SANERGY

SANERGY GROUP LIMITED
昇能集團有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock code: 2459)

PROFIT WARNING

This announcement is made by Sanergy Group Limited (the "**Company**", and together with its subsidiaries, "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") and Part XIVA of the Securities and Futures Ordinance, Chapter 571, the Laws of Hong Kong ("**SFO**").

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that based on the information currently available to the Company and the preliminary assessment by the Board of the unaudited consolidated management accounts of the Group of the six months ended 30 June 2024 ("**1H2024**"), the Group expects to record in 1H2024 a net loss attributable to the owners of the Company of not more than US$16.5 million, as compared to a net loss attributable to the owners of the Company for the period ended 30 June 2023 ("**1H2023**") of approximately US$4.2 million.

The Board considers that the expected financial results mentioned above were primarily due to the combined effects of the following factors, among others:

(i) **Suppressed market price:** despite the current global economic uncertainties during 1H2024, the Group managed to maintain similar level of sales volume in 1H2024 as compared to 1H2023. However, the average selling price of graphite electrode decreased from approximately US$4,549/MT in 1H2023 to approximately US$3,316/MT in 1H2024 due to pricing dynamics persisting in most regions;

(ii) **Increase in average unit cost of sales:** this was primarily driven by the inventory provision recorded during 1H2024 based on the assessment to prevailing marking price of graphite electrodes and a destocking effort to minimize potential inventory risk exposure; and

(iii) **continued development in graphite anode materials ("GAM") business expansion project:** While we would continue to strive to maintain operational cost efficiency in graphite electrode business, we are concurrently progressing in the GAM expansion project, incurring expenses for project preparation and development to seize the opportunity in the European new energy market. Our ground-breaking ceremony for the construction of Italy GAM production facility in 1H2024 marks a pivotal step in this strategic diversification.

As the Group's unaudited interim results for 1H2024 have not yet been finalised, the information contained in this announcement is based on information currently available to the Company and the preliminary assessment by the Board of unaudited consolidated management accounts which have not yet been reviewed or confirmed by the external auditors nor approved by the audit committee of the Company, and may be subject to adjustments or amendments. The unaudited interim results of the Group for 1H2024 are expected to be published in late August 2024. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company and should consult their advisers as and when appropriate.

By Order of the Board
SANERGY GROUP LIMITED
Mr. Peter Brendon Wyllie
Executive Director and chairman of the Board

Hong Kong, 13 August 2024

As at the date of this announcement, the Board comprises (i) Mr. Peter Brendon Wyllie (chairman of the Board) and Mr. Hou Haolong as executive Directors; (ii) Mr. Wang Ping and Professor Zheng Honghe as non-executive Directors; and (iii) Mr. Cheng Tai Kwan Sunny, Mr. Ngai Ming Tak Michael and Ms. Chan Chore Man Germaine as independent non-executive Directors.