is of the view that the current number of nine (9) Directors and the composition are appropriate and effective, taking into consideration the scope and nature of the Company's operations. No individual or small group of individuals dominate the Board's decision-making.</p> <p>The Board is committed to ensuring diversity on the Board including but not limited to appropriate balance and mix of skills, knowledge, experience, gender, age and the core competencies of accounting or finance, legal and regulatory, business or management experience, industry knowledge, and strategic planning to avoid groupthink and foster constructive debate.</p> <p>As at the date of this report, the Company has formalised and adopted a Board Diversity Policy ("Policy") that addresses diversity in terms of experience, skills, gender, age, tenure, and qualities, as well as any other relevant aspects of diversity. The Policy also sets out the approach which the Company takes towards diversity on its Board. The Company believes in diversity and values the benefits diversity can bring to the Board in its deliberations and the Board's effectiveness – in particular, it believes that a balance and mix of skills, experiences and individual attributes of Board members which shape the composition and promote the effectiveness of the Board as a whole and that of the Board committees, will support the Company's achievement of strategic objectives and long-term sustainable development and success.</p> <p>The Board observes and applies the Policy to ensure that the Board will have an appropriate level of diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company. In this regard, the Board, supported by the NC, encourages the emergence of diverse candidates by ensuring that the Board is made up of a diversity of candidates (including consideration of a diversity of skills, knowledge, experience, gender, ethnicity and age).</p> <p>The current Board comprises three (3) female Directors and six (6) male Directors with an age group ranging from 24 to 58 years old. Female Directors represent 33.3% of the Board. Each director has been appointed based on the strength of his or her calibre, experience, grasp of corporate strategy and potential to contribute to the Company and its businesses. The Board provides diversity of expertise and knowledge in areas such as accounting, finance, strategic planning, investment, business management and administration, industry knowledge, engineering technology and economics. This diversity facilitates constructive debate on the business activities of the Company and enables Management to benefit from a diverse and objective set of perspectives on issues that are brought before the Board. The Board, in concurrence of the NC, is of the view that the current Directors possess the necessary competencies to provide the Management with a diverse and objective perspective on issues so as to lead and govern the Company effectively.</p> |

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| | | <p>In line with the Board Diversity Policy, the Board has met its objectives in ensuring a diverse of skills and experience given that the existing Board members comprises Directors with a mix of expertise and knowledge and diverse background. The Company has also met its objectives in ensuring a diversity of age and gender on the Board.</p> <p>The Board will seek to incorporate further diversity aspects as and when the opportunity and/or need arises, instead of adhering to a fixed timeline for diversity targets. The Board will ensure that it has the flexibility to improve its diversity without compromising board efficiency. The NC will deliberately determine, from time to time, the results of its review on rejuvenating and refreshing the Board composition in its recommendation for the appointment of new directors and/or the re-appointment of incumbent directors, bearing in mind the salient factors set out under the provisions in the Code as well as all other relevant circumstances. As part of and to facilitate the Company's succession planning, the Board had appointed Mr Edmund Chee, an additional executive director during FY2024.</p> <p>As at the date of this Report, the Board, taking into account the views of the NC, considers that the current composition of the Board and Board committees comprise a balance and mix of skills, experiences and individual attributes which promote the effectiveness of the Board as a whole and that of its Board committees. During the financial year under review, the Board has maintained its policy, in relation to skills & experiences, gender, age and tenure diversity of the Directors.</p> <p>The key information of the Directors, including their appointment dates, academic and professional qualifications, Board Committees served on, principal commitment(s) and directorships in other listed company(ies) are set out on pages 15 to 17 of this annual report.</p> |
| 2.5 | <p>Regular meetings for Independent and Non-Executive Directors</p> | <p>Where appropriate, the Independent and Non-Executive Directors meet periodically without the presence of the Executive Directors to discuss concerns or matters such as the effectiveness of the Management and provides feedback to the Board and/or Chairman of the Board, as appropriate, after such meetings.</p> <p>During FY2024, the Independent Directors met at least once in the absence of key management personnel.</p> <p>Independent Directors fulfil a pivotal role in corporate accountability. Their presence is particularly important as they provide unbiased and independent views, advice and judgement to take care of the interests, not only of the Company but also of the shareholders, employees, customers, suppliers and the many communities with which the Company conducts business.</p> |

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| Chairman and Chief Executive Officer Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making | | |
| 3.1 3.2 3.3 | The Chairman and CEO are separate persons | <p>Mr Chew Wai Chuen is the Chairman of the Board and Dato Sri Ivan Chee is the CEO of the Company. As the Chairman and the CEO are separate persons, with the Chairman being independent, the Company does not have a lead independent director.</p> <p>Mr Chew Wai Chuen and Dato' Sri Ivan Chee are not related to each other and do not have any business relationship between them.</p> <p>The roles of the Chairman and the CEO are separate and distinct, each having their own areas of responsibilities. The distinctive separation of responsibilities between the Chairman and the CEO had ensured an appropriate balance of power, increased accountability and greater capacity for the Board to exercise independent decision-making. There is a clear division of responsibilities, as set out in writing and agreed by the Board, between the leadership of the Board and the executives responsible for managing the Company's business.</p> <p>The Chairman is responsible for ensuring the effectiveness and integrity of the governance process. He exercises control over the quality, quantity and timeliness of information flow between the Board and the Management and effective communication with the shareholders. His responsibilities in respect of the Board proceedings include:</p> <ul style="list-style-type: none"> (a) in consultation with the CEO, setting the agenda (with the assistance of the Company Secretary) and ensuring that adequate time is available for discussion of all agenda items; (b) ensuring that all agenda items are adequately and openly debated at the Board meetings; (c) ensuring that all Directors receive complete, adequate and timely information; and (d) assisting in ensuring that the Group complies with the Code of Corporate Governance and maintains high standards of corporate governance. <p>The CEO is responsible for the overall management, operations, strategic planning and business expansion of the Group. He oversees the execution of the Group's corporate and business strategies and the day-to-day operations of the Group. His performance and appointment to the Board will be reviewed by the NC and his remuneration package is reviewed by the RC periodically.</p> <p>The Board is of the view that there is a clear division of responsibilities between the Independent Chairman and the CEO in order to ensure that there is an appropriate balance of power, increased accountability and sufficient capacity of the Board for independent decision making.</p> |

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| Board Membership | | |
| Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board | | |
| 4.1 | Nominating Committee role | <p>The NC is guided by key terms of reference as follows:</p> <ul style="list-style-type: none"> (a) to review the structure, size and composition of the Board and the Board committees; (b) to review the succession plans for the Chairman of the Board, the CEO, COO and key management personnel of the Company; (c) to propose and implement objective performance criteria to be used in the assessment of the performance of the Board, the Board committees and each individual Director; (d) to review the training and professional development programmes for the Board; (e) to make recommendations to the Board on the appointment and re-appointment of all Directors (including alternate directors, if applicable) including making recommendations on the composition of the Board and the balance between Executive and Non-Executive Directors appointed to the Board; (f) to review and assess the independence of each Director; and (g) deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director of the Company, particularly when he has multiple board representations and/or a conflict of interest. |
| 4.2 | Nominating Committee composition | <p>The Board has established the NC that comprises two (2) Independent Directors and one (1) Executive Director who have been tasked with the authority and responsibility to devise an appropriate process to review and evaluate the performance of the Board as a whole and each of the Board Committees. As at the date of this CG Report, an appropriate process has been established and implemented. The Chairman of the NC is Ms Anita Chew, who is an Independent Director.</p> <p>The composition of the NC is as follows:</p> <p>Ms Anita Chew – Chairman Mr Chew Wai Chuen – Member Dato' Sri Ivan Chee – Member</p> |

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| 4.3 4.4 Rule 720(4) of the Catalist Rules | Director appointment and re-appointment | <p>The NC conducts an annual review of the balance, diversity and size of the Board to determine whether any changes are required in relation to the Board composition. Where new directors are required, the NC will identify the key attributes that an incoming director should have, which is based on a matrix of the attributes of the existing Board and the requirements of the Group. After the Board endorsed the key attributes, the NC taps on the resources of the Directors' contacts and/or engage external consultants to source for potential candidates. The NC will review and shortlist candidates and provide a recommendation for Board approval.</p> <p>The NC also conducts an annual review of the independence of a director having regard to the circumstances set forth in Provision 2.1 of the Code 2018 and Rule 406(3)(d) of the Catalist Rules. Sufficient information will accompany all resolutions for the Directors' appointments and re-appointments to enable the Board to make informed decisions.</p> <p>Pursuant to Rule 720(4) of the Catalist Rules, all Directors must submit themselves for re-nomination and re-appointment at least once every three (3) years. Pursuant to Regulation 98 of the Company's Constitution, at each AGM, at least one-third of the Directors for the time being, or if their number is not three or multiple of three, then the number nearest to one-third but not less than one-third shall retire by rotation and that all Directors shall retire at least once every three years and such retiring Director shall be eligible for re-election. In addition, pursuant to Regulation 97 of the Company's Constitution, new Directors appointed during the financial year, either to fill a casual vacancy or as an additional Director, are required to submit themselves for re-election at the next AGM.</p> <p>Accordingly, the NC has recommended to the Board that Mr Edmund Chee, Dato' Sri Ivan Chee, Mr Loong Ching Hong and Ms Anita Chew ("Retiring Directors") be nominated for re-election at the forthcoming AGM. Pursuant to Regulations 97 and 98, the Retiring Directors have offered themselves for re-election at the forthcoming AGM.</p> <p>The Board had accepted the NC's recommendation. Please refer to the Notice of AGM for the resolutions put forth in relation to the respective re-elections and details of the Retiring Directors including the information required under Appendix 7F of the Catalist Rules disclosed in pages 97 to 109 of this Annual Report.</p> <p>Mr Edmund Chee will, upon re-election as a Director, remain as an Executive Director of the Company.</p> <p>Dato' Sri Ivan Chee will, upon re-election as a Director, remain as an Executive Director and Chief Executive Officer of the Company, and a member of the NC.</p> |

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| | | <p>Mr Loong Ching Hong will, upon re-election as a Director, remain as a Non-Executive Director and Non-Independent Director of the Company, and a member of the RC.</p> <p>Ms Anita Chew will, upon re-election as a Director, remain as an Independent Director of the Company, Chairman of the NC and member of the AC and RC. The Board, with the concurrence of the NC, has also considered Ms Anita Chew to be independent for the purposes of Rule 704(7) of the Catalist Rules.</p> <p>Ms Anita Chew and Dato' Sri Ivan Chee, each being a member of the NC, have abstained from making any recommendation and/or participating in any deliberation of the NC in respect of the assessment of her/his own contributions and/or re-election as a Director.</p> |
| 4.5 | Multiple Directorships | <p>The NC is responsible for reviewing the ability of Directors to devote sufficient time and attention to the affairs of the Company and in particular to take into account multiple directorships and significant principal commitments held by the Directors.</p> <p>The NC requires each Director to declare any new additional directorships or significant principal commitments during the year to enable the ongoing monitoring of the time commitment, attendance and contributions of the Directors to the Company. The Board has not imposed any limit as it is of the view that the number of directorships and principal commitments that an individual may hold should be considered on a case-by-case basis, as a person's available time and attention may be affected by many different factors. The NC also does not wish to omit from considering outstanding individuals who, despite the demands on their time, have the capacity to participate and contribute as members of the Board.</p> <p>In FY2024, only one (1) of the Directors hold more than two (2) but not more than five (5) directorships in other listed companies.</p> <p>Based on its assessment, the NC and the Board concluded that the nature of the organisations in which the Directors with multiple directorships hold appointments and the Board Committees on which they serve are of different complexities. Accordingly, each Director would personally determine the demands of his/her competing directorships and obligations and assess the number of listed directorships they could hold and serve effectively.</p> <p>During FY2024, most of the Directors and Board Committee members had also attended all Board and Board Committees meetings respectively with the exception of certain directors. Please refer to the Directors' meeting attendance at page 66. Overall, they have dedicated sufficient time and attention and also discharged their responsibilities towards the affairs of the Company.</p> |

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| | | <p>The NC is satisfied that the other directorships and principal commitments of the Directors did not impede their respective performance nor hindered them from carrying out their duties as Directors of the Company and each of them is able to and has diligently and adequately carried out his/her duties as a Director of the Company since their appointments.</p> <p>The key information of the Directors, including their appointment dates, academic and professional qualifications, Board Committees served on, principal commitment(s) and directorships in other listed company(ies) are set out on pages 15 to 17 of this annual report.</p> |
| Practice Guidance 4 | Alternate Directors | The Company does not have any alternate Directors. |
| Board Performance <i>Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors</i> | | |
| 5.1 | Performance criteria and process for evaluation of the effectiveness of the Board | As recommended by Provision 5.1 of Code 2018, the NC has implemented a self-assessment process that requires each Director to assess the performance and effectiveness of the Board as a whole, and each of the Board Committees and for assessing the contribution by the Chairman and each individual Directors to the effectiveness of the Board, for each financial year. |
| 5.2 | Disclosure of assessment of the Board, Board Committees and each Director | <p>The board assessment questionnaire has been developed for the Board to implement a formal annual process for assessing the effectiveness of the Board as a whole and the contribution of each of the Board Committees and each individual Director to the effectiveness of the Board.</p> <p>The Company Secretary will collate the results and the summary of the assessment will be presented to the Chairman of the Board and the NC for review and collective discussion with other Board members to address or recommend any areas for improvement and follow-up actions. The appraisal process focuses on a set of performance criteria for the Board, Board Committees and individual Directors' assessment which includes the evaluation of the size and composition of the Board, the Board's access to information, the Board processes and accountability, Board performance in relation to discharging its principal responsibilities, communication with Key Management Personnel and the Directors' standards of conduct.</p> <p>The NC makes recommendations to the Board aimed at helping the Board to discharge its duties effectively. The Chairman of the Board acts on the results of the performance evaluation and the recommendation of the NC, and where appropriate, in consultation with the NC, new members may be appointed or resignation of directors may be sought. The NC has full authority to engage an external facilitator to assist the NC to carry out the evaluation process, if the need arises.</p> |

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| | | <p>The NC has reviewed the overall performance of the Board, Board Committees and individual Director for FY2024 and is satisfied that the Board as a whole and Board Committees have met the performance evaluation criteria and objectives and each Director has contributed effectively and demonstrated commitment to their respective roles, including commitment of time for the Board and Board Committee meetings and any other duties in FY2024.</p> <p>All NC members have abstained from the voting or review process of any matters in connection with the assessment of his/her performance or re-appointment as a Director of the Company.</p> <p>The Board has considered the use of external facilitators and it is of the view that there was no need to engage an external facilitator for FY2024 as the NC has a sufficient level of objectivity in its evaluation process.</p> |
| <p>REMUNERATION MATTERS Procedures for developing remuneration policies <i>Principle 6: There should be a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and Key Management Personnel. No director is involved in deciding his or her own remuneration</i></p> | | |
| 6.1 | Remuneration Committee role | <p>The RC is established for the purposes of ensuring that there is a formal and transparent process for fixing the remuneration packages of individual Directors and key executives and makes recommendations to the Board on all remuneration matters. The RC has a formal set of terms of reference approved by the Board. A summary of the RC's key responsibilities includes:</p> <ul style="list-style-type: none"> (a) reviewing and recommending to the Board a comprehensive remuneration policy framework and guidelines for remuneration of the Directors and Key Management Personnel; (b) periodic review and recommending to the Board the specific remuneration packages for each individual Director and Key Management Personnel to maintain attractiveness, retain and motivate Directors and Key Management Personnel to manage the Company with the alignment of the level and structure of remuneration with the long-term interest and risk policies of the Company; (c) reviewing the Company's obligations arising in the event of termination of the Executive Directors' and Key Management Personnel's contracts of services to ensure that such contracts contain fair and reasonable termination clauses which are not overly generous, with a view to being fair and avoiding the reward of poor performance; (d) implement and administer any share incentive scheme(s) adopted by the Company in accordance with the rules of such scheme; and (e) review and approve the granting of share options and/or performance shares to Directors and employees. |

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| 6.2 | Remuneration Committee composition | <p>The Board has established the RC that comprises two (2) Independent Directors and one (1) Non-Executive Director who have been tasked with the authority and responsibility to determine and recommend Directors and Key Management Personnel's remuneration packages for the Board's consideration and approval.</p> <p>The Chairman of the RC is Mr Chew Wai Chuen, who is an Independent Director.</p> <p>The composition of the RC is as follows:</p> <p>Mr Chew Wai Chuen – Chairman Ms Anita Chew – Member Mr Loong Ching Hong – Member</p> |
| 6.3 | Termination clauses | <p>The RC reviews and considers all aspects of remuneration including termination terms, to ensure they are fair and not overly generous.</p> <p>Termination clauses are included in the service agreements for Directors and Key Management Personnel. The RC has reviewed and recommended to the Board and the Board concurred that the termination clauses are fair and reasonable, and are not overly generous. There was no termination of any Directors and Key Management Personnel during FY2024.</p> |
| 6.4 | Remuneration experts | <p>The RC has access to expert professional advice on human resource matters whenever there is a need to consult externally. In its deliberations, the RC takes into consideration industry practices and norms in compensation, in addition to the Group's relative performance to the industry and the performance of the individual Directors.</p> <p>The Company has not engaged any remuneration consultants for FY2024 and will continue to monitor the need to engage external remuneration consultants going forward and where applicable, will review the independence of the external firm before any engagement.</p> |

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| Level and Mix of Remuneration <i>Principle 7: The level and structure of remuneration of the Board and Key Management Personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company</i> | | |
| 7.1 7.3 | Remuneration framework | <p>The Company advocates a performance-based remuneration system for Executive Directors and Key Management Personnel that is flexible and responsive to the market, comprising a base salary and other fixed allowances, as well as variable performance bonus structured so as to link rewards to the sustainable performance and value creation of the Company.</p> <p>Our Executive Director and CEO, Dato' Sri Ivan Chee, is entitled to receive an annual incentive bonus of a sum calculated based on the consolidated audited profit before income tax (before non-recurring exceptional items and minority interests for the relevant financial year) of the Group, subject to the terms and conditions in his Service Agreement. Key Management Personnel are entitled to a variable performance bonus calculated based on the enterprise value added framework which measures value creation by Key Management Personnel taking into consideration the Company's cost of working capital.</p> <p>Save for the above and the ESOS as defined below under "Long-term incentives", there are no bonus or profit sharing plans or any other profit-linked agreements or arrangements between the Company and any of the Directors or Key Management Personnel.</p> <p>In determining such remuneration packages, the RC will ensure that they are adequate by considering, in consultation with the Chairman of the Board, the respective individual's responsibilities, skills, expertise and contribution to the Company's performance, and whether they are competitive and sufficient to ensure that the Company is able to attract and retain the best available executive talent, without being excessively generous and be able to motivate the Directors to provide good stewardship of the Company and Key Management Personnel to successfully manage the Company for the long term.</p> |

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| | <p>Long-term incentives</p> | <p>The Company has also adopted the Fortress Employee Share Option Scheme (“ESOS”). The ESOS had been approved by the Shareholders at the general meeting of the Company held on 20 February 2019. The objectives of the ESOS include retention of key employees of the Group whose contributions are essential to the long-term growth and profitability of the Group, instilling loyalty and a stronger identification by participants with the long-term goals of the Company and attraction of potential employees with relevant skills to contribute to our Group creating value for the shareholders so as to align the interests of participants to the interests of the shareholders. Under the ESOS, the aggregate number of shares to be issued shall not exceed 15% of the total issued share capital (excluding treasury shares and subsidiary holdings) and will be in force for a maximum period of ten (10) years commencing from 20 February 2019.</p> <p>The selection of a participant and the number of shares to be granted in accordance to the ESOS is determined in the absolute discretion of the RC, taking into consideration criteria such as his/her rank, job performance during the performance period, potential for future development, his/her future contribution to the success and development of the Group and the extent of effort to achieve the performance target(s) within the performance period. Controlling Shareholders of the Group are not eligible to participate in the ESOS.</p> <p>No share options have been granted pursuant to the ESOS since its adoption and as at the date of issuance of this Annual Report.</p> |
| 7.2 | <p>Non-Executive Director remuneration</p> | <p>The RC has adopted a framework which consists of a base fee to remunerate Independent Directors, and Non-Executive and Non-Independent Directors based on their appointments and roles in the respective Board Committees, taking into account the level of contribution and factors such as effort, time spent and responsibilities and the fees paid by comparable companies. Directors’ fees to be paid to the Independent Directors, and Non-Executive and Non-Independent Directors will be tabled for shareholders’ approval. The Directors’ fees are reviewed annually to ensure that the Independent Directors are not overcompensated to the extent that their independence may be compromised.</p> |
| | <p>Contractual provisions to reclaim incentives</p> | <p>The Company does not have and is of the view that there is presently no urgent need to initiate any contractual provisions in the terms of employment that allow for the reclaiming of incentive components from the Executive Directors and Key Management Personnel in the exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Group. The Executive Directors and Key Management Personnel owe fiduciary duties to the Company. Furthermore, the Company believes that there are alternative legal avenues to these specific contractual provisions that will enable the Company to recover financial losses arising from such exceptional events from the Executive Directors and Key Management Personnel.</p> |

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| <p>Disclosure on Remuneration Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.</p> | | |
| 8.1 | <p>Company's remuneration policy and criteria for setting remuneration</p> | <p>The Group's remuneration policy (which covers all aspects of remuneration, including directors' fees, salaries, allowances and bonuses, grant of share options, and benefits-in-kind) is to ensure that the remuneration offered is competitive and sufficient to attract, retain and motivate Directors and key management personnel of the required experience and expertise. The policy articulates to staff the link that total compensation has to the achievement of organisational and individual performance objectives, and benchmarked against relevant and comparative compensation in the market or the industry.</p> <p>The remuneration package of Key Management Personnel comprises a base fixed cash component, including the base salary and compulsory employer contribution to the Key Management Personnel's employee pension funds account, and a variable cash component. The variable cash component is dependent on a Key Management Personnel's ability to achieve the performance targets, both personal and that of the Group. This aligns the compensation of Key Management Personnel with that of the shareholders in terms of value creation. Key performance indicators for Key Management Personnel are aligned to the interests and value creation to all stakeholders.</p> <p>Though the ESOS is in place, the Company had not granted share options to any employees and Directors under the ESOS since its adoption.</p> <p>The Board believes that the current remuneration framework allows the Company to attract sufficiently qualified talent.</p> <p>Dato' Sri Ivan Chee, the Executive Director and CEO of the Company, has a service agreement with the Company for an initial period of three (3) years with effect from 28 February 2019. The service agreement which was automatically renewed for a further two (2) years on the same terms upon expiry, has expired on 28 February 2024. The Nominating Committee and Remunerating Committee have reviewed the service agreement and endorsed and recommended to the Board of Directors, the renewal of the service agreement for a further period of two (2) years subject to the same terms.</p> |

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| | | <p>The payment of Directors' fees to the Executive Directors was endorsed by the RC on the basis that apart from contributing their time and commitment significantly since the listing of the Company, towards managing the business operations of the Company, at the same time, the Executive Directors have and are expected to perform and undertake the same level of directorial duties and responsibilities that are expected from the Independent and Non-Executive Directors of the Company. The RC is of the view that the payment of the Directors' fees to the Executive Directors is fair and reflective of the duties, responsibilities and the amount of work performed and are expected to be performed by each of them.</p> <p>The Board has recommended the aggregate Directors' fees of S\$658,000 for FY2025 which will be tabled for approval by Shareholders at the forthcoming AGM.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8.1(a) and 8.3 | A breakdown showing the level and mix of each Director's and Key Management Personnel's remuneration | <p>A breakdown, showing the level and mix of each individual Director's remuneration for FY2024 is as follows:</p> <table border="1"> <thead> <tr> <th colspan="6">Table 8.1 (a) – Remuneration of Directors</th> </tr> <tr> <th>Name</th> <th>Base/Fixed Salary and statutory contributions (%)</th> <th>Bonus/variable performance bonus (%)</th> <th>Directors Fees (%)</th> <th>Benefits-in-kind (%)</th> <th>Total (%)</th> </tr> </thead> <tbody> <tr> <td colspan="6">Remuneration Band S\$4,000,001 to S\$4,250,000</td> </tr> <tr> <td>Dato' Sri Ivan Chee</td> <td>36</td> <td>62</td> <td>2</td> <td>–</td> <td>100</td> </tr> <tr> <td colspan="6">Remuneration Band S\$250,001 to S\$500,000</td> </tr> <tr> <td>Ng Mun Fey</td> <td>50</td> <td>34</td> <td>14</td> <td>2</td> <td>100</td> </tr> <tr> <td colspan="6">Remuneration Band below S\$250,000</td> </tr> <tr> <td>Chew Wai Chuen</td> <td>–</td> <td>–</td> <td>100</td> <td>–</td> <td>100</td> </tr> <tr> <td>Goh Kah Im</td> <td>–</td> <td>–</td> <td>100</td> <td>–</td> <td>100</td> </tr> <tr> <td>Anita Chew</td> <td>–</td> <td>–</td> <td>100</td> <td>–</td> <td>100</td> </tr> <tr> <td>Teh Lip Kim</td> <td>–</td> <td>–</td> <td>100</td> <td>–</td> <td>100</td> </tr> <tr> <td>Loong Ching Hong</td> <td>–</td> <td>–</td> <td>100</td> <td>–</td> <td>100</td> </tr> <tr> <td>Willa Chee</td> <td>–</td> <td>–</td> <td>100</td> <td>–</td> <td>100</td> </tr> <tr> <td>Edmund Chee</td> <td>34</td> <td>–</td> <td>66</td> <td>–</td> <td>100</td> </tr> </tbody> </table> <p>The RC recommends Directors' fees for the Board's endorsement and approval by shareholders at the Company's AGM and the fees are determined having regard to the scope and extent of the responsibilities and obligation to the Company. Directors' fees will be paid after approval is obtained from shareholders at the AGM.</p> <p>No Director is involved in deciding his/her own remuneration. Each RC member has abstained from participating in the deliberations of and voting on any resolution in respect of his/her remuneration package or that of employees related to him/her.</p> | Table 8.1 (a) – Remuneration of Directors | | | | | | Name | Base/Fixed Salary and statutory contributions (%) | Bonus/variable performance bonus (%) | Directors Fees (%) | Benefits-in-kind (%) | Total (%) | Remuneration Band S\$4,000,001 to S\$4,250,000 | | | | | | Dato' Sri Ivan Chee | 36 | 62 | 2 | – | 100 | Remuneration Band S\$250,001 to S\$500,000 | | | | | | Ng Mun Fey | 50 | 34 | 14 | 2 | 100 | Remuneration Band below S\$250,000 | | | | | | Chew Wai Chuen | – | – | 100 | – | 100 | Goh Kah Im | – | – | 100 | – | 100 | Anita Chew | – | – | 100 | – | 100 | Teh Lip Kim | – | – | 100 | – | 100 | Loong Ching Hong | – | – | 100 | – | 100 | Willa Chee | – | – | 100 | – | 100 | Edmund Chee | 34 | – | 66 | – | 100 |
| Table 8.1 (a) – Remuneration of Directors | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Name | Base/Fixed Salary and statutory contributions (%) | Bonus/variable performance bonus (%) | Directors Fees (%) | Benefits-in-kind (%) | Total (%) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Remuneration Band S\$4,000,001 to S\$4,250,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dato' Sri Ivan Chee | 36 | 62 | 2 | – | 100 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Remuneration Band S\$250,001 to S\$500,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ng Mun Fey | 50 | 34 | 14 | 2 | 100 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Remuneration Band below S\$250,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Chew Wai Chuen | – | – | 100 | – | 100 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Goh Kah Im | – | – | 100 | – | 100 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Anita Chew | – | – | 100 | – | 100 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Teh Lip Kim | – | – | 100 | – | 100 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Loong Ching Hong | – | – | 100 | – | 100 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Willa Chee | – | – | 100 | – | 100 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Edmund Chee | 34 | – | 66 | – | 100 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| 8.1(b) and 8.3 | Remuneration of top 5 key management personnel (who are not directors or CEO) | <p>As at the date of this Report, the Company has only one (1) top key management personnel i.e. the Financial Controller ("FC"). The disclosure for the remuneration of the Company's key management personnel (who are not Directors or the CEO) for FY2024 is as follows:</p> <table border="1"> <thead> <tr> <th colspan="5">Table 8.1(b) – Remuneration of Key Management Personnel</th> </tr> <tr> <th>Name</th> <th>Base/Fixed Salary and Statutory Contributions (%)</th> <th>Variable or Performance Related Income/Bonuses (%)</th> <th>Benefits In-Kind (%)</th> <th>Total (%)</th> </tr> </thead> <tbody> <tr> <td colspan="5">Remuneration Band below S\$250,000</td> </tr> <tr> <td>Fionne Chua</td> <td>79</td> <td>21</td> <td>–</td> <td>100</td> </tr> </tbody> </table> <p>The Company believes that it should not disclose the remuneration paid to each of the Independent Directors, Non-Executive and Non-Independent Directors, Executive Directors and Key Management Personnel in absolute amount due to the highly competitive market and in the interest of maintaining good morale and building team work within the Group.</p> <p>For the same reason above, as there is only one (1) top Key Management Personnel, the aggregate total remuneration paid to the Key Management Personnel for FY2024 will not be disclosed.</p> <p>There were no termination, retirement and post-employment benefits granted to Directors and Key Management Personnel during FY2024.</p> | Table 8.1(b) – Remuneration of Key Management Personnel | | | | | Name | Base/Fixed Salary and Statutory Contributions (%) | Variable or Performance Related Income/Bonuses (%) | Benefits In-Kind (%) | Total (%) | Remuneration Band below S\$250,000 | | | | | Fionne Chua | 79 | 21 | – | 100 |
| Table 8.1(b) – Remuneration of Key Management Personnel | | | | | | | | | | | | | | | | | | | | | | |
| Name | Base/Fixed Salary and Statutory Contributions (%) | Variable or Performance Related Income/Bonuses (%) | Benefits In-Kind (%) | Total (%) | | | | | | | | | | | | | | | | | | |
| Remuneration Band below S\$250,000 | | | | | | | | | | | | | | | | | | | | | | |
| Fionne Chua | 79 | 21 | – | 100 | | | | | | | | | | | | | | | | | | |
| 8.2 | Remuneration of employees who are substantial shareholders, immediate family members of Director, CEO or substantial shareholder | <p>Ms Willa Chee, the daughter of our Executive Director and CEO, Dato' Sri Ivan Chee, is a Non-Executive and Non-Independent Director of the Company.</p> <p>Mr Yeow Boon Ban, the brother-in-law of our Executive Director and CEO, Dato' Sri Ivan Chee, is a maintenance manager of Fortress Shared Services Sdn Bhd, the wholly owned subsidiary of the Company.</p> <p>Mr Tan Seng Kim, the brother-in-law of our Executive Director and CEO, Dato' Sri Ivan Chee, is a person responsible for license ("OBTL") and radiation protection officer ("RPO") of Fortress Mining Sdn Bhd, the wholly owned subsidiary of the Company. Mr Tan Seng Kim has resigned as a Director of Fortress Mining Sdn Bhd with effective 1 June 2023.</p> <p>Ms Chee Sook Ping, the sister of our Executive Director and CEO, Dato Sri Ivan Chee, is a Director of Fortress Resources Pte Ltd, a wholly-owned subsidiary of the Company.</p> <p>Mr Edmund Chee, the son of our Executive Director and CEO, Dato' Sri Ivan Chee, is an IT Transformation Director and Executive Director of Fortress Shared Services Sdn Bhd, a wholly-owned subsidiary of the Company.</p> | | | | | | | | | | | | | | | | | | | | |

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| | | <table border="1"> <thead> <tr> <th colspan="2"><i>Table 8.2 – Remuneration of Related Employees</i></th> </tr> <tr> <th>Name</th> <th>Relationship</th> </tr> </thead> <tbody> <tr> <td colspan="2">Remuneration Band S\$100,001 to S\$150,000</td> </tr> <tr> <td>Mr Yeow Boon Ban</td> <td>Brother-in-law of Dato' Sri Ivan Chee, the Executive Director and CEO</td> </tr> <tr> <td colspan="2">Remuneration Band below S\$100,000</td> </tr> <tr> <td>Mr Tan Seng Kim</td> <td>Brother-in-law of Dato' Sri Ivan Chee, the Executive Director and CEO</td> </tr> <tr> <td>Ms Chee Sook Ping</td> <td>Sister of Dato' Sri Ivan Chee, the Executive Director and CEO</td> </tr> <tr> <td>Mr Edmund Chee Ji Kang</td> <td>Son of Dato' Sri Ivan Chee, the Executive Director and CEO</td> </tr> </tbody> </table> <p>Save as disclosed, there is no employee of the Group who is a substantial shareholder, or an immediate family member of a Director, CEO or substantial shareholder who are paid more than S\$100,000 during FY2024.</p> | <i>Table 8.2 – Remuneration of Related Employees</i> | | Name | Relationship | Remuneration Band S\$100,001 to S\$150,000 | | Mr Yeow Boon Ban | Brother-in-law of Dato' Sri Ivan Chee, the Executive Director and CEO | Remuneration Band below S\$100,000 | | Mr Tan Seng Kim | Brother-in-law of Dato' Sri Ivan Chee, the Executive Director and CEO | Ms Chee Sook Ping | Sister of Dato' Sri Ivan Chee, the Executive Director and CEO | Mr Edmund Chee Ji Kang | Son of Dato' Sri Ivan Chee, the Executive Director and CEO |
| <i>Table 8.2 – Remuneration of Related Employees</i> | | | | | | | | | | | | | | | | | | |
| Name | Relationship | | | | | | | | | | | | | | | | | |
| Remuneration Band S\$100,001 to S\$150,000 | | | | | | | | | | | | | | | | | | |
| Mr Yeow Boon Ban | Brother-in-law of Dato' Sri Ivan Chee, the Executive Director and CEO | | | | | | | | | | | | | | | | | |
| Remuneration Band below S\$100,000 | | | | | | | | | | | | | | | | | | |
| Mr Tan Seng Kim | Brother-in-law of Dato' Sri Ivan Chee, the Executive Director and CEO | | | | | | | | | | | | | | | | | |
| Ms Chee Sook Ping | Sister of Dato' Sri Ivan Chee, the Executive Director and CEO | | | | | | | | | | | | | | | | | |
| Mr Edmund Chee Ji Kang | Son of Dato' Sri Ivan Chee, the Executive Director and CEO | | | | | | | | | | | | | | | | | |
| 8.3 | Other payments and benefits and details of the employee share scheme(s) | Information on the Fortress Employee Share Option Scheme (“ ESOS ”) are set out on page 79 of this Annual Report and further information can be found in the Company's Offer Document dated 19 March 2019. | | | | | | | | | | | | | | | | |
| ACCOUNTABILITY AND AUDIT Risk Management and Internal Controls <i>Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of Risk Management and internal controls, to safeguard the interests of the Company and its shareholders.</i> | | | | | | | | | | | | | | | | | | |
| 9.1 | Risk governance | The Company does not have a Board Risk Committee. The Board, with the support of the AC, is responsible for the overall governance of the risk management of the Company, establishing risk management policies and tolerance strategies that set the direction for the Group and overseeing the implementation of risk management framework to ensure that risks are identified and managed. | | | | | | | | | | | | | | | | |

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| | Annual review | <p>The Board with the support of the AC, oversees the design, implementation and monitoring of the Risk Management and internal control systems.</p> <p>The Enterprise Risk Management ("ERM") framework developed by PKF Risk Management Sdn Bhd ("PKF") in FY2020 shall help the Board formally identify, assess and treat the Group's enterprise risks and to establish a risk register and risk map covering financial, operational, compliance and information technology risks. These risks will be prioritised based on risk appetite and risk tolerance levels that the Board adopts. Key risks will be escalated to, and discussed at, the Board level while all the other risks are handled at Management level and reported to the Board on an exceptional basis.</p> <p>The Management, the internal auditor Baker Tilly Monterio Heng Governance Sdn Bhd ("Baker Tilly"), and the external auditor, BDO LLP ("BDO") conduct reviews and audits on a regular basis that involve testing the adequacy and effectiveness of material internal controls on key risks. Any material non-compliance or lapses in internal controls and its corresponding mitigating actions will be reported to the AC. At least annually, the Board, with the assistance from the AC, will review the adequacy and effectiveness of the Company's Risk Management and internal control systems, including financial, operational, compliance and information technology risks.</p> |
| 9.2(a) 9.2(b) | CEO and FC assurance | <p>For FY2024, the Board has also received assurance from the CEO and the FC:</p> <ul style="list-style-type: none"> (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and (b) on the adequacy and the effectiveness of the Group's risk management systems and internal control systems, including financial, operational, compliance and information technology controls. |

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| | <p>Board conclusion</p> | <p>The Board has received assurance from the CEO and our FC (a) that the financial records have been properly maintained and the financial statements for FY2024 give a true and fair view of the Group's operations and finances; and (b) regarding the adequacy and effectiveness of the Group's risk management and internal controls system.</p> <p>In addition, the external auditors will also highlight internal control weaknesses which have come to their attention in the course of their statutory audit. All external and internal audit findings and recommendations will be reported to the AC and discussions were held between the AC and auditors in the absence of the key management personnel to review and address any potential concerns. The Board noted there were no major adverse findings on risk management and internal control systems relating to the agreed internal audit scope.</p> <p>Based on the assurance from the CEO and our FC referred to in the preceding paragraph, the internal controls established and maintained by the Group, the review performed by the Management and the AC, the work performed by the internal auditors and the review undertaken by the external auditors as part of their statutory audit, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems, were adequate and effective as at FY2024.</p> |
| <p>Audit Committee Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively</p> | | |
| 10.1 | <p>Duties of the AC</p> | <p>In performing its functions in accordance with a set of terms of reference, the AC's principal responsibilities include, amongst others the followings:</p> <ul style="list-style-type: none"> (a) to review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance; (b) to review the adequacy and effectiveness of the Company's internal controls and risk management systems; (c) to review the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function; (d) to make recommendations to the Board of Directors regarding the appointment, removal, remuneration and terms of engagement of the external auditors; (e) to establish and review, on an ongoing basis, the whistleblowing policies, processes and reporting procedures of the Company; (f) to monitor the Company's compliance with legal, regulatory and company policies; |

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| | | <p>(g) to deal with matters relating to interested person transactions (if any) falling within the scope of Chapter 9 of the Listing Manual (as defined hereunder), as well as related party transactions;</p> <p>(h) to review the assurance from the CEO and the FC on the financial records and financial statements; and</p> <p>(i) to undertake generally such other functions and duties as may be required by law or the Catalist Rules.</p> <p>The AC has authority to investigate any matter within its term of reference and have been given full access to the Management and reasonable resources to enable it to discharge its functions properly. The AC has full discretion to invite any Director or key management personnel to attend its meetings.</p> |
| 10.2 10.3 | AC composition | <p>All members of the AC are Independent Directors who do not have any management and business relationships with the Company or any substantial shareholder of the Company. None of the AC members were previously partners or directors of the Company's external audit firm within a period of two (2) years commencing on the date of him/her ceasing to be a partner or director of the external audit firm or hold any financial interest in the external audit firm.</p> <p>The composition of the AC is as follows:</p> <p>Mr Goh Kah Im – Chairman Mr Chew Wai Chuen – Member Ms Anita Chew – Member</p> <p>The AC Chairman, Mr Goh Kah Im and AC member, Mr Chew Wai Chuen have relevant accounting and related financial management background and experience.</p> <p>The AC assesses the independence of the external auditors annually. The aggregate amount of fees paid/payable to the external auditors for audit services rendered for the audit of the financial statements of the Group for FY2024 is S\$139,052 (70.8%). The non-audit fees paid/payable to the external auditors for FY2024 is S\$57,395 (29.2%).</p> <p>The AC has reviewed the non-audit services provided by the external auditors for FY2024 and is satisfied that the nature and extent of such services would not prejudice the independence and objectivity of the external auditors.</p> <p>Having reviewed, amongst others, the scope and quality of the audit and independence of the external auditor, the AC has recommended and the Board has approved the nomination for re-appointment of BDO as the external auditors of the Company at the forthcoming AGM.</p> |

CORPORATE GOVERNANCE REPORT

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| 10.4 | Internal Audit function | <p>The Group has engaged Baker Tilly as the internal auditors who reports directly to the AC and administratively to the FC. The AC has approved the engagement, evaluation, and compensation of Baker Tilly as the internal auditors of the Company. The role of Baker Tilly is to provide independent assurance to the AC that the Group maintains adequate and effective Risk Management and internal control systems.</p> <p>The AC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit. The internal audit plan complements that of the external auditors and together forms a robust risk-based audit approach to facilitate the AC's review of the adequacy and effectiveness of the Group's risk management and internal control systems.</p> <p>For FY2024, the AC is satisfied that Baker Tilly had been able to discharge its duties effectively as the internal auditor. Baker Tilly has unfettered access to all documents, records, properties and personnel, including access to the AC. Baker Tilly has adequate resources to perform its functions effectively and it is independent from the activities that it audits and has appropriate standing within the Group. In assessing the engagement of Baker Tilly for the internal audit function, the Board and the AC ensured that the internal audit function is sufficiently resourced and internal audits are to be performed by competent professional staff with the relevant qualifications and experience.</p> <p>The scope of the internal audit covers key aspects of the Group's internal controls established to address financial, operational, compliance and information technology risks. The internal auditor's activities are guided by Baker Tilly's global internal auditing methodology which is in line with the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. For FY2024, after having reviewed the internal audit reports and remedial actions implemented by the Management, the AC is satisfied that the internal audit function is independent, effective and adequately resourced.</p> |
| 10.5 | Independent Session with the EA & IA | <p>The AC meets with the internal and external auditors at least once annually to discuss audit findings and recommendations, without the presence of the Management. For FY2024, the AC has met with the IA and EA once without the presence of the Management.</p> |
| Rule 712, 715 | Auditors | <p>The Group has complied with Rules 712 and 715 of the Catalist Rules in relation to the appointment of external auditors.</p> |

CORPORATE GOVERNANCE REPORT

| Provision | Code Description | Company's Compliance or Explanation |
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| | <p>Whistleblowing</p> | <p>The Company has put in place a whistleblowing policy which sets out the procedures for a whistleblower to make a report on misconduct or wrongdoing relating to the Company and its officers. The AC has reviewed the whistleblowing policy that the Group has established and is responsible for the oversight and monitoring of whistleblowing. The Company publicly discloses through its website, and clearly communicates with employees, the existence of the whistleblowing policy which is in compliance with Catalist Rule 1204(18B) as elaborated below.</p> <ul style="list-style-type: none"> a) The Company has procedures for raising such concerns to the AC Chairman at whistleblow@fortress.sg and has an independent function comprising the AC Chairman and AC members to investigate whistleblowing reports made in good faith; b) The Company has clear channels through which staff and other persons may, in confidence, raise their concerns about possible improprieties, fraudulent activities or malpractices within the Company in a responsible and effective manner; c) The Company has arrangements and processes to facilitate independent investigation of such concerns and for appropriate follow-up action; d) The Company has confidentiality clauses that protect identification of the whistleblower and ensures that the identity of the whistleblower is kept confidential; and e) The Company is committed to ensuring the protection of the whistleblower against any detrimental and unfair treatment. <p>There was one (1) whistleblowing report received in FY2024 through the Company's whistleblowing channel. The Company had engaged the internal auditors to carry out a special review in the areas relating to the allegations. The audit had been completed and no misappropriations were noted. The procedures as set out in the whistleblowing policy have been adhered to in the handling of this report. The Company will implement measures to ensure improvements and to strengthen its internal controls.</p> |

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| | Summary of Audit and Risk Management Committee activities | <p>The AC has reviewed the annual financial statements of the Group, the quality and reliability of information for inclusion in financial reports, policies and practices put in place by the Management, reviewed the volume and nature of Interested Person Transactions, nominated and recommended the re-appointment of the external auditors and reviewed the adequacy, effectiveness and independence of the internal and external auditors. The AC has assisted the Board in reviewing the adequacy and effectiveness of the Risk Management and internal control systems, addressing financial, operational, compliance and information technology risks of the Group.</p> <p>Changes to the accounting standards and issues that have direct impact on financial statements were reported to and discussed with the AC by the external auditors, in order for the AC members to keep abreast of changes to such accounting standards and issues.</p> <p>In the review of the Group's financial statements, the AC had discussed with the Management on the accounting principles that were applied and considered the clarity of key disclosures in the financial statements.</p> |
| SHAREHOLDER RIGHTS AND ENGAGEMENT | | |
| Shareholder Rights and Conduct of General Meetings | | |
| <i>Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.</i> | | |
| 11.1 | Shareholder rights | <p>All Shareholders are treated fairly and equitably, and the Group strives to disclose information on all major developments that could materially impact the Group in a timely manner. Shareholders are entitled to attend the general meetings of shareholders and are afforded the opportunity to participate effectively in and vote at general meetings of shareholders.</p> |
| 11.2 | Resolutions | <p>Each distinct issue is proposed as a separate resolution at general meetings. All resolutions proposed at general meetings shall be put to vote by way of a poll pursuant to Rule 730A(2) of the Catalist Rules. All votes cast, for or against or abstain, and the respective percentages, in respect of each resolution are tallied and disclosed at the meeting and an announcement with the detailed results showing the numbers of votes cast for and against for each resolution and the respective percentage will be released via SGXNet after the general meetings.</p> |
| 11.3 | Attendance at general meetings | <p>All Directors, in particular the Chairman of the Board, the respective Chairman of the AC, NC and RC, will be present and available to address shareholders' queries at the general meetings. The external auditor will also be present to address queries regarding the conduct of the audit and the preparation and content of the auditor's report. The attendance of the Board for the Company's annual general meeting held on 28 June 2023 is disclosed under Table 1.5 of this report.</p> |

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| Provision | Code Description | Company's Compliance or Explanation |
|-----------|------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 11.4 | Voting procedures | <p>At general meetings, all shareholders are encouraged to attend, participate effectively and vote in person or by proxy. The Company's Constitution provides for a shareholder or a depositor to appoint not more than two (2) proxies to attend and vote at the general meetings of the Company. Where the member is Central Depository (Pte) Ltd (or its nominee as notified in writing to the Company), it can appoint more than two (2) proxies. Proxies need not be a shareholder of the Company. Shareholders are informed of such meetings through the annual report or circulars sent to all shareholders, notices published in the newspapers and announcements released via SGXNet. Shareholders will be briefed on the rules governing such meetings and voting procedures of the general meetings. An independent polling agent is appointed by the Company for general meetings who will explain the voting procedures that govern the general meetings of shareholders. Results of voting are announced on a timely manner via SGXNet.</p> <p>Voting in absentia by email, mail or fax is not implemented due to authentication and other security related concerns.</p> |
| 11.5 | Minutes of general meetings | <p>Minutes of general meetings which include the substantial and relevant comments and queries relating to the agendas of the general meetings raised by shareholders, together with responses from the Board and Management, are prepared by the Company Secretary. The Company will publish the minutes of the general meetings on the Company's website and SGXNet within one month from the date of the respective meeting.</p> <p>The Company will publish the minutes of the AGM to be held on 24 June 2024 on SGXNet and the Company's website at URL https://www.fortress.sg within one month after the AGM.</p> |
| 11.6 | Dividend Policy | <p>The Company does not have a fixed dividend policy. The form, frequency and amount of future dividends on the Company's shares will depend on the Group's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may, in their absolute discretion, deem appropriate ("Dividend Factors"). Therefore, there is no assurance that dividends will be paid in the future or of the amount or timing of any future dividends. The Company may declare an annual dividend subject to the approval of the shareholders in a general meeting but the amount of such dividend shall not exceed the amount recommended by our Directors. The Directors may also declare an interim dividend without the approval of our shareholders.</p> <p>The Board is pleased to recommend a final one-tier tax exempt dividend of 0.60 Singapore cents per share for FY2024 ("Final Dividend") which represents a payout ratio of 23.3% against the Group's net profit after tax for FY2024. The Final Dividend amounting to S\$3.140 million is subject to shareholders' approval at the forthcoming AGM to be held on 24 June 2024.</p> |

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| Engagement with Shareholders Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company | | |
| 12.1 | Communication | <p>The Company believes in high standards of transparent corporate disclosure and is committed to disclose to its shareholders, the information in a timely and fair manner via SGXNet and the Company's website. Where there is inadvertent disclosure made to a selected group, the Company would make the same disclosure publicly to all stakeholders as soon as practicable. Communication is made through:</p> <ul style="list-style-type: none"> (a) Annual Report is prepared and issued to all shareholders. The Board ensures that the annual report includes all relevant information of the Company and the Group, including future developments, if any, and other disclosures required by the Companies Act 1967 of Singapore, Singapore Financial Reporting Standards and the Catalist Rules; (b) Quarterly announcements containing a summary of the financial information and affairs of the Group for the corresponding period; (c) Press releases on major developments of the Group; and (d) Analysts briefings and roadshow. <p>Subject to the prevailing laws, the notice of AGM is also advertised in a national newspaper within the mandatory period.</p> <p>The AGM of the Company is held within four months after the end of the financial year. The Company will be holding its AGM for FY2024 on 24 June 2024, details of which are as disclosed in the Notice of AGM.</p> <p>In line with the Company's corporate social responsibility initiatives and environmental sustainability efforts, annual reports and circulars to shareholders will be published on the Company's corporate website https://www.fortress.sg/ and at SGXNet https://www.sgx.com/securities/company-announcements and available for viewing or downloading by the shareholders. Printed copies will only be mailed to shareholders upon their request via a request form. Shareholders of the Company will receive the AGM notice, proxy form and request form (to request for hard copy annual reports including the Appendix relating to the Renewal of the Share Buy-Back Mandate) via mail.</p> <p>Shareholders can access financial information, corporate announcements, press releases, annual reports and profile of the Group on the Company's website at https://www.fortress.sg/, as well as via SGXNet at https://www.sgx.com.</p> |
| | Conduct of Shareholder meeting | <p>At general meetings, shareholders are given opportunities to voice their views and direct their questions to the Directors or the Management regarding the Company. The Chairman of the Board, members of the AC, NC and RC are present and available to address questions at general meetings. The External Auditors are also present.</p> |

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| | | <p>For the forthcoming AGM, shareholders may submit questions relating to resolutions to be tabled for approval at the AGM by no later than 2.00 p.m. on 14 June 2024. The Company shall only address relevant and substantial questions (which are related to the resolutions to be tabled for approval at the AGM) and will publish its response to those questions on the SGXNet and the Company's website by 19 June 2024. In relation to any subsequent clarifications sought, or substantial and relevant follow-up questions in respect of such questions (which are related to the resolutions to be tabled for approval at the AGM) received after 2.00 p.m. on 14 June 2024 which have not already been addressed prior to the AGM, the Company will address them at the AGM itself. Minutes of the proceedings of the AGM will be published via the SGXNet within one (1) month from the date of the AGM.</p> <p>Shareholders who are attending the AGM may also raise their substantial and relevant queries relating to the agenda of the meeting during the course of the meetings, which the Management and the Board of Directors will address accordingly.</p> <p>All resolutions are put to vote by poll in all the Company's general meetings and is integral in the enhancement of corporate governance. For cost effectiveness, the voting of the resolutions at the general meetings are conducted by manual polling and their detailed results are announced at the meeting. The voting results of each of the resolutions tabled are announced on the same day after the general meeting via SGXNet.</p> |
| 12.2 | Investor Relations Policy | <p>The Company solicits feedback from and addresses the concerns of shareholders (including institutional and retail investors) via investors/analyst briefings and the corporate email address on its website. The Company participated in 2 interview sessions with research analysts during FY2024.</p> <p>The Group will provide shareholders and prospective investors with pertinent information necessary to make well-informed investment decisions. Such material information will also be announced via SGXNet. By providing shareholders with reliable and timely information, the Company is able to strengthen the relationship with its shareholders based on trust and accessibility. The Company's investor relations (IR) team is led by the Financial Controller who is responsible for integrating finance, accounting, corporate communications and legal compliance to enable effective communication between the Company and the investors.</p> |
| 12.3 | Investor engagement | <p>The Company conducts briefings to present its financial results to the media and analysts. Outside of the financial result announcement periods, when necessary and appropriate, the IR team will meet investors and analysts who wish to seek a better understanding of the Group's business and operations. This effort enables the Company to solicit feedback from the investment community on a range of strategic and topical issues which provide valuable insights to the Company from investors' views. Shareholders may raise questions to the Company through the Company's website of which the Company may respond to such questions.</p> |

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| MANAGING STAKEHOLDERS RELATIONSHIPS Engagement with Stakeholders <i>Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served</i> | | |
| 13.1, 13.2 and 13.3 | – | <p>The Board considers the Company's obligations to its shareholders and also the needs and interests of its material stakeholders as the relationships with material stakeholders may have an impact on the Company's long-term sustainability. Stakeholders are parties who may be affected by the Company's activities or whose actions can affect the ability of the Company to conduct its activities. The Board has identified its stakeholders as customers, employees, suppliers, landlords, investors, media, government institutions and the communities. The Company maintains its Company's website to communicate and engage with the stakeholders.</p> <p>In addition, to keep stakeholders informed on the commitment made by the Company in fostering the creation of long-term value for the stakeholders and sustainable development of the global economy, the Group has prepared its sustainability report for financial year ended 29 February 2024, details of which is set out in pages 19 to 58 of this annual report.</p> <p>Communication with shareholders is managed by the Board. All announcements are released via SGXNet, including the quarterly and full-year financial results, distribution of notices, press releases, analyst briefings, presentations, and announcement on acquisitions, corporate development and other material developments. The Company does not practise selective disclosure and price sensitive information is publicly released on an immediate basis where required under the Catalist Rules. In addition, the Company's annual reports together with the notices of AGM are also accessible at the Company's corporate website and at SGXNet.</p> <p>The notice of AGM is also advertised in major newspapers.</p> |

CORPORATE GOVERNANCE REPORT

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| | | <p>Apart from the SGXNet announcements and its annual report, the Company will also conduct media interviews as and when appropriate to give shareholders and the public deeper insights of the Group's business and strategies when opportunities present themselves. Further, the Company may, if it considers necessary and appropriate, release press releases or organise media/analyst briefings to keep shareholders informed of its corporate development.</p> <p>The Company's Executive Directors and FC are responsible for the Company's communication with shareholders.</p> <p>The Company maintains a corporate website where shareholders can access financial information, corporation announcements, press releases, annual reports and profile of the Group at https://www.fortress.sg/ as well as via SGXNet at https://www.sgx.com.</p> |
| COMPLIANCE WITH APPLICABLE CATALIST RULES | | |
| 712, 715, or 716 | Appointment of Auditors | The Company confirms its compliance with Catalist Rules 712 and 715. |
| 1204(8) | Material Contracts | There were no material contracts entered into by the Group involving the interest of the CEO, any Director, or controlling shareholder, which are either still subsisting at the end of FY2024 or if not then subsisting, entered into since the end of the previous financial year. |
| 1204(10) | Confirmation of adequacy of internal controls | The Board, with the concurrence of the AC, is of the opinion that the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems, were adequate and effective as at FY2024 based on the assurance from the CEO and our FC set out in page 84 of this Annual Report, the internal controls established and maintained by the Group, the review performed by the Management and the AC, the work performed by the internal auditors and the review undertaken by the external auditors as part of their statutory audit. |

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| 1204(17) | Interested Persons Transaction ("IPT") | <p>The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that the transactions are conducted at arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.</p> <p>The Group has not obtained a general mandate from shareholders for IPT. There were no interested person transactions of S\$100,000 and above during FY2024.</p> <p>The Group maintains a register to record the list of interested persons and their associates (which is to be updated immediately if there are any changes) to enable identification of interested persons. The list of interested persons shall be reviewed on a quarterly basis by the Company's FC and subject to such verifications or declarations as required by the AC for such period as determined by them.</p> <p>The AC shall review all IPTs at least on a quarterly basis to ensure that they are carried out on normal commercial terms and in accordance with the procedures and to ensure that the prevailing rules and regulations in particular, Chapter 9 of the Catalist Rules are complied with.</p> |
| 1204(19) | Dealing in Securities | <p>The Company has adopted an internal compliance code of conduct to guide and advise Directors and all executives of the Company with regard to dealings in the Company's securities in compliance with Rule 1204(19) of the Catalist Rules. The Company, Directors and executives shall not deal in the Company's shares on short-term considerations or if they are in possession of price sensitive information and during the period commencing one (1) month prior to release of the full-year financial results announcement and 2 weeks prior to its interim financial results announcements and ending on the date of the announcement of the results. Directors and senior management are also expected to observe insider-trading laws at all times even when dealing in securities within permitted trading periods while in possession of price-sensitive information.</p> <p>In general, the Group's policy encourages Directors and employees of the Group to hold the Company's securities and not deal in the Company's securities on short term considerations. The policy is to ensure that the Company's Directors, officers and employees of the Group are aware of their legal obligations towards the dealing of securities of the Company. Persons who are in possession of unpublished material price sensitive information and use such information for their own material gain are committing an offence of insider trading.</p> |

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| | Use of Proceeds | <p>On 10 April 2023, our Company received S\$8.7 million (net of placement expenses of S\$0.3 million) as placement net proceeds.</p> <p>As at the date of this report, the status on the use of the placement net proceeds is as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Use of proceeds</th> <th>Amount allocated</th> <th>Amount utilised</th> <th>Balance</th> </tr> <tr> <th>S\$'000</th> <th>S\$'000</th> <th>S\$'000</th> </tr> </thead> <tbody> <tr> <td>Further development of the CASB mine, including continuing and future exploration and geology work, as well as addition of a new integrated processing plant.</td> <td>5,200</td> <td>(1,798)⁽¹⁾</td> <td>3,402</td> </tr> <tr> <td>Prospecting expenditures in relation to the two prospecting licenses in Sabah</td> <td>3,500</td> <td>(3,133)⁽²⁾</td> <td>367</td> </tr> <tr> <td>Total</td> <td>8,700</td> <td>(4,931)</td> <td>3,769</td> </tr> </tbody> </table> <p>(1) Utilised for payment for purchase of machinery parts for the new integrated processing plant.</p> <p>(2) Utilised for payment for purchase of plant and equipment, licensing fees, operating expenses and employee benefit expenses.</p> <p>The above utilisation of the placement net proceeds is in accordance with the intended use as stated in the Company's announcement dated 20 March 2023 in relation to the placement of 23,316,100 new ordinary shares in the capital of the Company.</p> <p>At the appropriate juncture, our Group will deploy the remaining placement proceeds as the Group intends to further develop the CASB mine and undertake exploration activities in Sabah. Pending such deployment, funds have been placed in interest bearing deposits with licensed banks in Singapore and Malaysia.</p> <p>The Company will make periodic announcements on the utilisation of the proceeds from the placement as and when the proceeds are materially disbursed and provide a status report on such use in its annual report and its quarterly and full year financial statements.</p> | Use of proceeds | Amount allocated | Amount utilised | Balance | S\$'000 | S\$'000 | S\$'000 | Further development of the CASB mine, including continuing and future exploration and geology work, as well as addition of a new integrated processing plant. | 5,200 | (1,798) ⁽¹⁾ | 3,402 | Prospecting expenditures in relation to the two prospecting licenses in Sabah | 3,500 | (3,133) ⁽²⁾ | 367 | Total | 8,700 | (4,931) | 3,769 |
| Use of proceeds | Amount allocated | Amount utilised | | Balance | | | | | | | | | | | | | | | | | |
| | S\$'000 | S\$'000 | S\$'000 | | | | | | | | | | | | | | | | | | |
| Further development of the CASB mine, including continuing and future exploration and geology work, as well as addition of a new integrated processing plant. | 5,200 | (1,798) ⁽¹⁾ | 3,402 | | | | | | | | | | | | | | | | | | |
| Prospecting expenditures in relation to the two prospecting licenses in Sabah | 3,500 | (3,133) ⁽²⁾ | 367 | | | | | | | | | | | | | | | | | | |
| Total | 8,700 | (4,931) | 3,769 | | | | | | | | | | | | | | | | | | |
| 711A | Sustainability Report | The Group has issued its sustainability report for FY2024 to keep stakeholders informed on the commitment made by the Company in fostering the creation of long-term value for the stakeholders and sustainable development of the global economy. The sustainability report is set out in pages 19 to 58 of this annual report. | | | | | | | | | | | | | | | | | | | |
| 1204(21) | Non-sponsor fees | There were no non-sponsor fees paid/payable to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. during FY2024. | | | | | | | | | | | | | | | | | | | |

KEY INFORMATION

Key information regarding the Retiring Directors who have been nominated for re-election as Directors of the Company are set out below:

| Name of Director | Edmund Chee | Dato' Sri Ivan Chee | Loong Ching Hong | Anita Chew |
|---------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date of Initial Appointment | 1 August 2023 | 13 November 2017 | 19 February 2019 | 19 February 2019 |
| Date of last re- appointment (if applicable) | Not Applicable | 22 June 2022 | 23 June 2021 | 23 June 2021 |
| Age | 24 | 58 | 57 | 57 |
| Country of principal residence | Malaysia | Malaysia | Malaysia | Malaysia |
| The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process) | The re-election of Mr Edmund Chee Ji Kang (" Edmund Chee ") as the Executive Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Mr Edmund Chee's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company. | The re-election of Dato' Sri Ivan Chee Yew Fei (" Dato' Sri Ivan Chee ") as the Executive Director and Chief Executive Officer of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Dato' Sri Ivan Chee's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company. | The re-election of Mr Loong Ching Hong (" Mr Loong ") as the Non-Executive and Non-Independent Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Mr Loong's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company. | The re-election of Ms Anita Chew Cheng Im (" Anita Chew ") as the Independent Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Ms Anita Chew's qualifications, expertise, past experiences and overall contribution since she was appointed as a Director of the Company. |
| Whether appointment is executive, and if so, the area of responsibility | Executive. Mr Edmund Chee is responsible for the overall improvement and implementing IT solutions to enhance operational performance of the Group. Mr Edmund Chee leads strategic initiatives aimed at streamlining processes, improving precision, and optimising resource utilisation. | Executive. Dato' Sri Ivan Chee is responsible for the overall management and operations of the Group, including formulating, implementing and monitoring the Group's strategic directions, growth plans, financial and risk management. | No | No |
| Job Title (e.g. Lead ID, AC Chairman, AC Member etc.) | Executive Director | Executive Director and Chief Executive Officer and a member of the Nominating Committee. | Non-Executive and Non-Independent Director and a member of Remuneration Committee. | Independent Director, Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee. |

KEY INFORMATION

| Name of Director | Edmund Chee | Dato' Sri Ivan Chee | Loong Ching Hong | Anita Chew |
|-----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| Professional qualifications | <ul style="list-style-type: none"> Bachelor of Science in Computer Science (Information Security) | <ul style="list-style-type: none"> Ontario Secondary School Diploma | <ul style="list-style-type: none"> Member of the Malaysian Institute of Accountants Fellow Member of the Association of Chartered Certified Accountants, United Kingdom | <ul style="list-style-type: none"> Bachelor of Economics, majoring in Accounting |
| Working experience and occupations during the past 10 years | <p>2024 to Present – IT Transformation Director of Fortress Group of Companies</p> <p>2022 to 2024 – IT Specialist cum PA to CEO of Fortress Group of Companies</p> <p>2021 to 2022 – Teaching Assistant of Royal Holloway University of London</p> | <p>2011 to Present – Chief Executive Officer, Fortress Group of Companies</p> | <p>2000 to present – Group General Manager of Selangor Dredging Berhad</p> | <p>Has been undertaking independent directorship roles in companies listed on the SGX-ST and Bursa Malaysia since year 2007.</p> |
| Shareholding interest in the listed issuer and its subsidiaries | Nil | <p>Dato' Sri Ivan Chee holds a direct interest in 530 ordinary shares in the Company.</p> <p>Dato' Sri Ivan Chee is deemed interested in 216,655,720 ordinary shares and 37,603,950 ordinary shares in the Company held through Y F Chee Holdings Pte. Ltd. and Greger International Sdn. Bhd. respectively as he holds 100% and 70% (directly and indirectly) of the issued share capital of Y F Chee Holdings Pte. Ltd. and Greger International Sdn. Bhd. respectively.</p> | <p>Mr Loong holds a direct interest in 2,056,000 ordinary shares in the Company.</p> <p>Mr Loong is deemed interested in 5,234,375 ordinary shares in the Company held through Western Capital Sdn. Bhd. as he holds 100% of the issued share capital of Western Capital Sdn. Bhd.</p> | Nil |

KEY INFORMATION

| Name of Director | Edmund Chee | Dato' Sri Ivan Chee | Loong Ching Hong | Anita Chew |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| <p>Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries</p> | <p>Mr Edmund Chee is the son of Dato' Sri Ivan Chee and the brother of Ms Willa Chee Keng Fong.</p> | <p>Dato' Sri Ivan Chee is the father of Mr Edmund Chee and Ms Willa Chee Keng Fong.</p> <p>Dato' Sri Ivan Chee holds 100% and 70% (directly and indirectly) of the issued share capital of Y F Chee Holdings Pte. Ltd. and Greger International Sdn. Bhd. respectively, which are substantial shareholders of the Company.</p> <p>Dato' Sri Ivan Chee is the director of Y F Chee Holdings Pte. Ltd. and Greger International Sdn. Bhd. respectively.</p> | <p>Mr Loong is the Group General Manager of Selangor Dredging Berhad, a substantial shareholder of the Company. Selangor Dredging Berhad is deemed interested in the shares of the Company held through SDB Mining Sdn. Bhd. as SDB Mining Sdn. Bhd. is 100% owned by Selangor Dredging Berhad.</p> <p>Ms Teh Lip Kim holds approximately 60.28% (directly and indirectly) of the shares of Selangor Dredging Berhad.</p> | <p>Nil</p> |
| <p>Conflict of interest (including any competing business)</p> | <p>Mr Edmund Chee has the following potential conflict of interests pursuant to his relationship with Dato' Sri Ivan Chee:</p> <p>Dato' Sri Ivan Chee is a director of Extra Diligent Sdn Bhd ("EDSB") and he also holds an equity interest of 55% (directly and indirectly) of the total issued share capital of EDSB ("EDSB Shares"). EDSB has been granted the sole and exclusive right to explore and mine for iron ore within the land measuring in area of approximately 1,050 ha in Mukim Pulau, Daerah Galas, Jajahan Gua Musang, Kelantan ("Kelantan Mine").</p> | <p>Dato' Sri Ivan Chee is a director of Extra Diligent Sdn Bhd ("EDSB") and he also holds an equity interest of 55% (directly and indirectly) of the total issued share capital of EDSB ("EDSB Shares"). EDSB has been granted the sole and exclusive right to explore and mine for iron ore within the land measuring in area of approximately 1,050 ha in Mukim Pulau, Daerah Galas, Jajahan Gua Musang, Kelantan ("Kelantan Mine").</p> | <p>Mr Loong is a director of Extra Diligent Sdn Bhd ("EDSB"). EDSB has been granted the sole and exclusive right to explore and mine for iron ore within the land measuring in area of approximately 1,050 ha in Mukim Pulau, Daerah Galas, Jajahan Gua Musang, Kelantan ("Kelantan Mine").</p> | <p>No</p> |

KEY INFORMATION

| Name of Director | Edmund Chee | Dato' Sri Ivan Chee | Loong Ching Hong | Anita Chew |
|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| | <p>The Company has entered into a Call Option Agreement dated 28 February 2019 with EDSB and the shareholders of EDSB, pursuant to which a call option was granted to the Group to acquire or purchase the mining right over some or all of the mining area(s) within the Kelantan Mine or EDSB Shares (as the case may be) at any time from the period commencing on the date of the Call Option Agreement and for so long as the Call Option Agreement had not been terminated pursuant to the termination clause, by serving a notice of exercise on the relevant shareholder of EDSB (as the case may be).</p> <p>Please refer to page 227 to page 235 of the Company's Offer Document dated 19 March 2019 for further details on the above potential conflict of interest and the undertakings provided by Dato' Sri Ivan Chee to the Group.</p> | <p>The Company has entered into a Call Option Agreement dated 28 February 2019 with EDSB and the shareholders of EDSB, pursuant to which a call option was granted to the Group to acquire or purchase the mining right over some or all of the mining area(s) within the Kelantan Mine or EDSB Shares (as the case may be) at any time from the period commencing on the date of the Call Option Agreement and for so long as the Call Option Agreement had not been terminated pursuant to the termination clause, by serving a notice of exercise on the relevant shareholder of EDSB (as the case may be).</p> <p>Please refer to page 227 to page 235 of the Company's Offer Document dated 19 March 2019 for further details on the above potential conflict of interest and the undertakings provided by Dato' Sri Ivan Chee to the Group.</p> | <p>The Company has entered into a Call Option Agreement dated 28 February 2019 with EDSB and the shareholders of EDSB, pursuant to which a call option was granted to the Group to acquire or purchase the mining right over some or all of the mining area(s) within the Kelantan Mine or EDSB Shares (as the case may be) at any time from the period commencing on the date of the Call Option Agreement and for so long as the Call Option Agreement had not been terminated pursuant to the termination clause, by serving a notice of exercise on the relevant shareholder of EDSB (as the case may be).</p> <p>Please refer to page 227 to page 235 of the Company's Offer Document dated 19 March 2019 for further details on the above potential conflict of interest and the undertakings provided by Mr Loong to the Group.</p> | |

KEY INFORMATION

| Name of Director | Edmund Chee | Dato' Sri Ivan Chee | Loong Ching Hong | Anita Chew |
|--------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| | <p>Dato' Sri Ivan Chee is a non-executive director of Norwest Minerals Limited ("NML") and he also holds an indirect equity interest of 7.00% of the total issued share capital of NML through YF Chee Holdings Sdn Bhd, a company wholly owned by him. In addition, Catherine Chee, a sister of Mr Edmund Chee, holds an equity interest of 4.83% of the total issued share capital of NML. NML is a company incorporated in Australia and was listed on the Australian Stock Exchange on 29 November 2018. NML is involved in the exploration of gold and base metals in several locations within Western Australia.</p> <p>Please refer to page 235 to page 236 of the Company's Offer Document dated 19 March 2019 for further details on the above potential conflict of interest and the undertakings provided by Dato' Sri Ivan Chee to the Group.</p> | <p>Dato' Sri Ivan Chee is a non-executive director of Norwest Minerals Limited ("NML") and he also holds an indirect equity interest of 7.00% of the total issued share capital of NML through YF Chee Holdings Sdn Bhd, a company wholly owned by him. In addition, Catherine Chee, a daughter of Dato' Sri Ivan Chee, holds an equity interest of 4.83% of the total issued share capital of NML. NML is a company incorporated in Australia and was listed on the Australian Stock Exchange on 29 November 2018. NML is involved in the exploration of gold and base metals in several locations within Western Australia.</p> <p>Please refer to page 235 to page 236 of the Company's Offer Document dated 19 March 2019 for further details on the above potential conflict of interest and the undertakings provided by Dato' Sri Ivan Chee to the Group.</p> | <p>Mr Loong is a non-executive director of Norwest Minerals Limited ("NML") and he also holds a direct equity interest of 4.85% of the total issued share capital of NML. NML is a company incorporated in Australia and was listed on the Australian Stock Exchange on 29 November 2018. NML is involved in the exploration of gold and base metals in several locations within Western Australia.</p> <p>Please refer to page 235 to page 236 of the Company's Offer Document dated 19 March 2019 for further details on the above potential conflict of interest and the undertakings provided by Mr Loong Ching Hong to the Group.</p> | |
| Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer | Yes | Yes | Yes | Yes |

KEY INFORMATION

| Name of Director | Edmund Chee | Dato' Sri Ivan Chee | Loong Ching Hong | Anita Chew |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Present Principal Commitments* including directorships | <ol style="list-style-type: none"> Alfa Wijaya Sdn. Bhd. Cermat Aman Sdn. Bhd. FM Gold Sdn. Bhd. FM Nickel Sdn. Bhd. Fortress Cu Sdn. Bhd. Fortress Dredging Sdn. Bhd. Fortress Drilltech Sdn. Bhd. Fortress Industries Sdn. Bhd. Fortress Logistics Sdn. Bhd. Fortress Mengapur Sdn. Bhd. Fortress Metals Sdn. Bhd. Fortress Mining Sdn. Bhd. Fortress Ni Sdn. Bhd. Fortress Resources Pte. Ltd. Fortress Shared Services Sdn. Bhd. Fortress Transport Sdn. Bhd. (f.k.a. Fortress SiO2 Sdn. Bhd.) Gemilang Mining Sdn. Bhd. Sejati Lombong Sdn. Bhd. Star Destiny Sdn. Bhd. Tempest Energy Holdings Sdn Bhd (f.k.a Tempest Energy Sdn. Bhd.) Tempest Geothermal Energy Sdn. Bhd. Tempest Solar Energy Sdn. Bhd. Tempest Wind Energy Sdn. Bhd. | <ol style="list-style-type: none"> Alam Palma Sdn. Bhd. (f.k.a Alam Palma Development Sdn. Bhd.) Cermat Aman Sdn. Bhd. Cheroh Mining PNG Limited Crystal Timber & Trading Sdn. Bhd. Extra Diligent Sdn. Bhd. FM Gold Sdn. Bhd. FM Nickel Sdn. Bhd. Fortress Cu Sdn. Bhd. Fortress Dredging Sdn. Bhd. Fortress Drilltech Sdn. Bhd. Fortress Fe Sdn. Bhd. Fortress Industries Sdn. Bhd. Fortress Logistics Sdn. Bhd. Fortress Mengapur Sdn. Bhd. Fortress Metals Sdn. Bhd. Fortress Mining Sdn. Bhd. Fortress Ni Sdn. Bhd. Fortress Resources Pte. Ltd. Fortress Shared Services Sdn. Bhd. Fortress Transport Sdn. Bhd. (f.k.a. Fortress SiO2 Sdn. Bhd.) Gemilang Mining Sdn. Bhd. Greger International Sdn. Bhd. JM Mining Sdn. Bhd. | <ol style="list-style-type: none"> Cermat Aman Sdn. Bhd. Champsworth Development Pte. Ltd. Chedstone Investment Holdings Pte. Ltd. Crescent Consortium Sdn. Bhd. Extra Diligent Sdn. Bhd. Fortress Cu Sdn. Bhd. Fortress Dredging Sdn. Bhd. Fortress Drilltech Sdn. Bhd. Fortress Fe Sdn. Bhd. Fortress Industries Sdn. Bhd. Fortress Logistics Sdn. Bhd. Fortress Mengapur Sdn. Bhd. Fortress Metals Sdn. Bhd. Fortress Mining Sdn. Bhd. Fortress Shared Services Sdn. Bhd. Hayat Abadi Sdn. Bhd. Norwest Minerals Limited Prestij Permai Sdn. Bhd. Star Destiny Sdn. Bhd. SDB Ampang Sdn. Bhd. SDB Asia Pte. Ltd. SDB Damansara Sdn. Bhd. SDB Green Energy Pte. Ltd. | <ol style="list-style-type: none"> K-One Technology Berhad Kimlun Corporation Berhad Kuchai Development Berhad SKP Resources Berhad |
| <p>**Principal Commitments** has the same meaning as defined in the Code, and includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations.</p> | | | | |

KEY INFORMATION

| Name of Director | Edmund Chee | Dato' Sri Ivan Chee | Loong Ching Hong | Anita Chew |
|------------------|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| | | 24. Kencana Primary Sdn. Bhd. 25. Kumpulan Soilmas Sdn. Bhd. 26. Magnate Access Sdn. Bhd. 27. Norwest Minerals Ltd 28. Rasa Sayang Development Sdn. Bhd. 29. Rox Mining Global Sdn. Bhd. 30. Saga Mineral Sdn. Bhd. 31. Sejati Lombong Sdn. Bhd. 32. Star Destiny Sdn. Bhd. 33. Strategic Venture Pte. Ltd. 34. Tempest Energy Holdings Sdn Bhd (f.k.a Tempest Energy Sdn. Bhd.) 35. Tempest Geothermal Energy Sdn. Bhd. 36. Tempest Solar Energy Sdn. Bhd. 37. Tempest Wind Energy Sdn. Bhd. 38. Webcon Logistics Sdn. Bhd. 39. Webcon Resources Sdn. Bhd. (f.k.a Webcon Development Sdn. Bhd.) 40. Webcon Sdn. Bhd. 41. Webcon Agro Sdn. Bhd. 42. Webcon Venture Sdn. Bhd. 43. Y F Chee Holdings Pte. Ltd. 44. YF Chee Holdings Sdn. Bhd. | 24. SDB Host Sdn. Bhd. 25. SDB International Sdn. Bhd. 26. SDB Interiors Sdn. Bhd. 27. SDB Kuantan Development Sdn. Bhd. 28. SDB Mining Sdn. Bhd. 29. SDB Properties Sdn. Bhd. 30. SDB Property Management Sdn. Bhd. 31. SDB SS2 Development Sdn. Bhd. 32. SDB Subang Development Sdn. Bhd. Bhd. 33. SDB Teambuild Sdn. Bhd. 34. Seldredge Industries Sdn. Bhd. 35. Supergreen Solutions Sdn. Bhd. 36. Teratai Investment Holdings Ltd. 37. Tiara Land Pte. Ltd. 38. Western Capital Sdn. Bhd 39. LT Visions Sdn. Bhd. | |

KEY INFORMATION

| Name of Director | Edmund Chee | Dato' Sri Ivan Chee | Loong Ching Hong | Anita Chew |
|--------------------------------------------------------------------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| Past Principal Commitments for the last 5 years, including directorships | Nil | <ol style="list-style-type: none"> 1. Alam Lebar Sdn. Bhd. 2. Amazing Harvard Sdn. Bhd. 3. Bukit Selesa Development Sdn. Bhd. 4. Crest Farm Sdn. Bhd. 5. Dynamic Output Sdn. Bhd. 6. Fe Mining Sdn. Bhd. 7. Greger International Pte. Ltd. 8. ICL Dynamic Pte. Ltd. 9. Independent Mining Sdn. Bhd. 10. Lebar Tinggi Sdn. Bhd. 11. Pearl View Mining Sdn. Bhd. 12. Segala Mewah Minerals Sdn. Bhd. 13. Webcon Australia Pty. Ltd. 14. Webcon Holdings Sdn. Bhd. 15. Webcon Land Sdn. Bhd. 16. Webcon Minerals Sdn Bhd 17. Webcon Mining (Solomon) Limited 18. Webcon Plantation Sdn. Bhd. | <ol style="list-style-type: none"> 1. JM Mining Sdn. Bhd. 2. SDB Guernsey Limited | <ol style="list-style-type: none"> 1. Yi Lai Berhad |

KEY INFORMATION

| Name of Director | Edmund Chee | Dato' Sri Ivan Chee | Loong Ching Hong | Anita Chew |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------------------|------------------|------------|
| (a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner? | No | No | No | No |
| (b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency? | No | No | No | No |
| (c) Whether there is any unsatisfied judgment against him? | No | No | No | No |

KEY INFORMATION

| Name of Director | Edmund Chee | Dato' Sri Ivan Chee | Loong Ching Hong | Anita Chew |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------------------|------------------|------------|
| (d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose? | No | No | No | No |
| (e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach? | No | No | No | No |
| (f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part? | No | No | No | No |

KEY INFORMATION

| Name of Director | Edmund Chee | Dato' Sri Ivan Chee | Loong Ching Hong | Anita Chew |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------------------|------------------|------------|
| (g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust? | No | No | No | No |
| (h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust? | No | No | No | No |
| (i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity? | No | No | No | No |
| (j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or | No | No | No | No |

KEY INFORMATION

| Name of Director | Edmund Chee | Dato' Sri Ivan Chee | Loong Ching Hong | Anita Chew |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------------------|------------------|------------|
| <p>(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p> <p>(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p> | | | | |

KEY INFORMATION

| Name of Director | Edmund Chee | Dato' Sri Ivan Chee | Loong Ching Hong | Anita Chew |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------|
| (k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere? | No | No | No | No |
| <p>Any prior experience as a director of an issuer listed on the Exchange? (Yes/No)</p> <p>If yes, please provide details of prior experience.</p> <p>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.</p> <p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</p> | <p>No</p> <p>Mr Edmund Chee was appointed as an Executive Director of the Company with effect from 1 August 2023. He will be attending the relevant briefing and training in relation to the roles and responsibilities of a director of a Singapore Public Listed Company conducted by the Singapore Institute of Directors within one year from the date of his appointment.</p> | <p>Not Applicable</p> <p>This is a re-election of a director.</p> | <p>Not Applicable</p> <p>This is a re-election of a director.</p> | <p>Not Applicable</p> <p>This is a re-election of a director.</p> |

DIRECTORS' STATEMENT

The Directors of Fortress Minerals Limited (the "Company") present their statement to the members together with the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 29 February 2024 and the statement of financial position of the Company as at 29 February 2024.

1. Opinion of the Directors

In the opinion of the Board of Directors,

- (a) the consolidated financial statements of the Group and the statement of financial position of the Company together with the notes thereon are drawn up so as to give a true and fair view of the financial positions of the Group and of the Company as at 29 February 2024, and of the financial performance, changes in equity and cash flows of the Group for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The Directors of the Company in office at the date of this statement are as follows:

Chew Wai Chuen
 Chee Yew Fei
 Ng Mun Fey
 Edmund Chee Ji Kang (Appointed on 1 August 2023)
 Willa Chee Keng Fong
 Teh Lip Kim
 Loong Ching Hong
 Anita Chew Cheng Im
 Goh Kah Im

3. Arrangements to enable Directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

4. Directors' interests in shares or debentures

The Directors of the Company holding office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967 (the "Act"), except as follows:

| | Shareholdings registered in the name of Directors | | Shareholdings in which Directors are deemed to have an interest | |
|------------------------|------------------------------------------------------|-----------------------------------|-----------------------------------------------------------------------|-----------------------------------|
| | Balance at 1 March 2023 | Balance at 29 February 2024 | Balance at 1 March 2023 | Balance at 29 February 2024 |
| Ordinary shares | | | | |
| Company: | | | | |
| Chee Yew Fei | 530 | 530 | 251,249,470 | 254,144,370 |
| Ng Mun Fey | – | – | 35,593,750 | 37,488,650 |
| Teh Lip Kim | 1,679,300 | 1,679,300 | 166,465,625 | 166,465,625 |
| Loong Ching Hong | 2,026,000 | 2,056,000 | 5,234,375 | 5,234,375 |

DIRECTORS' STATEMENT

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

By virtue of Section 7 of the Act, Chee Yew Fei and Teh Lip Kim are deemed to have interests in all related corporations of the Company at the end of the financial year.

In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST"), according to the register of directors' shareholdings, the directors' interest as at 21 March 2024 in the shares of the Company are as follows:

| | Shareholdings registered in the name of Directors | | Shareholdings in which Directors are deemed to have an interest | |
|------------------------|------------------------------------------------------|--------------------------------|-----------------------------------------------------------------------|--------------------------------|
| | Balance at 29 February 2024 | Balance at 21 March 2024 | Balance at 29 February 2024 | Balance at 21 March 2024 |
| Ordinary shares | | | | |
| Company: | | | | |
| Chee Yew Fei | 530 | 530 | 254,144,370 | 254,259,670 |
| Ng Mun Fey | – | – | 37,488,650 | 37,603,950 |
| Teh Lip Kim | 1,679,300 | 1,679,300 | 166,465,625 | 166,465,625 |
| Loong Ching Hong | 2,056,000 | 2,056,000 | 5,234,375 | 5,234,375 |

5. Share options

There were no share options granted by the Company or its subsidiary corporations during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations.

There were no unissued shares of the Company or its subsidiary corporations under option as at the end of the financial year.

Employee Share Option Scheme

The Company had implemented an Employee Share Option Scheme known as the Fortress Employee Share Option Scheme ("Fortress ESOS"). The Fortress ESOS was approved by the shareholders at a General Meeting of the Company held on 20 February 2019. The Fortress ESOS has been adopted with effect from the date of listing. No options have been granted pursuant to the Fortress ESOS as at the date of this report.

6. Audit committee

The Audit Committee of the Company is chaired by Mr Goh Kah Im, an Independent Director, and includes Ms Anita Chew Cheng Im and Mr Chew Wai Chuen, who are both Independent Directors. The Audit Committee has met four (4) times since the last Annual General Meeting ("AGM") and has carried out its functions in accordance with section 201B(5) of the Act, including the following, where relevant, with the executive Directors and external and internal auditors of the Company:

- (i) reviewing the audit plans of the internal and external auditors and the results of the auditors' examination and evaluation of the Group's systems of internal accounting controls;
- (ii) reviewing the quarterly and full-year announcements as well as related on the results and financial position of the Group;

DIRECTORS' STATEMENT

6. Audit committee (Continued)

- (iii) reviewing the annual financial statements and external auditor's report on the annual financial statements of the Group for the financial year ended 29 February 2024 and the statements of financial position of the Company as at 29 February 2024 before submission to the Board of Directors for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with financial reporting standards as well as compliance with the Catalist Rules and any other statutory or regulatory requirements;
- (iv) reviewing the effectiveness and adequacy of the Group's internal control and procedures, including financial, operational, compliance and information technology risks and ensure coordination between the Group's internal and external auditors, and management; reviewing the assistance given by the management to the auditors and discuss concerns and problems, if any, arising from the audit, and any matters which the auditors may wish to discuss (in the absence of the management where necessary);
- (v) reviewing and discussing with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the management's response;
- (vi) reviewing the scope and results of the internal audit procedures where applicable;
- (vii) reviewing any potential conflicts of interest (if any) and to set out a framework to resolve or mitigate any potential conflicts of interests;
- (viii) conducting periodic review and approval of foreign exchange transactions and hedging policies (if any) undertaken by the Group;
- (ix) making recommendation to the Board of Directors on the proposals to shareholders on the appointment and re-appointment of the internal and external auditors, and approving the remuneration and terms of engagement of the internal and external auditors;
- (x) reviewing transactions falling within the scope of Chapter 10 of Catalist Rules;
- (xi) reviewing the effectiveness and adequacy of our Group's administrative, operating, internal accounting and financial control procedures;
- (xii) reviewing arrangements by which our Group's staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting and ensure that arrangements are in place for the independent investigations of such matter and for appropriate follow-up;
- (xiii) reviewing Group's compliance with such functions and duties as may be required under the relevant statutes or the Catalist Rules, including such amendments made thereto from time to time;
- (xiv) undertaking such other reviews and projects as may be requested by the Board of Directors and report to the Board of Directors its findings from time to time on matters arising and requiring the attention of the Audit Committee;
- (xv) reviewing and approving any proposed repayment of the shareholders' loans (or any part thereof); and
- (xvi) generally undertaking such other functions and duties as may be required by law or the Catalist Rules, and by such amendments made thereto from time to time.

DIRECTORS' STATEMENT

6. **Audit committee** (Continued)

The Audit Committee confirmed that it has undertaken a review of all non-audit services provided by the external auditors to the Group and is satisfied that the nature and extent of such services would not affect the independence of the external auditors.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its functions properly. It also has full discretion to invite any Director and Executive Officer of the Group to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the Board of Directors the nomination of BDO LLP, for re-appointment as external auditors of the Company at the forthcoming Annual General Meeting.

7. **Independent auditors**

The independent auditors, BDO LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors,

Chee Yew Fei

Director

Singapore

6 June 2024

Ng Mun Fey

Director

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FORTRESS MINERALS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Fortress Minerals Limited (the "Company") and its subsidiaries (the "Group"), as set out on pages 120 to 171, which comprise:

- the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 29 February 2024;
- the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows of the Group for the financial year then ended; and
- notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967, (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 29 February 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FORTRESS MINERALS LIMITED

| KEY AUDIT MATTER | AUDIT RESPONSE |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1 Impairment assessment of mining assets of Bukit Besi mine</p> <p>The Group operates mining and production of iron ore at Bukit Besi Mine located in Terengganu, Malaysia.</p> <p>As at 29 February 2024, the assets related to mining assets of Bukit Besi mine mainly comprise the plant and equipment, mining properties and right-of-use assets. The total carrying amount of the assets related to mining assets of Bukit Besi mine represent a significant portion of the Group's total assets.</p> <p>Management has determined that there are no indications of impairment on the Group's mining assets, taking into consideration the remaining estimated mining resources, production costs, iron ore prices and continuation of the production activities.</p> <p>We focused on the impairment assessment of mining assets of Bukit Besi mine as a key audit matter because these assets contribute significantly to the Group's financial statements.</p> | <p>We performed the following audit procedures, amongst others:</p> <ul style="list-style-type: none"> • Evaluated management's assessment of whether there was any indication that mining assets of Bukit Besi mine may be impaired; • Perused the reports issued by management's external expert to understand the basis for the estimated mining resources, and assessed the competence, capabilities and objectivity of that expert; obtained an understanding of the work of that expert; evaluated the appropriateness of that expert's work; • Performed physical sighting of plant and equipment and mining properties on a sample basis; and • Evaluated the adequacy of disclosures in the financial statements. |
| <p>Refer to Notes 2.3, 2.4, 2.5, 2.7, 3.1, 5, 6, 7 and 8 to the financial statements.</p> | |

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FORTRESS MINERALS LIMITED

| KEY AUDIT MATTER | AUDIT RESPONSE |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>2 Impairment assessment of goodwill arising from the acquisition of Fortress Mengapur Sdn. Bhd. ("FMeSB") and its subsidiaries (the "FMeSB Group")</p> <p>As at 29 February 2024, the Group's goodwill amounted to US\$2,834,372 which had been allocated to single cash-generating-unit ("CGU") which is Fortress Mengapur Sdn. Bhd. ("FMeSB") and its subsidiaries (the "FMeSB Group"). The FMeSB Group operates Mengapur mine located in Pahang, Malaysia.</p> <p>Under SFRS(I) 1-36 <i>Impairment of Assets</i>, the Group is required to test goodwill for impairment annually, or more frequently if there are indications that goodwill may be impaired.</p> <p>For impairment assessment, management applied the value-in-use (discounted cash flow forecasts) method to determine the recoverable amounts for the CGU to which the goodwill belong. Shortfall (if any) between the recoverable amount and the carrying amount of the CGU would be recognised as an impairment loss. Arising from the above assessment, no impairment loss of goodwill was recognised during the financial year.</p> <p>We have determined the impairment assessment of goodwill to be a key audit matter as the impairment assessment involved significant judgements and estimates with regard to the key assumptions used in estimating the discounted future cash flows, such as the anticipated annual production volume (including iron concentrate and copper concentrate), anticipated average realised selling prices, earnings before interest and tax ("EBIT") margins and discount rates.</p> | <p>We performed the following audit procedures, amongst others:</p> <ul style="list-style-type: none"> Conducted a visit to Mengapur mine, discussed with site management and observed the current operation of the mine, understood management's process related to impairment assessment of goodwill; Evaluated the reasonableness of the key assumptions used by management, including referencing to historical performance, estimated mining resources and market outlook, as appropriate; Perused the report issued by management's external expert to understand the basis for the estimated mining resources, and assess the competence, capabilities and objectivity of that expert; obtain an understanding of the work of that expert; evaluate the appropriateness of that expert's work; Engaged our internal valuation specialist to evaluate the appropriateness of the value-in-use calculation model and reasonableness of the discount rate used by management; Performed sensitivity analysis on the key assumptions used in cash flow forecasts; and Evaluated the adequacy of disclosure in the financial statements. |
| <p>Refer to Notes 2.6, 2.7, 3.2(ii) and 10 to the financial statements.</p> | |

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FORTRESS MINERALS LIMITED

Other Information

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FORTRESS MINERALS LIMITED

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FORTRESS MINERALS LIMITED

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditors' report is Liang Hongzhou.

BDO LLP

Public Accountants and
Chartered Accountants

Singapore
6 June 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 29 FEBRUARY 2024

| | Note | Group | | Company | |
|-------------------------------------------------------|------|-------------------|-------------------|-------------------|-------------------|
| | | 2024 US\$ | 2023 US\$ | 2024 US\$ | 2023 US\$ |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Investments in subsidiaries | 4 | – | – | 43,014,921 | 43,202,161 |
| Exploration and evaluation assets | 5 | 4,977,668 | 6,501,873 | – | – |
| Mining properties | 6 | 41,589,686 | 40,128,657 | – | – |
| Plant and equipment | 7 | 21,211,697 | 22,911,961 | – | – |
| Right-of-use assets | 8 | 1,436,973 | 682,770 | – | – |
| Intangible asset | 10 | 2,834,372 | 3,010,462 | – | – |
| | | <u>72,050,396</u> | <u>73,235,723</u> | <u>43,014,921</u> | <u>43,202,161</u> |
| Current assets | | | | | |
| Inventories | 11 | 3,135,168 | 4,672,007 | – | – |
| Trade receivables | 12 | 7,205,929 | 3,914,647 | – | – |
| Other receivables, deposits and prepayments | 13 | 4,197,106 | 4,534,959 | – | – |
| Amounts due from subsidiaries | 14 | – | – | 13,372,073 | 7,861,118 |
| Current income tax receivable | | 754,860 | 196,637 | – | – |
| Financial assets at fair value through profit or loss | 15 | 2,196,115 | 1,466,377 | 2,196,115 | – |
| Cash and bank balances | 16 | 7,681,409 | 5,669,596 | 2,073,664 | 2,063,001 |
| | | <u>25,170,587</u> | <u>20,454,223</u> | <u>17,641,852</u> | <u>9,924,119</u> |
| Total assets | | <u>97,220,983</u> | <u>93,689,946</u> | <u>60,656,773</u> | <u>53,126,280</u> |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| Share capital | 17 | 28,995,034 | 22,463,273 | 28,995,034 | 22,463,273 |
| Other reserves | 18 | (11,389,901) | (7,964,631) | – | – |
| Retained earnings | 19 | 54,639,963 | 47,741,243 | 23,130,320 | 17,152,427 |
| Equity attributable to owners of the Company | | <u>72,245,096</u> | <u>62,239,885</u> | <u>52,125,354</u> | <u>39,615,700</u> |
| Non-controlling interest | | 1,496 | (25,183) | – | – |
| Total equity | | <u>72,246,592</u> | <u>62,214,702</u> | <u>52,125,354</u> | <u>39,615,700</u> |
| Non-current liabilities | | | | | |
| Bank borrowings | 20 | 1,918,301 | 7,734,972 | 986,994 | 5,934,968 |
| Lease liabilities | 21 | 205,331 | 52,133 | – | – |
| Deferred tax liabilities | 9 | 3,543,846 | 3,577,057 | – | – |
| Other payables | 23 | 2,309,552 | 2,250,031 | 2,309,552 | 2,250,031 |
| | | <u>7,977,030</u> | <u>13,614,193</u> | <u>3,296,546</u> | <u>8,184,999</u> |
| Current liabilities | | | | | |
| Bank borrowings | 20 | 6,939,565 | 7,129,528 | 4,947,974 | 4,947,974 |
| Lease liabilities | 21 | 1,270,384 | 627,985 | – | – |
| Trade payables | 22 | 1,180,197 | 1,250,832 | – | – |
| Other payables and accruals | 23 | 7,593,013 | 8,759,330 | 245,618 | 358,231 |
| Amounts due to directors | 24 | 1,529 | 36,757 | – | – |
| Amounts due to subsidiaries | 25 | – | – | 41,199 | 19,301 |
| Current income tax payables | | 12,673 | 56,619 | 82 | 75 |
| | | <u>16,997,361</u> | <u>17,861,051</u> | <u>5,234,873</u> | <u>5,325,581</u> |
| Total liabilities | | <u>24,974,391</u> | <u>31,475,244</u> | <u>8,531,419</u> | <u>13,510,580</u> |
| Total equity and liabilities | | <u>97,220,983</u> | <u>93,689,946</u> | <u>60,656,773</u> | <u>53,126,280</u> |

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

| | Note | 2024 US\$ | 2023 US\$ |
|----------------------------------------------------------------------------------|------|---------------------|--------------|
| Revenue | 26 | 53,932,963 | 53,547,150 |
| Cost of sales | | (20,671,393) | (15,795,541) |
| Gross profit | | 33,261,570 | 37,751,609 |
| Other income | 27 | 416,461 | 113,965 |
| Selling and distribution expenses | | (6,687,629) | (6,833,410) |
| Other operating expenses | | (9,863,224) | (9,175,357) |
| Administrative expenses | | (1,574,279) | (1,500,797) |
| Impairment losses on financial assets | 13 | (663,402) | – |
| Fair value changes on contingent consideration | | (53,256) | (1,786,924) |
| Finance costs | 29 | (962,524) | (1,012,514) |
| Profit before income tax | 30 | 13,873,717 | 17,556,572 |
| Income tax expense | 31 | (3,835,711) | (5,461,385) |
| Profit for the financial year | | 10,038,006 | 12,095,187 |
| Other comprehensive loss: | | | |
| <i>Item that may be reclassified subsequently to profit or loss:</i> | | | |
| Exchange differences on translating foreign operations | | (3,423,345) | (3,770,807) |
| Other comprehensive loss for the financial year, net of tax | | (3,423,345) | (3,770,807) |
| Total comprehensive income for the financial year | | 6,614,661 | 8,324,380 |
| Profit/(Loss) for the financial year attributable to: | | | |
| – Owners of the Company | | 10,047,877 | 12,116,676 |
| – Non-controlling interest | | (9,871) | (21,489) |
| | | 10,038,006 | 12,095,187 |
| Total comprehensive income/(loss) for the financial year attributable to: | | | |
| – Owners of the Company | | 6,622,607 | 8,344,584 |
| – Non-controlling interest | | (7,946) | (20,204) |
| | | 6,614,661 | 8,324,380 |
| Earnings per share attributable to owners of the Company (cents) | | | |
| – Basic and diluted | 32 | 1.93 | 2.42 |

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

| Note | Share capital US\$ | Capital reserve US\$ | Merger reserve US\$ | Foreign currency translation reserve US\$ | | Retained earnings US\$ | Total attributable to owners of the Company US\$ | | Non-controlling interest US\$ | Total equity US\$ |
|---------------------------------------------------------------------------------------------------------------------------|-----------------------|-------------------------|------------------------|----------------------------------------------|---------------------|---------------------------|-----------------------------------------------------|-------------------|----------------------------------|----------------------|
| | | | | Merger reserve | translation reserve | | Company | interest | | |
| Balance at 1 March 2023 | 22,463,273 | 383,615 | (3,565,976) | (4,782,270) | 47,741,243 | 62,239,885 | (25,183) | 62,214,702 | | |
| Profit/(Loss) for the financial year | - | - | - | - | 10,047,877 | 10,047,877 | (9,871) | 10,038,006 | | |
| Other comprehensive income/(loss) for the financial year Exchange differences on translating foreign operations | - | - | - | (3,425,270) | - | (3,425,270) | 1,925 | (3,423,345) | | |
| Total comprehensive income/(loss) for the financial year | - | - | - | (3,425,270) | 10,047,877 | 6,622,607 | (7,946) | 6,614,661 | | |
| Total transactions with owners, recognised directly in equity | | | | | | | | | | |
| Issuance of shares to non-controlling interest of a subsidiary | - | - | - | - | - | - | 34,625 | 34,625 | | |
| Issuance of new ordinary shares | 6,531,761 | - | - | - | - | 6,531,761 | - | 6,531,761 | | |
| Dividends | - | - | - | - | (3,149,157) | (3,149,157) | - | (3,149,157) | | |
| Total transactions with owners | 6,531,761 | - | - | - | (3,149,157) | 3,382,604 | 34,625 | 3,417,229 | | |
| Balance at 29 February 2024 | 28,995,034 | 383,615 | (3,565,976) | (8,207,540) | 54,639,963 | 72,245,096 | 1,496 | 72,246,592 | | |

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

| Note | Share capital US\$ | Capital reserve US\$ | Foreign currency translation reserve US\$ | | | Retained earnings US\$ | Total attributable to owners of the Company US\$ | Non-controlling interest US\$ | Total equity US\$ |
|---------------------------------------------------------------------------------------------------------------------------|-----------------------|-------------------------|----------------------------------------------|----------------------------------------------|---------------------------|---------------------------|-----------------------------------------------------|----------------------------------|----------------------|
| | | | Merger reserve US\$ | Foreign currency translation reserve US\$ | Retained earnings US\$ | | | | |
| Balance at 1 March 2022 | 22,463,273 | 383,615 | (3,565,976) | (1,010,178) | 38,534,497 | 56,805,231 | (20,504) | 56,784,727 | |
| Profit/(Loss) for the financial year | - | - | - | - | 12,116,676 | 12,116,676 | (21,489) | 12,095,187 | |
| Other comprehensive income/(loss) for the financial year Exchange differences on translating foreign operations | - | - | - | (3,772,092) | - | (3,772,092) | 1,285 | (3,770,807) | |
| Total comprehensive income/(loss) for the financial year | - | - | - | (3,772,092) | 12,116,676 | 8,344,584 | (20,204) | 8,324,380 | |
| Total transactions with owners, recognised directly in equity | - | - | - | - | - | - | - | - | |
| Effect of change of interest in a subsidiary | 4 | - | - | - | (15,530) | (15,530) | 15,525 | (5) | |
| Dividends | 33 | - | - | - | (2,894,400) | (2,894,400) | - | (2,894,400) | |
| Total transactions with owners | - | - | - | - | (2,909,930) | (2,909,930) | 15,525 | (2,894,405) | |
| Balance at 28 February 2023 | 22,463,273 | 383,615 | (3,565,976) | (4,782,270) | 47,741,243 | 62,239,885 | (25,183) | 62,214,702 | |

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

| | 2024 US\$ | 2023 US\$ |
|------------------------------------------------------------------------------------------|--------------|--------------|
| Operating activities | | |
| Profit before income tax | 13,873,717 | 17,556,572 |
| Adjustments for: | | |
| Amortisation of mining properties | 898,437 | 747,826 |
| Depreciation of plant and equipment | 3,487,364 | 2,935,502 |
| Depreciation of right-of-use assets | 1,995,646 | 1,649,361 |
| Loss on modification of lease contracts | 10,407 | 8,942 |
| Interest income from financial institutions | (45,866) | (15,810) |
| Distribution from financial assets at FVTPL | (128,353) | (16,377) |
| Fair value gain on financial assets at FVTPL | (46,184) | (1,110) |
| Interest expense | 962,524 | 1,012,514 |
| Bad debt written off | – | 5,399 |
| Deposits written off | 426 | – |
| Impairment losses on financial assets | 663,402 | – |
| Fair value loss on contingent consideration | 53,256 | 1,786,924 |
| Plant and equipment written off | – | 7,116 |
| Gain on disposal of plant and equipment | (158,501) | (14,816) |
| Unrealised foreign exchange (gain)/loss | (175,281) | 688,805 |
| Operating cash flows before working capital changes | 21,390,994 | 26,350,848 |
| Working capital changes: | | |
| Inventories | 2,277,503 | (807,915) |
| Trade and other receivables | (5,222,120) | (1,944,478) |
| Trade and other payables | 787,783 | 4,310,628 |
| Cash generated from operations | 19,234,160 | 27,909,083 |
| Income tax paid | (4,610,447) | (5,409,150) |
| Income tax refunded | 48,018 | 6,070 |
| Net cash flow from operating activities | 14,671,731 | 22,506,003 |
| Investing activities | | |
| Additions of exploration and evaluation assets | (1,993,769) | (3,124,548) |
| Additions of mining properties | (630,535) | (1,727,257) |
| Additions of plant and equipment | (2,894,229) | (3,908,224) |
| Acquisition of additional shares in a subsidiary from non-controlling interests | – | (5) |
| Proceeds from disposal of plant and equipment | 289,040 | 38,767 |
| Purchase of financial asset at fair value through profit or loss, net | (683,554) | (1,465,266) |
| Interest received | 45,866 | 15,810 |
| Distribution income received | 128,353 | 16,377 |
| Net cash used in investing activities | (5,738,828) | (10,154,346) |
| Financing activities | | |
| Repayment of bank borrowings (Note A) | (7,365,432) | (7,437,245) |
| Interest paid on bank borrowings (Note A) | (927,267) | (959,034) |
| Repayment of principal portion of lease liabilities (Note A) | (2,224,891) | (2,050,860) |
| Repayment of interest portion of lease liabilities (Note A) | (36,767) | (53,480) |
| Proceed from issuance of new ordinary shares | 6,531,761 | – |
| Proceed from issuance of new ordinary shares to non-controlling interest by a subsidiary | 34,625 | – |
| Increase in short-term deposit pledged | (978) | (975) |
| Dividends paid | (3,149,157) | (2,894,400) |
| Net cash flow used in financing activities | (7,138,106) | (13,395,994) |
| Net change in cash and cash equivalents | 1,794,797 | (1,044,337) |
| Effect of exchange rate changes on cash and cash equivalents | 216,038 | (198,267) |
| Cash and cash equivalents at beginning of financial year | 3,667,825 | 4,910,429 |
| Cash and cash equivalents at end of financial year (Note 16) | 5,678,660 | 3,667,825 |

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

Note A: Reconciliation of liabilities arising from financing activities

| | At 1 March 2023 US\$ | Non-cash changes | | | | | | At 29 February 2024 US\$ | |
|-------------------|-------------------------------|--------------------|----------------------------------------------------------------------------|------------------------------------------------|---------------------------------------------------------|----------------------------------|----------------------------------------------|-----------------------------------|--------------------------------------------|
| | | Cash flows US\$ | Additions of plant and equipment under bank borrowings US\$ | Additions of right-of-use assets US\$ | Reassessment and modification of lease US\$ | Accretion of interest US\$ | Amortisation of borrowing cost US\$ | | Foreign currency translation US\$ |
| Bank borrowings | 14,864,500 | (8,292,699) | 1,566,738 | – | – | 865,282 | 61,985 | (207,940) | 8,857,866 |
| Lease liabilities | 680,118 | (2,261,658) | – | 1,789,640 | 1,295,873 | 36,767 | – | (65,025) | 1,475,715 |
| | 15,544,618 | (10,554,357) | 1,566,738 | 1,789,640 | 1,295,873 | 902,049 | 61,985 | (272,965) | 10,333,581 |

| | At 1 March 2022 US\$ | Non-cash changes | | | | | | At 28 February 2023 US\$ | |
|-------------------|-------------------------------|--------------------|----------------------------------------------------------------------------|------------------------------------------------|---------------------------------------------------------|----------------------------------|----------------------------------------------|-----------------------------------|--------------------------------------------|
| | | Cash flows US\$ | Additions of plant and equipment under bank borrowings US\$ | Additions of right-of-use assets US\$ | Reassessment and modification of lease US\$ | Accretion of interest US\$ | Amortisation of borrowing cost US\$ | | Foreign currency translation US\$ |
| Bank borrowings | 22,114,469 | (8,396,279) | 496,340 | – | – | 896,606 | 62,428 | (309,064) | 14,864,500 |
| Lease liabilities | 2,487,073 | (2,104,340) | – | 1,334,229 | (954,483) | 53,480 | – | (135,841) | 680,118 |
| | 24,601,542 | (10,500,619) | 496,340 | 1,334,229 | (954,483) | 950,086 | 62,428 | (444,905) | 15,544,618 |

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General corporate information

Fortress Minerals Limited (the “Company”) is a public limited liability company incorporated and domiciled in Singapore and its registered office and principal place of business are located at 77 Robinson Road, #06-03, Robinson 77, Singapore 068896 and 9-1, Jalan PJS 8/18, Dataran Mentari, 46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia respectively. The Company is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”). The registration number of the Company is 201732608K.

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries are set out in Note 4 to the financial statements.

The Company’s ultimate controlling party is Chee Yew Fei, who is a Director of the Company as at 29 February 2024.

2. Material accounting policy information

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)s”) under the historical cost convention, except as disclosed in the accounting policies below.

The individual financial statements of each entity within the Group are measured and presented in the currency of the primary economic environment in which the entity operates (“functional currency”). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in United States dollar (“US\$”), which is the functional currency of the Company and the presentation currency for the consolidated financial statements and all values presented are expressed in US\$, unless otherwise stated.

The preparation of financial statements in compliance with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the Group’s application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates. The areas where such judgements or estimates have significant effect on the financial statements are disclosed in Note 3 to the financial statements.

Changes in accounting policies

New standards, amendments and interpretations effective from 1 March 2023

On 1 March 2023, the Group adopted the new or amended SFRS(I) and interpretations to SFRS(I) that are mandatory for application for the financial year. The adoption of these standards did not result in significant changes to the Group’s accounting policies and had no material impact to the Group’s financial statements, except as disclosed below.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

2. Material accounting policy information (Continued)

2.1 Basis of preparation of financial statements (Continued)

Changes in accounting policies (Continued)

New standards, amendments and interpretations effective from 1 March 2023 (Continued)

Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Disclosure of Accounting Policies and SFRS(I) Practice Statement 2

The amendments change the disclosure requirements with respect to accounting policies from 'significant accounting policies' to 'material accounting policy information'. The amendments provide guidance on when accounting policy is likely to be considered material.

Management has followed the guidance in the amendments to SFRS(I) 1-1 and SFRS(I) *Practice Statement 2* in determining which accounting policy information is material. For the preparation of financial statements for the financial year ended 29 February 2024, the material accounting policy information have been included in Note 2 to the financial statements.

New standards, amendments and interpretations issued but not yet effective

There are a number of standards, amendments to standards, and interpretations that are effective in future accounting periods and the Group has not decided to early adopt. The Group does not expect any of these standards upon adoption will have a material impact to the Group.

2.2 Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method. The consideration transferred for the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. Consideration transferred also includes any contingent consideration measured at the fair value at the acquisition date. Subsequent changes in fair value of contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 are recognised at their fair values at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with SFRS(I) 2 *Share-based Payment*; and
- assets (or disposal groups) that are classified as held-for-sale in accordance with SFRS(I) 5 *Non-current Assets Held-for-Sale and Discontinued Operations* are measured in accordance with that standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

2. Material accounting policy information (Continued)

2.2 Business combinations (Continued)

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

If, after reassessment, the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and initially measured at the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities and contingent liabilities assumed.

Goodwill (Note 10) is initially recognised at cost and subsequently measured at cost less any accumulated impairment losses.

2.3 Exploration and evaluation assets

Exploration and evaluation activities involve the search for mineral resources, the determination of technical feasibility and the assessment of the commercial viability of an identified resource. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in profit or loss, unless the Group concludes that a future economic benefit is more likely than not to be realised. Exploration and evaluation costs are capitalised in respect of each area of interest for which the rights to tenure are current and where:

- (i) the exploration and evaluation costs are expected to be recouped through successful development and exploitation of the area of interest; or alternatively, by its sale; or
- (ii) exploration and evaluation activities in the area of interest have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable resources, and active and significant operations in, or in relation to, the areas of interest are continuing.

Exploration and evaluation assets are initially measured at cost less any impairment loss that has been recognised in profit or loss. Costs include the cost of acquiring exploration rights, researching and analysing existing exploration data, gathering exploration data through topographical, geochemical and geophysical studies, exploratory drilling, trenching and sampling, determining and examining the volume and grade of the resource, examining and testing extraction and treatment methods, surveying transportation and infrastructure requirements, compiling pre-feasibility and feasibility studies, gaining access to areas of interest including occupancy and relocation compensation and/or amortisation and depreciation charges in respect of assets consumed during the exploration and evaluation activities. The carrying values of capitalised evaluation expenditure for undeveloped mining projects (projects for which the decision to mine has not yet been approved at the appropriate authorisation level within the Group) are reviewed at each reporting date for indicators of impairment in accordance with SFRS(I) 6 *Exploration for and Evaluation of Mineral Resources*, and when indicators are identified are tested in accordance with SFRS(I) 1-36 *Impairment of Assets*.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

2. Material accounting policy information (Continued)

2.3 Exploration and evaluation assets (Continued)

General and administrative costs are allocated to, and included in, the cost of exploration and evaluation asset only to the extent that those costs can be related directly to operational activities in the area of interest to which the exploration and evaluation asset relates. In all other cases, these costs are expensed as incurred. Licenses cost paid in connection with a right to explore in existing exploration area are capitalised and amortised over the term of the permit.

No amortisation is charged during exploration and evaluation phase. Exploration and evaluation assets are transferred to mining properties when the resources are established and development is sanctioned.

2.4 Mining properties

All items of mining properties are recognised at cost less accumulated amortisation and accumulated impairment losses, if any.

Amortisation is calculated based on unit-of-production method over the economically recoverable resources of the mine concerned, except in the case of the mining property whose useful life is shorter than the life of the mine, in which case, the straight-line method is applied. Amortisation of mining properties is capitalised under inventories and subsequently recognised in the profit or loss under cost of sales.

Mining properties are not amortised until the construction is completed and the assets are available for their intended use. This is signified by the formal commissioning of the mine for production.

At the end of each reporting period, the carrying amount of an item of mining properties is assessed for impairment annually and wherever there is an indication that the carrying amount may be impaired.

Management assesses the estimated recoverable resource of mine at each reporting period and the actual result may vary due to actual production is different from forecast production based on economical recoverable resources or impacted by present assessment of economically recoverable resources of the mine property at which the asset is located. If expectation differ from previous estimates, the changes are accounted for as a change in accounting estimates and are accounted for prospectively.

A mining property is derecognised on disposal or when no future economic benefits are expected from its use. The gain or loss arising from derecognition determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset is recognised in profit or loss when the asset is derecognised.

During the production phase of a mine, stripping costs are accounted for as production costs and included in the cost of inventory produced during the period except for stripping costs incurred to provide access to sources of resources that will be produced in future periods and would not otherwise have been accessible, which are capitalised to the cost of mining properties and amortised based on a unit-of-production method over the economically recoverable resources that directly benefit from the stripping activity.

2.5 Plant and equipment

All items of plant and equipment are initially recognised at cost. The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

2. Material accounting policy information (Continued)

2.5 Plant and equipment (Continued)

Subsequent expenditure on an item of plant and equipment is added to the carrying amount of the item if it is probable that the future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Plant and equipment are subsequently carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation on plant and equipment is calculated using the straight-line method to allocate the depreciable amounts over their estimated useful life, on the following bases:

| | <u>Years</u> |
|------------------------|--------------|
| Furniture and fittings | 5 |
| Office equipment | 5 |
| Site equipment | 5 |
| Plant and machinery | 5 to 10 |
| Motor vehicles | 5 |
| Renovation | 5 |

Capital work-in progress represents installation of equipment in progress. No depreciation is charged on capital work-in-progress as they are not yet ready for their intended use as at the end of reporting period. Capital work-in-progress is classified to the appropriate category of plant and equipment when the assets are completed and ready for use. The depreciation of capital work-in-progress commences when they are available for use, i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management.

The carrying amount of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

The estimated useful lives, residual values and depreciation method are reviewed, and adjusted as appropriate, at the end of each reporting period.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.6 Intangible assets

Goodwill

Goodwill on acquisitions of subsidiaries and businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Gains and losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the entity sold.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

2. Material accounting policy information (Continued)

2.7 Impairment of non-financial assets except for exploration and evaluation assets

Assets other than goodwill

The carrying amounts of non-financial assets except for exploration and evaluation assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment loss and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups of assets. Impairment loss is recognised in profit or loss.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. Recoverable amount is determined for individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, the recoverable amount is determined for the cash-generating unit to which the assets belong. The fair value less costs to sell is the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable willing parties less costs of disposal. Value in use is the present value of estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life, discounted at pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the asset or cash-generating unit for which the future cash flow estimates have not been adjusted.

An assessment is made at the end of each reporting date as to whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. An impairment loss recognised in prior periods is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment loss are recognised in profit or loss. After such a reversal, the depreciation or amortisation is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Goodwill

Goodwill is recognised separately as intangible assets and is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

Goodwill is allocated on initial recognition to each of the Group's cash-generating units expected to benefit from the synergies of the combination. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

2. Material accounting policy information (Continued)

2.8 Financial guarantee contracts

The Company has issued corporate guarantees to banks for borrowings of certain subsidiaries and these guarantees qualify as financial guarantees because the Company is required to reimburse the banks if these subsidiaries breach any repayment term.

Financial guarantee contract liabilities are measured initially at their fair values, net of transaction costs. Financial guarantee contracts are subsequently measured at the higher of:

- a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and
- b) the amount of loss allowance determined in accordance with SFRS(I) 9.

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined on a first-in, first-out basis. The cost of iron ores comprises direct labour, other direct cost, direct attributable expenses and related production overheads. While the cost of consumables includes all of cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price at which inventories can be realised in the ordinary course of business, less estimated costs to be incurred to make the sale. Where necessary, allowance is made for obsolete, slow-moving and defective inventories to adjust the carrying value of those inventories to the lower of cost and net realisable value.

2.10 Revenue recognition

Revenue is recognised when a performance obligation is satisfied. Revenue is measured based on consideration of which the Group expects to be entitled in exchange for transferring promised good or services to a customer, excluding amounts collected on behalf of third parties (i.e. sales related taxes), if any. The consideration promised in the contracts with customers may include fixed amounts and variable amounts. Most of the Group's revenue is derived from fixed price contracts and therefore, the amount of revenue earned for each contract is determined by reference to those fixed prices.

Sales of goods

The Group's sales of goods comprised mainly sales of iron ores to customers. Revenue from the sales of these products is recognised at point in time when the products are delivered to customers. Performance obligations are satisfied when the controls of products (i.e. risk of obsolescence and loss of shipment) are transferred to the customers. There is limited judgement needed to identify when the point of control passes to customers. There is no element of significant financing component as the Group either obtains the letter of credit from its customers or is on a credit term at the range of seven (7) to fourteen (14) days from invoice date which coincide when control transfers to the customer.

Revenue from these sales is recognised based on the price for the quotation period as stipulated in the contract, net of price adjustment for the products impurities and specification adjustments as stipulated in the contract. The effect of product impurities and specification does not impact on the passing of control to the customers as the effects have been insignificant historically.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

3. Critical accounting judgements and key sources of estimation uncertainty

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the application of the Group's accounting policies, which are described in Note 2 to the financial statement, management made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources. The estimates and associated assumptions were based on historical experience and other factors that were considered to be reasonable under the circumstances. Actual results may differ from these estimates.

3.1 Critical judgements made in applying the accounting policies

The following are the critical judgements, apart from those involving estimations (see below) that management has made in the process of applying the Group's and the Company's accounting policies and which have a significant effect on the amounts recognised in the financial statements.

Impairment assessment of mining assets

The Group assesses these assets at each reporting period to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is determined as the higher of fair value less costs to sell and value in use. In determining if there are indicators of impairment of these assets, judgement is used to consider if there are external and internal sources of information that indicates these assets may be impaired. The Group has determined that there are no indications of impairment on mining assets taking into consideration the remaining estimated mining resource, production costs, iron ore prices and continuation of the production activities.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses within the next financial year are discussed below.

(i) Amortisation of mining properties

Mining properties are amortised on a unit of production basis over the economically recoverable resources of the mine concerned except for the mining rights which are amortised over the term of permit. Management have engaged an external expert to review and revise the estimates of the recoverable resources of the mines and remaining useful life and residual values of mining properties at the end of each reporting date. Any changes in estimates of the recoverable resource of the mine, the useful life, and residual values of the mining properties would impact the amortisation charges and consequently affect the Group's financial performance. The carrying amount of mining properties as at 29 February 2024 was US\$41,589,686 (2023: US\$40,128,657).

(ii) Impairment of goodwill arising from acquisition of FMeSB and its subsidiaries ("FMeSB Group")

Management determines whether goodwill is impaired at least on an annual basis and whenever there is an indication that they are impaired. The process of evaluating potential impairment of goodwill requires significant judgements and assumptions. Management estimates the recoverable amount of the cash-generating-unit ("CGU") to which the goodwill has been allocated. The recoverable amount of the CGU is determined based on value-in-use calculations. The value-in-use calculations are based on a discounted cash flow model. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows. Any excess of the carrying value over the discounted future cash flows are recognised as impairment loss in profit or loss. The carrying amount of the Group's goodwill as at 29 February 2024 was US\$2,834,372 (2023: US\$3,010,462). The details of the goodwill and the impairment test are set out in Note 10 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.2 Key sources of estimation uncertainty (Continued)

(iii) Expected credit loss (“ECL”) allowance on other receivables and deposits

Management monitors and assess at each reporting date on any indicator of significant increase in credit risk on other receivables and deposits, by considering forward looking information using industry market data and customer profile. For those where the credit risk has not increased significantly since initial recognition, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised. The Group’s credit risk exposure for other receivables and deposits was disclosed in Note 37.1 to the financial statements. The carrying amount of the other receivables and deposits are disclosed in Note 13 to the financial statements.

4. Investments in subsidiaries

| | Company | |
|--------------------------------------|--------------------------|-------------------|
| | 2024 | 2023 |
| | US\$ | US\$ |
| Unquoted equity investments, at cost | 43,830,234 | 43,618,432 |
| Allowance for impairment loss | (815,313) | (416,271) |
| | <u>43,014,921</u> | <u>43,202,161</u> |

Movements in unquoted equity investment, at cost were as follows:

| | Company | |
|---------------------------------------------------------------------------------|--------------------------|-------------------|
| | 2024 | 2023 |
| | US\$ | US\$ |
| Balance at beginning of financial year | 43,618,432 | 43,506,085 |
| Acquisition of additional shares in a subsidiary from non-controlling interests | – | 5 |
| Incorporation of subsidiaries | 44 | 65 |
| Disposal of a subsidiary | (21) | – |
| Additional capital contribution | 211,779 | 112,277 |
| Balance at end of financial year | <u>43,830,234</u> | <u>43,618,432</u> |

Movements in allowance for impairment loss were as follows:

| | Company | |
|-------------------------------------------|-------------------------|------------------|
| | 2024 | 2023 |
| | US\$ | US\$ |
| Balance at beginning of financial year | (416,271) | – |
| Impairment loss during the financial year | (399,042) | (416,271) |
| Balance at end of financial year | <u>(815,313)</u> | <u>(416,271)</u> |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

4. Investments in subsidiaries (Continued)

As at the end of the reporting period, the Company carried out a review of the investment in subsidiaries, having regard for indicators of impairment on investments in subsidiaries based on the existing performance of subsidiaries. Following the review, an impairment loss of US\$399,042 (2023: US\$416,271) was recognised in the Company's profit or loss for the current financial year. The recoverable amount of the impaired subsidiary was determined based on the fair value less cost of disposal ("FVL COD"). The FVL COD of the impaired subsidiary was assessed to be the expected cash flow recoverable in the event of disposal. The fair value measurement is categorised as a level 3 in the fair value hierarchy.

(a) During the current financial year ended 29 February 2024:

(i) Incorporation of FM Nickel Sdn. Bhd. ("FMNickel")

On 18 April 2023, the Company incorporated a wholly-owned subsidiary in Malaysia known as FM Nickel Sdn. Bhd. ("FMNickel"), with an issued and paid up capital of MYR100 (equivalent to US\$22) comprising one hundred (100) ordinary shares. The principal activity of this company is investment holding.

(ii) Incorporation of FM Gold Sdn. Bhd. ("FMGold")

On 7 June 2023, the Company incorporated a wholly-owned subsidiary in Malaysia known as FM Gold Sdn. Bhd. ("FMGold"), with an issued and paid up capital of MYR100 (equivalent to US\$22) comprising one hundred (100) ordinary shares. The principal activity of this company is investment holding.

(iii) Disposal of Fortress Transport Sdn. Bhd. ("FTSB") (formerly known as Fortress SiO2 Sdn. Bhd.)

The Company has, on 11 October 2023, changed the name of a wholly-owned subsidiary in Malaysia known as Fortress SiO2 Sdn. Bhd. to Fortress Transport Sdn. Bhd. ("FTSB").

On 19 October 2023, the Company transferred the entire shareholding in FTSB with an issued and paid-up capital of MYR100 (equivalent to US\$21) comprising one hundred (100) ordinary shares to another wholly-owned subsidiary in Malaysia known as Fortress Mining Sdn. Bhd. ("FMSB").

On 27 October 2023, FMSB and a third-party company, not related to any of the Directors or substantial shareholders of the Company, subscribed to an additional 152,900 and 147,000 new ordinary shares in FTSB, respectively. Consequently, the issued and paid-up capital of FTSB had increased from MYR100 to MYR300,000. The Company's effective interest in FTSB's ordinary shares decreased from 100% to 51%.

(iv) Additional share capital in a subsidiary – Fortress Drilltech Sdn. Bhd. ("FDTSB")

On 10 November 2023, the Company further injected MYR999,900 (equivalent to US\$211,779) of capital into an existing subsidiary, FDTSB. The capital injection contribution was satisfied through full cash settlement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

4. Investments in subsidiaries (Continued)

(b) In the previous financial year ended 28 February 2023:

(i) Incorporation of Fortress Cu Sdn. Bhd. ("FCuSB")

On 29 June 2022, the Company incorporated a wholly-owned subsidiary in Malaysia known as Fortress Cu Sdn. Bhd. ("FCuSB"), with an issued and paid up capital of MYR100 (equivalent to US\$23) comprising one hundred (100) ordinary shares. The principal activity of this company is for the acquisition of mines, mining rights, metalliferous land, quarries and trading in minerals.

(ii) Incorporation of Fortress Ni Sdn. Bhd. ("FNiSB")

On 25 October 2022, the Company incorporated a wholly-owned subsidiary in Malaysia known as Fortress Ni Sdn. Bhd. ("FNiSB"), with an issued and paid up capital of MYR100 (equivalent to US\$21) comprising one hundred (100) ordinary shares. The principal activity of this company is for the acquisition of mines, mining rights, metalliferous land, quarries and trading in minerals.

(iii) Incorporation of Fortress SiO2 Sdn. Bhd. ("FSiO2")

On 26 October 2022, the Company incorporated a wholly-owned subsidiary in Malaysia known as Fortress SiO2 Sdn. Bhd. ("FSiO2"), with an issued and paid up capital of MYR100 (equivalent to US\$21) comprising one hundred (100) ordinary shares. The principal activity of this company is for the acquisition of mines, mining rights, metalliferous land, quarries and trading in minerals.

(iv) Additional share capital in a subsidiary – Fortress Shared Services Sdn. Bhd. ("FSSSB")

On 22 July 2022, the Company further injected MYR499,900 (equivalent to US\$112,277) of capital into an existing subsidiary, FSSSB. The capital injection contribution was satisfied through full cash settlement.

(v) Acquisition of additional interest in a subsidiary – Fortress DrillTech Sdn. Bhd. ("FDTSB")

On 1 July 2022, the Company acquired the remaining 20% equity interest in FDTSB, which is now wholly-owned by the Group. The changes in the ownership interest of FDTSB had the following effect on the equity attributable to owners of the parent during the financial year:

| | US\$ |
|-------------------------------------------------------|-----------------|
| Carrying amount of non-controlling interests acquired | (15,525) |
| Consideration paid to non-controlling interests | (5) |
| Excess of consideration paid recognised in equity | <u>(15,530)</u> |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

4. Investments in subsidiaries (Continued)

The details of the subsidiaries are as follows:

| Name of subsidiaries (Country of incorporation and principal place of business) | Principal activities | Proportion of ownership interest held by the Group | | Proportion of ownership interest held by non-controlling interest | |
|------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|------|-------------------------------------------------------------------------------|------|
| | | 2024 | 2023 | 2024 | 2023 |
| | | % | % | % | % |
| Fortress Resources Pte. Ltd. ⁽¹⁾ (Singapore) | Wholesale trade of a variety of goods without dominant product | 100 | 100 | – | – |
| Fortress Mining Sdn. Bhd. ⁽²⁾ (Malaysia) | Acquisition of mines, mining rights, metalliferous land, quarries and dealings in minerals | 100 | 100 | – | – |
| Fortress Dredging Sdn. Bhd. ⁽²⁾ (Malaysia) | Business of extraction, dredging and dealing of industrial sand, acquisition of mines, mining rights, metalliferous land, quarries and dealing in minerals | 100 | 100 | – | – |
| Fortress Metals Sdn. Bhd. ⁽²⁾ (Malaysia) | Acquisition of mines, mining rights, metalliferous land, quarries and trading in minerals | 100 | 100 | – | – |
| Fortress Mengapur Sdn. Bhd. ⁽²⁾ (Malaysia) | Investment holding | 100 | 100 | – | – |
| Fortress Shared Services Sdn. Bhd. ⁽²⁾ (Malaysia) | Function as the centre of excellence and provide support across the Group's financial accounting, payroll, information technology, purchasing, corporate services and other shared service centre functions | 100 | 100 | – | – |
| Fortress Drilltech Sdn. Bhd. ⁽²⁾ (Malaysia) | To carry on business as contractors for drilling and blasting works, other site preparation activities and mining work of any kind | 100 | 100 | – | – |
| Fortress Cu Sdn. Bhd. ⁽²⁾ (Malaysia) | Investment holding | 100 | 100 | – | – |
| Fortress Ni Sdn. Bhd. ⁽²⁾ (Malaysia) | Investment holding | 100 | 100 | – | – |
| FM Nickel Sdn. Bhd. ⁽²⁾ (Malaysia) | Investment holding | 100 | – | – | – |
| FM Gold Sdn. Bhd. ⁽²⁾ (Malaysia) | Investment holding | 100 | – | – | – |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

4. Investments in subsidiaries (Continued)

The details of the subsidiaries are as follows: (Continued)

| Name of subsidiaries (Country of incorporation and principal place of business) | Principal activities | Proportion of ownership interest held by the Group | | Proportion of ownership interest held by non-controlling interest | |
|------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|------|-------------------------------------------------------------------------------|------|
| | | 2024 | 2023 | 2024 | 2023 |
| | | % | % | % | % |
| Fortress Transport Sdn. Bhd. (formerly known as Fortress SiO2 Sdn. Bhd.) ^{(2), (3)} (Malaysia) | Transport of iron ore and minerals, renting of transport equipment and vehicles and supporting services for transport equipment and vehicles | – | 100 | – | – |
| Held by Fortress Mining Sdn. Bhd. | | | | | |
| Fortress Logistics Sdn. Bhd. ⁽²⁾ (Malaysia) | Transport of iron ore and minerals, renting of transport equipment and vehicles and supporting services for transport equipment and vehicles | 100 | 100 | – | – |
| Fortress Industries Sdn. Bhd. ⁽²⁾ (Malaysia) | Processing and pelletising of iron ore concentrate and other minerals and trading in minerals | 100 | 100 | – | – |
| Fortress FE Sdn. Bhd. ^{(2), (3)} (Malaysia) | Acquisition of mines, mining rights, metalliferous land, quarries and trading in minerals | 75 | 75 | 25 | 25 |
| Fortress Transport Sdn. Bhd. (formerly known as Fortress SiO2 Sdn. Bhd.) ^{(2), (3)} (Malaysia) | Transport of iron ore and minerals, renting of transport equipment and vehicles and supporting services for transport equipment and vehicles | 51 | – | 49 | – |
| Held by Fortress Cu Sdn. Bhd. | | | | | |
| Saga Mineral Sdn. Bhd. ^{(2), (3), #} (Malaysia) | Acquisition of mines, mining rights, metalliferous land, quarries and trading in minerals | 65 | 65 | 35 | 35 |
| Held by Fortress Ni Sdn. Bhd. | | | | | |
| Kencana Primary Sdn. Bhd. ^{(2), (3), #} (Malaysia) | Acquisition of mines, mining rights, metalliferous land, quarries and trading in minerals | 51 | 51 | 49 | 49 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

4. Investments in subsidiaries (Continued)

The details of the subsidiaries are as follows: (Continued)

| Name of subsidiaries (Country of incorporation and principal place of business) | Principal activities | Proportion of ownership interest held by the Group | | Proportion of ownership interest held by non-controlling interest | |
|------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------|------|-------------------------------------------------------------------------------|------|
| | | 2024 | 2023 | 2024 | 2023 |
| | | % | % | % | % |
| Held by FM Gold Sdn. Bhd. | | | | | |
| Alfa Wijaya Sdn. Bhd. ^{(2),(3),#} (Malaysia) | Acquisition of mines, mining rights, metalliferous land, quarries and trading in minerals | 65 | – | 35 | – |
| Held by Fortress Mengapur Sdn. Bhd. | | | | | |
| Cermat Aman Sdn. Bhd. ⁽²⁾ (Malaysia) | Acquisition of mines, mining rights, metalliferous land, quarries and trading in minerals | 100 | 100 | – | – |
| Star Destiny Sdn. Bhd. ⁽²⁾ (Malaysia) | Acquisition of mines, mining rights, metalliferous land, quarries and trading in minerals | 100 | 100 | – | – |

(1) Audited by BDO LLP, Singapore

(2) Audited by BDO PLT, Malaysia

(3) The non-controlling interests that are not 100% owned by the Group are considered to be insignificant.

Acquisition of Saga Mineral Sdn. Bhd. (“SMSB”), Kencana Primary Sdn. Bhd. (“KPSB”) and Alfa Wijaya Sdn. Bhd. (“AWSB”)

The Group entered into an agreement with third parties to partially acquire the equity interest of SMSB, KPSB and AWSB. These acquisitions are the relating to the Group’s exploration of the prospecting areas in Sabah, Malaysia. They have been accounted for as acquisition of assets and liabilities because they do not meet the definition of a business combination. The details of the acquisitions are as follows:

Acquisition of Saga Mineral Sdn. Bhd. (“SMSB”)

On 1 September 2022, the Group entered into a conditional share purchase agreement (the “SPA”) with a third party for the acquisition of 65% equity interest of SMSB for a cash consideration of MYR5,000,000 (approximately US\$1,050,000) constituting:

- i) MYR500,000 (approximately US\$105,000) paid upon transfer of shares. The amount was recognised as prepayment as of 28 February 2023 as disclosed in Note 13 to the financial statements. During the financial year, the amount was reclassified as exploration and evaluation assets as disclosed in Note 5 to the financial statements.
- ii) MYR2,000,000 (approximately US\$420,000) paid during the financial year, upon granting of prospecting license and fulfilling certain related conditions. The amount was recognised as exploration and evaluation assets as of 29 February 2024 as disclosed in Note 5 to the financial statements.
- iii) The balance consideration of MYR2,500,000 (approximately US\$525,000) is payable once certain licenses are obtained in accordance with the terms and conditions of the SPA. The terms and conditions have yet to be met as of date of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

4. Investments in subsidiaries (Continued)

- # Acquisition of Saga Mineral Sdn. Bhd. (“SMSB”), Kencana Primary Sdn. Bhd. (“KPSB”) and Alfa Wijaya Sdn. Bhd. (“AWSB”) (Continued)

Acquisition of Kencana Primary Sdn. Bhd. (“KPSB”)

On 1 December 2022, the Group entered into a conditional share purchase agreement (the “SPA”) with a third party for the acquisition of 51% equity interest of KPSB for a cash consideration of MYR5,450,000 (approximately US\$1,144,000) constituting:

- i) MYR950,000 (approximately US\$199,000) paid upon transfer of shares. The amount was recognised as prepayment as of 28 February 2023 as disclosed in Note 13 to the financial statements. During the financial year, the amount was recognised as exploration and evaluation assets as disclosed in Note 5 to the financial statements.
- ii) MYR2,000,000 (approximately US\$420,000) paid during the current financial year, upon granting of prospecting license and fulfilling certain related conditions. The amount was recognised as exploration and evaluation assets as of 29 February 2024 as disclosed in Note 5 to the financial statements.
- iii) The balance consideration of MYR2,500,000 (approximately US\$525,000) is payable once certain licenses are obtained in accordance with the terms and conditions of the SPA. The terms and conditions have yet to be met as of date of these financial statements.

Acquisition of Alfa Wijaya Sdn. Bhd. (“AWSB”)

On 15 June 2023, the Group entered into a conditional share purchase agreement (the “SPA”) with a third party for the acquisition of 65% equity interest of AWSB for a cash consideration of MYR5,500,000 (approximately US\$1,155,000) constituting:

- i) MYR195,000 (approximately US\$41,000) paid upon transfer of shares. The amount was recognised as prepayment as of 29 February 2024 as disclosed in Note 13 to the financial statements.
- ii) MYR1,305,000 (approximately US\$274,000) payable upon approval of exploration license and fulfilling certain related conditions. The terms and conditions have yet to be met as of date of these financial statements.
- iii) MYR1,500,000 (approximately US\$315,000) payable upon obtaining the exploration license and fulfilling certain related conditions. The terms and conditions have yet to be met as of date of these financial statements.
- iv) The balance consideration of MYR2,500,000 (approximately US\$525,000) is payable once certain licenses are obtained in accordance with the terms and conditions of the SPA. The terms and conditions have yet to be met as of date of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

5. Exploration and evaluation assets

| | Group | |
|------------------------------------------------|------------------|------------------|
| | 2024 US\$ | 2023 US\$ |
| Balance at beginning of financial year | 6,501,873 | 3,569,637 |
| Additions* | 2,421,908 | 3,199,865 |
| Reclassification to mining properties (Note 6) | (3,636,865) | – |
| Exchange translation differences | (309,248) | (267,629) |
| Balance at end of financial year | <u>4,977,668</u> | <u>6,501,873</u> |

* In the current financial year, additions included partial consideration paid for SMSB and KPSB. These subsidiaries are held by FCuSB and FNiSB, respectively (Note 4).

The carrying amount of the exploration and evaluation assets relates to the exploration of new area of interests in the Mengapur mine and the prospecting areas in Sabah, Malaysia. Recoverability of exploration and evaluation assets is dependent on successful development and commercial exploitation of the mineral resources, or alternatively sale of the respective areas. During the current financial year, the Group started developing and mining the exploration area at Bukit Besi mine. Consequently, the related exploration and evaluation assets were reclassified to mining properties.

For the purpose of the consolidated statement cash flows, the Group's additions to exploration and evaluation assets during the financial year were financed as follows:

| | Group | |
|-----------------------------------------------------------------|------------------|------------------|
| | 2024 US\$ | 2023 US\$ |
| Additions of exploration and evaluation assets | 2,421,908 | 3,199,865 |
| Non-cash item due to capitalisation of: | | |
| – depreciation of right-of-use assets | (27,322) | – |
| – depreciation of plant and equipment | (73,572) | (75,317) |
| – finance costs | (1,511) | – |
| – reclassification from prepayments | (325,734) | – |
| Cash payments to additions of exploration and evaluation assets | <u>1,993,769</u> | <u>3,124,548</u> |

6. Mining properties

| | Group | |
|------------------------------------------------------------------|-------------------|-------------------|
| | 2024 US\$ | 2023 US\$ |
| Cost | | |
| Balance at beginning of financial year | 42,500,902 | 42,754,501 |
| Additions | 630,535 | 1,737,213 |
| Reclassification from exploration and evaluation assets (Note 5) | 3,636,865 | – |
| Exchange translation differences | (1,934,491) | (1,990,812) |
| Balance at end of financial year | <u>44,833,811</u> | <u>42,500,902</u> |
| Amortisation | | |
| Balance at beginning of financial year | 2,372,245 | 1,599,892 |
| Charge for the financial year | 1,036,185 | 884,398 |
| Exchange translation differences | (164,305) | (112,045) |
| Balance at end of financial year | <u>3,244,125</u> | <u>2,372,245</u> |
| Carrying amount | | |
| Balance at end of financial year | <u>41,589,686</u> | <u>40,128,657</u> |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

6. Mining properties (Continued)

The Group's amortisation charges for the financial years are allocated as follows:

| | Group | |
|----------------------------|------------------|----------------|
| | 2024 | 2023 |
| | US\$ | US\$ |
| Charged to profit or loss | 898,437 | 747,826 |
| Capitalised as inventories | 137,748 | 136,572 |
| | <u>1,036,185</u> | <u>884,398</u> |

For the purpose of the consolidated statement cash flows, the Group's additions to mining properties during the financial year were financed as follows:

| | Group | |
|-------------------------------------------------|----------------|------------------|
| | 2024 | 2023 |
| | US\$ | US\$ |
| Additions of mining properties | 630,535 | 1,737,213 |
| Non-cash item due to capitalisation of: | | |
| – depreciation of plant and equipment | – | (9,956) |
| Cash payments to additions of mining properties | <u>630,535</u> | <u>1,727,257</u> |

7. Plant and equipment

| | Furniture and fittings US\$ | Office equipment US\$ | Site equipment US\$ | Plant and machinery US\$ | Motor vehicles US\$ | Renovation US\$ | Capital work-in- progress US\$ | Total US\$ |
|-------------------------------------|-----------------------------------|-----------------------------|---------------------------|--------------------------------|---------------------------|--------------------|-----------------------------------------|---------------------|
| Group | | | | | | | | |
| Cost | | | | | | | | |
| Balance at 1 March 2023 | 43,679 | 258,592 | 1,262,628 | 19,712,677 | 9,575,362 | – | 3,696,232 | 34,549,170 |
| Additions | 58,972 | 120,210 | 283,323 | 471,284 | 2,507,131 | 10,758 | 924,983 | 4,376,661 |
| Reclassification | – | – | – | 1,507,227 | – | 38,989 | (1,546,216) | – |
| Disposal | – | – | – | – | (1,388,788) | – | – | (1,388,788) |
| Exchange translation differences | (4,285) | (18,588) | (77,531) | (1,209,942) | (580,247) | (1,459) | (352,554) | (2,244,606) |
| Balance at 29 February 2024 | <u>98,366</u> | <u>360,214</u> | <u>1,468,420</u> | <u>20,481,246</u> | <u>10,113,458</u> | <u>48,288</u> | <u>2,722,445</u> | <u>35,292,437</u> |
| Accumulated depreciation | | | | | | | | |
| Balance at 1 March 2023 | (23,551) | (97,481) | (677,541) | (5,485,064) | (5,353,572) | – | – | (11,637,209) |
| Depreciation for the financial year | (15,386) | (64,196) | (174,145) | (2,148,659) | (1,770,651) | (7,534) | – | (4,180,571) |
| Disposal | – | – | – | – | 978,475 | – | – | 978,475 |
| Exchange translation differences | 1,829 | 7,491 | 43,715 | 383,604 | 321,706 | 220 | – | 758,565 |
| Balance at 29 February 2024 | <u>(37,108)</u> | <u>(154,186)</u> | <u>(807,971)</u> | <u>(7,250,119)</u> | <u>(5,824,042)</u> | <u>(7,314)</u> | <u>–</u> | <u>(14,080,740)</u> |
| Net carrying amount | | | | | | | | |
| Balance at 29 February 2024 | <u>61,258</u> | <u>206,028</u> | <u>660,449</u> | <u>13,231,127</u> | <u>4,289,416</u> | <u>40,974</u> | <u>2,722,445</u> | <u>21,211,697</u> |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

7. Plant and equipment (Continued)

| | Furniture and fittings US\$ | Office equipment US\$ | Site equipment US\$ | Plant and machinery US\$ | Motor vehicles US\$ | Capital work-in- progress US\$ | Total US\$ |
|-------------------------------------|-----------------------------------|-----------------------------|---------------------------|--------------------------------|---------------------------|-----------------------------------------|---------------------|
| Group | | | | | | | |
| Cost | | | | | | | |
| Balance at 1 March 2022 | 38,370 | 230,090 | 1,090,851 | 11,958,775 | 9,370,881 | 9,116,787 | 31,805,754 |
| Additions | 7,839 | 43,633 | 245,033 | 565,722 | 859,370 | 3,313,973 | 5,035,570 |
| Reclassification | – | – | – | 8,056,808 | – | (8,056,808) | – |
| Disposal | – | – | (1,039) | – | (53,091) | – | (54,130) |
| Written off | – | – | – | – | (10,166) | – | (10,166) |
| Exchange translation differences | (2,530) | (15,131) | (72,217) | (868,628) | (591,632) | (677,720) | (2,227,858) |
| Balance at 28 February 2023 | <u>43,679</u> | <u>258,592</u> | <u>1,262,628</u> | <u>19,712,677</u> | <u>9,575,362</u> | <u>3,696,232</u> | <u>34,549,170</u> |
| Accumulated depreciation | | | | | | | |
| Balance at 1 March 2022 | (18,569) | (55,792) | (523,875) | (4,027,820) | (3,785,347) | – | (8,411,403) |
| Depreciation for the financial year | (6,239) | (45,813) | (189,281) | (1,734,680) | (1,852,704) | – | (3,828,717) |
| Disposal | – | – | – | – | 30,179 | – | 30,179 |
| Written off | – | – | – | – | 3,050 | – | 3,050 |
| Exchange translation differences | 1,257 | 4,124 | 35,615 | 277,436 | 251,250 | – | 569,682 |
| Balance at 28 February 2023 | <u>(23,551)</u> | <u>(97,481)</u> | <u>(677,541)</u> | <u>(5,485,064)</u> | <u>(5,353,572)</u> | <u>–</u> | <u>(11,637,209)</u> |
| Net carrying amount | | | | | | | |
| Balance at 28 February 2023 | <u>20,128</u> | <u>161,111</u> | <u>585,087</u> | <u>14,227,613</u> | <u>4,221,790</u> | <u>3,696,232</u> | <u>22,911,961</u> |

The carrying amounts of plant and equipment of the Group secured to bank borrowings (Note 20) as at 29 February 2024 were US\$3,047,236 (2023: US\$3,131,449).

For the purpose of the consolidated statement cash flows, the Group's additions to plant and equipment during the financial year were financed as follows:

| | Group | |
|----------------------------------------------|------------------|------------------|
| | 2024 US\$ | 2023 US\$ |
| Additions of plant and equipment | 4,376,661 | 5,035,570 |
| Acquired under bank borrowings | (1,566,738) | (496,340) |
| Depreciation of plant and equipment | (15,623) | (277,511) |
| Depreciation of right-of-use assets | – | (128,166) |
| Recognised in other payables | 99,929 | (225,329) |
| Cash payments to acquire plant and equipment | <u>2,894,229</u> | <u>3,908,224</u> |

The Group's depreciation charges for the financial years are allocated as follows:

| | Group | |
|--------------------------------------------------|------------------|------------------|
| | 2024 US\$ | 2023 US\$ |
| Charged to profit or loss | 3,487,364 | 2,935,502 |
| Capitalised in inventories | 604,012 | 530,431 |
| Capitalised in plant and equipment | 15,623 | 277,511 |
| Capitalised in mining properties | – | 9,956 |
| Capitalised in exploration and evaluation assets | 73,572 | 75,317 |
| | <u>4,180,571</u> | <u>3,828,717</u> |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

8. Right-of-use assets

| | Premises US\$ | Motor vehicles US\$ | Total US\$ |
|-----------------------------------------|------------------|------------------------|------------------|
| Group | | | |
| At 1 March 2023 | 72,483 | 610,287 | 682,770 |
| Additions | 55,153 | 1,734,487 | 1,789,640 |
| Depreciation | (78,389) | (2,178,580) | (2,256,969) |
| Reassessment and modification of leases | 1,201 | 1,284,265 | 1,285,466 |
| Exchange translation differences | (3,594) | (60,340) | (63,934) |
| At 29 February 2024 | 46,854 | 1,390,119 | 1,436,973 |
| At 1 March 2022 | 74,448 | 2,465,911 | 2,540,359 |
| Additions | 3,995 | 1,330,234 | 1,334,229 |
| Depreciation | (69,663) | (2,020,133) | (2,089,796) |
| Reassessment and modification of leases | 73,478 | (1,036,903) | (963,425) |
| Exchange translation differences | (9,775) | (128,822) | (138,597) |
| At 28 February 2023 | 72,483 | 610,287 | 682,770 |

The carrying amounts of premises and motor vehicles of the Group were secured over the lease liabilities (Note 21) as at reporting date. These assets will be seized and returned to lessor in the event of default by the Group.

Depreciation on right-of-use assets is calculated using the straight-line method to allocate the depreciable amounts over their estimated useful life, on the following bases:

| | <u>Years</u> |
|----------------|--------------|
| Premises | 1 to 2 |
| Motor vehicles | 1 to 2 |

The Group's depreciation charges for the financial years are allocated as follows:

| | Group | |
|--------------------------------------------------|------------------|-------------|
| | 2024 | 2023 |
| | US\$ | US\$ |
| Charged to profit or loss | 1,995,646 | 1,649,361 |
| Capitalised in inventories | 234,001 | 312,269 |
| Capitalised in plant and equipment | – | 128,166 |
| Capitalised in exploration and evaluation assets | 27,322 | – |
| | 2,256,969 | 2,089,796 |

In the current financial year, the Group renegotiated and modified an existing lease contract for certain motor vehicles by extending the lease term with revised lease payments. In the previous financial years, the Group renegotiated and modified an existing lease contract for certain motor vehicles by same lease term at revised lease payments. As this revised lease payment is not part of the terms and conditions of the original lease contract, it is accounted for as a lease modification with decrease to the right-of-use assets. The corresponding remeasurement to lease liability is disclosed under Note 21 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

9. Deferred tax

| | Group | |
|--------------------------|------------------|------------------|
| | 2024 | 2023 |
| | US\$ | US\$ |
| Deferred tax liabilities | <u>3,543,846</u> | <u>3,577,057</u> |

The movements in deferred tax position are as follows:

| | Group | |
|----------------------------------------|------------------|------------------|
| | 2024 | 2023 |
| | US\$ | US\$ |
| Balance at beginning of financial year | 3,577,057 | 3,146,797 |
| Recognised in profit or loss (Note 31) | 66,756 | 500,269 |
| Exchange translation differences | <u>(99,967)</u> | <u>(70,009)</u> |
| Balance at end of financial year | <u>3,543,846</u> | <u>3,577,057</u> |

The deferred tax liabilities are attributable to temporary differences arising from plant and equipment and mining properties.

10. Intangible asset

| | Group | |
|----------------------------------------|------------------|------------------|
| | 2024 | 2023 |
| | US\$ | US\$ |
| Goodwill | | |
| Cost | | |
| Balance at beginning of financial year | 3,010,462 | 3,267,053 |
| Exchange translation differences | <u>(176,090)</u> | <u>(256,591)</u> |
| Balance at end of financial year | <u>2,834,372</u> | <u>3,010,462</u> |

Goodwill is allocated to a single cash-generating-unit ("CGU") which is the FMeSB Group acquired by the Group in financial year ended 28 February 2022. The FMeSB Group operates the Mengapur mine located in Pahang, Malaysia.

The recoverable amount of the CGU is determined from value in use calculations based on cash flow forecasts for the next eight (8) years (2023: eight (8) years) taking into account the life-of-mine ("LOM") and development plans for the Mengapur mine as part of the long-term planning process. The key assumptions for these value in use calculations are follows:

- (i) The anticipated annual production volume used in the cash flow projections of the CGU ranged from 60,000 wet metric tonne ("WMT") to 240,000 WMT per annum (2023: 120,000 WMT to 233,000 WMT per annum) of iron concentrate and 7,000 tonne to 44,000 tonne per annum (2023: 7,000 tonne to 44,000 tonne) of copper concentrate.
- (ii) The anticipated average realised selling price projected based on historical S&P Global Commodity Platts Price for iron concentrate and LME Copper Price for copper concentrate with adjustment to account for prices applied to the local market.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

10. Intangible asset (Continued)

(iii) Earnings before interest and tax ("EBIT") margins ranged from 32% to 50% (2023: 43% to 60%).

(iv) Discount rate is determined to be 12.30% (2023: 13.40%).

Based on these assumptions, management is of the view that no impairment loss is required in relation to goodwill, and no reasonably possible change in any of the above key assumptions would cause the carrying amount of the CGU to materially exceed its recoverable amount.

11. Inventories

| | Group | |
|-------------|------------------|------------------|
| | 2024 | 2023 |
| | US\$ | US\$ |
| Iron ores | 2,815,328 | 4,038,872 |
| Consumables | 319,840 | 633,135 |
| | <u>3,135,168</u> | <u>4,672,007</u> |

The cost of inventories recognised as expense and included in "cost of sales" amounted to US\$20,671,393 (2023: US\$15,795,541).

12. Trade receivables

| | Group | |
|-------------------|-----------|-----------|
| | 2024 | 2023 |
| | US\$ | US\$ |
| Trade receivables | | |
| – third parties | 7,205,929 | 3,914,647 |

Trade receivables are unsecured, non-interest bearing and is on a credit term of 7 to 14 days (2023: 7 to 14 days). Trade receivables for the current and previous financial years are all current and not overdue.

The Group provides for lifetime expected credit losses for trade receivables based on the Group's historical observed default rates which are adjusted with forward-looking information. At the end of each reporting date, management had assessed and determined that the expected credit losses to be insignificant as these trade receivables are settled subsequent to the financial year end.

The currency exposure profile of the trade receivables as at the end of each reporting date was United States dollar.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

13. Other receivables, deposits and prepayments

| | Group | | Company | |
|--------------------------------------------------|--------------|--------------|--------------|--------------|
| | 2024 US\$ | 2023 US\$ | 2024 US\$ | 2023 US\$ |
| Other receivables | 934,098 | 1,024,820 | - | - |
| Deposits | 1,903,741 | 1,585,196 | - | - |
| Less: Loss allowance on deposits | (643,944) | - | - | - |
| | 2,193,895 | 2,610,016 | - | - |
| Prepayments* | 2,003,211 | 1,924,943 | - | - |
| | 4,197,106 | 4,534,959 | - | - |
| Less: | | | | |
| Prepayments | (2,003,211) | (1,924,943) | - | - |
| Add: | | | | |
| Trade receivables (Note 12) | 7,205,929 | 3,914,647 | - | - |
| Cash and bank balances (Note 16) | 7,681,409 | 5,669,596 | 2,073,664 | 2,063,001 |
| Amount due from subsidiaries (Note 14) | - | - | 13,372,073 | 7,861,118 |
| Total financial assets carried at amortised cost | 17,081,233 | 12,194,259 | 15,445,737 | 9,924,119 |

* In the current financial year, prepayments included partial considerations paid in advance for AWSB. In the previous financial year, prepayments included partial considerations paid in advance for SMSB and KPSB, which have been reclassified to exploration and evaluation assets in the current financial year (Note 5). These subsidiaries are held by FMGold, FCuSB and FNiSB, respectively (Note 4).

The Group assesses expected credit losses for other receivables and deposits based on the historical observed default rates which is adjusted with forward-looking information. At each reporting date, management had assessed the expected credit loss to be insignificant, except for the impairment loss recognised as at the end of the reporting period, which represents allowance made for deposits with indication of significant increase in credit risk existing for certain counterparty. There is no change in the estimation techniques made in assessing loss allowance during the financial year.

Movement in allowance for impairment losses on deposits of the Group were as follows:

| | 2024 US\$ |
|------------------------------------------------|--------------|
| Balance at beginning of financial year | - |
| Impairment losses recognised in profit or loss | (663,402) |
| Effect of foreign translation differences | 19,458 |
| Balance at end of financial year | (643,944) |

The currency exposure profiles of other receivables and deposits as at the end of each reporting date are as follows:

| | Group | |
|----------------------|--------------|--------------|
| | 2024 US\$ | 2023 US\$ |
| Malaysian ringgit | 3,330,841 | 2,595,466 |
| United States dollar | 866,265 | 14,550 |
| | 4,197,106 | 2,610,016 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

14. Amounts due from subsidiaries

| | Company | |
|-------------------------------------------|-------------------|------------------|
| | 2024 | 2023 |
| | US\$ | US\$ |
| Amounts due from subsidiaries (non-trade) | <u>13,372,073</u> | <u>7,861,118</u> |

The non-trade amounts due from subsidiaries are unsecured, non-interest bearing and repayable on demand.

The currency exposure profile of the amounts due from subsidiaries as at the end of each reporting date are as follows:

| | Company | |
|----------------------|-------------------|------------------|
| | 2024 | 2023 |
| | US\$ | US\$ |
| Malaysian ringgit | 2,814 | – |
| Singapore dollar | 2,690,250 | – |
| United States dollar | <u>10,679,009</u> | <u>7,861,118</u> |
| | <u>13,372,073</u> | <u>7,861,118</u> |

The Company assesses expected credit losses for amount due from subsidiaries based on the historical observed default rates which is adjusted with forward-looking information. At each reporting date, management had assessed the expected credit loss to be insignificant.

15. Financial assets at fair value through profit or loss

| | Group | | Company | |
|---------------------------|------------------|------------------|------------------|----------|
| | 2024 | 2023 | 2024 | 2023 |
| | US\$ | US\$ | US\$ | US\$ |
| Financial assets at FVTPL | <u>2,196,115</u> | <u>1,466,377</u> | <u>2,196,115</u> | <u>–</u> |

Financial assets at FVTPL comprise money market funds with weighted average annual yields of 5.35% (2023: 2.49%). The fair value of the money market funds is classified as level 2 based on the quoted closing market prices on the last market day of the financial year.

The currency exposure profile of the financial assets at FVTPL as at the end of each reporting date are as follows:

| | Group | | Company | |
|----------------------|------------------|------------------|------------------|----------|
| | 2024 | 2023 | 2024 | 2023 |
| | US\$ | US\$ | US\$ | US\$ |
| Singapore dollar | 372,927 | – | 372,927 | – |
| United States dollar | <u>1,823,188</u> | <u>1,466,377</u> | <u>1,823,188</u> | <u>–</u> |
| | <u>2,196,115</u> | <u>1,466,377</u> | <u>2,196,115</u> | <u>–</u> |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

16. Cash and bank balances

| | Group | | Company | |
|---------------------|------------------|------------------|------------------|------------------|
| | 2024 | 2023 | 2024 | 2023 |
| | US\$ | US\$ | US\$ | US\$ |
| Cash at banks | 4,549,852 | 3,139,183 | 70,915 | 61,230 |
| Cash on hand | 27,657 | 35,856 | – | – |
| Short-term deposits | 3,103,900 | 2,494,557 | 2,002,749 | 2,001,771 |
| | <u>7,681,409</u> | <u>5,669,596</u> | <u>2,073,664</u> | <u>2,063,001</u> |

Short-term deposits bear interest from 0.05% to 4.45% per annum (2023: 0.05% per annum) during the financial year and with maturity ranging from five days to one month from the end of each reporting date, except for the short-term deposits pledged to a bank to secure credit facilities (Note 20), amounting to US\$2,002,749 (2023: US\$2,001,771).

The currency exposure profiles of cash and bank balances as at the end of each reporting date are as follows:

| | Group | | Company | |
|----------------------|------------------|------------------|------------------|------------------|
| | 2024 | 2023 | 2024 | 2023 |
| | US\$ | US\$ | US\$ | US\$ |
| Malaysian ringgit | 5,376,655 | 2,051,190 | 6,343 | 32,224 |
| Singapore dollar | 35,874 | 33,112 | 29,313 | 4,477 |
| United States dollar | 2,268,880 | 3,585,294 | 2,038,008 | 2,026,300 |
| | <u>7,681,409</u> | <u>5,669,596</u> | <u>2,073,664</u> | <u>2,063,001</u> |

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following as at the end of each reporting period:

| | Group | |
|--------------------------------------------------------------------|------------------|------------------|
| | 2024 | 2023 |
| | US\$ | US\$ |
| Cash and bank balances | 7,681,409 | 5,669,596 |
| Less: Short-term deposits pledged | (2,002,749) | (2,001,771) |
| Cash and cash equivalents per consolidated statement of cash flows | <u>5,678,660</u> | <u>3,667,825</u> |

17. Share capital

| | Group and company | | | |
|----------------------------------------|---------------------------|-------------------|---------------------------|-------------------|
| | 2024 | | 2023 | |
| | Number of ordinary shares | US\$ | Number of ordinary shares | US\$ |
| Issued and fully paid: | | | | |
| Balance at beginning of financial year | 500,000,000 | 22,463,273 | 500,000,000 | 22,463,273 |
| Issuance of new ordinary shares* | 23,316,100 | 6,531,761 | – | – |
| Balance at end of financial year | <u>523,316,100</u> | <u>28,995,034</u> | <u>500,000,000</u> | <u>22,463,273</u> |

The ordinary shares have no par value, carry one vote per share without restrictions and their holders are entitled to receive dividends when declared by the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

17. Share capital (Continued)

* Placement of up to 23,316,100 new ordinary shares

The Company had on 20 March 2023 entered into a Placement Agreement with Stirling Coleman Capital Limited (“Placement Agent”), pursuant to which the Placement Agent has agreed to procure placees to subscribe for up to 23,316,100 placement shares at the placement price of S\$0.386 (US\$0.280) per placement share (the “Placement Shares”), on a best-efforts basis, by way of a placement, upon the terms and subject to the conditions set out in the Placement Agreement (the “Proposed Placement”).

When the Placement Shares are fully subscribed, the Placement Shares will represent approximately 4.66% of the existing issued and paid-up shares in the capital of the Company (excluding treasury shares and subsidiary holdings, if any) and approximately 4.46% of the enlarged issued and paid-up shares in the capital of the Company (excluding treasury shares and subsidiary holdings, if any) immediately after the completion of the Proposed Placement. The Proposed Placement will increase the issued and paid-up shares in the capital of the Company from 500,000,000 ordinary shares in the capital of the Company to 523,316,100 ordinary shares. The Proposed Placement will amount to an aggregate consideration of up to approximately S\$9.0 million (equivalent to approximately US\$6.5 million).

On 29 March 2023, SGX-ST had granted its approval in-principle (“AIP”) for the listing and quotation of the Placement Shares on the Catalist board of the SGX-ST.

The Company had on 10 April 2023 completed the Proposed Placement and an aggregate of 23,316,100 Placement Shares have been allotted and issued to the placees by the Company on the same day, in accordance with the terms of the Placement Agreement.

Following completion of the Placement Agreement, the total number of issued shares of the Company had increased from 500,000,000 shares to 523,316,100 shares. The Placement Shares rank in all respects pari passu with, and carry all rights similar to, the existing issued shares, save for any dividend, rights, allotment or other distributions, the record date for which is on or before 10 April 2023.

18. Other reserves

| | Group | |
|--------------------------------------|----------------------------|--------------------|
| | 2024 | 2023 |
| | US\$ | US\$ |
| Capital reserve | 383,615 | 383,615 |
| Merger reserve | (3,565,976) | (3,565,976) |
| Foreign currency translation reserve | (8,207,540) | (4,782,270) |
| | <u>(11,389,901)</u> | <u>(7,964,631)</u> |

Capital reserve

Capital reserve is non-distributable and arose from the difference between fair value of the interest-free loan from the FMSB’s previous ultimate holding company and the loan amount at inception.

Merger reserve

Merger reserve represents the difference between the consideration paid and the issued and fully paid share capital of subsidiaries acquired under common control that are accounted for by applying the “pooling-of-interest” method.

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

19. Retained earnings

Movements of retained earnings of the Company are as follows:

| | Company | |
|-----------------------------------------------|-------------------|-------------------|
| | 2024 US\$ | 2023 US\$ |
| Balance at beginning of financial year | 17,152,427 | 13,251,741 |
| Total comprehensive income for financial year | 9,127,050 | 6,795,086 |
| Dividends (Note 33) | (3,149,157) | (2,894,400) |
| Balance at end of financial year | <u>23,130,320</u> | <u>17,152,427</u> |

20. Bank borrowings

| | Group | | Company | |
|-------------------------------------|------------------|-------------------|------------------|-------------------|
| | 2024 US\$ | 2023 US\$ | 2024 US\$ | 2023 US\$ |
| Non-current | | | | |
| <u>Secured:</u> | | | | |
| Term loans | 1,000,000 | 7,000,000 | 1,000,000 | 6,000,000 |
| Others | 931,307 | 807,705 | – | – |
| | <u>1,931,307</u> | <u>7,807,705</u> | <u>1,000,000</u> | <u>6,000,000</u> |
| Less: Unamortised transaction costs | (13,006) | (72,733) | (13,006) | (65,032) |
| | <u>1,918,301</u> | <u>7,734,972</u> | <u>986,994</u> | <u>5,934,968</u> |
| Current | | | | |
| <u>Secured:</u> | | | | |
| Term loans | 6,000,000 | 6,040,091 | 5,000,000 | 5,000,000 |
| Others | 998,841 | 1,151,731 | – | – |
| | <u>6,998,841</u> | <u>7,191,822</u> | <u>5,000,000</u> | <u>5,000,000</u> |
| Less: Unamortised transaction costs | (59,276) | (62,294) | (52,026) | (52,026) |
| | <u>6,939,565</u> | <u>7,129,528</u> | <u>4,947,974</u> | <u>4,947,974</u> |
| Total borrowings | | | | |
| Term loans | 7,000,000 | 13,040,091 | 6,000,000 | 11,000,000 |
| Others | 1,930,148 | 1,959,436 | – | – |
| | <u>8,930,148</u> | <u>14,999,527</u> | <u>6,000,000</u> | <u>11,000,000</u> |
| Less: Unamortised transaction costs | (72,282) | (135,027) | (65,032) | (117,058) |
| | <u>8,857,866</u> | <u>14,864,500</u> | <u>5,934,968</u> | <u>10,882,942</u> |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

20. Bank borrowings (Continued)

The maturity analysis of bank borrowings of the Group at the end of the reporting date are as follows:

| | Group | | Company | |
|----------------------------------------|------------------|--------------|------------------|--------------|
| | 2024 US\$ | 2023 US\$ | 2024 US\$ | 2023 US\$ |
| Payable | | | | |
| – No later than one financial year | 6,939,565 | 7,129,528 | 4,947,974 | 4,947,974 |
| – Between one and two financial years | 1,645,901 | 6,698,839 | 986,994 | 4,947,974 |
| – Between two and five financial years | 272,400 | 1,036,133 | – | 986,994 |
| | 8,857,866 | 14,864,500 | 5,934,968 | 10,882,942 |

The carrying amounts of non-current bank borrowings as at end of reporting period approximates its fair values due to market borrowing rates ranging from 2.20% to 7.66% (2023: 2.98% to 7.17%) have been applied.

The Group's secured bank borrowings are secured as follows:

- (i) legal charges on certain motor vehicles and machinery (Note 7);
- (ii) shares in certain subsidiaries are pledged to a financial institution;
- (iii) guarantees from the Company and certain subsidiaries of the Company; and
- (iv) pledge over short-term deposits (Note 16).

The currency exposure profile of bank borrowings as at the end of each reporting date are as follows:

| | Group | | Company | |
|----------------------|------------------|--------------|------------------|--------------|
| | 2024 US\$ | 2023 US\$ | 2024 US\$ | 2023 US\$ |
| Malaysian ringgit | 1,930,148 | 1,959,436 | – | – |
| United States dollar | 6,927,718 | 12,905,064 | 5,934,968 | 10,882,942 |
| | 8,857,866 | 14,864,500 | 5,934,968 | 10,882,942 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

21. Lease liabilities

| | Premises US\$ | Group Motor vehicles US\$ | Total US\$ |
|-----------------------------------------|------------------|------------------------------------|------------------|
| As at 1 March 2023 | 78,906 | 601,212 | 680,118 |
| Additions | 55,153 | 1,734,487 | 1,789,640 |
| Interest expense | 2,992 | 33,775 | 36,767 |
| Reassessment and modification of leases | (4,827) | 1,300,700 | 1,295,873 |
| Lease payments | | | |
| – Principal portion | (77,762) | (2,147,129) | (2,224,891) |
| – Interest portion | (2,992) | (33,775) | (36,767) |
| Exchange translation differences | (3,811) | (61,214) | (65,025) |
| At 29 February 2024 | <u>47,659</u> | <u>1,428,056</u> | <u>1,475,715</u> |
| As at 1 March 2022 | 73,987 | 2,413,086 | 2,487,073 |
| Additions | 3,995 | 1,330,234 | 1,334,229 |
| Interest expense | 2,886 | 50,594 | 53,480 |
| Reassessment and modification of leases | 73,707 | (1,028,190) | (954,483) |
| Lease payments | | | |
| – Principal portion | (67,973) | (1,982,887) | (2,050,860) |
| – Interest portion | (2,886) | (50,594) | (53,480) |
| Exchange translation differences | (4,810) | (131,031) | (135,841) |
| At 28 February 2023 | <u>78,906</u> | <u>601,212</u> | <u>680,118</u> |

The maturity analysis of lease liabilities of the Group at the end of the reporting date are as follows:

| | Group 2024 US\$ | 2023 US\$ |
|-----------------------------------------------------------|-----------------------|--------------|
| Contractual undiscounted cash flows | | |
| – No later than one financial year | 1,292,694 | 636,886 |
| – Between one and two financial years | 208,041 | 52,627 |
| | 1,500,735 | 689,513 |
| Less: Future interest expense | (25,020) | (9,395) |
| Present value of lease liabilities | 1,475,715 | 680,118 |
| Presented in consolidated statement of financial position | | |
| – Non-current | 205,331 | 52,133 |
| – Current | 1,270,384 | 627,985 |
| | 1,475,715 | 680,118 |

The Group leases office space, hostels, office equipment and motor vehicles (2023: office space, hostels, office equipment and motor vehicles) in Malaysia with only fixed payment over the lease terms.

The Group also leases certain hostels, office equipment, motor vehicles and machineries on short-term basis (i.e. less than 12 months) in order to support the production deadlines. The election of short-term leases is made by class of underlying assets with similar nature and use in the Group's operation whereas the low-value lease exemption is made on lease-by-lease basis.

Total cash outflow for all the leases was US\$2,304,825 (2023: US\$2,123,594).

As at 29 February 2024, the weighted average incremental borrowing rate applied was 3.18% per annum (2023: 3.24% per annum).

The currency exposure profile of lease liabilities as at the end of the reporting date was Malaysian ringgit.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

22. Trade payables

Trade payables are unsecured, interest free and repayable within the credit terms of 30 days (2023: 30 days). These payables are to be settled in cash.

The currency exposure profile of trade payables as at the end of each reporting date was as follows:

| | Group | |
|----------------------|------------------|------------------|
| | 2024 | 2023 |
| | US\$ | US\$ |
| Malaysian ringgit | 1,164,930 | 1,250,832 |
| United States dollar | 15,267 | – |
| | <u>1,180,197</u> | <u>1,250,832</u> |

23. Other payables and accruals

| | Group | | Company | |
|-------------------------------------------------------|--------------------|-------------------|--------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| | US\$ | US\$ | US\$ | US\$ |
| Non-current | | | | |
| Contingent consideration* (Note 37.5) | <u>2,309,552</u> | 2,250,031 | <u>2,309,552</u> | 2,250,031 |
| Current | | | | |
| Other payables | 2,081,546 | 2,967,499 | 51,000 | 14,402 |
| Accruals | 5,444,295 | 5,658,604 | 127,446 | 210,602 |
| Contingent consideration* (Note 37.5) | <u>67,172</u> | 133,227 | <u>67,172</u> | 133,227 |
| | 7,593,013 | 8,759,330 | 245,618 | 358,231 |
| Add: | | | | |
| Trade payables (Note 22) | 1,180,197 | 1,250,832 | – | – |
| Bank borrowings (Note 20) | 8,857,866 | 14,864,500 | 5,934,968 | 10,882,942 |
| Lease liabilities (Note 21) | 1,475,715 | 680,118 | – | – |
| Amounts due to directors (Note 24) | 1,529 | 36,757 | – | – |
| Amounts due to subsidiaries (Note 25) | – | – | 41,199 | 19,301 |
| Less: | | | | |
| Contingent consideration* (Note 37.5) | <u>(2,376,724)</u> | (2,383,258) | <u>(2,376,724)</u> | (2,383,258) |
| Total financial liabilities carried at amortised cost | <u>19,041,148</u> | <u>25,458,310</u> | <u>6,154,613</u> | <u>11,127,247</u> |

* As part of the acquisition of the entire issued and paid-up share capital in FMeSB Group from Monument Mining Limited (the "Vendor"), the Company had also on the same date entered into a royalty agreement with the Vendor for the payment of royalties by the Company at the rate of 1.25% of gross revenue on all mineral products produced in forms ready for sale from the area within the boundaries of the entire tenements held by the subsidiaries namely CASB and SDSB, save for free digging oxide magnetite iron materials contained on the top soil at certain areas of the tenement held by CASB in accordance with the terms thereof. This portion of the consideration was determined to be contingent, as it is based on the performance of FMeSB Group.

At the end of each reporting period, the condition of FMeSB Group showed that it is highly probable that the performance indicator would be achieved due to continuous development of mining activities. Hence, the fair value of the contingent consideration determined at the end of each reporting period reflected this development.

The fair value is determined using the discounted cash flow method. This is a level 3 fair value measurement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

23. Other payables and accruals (Continued)

The currency exposure profiles of other payables and accruals as at the end of the reporting date are as follows:

| | Group | | Company | |
|----------------------|-------------------------|-------------------|-------------------------|------------------|
| | 2024 US\$ | 2023 US\$ | 2024 US\$ | 2023 US\$ |
| Malaysian ringgit | 7,326,677 | 8,350,067 | – | – |
| United States dollar | 2,469,791 | 2,523,886 | 2,459,597 | 2,516,125 |
| Singapore dollar | 106,097 | 135,408 | 95,573 | 92,137 |
| | <u>9,902,565</u> | <u>11,009,361</u> | <u>2,555,170</u> | <u>2,608,262</u> |

24. Amounts due to directors

The amounts due to directors was non-trade related, unsecured, interest-free and repayable on demand in cash.

The currency exposure profile of amounts due to directors as at the end of the reporting date was in Malaysian ringgit.

25. Amounts due to subsidiaries

The amounts due to subsidiaries were non-trade related, unsecured, interest-free and repayable on demand in cash.

The currency exposure profile of amounts due to subsidiaries as at the end of the reporting date was in Malaysian ringgit.

26. Revenue

The Group has disaggregated revenue into various categories in the following table which is intended to depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic data.

| | Group | |
|-------------------------------------------------|--------------------------|-------------------|
| | 2024 US\$ | 2023 US\$ |
| <i>Primary geographical market</i> | | |
| China | 5,674,367 | 3,659,052 |
| Malaysia | 48,258,596 | 49,888,098 |
| | <u>53,932,963</u> | <u>53,547,150</u> |
| <i>Timing of transfer of goods and services</i> | | |
| Point in time | <u>53,932,963</u> | <u>53,547,150</u> |

Revenue represents revenue derived from sale of iron ore which is the Group's only segment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

27. Other income

| | Group | |
|----------------------------------------------|----------------|----------------|
| | 2024 | 2023 |
| | US\$ | US\$ |
| Interest income from financial institutions | 45,866 | 15,810 |
| Distribution from financial assets at FVTPL | 128,353 | 16,377 |
| Fair value gain on financial assets at FVTPL | 46,184 | 1,110 |
| Gain on disposal of plant and equipment, net | 158,501 | 14,816 |
| Others | 37,557 | 65,852 |
| | 416,461 | 113,965 |

28. Employee benefits expenses

| | Group | |
|-----------------------------------------------|-------------------|-------------------|
| | 2024 | 2023 |
| | US\$ | US\$ |
| Wages, salaries, bonuses and other emoluments | 8,947,116 | 9,117,771 |
| Contributions to defined contribution plans | 629,412 | 643,953 |
| Social security contributions | 60,134 | 63,255 |
| Other benefits | 446,814 | 472,418 |
| | 10,083,476 | 10,297,397 |

The employee benefits expenses are recognised in the following line items of financial statements:

| | Group | |
|-------------------------------------|-------------------|-------------------|
| | 2024 | 2023 |
| | US\$ | US\$ |
| Profit or Loss | | |
| – Cost of sales | 3,941,917 | 3,418,988 |
| – Selling and distribution expenses | 61,908 | 127,304 |
| – Other operating expenses | 4,167,359 | 3,491,659 |
| | 8,171,184 | 7,037,951 |
| Capitalised | | |
| – Exploration and evaluation assets | 803,545 | 649,132 |
| – Plant and equipment | 6,220 | 393,807 |
| – Inventories | 555,401 | 666,077 |
| – Mining properties | 547,126 | 1,550,430 |
| | 1,912,292 | 3,259,446 |
| | 10,083,476 | 10,297,397 |

Employee benefit expenses relating to key management personnel are disclosed in Note 35 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

29. Finance costs

| | Group | |
|--------------------------------------------------------|----------------|------------------|
| | 2024 | 2023 |
| | US\$ | US\$ |
| Interest expense on: | | |
| – amortisation of transaction costs of bank borrowings | 61,985 | 62,428 |
| – bank borrowings | 865,282 | 896,606 |
| – lease liabilities | 35,257 | 53,480 |
| | <u>962,524</u> | <u>1,012,514</u> |

30. Profit before income tax

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, the above includes the following charges:

| | Group | |
|------------------------------------------|----------------|----------------|
| | 2024 | 2023 |
| | US\$ | US\$ |
| <i>Selling and distribution expenses</i> | | |
| Handling and transportation charges | 2,351,850 | 1,535,038 |
| Commission expense | 1,001,309 | 963,683 |
| Ocean freight | – | 1,332,700 |
| Royalty expense | 3,261,920 | 2,870,150 |
| <i>Other operating expenses</i> | | |
| Travelling and accommodation | 268,407 | 261,248 |
| Tools and small equipment | 506,445 | 940,456 |
| Upkeep of site | 148,771 | 81,574 |
| Upkeep of machineries | 2,257,976 | 2,218,077 |
| Lease expenses on: | | |
| – short-term leases | 43,167 | 19,254 |
| <i>Administrative expenses</i> | | |
| Audit fee paid/payable to: | | |
| – auditors of the Company | 67,609 | 81,334 |
| – other auditors | 35,791 | 26,893 |
| Non-audit fee paid/payable to: | | |
| – auditors of the Company | 21,936 | 11,224 |
| – other auditors | 20,743 | 24,399 |
| Loss on modification of lease contracts | 10,407 | 8,942 |
| Foreign exchange loss, net | <u>424,182</u> | <u>334,137</u> |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

31. Income tax expense

| | Group | |
|--------------------------------------------------------------|-------------------------|-------------------------|
| | 2024 | 2023 |
| | US\$ | US\$ |
| Current income tax | | |
| – current financial year | 3,698,184 | 5,138,582 |
| – under/(over) provision in respect of prior financial years | 70,771 | (177,466) |
| | <u>3,768,955</u> | <u>4,961,116</u> |
| Deferred tax | | |
| – current financial year | 142,175 | (135,258) |
| – (over)/under provision in respect of prior financial years | (75,419) | 635,527 |
| | <u>66,756</u> | <u>500,269</u> |
| Income tax expense recognised in profit or loss | <u><u>3,835,711</u></u> | <u><u>5,461,385</u></u> |

Reconciliation of effective income tax rate

The income tax expense varied from the amount of income tax expenses determined by applying the applicable income tax rate of 17% (2023: 17%) to profit before income tax as a result of the following differences:

| | Group | |
|-----------------------------------------------------------------------|-------------------------|-------------------------|
| | 2024 | 2023 |
| | US\$ | US\$ |
| Profit before income tax | 13,873,717 | 17,556,572 |
| Income tax calculated using applicable tax rate of 17% (2023: 17%) | 2,358,532 | 2,984,617 |
| Add/(Less): | | |
| Effect of different tax rate of overseas operations | 1,083,829 | 1,527,920 |
| Effect of non-allowable items | 807,849 | 1,005,831 |
| Effect of income not subject to tax | (177,885) | (139,773) |
| Deferred tax assets not recognised | 14,028 | 47,182 |
| Corporate tax rebate and incentive | (13,082) | (9,975) |
| Utilisation of previously unrecognised deferred tax assets | (232,912) | (412,478) |
| Under/(Over) provision of current income tax in prior financial years | 70,771 | (177,466) |
| (Over)/Under provision of deferred tax in prior financial years | (75,419) | 635,527 |
| | <u><u>3,835,711</u></u> | <u><u>5,461,385</u></u> |

At the end of the reporting period, the Group has unabsorbed tax losses of approximately US\$3,355,736 (2023: US\$3,892,600) for which no deferred tax assets were recognised, which are available for offset against future taxable profits. These unutilised tax losses can be utilised for set-off against future taxable profits with expiry dates ranging from Year of Assessment 2028 to 2034.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

32. Earnings per share

The calculation for earnings per share is based on:

| | Group | |
|----------------------------------------------------------------------------|--------------------|--------------------|
| | 2024 | 2023 |
| Profit for the financial year attributable to owners of the Company (US\$) | <u>10,047,877</u> | <u>12,116,676</u> |
| Weighted-average number of ordinary shares | <u>520,704,187</u> | <u>500,000,000</u> |
| <i>Earnings per share (in cents)</i> | | |
| – Basic and diluted | <u>1.93</u> | <u>2.42</u> |

The Group did not have any dilutive potential ordinary shares in the current or previous financial years.

33. Dividends

| | Company | |
|---------------------------------------------------------------------------------------------------------------|------------------|------------------|
| | 2024 | 2023 |
| | US\$ | US\$ |
| Ordinary dividends paid: | | |
| In respect of financial year ended 28 February 2023 | | |
| – Final one-tier tax exempt dividend of 0.80 Singapore cents (equivalent to 0.60 US cents) per ordinary share | <u>3,149,157</u> | – |
| In respect of financial year ended 28 February 2022 | | |
| – Final one-tier tax exempt dividend of 0.80 Singapore cents (equivalent to 0.58 US cents) per ordinary share | – | <u>2,894,400</u> |
| | <u>3,149,157</u> | <u>2,894,400</u> |

For the financial year ended 29 February 2024, the Board recommended a one-tier tax exempt final cash dividend of S\$3.1 million; equivalent to 0.60 Singapore cents per ordinary share (US\$2.3 million; equivalent to 0.45 US cents per ordinary share), subject to the approval of shareholders at the forthcoming annual general meeting.

These financial statements do not reflect this dividend payable, which will be accounted for in the shareholders' equity as an appropriation of retained earnings in the financial year ending 28 February 2025.

34. Capital commitments

As at the end of reporting period, commitments in respect of capital expenditures are as follows:

| | Group | |
|------------------------------------------------------|----------------|----------------|
| | 2024 | 2023 |
| | US\$ | US\$ |
| Capital expenditures contracted but not provided for | | |
| – Plant and equipment | <u>310,329</u> | <u>258,515</u> |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

35. Significant related party transactions

For the purpose of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

During the financial year, in addition to the information disclosed elsewhere in the financial statements, the Group and the Company entered into the following transactions with related parties at rates and terms agreed between the parties:

| | Group | | Company | |
|-----------------------------------|--------------|--------------|--------------|--------------|
| | 2024 US\$ | 2023 US\$ | 2024 US\$ | 2023 US\$ |
| With subsidiaries | | | | |
| Dividends received and receivable | – | – | 11,111,800 | 10,490,136 |
| Management fee | – | – | 63,896 | 27,672 |
| With related parties | | | | |
| Lease payments | 51,911 | 48,798 | – | – |
| Lease commitment | 16,796 | 71,358 | – | – |
| Purchase of plant and equipment | – | 36,825 | – | – |

Related parties comprise mainly companies which are controlled by the Group's key management personnel and their close family members.

The outstanding balances as at 29 February 2024 and 28 February 2023 in respect of the above transactions with related parties are disclosed in Notes 14 and 25 to the financial statements and are unsecured, interest free and repayable on demand and are to be settled in cash, unless otherwise stated.

Key management personnel remuneration

Key management personnel are directors of the Company and subsidiaries and those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly, or indirectly. The details of their remunerations are as follows:

| | Group | | Company | |
|---------------------------------------------|------------------|--------------|----------------|--------------|
| | 2024 US\$ | 2023 US\$ | 2024 US\$ | 2023 US\$ |
| Directors' fees | 667,143 | 470,195 | 467,583 | 429,155 |
| Salaries and other emoluments | 3,067,044 | 3,036,453 | – | – |
| Contributions to defined contribution plans | 248,702 | 192,823 | – | – |
| Social security contributions | 1,085 | 470 | – | – |
| | 3,983,974 | 3,699,941 | 467,583 | 429,155 |
| Comprised amounts paid to: | | | | |
| – Directors of the Company | 3,702,557 | 3,593,879 | 467,583 | 429,155 |
| – Directors of subsidiaries | 281,417 | 106,062 | – | – |
| | 3,983,974 | 3,699,941 | 467,583 | 429,155 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

36. Segment information

Management monitors the operating results of the segment separately for the purposes of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on operating profit or loss which is similar to the accounting profit or loss.

The Group has one (1) reportable segment being iron ore. The Group's reportable segment is as follows:

- (i) Iron ore – exploration, mining, production and sale of iron ore.
- (ii) Others – Group's remaining minor trading and investment holding activities which are not included within reportable segments as they are not separately reported to the chief operating decision maker and they contribute minor amounts of income to the Group.

Except as indicated above, no operating segment has been aggregated to form the above reportable segments.

| | Iron ore US\$ | Other US\$ | Total US\$ |
|------------------------------------------------|---------------------|------------------|---------------------|
| 2024 | | | |
| Revenue | | | |
| External customers, representing total revenue | 53,932,963 | – | 53,932,963 |
| Results: | | | |
| Amortisation of mining properties | (898,437) | – | (898,437) |
| Depreciation of right-of-use assets | (1,995,646) | – | (1,995,646) |
| Depreciation of plant and equipment | (3,487,364) | – | (3,487,364) |
| Gain on disposal of plant and equipment | 158,501 | – | 158,501 |
| Interest income from financial institutions | 45,866 | – | 45,866 |
| Distribution from financial assets at FVTPL | 128,353 | – | 128,353 |
| Fair value gain on financial assets at FVTPL | 46,184 | – | 46,184 |
| Interest expense | (962,524) | – | (962,524) |
| Segment profit/(loss) | 14,720,243 | (846,526) | 13,873,717 |
| Assets: | | | |
| Additions to non-current assets | 9,218,744 | – | 9,218,744 |
| Segment assets | 97,150,067 | 70,916 | 97,220,983 |
| Segment liabilities | (24,795,861) | (178,530) | (24,974,391) |
| 2023 | | | |
| Revenue | | | |
| External customers, representing total revenue | 53,547,150 | – | 53,547,150 |
| Results: | | | |
| Amortisation of mining properties | (747,826) | – | (747,826) |
| Depreciation of right-of-use assets | (1,649,361) | – | (1,649,361) |
| Depreciation of plant and equipment | (2,935,502) | – | (2,935,502) |
| Gain on disposal of plant and equipment | 14,816 | – | 14,816 |
| Interest income from financial institutions | 15,810 | – | 15,810 |
| Distribution from financial assets at FVTPL | 16,377 | – | 16,377 |
| Fair value gain on financial assets at FVTPL | 1,110 | – | 1,110 |
| Interest expense | (1,012,514) | – | (1,012,514) |
| Segment profit/(loss) | 18,238,195 | (681,623) | 17,556,572 |
| Assets: | | | |
| Additions to non-current assets | 11,306,877 | – | 11,306,877 |
| Segment assets | 93,628,716 | 61,230 | 93,689,946 |
| Segment liabilities | (31,250,163) | (225,081) | (31,475,244) |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

36. Segment information (Continued)

Geographical information

Non-current assets consist of exploration and evaluation assets, mining properties, plant and equipment, right-of-use assets, and intangible assets, which are located in Malaysia.

Major customer

The Group's revenue from iron ore segment of US\$53,932,963 (2023: US\$53,547,150) is derived from various customers in People Republic of China and Malaysia (2023: People Republic of China, and Malaysia). The Group derives revenue from two (2) (2023: two (2)) major customers from the iron ore segment who contributed revenue amounting more than 10% of the Group's total revenue. The total revenue from these customers amounted to US\$48,260,751 (2023: US\$45,592,094).

37. Financial instruments, financial risks and capital management

The Group's activities expose it to credit risks, market risks (including foreign currency risks, interest rate risks and price risks) and liquidity risks. The Group's overall risk management strategy seek to minimise adverse effects from the volatility of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management then establishes the detailed policies such as authority level, oversight responsibilities, risk identification and measurement and exposure limits, in accordance with the objectives and underlying principles approved by the Board of Directors. The Group does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in foreign exchange rates.

There has been no change to the Group's exposure to these financial risks or the manner in which it managed and measures the risk.

37.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk to each class of financial instrument is the carrying amount of these financial instruments presented in the statements of financial position except for the financial guarantees given by the Company to the banks for the borrowings of the subsidiaries as disclosed under Financial guarantee contracts.

Trade receivables

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group performs ongoing credit evaluation of its counterparties' financial condition and generally do not require collaterals.

The Group do not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics except from three (3) (2023: one (1)) trade receivables which accounted for 100% (2023: 100%) of the total trade receivables as at 29 February 2024.

Trade receivables that are neither past due nor impaired are substantially companies with good collection track record with the Group. As at the end of the reporting period, there is no trade receivables past due but not impaired. The details of the Group's trade receivables are set out in Note 12 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

37. Financial instruments, financial risks and capital management (Continued)

37.1 Credit risk (Continued)

Other receivables, deposits and amounts due from subsidiaries

For amounts due from subsidiaries (Note 14), the Board of Directors has taken into account information that it has available internally about these subsidiaries' past, current and expected operating performance and cash flow position. The Board of Directors monitors and assesses at each reporting date on any indicator of significant increase in credit risk on the amounts due from the subsidiaries, by considering their performance ratio and any default in external debts. The risk of default is considered to be minimal as the subsidiaries have sufficient liquid assets and cash to repay their debts. Therefore, amounts due from subsidiaries has been measured based on 12-month expected credit loss model and subject to insignificant credit losses.

For other receivables and deposits, the Board of Directors adopts a policy of dealing with high credit quality counterparties. The Board of Directors monitors and assesses at each reporting date on any indicator of significant increase in credit risk on these other receivables. At the end of each reporting period, there is no indication that credit risk on these receivables has increased significantly, except for the amount described in Note 13 to the financial statements where there is indication that credit risk on the receivable have increased significantly in which the Group has provided for lifetime expected credit losses.

Cash and banks balances

Credit risk also arises from bank balances with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "A+" are accepted and hence, subjected to insignificant credit losses. As at the end of the reporting period, the Group and the Company did not expect any credit losses from non-performance by the counterparty.

Financial guarantee contracts

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks on subsidiaries' borrowings. The Company's maximum exposure is the maximum amount the Company could have to pay if the guarantee is called on. As at 29 February 2024, subsidiaries' borrowings of US\$2,650,396 (2023: US\$3,801,736) was guaranteed by the Company. The loans guaranteed by Company mature between 1 to 3 years (2023: 1 to 5 years). For the financial guarantee issued, the Company have assessed that these subsidiaries have sufficient financial capabilities to meet its contractual cash flows obligation in the near future, hence, does not expect any material loss allowance under the 12-month expected credit loss model.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

37. Financial instruments, financial risks and capital management (Continued)

37.2 Market risk

Foreign currency risk

Foreign exchange risk arises when individual entities within the Group enters into transactions denominated in a currency other than their functional currency. The Group's policy is, where possible, to allow individual entities within the Group to settle liabilities denominated in their functional currency with the cash generated from their own operations in that currency. Where individual entities within the Group have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them), cash already denominated in that currency will, where possible, be transferred from elsewhere within the Group. The Group is primarily exposed to United States dollar ("USD"), Singapore dollar ("SGD") and Malaysian ringgit ("MYR"). The Company is primarily exposed to Singapore dollar ("SGD") and Malaysian ringgit ("MYR").

As at the end of the reporting period, the Group's and the Company's net exposure to foreign currency risk is as follows:

| | USD US\$ | Group MYR US\$ | SGD US\$ | Company MYR US\$ | SGD US\$ |
|---------------------------------------------------------------------------------------|--------------|----------------------|-------------|------------------------|-------------|
| 2024 | | | | | |
| Other receivables and deposits (excluding prepayments) | - | 1,767,867 | - | - | - |
| Amounts due from subsidiaries | - | 2,814 | 2,690,250 | 2,814 | 2,690,250 |
| Financial assets at fair value through profit or loss | - | - | 372,927 | - | 372,927 |
| Cash and bank balances | 221,714 | 5,376,655 | 35,874 | 6,343 | 29,313 |
| Bank borrowings | (992,750) | (1,930,148) | - | - | - |
| Trade payables | - | (1,164,930) | - | - | - |
| Other payables and accruals | - | (7,326,677) | (106,097) | - | (95,573) |
| Amounts due to directors | - | (1,529) | - | - | - |
| Amounts due to subsidiaries | - | - | - | (41,199) | - |
| Amounts due to holding company | (10,679,009) | (2,814) | (2,690,250) | - | - |
| Lease liabilities | - | (1,475,715) | - | - | - |
| Net financial (liabilities)/ assets | (11,450,045) | (4,754,477) | 302,704 | (32,042) | 2,996,917 |
| Less: | | | | | |
| Net financial liabilities denominated in the respective entities' functional currency | - | 4,760,984 | - | - | - |
| Net currency exposure | (11,450,045) | 6,507 | 302,704 | (32,042) | 2,996,917 |
| Sensitivity analysis Effect on profit after income tax and retained earnings | (950,354) | 540 | 25,124 | (2,659) | 248,744 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

37. Financial instruments, financial risks and capital management (Continued)

37.2 Market risk (Continued)

Foreign currency risk (Continued)

| | USD US\$ | Group MYR US\$ | SGD US\$ | Company MYR US\$ | SGD US\$ |
|---------------------------------------------------------------------------------------|--------------------|----------------------|------------------|------------------------|-----------------|
| 2023 | | | | | |
| Other receivables and deposits (excluding prepayments) | – | 2,595,466 | – | – | – |
| Cash and bank balances | 1,030,706 | 2,051,190 | 33,112 | 32,224 | 4,477 |
| Bank borrowings | (2,022,123) | (1,959,436) | – | – | – |
| Trade payables | – | (1,250,832) | – | – | – |
| Other payables and accruals | – | (8,350,067) | (135,408) | – | (92,137) |
| Amounts due to directors | – | (36,757) | – | – | – |
| Amounts due to subsidiaries | – | (19,301) | – | (19,301) | – |
| Amounts due to holding company | (7,861,118) | – | – | – | – |
| Lease liabilities | – | (680,118) | – | – | – |
| Net financial (liabilities)/assets | (8,852,535) | (7,649,855) | (102,296) | 12,923 | (87,660) |
| Less: | | | | | |
| Net financial liabilities denominated in the respective entities' functional currency | – | 7,662,988 | – | – | – |
| Net currency exposure | <u>(8,852,535)</u> | <u>13,133</u> | <u>(102,296)</u> | <u>12,923</u> | <u>(87,660)</u> |
| Sensitivity analysis Effect on profit after income tax and retained earnings | <u>(734,760)</u> | <u>1,090</u> | <u>(8,491)</u> | <u>1,073</u> | <u>(7,276)</u> |

A 10% strengthening of SGD and MYR against USD at the end of each reporting dates would increase/ (decrease) profit after income tax and retained earnings by the amounts shown above. This analysis assumes that all other variables remain constant.

A 10% weakening of SGD and MYR against USD would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risks

The Group analyses the interest rate exposure on annually basis. A sensitivity analysis is performed by applying a simulation technique to the liabilities that represent major interest-bearing positions. Based on the simulations performed, if the interest rates had been higher/lower by 1%, with all variables including tax rate being held constant, the profit after tax would have been lower/higher by US\$58,100 (2023: US\$108,233).

Price risks

The Group is exposed to price risk arising from its sales of iron ore and investments held by the Group which are classified as financial assets at FVTPL.

Prices of the iron ore and financial assets may fluctuate depending on the market situation and factors such as government policy and the global economic environment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

37. Financial instruments, financial risks and capital management (Continued)

37.2 Market risk (Continued)

Price risk sensitivity analysis

At the end of the financial year, had the iron ore average selling prices been 10% (2023: 10%) higher or lower, with all variables held constant, profit before income tax would have been higher or lower by US\$5,393,296 (2023: US\$5,354,715).

The Group does not have any significant exposure to price risk arising from the financial assets at FVTPL and therefore the sensitivity analysis is not presented.

37.3 Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk is managed by matching the payment and receipt cycle.

The Group actively manages its operating cash flows so as to ensure that all payment needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements.

Contractual maturity analysis

The following table details the Group's and the Company's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on undiscounted cash flows of financial liabilities based on the earlier of the contractual date or when the Group and the Company are expected to pay. The table includes both expected interest and principal cash flows.

| | Within 1 financial year US\$ | Within 2 to 5 financial years US\$ | After 5 financial years US\$ | Total US\$ |
|-----------------------------|---------------------------------------|---------------------------------------------|---------------------------------------|-------------------|
| Group | | | | |
| At 29 February 2024 | | | | |
| Trade payables | 1,180,197 | – | – | 1,180,197 |
| Other payables and accruals | 7,593,013 | 1,390,090 | 919,462 | 9,902,565 |
| Bank borrowings | 7,403,065 | 1,976,386 | – | 9,379,451 |
| Lease liabilities | 1,292,694 | 208,041 | – | 1,500,735 |
| | <u>17,468,969</u> | <u>3,574,517</u> | <u>919,462</u> | <u>21,962,948</u> |
| At 28 February 2023 | | | | |
| Trade payables | 1,250,832 | – | – | 1,250,832 |
| Other payables and accruals | 8,759,330 | 2,250,031 | – | 11,009,361 |
| Bank borrowings | 7,958,646 | 8,117,733 | – | 16,076,379 |
| Lease liabilities | 636,886 | 52,627 | – | 689,513 |
| | <u>18,605,694</u> | <u>10,420,391</u> | <u>–</u> | <u>29,026,085</u> |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

37. Financial instruments, financial risks and capital management (Continued)

37.3 Liquidity risk (Continued)

Contractual maturity analysis (Continued)

| | Within 1 financial year US\$ | Within 2 to 5 financial years US\$ | After 5 financial years US\$ | Total US\$ |
|-----------------------------|---------------------------------------|---------------------------------------------|---------------------------------------|-------------------|
| Company | | | | |
| At 29 February 2024 | | | | |
| Other payables and accruals | 245,618 | 1,390,090 | 919,462 | 2,555,170 |
| Bank borrowings | 5,268,796 | 1,006,119 | – | 6,274,915 |
| | <u>5,514,414</u> | <u>2,396,209</u> | <u>919,462</u> | <u>8,830,085</u> |
| Financial guarantee | <u>2,650,396</u> | – | – | <u>2,650,396</u> |
| At 28 February 2023 | | | | |
| Other payables and accruals | 358,231 | 2,250,031 | – | 2,608,262 |
| Bank borrowings | 5,578,306 | 6,236,898 | – | 11,815,204 |
| | <u>5,936,537</u> | <u>8,486,929</u> | – | <u>14,423,466</u> |
| Financial guarantee | <u>3,801,736</u> | – | – | <u>3,801,736</u> |

37.4 Capital management policies and objectives

The Group and the Company manage capital to ensure that the Group and the Company are able to continue as a going concern and maintain an optimal capital structure so as to maximise shareholders' values.

The Group and the Company manage the capital structure and make adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issues new shares or sell assets to reduce debts.

The capital structure of the Group and the Company consist of equity attributable to owners of the Company, comprising issued share capital, other reserves and retained earnings as disclosed in Notes 17, 18 and 19 to the financial statements.

Management reviews the capital structure to ensure that the Group and the Company are able to service any debt obligations (including principal repayment and interest) based on operating cash flows. The Group and the Company overall strategy remains unchanged during the financial years ended 29 February 2024 and 28 February 2023.

Management monitors capital based on a gearing ratio, which is calculated as net debts divided by total equity plus net debts. The Group and the Company's net debts include bank borrowings, lease liabilities, payables and accruals, amounts due to directors and amounts due to subsidiaries less cash and cash equivalents. Equity attributable to the owners of the Company comprises share capital, other reserves and retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

37. Financial instruments, financial risks and capital management (Continued)

37.4 Capital management policies and objectives (Continued)

| | Group | | Company | |
|--------------------------------------------------|--------------|--------------|--------------|--------------|
| | 2024 US\$ | 2023 US\$ | 2024 US\$ | 2023 US\$ |
| Trade payables | 1,180,197 | 1,250,832 | – | – |
| Other payables and accruals | 9,902,565 | 11,009,361 | 2,555,170 | 2,608,262 |
| Bank borrowings | 8,857,866 | 14,864,500 | 5,934,968 | 10,882,942 |
| Lease liabilities | 1,475,715 | 680,118 | – | – |
| Amounts due to directors | 1,529 | 36,757 | – | – |
| Amounts due to subsidiaries | – | – | 41,199 | 19,301 |
| Less: Cash and bank balances | (7,681,409) | (5,669,596) | (2,073,664) | (2,063,001) |
| Net debts | 13,736,463 | 22,171,972 | 6,457,673 | 11,447,504 |
| Equity attributable to the owners of the Company | 72,245,096 | 62,239,885 | 52,125,354 | 39,615,700 |
| Total capital | 85,981,559 | 84,411,857 | 58,583,027 | 51,063,204 |
| Gearing ratio (%) | 15.98% | 26.27% | 11.02% | 22.42% |

The Group and the Company are in compliance with the externally imposed capital requirements relating to financial covenants on its borrowings for the financial years ended 29 February 2024 and 28 February 2023.

37.5 Fair value of financial assets and financial liabilities

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and other financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Fair value hierarchy

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

37. Financial instruments, financial risks and capital management (Continued)

37.5 Fair value of financial assets and financial liabilities (Continued)

Fair value hierarchy (Continued)

The following presented the financial asset and liability measured at fair value.

| | Fair value measurement using | | | Total US\$ |
|------------------------------------|------------------------------|-----------------|-----------------|---------------|
| | Level 1 US\$ | Level 2 US\$ | Level 3 US\$ | |
| Group | | | | |
| 29 February 2024 | | | | |
| Financial asset | | | | |
| Financial asset at FVTPL | - | 2,196,115 | - | 2,196,115 |
| Financial liability | | | | |
| Contingent consideration (Note 23) | - | - | 2,376,724 | 2,376,724 |
| 28 February 2023 | | | | |
| Financial asset | | | | |
| Financial asset at FVTPL | - | 1,466,377 | - | 1,466,377 |
| Financial liability | | | | |
| Contingent consideration (Note 23) | - | - | 2,383,258 | 2,383,258 |
| Company | | | | |
| 29 February 2024 | | | | |
| Financial asset | | | | |
| Financial asset at FVTPL | - | 2,196,115 | - | 2,196,115 |
| Financial liability | | | | |
| Contingent consideration (Note 23) | - | - | 2,376,724 | 2,376,724 |
| 28 February 2023 | | | | |
| Financial liability | | | | |
| Contingent consideration (Note 23) | - | - | 2,383,258 | 2,383,258 |

The following table presents the changes in level 3 instrument:

| | 2024 US\$ | 2023 US\$ |
|------------------------------------------------|--------------|--------------|
| Contingent consideration | | |
| At beginning of the financial year | 2,383,258 | 626,849 |
| Fair value changes on contingent consideration | 53,256 | 1,786,924 |
| Royalties paid during the year | (59,790) | (30,515) |
| Other payables | 2,376,724 | 2,383,258 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

37. Financial instruments, financial risks and capital management (Continued)

37.5 Fair value of financial assets and financial liabilities (Continued)

Fair value hierarchy (Continued)

Valuation technique and input used in Level 3 fair value measurement:

| Description | Fair value at 29 February 2024 US\$ | Unobservable inputs | Range of unobservable inputs 2024 | Range of unobservable inputs 2023 | Relationship of unobservable inputs to fair value |
|------------------------------------|-------------------------------------|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| Contingent consideration (Note 23) | 2,376,724 (2023: 2,383,258) | Discount rate | 12.30% | 13.40% | The higher the discount rate, the lower the fair value. |
| | | The anticipated annual production volume of the FMeSB Group | 60,000 to 240,000 WMT of iron concentrate and 7,000 to 44,000 tonne of copper concentrate. | 120,000 to 233,000 WMT of iron concentrate and 7,000 to 44,000 tonne of copper concentrate. | The higher the anticipated annual production volume, the higher the fair value. |
| | | The anticipated average realised selling price | Based on historical S&P Global Commodity Platts Price and LME Copper Price with adjustment to account for prices applied to the local market. | Based on historical S&P Global Commodity Platts Price and LME Copper Price with adjustment to account for prices applied to the local market. | The higher the anticipated average realised selling price, the higher the fair value. |

Management of the Group oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts to perform the valuation. Management is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and SFRS(I) 13 Fair Value Measurement guidance. Significant changes in fair value measurements from period to period are evaluated by the management for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate. For valuations performed by external valuation experts, the management reviews the appropriateness of the valuation methodologies and assumptions adopted. The management also evaluates the appropriateness and reliability of the inputs used in the valuations.

Fair value of financial instruments that are not measured at fair value

Financial instruments not measured at fair value includes cash and bank balances, trade receivables, other receivables and deposits, amounts due from subsidiaries, trade payables, other payables and accruals (excluding contingent considerations), amounts due to directors, amounts due to subsidiaries, bank borrowings and lease liabilities.

The carrying amounts of the current financial assets and current financial liabilities approximate their respective fair values as at the end of the reporting period due to the relatively short-term maturity of these financial instruments.

The fair values of non-current financial liabilities that are not carried at fair value in relation to bank borrowings approximate their carrying amounts as disclosed in Note 20 to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

38. Events subsequent to the reporting date

38.1 Change in effective interest in Kencana Primary Sdn. Bhd. (“KPSB”)

On 22 January 2024, a wholly-owned subsidiary of the Company, Fortress Ni Sdn. Bhd. had entered into a share purchase agreement with a third party to acquire 112,000 ordinary shares for a cash consideration of MYR3,000,000 (approximately US\$630,000). The share transfer was completed on 13 March 2024. Consequently, the Company’s effective interest in KPSB had increased from 51% to 65%.

38.2 Acquisition of Gemilang Mining Sdn. Bhd. (“GMSB”)

On 27 March 2024, a wholly-owned subsidiary of the Company, Fortress Mining Sdn. Bhd. had entered into a conditional share purchase agreement (the “SPA”) with a third party for the acquisition of 60% equity interest of GMSB for a cash consideration of MYR3,000,000 (approximately US\$630,000) constituting:

- i) MYR300,000 (approximately US\$63,000) paid upon execution of agreement.
- ii) The balance consideration of MYR2,700,000 (approximately US\$567,000) is payable once certain terms and conditions of the SPA are fulfilled. The terms and conditions have yet to be met as of date of these financial statements.

38.3 Acquisition of Sejati Lombong Sdn. Bhd. (“SLSB”)

On 27 March 2024, a wholly-owned subsidiary of the Company, Fortress Mining Sdn. Bhd. had entered into a conditional share purchase agreement (the “SPA”) with a third party for the acquisition of 60% equity interest of SLSB for a cash consideration of MYR3,000,000 (approximately US\$630,000) constituting:

- i) MYR300,000 (approximately US\$63,000) paid upon execution of agreement.
- ii) The balance consideration of MYR2,700,000 (approximately US\$567,000) is payable once certain terms and conditions of the SPA are fulfilled. The terms and conditions have yet to be met as of date of these financial statements.

38.4 Additional share capital in a subsidiary – Fortress Transport Sdn. Bhd. (“FTSB”)

On 24 April 2024, FTSB issued an additional 700,000 ordinary shares to its shareholders for MYR700,000 (equivalent to US\$146,966) where the cash contribution was received in accordance with their portion of equity interests. As such, there is no change in the Company’s shareholding in FTSB.

39. Authorisation of financial statements

The statement of financial position of the Company as at 29 February 2024 and the consolidated financial statements of the Group for the financial year ended 29 February 2024 were authorised for issue in accordance with a Directors’ resolution dated 6 June 2024.

STATISTICS OF SHAREHOLDINGS

AS AT 10 MAY 2024

ANALYSIS OF SHAREHOLDINGS

| | | |
|------------------------------------------------|---|--------------------|
| ISSUED AND FULLY PAID-UP CAPITAL | : | S\$40,429,342.60 |
| NO. OF SHARES ISSUED | : | 523,316,100 |
| CLASS OF SHARES | : | ORDINARY SHARES |
| VOTING RIGHTS | : | ONE VOTE PER SHARE |
| NO. OF TREASURY SHARES AND SUBSIDIARY HOLDINGS | : | NIL |

| SIZE OF SHAREHOLDINGS | NO. OF SHAREHOLDERS | % OF HOLDERS | NO. OF SHARES | % OF SHARES |
|-----------------------|---------------------|--------------|---------------|-------------|
| 1 – 99 | 0 | 0.00 | 0 | 0.00 |
| 100 – 1,000 | 34 | 5.44 | 18,900 | 0.00 |
| 1,001 – 10,000 | 252 | 40.32 | 1,713,930 | 0.33 |
| 10,001 – 1,000,000 | 325 | 52.00 | 21,240,200 | 4.06 |
| 1,000,001 & ABOVE | 14 | 2.24 | 500,343,070 | 95.61 |
| TOTAL | 625 | 100.00 | 523,316,100 | 100.00 |

TOP TWENTY SHAREHOLDERS AS AT 10 MAY 2024

| NAME OF SHAREHOLDERS | NO. OF SHARES | % OF SHARES |
|--------------------------------------|---------------|-------------|
| UOB KAY HIAN PTE LTD | 277,794,170 | 53.08 |
| SDB MINING SDN. BHD. | 154,937,500 | 29.61 |
| CITIBANK NOMINEES SINGAPORE PTE LTD | 15,239,100 | 2.91 |
| PHILLIP SECURITIES PTE LTD | 14,956,400 | 2.86 |
| SMITH ST INVESTMENT PTE. LTD. | 7,328,125 | 1.40 |
| LOH CHEN YOOK | 6,773,200 | 1.29 |
| DBS NOMINEES PTE LTD | 5,294,200 | 1.01 |
| WESTERN CAPITAL SDN. BHD. | 5,234,375 | 1.00 |
| RAFFLES NOMINEES (PTE) LIMITED | 4,344,500 | 0.83 |
| LOONG CHING HONG | 2,056,000 | 0.39 |
| LEOW FAN SIEW | 1,838,000 | 0.35 |
| OCBC SECURITIES PRIVATE LTD | 1,734,200 | 0.33 |
| MAYBANK SECURITIES PTE. LTD. | 1,517,300 | 0.29 |
| YEO SOCK CHUN | 1,296,000 | 0.25 |
| IFAST FINANCIAL PTE LTD | 987,300 | 0.19 |
| MOOMOO FINANCIAL SINGAPORE PTE. LTD. | 934,900 | 0.18 |
| TIGER BROKERS (SINGAPORE) PTE. LTD. | 685,300 | 0.13 |
| ONG KOK HUA | 552,200 | 0.11 |
| BPSS NOMINEES SINGAPORE (PTE.) LTD. | 499,300 | 0.10 |
| LIM HUI MEI OR EDWIN GOMEZ | 479,400 | 0.09 |
| TOTAL | 504,481,470 | 96.40 |

STATISTICS OF SHAREHOLDINGS

AS AT 10 MAY 2024

SUBSTANTIAL SHAREHOLDERS

| Name of Shareholder | Direct Interest | | Deemed Interest | |
|-------------------------------------------------|-----------------|-------|-----------------|-------|
| | No. of shares | % | No. of shares | % |
| Y F Chee Holdings Pte. Ltd. ⁽¹⁾ | 216,655,720 | 41.40 | – | – |
| Greger International Sdn. Bhd. ⁽¹⁾ | 37,603,950 | 7.19 | – | – |
| Dato' Sri Ivan Chee Yew Fei ⁽²⁾ | 530 | 0.00 | 254,259,670 | 48.59 |
| Ng Mun Fey ⁽³⁾ | – | – | 37,603,950 | 7.19 |
| SDB Mining Sdn. Bhd. | 154,937,500 | 29.61 | – | – |
| Selangor Dredging Berhad ⁽⁴⁾ | – | – | 154,937,500 | 29.61 |
| Teh Wan Sang & Sons Sdn. Bhd. ⁽⁴⁾⁽⁵⁾ | 4,200,000 | 0.80 | 154,937,500 | 29.61 |
| Teh Lip Bin ⁽⁴⁾⁽⁵⁾⁽⁶⁾ | – | – | 159,137,500 | 30.41 |
| Teh Lip Kim ⁽⁴⁾⁽⁵⁾⁽⁷⁾ | 1,679,300 | 0.32 | 166,465,625 | 31.81 |

Notes:

- The entire shares are held in the name of UOB Kay Hian Pte Ltd.
- Dato' Sri Ivan Chee Yew Fei is deemed interested in the shares of the Company held through the following companies:–
 - Y F Chee Holdings Pte. Ltd. – 216,655,720 (41.40%)
 - Greger International Sdn. Bhd. – 37,603,950 (7.19%)
 Dato' Sri Ivan Chee Yew Fei holds 100% and 70% (directly and indirectly) of the shares of Y F Chee Holdings Pte. Ltd. and Greger International Sdn. Bhd. respectively.
- Ng Mun Fey is deemed interested in the shares of the Company held through Greger International Sdn. Bhd. as he holds 30% of the issued share capital of Greger International Sdn. Bhd.
- Selangor Dredging Berhad is deemed interested in the shares of the Company held through SDB Mining Sdn. Bhd. as SDB Mining Sdn. Bhd. is 100% owned by Selangor Dredging Berhad.
- The entire shares are held in the name of UOB Kay Hian Pte Ltd. Teh Wan Sang & Sons Sdn. Bhd. is deemed interested in the shares of the Company held through SDB Mining Sdn. Bhd. Teh Wan Sang & Sons Sdn. Bhd. holds 22.30% of the issued share capital of Selangor Dredging Berhad.
- Teh Lip Bin is deemed interested in the shares of the Company held through SDB Mining Sdn. Bhd. Teh Lip Bin holds directly and indirectly approximately 38.17% of the issued share capital of Selangor Dredging Berhad.
Teh Lip Bin is related to Teh Wan Sang & Sons Sdn. Bhd., a company owned by members of the Teh family, which include Teh Lip Bin.
- The entire shares are held in the name of Citibank Nominees Singapore Pte Ltd. Teh Lip Kim is deemed interested in the shares of the Company held through the following companies:–
 - Smith St Investment Pte. Ltd. – 7,328,125 (1.40%)
 - SDB Mining Sdn. Bhd. – 154,937,500 (29.61%)
 - Teh Wan Sang & Sons Sdn. Bhd. – 4,200,000 (0.80%)
 Teh Lip Kim holds 100% of the share of Smith St Investment Pte. Ltd. and approximately 60.28% (directly and indirectly) of the shares of Selangor Dredging Berhad.
Teh Lip Kim is related to Teh Wan Sang & Sons Sdn. Bhd., a company owned by members of the Teh family, which include Teh Lip Kim.
Teh Lip Kim and Teh Lip Bin are siblings.

PUBLIC FLOAT

Based on the information available to the Company as at 10 May 2024, approximately 17.89% of the issued ordinary shares of the Company is held by the public. Accordingly, Rule 723 of the Listing Manual Section B: Rules of Catalist of the SGX-ST is complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM”) of the Company will be held at Esplanade Room 3, Level 3 of Singapore Recreation Club, B Connaught Drive, Singapore 179682 on Monday, 24 June 2024 at 2.00 p.m. for the purpose of transacting the following businesses:

ORDINARY BUSINESS:

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 29 February 2024 together with the Directors’ Statement and the Auditor’s Report thereon. **Resolution 1**
2. To approve a tax-exempt (one-tier) final dividend of 0.60 Singapore cents per share for the financial year ended 29 February 2024. **Resolution 2**
3. To re-elect Mr Edmund Chee Ji Kang, a Director retiring pursuant to Regulation 97 of the Company’s Constitution. *[See Explanatory Note 1(a)]* **Resolution 3**
4. To re-elect Dato’ Sri Ivan Chee Yew Fei, a Director retiring pursuant to Regulation 98 of the Company’s Constitution. *[See Explanatory Note 1(b)]* **Resolution 4**
5. To re-elect Mr Loong Ching Hong, a Director retiring pursuant to Regulation 98 of the Company’s Constitution. *[See Explanatory Note 1(c)]* **Resolution 5**
6. To re-elect Ms Anita Chew Cheng Im, a Director retiring pursuant to Regulation 98 of the Company’s Constitution. *[See Explanatory Note 1(d)]* **Resolution 6**
7. To approve the payment of Directors’ fees of S\$658,000 for the financial year ending 28 February 2025, payable quarterly in arrears. (FY2024: S\$630,500) **Resolution 7**
8. To re-appoint Messrs BDO LLP as Auditors of the Company for the financial year ending 28 February 2025 and to authorise the Directors to fix their remuneration. **Resolution 8**
9. To transact any other ordinary business which may properly be transacted at an annual general meeting.

To consider and, if thought fit, to pass the following Ordinary Resolutions, with or without any modifications:

As Special Business

10. AUTHORITY TO ALLOT AND ISSUE SHARES

That pursuant to Section 161 of the Companies Act 1967 of Singapore (the “**Companies Act**”) and Rule 806 of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), authority be and is hereby given to the Directors of the Company (the “**Directors**”) to (i) allot and issue shares in the capital of the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and (iii) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of the Instruments made or granted by the Directors while this Resolution was in force, provided that:

- (1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as

NOTICE OF ANNUAL GENERAL MEETING

calculated in accordance with sub-paragraph (2) below), or such other limit as may be prescribed by the Catalist Rules as at the date this Resolution is passed, of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below) or such other limit as may be prescribed by the Catalist Rules as at the date this Resolution is passed;

- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
- (a) new Shares arising from the conversion or exercise of any convertible securities;
 - (b) new Shares arising from exercising share options or vesting of share awards, provided that the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares.

Adjustments in accordance to subparagraphs (2)(a) and (2)(b) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding of subsisting at the time of the passing of this Resolution.

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, the Constitution for the time being of the Company; and
- (4) the authority conferred by this Resolution shall, unless revoked or varied by the Company in general meeting, continue to be in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note 2]

Resolution 9

11. AUTHORITY TO ALLOT AND ISSUE SHARES UNDER THE FORTRESS EMPLOYEE SHARE OPTION SCHEME

THAT the Directors be and are hereby authorised to offer and grant options (“**Options**”) under the Fortress Employee Share Option Scheme (the “**Scheme**”) and to allot and issue from time to time such number of new Shares in the share capital of the Company as may be required to be issued pursuant to the exercise of the Options under the Scheme, provided always that the aggregate number of Shares to be issued pursuant to the Scheme shall not exceed fifteen per cent (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company from time to time, and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note 3]

Resolution 10

NOTICE OF ANNUAL GENERAL MEETING

12. RENEWAL OF SHARE BUY-BACK MANDATE

That:

(1) for the purposes of the Companies Act and the Catalist Rules of the SGX-ST, the Directors of the Company be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire the Shares not exceeding in aggregate the Prescribed Limit (as hereafter defined) during the Relevant Period, at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

- (a) on-market purchases ("**Market Purchases**") transacted on the SGX-ST through the ready market or, as the case may be, any other stock 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; and/or
- (b) off-market purchases ("**Off-Market Purchases**") (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act,

and otherwise in accordance with all other provisions of the Act and the Catalist Rules of the SGX-ST as may for the time being be applicable (the "**Share Buy-Back Mandate**");

(2) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy-back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:

- (a) the date on which the next AGM of the Company is held or required by law or the Constitution of the Company to be held;
- (b) the date on which purchases or acquisitions of Shares by the Company pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated; or
- (c) the date on which the authority conferred by the Share Buy-Back Mandate is varied or revoked by the shareholders of the Company in a general meeting;

(3) in this Resolution:

"**Prescribed Limit**" means that number of Shares representing ten per cent. (10%) of the issued ordinary share capital as at the date of the passing of this Resolution, unless the Company has effected a reduction of its share capital in accordance with the applicable provisions of the Act at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered;

"**Relevant Period**" means the period commencing on and from the Approval Date, up to the earliest of:

- (i) the conclusion of the next AGM or the date by which such AGM is required by law to be held;
- (ii) the date on which the Share Buy-Backs are carried out to the full extent mandated; or
- (iii) the date on which the authority conferred by the Share Buy-Back Mandate is revoked or varied by the Shareholders in a general meeting;

NOTICE OF ANNUAL GENERAL MEETING

“**Maximum Price**” in relation to a Share to be purchased or acquired, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase: one hundred and five per cent. (105%) of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme: one hundred and twenty per cent. (120%) of the Average Closing Price,

where:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five (5) market days, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase or, as the case may be, the day of the making of the offer pursuant to an Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5)-day period and the day on which the purchases are made; and

“**Day of the making of the offer**” means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

- (4) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

[See Explanatory Note 4]

Resolution 11

By Order of the Board

Dato' Sri Ivan Chee Yew Fei
Executive Director and Chief Executive Officer

7 June 2024
Singapore

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

- 1(a) Mr Edmund Chee Ji Kang ("**Mr Edmund Chee**"), an Executive Director of the Company, is the son of Dato' Sri Ivan Chee Yew Fei ("**Dato' Sri Ivan Chee**"), the Executive Director and Chief Executive Officer, and Controlling Shareholder of the Company. Mr Edmund Chee is the brother of Ms Willa Chee Keng Fong, a Non-Executive and Non-Independent Director of the Company. Saved as disclosed, Mr Edmund Chee does not have any relationships including immediate family relationships with the other Directors, the Company and substantial shareholders. Mr Edmund Chee will, upon re-election as a Director, remain as an Executive Director of the Company.
- 1(b) Dato' Sri Ivan Chee is the Executive Director and Chief Executive Officer, and a shareholder of the Company. Dato' Sri Ivan Chee is deemed interested in the shares of the Company held through the following companies:
- (a) Y F Chee Holdings Pte. Ltd. – 216,655,720 (41.40%)
- (b) Greger International Sdn. Bhd. – 37,603,950 (7.19%)

Dato' Sri Ivan Chee holds 100% and 70% (directly and indirectly) of the shares of Y F Chee Holdings Pte. Ltd. and Greger International Sdn. Bhd. respectively. Dato' Sri Ivan Chee is also a director of Y F Chee Holdings Pte. Ltd. and Greger International Sdn. Bhd.. Dato' Sri Ivan Chee is the father of Mr Edmund Chee, an Executive Director and Ms Willa Chee Keng Fong, a Non-Executive and Non-Independent Director of the Company. Dato' Sri Ivan Chee will, upon re-election as a Director, continue to serve as the Executive Director and Chief Executive Officer of the Company, and a member of the Nominating Committee. Saved as disclosed, Dato' Sri Ivan Chee does not have any relationships including immediate family relationships with the other Directors, the Company and the substantial shareholders.

- 1(c) Mr Loong Ching Hong, a Non-Executive and Non-Independent Director of the Company will, upon re-election as a Director, continue to serve as a Non-Executive and Non-Independent Director of the Company and a member of the Remuneration Committee.
- 1(d) Ms Anita Chew Cheng Im ("**Ms Anita Chew**"), an Independent Director of the Company will, upon re-election as a Director, continue to serve as an Independent Director of the Company, Chairman of the Nominating Committee and a member of the Audit Committee and the Remuneration Committee. Ms Anita Chew is considered independent for the purposes of Rule 704(7) of the Catalist Rules. Ms Anita Chew does not have any relationships including immediate family relationships with the other Directors, the Company and the substantial shareholders, which may affect her independence.

Further information on all the abovementioned directors can be found under the sections titled "Board of Directors", "Corporate Governance Report" and "Key Information" of the Company's Annual Report 2024 (the "**AR FY2024**").

2. Ordinary Resolution 9, if passed, will empower the Directors from the date of this AGM until the date of the next AGM or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue shares in the capital of the Company and to make or grant Instruments (such as warrants or debentures) convertible into shares, and to issue shares pursuant to such Instruments. The aggregate number of shares (including shares to be made in pursuance of Instruments made or granted pursuant to this Resolution) which the Directors may allot and issue, shall not exceed, in total, one hundred per cent (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings), of which the total number of shares issued other than on a pro-rata basis to existing shareholders of the Company, shall not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings).

For determining the aggregate number of shares that may be issued, the percentage of issued shares will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time Resolution 9 is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when Resolution 9 is passed and any subsequent consolidation or subdivision of shares.

3. Ordinary Resolution 10, if passed, will empower the Directors of the Company to offer and grant options, and allot and issue new Shares pursuant to the Scheme provided that the aggregate number of new Shares to be allotted and issued pursuant to the Scheme and other share-based incentive scheme(s) or plan(s) to be implemented by the Company (if any) shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company on the day preceding the date of the relevant grant. This authority will, unless revoked or varied at a general meeting, expire at the next AGM of the Company or by the date by which the next AGM of the Company is required by law to be held, whichever is earlier.
4. Ordinary Resolution 11, if passed, will empower the Directors, effective until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company at a general meeting, whichever is earliest, to purchase or acquire (whether by way of Market Purchases or Off-Market Purchases on an equal access scheme) from time to time of up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at prices up to but not exceeding the Maximum Price. Details of the proposed renewal of the Share Buy-Back Mandate are set out in the Appendix accompanying this Notice of AGM.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. The AGM is being convened and will be held, in a wholly physical format, at Esplanade Room 3, Level 3 of Singapore Recreation Club, B Connaught Drive, Singapore 179682 on Monday, 24 June 2024 at 2.00 p.m.. There will be no option for the members to participate virtually. Printed copies of this Notice of AGM, the accompanying proxy form and the Request Form will be sent to members via post. Printed copy of the AR FY2024 will not be sent to members of the Company unless requested by the shareholder pursuant to a submitted request. Shareholders who wish to receive a printed copy of the AR FY2024 are required to complete the Request Form and to return it to the Company by post or by email by 15 June 2024. The AR FY2024 will also be made available to members via publication on the Company's website at the URL <https://www.fortress.sg> and on the SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.
2. The members of the Company may participate in the AGM by:
 - (a) attending the AGM in person;
 - (b) raising questions at the AGM or submitting questions in advance of the AGM; and/or
 - (c) voting at the AGM (i) themselves personally; or (ii) through their duly appointed proxy(ies).

Please bring along your NRIC/passport so as to enable the Company to verify your identity. Members are requested to arrive early to facilitate the registration process and are advised not to attend the AGM if they are feeling unwell and consider appointing a proxy(ies) to attend the Meeting.

3. A member who is unable to attend the AGM and wishes to appoint proxy(ies) to attend, speak and vote at the AGM on his/her/its behalf should complete, sign and return the instrument of proxy in accordance with the instructions printed thereon.
4. The proxy need not be a member of the Company.
5. In relation to the appointment of proxy(ies) to attend, speak and vote on his/her/its behalf at the AGM, a member (whether individual or corporate) appointing his/her/its proxy(ies) should give specific instructions as to his/her/its manner of voting, or abstentions from voting, in respect of a resolution in the instrument of proxy. If no specific instructions as to voting are given, or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy(ies) will vote or abstain from voting at his/her/their discretion.
6. For investors who hold shares through relevant intermediaries, including Central Provident Fund Investment Schemes ("**CPF Investors**") and/or Supplementary Retirement Scheme ("**SRS Investors**") should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least 7 working days before the AGM (by 2.00 p.m. on 12 June 2024). CPF/SRS Investors should contact their respective CPF Agent Banks or SRS Operators for any queries they may have with regard to the appointment of proxy for the AGM.
7. A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the AGM. Where such member appoints two (2) proxies, the proportion of his shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named.
8. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. The instrument appointing the proxy shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation. Where the instrument appointing a proxy or proxies 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 with the instrument of proxy. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM.
9. A member who is a Relevant Intermediary entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"**Relevant Intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore:

- (a) a banking corporation licensed under the Banking Act 1970 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 2001 of Singapore and who holds shares in that capacity; or

NOTICE OF ANNUAL GENERAL MEETING

- (c) the Central Provident Fund Board (“**CPF Board**”) established by the Central Provident Fund Act 1953 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 CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
10. A member can appoint the Chairman of the Meeting as his/her/its proxy but this is not mandatory. If a member wishes to appoint the Chairman of the Meeting as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the Meeting as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the Chairman as proxy will vote or abstain from voting at his discretion.
11. The instrument appointing a proxy or proxies, duly executed, must be submitted to the Company in the following manner:
- (a) if sent personally or by post, be lodged at the Company’s registered office at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or
- (b) if submitted by email, be received by the Company’s Share Registrar, B.A.C.S. Private Limited at main@zicoholdings.com,
- in either case, by 2:00 p.m. on 21 June 2024, being not less than seventy-two (72) hours before the time appointed for holding the AGM.
12. Shareholders may submit questions related to the resolutions to be tabled for approval for the AGM in advance of the AGM within 7 calendar days from the date of this Notice of AGM, i.e. no later than 2.00 p.m. on 14 June 2024:
- (a) email to corporate@fortress.sg; or
- (b) post to the Company’s registered office at 77 Robinson Road #06-03 Robinson 77, Singapore 068896.
- The Company will address all substantial and relevant questions submitted prior to the AGM by publishing the responses to such questions on the Company’s corporate website and on SGXNet by 2 p.m. on 19 June 2024. The Company will address any subsequent clarifications sought, or substantial and relevant follow-up questions (which are related to the resolutions to be tabled for approval at the AGM) received after 2.00 p.m. on 14 June 2024 which have not already been addressed prior to the AGM, at the AGM itself.
13. For questions addressed during the AGM, the responses to such questions will be included in the minutes of the AGM which will be published on the Company’s corporate website and on SGXNet within one month after the AGM.

General:

The Company shall be entitled to reject the instrument appointing the proxy (including Chairman of the AGM) 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 proxy (including Chairman of the AGM). In addition, in the case of Shares entered in the Depository Register, the Company may reject any proxy form lodged if the member, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM (or at any adjournment thereof), as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By submitting an instrument appointing the Chairman of the AGM as proxy to vote at the AGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

APPENDIX

APPENDIX DATED 7 JUNE 2024

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY. If you are in any doubt as to the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser(s) immediately.

This Appendix is issued by Fortress Minerals Limited (the “**Company**”). Its purpose is to provide the Shareholders (as defined herein) with the relevant information relating to, and seek the Shareholders’ approval for, the proposed renewal of the Share Buy-Back Mandate (as defined in this Appendix) to be tabled at the annual general meeting of the Company to be held on Monday, 24 June 2024 at 2.00 p.m. at Esplanade Room 3, Level 3 of Singapore Recreation Club, B Connaught Drive, Singapore 179682 (the “**AGM**”). The AGM will be convened in a wholly physical format. There will be no option for the members to participate virtually. Please refer to the Notice of AGM for further information, including the steps to be taken by Shareholders to participate at the AGM. Printed copies of the Notice of AGM and the Proxy Form will be sent to the members via post. Printed copy of the AR FY2024 and this Appendix will not be sent to members of the Company unless requested by the shareholder pursuant to a submitted request. Shareholders who wish to receive a printed copy of the AR FY2024 and Appendix are required to complete the Request Form and to return it to the Company by post or by email by 15 June 2024. The AR FY2024 and Appendix will also be made available to members via publication on the Company’s website at the URL <https://www.fortress.sg> and on the SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.

If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Appendix with the Notice of AGM and the Proxy Form to the purchaser or transferee, as arrangements will be made by CDP for a separate Appendix to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Appendix with the Notice of AGM and Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected, for onward transmission to the purchaser or the transferee.

This Appendix has been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”). It has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this Appendix, including the correctness of any of the statements or opinions made or reports contained in this Appendix. The Sponsor has also not drawn on any specific technical expertise in its review of this Appendix.

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



FORTRESS MINERALS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 201732608K)

APPENDIX TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

APPENDIX

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APPENDIX

DEFINITIONS

In this Appendix, the following definitions apply throughout unless otherwise stated:

General

- “ACRA” or “Registrar of Companies”** : The Accounting and Corporate Regulatory Authority of Singapore
- “AGM”** : The annual general meeting of the Company to be held on 24 June 2024 at 2.00 p.m.
- “Approval Date”** : The date of the AGM at which the Proposed Renewal of the Share Buy-Back Mandate is approved
- “Associate”** : (a) In relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of thirty per cent. (30%) or more; and
- (b) In relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of thirty per cent. (30%) or more
- “Average Closing Market Price”** : The average of the closing market prices of the Shares over the last five (5) Market Days, on which transactions in the Shares were recorded before the day on which the purchases or acquisitions are made, and deemed to be adjusted for any corporate action that occurs during the relevant five (5) day period and the day on which the purchases or acquisitions are made
- “Board” or “Board of Directors”** : The board of directors of the Company
- “Catalist Rules”** : Any or all of the rules in the Listing Manual Section B: Rules of Catalist, as the case may be, as amended, supplemented or modified from time to time
- “CDP”** : The Central Depository (Pte) Limited
- “Appendix”** : This appendix dated 7 June 2024
- “Company”** : Fortress Minerals Limited
- “Companies Act”** : The Companies Act 1967 of Singapore (2020 Revised Edition), as may be amended, supplemented or modified from time to time
- “Constitution”** : The constitutive documents of the Company for the time being in force as originally framed, or as amended or modified from time to time

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| “Controlling Shareholder” | : A person who: <ul style="list-style-type: none"> (a) holds directly or indirectly fifteen per cent. (15%) or more of the nominal amount of all voting shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph (i) is not a controlling shareholder; or (b) in fact exercises control over the Company |
| “Council” | : The Securities Industry Council |
| “Depositor” | : Has the meaning ascribed to it in Section 81SF of the SFA |
| “Depository Agent” | : Has the meaning ascribed to it in Section 81SF of the SFA |
| “Depository Register” | : Has the meaning ascribed to it in Section 81SF of the SFA |
| “Director” | : A director of the Company as at the date of this Appendix |
| “EGM” | : Extraordinary general meeting |
| “EPS” | : Earnings per Share |
| “Form 2” | : Form 2 (Submission by directors and their concert parties pursuant to Appendix 2 of the Take-over Code) is the prescribed form to be submitted to the Council by a director and persons acting in concert with him pursuant to the conditions for exemption from the requirement to make a take-over offer under Rule 14 of the Take-over Code as a result of the buy-back of shares by a listed company under its share buy-back mandate |
| “FY” or “Financial Year” | : Financial year ending or ended 28 February or 29 February, as the case may be |
| “FY2024” | : Financial Year ended 29 February 2024 |
| “Group” | : The Company and its Subsidiaries |
| “Latest Practicable Date” | : 24 May 2024, being the latest practicable date prior to the release of this Appendix |
| “Market Day” | : A day on which the SGX-ST is open for trading of securities |
| “Maximum Price” | : (a) In the case of an On-Market Share Buy-Back, one hundred and five per cent. (105%) of the Average Closing Market Price of the Shares; and <ul style="list-style-type: none"> (b) in the case of an Off-Market Share Buy-Back, one hundred and twenty per cent. (120%) of the Average Closing Market Price of the Shares |
| “NAV” | : Net asset value |
| “Notice of AGM” | : Notice of the AGM dated 7 June 2024 |
| “NTA” | : Net tangible assets |

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| “Off-Market Share Buy-Back” | : Off-market purchases (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as defined in Section 76C of the Companies Act as may be determined or formulated by the Directors as they may consider fit and in the best interests of the Company, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Catalist Rules |
| “On-Market Share Buy-Back” | : On-market purchases transacted on the Catalist through the SGX-ST’s ready market or, as the case may be, any other stock 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 Buy-Back |
| “Proposed Renewal of the Share Buy-Back Mandate” | : The proposed renewal of the Share Buy-Back Mandate |
| “Proxy Form” | : The proxy form in respect of the AGM |
| “Register of Directors’ Shareholdings” | : A register of the shareholdings of the directors of the Company |
| “Register of Members” | : A register of the members of the Company |
| “Register of Substantial Shareholders” | : A register of the Substantial Shareholders |
| “Relevant Period” | : The period commencing on and from the Approval Date, up to the earliest of: <ul style="list-style-type: none"> (i) the conclusion of the next AGM or the date by which such AGM is required by law to be held; (ii) the date on which the Share Buy-Backs are carried out to the full extent mandated; or (iii) the date on which the authority conferred by the Share Buy-Back Mandate is revoked or varied by the Shareholders in a general meeting |
| “Required Price” | : In relation to the offer required to be made under the provisions of Rule 14.1 of the Take-over Code, the offer shall be in cash or be accompanied by a cash alternative at a price in accordance with Rule 14.3 which is the highest of the highest price paid by the offerors and/or person(s) acting in concert with them for the Company’s Shares (i) during the offer period and within the preceding six (6) months, (ii) acquired through the exercise of instruments convertible into securities which carry voting rights within six (6) months of the offer and during the offer period, or (iii) acquired through the exercise of rights to subscribe for, and options in respect of, securities which carry voting rights within six (6) months of the offer or during the offer period; or at such price as determined by the Council under Rule 14.3 of the Take-over Code |
| “Securities Accounts” | : The securities account maintained with CDP, but not including the securities accounts maintained with a Depository Agent |
| “SFA” | : The Securities and Futures Act 2001 of Singapore (2020 Revised Edition), as may be amended, supplemented or modified from time to time |

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| “SGXNet” | : A system network used by listed companies to send information and announcements to the SGX-ST or any other system network prescribed by the SGX-ST |
| “SGX-ST” or the “Exchange” | : The Singapore Exchange Securities Trading Limited |
| “Share Buy-Back” | : The purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate, which can be by way of an Off-Market Share Buy-Back or an On-Market Share Buy-Back |
| “Share Buy-Back Guidance Note” | : The share buy-back guidance note found in Appendix 2 of the Take-over Code, as may be amended, supplemented or modified from time to time |
| “Share Buy-Back Mandate” | : The general mandate given by Shareholders to authorise the Directors to purchase or acquire Shares in accordance with the terms set out in this Appendix and the rules and regulations set forth in the Companies Act and the Catalyst Rules |
| “Shareholders” | : Registered holders of Shares except that where the registered holder is CDP, the term “Shareholders” in relation to Shares held by CDP shall, where the context admits, means the persons named as Depositors in the Depository Register maintained by CDP and to whose Securities Accounts such Shares are credited |
| “Shares” | : Ordinary shares in the capital of the Company |
| “Subsidiary” | : Has the meaning ascribed to it in Section 5 of the Companies Act |
| “Subsidiary Holdings” | : Shares held by a Subsidiary in accordance with the Companies Act |
| “Substantial Shareholder” | : A person who has an interest or interests (directly or indirectly) in voting Shares representing not less than five per cent. (5%) of all the voting Shares |
| “Take-over Code” | : The Singapore Code on Take-overs and Mergers, as may be amended, supplemented or modified from time to time |
| “Treasury Shares” | : Issued Shares which were (or are treated as having been) purchased or acquired by the Company in circumstances which Section 76H of the Companies Act applies and have, since they were so purchased or acquired, been continuously held by the Company since such Shares were so purchased or acquired |
| <u>Currencies, units and others</u> | |
| “US\$” and “US\$ cents” | : United States of America dollars and cents respectively, the lawful currency of the United States of America |
| “%” or “per cent.” | : Percentage or per centum |

Any reference in this Appendix to any enactment is a reference to that enactment for the time being in force, as may be amended or re-enacted. Any word defined under the Companies Act, the Catalyst Rules, the SFA, the Take-over Code or any statutory modification thereof and used in this Appendix shall have the meaning assigned to it under the Companies Act, Catalyst Rules, SFA, Take-over Code or its statutory modification, as the case may be, unless the context otherwise requires.

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Words importing the singular number shall include the plural number where the context admits and *vice versa*. Words importing the masculine gender shall include the feminine gender where the context admits. Reference to persons shall, where applicable, include corporations.

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

Any reference to a time of day or date in this Appendix is a reference to a time of day or date, as the case may be, in Singapore, unless otherwise stated.

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

Exchange Rates

Unless otherwise stated, the exchange rate of S\$1.00: US\$1.3523 as at the Latest Practicable Date, obtained from the website of the Monetary Authority of Singapore, accessible at the URL <https://www.mas.gov.sg/statistics/exchange-rates>. This exchange rate should not be construed as a representation that the US\$ amounts could have been, or could be, converted into S\$ at the rate stated, or at all, and *vice versa*.

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APPENDIX

FORTRESS MINERALS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 201732608K)

Directors:

Chew Wai Chuen (Chairman and Independent Director)
Dato' Sri Ivan Chee (Executive Director and Chief Executive Officer)
Ng Mun Fey (Executive Director and Chief Operating Officer)
Edmund Chee Ji Kang (Executive Director)
Willa Chee Keng Fong (Non-Executive and Non-Independent Director)
Teh Lip Kim (Non-Executive and Non-Independent Director)
Loong Ching Hong (Non-Executive and Non-Independent Director)
Anita Chew Cheng Im (Independent Director)
Goh Kah Im (Independent Director)

7 June 2024

To: The Shareholders of Fortress Minerals Limited

Dear Sir/Madam,

Registered Office:

77 Robinson Road,
#06-03, Robinson 77,
Singapore 068896

THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

1. INTRODUCTION

The Directors are proposing to seek Shareholders' approval at the forthcoming AGM for the proposed renewal of the Share Buy Back Mandate. The purpose of this Appendix is to provide Shareholders with information relating to, and to seek Shareholders' approval for, the proposed renewal of the Share Buy Back Mandate to be tabled at the forthcoming AGM.

Shareholders who are in any doubt as to the course of action to take should consult his/her stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

2. THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

2.1 Background

The Companies Act allows a Singapore-incorporated company to purchase or otherwise acquire its issued ordinary shares, stocks and preference shares if the purchase or acquisition is permitted under the Constitution. Any purchase or acquisition of Shares by the Company must be made in accordance with, and in the manner prescribed by the Companies Act, the Constitution and such other laws and regulations as may, for the time being, be applicable. As the Company is listed on Catalist, it is also required to comply with Part XI of Chapter 8 of the Catalist Rules, which relates to the purchase or acquisition by an issuer of its own shares. Regulation 11(B) of the Constitution expressly permits the Company to purchase or otherwise acquire its issued Shares.

It is a requirement under the Companies Act and the Catalist Rules for a company that wishes to purchase or otherwise acquire its own shares to obtain the approval of its shareholders. At the EGM of the Company held on 22 June 2022, the Shareholders had approved the adoption of the Share Buy-Back Mandate which enables the Company to purchase or otherwise acquire the Shares. This Share Buy-Back Mandate was renewed at the last AGM held on 28 June 2023. The validity period of the current Share Buy-Back Mandate will expire at the upcoming AGM. Accordingly, the purpose of this Appendix is to, *inter alia*, provide Shareholders with the relevant information pertaining to, and to seek Shareholders' approval for the proposed renewal of the Share Buy-Back Mandate.

If approved by Shareholders at the upcoming AGM, the Share Buy-back Mandate will take effect from the date of the AGM and continue to be in force until the date of the next AGM or such date as the next AGM is required by law to be held, whichever is earlier, unless prior thereto, Share Buy-Backs have been carried out to the full extent mandated or the Share Buy-Back Mandate is revoked or varied by Shareholders in a general meeting.

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2.2 Rationale

The Share Buy-Back Mandate will give the Directors the flexibility to undertake Share Buy-Backs at any time when circumstances permit, with the objective of increasing Shareholders' value and to improve, *inter alia*, the return of equity of the Group. A Share Buy-Back made at an appropriate price level is one of the ways through which the return on equity of the Group may be enhanced.

The Directors believe that the Share Buy-Back Mandate provides the Company with a mechanism to facilitate the return of surplus cash over and above the Group's working capital requirements in an expedient and cost-efficient manner. Share Buy-Backs also allow the Directors to exercise control over the Company's share structure and, depending on market conditions, may lead to an enhancement of the EPS and/or NTA per Share. The Directors further believe that Share Buy-Backs may also help to mitigate short-term market volatility and offset the effects of share price speculation.

If and when circumstances permit, the Directors will decide whether to effect the Share Buy-Backs via On-Market Share Buy-Backs or Off-Market Share Buy-Backs, after taking into account the amount of surplus cash available, the then prevailing market conditions and the most cost effective and efficient approach. Share Buy-Backs will only be undertaken as and when the Directors consider it to be in the best interests of the Company and/or Shareholders. No Share Buy-Backs will be made in circumstances which the Directors believe will have or may have a material adverse effect on the public float, the liquidity and the orderly trading of the Shares, or the financial position, working capital requirements and gearing level of the Company and the Group.

Pursuant to the Companies Act, Shares purchased or otherwise acquired pursuant to the Share Buy-Back Mandate may be held or dealt with as treasury shares, or cancelled.

2.3 Authority and limits of the Share Buy-Back Mandate

The authority and limitations placed on the Share Buy-Backs by the Company under the Share Buy-Back Mandate, if approved at the upcoming AGM, are the same as previously approved by Shareholders at the AGM of the Company held on 28 June 2023. These are summarised below:

(1) Maximum number of Shares

Only Shares that are issued and fully paid-up may be purchased or acquired by the Company pursuant to the Share Buy-Back Mandate.

Pursuant to Rule 867 of the Catalist Rules, the maximum number of Shares that may be purchased or acquired by the Company pursuant to the Share Buy-Back Mandate during the Relevant Period will be limited to that number of Shares representing not more than ten per cent. (10%) of the total issued ordinary share capital of the Company (excluding Treasury Shares and Subsidiary Holdings, and as ascertained as at the date of the upcoming AGM at which the Share Buy-Back Mandate is approved by the Shareholders (the "**Approval Date**"), unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered).

For illustrative purposes only, based on the existing issued and paid-up capital of the Company as at the Latest Practicable Date of US\$28,995,034 comprising 523,316,100 Shares, after disregarding nil Shares held as Treasury Shares and nil Subsidiary Holdings held, and assuming that no further Shares are issued on or prior to the AGM, not more than 52,331,610 Shares (representing ten per cent. (10%) of the issued ordinary share capital of the Company as at the date of the AGM, excluding Treasury Shares and Subsidiary Holdings) may be purchased or acquired by the Company pursuant to the Share Buy-Back Mandate.

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However, as stated in Section 2.2 above (as well as Section 2.9 below), purchases or acquisitions pursuant to the Share Buy-Back Mandate need not be carried out to the full extent mandated, and, in any case, would not be carried out to such an extent that would result in the Company being delisted from the SGX-ST. **Thus, notwithstanding that the Share Buy-Back Mandate may enable purchases or acquisitions of up to ten per cent. (10%) of the issued Shares (excluding treasury shares and subsidiary holdings) to be carried out, in order to maintain the listing status of the Shares on the SGX-ST, the Company must ensure (pursuant to Rule 723 of the Catalist Rules) that there is at all times a public float of not less than ten per cent. (10%) in the issued Shares.** Accordingly, assuming solely for illustrative purposes that 93,620,600 Shares (or approximately seventeen point eight nine per cent. (17.89%) of the issued Shares (excluding Treasury Shares and Subsidiary Holdings)) are held in public hands as at the Latest Practicable Date, in order to preserve the listing status of the Shares on the SGX-ST by maintaining a public float of not less than ten per cent. (10%) in the issued Shares, the Company would not purchase or acquire more than 45,876,600 Shares (or approximately eight point seven seven per cent. (8.77%) of the issued Shares as at that date) pursuant to the Share Buy-Back Mandate, which would result in the number of Shares held by the public to be reduced to 47,744,000 Shares, representing approximately (but not less than) ten per cent. (10%) of the remaining issued Shares (being 477,439,500 Shares) of the Company. Please refer Section 2.9 below for more information on the public float.

(2) Duration of authority

Under the Share Buy-Back Mandate, Share Buy-Backs may be made, at any time and from time to time, on and from the Approval Date, up to the earliest of:

- (i) the conclusion of the next AGM or the date by which such AGM is required by law to be held;
- (ii) the date on which the Share Buy-Backs are carried out to the full extent mandated; or
- (iii) the date on which the authority conferred by the Share Buy-Back Mandate is revoked or varied by the Shareholders in a general meeting.

The authority conferred on the Directors by the Share Buy-Back Mandate to purchase or acquire Shares may be renewed at each AGM or other general meeting of the Company.

(3) Manner of Share Buy-Backs

Share Buy-Backs may be made by way of, *inter alia*:

- (i) on-market purchases transacted on the Catalist through the SGX-ST's trading system or, as the case may be, any other stock 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 such purpose (the "**On-Market Share Buy-Back**"); and/or
- (ii) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as defined in Section 76C of the Companies Act, as may be determined or formulated by the Directors as they may consider fit and in the best interests of the Company, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Catalist Rules (the "**Off-Market Share Buy-Back**").

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The Directors may impose such terms and conditions, which are not inconsistent with the Share Buy-Back Mandate, the Catalyst 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(s). Under the Companies Act, an equal access scheme must satisfy all of the following conditions:

- (a) offers for the Share Buy-Backs shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (b) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and
- (c) the terms of all the offers are the same, except that there shall be disregarded, where applicable:
 - (I) differences in consideration attributable to the fact that the offers relate to Shares with different accrued dividend entitlements;
 - (II) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and
 - (III) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, the Catalyst Rules provides that, in making an Off-Market Share Buy-Back, the Company must issue an offer document to all Shareholders that must contain at least the following information:

- (a) the terms and conditions of the offer;
 - (b) the period and procedures for acceptances;
 - (c) the reasons for the proposed Share Buy-Back;
 - (d) the consequences, if any, of Share Buy-Backs by the Company that will arise under the Take-over Code or other applicable take-over rules;
 - (e) whether the Share Buy-Back, if made, would have any effect on the listing of the Shares on the Catalyst;
 - (f) details of any Share Buy-Back made by the Company in the previous twelve (12) months (whether by way of On-Market Share Buy-Backs or Off-Market Share Buy-Backs), giving the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for such Share Buy-Backs (where relevant) and the total consideration paid for such Share Buy-Backs; and
 - (g) whether the Shares purchased or acquired by the Company will be cancelled or kept as Treasury Shares.
- (4) Maximum purchase price to be paid for the Shares

The purchase price (excluding brokerage, commission, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors.

However, the purchase price to be paid for a Share pursuant to a Share Buy-Back, as determined by the Directors, must not exceed:

- (i) in the case of an On-Market Share Buy-Back, one hundred and five per cent. (105%) of the Average Closing Market Price (as defined below) of the Shares; and
- (ii) in the case of an Off-Market Share Buy-Back, one hundred and twenty per cent. (120%) of the Average Closing Market Price of the Shares,

(the "**Maximum Price**") in either case, excluding related expenses of the Share Buy-Back.

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For the above purposes, the “**Average Closing Market Price**” means the average of the closing market prices of the Shares over the last five (5) Market Days, on which transactions in the Shares were recorded before the day on which the purchases or acquisitions are made, or as the case may be, the day of the making of the offer pursuant to the Off-Market Share Buy-Back, and deemed to be adjusted for any corporate action that occurs during the relevant five (5) day period and the day on which the purchases or acquisitions are made.

The term “**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for an Off-Market Share Buy-Back, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Share Buy-Back calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Share Buy-Back.

2.4 Status of purchased Shares under the Share Buy-Back Mandate

A Share purchased or acquired by the Company under the Share Buy-Back Mandate is deemed to be cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a Treasury Share.

2.5 Cancellation of purchased Shares

Any Share which is purchased or acquired by the Company shall, unless held as Treasury Shares to the extent permitted under the Companies Act, be deemed cancelled immediately on purchase or acquisition, and all rights and privileges attached to that Share shall expire on cancellation. The total number of Shares will be diminished by such number of Shares purchased or acquired by the Company and which are not held as Treasury Shares.

Any Shares purchased or acquired by the Company (other than Treasury Shares held by the Company to the extent permitted by the Companies Act) and cancelled will be automatically de-listed 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.

2.6 Purchased Shares held as 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 (i) the Catalist Rules and (ii) the Companies Act, are summarised below.

(1) Maximum holdings

The number of Shares held as Treasury Shares cannot at any time exceed ten per cent. (10%) of the total number of issued Shares.

In the event that the Company holds more than ten per cent. (10%) of the total number of its issued Shares as Treasury Shares, the Company shall cancel or dispose of the excess Treasury Shares in the manner set out under Section 2.6.3 below within six (6) months beginning with the day on which that contravention occurs, or such further period as the Registrar of Companies may allow.

(2) Voting and other rights

The Company cannot exercise any right in respect of Treasury Shares. In particular and for the purposes of the Companies Act, the Treasury Shares shall be treated as having no voting rights and as such, the Company cannot exercise any right to attend or vote at meetings. Any purported exercise of such a right is void.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company’s assets (including any distribution of assets to members on a winding up) 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. Also, a subdivision or consolidation of any Treasury Share into Treasury Shares of a smaller or larger amount is allowed so long as the total value of the Treasury Shares after the subdivision or consolidation is the same as before.

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(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:

- (i) sell the Treasury Shares (or any of them) for cash;
- (ii) transfer the Treasury Shares (or any of them) for the purposes of or pursuant to any share scheme, whether for its employees, Directors or other persons;
- (iii) transfer the Treasury Shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the Treasury Shares (or any of them); or
- (v) sell, transfer or otherwise use the Treasury Shares for such other purposes as may be prescribed by the Minister of Finance of Singapore.

The Shares purchased or acquired under the Share Buy-back Mandate will be held as Treasury Shares or cancelled by the Company taking into consideration the then prevailing circumstances and requirements of the Company at the relevant time.

(4) Reporting obligation under the Catalist Rules

Pursuant to the Catalist Rules, the Company shall announce all purchases or acquisitions of its Shares via SGXNet not later than 9:00 a.m.:

- (i) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; and
- (ii) in the case of an Off-Market Purchase, on the second Market Day after the close of acceptance of the offer for the Off-Market Purchase.

The notification of such purchases or acquisition of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe.

Pursuant to Catalist Rule 704(31), the Company must immediately announce any sale, transfer, cancellation and/or use of Treasury Shares, stating the following:

- (a) date of the sale, transfer, cancellation and/or use;
- (b) purpose of such sale, transfer, cancellation and/or use;
- (c) number of Treasury Shares sold, transferred, cancelled and/or used;
- (d) number of Treasury Shares before and after such sale, transfer, cancellation and/or use;
- (e) percentage of the number of Treasury Shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
- (f) value of the Treasury Shares sold, transferred, cancelled and/or used.

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2.7 Source of funds for the Share Buy-Backs

In undertaking Share Buy-Backs, the Company may only apply funds legally available for such purchases or acquisitions in accordance with the Constitution of the Company, the Catalist Rules and the applicable laws in Singapore. The Company may not purchase or acquire its Shares for a consideration other than cash or, in the case of an On-Market Share Buy-Back, for settlement other than in accordance with the trading rules of the SGX-ST.

Pursuant to the Constitution of the Company and the Companies Act, any payment made by the Company in consideration for Share Buy-Backs may only be made out of the Company's capital or profits so long as the Company is solvent. For this purpose, pursuant to Section 76F(4) of the Companies Act, a company is "solvent" if the following conditions are satisfied:

- (a) there is no ground on which the company could be found to be unable to pay its debts;
- (b) the company will be able to pay its debts as they fall due during the period of twelve (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).

Where the consideration paid by the Company for the Share Buy-Backs is made out of profits, such consideration (excluding related brokerage, goods and services tax, stamp duties and clearance fees) will correspondingly reduce the amount of profits available for the distribution of cash dividends by the Company. However, where the consideration paid by the Company for the Share Buy-Backs is made out of capital, the amount of profits available for the distribution of cash dividends by the Company will not be reduced.

The Company intends to use its internal resources and/or external borrowings or a combination of both to finance its Share Buy-Backs. In considering the use of external borrowings to finance the Share Buy-Backs, the Directors will take into account factors such as the cost of such financing and the prevailing gearing level of the Group.

2.8 Financial effects of the Share Buy-Back Mandate

It is not possible for the Company to realistically calculate or quantify the impact of Share Buy-Backs that may be made pursuant to the Proposed Renewal of the Share Buy-Back Mandate as the financial effects on the Company and the Group arising from the Share Buy-Backs will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, whether the Share Buy-Backs are made by way of On-Market Share Buy-Backs or Off-Market Share Buy-Backs, the price at which the Share Buy-Backs are made, the amount (if any) borrowed by the Company to fund the Share Buy-Backs and whether the Shares are cancelled or held as Treasury Shares.

For illustrative purposes only, the financial effects on the Company and the Group arising from the Share Buy-Backs, based on the audited financial statements of the Company and the Group for FY2024, are prepared based on the assumptions set out below:

- (a) as at the Latest Practicable Date, the total number of issued Shares of the Company is 523,316,100 Shares (after disregarding nil Shares held as Treasury Shares and nil Subsidiary Holdings). Assuming that there will be no changes in the number of Shares on or prior to the Approval Date, the purchase or acquisition by the Company of ten per cent. (10%) of its issued Shares pursuant to the Share Buy-Back Mandate, will result in the purchase or acquisition of 52,331,610 Shares;
- (b) in the case of On-Market Share Buy-Backs, assuming the Company purchases or acquires 52,331,610 Shares at the Maximum Price of US\$0.234 per Share (being five per cent. (5%) above the average of the closing market prices of the Shares for the last five (5) Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for effecting such On-Market Share Buy-Backs (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses), would amount to approximately US\$12,245,597;

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- (c) in the case of Off-Market Share Buy-Backs, assuming the Company purchases or acquires 52,331,610 Shares at the Maximum Price of US\$0.267 per Share (being twenty per cent. (20%) above the average of the closing market prices of the Shares for the last five (5) Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for effecting such Off-Market Share Buy-Backs (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses), would amount to approximately US\$13,972,540;
- (d) the Share Buy-Backs were financed by the Group's internal resources of funds available as at 29 February 2024 amounting to US\$5,678,660 and the remaining by external borrowings of US\$6,566,937 for On-Market Share Buy-Backs and US\$8,293,880 for Off-Market Share Buy-Backs;
- (e) the internal resources utilized for the purchase or acquisition of the Shares would be disbursed from the Company's subsidiaries to the Company;
- (f) the Share Buy-Backs pursuant to the Share Buy-Back Mandate had taken place on 1 March 2023 for the purpose of computing the financial effects on the EPS of the Group and the Company;
- (g) the Share Buy-Backs pursuant to the Share Buy-Back Mandate had taken place on 29 February 2024 for the purpose of computing the financial effects on the Shareholders' equity, NAV per Share and gearing of the Group and the Company;
- (h) the Company will be able to fulfil the "public float" requirement under Rule 723 of the Catalist Rules following the purchase or acquisition of the maximum number of Shares pursuant to the Share Buy-Back Mandate;
- (i) transaction costs incurred during the Share Buy-Backs pursuant to the Share Buy-Back Mandate are assumed to be insignificant and have thus been ignored for the purposes of computing the financial effects;
- (j) where Shares purchased or acquired are held as Treasury Shares, the maximum number of Shares permitted under the Companies Act to be held in treasury are held in treasury; and
- (k) based on the exchange rate of S\$1.00: US\$1.3523 as at the Latest Practicable Date, obtained from the website of the Monetary Authority of Singapore, accessible at the URL <https://www.mas.gov.sg/statistics/exchange-rates>.

The illustrative financial effects of the acquisition of Shares by the Company pursuant to the Share Buy-back Mandate by way of purchases or acquisitions made out of profits are similar to that of purchases or acquisitions made out of capital. Therefore, for illustrative purposes only, based on the assumptions set out in subparagraphs (a) to (k) above, the financial effects of the purchases or acquisition of Shares by way of purchases or acquisitions made out of capital and profits are set out below in Scenario A and B.

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Scenario A

Share Buy-Backs with the Shares cancelled thereafter

| | Group | | | Company | | |
|-----------------------------------------------------------------|------------------------|--------------------------|---------------------------|------------------------|--------------------------|---------------------------|
| | Before Share Buy-Backs | After Share Buy-Backs | | Before Share Buy-Backs | After Share Buy-Backs | |
| | | On-Market Share Buy-Back | Off-Market Share Buy-Back | | On-Market Share Buy-Back | Off-Market Share Buy-Back |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| As at 29 February 2024 | | | | | | |
| Share capital | 28,995,034 | 16,749,437 | 15,022,494 | 28,995,034 | 16,749,437 | 15,022,494 |
| Shareholders' fund ("NAV") | 72,246,592 | 60,000,995 | 58,274,052 | 52,125,354 | 39,879,757 | 38,152,814 |
| Current assets | 25,170,587 | 19,491,927 | 19,491,927 | 17,641,852 | 17,570,937 | 17,570,937 |
| Current liabilities | (16,997,361) | (23,564,298) | (25,291,241) | (5,234,873) | (17,409,555) | (19,136,498) |
| Cash and cash equivalents ⁽¹⁾ | 9,877,524 | 4,198,864 | 4,198,864 | 4,269,779 | 4,198,864 | 4,198,864 |
| Total borrowings | 8,857,866 | 15,424,803 | 17,151,746 | 5,934,968 | 12,501,905 | 14,228,848 |
| Net borrowings ⁽²⁾ | (1,019,658) | 11,225,939 | 12,952,882 | 1,665,189 | 8,303,041 | 10,029,984 |
| Profit attributable to Owners of the Company | 10,047,877 | 10,047,877 | 10,047,877 | 9,127,050 | 9,127,050 | 9,127,050 |
| Number of Shares as at 29 February 2024 ('000) | 523,316,100 | 470,984,490 | 470,984,490 | 523,316,100 | 470,984,490 | 470,984,490 |
| Weighted average number of Shares as at 29 February 2024 ('000) | 523,316,100 | 472,418,233 | 472,418,233 | 523,316,100 | 472,418,233 | 472,418,233 |
| Financial Ratios | | | | | | |
| NAV per Share (cents) ⁽³⁾ | 13.81 | 12.74 | 12.37 | 9.96 | 8.47 | 8.10 |
| Gross gearing (times) ⁽⁴⁾ | 0.12 | 0.26 | 0.29 | 0.11 | 0.31 | 0.37 |
| Net gearing (times) ⁽⁵⁾ | (0.01) | 0.19 | 0.22 | 0.03 | 0.21 | 0.26 |
| Current ratio (times) ⁽⁶⁾ | 1.48 | 0.83 | 0.77 | 3.37 | 1.01 | 0.92 |
| EPS (cents) ⁽⁷⁾ | 1.92 | 2.13 | 2.13 | 1.74 | 1.93 | 1.93 |

Notes:

- (1) Based on the assumption that the Company will partially finance the Share Buy-Backs from funds within the Group.
- (2) "Net borrowings" represents total borrowings less cash and cash equivalents.
- (3) "NAV per Share" represents NAV divided by the number of Shares as at the Latest Practicable Date.
- (4) "Gross gearing" represents total borrowings divided by total equity.
- (5) "Net gearing" represents net borrowings divided by total equity.
- (6) "Current ratio" represents current assets divided by current liabilities.
- (7) EPS represents net profit attributable to owners of the Company for FY2024 respectively divided by the weighted average number of Shares for FY2024.

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Scenario B

Share Buy-Backs with the Shares held as Treasury Shares

| | Group | | | Company | | |
|-----------------------------------------------------------------|------------------------|--------------------------|---------------------------|------------------------|--------------------------|---------------------------|
| | Before Share Buy-Backs | After Share Buy-Backs | | Before Share Buy-Backs | After Share Buy-Backs | |
| | | On-Market Share Buy-Back | Off-Market Share Buy-Back | | On-Market Share Buy-Back | Off-Market Share Buy-Back |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| As at 29 February 2024 | | | | | | |
| Share capital | 28,995,034 | 28,995,034 | 28,995,034 | 28,995,034 | 28,995,034 | 28,995,034 |
| Shares held in Treasury | – | (12,245,597) | (13,972,540) | – | (12,245,597) | (13,972,540) |
| Shareholders' fund ("NAV") | 72,246,592 | 60,000,995 | 58,274,052 | 52,125,354 | 39,879,757 | 38,152,814 |
| Current assets | 25,170,587 | 19,491,927 | 19,491,927 | 17,641,852 | 17,570,937 | 17,570,937 |
| Current liabilities | (16,997,361) | (23,564,298) | (25,291,241) | (5,234,873) | (17,409,555) | (19,136,498) |
| Cash and cash equivalents ⁽¹⁾ | 9,877,524 | 4,198,864 | 4,198,864 | 4,269,779 | 4,198,864 | 4,198,864 |
| Total borrowings | 8,857,866 | 15,424,803 | 17,151,746 | 5,934,968 | 12,501,905 | 14,228,848 |
| Net borrowings ⁽²⁾ | (1,019,658) | 11,225,939 | 12,952,882 | 1,665,189 | 8,303,041 | 10,029,984 |
| Profit attributable to Owners of the Company | 10,047,877 | 10,047,877 | 10,047,877 | 9,127,050 | 9,127,050 | 9,127,050 |
| Number of Shares as at 29 February 2024 ('000) | 523,316,100 | 470,984,490 | 470,984,490 | 523,316,100 | 470,984,490 | 470,984,490 |
| Number of Treasury Shares as at 29 February 2024 ('000) | – | 52,331,610 | 52,331,610 | – | 52,331,610 | 52,331,610 |
| Weighted average number of Shares as at 29 February 2024 ('000) | 523,316,100 | 472,418,233 | 472,418,233 | 523,316,100 | 472,418,233 | 472,418,233 |
| Financial Ratios | | | | | | |
| NAV per Share (cents) ⁽³⁾ | 13.81 | 12.74 | 12.37 | 9.96 | 8.47 | 8.10 |
| Gross gearing (times) ⁽⁴⁾ | 0.12 | 0.26 | 0.29 | 0.11 | 0.31 | 0.37 |
| Net gearing (times) ⁽⁵⁾ | (0.01) | 0.19 | 0.22 | 0.03 | 0.21 | 0.26 |
| Current ratio (times) ⁽⁶⁾ | 1.48 | 0.83 | 0.77 | 3.37 | 1.01 | 0.92 |
| EPS (cents) ⁽⁷⁾ | 1.92 | 2.13 | 2.13 | 1.74 | 1.93 | 1.93 |

Notes:

- (1) Based on the assumption that the Company will partially finance the Share Buy-Backs from funds within the Group.
- (2) "Net borrowings" represents total borrowings less cash and cash equivalents.
- (3) "NAV per Share" represents NAV divided by the number of Shares as at the Latest Practicable Date.
- (4) "Gross gearing" represents total borrowings divided by total equity.
- (5) "Net gearing" represents net borrowings divided by total equity.
- (6) "Current ratio" represents current assets divided by current liabilities.
- (7) EPS represents net profit attributable to owners of the Company for FY2024 respectively divided by the weighted average number of Shares for FY2024.

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The Directors do not propose to exercise the Share Buy-Back Mandate to such an extent that it would have a material adverse effect on the financial condition, the liquidity and the orderly trading of the Shares, or the working capital requirements and gearing level of the Company and the Group. The Share Buy-Backs will only be effected after taking into consideration both financial factors (such as cash surplus, debt position and working capital requirements of the Group) and non-financial factors (such as market conditions and performance of the Shares).

Shareholders should note that the financial effects set out above are for illustrative purposes only. In particular, it is important to note that the above analysis is based on the audited financial statements of the Company and the Group for FY2024 and is not necessarily representative of the future financial performance of the Company and the Group.

Although the Proposed Renewal of the Share Buy-Back Mandate would authorise the Company to purchase or acquire up to ten per cent. (10%) of the Company's issued Shares (excluding Treasury Shares and Subsidiary Holdings), the Company may not necessarily buy back or be able to buy back ten per cent. (10%) of the issued Shares in full. In addition, the Company may cancel all or part of the Share Buy-Backs or hold all or part of the Share Buy-Backs as Treasury Shares.

2.9 Catalyst Rules

Under the Catalyst Rules, a listed company may only purchase or acquire shares by way of a market acquisition at a price which is not more than five per cent. (5%) above the average closing market price. The Maximum Price for a Share in relation to market purchases by the Company, referred to in Section 2.3.4 of this Appendix, conforms to this restriction.

While the Catalyst Rules does not expressly prohibit any purchase or acquisition of shares by a listed company during any particular time or times, because the listed 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 Buy-Back Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in compliance with Rule 1204(19)(c) of the Catalyst Rules, the Company will not purchase or acquire any Shares through Share Buy-Backs during the period commencing two (2) weeks before the announcement of the Company's financial statements for each of the first three (3) quarters of the Financial Year and one (1) month before the announcement of the Company's full year financial statements (if the Company announces its quarterly financial statements, whether required by the Exchange or otherwise), or one (1) month before the announcement of the Company's half year and full year financial statements (if the Company does not announce its quarterly financial statements).

Rule 723 of the Catalyst Rules requires a listed company to ensure that at least ten per cent. (10%) of any class of its listed securities are held by public shareholders. The term “public”, as defined in the Catalyst Rules, refers to persons other than the Directors, Chief Executive Officer, Substantial Shareholders or Controlling Shareholders of the Company or its subsidiary companies, as well as the Associates of such persons.

As at the Latest Practicable Date, there are 93,620,600 Shares are in the hands of the public (as defined above), representing approximately seventeen point eight nine per cent. (17.89%) of the issued share capital of the Company (excluding Treasury Shares and Subsidiary Holdings). For illustrative purposes only, assuming the Company undertakes purchases or acquisitions of its Shares up to the full ten per cent. (10%) limit pursuant to the Share Buy-back Mandate and all such Shares purchased or acquired are held by the public, the number of Shares in the hands of the public would be reduced by 52,331,610 Shares and the resultant number of Shares held by public Shareholders would be reduced to 41,288,990, representing approximately eight point seven seven per cent. (8.77%) of the remaining issued Shares of the Company.

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In order not to adversely affect the listing status of Shares on the SGX-ST, the Company will not be permitted to undertake purchases or acquisitions of its Shares to the full ten per cent. (10%) limit pursuant to the Share Buy-back Mandate if it will result in the number of Shares held by public Shareholders falling below ten per cent. (10%) of the remaining issued Shares of the Company. Accordingly, the Company is restricted to market purchases of up to 45,876,600 Shares or approximately eight point seven seven per cent. (8.77%) of the issued Shares, which would result in the number of Shares held by the public to be reduced to 47,744,000 Shares, representing approximately but not less than ten per cent. (10%) of the remaining issued Shares (being 477,439,500 Shares) of the Company.

For avoidance of doubt, the above illustration should not in any way bind the Company or be construed to imply that the Company can only buy-back up to 45,876,600 Shares.

Notwithstanding the current level of the public float, the Company believes that having the flexibility to conduct Share Buy-Backs pursuant to the Share Buy-Back Mandate (if renewed) under appropriate circumstances will be beneficial to the Company. It is also possible that the public float may also change from time to time and such flexibility will be reduced if the Company seeks a lower limit based on the current level of the public float. Accordingly, for greater flexibility, the Company is seeking Shareholders' approval to enable the Company to purchase or acquire Shares up to the maximum of ten per cent. (10%) of the total number of Shares of the Company (excluding Treasury Shares and Subsidiary Holdings). Nevertheless, the Directors will ensure that the Company will not undertake any Share Buy-Backs under the Share Buy-Back Mandate (if renewed) if the public float is below ten per cent. (10%), or if this will result in the public float falling below ten per cent. (10%). The Company will consider investor interests when maintaining a liquid market in its securities, and will at all times ensure that there is sufficient float in the hands of the public so that the purchases or acquisitions of Shares will not adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the Shares.

2.10 Tax implications

Shareholders who are in doubt as to their respective tax positions or the tax implications of the Share Buy-Backs by the Company or who may be subject to tax whether in or outside of Singapore should consult their own professional advisers.

2.11 Take-over Code implications arising from Share Buy-Backs

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

(1) Obligation to make a take-over offer

If, as a result of Share Buy-Backs, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such an increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If such an increase results in the change of effective control, 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 mandatory take-over offer for the Company under Rule 14 of the Take-over Code.

(2) Persons acting in concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

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Unless the contrary is established, the following persons will, *inter alia*, be presumed to be acting in concert:

- (i) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (ii) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the aforementioned 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. For this purpose, a company is an associated company of another company if the second company owns or controls at least twenty per cent. (20%) but not more than fifty per cent. (50%) of the voting rights of the first-mentioned company;
- (iii) a company with any of its pension funds and employee share schemes;
- (iv) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (v) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total ten per cent. (10%) or more of the client's equity share capital;
- (vi) 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;
- (vii) partners; and
- (viii) 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 aforementioned, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons for the purchase of voting rights.

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 Share Buy-Back by the Company are set out in Appendix 2 of the Take-over Code.

(3) Effect of Rule 14 and Appendix 2 of the Take-over Code

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to thirty per cent. (30%) or more, or, if such Shareholder holds between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent. (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Proposed Renewal of the Share Buy-Back Mandate, unless so required under the Companies Act, e.g. for a shareholder whose shares are to be bought via a selective share buy-back by an unlisted public company.

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With regard to Directors and persons acting in concert with them, if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to thirty per cent. (30%) or more, or if the voting rights of such Directors and their concert parties fall between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than one per cent. (1%) in any period of six (6) months, such Directors and persons acting in concert with them will be exempted from the requirement to make a take-over offer under Rule 14 of the Take-over Code, subject to the following conditions:

- (i) this Appendix to contain advice to the effect that by voting for the Proposed Renewal of the Share Buy-Back Mandate, Shareholders are waiving their right to a general offer at the required price from Directors and parties acting in concert with them who, as a result of the Company buying back its Shares, would increase their voting rights to thirty per cent. (30%) or more, or, if they together hold between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, would increase their voting rights by more than one per cent. (1%) in any period of six (6) months; and the names of such Directors and persons acting in concert with them, their voting rights at the time of the resolution and after the proposed Share Buy-Back to be disclosed in this same Appendix;
- (ii) the resolution to authorise the Proposed Renewal of the Share Buy-Back Mandate to be approved by a majority of those Shareholders present and voting at the meeting on a poll who could not become obliged to make an offer as a result of the Proposed Renewal of the Share Buy-Back Mandate;
- (iii) directors and/or persons acting in concert with them to abstain from voting for and/or recommending Shareholders to vote in favour of the resolution to authorise the Proposed Renewal of the Share Buy-Back Mandate;
- (iv) within seven (7) days after the passing of the resolution to authorise the Proposed Renewal of the Share Buy-Back Mandate, each of the Directors to submit to the Council a duly signed form as prescribed by the Council;
- (v) directors and/or persons acting in concert with them not to have acquired and not to acquire any Shares between the date on which they know that the announcement of the Share Buy-Back proposal is imminent and the earlier of:
 - (a) the date on which the authority of the Share Buy-Back Mandate expires; and
 - (b) the date on which the Company announces it has bought back such number of Shares as authorised by Shareholders at the latest general meeting or it has decided to cease buying back its Shares, as the case may be,
 if such acquisitions, taken together with the Share Buy-Back, would cause their aggregate voting rights to increase to thirty per cent. (30%) or more; and
- (vi) directors and/or persons acting in concert with them, together holding between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, not to have acquired and not to acquire any Shares between the date on which they know that the announcement of the Share Buy-Back proposal is imminent and the earlier of:
 - (a) the date on which the authority of the Share Buy-Back Mandate expires; and
 - (b) the date on which the Company announces it has bought back such number of Shares as authorised by Shareholders at the latest general meeting or it has decided to cease buying back its Shares, as the case may be,
 if such acquisitions, taken together with the Share Buy-Back, would cause their aggregate voting rights to increase by more than one per cent. (1%) in the preceding six (6) months.

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It follows that where the aggregate voting rights held by a Director and persons acting in concert with him increase by more than one per cent. (1%) solely as a result of the Share Buy-Back and none of them has acquired any Shares during the Relevant Period, then such Director and/or persons acting in concert with him would be eligible for Council's exemption from the requirement to make a general offer under Rule 14, or where such exemption had been granted, would continue to enjoy the exemption.

Shareholders (including Directors) and their concert parties who hold more than fifty per cent. (50%) of the Company's voting rights are under no obligation to make a take-over offer if the voting rights of such Shareholders and their concert parties were to increase as a result of the Company purchasing or acquiring Shares.

If the Company decides to cease the Share Buy-Backs before it has purchased or acquired in full such number of Shares authorised by its Shareholders at the latest AGM, the Company will promptly inform its Shareholders of such cessation. This will assist Shareholders to determine if they can buy any more Shares without incurring an obligation under Rule 14 of the Take-over Code.

(4) Application of the Take-over Code

The shareholdings of the Substantial Shareholders as at the Latest Practicable Date and after the purchase or acquisition by the Company (other than from the Substantial Shareholders) of the maximum of ten per cent. (10%) of the issued share capital of the Company (excluding Treasury Shares and Subsidiary Holdings) pursuant to the Share Buy-Back Mandate as the case may be, are as follows:

| | Before Share Buy-Backs | | | After Share Buy-Backs | | |
|-----------------------------------------------------------------------------------------|------------------------|-----------------|------------------|-----------------------|-----------------|------------------|
| | Number of Shares | | | Number of Shares | | |
| | Direct Interest | Deemed Interest | % ⁽¹⁾ | Direct Interest | Deemed Interest | % ⁽²⁾ |
| Directors | | | | | | |
| Dato' Sri Ivan Chee Yew Fei ⁽³⁾ | 530 | 254,259,670 | 48.59 | 530 | 254,259,670 | 53.98 |
| Ng Mun Fey ⁽⁴⁾ | – | 37,603,950 | 7.19 | – | 37,603,950 | 7.98 |
| Teh Lip Kim ⁽⁵⁾ | 1,679,300 | 166,465,625 | 32.13 | 1,679,300 | 166,465,625 | 35.70 |
| Loong Ching Hong ⁽⁶⁾ | 2,056,000 | 5,234,375 | 1.39 | 2,056,000 | 5,234,375 | 1.55 |
| Chew Wai Chuen | – | – | – | – | – | – |
| Edmund Chee Ji Kang | – | – | – | – | – | – |
| Willa Chee Keng Fong | – | – | – | – | – | – |
| Anita Chew Cheng Im | – | – | – | – | – | – |
| Goh Kah Im | – | – | – | – | – | – |
| Substantial Shareholders (other than Substantial Shareholders who are Directors) | | | | | | |
| Y F Chee Holdings Pte. Ltd. ⁽³⁾ | 216,655,720 | – | 41.40 | 216,655,720 | – | 46.00 |
| Greger International Sdn. Bhd. ⁽³⁾ | 37,603,950 | – | 7.19 | 37,603,950 | – | 7.98 |
| Teh Lip Bin ⁽⁷⁾ | – | 159,137,500 | 30.41 | – | 159,137,500 | 33.79 |
| SDB Mining Sdn. Bhd. ⁽⁵⁾⁽⁷⁾ | 154,937,500 | – | 29.61 | 154,937,500 | – | 32.90 |
| Selangor Dredging Berhad ⁽⁸⁾ | – | 154,937,500 | 29.61 | – | 154,937,500 | 32.90 |
| Teh Wan Sang & Sons Sdn. Bhd. ⁽⁹⁾ | 4,200,000 | 154,937,500 | 30.41 | 4,200,000 | 154,937,500 | 33.79 |

Notes:

- (1) The percentage shareholding is based on the total issued share capital of the Company of 523,316,100 Shares (excluding Treasury Shares and Subsidiary Holdings), as at the Latest Practicable Date. The Company does not have any Treasury Shares or subsidiary holdings. Percentage figures are rounded to the nearest two (2) decimal places.
- (2) The percentage shareholding is based on the total issued share capital of the Company of 523,316,100 Shares assuming (a) purchase or acquisition by the Company (other than from the Substantial Shareholders) of ten per cent. (10%) of the issued share capital of the Company pursuant to the Share Buy-Back Mandate and (b) there is no change in the number of Shares held by the Directors and the Substantial Shareholders or which they are deemed interested in.

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- (3) Dato' Sri Ivan Chee Yew Fei is deemed interested in (a) the 216,655,720 Shares held by Y F Chee Holdings Pte. Ltd. as he owns one hundred per cent. (100%) of the issued share capital of Y F Chee Holdings Pte. Ltd. and (b) the 37,603,950 Shares held by Greger International Sdn. Bhd. as he holds seventy per cent. (70%) of the issued share capital of Greger International Sdn. Bhd.
- In the event the Company undertakes Share Buy-Backs within the Relevant Period of up to ten per cent. (10%) of the issued share capital of the Company (excluding Treasury Shares and Subsidiary Holdings) as permitted by the Share Buy-Back Mandate, the aggregate shareholdings and voting rights held by each of Dato' Sri Ivan Chee and his concert parties may be increased as illustrated above. The aggregate shareholdings and voting rights held by Dato' Sri Ivan Chee and his concert parties may thus be increased by more than one per cent. (1%) within a six (6) month period. Accordingly, Dato' Sri Ivan Chee and his concert parties may be required to make a general offer to the other Shareholders under Rule 14.1(b) of the Take-over Code.
- (4) Ng Mun Fey is deemed interested in the 37,603,950 Shares held by Greger International Sdn. Bhd. as he holds thirty per cent. (30%) of the issued share capital of Greger International Sdn. Bhd.
- (5) Teh Lip Kim is deemed interested in (a) the 7,328,125 Shares in the Company held by Smith St Investment Pte. Ltd. as she holds one hundred per cent. (100%) of the issued share capital of Smith St Investment Pte. Ltd.; (b) the 154,937,500 Shares held by SDB Mining Sdn. Bhd. as she holds (directly and indirectly) approximately sixty point two eight per cent. (60.28%) of the issued shares of Selangor Dredging Berhad, which in turn holds one hundred per cent. (100%) of the issued share capital of SDB Mining Sdn. Bhd.; and (c) the 4,200,000 Shares held by Teh Wan Sang & Sons Sdn. Bhd. which is owned by members of the Teh family which includes Teh Lip Kim. Teh Lip Kim and Teh Lip Bin are siblings.
- (6) Loong Ching Hong is deemed interested in the 5,234,375 Shares held by Western Capital Sdn. Bhd. as he owns one hundred per cent. (100%) of the issued share capital of Western Capital Sdn. Bhd.
- (7) Teh Lip Bin is deemed interested in (a) the 154,937,500 Shares held by SDB Mining Sdn. Bhd as he holds (directly and indirectly) approximately thirty-eight point one seven per cent. (38.17%) of the issued share capital of Selangor Dredging Berhad, which in turn holds one hundred per cent. (100%) of the issued share capital of SDB Mining Sdn. Bhd and (b) the 4,200,000 Shares held by Teh Wan Sang & Sons Sdn. Bhd. which is owned by members of the Teh family which includes Teh Lip Bin. Teh Lip Kim and Teh Lip Bin are siblings.
- (8) Selangor Dredging Berhad is deemed interested in the 154,937,500 Shares held by SDB Mining Sdn. Bhd. as it holds one hundred per cent. (100%) of the issued share capital of SDB Mining Sdn. Bhd.
- (9) Teh Wan Sang & Sons Sdn. Bhd. is deemed interested in the 154,937,500 Shares held by SDB Mining Sdn. Bhd, as it holds twenty-two point three zero per cent. (22.30%) of the issued share capital of Selangor Dredging Berhad, which in turn holds one hundred per cent. (100%) of the issued share capital of SDB Mining Sdn. Bhd.

Teh Lip Kim and her concert parties

As at the Latest Practicable Date:

- (a) Teh Lip Kim holds 1,679,300 Shares of the Company representing approximately zero point three two per cent. (0.32%) of the issued Shares (excluding Treasury Shares and Subsidiary Holdings) of the Company;
- (b) Teh Lip Kim's brother, Teh Lip Bin, holds NIL Shares of the Company representing approximately zero per cent. (0%) of the issued Shares (excluding Treasury Shares and Subsidiary Holdings) of the Company;
- (c) Teh Lip Kim holds (directly and indirectly) approximately sixty point two eight per cent. (60.28%) of the issued shares of Selangor Dredging Berhad, which in turn holds one hundred per cent. (100%) of the issued share capital of SDB Mining Sdn. Bhd; and
- (d) Teh Wan Sang & Sons Sdn. Bhd. is a company that is controlled by Teh Lip Kim and her close relatives.

In the event the Company undertakes Share Buy-Backs within the Relevant Period of up to ten per cent. (10%) of the issued share capital of the Company (excluding Treasury Shares and Subsidiary Holdings) as permitted by the Share Buy-Back Mandate, the aggregate shareholdings and voting rights held by each of Teh Lip Kim and her concert parties may be increased as illustrated above. The aggregate shareholdings and voting rights held by Teh Lip Kim and her concert parties may thus be increased by more than one per cent. (1%) within a six (6) month period. Accordingly, Teh Lip Kim and her concert parties may be required to make a general offer to the other Shareholders under Rule 14.1(b) of the Take-over Code.

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- (5) Exemption to make a general offer pursuant to Section 3(a) of Appendix 2 entitled “Share Buy-Back Guidance Note” of the Take-over code

Section 3(a) of Appendix 2 entitled “Share Buy-Back Guidance Note” of the Take-over Code sets out the conditions for exemption from the obligation to make a general offer under Rule 14 of the Take-over Code in the case of directors and persons acting in concert with them incurring such an obligation as a result of a listed company making a market acquisition under Section 76E of the Companies Act or an off-market acquisition on an equal access scheme under Section 76C of the Companies Act. Such take-over offer, if required to be made and had not been exempted by the Council, would have to be made in cash or be accompanied by a cash alternative at the higher of, excluding stamp duty and commission, (a) the highest price paid by the Concert Parties for any Shares within the preceding six (6) months or (b) the highest price paid by the Company for its own Shares in the preceding six (6) months.

Pursuant to Section 3(a) of Appendix 2, Dato’ Sri Ivan Chee and Teh Lip Kim and their respective concert parties will be exempted from the obligation to make a general offer under Rule 14 of the Take-over Code as a result of a listed company making a market acquisition under Section 76E of the Companies Act or an off-market acquisition on an equal access scheme under Section 76C of the Companies Act, subject to the following conditions:

- (i) the circular on the resolution to authorise the renewal of the Share Buy-Back Mandate contains advice to the effect that by voting for the resolution for the renewal of the Share Buy-Back Mandate, Shareholders are waiving their rights to a general offer at the Required Price from Dato’ Sri Ivan Chee and Teh Lip Kim and their respective concert parties who, as a result of the Company buying back its Shares, would increase their voting rights by more than one per cent. (1%) in any period of six (6) months; and the names and voting rights of Dato’ Sri Ivan Chee and Teh Lip Kim and their respective concert parties at the time of the resolution and after the proposed Share Buy-Backs are disclosed in the same circular;
- (ii) the resolution to approve the Share Buy-Back Mandate is approved by a majority of those Shareholders present and voting at the meeting on a poll who could not become obliged to make an offer as a result of the Share Buy-Back;
- (iii) Dato’ Sri Ivan Chee and Teh Lip Kim and their respective concert parties abstain from voting for and/or recommending Shareholders to vote in favour of the resolution to approve the Share Buy-Back Mandate;
- (iv) within seven (7) days after the passing of the resolution to approve the Share Buy-Back Mandate, each of Dato’ Sri Ivan Chee and Teh Lip Kim to submit to the Council a duly signed Form 2 as prescribed by the Council; and
- (v) Dato’ Sri Ivan Chee and Teh Lip Kim and their respective concert parties not to have acquired and not to acquire any Shares between the date on which they know that the announcement of the proposal for the Share Buy-Back Mandate is imminent and the earlier of:
 - (a) the date on which the authority of the Share Buy-Back Mandate expires; and
 - (b) the date on which the Company announces that it has bought back such number of Shares as authorised by the Share Buy-Back Mandate or it has decided to cease buying back its Shares, as the case may be,

if such acquisitions, taken together with the Share Buy-Backs, would (in each case for Dato’ Sri Ivan Chee and Teh Lip Kim and their respective concert parties) cause their aggregate voting rights in the Company to increase by more than one per cent. (1%) in the preceding six (6) months,

((1) Dato’ Sri Ivan Chee and his concert parties as a collective group, and (2) Teh Lip Kim and her concert parties as a collective group, hereinafter collectively referred to as the “**Relevant Groups**” and each group, a “**Relevant Group**”).

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If the Company ceases to buy back its Shares under the Shares Buy-Back Mandate and the increase in the voting rights held by a Relevant Group as a result of the Company buying back its Shares at such time is less than one per cent. (1%), the Relevant Group will be allowed to acquire further voting rights in the Company. However, any increase in the percentage of voting rights held by a Relevant Group as a result of the Company buying back its Shares will be taken into account together with any voting rights acquired after the cessation by the Relevant Group in determining whether the Relevant Group's aggregate voting rights in the Company have increased by more than one per cent. (1%) in any six (6)-month period.

Shareholders should note that voting to approve the Share Buy-Back Mandate will constitute a waiver by the Shareholders in respect of their rights to receive a general offer by the Relevant Groups at the Required Price in the circumstances set out above. Such a takeover offer, if required to be made and had not been exempted by the Council or such exemption granted is subsequently invalidated, would have to be made in cash or be accompanied by a cash alternative at the higher of (a) the highest price paid by the directors and/or persons acting in concert with them for any Share in the preceding six (6) months or (b) the highest price paid by the Company for its own Shares in the preceding six (6) months.

As at the Latest Practicable Date, Dato' Sri Ivan Chee and Teh Lip Kim have each informed the Company that they will be submitting the Form 2 to the Council within seven (7) days after the passing of the resolution relating to the renewal of the Share Buy-Back Mandate.

Save as disclosed above, the Directors are not aware of any fact(s) or factor(s) which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting Shares should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate.

The statements herein in relation to the Take-over Code do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders who are in any doubt as to whether they would incur any obligations to make a take-over offer as a result of any Share Buy-Back pursuant to the Share Buy-Back Mandate are advised to consult their professional advisers and/or the Securities Industry Council of Singapore and/or the relevant authorities at the earliest opportunity before they acquire any Shares during the period when the Share Buy-Back Mandate is in force.

2.12 Details of Share Buy-Backs pursuant to the Share Buy-Back Mandate

No purchases or acquisitions were made by the Company by way of On-Market Share Buy Backs or Off-Market Share Buy Backs during the last twelve (12) months immediately preceding and up to the Latest Practicable Date.

2.13 Reporting requirements

Within thirty (30) days of the passing of a Shareholders' resolution to approve or renew the Share Buy-Back Mandate, the Company shall lodge a copy of such resolution with ACRA. The Company shall also lodge a notice with ACRA within thirty (30) days of a Share Buy-Back. Such notification is to include details such as the date of the Share Buy-Back, 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 share capital before and after the Share Buy-Back, the amount of consideration paid by the Company for the Share Buy-Back, whether the Shares were purchased or acquired out of profits or the capital of the Company and any such other particulars that may be prescribed.

Within thirty (30) days of the cancellation or disposal of Treasury Shares in accordance with the provisions of the Companies Act, the Directors shall lodge with the Registrar the notice of cancellation or disposal of Treasury Shares in the prescribed form.

2.14 Limits on shareholdings

The Company does not have any limits on the shareholdings of the Shareholders.

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3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of Directors and Substantial Shareholders in the Shares as recorded in the Register of Directors' Shareholdings and Register of Substantial Shareholders, respectively, as at the Latest Practicable Date, are as follows:

| | Direct Interest | | Deemed Interest | | Total Interest | |
|---------------------------------------------------------------------------------------------|-----------------|------------------|-----------------|------------------|----------------|------------------|
| | No. of shares | % ⁽¹⁾ | No. of shares | % ⁽¹⁾ | No. of shares | % ⁽¹⁾ |
| Directors | | | | | | |
| Dato' Sri Ivan Chee Yew Fei ⁽²⁾ | 530 | 0.00 | 254,259,670 | 48.59 | 254,260,200 | 48.59 |
| Ng Mun Fey ⁽³⁾ | – | – | 37,603,950 | 7.19 | 37,603,950 | 7.19 |
| Teh Lip Kim ⁽⁴⁾ | 1,679,300 | 0.32 | 166,465,625 | 31.81 | 168,144,925 | 32.13 |
| Loong Ching Hong ⁽⁵⁾ | 2,056,000 | 0.39 | 5,234,375 | 1.00 | 7,290,375 | 1.39 |
| Chew Wai Chuen | – | – | – | – | – | – |
| Edmund Chee Ji Kang | – | – | – | – | – | – |
| Willa Chee Keng Fong | – | – | – | – | – | – |
| Anita Chew Cheng Im | – | – | – | – | – | – |
| Goh Kah Im | – | – | – | – | – | – |
| Substantial Shareholders (other than Substantial Shareholders who are Directors) | | | | | | |
| Y F Chee Holdings Pte. Ltd. | 216,655,720 | 41.40 | – | – | 216,655,720 | 41.40 |
| Greger International Sdn. Bhd. | 37,603,950 | 7.19 | – | – | 37,603,950 | 7.19 |
| SDB Mining Sdn. Bhd. ⁽⁴⁾⁽⁶⁾ | 154,937,500 | 29.61 | – | – | 154,937,500 | 29.61 |
| Selangor Dredging Berhad ⁽⁶⁾ | – | – | 154,937,500 | 29.61 | 154,937,500 | 29.61 |
| Teh Wan Sang & Sons Sdn. Bhd. ⁽⁶⁾⁽⁷⁾ | 4,200,000 | 0.80 | 154,937,500 | 29.61 | 159,137,500 | 30.41 |
| Teh Lip Bin ⁽⁸⁾ | – | – | 159,137,500 | 30.41 | 159,137,500 | 30.41 |

Notes:

- (1) Based on the total number of 523,316,100 Shares (excluding Treasury Shares and subsidiary holdings) as at the Latest Practicable Date. The Company does not have any Treasury Shares or subsidiary holdings. Percentage figures are rounded to the nearest two (2) decimal places.
- (2) Dato' Sri Ivan Chee Yew Fei is deemed interested in (a) the 216,655,720 Shares held by Y F Chee Holdings Pte. Ltd. as he owns one hundred per cent. (100%) of the issued share capital of Y F Chee Holdings Pte. Ltd. and (b) the 37,603,950 Shares held by Greger International Sdn. Bhd. as he holds seventy per cent. (70%) of the issued share capital of Greger International Sdn. Bhd.
- (3) Ng Mun Fey is deemed interested in the 37,603,950 Shares held by Greger International Sdn. Bhd. as he holds thirty per cent. (30%) of the issued share capital of Greger International Sdn. Bhd.
- (4) Teh Lip Kim is deemed interested in (a) the 7,328,125 Shares in the Company held by Smith St Investment Pte. Ltd. as she holds one hundred per cent. (100%) of the issued share capital of Smith St Investment Pte. Ltd.; (b) the 154,937,500 Shares held by SDB Mining Sdn. Bhd. as she holds (directly and indirectly) approximately sixty point two eight per cent. (60.28%) of the issued shares of Selangor Dredging Berhad, which in turn holds one hundred per cent. (100%) of the issued share capital of SDB Mining Sdn. Bhd; and (c) the 4,200,000 Shares held by Teh Wan Sang & Sons Sdn. Bhd. which is owned by members of the Teh family which includes Teh Lip Kim, Teh Lip Kim and Teh Lip Bin, who are siblings.
- (5) Loong Ching Hong is deemed interested in the 5,234,375 Shares held by Western Capital Sdn. Bhd. as he owns one hundred per cent. (100%) of the issued share capital of Western Capital Sdn. Bhd.
- (6) Selangor Dredging Berhad is deemed interested in the 154,937,500 Shares held by SDB Mining Sdn. Bhd. as it holds 100 per cent. (100%) of the issued share capital of SDB Mining Sdn. Bhd.
- (7) Teh Wan Sang & Sons Sdn. Bhd. is deemed interested in the 154,937,500 Shares held by SDB Mining Sdn. Bhd. as it holds twenty-two point three zero per cent. (22.30%) of the issued share capital of Selangor Dredging Berhad, which in turn holds one hundred per cent. (100%) of the issued share capital of SDB Mining Sdn. Bhd.
- (8) Teh Lip Bin is deemed interested in (a) the 154,937,500 Shares held by SDB Mining Sdn. Bhd as he holds (directly and indirectly) approximately thirty-eight point one seven per cent. (38.17%) of the issued share capital of Selangor Dredging Berhad, which in turn holds one hundred per cent. (100%) of the issued share capital of SDB Mining Sdn. Bhd and (b) the 4,200,000 Shares held by the Wan Sang & Sons Sdn. Bhd. which is owned by members of the Teh family which includes Teh Lip Bin, Teh Lip Kim and Teh Lip Bin, who are siblings.

APPENDIX

4. DIRECTORS' RECOMMENDATIONS

The Directors (other than Dato' Sri Ivan Chee and Ms. Teh Lip Kim who have each abstained from making any recommendation in view of the take-over consequences set out in Section 2.11 of this Appendix), having carefully considered the terms and rationale of the Proposed Renewal of the Share Buy-Back Mandate, are of the view that the Proposed Renewal of the Share Buy-Back Mandate is in the best interests of the Company and accordingly, recommend that Shareholders vote in favor of the ordinary resolution to approve the Proposed Renewal of the Share Buy-Back Mandate.

5. ANNUAL GENERAL MEETING

The AGM, notice of which has been announced on 7 June 2024, will be held at Esplanade Room 3, Level 3 of Singapore Recreation Club, B Connaught Drive, Singapore 179682 on 24 June 2024 at 2:00 p.m. at for the purposes of considering and, if thought fit, passing, with or without modification, the ordinary resolutions relating to the Proposed Renewal of the Share Buy-Back Mandate.

6. ACTION TO BE TAKEN BY SHAREHOLDERS

The AGM is being convened and will be held in a wholly physical format. There will be no option for the members to participate virtually. The Notice of AGM and the Proxy Form will be sent to the members via post. Printed copy of the AR FY2024 and Appendix will not be sent to members of the Company unless requested by the shareholder pursuant to a submitted request. Shareholders who wish to receive a printed copy of the AR FY2024 and Appendix are required to complete the Request Form and to return it to the Company by post or by email by 15 June 2024. The AR FY2024 and Appendix will also be made available to members via publication on the Company's website at the URL <https://www.fortress.sg> and on the SGXNet at the URL <https://www.sgx.com/securities/company-announcements>. The members of the Company may participate in the AGM by:

- (a) attending the AGM in person;
- (b) raising questions at the AGM or submitting questions in advance of the AGM; and/or
- (c) voting at the AGM (i) themselves personally; or (ii) through their duly appointed proxy(ies).

Members will need to bring along their NRIC/passport so as to enable the Company to verify their identity.

A member who is unable to attend the AGM and wishes to appoint proxy(ies) to attend, speak and vote at the AGM on his/her/its behalf should complete, sign and return the instrument of proxy in accordance with the instructions printed thereon. The proxy need not be a member of the Company. In relation to the appointment of proxy(ies) to attend, speak and vote on his/her/its behalf at the AGM, a member (whether individual or corporate) appointing his/her/its proxy(ies) should give specific instructions as to his/her/its manner of voting, or abstentions from voting, in respect of a resolution in the instrument of proxy. If no specific instructions as to voting are given, or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy(ies) will vote or abstain from voting at his/her/their discretion.

A member can appoint the Chairman of the Meeting as his/her/its proxy but this is not mandatory. If a member wishes to appoint the Chairman of the Meeting as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the Meeting as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the Chairman as proxy will vote or abstain from voting at his discretion.

The instrument appointing the Chairman of the AGM as proxy must be submitted to the Company in the following manner:

- (i) if sent personally or by post, by depositing a physical copy at the registered office of the Company at 77 Robinson Road, #06-03, Robinson 77, Singapore 068896; or
- (ii) if submitted electronically, be submitted via email to the Company's Share Registrar, B.A.C.S Private Limited at main@zicoholdings.com,

APPENDIX

in either case, by 2:00 p.m. on 21 June 2024 (being not less than seventy-two (72) hours before the time fixed for holding the AGM).

A member who wishes to submit an instrument of proxy must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

Shareholders should refer to the Notice of AGM for further information, including the steps to be taken by Shareholders to participate at the AGM.

7. ABSTENTION FROM VOTING

In addition, in light of the exemption under section 3(a) of Appendix 2 of the Take-over Code, each of (a) Dato' Sri Ivan Chee and his concert parties and (b) Teh Lip Kim and her concert parties, who are Shareholders of the Company, shall abstain from voting in respect of the ordinary resolution set out in the Notice of AGM relating to the Proposed Renewal of the Share Buy-Back Mandate, and will not accept any appointment as proxies or otherwise for voting on the ordinary resolution set out in the Notice of AGM unless specific instructions have been given in the proxy instrument(s) on how the votes are to be cast.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposed Renewal of the Share Buy-Back Mandate, the Company and its Subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

9. DOCUMENTS AVAILABLE FOR INSPECTION

The Constitution of the Company may be inspected at the registered office of the Company at 77 Robinson Road, #06-03, Robinson 77, Singapore 068896, during normal business hours from the date of this Appendix up to and including the date of the AGM.

This Appendix is also available on the Company's corporate website at <https://www.fortress.sg> and SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.

Yours faithfully

For and on behalf of the Board of Directors of
FORTRESS MINERALS LIMITED

Dato' Sri Ivan Chee Yew Fei
Executive Director and Chief Executive Officer

FORTRESS MINERALS LIMITED

(Company Registration No.: 201732608K)
(Incorporated in the Republic of Singapore)

PROXY FORM

ANNUAL GENERAL MEETING

This proxy form has been made available on SGXNet and the Company's website and may be accessed at the URL <https://www.fortress.sg>.

IMPORTANT:

This Proxy Form is not valid for use by investors who hold shares in the Company ("Shares") through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore), including CPF/SRS investors, and shall be ineffective for all intents and purposes if used or purported to be used by them. Such investors (including CPF/SRS investors), if they wish to vote, should contact their respective relevant intermediaries as soon as possible to specify voting instructions. CPF/SRS investors should approach their respective CPF Agent Banks or SRS Operators at least seven working days before the AGM to specify voting instructions. CPF or SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators by 2.00 p.m. on 12 June 2024.

*I/We _____ (Name) _____ (NRIC/Passport/Company Registration No.)
of _____ (Address)
being a *member/members of FORTRESS MINERALS LIMITED (the "Company"), hereby appoint:

| Name | Address | NRIC / Passport No. | Proportion of Shareholdings (%) | |
|------|---------|---------------------|---------------------------------|---|
| | | | No. of Shares | % |
| | | | | |

and/or (delete as appropriate)

| Name | Address | NRIC / Passport No. | Proportion of Shareholdings (%) | |
|------|---------|---------------------|---------------------------------|---|
| | | | No. of Shares | % |
| | | | | |

or failing him/her*, the Chairman of the Annual General Meeting ("AGM") as my/our* proxy/proxies* to attend and vote for me/us* on my/our* behalf, at the AGM of the Company to be held at Esplanade Room 3, Level 3 of Singapore Recreation Club, B Connaught Drive, Singapore 179682 on Monday, 24 June 2024 at 2.00 p.m., and at any adjournment thereof. All resolutions put to the vote at the AGM shall be decided by way of poll. I/We direct my/our proxy/proxies to vote for or against or to abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the AGM:

| No. | Ordinary Resolutions | For | Against | Abstain |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|---------|---------|
| 1. | Adoption of the Audited Financial Statements for the financial year ended 29 February 2024 together with the Directors' Statement and the Auditors' Report thereon. | | | |
| 2. | Approval of a tax-exempt (one-tier) final dividend of 0.60 Singapore cents per share for the financial year ended 29 February 2024. | | | |
| 3. | Re-election of Mr Edmund Chee Ji Kang as a Director of the Company. | | | |
| 4. | Re-election of Dato' Sri Ivan Chee Yew Fei as a Director of the Company. | | | |
| 5. | Re-election of Mr Loong Ching Hong as a Director of the Company. | | | |
| 6. | Re-election of Ms Anita Chew Cheng Im as a Director of the Company. | | | |
| 7. | Approval of payment of Directors' fees of S\$658,000 for the financial year ending 28 February 2025, payable quarterly in arrears. | | | |
| 8. | Re-appointment of Messrs BDO LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. | | | |
| 9. | Authority to allot and issue shares in the capital of the Company. | | | |
| 10. | Authority to allot and issue shares under the Fortress Employee Share Option Scheme. | | | |
| 11. | Renewal of Share Buy-Back Mandate. | | | |

Dated this _____ day of _____ 2024.

| Total no. of Shares in | No. of Shares |
|-------------------------|---------------|
| (a) Depository Register | |
| (b) Register of Members | |

Signature(s) of Member(s)/Common Seal of Corporate Member(s)

*Delete where inapplicable

IMPORTANT: PLEASE READ NOTES FOR PROXY FORM OVERLEAF



NOTES FOR PROXY FORM

1. Please insert the total number of shares in the capital of the Company ("**Shares**") held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing the Chairman of the AGM as proxy shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at the AGM is entitled to appoint 1 or 2 proxies to attend and vote in his/her stead. A proxy need not be a member of the Company. Where a member appoints more than 1 proxy, the member must specify the proportion of shareholdings (expressed as a percentage of the whole) to be represented by each proxy. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry 100% of the shareholdings of his/her appointor and the proxy whose name appears after shall be deemed to be appointed in the alternate.
3. If the instrument appointing a proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstained as he/she thinks fit.
4. This proxy form must be under the hand of the appointor or of his/her/its attorney duly authorised in writing.
 - (i) Where this proxy form is executed by a corporation, it must be executed either under its common seal (or otherwise in accordance with its constitution) or under the hand of an officer or attorney duly authorised. The dispensation of the use of common seal pursuant to the Companies Act 1967 is applicable at this AGM.
 - (ii) Where this proxy form is executed by an attorney on behalf of the appointor, the letter or the power of attorney or a duly certified true copy thereof must be lodged with this proxy form, failing which the instrument of proxy may be treated as invalid.
5. For investors who hold shares through relevant intermediaries, including CPF and SRS investors, this proxy form is not valid for their use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF or SRS investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM (by 2.00 p.m. on 12 June 2024) in order to allow sufficient time for their respective relevant intermediaries to submit a proxy form to vote on their behalf by the cut-off date. "Relevant intermediary" has the meaning as defined in section 181 of the Singapore Companies Act.
6. This instrument appointing a proxy or proxies, duly executed, must be submitted to the Company in the following manner:
 - (a) if sent personally or by post, be lodged at the Company's registered office at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or
 - (b) if submitted by email, be received by the Company's Share Registrar, B.A.C.S. Private Limited at main@zicoholdings.com,in either case, by 2.00 p.m. on 21 June 2024, being not less than seventy-two (72) hours before the time appointed for holding the AGM.

General:

The Company shall be entitled to reject the instrument appointing proxy (including Chairman of the AGM) 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 proxy (including Chairman of the AGM). In addition, in the case of Shares entered in the Depository Register, the Company may reject any proxy form lodged if the member, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM (or at any adjournment thereof), as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By submitting this proxy form, the member of the Company accepts and agrees to the personal data privacy terms as set out in the Notice of AGM dated 7 June 2024.



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