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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)

PROFIT WARNING

This announcement is made by South Manganese Investment Limited (the "**Company**", together with its subsidiaries, the **"Group"**) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the "**Listing Rules**") 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).

The board of directors (the "**Board**") of the Company wishes to inform the shareholders of the Company and potential investors that, based on a preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2024 ("**Year 2024**") and the information currently available to the Board, the Group is expected to record loss attributable to owners of the Company of not less than HK$700 million for Year 2024, as compared to profit attributable to owners of the Company of approximately HK$64 million for the year ended 31 December 2023 ("**Year 2023**").

The loss for Year 2024 was primarily due to the following reasons:

1. impairment losses on financial assets of approximately HK$321 million was recognised by the Group for Year 2024 mainly as a result of the settlement of the guarantee liabilities for a corporate guarantee provided by the Group in 2015 in respect of the bank facilities granted to an associate Dushan Jinmeng Manganese Industry Co., Ltd.; and

2. loss incurred for trading business were recorded for Year 2024 mainly because the Company did not timely adjust sales strategy amid decrease in selling prices of manganese ores and chemical products, which also led to high selling expenses.

CAUTION STATEMENT

As at the date of this announcement, the Company is still in the process of preparing and completing the annual results of the Group for Year 2024. The information contained in this announcement is based only on the preliminary assessment by the Board upon its review of the unaudited consolidated management accounts of the Group and the currently available information to the Board which have not been audited nor reviewed by the Company's independent auditor or audit committee of the Board. Shareholders of the Company and potential investors are advised to refer to the details of the Company's annual results announcement for Year 2024 which is expected to be published on 14 March 2025.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board

SOUTH MANGANESE INVESTMENT LIMITED

Zhang Yi

Chairman

Hong Kong, 11 March 2025

As at the date of this announcement, the executive Directors are Mr. Zhang Yi, Mr. Zhang He, Mr. Xu Xiang, Mr. Liu Yang, Mr. Pan Shenghai and Ms. Cui Ling; the non-executive Director is Mr. Huang Chuangxin; and the independent non-executive Directors are Mr. Zhang Yupeng, Mr. Yuan Mingliang, Mr. Lo Sze Hung, Mr. Zhou Jie, Mr. Luo Guihua and Mr. Wu Qi.