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South Manganese Investment Limited

南方錳業投資有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 1091)

INSIDE INFORMATION UPDATE ON CORPORATE GUARANTEE

This announcement is made by South Manganese Investment Limited (the “**Company**”) pursuant to Rules 13.09(2) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to (i) the announcement of the Company dated 22 December 2015 (the “**Announcement**”); and (ii) the circular of the Company dated 31 December 2015 (the “**Circular**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Announcement and the Circular.

The board of the directors (the “**Board**”) of the Company would like to update that the Project Financing Loan with an outstanding principal amounted to RMB552,400,000 (equivalent to approximately HK\$607,640,000), which was originally due on 22 December 2022, and the outstanding principal of RMB143,750,000 (equivalent to approximately HK\$158,125,000) was subsequently extended to be due on 20 May 2024 and the outstanding principal of RMB408,650,000 (equivalent to approximately HK\$449,515,000) was subsequently extended to be due on 20 July 2024. South Manganese Group Limited (“**SMG**”, previously known as CITIC Dameng Mining Industry Co. Limited), a wholly owned subsidiary of the Company, has provided the Corporate Guarantee in favor of CITIC Bank for the Project Financing Loan which equals to RMB264,000,000 (equivalent to approximately HK\$290,400,000) together with interest, cost and expenses accrued thereon. The Corporate Guarantee was recognized as contingent liabilities of the Company. On the due date of 20 May 2024, the borrower, Dushan Jinneng, was not able to repay the outstanding principal amounted to RMB143,750,000

(equivalent to approximately HK\$158,125,000). The total outstanding principal amounted to RMB552,400,000 (equivalent to approximately HK\$607,640,000) and accrued interest amounted to RMB60,265,075 (equivalent to approximately HK\$66,291,583). On 20 May 2024, CITIC Bank executed the Corporate Guarantee and SMG had to assume its guarantee liabilities. On 20 May 2024, SMG performs the obligation to repay the loan principal amounted to RMB264,000,000 (equivalent to approximately HK\$290,400,000) and interest amounted to RMB28,801,556 (equivalent to approximately HK\$31,681,712) to CITIC Bank. The execution of the Corporate Guarantee by CITIC Bank and the settlement of the Corporate Guarantee by the SMG will be recognized as a loss to the Company.

According to relevant PRC laws, SMG as a guarantor, after assuming the guarantee responsibilities, is entitled to seek recompensation from Dushan Jinneng. The Company has also obtained legal charge against the leasehold land and property, plant and equipment of Dushan Jinneng in an attempt to minimize the loss.

Shareholders of the Company and potential investors should exercise caution when dealing in the securities of the Company.

By order of the Board

SOUTH MANGANESE INVESTMENT LIMITED

Li Weijian

Chairman and Chief Executive Officer

Hong Kong, 21 May 2024

As at the date of this announcement, the executive Directors are Mr. Li Weijian, Mr. Zhang He, Mr. Xu Xiang and Mr. Li Junji; the non-executive Directors are Ms. Cui Ling and Mr. Pan Shenghai; and the independent non-executive Directors are Mr. Zhang Yupeng, Mr. Yuan Mingliang and Mr. Lo Sze Hung.