

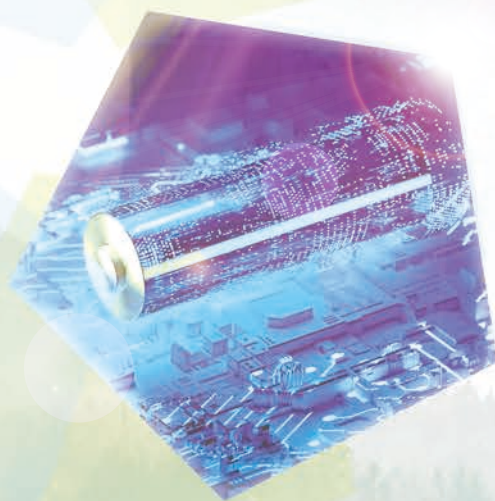
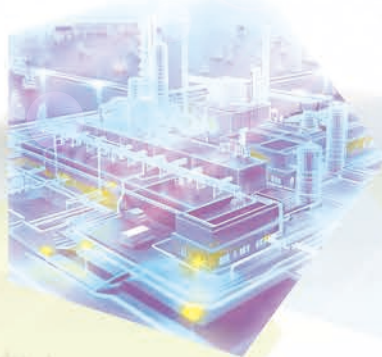


南方鋳業投資有限公司

SOUTH MANGANESE INVESTMENT LIMITED

(incorporated in Bermuda with limited liability)

Stock Code: 1091



INTERIM REPORT 2025

Contents

Page

2-3 Corporate Information

Financial Results

| | |
|--------------|---|
| 4 | Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income |
| 5-6 | Interim Condensed Consolidated Statement of Financial Position |
| 7-8 | Interim Condensed Consolidated Statement of Changes in Equity |
| 9 | Interim Condensed Consolidated Statement of Cash Flows |
| 10-36 | Notes to Interim Condensed Consolidated Financial Statements |

Other Information

| | |
|--------------|--|
| 37-48 | Management Discussion and Analysis |
| 49-62 | Environmental, Social and Governance Report |
| 63-70 | Summary of Our Manganese Mineral Resources and Our Manganese Ore Reserves |
| 71 | Corporate Governance Code |
| 71 | Model Code for Securities Transactions by Directors |
| 71 | Directors' and Chief Executive's Interests in Shares and Underlying Shares |
| 72 | Substantial Shareholders' and Other Persons' Interests in Shares and Underlying Shares |
| 73 | Purchase, Redemption or Sale of Listed Securities of the Company |
| 73 | Review of Accounts |
| 73 | Forward Looking Statements |
| 74-76 | Glossary of Terms |

Corporate Information

Board of Directors

Executive Directors

Mr. Zhang Yi (Chairman)
Mr. Zhang He
Mr. Xu Xiang
Mr. Liu Yang
Mr. Pan Shenghai
Ms. Cui Ling

Non-executive Director

Mr. Huang Chuangxin

Independent Non-executive Directors

Mr. Yuan Mingliang
Mr. Lo Sze Hung
Mr. Zhou Jie
Mr. Luo Guihua
Mr. Wu Qi
Mr. Zhang Yupeng (resigned on 20 May 2025)

Audit Committee

Mr. Lo Sze Hung (Chairman)
Mr. Huang Chuangxin
Mr. Yuan Mingliang
Mr. Zhou Jie
Mr. Luo Guihua
Mr. Wu Qi
Mr. Zhang Yupeng (resigned on 20 May 2025)

Remuneration Committee

Mr. Yuan Mingliang (Chairman)
Mr. Zhang Yi
Mr. Zhang He
Mr. Pan Shenghai
Mr. Lo Sze Hung
Mr. Zhou Jie
Mr. Luo Guihua
Mr. Wu Qi
Mr. Zhang Yupeng (resigned on 20 May 2025)

Nomination Committee

Mr. Wu Qi (appointed as Chairman on 10 June 2025)
Mr. Zhang Yi
Mr. Zhang He
Mr. Pan Shenghai
Mr. Yuan Mingliang
Mr. Lo Sze Hung
Mr. Zhou Jie
Mr. Luo Guihua
Mr. Zhang Yupeng (resigned on 20 May 2025)

Company Secretary

Mr. Leung Chit Yu

Registered Office

Clarendon House, 2 Church Street,
Hamilton HM 11, Bermuda

Headquarters and Principal Place of Business in Hong Kong

Room 3603, 36/F, Tower One, Lippo Centre,
89 Queensway, Admiralty, Hong Kong

Telephone : (852) 2179 1310
Facsimile : (852) 2537 0168
E-mail : ir@southmn.com

Principal Place of Business in the PRC

South Manganese Group Tower,
Building 8, Greenland Center,
15 Kaixuan Road, Nanning, Guangxi, PRC

Bermuda Principal Share Registrar and Transfer Office

Conyers Corporate Services (Bermuda) Limited
Clarendon House, 2 Church Street,
Hamilton HM 11, Bermuda

Hong Kong Branch Share Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre,
183 Queen's Road East, Wanchai, Hong Kong

Corporate Information

Auditor

RSM Hong Kong
Certified Public Accountants
*(Public Interest Entity Auditor registered in accordance with
the Financial Reporting Council Ordinance)*

Authorised Representatives

Mr. Zhang He
Mr. Leung Chit Yu

Principal Bankers

Agricultural Bank of China
Bank of Communications
China Everbright Bank
Guangxi Beibu Gulf Bank
Guangxi Daxin Rural Commercial Bank
Guangxi Laibin Rural Commercial Bank
Guilin Bank
Hua Xia Bank
Industrial and Commercial Bank of China
Shanghai Pudong Development Bank

Stock Code

1091 (Mainboard of the Stock Exchange)

Company Website

www.southmn.com

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

Six months ended 30 June 2025

| | Notes | Six months ended 30 June | |
|---|-------|---------------------------------|---------------------------------|
| | | 2025 HK\$'000 (Unaudited) | 2024 HK\$'000 (Unaudited) |
| REVENUE | 4 | 2,912,419 | 5,733,287 |
| Cost of sales | | (2,359,303) | (5,451,219) |
| Gross profit | | 553,116 | 282,068 |
| Other income and gains | 4 | 42,948 | 67,391 |
| Selling and distribution expenses | | (35,117) | (66,651) |
| Administrative expenses | | (242,475) | (239,822) |
| Impairment losses on financial assets, net | 6 | (486) | (100,810) |
| Finance costs | 5 | (79,435) | (47,691) |
| Other expenses | | (32,004) | (5,655) |
| Share of profits and losses of associates | | 10,290 | (24,505) |
| PROFIT/(LOSS) BEFORE TAX | 6 | 216,837 | (135,675) |
| Income tax expense | 7 | (35,588) | (41,859) |
| PROFIT/(LOSS) FOR THE PERIOD | | 181,249 | (177,534) |
| OTHER COMPREHENSIVE INCOME | | | |
| <i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i> | | | |
| – Changes in fair value of financial assets at fair value through other comprehensive income (“FVTOCI”), net of tax | | (9) | (1,084) |
| – Exchange differences on translation of foreign operations | | 27,651 | (17,528) |
| | | 27,642 | (18,612) |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | | 208,891 | (196,146) |
| Profit/(loss) for the period attributable to: | | | |
| Owners of the Company | | 172,696 | (162,783) |
| Non-controlling interests | | 8,553 | (14,751) |
| | | 181,249 | (177,534) |
| Total comprehensive income for the period attributable to: | | | |
| Owners of the Company | | 211,207 | (192,955) |
| Non-controlling interests | | (2,316) | (3,191) |
| | | 208,891 | (196,146) |
| Earnings/(loss) per share attributable to owners of the Company | 8 | | |
| – Basic | | HK\$0.0473 | HK\$(0.0475) |
| – Diluted | | HK\$0.0473 | HK\$(0.0475) |

Interim Condensed Consolidated Statement of Financial Position

30 June 2025

| | Notes | 30 June 2025 HK\$'000 (Unaudited) | 31 December 2024 HK\$'000 (Audited) |
|---|-------|--|--|
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 10 | 3,957,188 | 4,015,985 |
| Investment properties | | 94,193 | 92,758 |
| Right-of-use assets | 11 | 495,651 | 493,385 |
| Intangible assets | 12 | 208,091 | 206,907 |
| Investments in associates | 13 | 111,326 | 99,403 |
| Deferred tax assets | 14 | 44,178 | 40,962 |
| Prepayments and other assets | 17 | 46,114 | 114,174 |
| Total non-current assets | | 4,956,741 | 5,063,574 |
| CURRENT ASSETS | | | |
| Inventories | 15 | 750,279 | 1,000,707 |
| Trade and notes receivables | 16 | 643,511 | 947,166 |
| Prepayments, other receivables and other assets | 17 | 1,128,095 | 1,062,130 |
| Due from related companies | 27 | 17,548 | – |
| Tax recoverable | | 448 | 441 |
| Restricted deposits | 18 | 53,924 | 27,835 |
| Pledged deposits | 18 | 174,883 | 282,421 |
| Cash and cash equivalents | 18 | 724,702 | 402,329 |
| Total current assets | | 3,493,390 | 3,723,029 |
| CURRENT LIABILITIES | | | |
| Trade and notes payables | 19 | 956,961 | 1,207,900 |
| Other payables and accruals | 20 | 1,168,786 | 1,213,223 |
| Interest-bearing bank and other borrowings | 21 | 2,737,137 | 2,910,076 |
| Due to related companies | 27 | 3,961 | 5,152 |
| Tax payable | | 15,783 | 46,069 |
| Total current liabilities | | 4,882,628 | 5,382,420 |
| NET CURRENT LIABILITIES | | (1,389,238) | (1,659,391) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 3,567,503 | 3,404,183 |
| NON-CURRENT LIABILITIES | | | |
| Interest-bearing bank and other borrowings | 21 | 857,092 | 1,035,504 |
| Deferred tax liabilities | 14 | 218,704 | 221,583 |
| Other long-term liabilities | | 118,093 | 127,042 |
| Deferred income | 23 | 46,533 | 42,867 |
| Total non-current liabilities | | 1,240,422 | 1,426,996 |
| NET ASSETS | | 2,327,081 | 1,977,187 |

Interim Condensed Consolidated Statement of Financial Position

30 June 2025

| | Notes | 30 June 2025 HK\$'000 (Unaudited) | 31 December 2024 HK\$'000 (Audited) |
|---|-------|--|--|
| EQUITY | | | |
| Equity attributable to owners of the Company | | | |
| Issued capital | 24 | 411,415 | 342,846 |
| Reserves | 25 | 2,302,405 | 2,018,764 |
| | | 2,713,820 | 2,361,610 |
| Non-controlling interests | | (386,739) | (384,423) |
| TOTAL EQUITY | | 2,327,081 | 1,977,187 |

Zhang Yi
Director

Zhang He
Director

Interim Condensed Consolidated Statement of Changes in Equity

Six months ended 30 June 2025

| | Attributable to owners of the Company | | | | | | | | | | | |
|--|---------------------------------------|------------------|------------------------|--|------------------|------------------------------------|----------------------------------|----------------------------------|-----------------------|------------------|----------------------------------|------------------|
| | | | | Fair value reserve of financial assets at FVTOCI | Reserve funds | Exchange fluctuation reserve | Capital redemption reserve | Investment related reserve | Accumulated losses | Total | Non- controlling interests | Total equity |
| | Issued share | Share premium | Contributed surplus | | | | | | | | | |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| At 1 January 2025 (audited) | 342,846 | - | 2,461,249 | (591) | 313,958 | (219,970) | 312 | 2,051 | (538,245) | 2,361,610 | (384,423) | 1,977,187 |
| Profit for the period | - | - | - | - | - | - | - | - | 172,696 | 172,696 | 8,553 | 181,249 |
| Other comprehensive income for the period: | | | | | | | | | | | | |
| - Change in fair value of financial assets at FVTOCI, net of tax | - | - | - | (9) | - | - | - | - | - | (9) | - | (9) |
| - Exchange difference on translation of foreign operations | - | - | - | - | - | 38,520 | - | - | - | 38,520 | (10,869) | 27,651 |
| Total comprehensive income for the period | - | - | - | (9) | - | 38,520 | - | - | 172,696 | 211,207 | (2,316) | 208,891 |
| Issue of shares | 68,569 | 72,434 | - | - | - | - | - | - | - | 141,003 | - | 141,003 |
| Provision of special reserve (note 25(a)) | - | - | - | - | 28,226 | - | - | - | (28,226) | - | - | - |
| Utilisation of special reserve (note 25(a)) | - | - | - | - | (11,858) | - | - | - | 11,858 | - | - | - |
| Change in equity for the period | 68,569 | 72,434 | - | (9) | 16,368 | 38,520 | - | - | 156,328 | 352,210 | (2,316) | 349,894 |
| At 30 June 2025 (unaudited) | 411,415 | 72,434* | 2,461,249* | (600)* | 330,326* | (181,450)* | 312* | 2,051* | (381,917)* | 2,713,820 | (386,739) | 2,327,801 |

Interim Condensed Consolidated Statement of Changes in Equity

Six months ended 30 June 2025

| | Attributable to owners of the Company | | | | | | | | | | |
|---|---------------------------------------|------------------------------------|--|------------------------------|--|--|--|---------------------------------|-------------------|--|-----------------------------|
| | Issued share HK\$'000 | Contributed surplus HK\$'000 | Fair value reserve of financial assets at FVTOCI HK\$'000 | Reserve funds HK\$'000 | Exchange fluctuation reserve HK\$'000 | Capital redemption reserve HK\$'000 | Investment related reserve HK\$'000 | Retained profits HK\$'000 | Total HK\$'000 | Non- controlling interests HK\$'000 | Total equity HK\$'000 |
| At 1 January 2024 (audited) | 342,846 | 2,461,249 | (1,130) | 283,843 | (154,990) | 312 | 2,051 | 207,969 | 3,142,150 | (313,788) | 2,828,362 |
| Loss for the period | - | - | - | - | - | - | - | (162,783) | (162,783) | (14,751) | (177,534) |
| Other comprehensive income for the period: | | | | | | | | | | | |
| - Change in fair value of financial assets at FVTOCI, net of tax | - | - | (1,084) | - | - | - | - | - | (1,084) | - | (1,084) |
| - Exchange difference on translation of foreign operations | - | - | - | - | (29,088) | - | - | - | (29,088) | 11,560 | (17,528) |
| Total comprehensive income for the period | - | - | (1,084) | - | (29,088) | - | - | (162,783) | (192,955) | (3,191) | (196,146) |
| Provision of special reserve (note 25(a)) | - | - | - | 31,101 | - | - | - | (31,101) | - | - | - |
| Utilisation of special reserve (note 25(a)) | - | - | - | (20,128) | - | - | - | 20,128 | - | - | - |
| Transfer (note 25(b)) | - | - | - | (2,040) | - | - | - | 1,040 | (1,000) | 1,000 | - |
| Change in equity for the period | - | - | (1,084) | 8,933 | (29,088) | - | - | (172,716) | (193,955) | (2,191) | (196,146) |
| At 30 June 2024 (unaudited) | 342,846 | 2,461,249 | (2,214) | 292,776 | (184,078) | 312 | 2,051 | 35,253 | 2,948,195 | (315,979) | 2,632,216 |

* These reserve accounts comprise the consolidated reserves of HK\$2,302,405,000 in the interim condensed consolidated statement of financial position (31 December 2024: HK\$2,018,764,000).

Interim Condensed Consolidated Statement of Cash Flows

Six months ended 30 June 2025

| | Notes | Six months ended 30 June | |
|---|-------|---------------------------------|---------------------------------|
| | | 2025 HK\$'000 (Unaudited) | 2024 HK\$'000 (Unaudited) |
| Net cash flows generated from operating activities | | 642,610 | 911,171 |
| Net cash flows used in investing activities | | (86,954) | (575,312) |
| Net cash flows used in financing activities | | (235,414) | (247,736) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | 320,242 | 88,123 |
| Cash and cash equivalents at the beginning of the period | | 402,329 | 975,579 |
| Effect of exchange rate changes, net | | 2,131 | (2,470) |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | | 724,702 | 1,061,232 |
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS | | | |
| Cash and bank balances | 18 | 953,509 | 1,630,938 |
| Less: Restricted deposits | 18 | (53,924) | (26,307) |
| Less: Pledged deposits | 18 | (174,883) | (543,399) |
| Cash and cash equivalents at the end of the period | | 724,702 | 1,061,232 |

Notes to Interim Condensed Consolidated Financial Statements

30 June 2025

1. Corporate information

South Manganese Investment Limited (the “**Company**”) was incorporated in Bermuda on 18 July 2005 as an exempted company with limited liability under Section 14 of the Companies Act 1981 of Bermuda (as amended). The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business of the Company is located at Room 3603, 36/F, Tower One, Lippo Centre, 89 Queensway, Admiralty, Hong Kong. The Company’s shares are listed on the Main Board of the Stock Exchange.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries comprise manganese mining, ore processing and downstream processing operations in Mainland China, manganese mining and ore processing operations in Gabon, as well as trading of manganese ores, manganese alloys and related raw materials.

2. Basis of preparation and changes to accounting policies

2.1 Basis of preparation

The interim condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing Securities on the Stock Exchange and the Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

In preparing the interim condensed consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that the Group’s current liabilities exceeded its current assets by HK\$1,389.2 million as at 30 June 2025. Subsequent to the end of the reporting period, the Group has successfully renewed or obtained new bank loans of HK\$131.6 million during the period from 1 July 2025 up to 15 August 2025. On 28 July 2025, the Company has also completed the placing of 822,830,160 new Shares under general mandate and raised net proceeds of approximately HK\$180.44 million which will be utilised for repayment of the Group’s outstanding bank borrowings. The directors of the Company, after taking into account of internally generated funds from its operations, successful renewals of bank loans and completion of equity fundraisings during the period and after the reporting date, are of the opinion that, the Group has sufficient working capital for its present requirements for the next twelve months from the end of the reporting period. Accordingly, the interim condensed consolidated financial statements have been prepared on a going concern basis.

2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of all new and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA that are relevant to the Group’s operations and effective for its accounting year beginning on 1 January 2025. The new and revised HKFRSs do not have a material effect on the Group’s condensed consolidated interim financial statement.

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed consolidated interim financial statements.

Notes to Interim Condensed Consolidated Financial Statements

30 June 2025

3. Operating segment information

For management purposes, the Group is organised as a mixture of both business products and geographical locations based on their products and services and has four reportable operating segments as follows:

(a) Manganese mining segment (PRC and Gabon)

The manganese mining segment engages in the mining and production of manganese products including principally, through the Group's integrated processes, the mining, beneficiation, concentrating, grinding and the production of manganese concentrates and natural discharging manganese powder and sand;

(b) EMM and alloying materials production segment (PRC)

The EMM and alloying materials production segment comprises mining and processing ores used in hydrometallurgical processing for/and production of Electrolytic Manganese Metal ("**EMM**") and manganese briquette, and pyrometallurgical processing for production of silicomanganese alloy and ferromanganese;

(c) Battery materials production segment (PRC)

The battery materials production segment engages in the manufacture and sale of battery material products, including Electrolytic Manganese Dioxide ("**EMD**"), manganese sulfate, lithium manganese oxide, lithium nickel cobalt manganese oxide and trimanganese tetraoxide; and

(d) Other business segment (PRC and HK)

The other business segment principally comprises the trading of various commodities such as manganese ores, EMM, manganese alloys and non-manganese metals, sales of scraps, rental of investment properties and leasehold lands and investments in companies engaged in mining and production of non-manganese metals and trading business.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax from operation. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that interest income, non-lease-related finance costs, production halt expenses as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, tax recoverable, restricted deposits, pledged deposits, cash and cash equivalents and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude banks loans, lease liabilities under sales and leaseback arrangements, deferred tax liabilities, tax payable and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers between group companies are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Notes to Interim Condensed Consolidated Financial Statements

30 June 2025

3. Operating segment information (continued)

| | Manganese mining | | EMM and alloying materials production | Battery materials production | Other business | Total |
|--|------------------|----------|--|------------------------------------|-------------------|-----------|
| | PRC | Gabon | PRC | PRC | PRC & HK | |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Six months ended 30 June 2025 (Unaudited) | | | | | | |
| Segment revenue: | | | | | | |
| Sales to external customers | 86,994 | 633,419 | 1,028,107 | 753,657 | 410,242 | 2,912,419 |
| Intersegment sales | – | 82,685 | – | – | – | 82,685 |
| Other income and gains from operations | (3,963) | 496 | 16,348 | 8,213 | 19,822 | 40,916 |
| | 83,031 | 716,600 | 1,044,455 | 761,870 | 430,064 | 3,036,020 |
| Reconciliation: | | | | | | |
| Elimination of inter segment sales | | | | | | (82,685) |
| Revenue, other income and gains from operations | | | | | | 2,953,335 |
| Segment results | (5,873) | 37,505 | 38,897 | 206,153 | 78,967 | 355,649 |
| Reconciliations: | | | | | | |
| Interest income | | | | | | 2,032 |
| Corporate and other unallocated expenses | | | | | | (70,245) |
| Finance costs (other than interest on lease liabilities) | | | | | | (70,599) |
| Profit before tax | | | | | | 216,837 |
| Income tax expense | | | | | | (35,588) |
| Profit for the period | | | | | | 181,249 |
| Assets and liabilities | | | | | | |
| Segment assets | 571,420 | 450,718 | 2,630,888 | 2,145,557 | 1,246,561 | 7,045,144 |
| Reconciliations: | | | | | | |
| Corporate and other unallocated assets | | | | | | 1,404,987 |
| Total assets | | | | | | 8,450,131 |
| Segment liabilities | 389,203 | 453,362 | 896,653 | 149,596 | 350,138 | 2,238,952 |
| Reconciliations: | | | | | | |
| Corporate and other unallocated liabilities | | | | | | 3,884,098 |
| Total liabilities | | | | | | 6,123,050 |

Notes to Interim Condensed Consolidated Financial Statements

30 June 2025

3. Operating segment information (continued)

| | Manganese mining PRC HK\$'000 | Gabon HK\$'000 | EMM and alloying materials production PRC HK\$'000 | Battery materials production PRC HK\$'000 | Other business PRC & HK HK\$'000 | Total HK\$'000 |
|---|-------------------------------------|-------------------|--|---|---|-------------------|
| Six months ended 30 June | | | | | | |
| 2024 (Unaudited) | | | | | | |
| Segment revenue: | | | | | | |
| Sales to external customers | 62,852 | 591,426 | 1,160,859 | 797,934 | 3,120,216 | 5,733,287 |
| Intersegment sales | – | 89,870 | – | – | – | 89,870 |
| Other income and gains from operations | 2,074 | 646 | 26,284 | 16,528 | 16,973 | 62,505 |
| | 64,926 | 681,942 | 1,187,143 | 814,462 | 3,137,189 | 5,885,662 |
| Reconciliation: | | | | | | |
| Elimination of inter segment sales | | | | | | (89,870) |
| Revenue, other income and gains from operations | | | | | | 5,795,792 |
| Segment results | (54) | 80,305 | (50,664) | 193,992 | (267,733) | (44,154) |
| Reconciliations: | | | | | | |
| Interest income | | | | | | 4,886 |
| Corporate and other unallocated expenses | | | | | | (54,452) |
| Finance costs (other than interest on lease liabilities) | | | | | | (41,955) |
| Loss before tax | | | | | | (135,675) |
| Income tax expense | | | | | | (41,859) |
| Loss for the period | | | | | | (177,534) |
| Assets and liabilities | | | | | | |
| Segment assets | 640,688 | 584,987 | 3,561,991 | 2,378,074 | 2,102,830 | 9,268,570 |
| Reconciliations: | | | | | | |
| Corporate and other unallocated assets | | | | | | 2,056,933 |
| Total assets | | | | | | 11,325,503 |
| Segment liabilities | 430,392 | 435,264 | 900,503 | 300,676 | 1,001,006 | 3,067,841 |
| Reconciliations: | | | | | | |
| Corporate and other unallocated liabilities | | | | | | 5,625,446 |
| Total liabilities | | | | | | 8,693,287 |

4. Revenue, other income and gains

An analysis of revenue is as follows:

| | Six months ended 30 June | |
|---------------------------------------|---------------------------------|-------------|
| | 2025 | 2024 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| Revenue from contracts with customers | | |
| Sale of goods: | | |
| Manganese mining | 720,413 | 654,278 |
| EMM and alloying materials production | 1,028,107 | 1,160,859 |
| Battery materials production | 753,657 | 797,934 |
| Other business | 410,242 | 3,120,216 |
| | 2,912,419 | 5,733,287 |

Notes to Interim Condensed Consolidated Financial Statements

30 June 2025

4. Revenue, other income and gains (continued)

Revenue from contracts with customers

(a) *Disaggregated revenue information*

For the six months ended 30 June 2025 (Unaudited)

| Segments | Manganese mining HK\$'000 | EMM and alloying materials production HK\$'000 | Battery materials production HK\$'000 | Other business HK\$'000 | Total HK\$'000 |
|---|---------------------------------|--|--|-------------------------------|-------------------|
| Sale of goods | 720,413 | 1,028,107 | 753,657 | 410,242 | 2,912,419 |
| Geographical markets | | | | | |
| Mainland China | 574,987 | 933,344 | 750,181 | 402,220 | 2,660,732 |
| Asia (excluding Mainland China) | 145,426 | 69,044 | 3,476 | 7,971 | 225,917 |
| Europe | – | 22,309 | – | 51 | 22,360 |
| North America | – | 3,410 | – | – | 3,410 |
| Total revenue from contracts with customers | 720,413 | 1,028,107 | 753,657 | 410,242 | 2,912,419 |
| Timing of revenue recognition | | | | | |
| Goods transferred at a point in time with customers | 720,413 | 1,028,107 | 753,657 | 410,242 | 2,912,419 |

For the six months ended 30 June 2024 (Unaudited)

| Segments | Manganese mining HK\$'000 | EMM and alloying materials production HK\$'000 | Battery materials production HK\$'000 | Other business HK\$'000 | Total HK\$'000 |
|---|---------------------------------|--|--|-------------------------------|-------------------|
| Sale of goods | 654,278 | 1,160,859 | 797,934 | 3,120,216 | 5,733,287 |
| Geographical markets | | | | | |
| Mainland China | 349,151 | 1,101,300 | 793,336 | 3,108,771 | 5,352,558 |
| Asia (excluding Mainland China) | 305,127 | 38,013 | 4,598 | 6,066 | 353,804 |
| Europe | – | 18,444 | – | 5,379 | 23,823 |
| North America | – | 3,102 | – | – | 3,102 |
| Total revenue from contracts with customers | 654,278 | 1,160,859 | 797,934 | 3,120,216 | 5,733,287 |
| Timing of revenue recognition | | | | | |
| Goods transferred at a point in time with customers | 654,278 | 1,160,859 | 797,934 | 3,120,216 | 5,733,287 |

Notes to Interim Condensed Consolidated Financial Statements

30 June 2025

4. Revenue, other income and gains (continued)

An analysis of other income and gains is as follows:

| | Six months ended 30 June | |
|------------------------------------|---------------------------------|---------------------------------|
| | 2025 HK\$'000 (Unaudited) | 2024 HK\$'000 (Unaudited) |
| Other income and gains | | |
| Interest income | 2,032 | 4,886 |
| Foreign exchange gains, net | – | 3,325 |
| Subsidy income | 13,472 | 34,713 |
| Sale of scraps and other materials | 6,665 | 9,065 |
| Rental income | 5,976 | 9,279 |
| Others | 14,803 | 6,123 |
| | 42,948 | 67,391 |

5. Finance costs

| | Note | Six months ended 30 June | |
|---|------|---------------------------------|---------------------------------|
| | | 2025 HK\$'000 (Unaudited) | 2024 HK\$'000 (Unaudited) |
| Interest on loans and other payables | | 65,195 | 23,322 |
| Finance costs for discounted notes receivable | | 5,404 | 17,617 |
| Interest expenses on lease liabilities | 22 | 8,836 | 5,736 |
| Other finance costs | | – | 1,016 |
| | | 79,435 | 47,691 |

Notes to Interim Condensed Consolidated Financial Statements

30 June 2025

6. Profit/(loss) before tax

The Group's profit/(loss) before tax are arrived at after charging/(crediting):

| | Notes | Six months ended 30 June | |
|---|-------|---------------------------------|---------------------------------|
| | | 2025 HK\$'000 (Unaudited) | 2024 HK\$'000 (Unaudited) |
| Cost of inventories sold [#] | | 2,399,597 | 5,407,822 |
| (Reversals of)/provision for inventories, net [#] | | (40,294) | 43,397 |
| Depreciation of property, plant and equipment | 10 | 188,315 | 184,940 |
| Depreciation of right-of-use assets | 11 | 10,091 | 35,521 |
| Amortisation of intangible assets | 12 | 1,994 | 1,965 |
| Research and development costs | | 24,315 | 37,869 |
| Auditor's remuneration | | 2,577 | 2,649 |
| Employee benefit expenses | | 282,111 | 290,948 |
| Losses on disposal of items of property, plant and equipment [*] | | 2,658 | 2,257 |
| Foreign exchange differences, net [*] | | 22,184 | (3,325) |
| Impairment losses/(reversals of impairment losses) on financial assets, net, included in: | | | |
| – trade and notes receivables and other receivables | | 486 | (7,895) |
| – amounts due from associates | | – | 108,705 |
| | | 486 | 100,810 |
| Variable lease payments not included in the measurement of lease liabilities (included in cost of inventories sold) | | 705 | 1,596 |
| Expenses relating to leases of low-value assets [^] | | 1,120 | 2,701 |

[#] Included in "Cost of sales" in the interim condensed consolidated statement of profit or loss and other comprehensive income.

^{*} Included in "Other income and gains" (note 4) or "Other expenses" in the interim condensed consolidated statement of profit or loss and other comprehensive income.

[^] Included in "Selling and distribution expenses" or "Administrative expenses" in the interim condensed consolidated statement of profit or loss and other comprehensive income.

Notes to Interim Condensed Consolidated Financial Statements

30 June 2025

7. Income tax expense

The Group is subject to income tax on an entity basis and assessable based on tax rates prevailing in the jurisdictions in which members of the Group operate.

The major components of income tax expense for the reporting period are as follows:

| | Six months ended 30 June | |
|---------------------------------|---------------------------------|-------------|
| | 2025 | 2024 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| Current – PRC | | |
| Charge for the period | 40,688 | 27,707 |
| Current – Hong Kong | | |
| Charge for the period | 1,881 | 3,281 |
| Current – Gabon | | |
| Charge for the period | 528 | 17,387 |
| Deferred (note 14) | (7,509) | (6,516) |
| Total tax charge for the period | 35,588 | 41,859 |

Hong Kong profits tax

Hong Kong profits tax for the six months ended 30 June 2025 and 2024 has been provided at the rate of 16.5% on the estimated assessable profits for the period.

PRC corporate income tax ("CIT")

Pursuant to the PRC Income Tax Law and the respective regulations, each of South Manganese Group, Qinzhou Dameng New Materials Co., Ltd and Huiyuan Manganese is recognised as a High and New Technology Enterprise and is entitled to a preferential CIT rate of 15% up to 2025, 2025 and 2026 respectively.

Guangxi Start is entitled to a preferential CIT rate of 15% for Developing Western China for which the policy will be expired in 2030 and the related benefit will be subject to review by tax authorities every year thereafter.

Other companies of the Group which operate in Mainland China are subject to CIT at a rate of 25% on their respective taxable income.

Gabon CIT

Pursuant to the Gabon Income Tax Law, a company which engages in mining operations in Gabon is subject to CIT at the higher of 35% of its taxable income or 1% of its revenue.

Notes to Interim Condensed Consolidated Financial Statements

30 June 2025

8. Earnings/(loss) per share attributable to owners of the Company

| | Six months ended 30 June | |
|---|---------------------------------|---------------------------------|
| | 2025 HK\$'000 (Unaudited) | 2024 HK\$'000 (Unaudited) |
| The calculation of basic and diluted earnings/(loss) per share are based on: | | |
| Earnings/loss | | |
| Earnings/(loss) attributable to owners of the Company, used in the basic earnings per share calculation | 172,696 | (162,783) |
| | | |
| | Number of shares | |
| | | |
| Shares | | |
| Weighted average number of ordinary shares in issue during the period used in the basic earnings/loss per share calculation | 3,653,213,534 | 3,428,459,000 |

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2025 nor the six months ended 30 June 2024.

9. Dividend

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2025 (2024: Nil).

10. Property, plant and equipment

| | 30 June 2025 HK\$'000 (Unaudited) | 31 December 2024 HK\$'000 (Audited) |
|----------------------------------|--|--|
| | | |
| At 1 January 2025/1 January 2024 | 4,015,985 | 4,007,729 |
| Additions | 109,572 | 532,781 |
| Depreciation | (188,315) | (396,065) |
| Impairment | – | (5,692) |
| Disposals | (39,733) | (37,706) |
| Exchange realignment | 59,679 | (85,062) |
| At 30 June 2025/31 December 2024 | 3,957,188 | 4,015,985 |

At 30 June 2025, the Group was in the process of applying for the building ownership certificates of certain of its buildings with a total carrying amount of HK\$132,320,000 (31 December 2024: HK\$135,234,000). The Directors are of the opinion that the aforesaid matter does not have any significant adverse impact on the Group's financial position as at 30 June 2025.

Notes to Interim Condensed Consolidated Financial Statements

30 June 2025

11. Right-of-use assets

| | Leasehold lands HK\$'000 | Others HK\$'000 | Total HK\$'000 |
|-------------------------------|--------------------------------|--------------------|-------------------|
| At 1 January 2025 (Audited) | 491,894 | 1,491 | 493,385 |
| Additions | 1,231 | 3,578 | 4,809 |
| Depreciation | (7,627) | (2,464) | (10,091) |
| Exchange realignment | 7,545 | 3 | 7,548 |
| At 30 June 2025 (Unaudited) | 493,043 | 2,608 | 495,651 |
| At 1 January 2024 (Audited) | 461,560 | 28,981 | 490,541 |
| Additions | 59,092 | 1,948 | 61,040 |
| Depreciation | (18,256) | (17,213) | (35,469) |
| Impairment | – | (12,058) | (12,058) |
| Exchange realignment | (10,502) | (167) | (10,669) |
| At 31 December 2024 (Audited) | 491,894 | 1,491 | 493,385 |

12. Intangible assets

| | 30 June 2025 HK\$'000 (Unaudited) | 31 December 2024 HK\$'000 (Audited) |
|--|--|--|
| Mining rights and other intangible assets: | | |
| At 1 January 2025/1 January 2024 | 206,907 | 214,033 |
| Additions | – | 111 |
| Amortisation | (1,994) | (1,470) |
| Exchange realignment | 3,178 | (5,767) |
| At 30 June 2025/31 December 2024 | 208,091 | 206,907 |

Notes to Interim Condensed Consolidated Financial Statements

30 June 2025

13. Investments in associates and amounts due from associates

| | 30 June 2025 HK\$'000 (Unaudited) | 31 December 2024 HK\$'000 (Audited) |
|----------------------------------|--|--|
| Share of net assets | 422,509 | 410,586 |
| Less: Impairment | (311,183) | (311,183) |
| At 30 June 2025/31 December 2024 | 111,326 | 99,403 |
| Amounts due from associates | | |
| – Unsecured (note a) | 50,126 | 49,375 |
| – Secured (note b) | 321,086 | 316,196 |
| | 371,212 | 365,571 |
| Less: Impairment | (371,212) | (365,571) |
| | – | – |

Note:

- (a) At 30 June 2025 and 31 December 2024, the unsecured amounts due from associates were repayable either on demand or within one year. Except for the loans to subsidiaries of GMG of HK\$43,422,000 (31 December 2024: HK\$42,773,000) which carried interest at 8% per annum (31 December 2024: 8% per annum), the remaining balance represented other receivable due from Dushan Jinmeng which was non-interest bearing.

At 30 June 2025, expected credit loss ("ECL") allowances of HK\$43,422,000 and HK\$6,704,000 (31 December 2024: HK\$42,773,000 and HK\$6,602,000) were recognised in respect of the unsecured amounts due from GMG and Dushan Jinmeng respectively.

- (b) At 30 June 2025, the secured amount due from an associate, Dushan Jinmeng was repayable on demand. The amount was arising from the settlement of the guarantee liability for a corporate guarantee provided by the Group in respect of bank facilities granted to Dushan Jinmeng. According to the relevant PRC laws, the Group as a guarantor, after assuming the guarantee liability, is entitled to seek recompensation from Dushan Jinmeng and the amount due from Dushan Jinmeng was pledged by Dushan Jinmeng's leasehold land and certain of its property, plant and equipment. The Group can exercise this right over the charge if Dushan Jinmeng does not repay the amount on or before 19 May 2027.

At 30 June 2025, an ECL allowance of HK\$321,086,000 (31 December 2024: HK\$316,196,000) was recognised in respect of the secured amount due from Dushan Jinmeng.

- (c) At 31 December 2024, the Group owned 16.00% equity interest in a limited partnership Qingdao Manganese which was established in the PRC. The Group retained significant influence over this investment as the Group obtained one seat over seven in its management committee, this investment is accounted for as an associate under the equity method.

On 27 March 2025, upon the agreement of all shareholders, one of the shareholder with 6.21% equity interest in Qindao Manganese withdrew from this partnership (the "First Withdrawal") and the equity interest held by the Group in Qindao Manganese increased from 16.00% to 17.05%. After the First Withdrawal, the Group retained significant influence over this investment as the Group obtained one seat over three in its management committee, this investment continued to account for as an associate under the equity method.

On 30 June 2025, upon the agreement of all shareholders, another shareholder with 75.10% equity interest in Qindao Manganese withdrew from this partnership (the "Second Withdrawal") and the equity interest held by the Group in Qindao Manganese further increased from 17.05% to 68.49%. After the Second Withdrawal, the Group retained significant influence over this investment as the Group obtained one seat over three in its management committee, this investment continued to account for as an associate under the equity method.

Notes to Interim Condensed Consolidated Financial Statements

30 June 2025

14. Deferred tax assets and liabilities

The movements in deferred tax assets and liabilities of the Group during the reporting period are as follows:

Deferred tax assets

| | Impairment of financial assets and others HK\$'000 | Losses available for offsetting against future taxable profits HK\$'000 | Total HK\$'000 |
|--|---|---|-------------------|
| At 1 January 2025 (Audited) | 52,059 | 32,720 | 84,779 |
| Deferred tax credited to profit or loss during the period (note 7) | 2,460 | – | 2,460 |
| Exchange realignment | 845 | 490 | 1,335 |
| At 30 June 2025 (Unaudited) | 55,364 | 33,210 | 88,574 |

Deferred tax liabilities

| | Fair value adjustments arising from acquisition of subsidiaries HK\$'000 | Withholding taxes HK\$'000 | Fair value adjustments on investment properties HK\$'000 | Depreciation allowances in excess of related depreciation and others HK\$'000 | Total HK\$'000 |
|--|---|----------------------------------|--|---|-------------------|
| At 1 January 2025 (Audited) | 69,554 | 82,447 | 10,316 | 103,083 | 265,400 |
| Deferred tax charged/(credited) to profit or loss during the period (note 7) | (837) | 3,771 | – | (7,983) | (5,049) |
| Exchange realignment | 1,048 | – | 160 | 1,541 | 2,749 |
| At 30 June 2025 (Unaudited) | 69,765 | 86,218 | 10,476 | 96,641 | 263,100 |

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

| | 30 June 2025 HK\$'000 (Unaudited) | 31 December 2024 HK\$'000 (Audited) |
|---|--|--|
| Net deferred tax assets recognised in the consolidated statement of financial position | 44,178 | 40,962 |
| Net deferred tax liabilities recognised in the consolidated statement of financial position | (218,704) | (221,583) |
| | (174,526) | (180,621) |

Notes to Interim Condensed Consolidated Financial Statements

30 June 2025

15. Inventories

| | 30 June 2025 HK\$'000 (Unaudited) | 31 December 2024 HK\$'000 (Audited) |
|---------------------------|--|--|
| Raw materials | 457,942 | 468,450 |
| Work in progress | 21,199 | 37,553 |
| Finished goods | 330,018 | 596,331 |
| | 809,159 | 1,102,334 |
| Less: Inventory provision | (58,880) | (101,627) |
| | 750,279 | 1,000,707 |

16. Trade and notes receivables

| | 30 June 2025 HK\$'000 (Unaudited) | 31 December 2024 HK\$'000 (Audited) |
|----------------------------|--|--|
| Trade receivables | 811,092 | 847,879 |
| Less: Impairment provision | (273,780) | (269,719) |
| | 537,312 | 578,160 |
| Notes receivable | 106,199 | 369,006 |
| | 643,511 | 947,166 |

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment is required either in advance or upon delivery. Credit periods allowed are determined according to relevant business practice and the relevant type of goods and generally are in the range of one month to three months from the invoice date and cash realisation may be further extended by three to six months for those customers paying by bank acceptance notes. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed and followed up regularly by senior management.

At 30 June 2025, the net trade receivables related to a large number of diversified customers.

The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

Notes to Interim Condensed Consolidated Financial Statements

30 June 2025

16. Trade and notes receivables (continued)

An ageing analysis of the trade receivables of the Group as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

| | 30 June 2025 HK\$'000 (Unaudited) | 31 December 2024 HK\$'000 (Audited) |
|---------------------|--|--|
| Within one month | 244,708 | 253,245 |
| One to two months | 73,811 | 149,377 |
| Two to three months | 89,508 | 80,613 |
| Over three months | 129,285 | 94,925 |
| | 537,312 | 578,160 |

Notes receivable represents bank acceptance notes issued by banks in Mainland China maturing within six months from the end of the reporting period.

Transferred financial assets that are derecognised in their entirety

At 30 June 2025, the Group endorsed certain notes receivable accepted by banks in Mainland China (the “**Derecognised Notes**”) to certain of its suppliers in order to settle mainly the trade payables due to such suppliers with a carrying amount in aggregate of RMB1,135,550,000 (equivalent to HK\$1,245,244,000) (31 December 2024: RMB725,708,000, equivalent to HK\$783,692,000). The Derecognised Notes had a maturity of one to six months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Notes have a right of recourse against the Group if the PRC banks default (the “**Continuing Involvement**”). In the opinion of the Directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Notes. Accordingly, it has derecognised the full carrying amounts of the Derecognised Notes and the associated trade payables. The maximum exposure to loss from the Group’s Continuing Involvement in the Derecognised Notes and the undiscounted cash flows to repurchase these Derecognised Notes equal to their carrying amounts. In the opinion of the Directors, the fair values of the Group’s Continuing Involvement in the Derecognised Notes are not significant.

During the six months ended 30 June 2025 and 30 June 2024, the Group did not recognise any gain or loss on the date of transfer of the Derecognised Notes. No gains or losses were recognised from the Continuing Involvement, both during the period or cumulatively. The endorsement has been made evenly throughout the period.

Notes to Interim Condensed Consolidated Financial Statements

30 June 2025

16. Trade and notes receivables (continued)

The movements in the loss allowances for impairment of trade receivables are as follows:

| | 30 June 2025 HK\$'000 (Unaudited) | 31 December 2024 HK\$'000 (Audited) |
|-------------------------------------|--|--|
| At 1 January 2025/1 January 2024 | 269,719 | 267,877 |
| Impairment losses, net | 486 | 5,238 |
| Amount written off as uncollectible | – | (2,704) |
| Exchange realignment | 3,575 | (692) |
| At 30 June 2025/31 December 2024 | 273,780 | 269,719 |

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses for trade receivables. The provision rates are based on ageing information for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

Impairment under HKFRS 9

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

At 30 June 2025

| | Ageing | | | | Total |
|-----------------------------------|---------------------|-----------------|-----------------|-----------------|---------|
| | Less than 1 year | 1 to 2 years | 2 to 3 years | Over 3 years | |
| Expected credit loss rate | 3.2% | 14.3% | 28.1% | 100.0% | 33.8% |
| Gross carrying amount (HK\$'000) | 525,498 | 29,401 | 4,965 | 251,228 | 811,092 |
| Expected credit losses (HK\$'000) | 17,029 | 4,191 | 1,395 | 251,165 | 273,780 |

At 31 December 2024

| | Ageing | | | | Total |
|-----------------------------------|---------------------|-----------------|-----------------|-----------------|---------|
| | Less than 1 year | 1 to 2 years | 2 to 3 years | Over 3 years | |
| Expected credit loss rate | 2.7% | 5.4% | 48.9% | 99.8% | 31.8% |
| Gross carrying amount (HK\$'000) | 586,259 | 4,176 | 6,655 | 250,789 | 847,879 |
| Expected credit losses (HK\$'000) | 16,038 | 224 | 3,254 | 250,203 | 269,719 |

Notes to Interim Condensed Consolidated Financial Statements

30 June 2025

17. Prepayments, other receivables and other assets

Non-current portion

| | 30 June 2025 HK\$'000 (Unaudited) | 31 December 2024 HK\$'000 (Audited) |
|-------------|--|--|
| Prepayments | 30,923 | 98,620 |
| Deposits | 15,191 | 15,554 |
| | 46,114 | 114,174 |

Current portion

| | 30 June 2025 HK\$'000 (Unaudited) | 31 December 2024 HK\$'000 (Audited) |
|--------------------------------|--|--|
| Prepayments | 870,686 | 915,905 |
| Deposits and other receivables | 446,855 | 324,135 |
| | 1,317,541 | 1,240,040 |
| Less: Impairment provision | (189,446) | (177,910) |
| | 1,128,095 | 1,062,130 |

Notes to Interim Condensed Consolidated Financial Statements

30 June 2025

18. Cash and cash equivalents, restricted deposits and pledged deposits

| | 30 June 2025 HK\$'000 (Unaudited) | 31 December 2024 HK\$'000 (Audited) |
|---|--|--|
| Cash and bank balances | 953,509 | 712,585 |
| Less: Restricted deposits in relation to litigations | (53,924) | (27,835) |
| Less: Pledged deposits | | |
| – pledged for notes payables | (163,807) | (232,094) |
| – pledged for bank borrowings | (11,076) | (50,327) |
| | (174,883) | (282,421) |
| Cash and cash equivalents as stated in the consolidated statements of financial position and cash flows | 724,702 | 402,329 |

At 30 June 2025, cash and bank balances of the Group denominated in RMB amounting to HK\$789,048,000 (31 December 2024: HK\$655,587,000) were deposited with banks in Mainland China. RMB is not freely convertible in the PRC into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

19. Trade and notes payables

An ageing analysis of the trade and notes payables as at the end of the reporting period, based on the invoice date of trade payables and the issue date of notes, is as follows:

| | 30 June 2025 HK\$'000 (Unaudited) | 31 December 2024 HK\$'000 (Audited) |
|---------------------|--|--|
| Within one month | 209,862 | 501,529 |
| One to two months | 117,277 | 118,681 |
| Two to three months | 110,258 | 1,288 |
| Over three months | 519,564 | 586,402 |
| | 956,961 | 1,207,900 |

Trade payables are non-interest-bearing and are normally settled on 60-day terms.

Notes to Interim Condensed Consolidated Financial Statements

30 June 2025

20. Other payables and accruals

| | 30 June 2025 HK\$'000 (Unaudited) | 31 December 2024 HK\$'000 (Audited) |
|----------------------|--|--|
| Contract liabilities | 296,836 | 367,036 |
| Other payables | 579,152 | 554,399 |
| Accruals | 292,798 | 291,788 |
| | 1,168,786 | 1,213,223 |

Contract liabilities represent short-term advances received from customers to deliver products. Other payables are non-interest-bearing and have an average term of three months.

21. Interest-bearing bank and other borrowings

| | 30 June 2025 | | | 31 December 2024 | | |
|---|-----------------------------------|-----------|-------------------------|-----------------------------------|-----------|-----------------------|
| | Effective interest rate (%) | Maturity | HK\$'000 (Unaudited) | Effective interest rate (%) | Maturity | HK\$'000 (Audited) |
| Current | | | | | | |
| Lease liabilities (note (a)) (note 22) | 2.74-5.80 | 2025-2026 | 151,992 | 3.09-5.80 | 2025 | 210,108 |
| Bank loans – secured (note (a)) | 2.98-8.25 | 2025-2026 | 55,332 | 3.51-8.25 | 2025 | 201,415 |
| Bank loans – unsecured | 2.20-4.50 | 2025-2026 | 1,879,902 | 1.05-4.50 | 2025 | 2,035,265 |
| Current portion of long-term bank loans – secured (note (a)) | 4.00-6.30 | 2025-2026 | 239,826 | 4.00-6.30 | 2025 | 214,036 |
| Current portion of long-term bank loans – unsecured | 3.30-4.50 | 2025-2026 | 410,085 | 4.15-4.50 | 2025 | 249,252 |
| | | | 2,737,137 | | | 2,910,076 |
| Non-current | | | | | | |
| Lease liabilities (note (a)) (note 22) | 2.74-5.42 | 2026-2028 | 193,474 | 3.09-5.42 | 2026-2028 | 216,206 |
| Bank loans – secured (note (a)) | 4.00-6.80 | 2027 | 357,711 | 4.00-6.30 | 2027 | 458,957 |
| Bank loans – unsecured | 4.30-4.50 | 2026-2027 | 305,907 | 3.70-4.50 | 2026-2027 | 360,341 |
| | | | 857,092 | | | 1,035,504 |
| | | | 3,594,229 | | | 3,945,580 |

Notes to Interim Condensed Consolidated Financial Statements

30 June 2025

21. Interest-bearing bank and other borrowings (continued)

| | 30 June 2025 HK\$'000 (Unaudited) | 31 December 2024 HK\$'000 (Audited) |
|--|--|--|
| Analysed into: | | |
| Bank loans repayable: | | |
| Within one year or on demand | 2,585,145 | 2,699,968 |
| In the second year | 445,439 | 48,488 |
| In the third to fifth years, inclusive | 218,179 | 770,810 |
| | 3,248,763 | 3,519,266 |
| Lease liabilities: | | |
| Within one year | 151,992 | 210,108 |
| In the second year | 126,483 | 180,849 |
| In the third to fifth years, inclusive | 66,991 | 35,357 |
| | 345,466 | 426,314 |
| | 3,594,229 | 3,945,580 |

Note:

- (a) The lease liabilities and secured bank loans were secured by certain of the Group's assets with the following carrying values:

| | 30 June 2025 HK\$'000 (Unaudited) | 31 December 2024 HK\$'000 (Audited) |
|-------------------------------|--|--|
| Property, plant and equipment | 720,675 | 744,600 |
| Leasehold land | 79,458 | 79,556 |
| Trade receivables | 44,750 | 44,115 |
| Pledged deposits | 11,076 | 50,327 |
| | 855,959 | 918,598 |

- (b) The carrying amounts of the Group's bank and other borrowings are denominated in the following currencies:

| | 30 June 2025 HK\$'000 (Unaudited) | 31 December 2024 HK\$'000 (Audited) |
|------|--|--|
| RMB | 3,590,274 | 3,944,082 |
| USD | 2,185 | 429 |
| HK\$ | 1,770 | 1,069 |
| | 3,594,229 | 3,945,580 |

Notes to Interim Condensed Consolidated Financial Statements

30 June 2025

22. Lease liabilities

The carrying amount of lease liabilities (included under interest-bearing bank and other borrowings) and the movements during the period are as follows:

| | 30 June 2025 HK\$'000 (Unaudited) | 31 December 2024 HK\$'000 (Audited) |
|--|--|--|
| Carrying amount at 1 January 2025/1 January 2024 | 426,314 | 228,009 |
| New leases | 47,053 | 440,468 |
| Accretion of interest recognised | 8,836 | 20,949 |
| Payments | (142,478) | (255,196) |
| Exchange realignment | 5,741 | (7,916) |
| Carrying amount at 30 June 2025/31 December 2024 | 345,466 | 426,314 |
| Analysed into: | | |
| Current portion | 151,992 | 210,108 |
| Non-current portion | 193,474 | 216,206 |
| | 345,466 | 426,314 |

23. Deferred income

| | 30 June 2025 HK\$'000 (Unaudited) | 31 December 2024 HK\$'000 (Audited) |
|----------------------------------|--|--|
| At 1 January 2025/1 January 2024 | 42,867 | 45,036 |
| Additions | 7,043 | 7,963 |
| Amortisation | (4,068) | (9,188) |
| Exchange realignment | 691 | (944) |
| At 30 June 2025/31 December 2024 | 46,533 | 42,867 |

Deferred income represents the receipt of government grants for constructions of certain equipment, which has been credited as a non-current liability on the interim condensed consolidated statement of financial position. Such deferred income is amortised on the straight-line basis to profit or loss over the expected useful lives of the relevant assets acquired.

Notes to Interim Condensed Consolidated Financial Statements

30 June 2025

24. Share capital

The following is a summary of the authorised share capital and the issued share capital of the Company:

| | 30 June 2025 HK\$'000 (Unaudited) | 31 December 2024 HK\$'000 (Audited) |
|---|--|--|
| Issued and fully paid: | | |
| 4,114,150,800 (31 December 2024: 3,428,459,000) ordinary shares of HK\$0.10 each | 411,415 | 342,846 |

A summary of the movements in the issued share capital of the Company is as follows:

| | Note | Number of shares issued | Nominal value of shares issued HK\$ |
|--|------|----------------------------|---|
| At 1 January 2024, 31 December 2024 and 1 January 2025 | | 3,428,459,000 | 342,845,900 |
| Shares issued | (a) | 685,691,800 | 68,569,180 |
| At 30 June 2025 | | 4,114,150,800 | 411,415,080 |

Note:

- (a) On 11 April 2025, the Company and Prudential Brokerage Limited (the "Placing Agent") entered into a placing agreement in respect of the placing of 685,691,800 ordinary shares at a price of HK\$0.21 per share under general mandate (the "First Placing"). The First Placing was completed on 2 May 2025. The net proceeds from the First Placing, after deduction of the commission and other expenses, amounted to approximately HK\$140.97 million. Details of the First Placing were disclosed in announcements of the Company dated 11 April 2025 and 2 May 2025.

Notes to Interim Condensed Consolidated Financial Statements

30 June 2025

25. Reserves

The amounts of the Group's reserves and the movements therein are presented in the interim condensed consolidated statement of changes in equity.

| | Note | 30 June 2025 HK\$'000 (Unaudited) | 31 December 2024 HK\$'000 (Audited) |
|--|----------|--|--|
| Share premium | | 72,434 | - |
| Contributed surplus | | 2,461,249 | 2,461,249 |
| Fair value reserve of financial assets at FVTOCI | | (600) | (591) |
| Reserve funds | (a), (b) | 330,326 | 313,958 |
| Exchange fluctuation reserve | | (181,450) | (219,970) |
| Capital redemption reserve | | 312 | 312 |
| Investment related reserve | | 2,051 | 2,051 |
| Accumulated losses | | (381,917) | (538,245) |
| | | 2,302,405 | 2,018,764 |

Note:

- (a) In accordance with the Company Law of the PRC, each of the subsidiaries of the Company that was registered in the PRC is required to:
- (i) appropriate 10% of the annual statutory profit after tax (after offsetting any prior years' losses), determined in accordance with PRC GAAP, to the statutory reserve until the balance of the reserve funds reaches 50% of the entity's registered capital. The statutory reserve can be utilized to offset prior years' losses, or to increase capital, provided the remaining balance of the statutory reserve is not less than 25% of the registered capital; and
 - (ii) pursuant to the relevant regulation in the PRC, provide for the safety fund based on the volume of ore excavated and the turnover of ferroalloy in prior years. The safety fund can only be transferred to retained profits to offset safety related expenses as and when they are incurred, including expenses related to safety protection facilities and equipment improvement and maintenance as well as safety production inspection, appraisal, consultation and training.
- (b) A subsidiary of the Company registered in Gabon maintains re-investment fund and assets replacement fund, which are allocated from retained profits in accordance with the Mining Code of Gabon. These funds are designated mainly for future capital expenditures of its mining operations.

Notes to Interim Condensed Consolidated Financial Statements

30 June 2025

26. Commitments

(a) The Group as a lessor

The Group leases its investment properties and certain of its plant and machinery under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the period was HK\$5,976,000 (2024: HK\$9,279,000), details of which are included in note 4 to the financial statements.

At 30 June 2025, the total undiscounted minimum lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

| | 30 June 2025 HK\$'000 (Unaudited) | 31 December 2024 HK\$'000 (Audited) |
|--------------------|--|--|
| Within one year | 8,308 | 10,383 |
| In the second year | 1,226 | 2,114 |
| In the third year | 428 | 584 |
| In the fourth year | 347 | 274 |
| In the fifth year | 77 | 92 |
| | 10,386 | 13,447 |

(b) Capital commitments of the Group

| | 30 June 2025 HK\$'000 (Unaudited) | 31 December 2024 HK\$'000 (Audited) |
|---|--|--|
| Capital expenditure in respect of: | | |
| – Acquisition of items of property, plant and equipment | 239,483 | 125,362 |
| – Capital contribution payable to associates | 87,399 | 32,073 |
| | 326,882 | 157,435 |

Notes to Interim Condensed Consolidated Financial Statements

30 June 2025

27. Related party balances and transactions

Guangxi Dameng, a shareholder of the Company, exercises significant influence over the Group. Therefore, Guangxi Dameng and its subsidiaries are considered to be related parties of the Group.

- (a) In addition to the transactions detailed elsewhere in the interim condensed consolidated financial statements, the Group had the following transactions with related parties during the period:

| | Notes | Six months ended 30 June | |
|---|-------|---------------------------------|---------------------------------|
| | | 2025 HK\$'000 (Unaudited) | 2024 HK\$'000 (Unaudited) |
| Sale of finished good to associates | (i) | 188,988 | 104,448 |
| Sale of finished goods to Guangxi Dameng | (i) | 94,139 | - |
| Purchase of finished goods from Guangxi Dameng | (i) | 63,139 | 2,164 |
| Purchase of equipment from a subsidiary of Guangxi Dameng | (i) | - | 4,850 |
| Purchase of finished goods from associates | (i) | 1,053 | - |
| Maximum balance of loans to an associate | (ii) | 43,422 | 43,690 |

Notes:

- (i) These sales and purchases were made at prices based on the mutual agreements between the parties.
- (ii) Loans to an associate carried interest at 8% per annum and is repayable on demand.

Notes to Interim Condensed Consolidated Financial Statements

30 June 2025

27. Related party balances and transactions (continued)

(b) Outstanding balances with related parties

| | 30 June 2025 HK\$'000 (Unaudited) | 31 December 2024 HK\$'000 (Audited) |
|---|--|--|
| i) Due from related companies Trade receivables | 17,548 | – |
| ii) Due to related companies Other payables | 3,961 | 5,152 |
| iii) Due from associates Loans to and advances due from associates, net of impairment (note 13) | – | – |
| iv) Trade receivables due from associates included in trade and notes receivables | 14,906 | – |
| v) Trade payables due to associates included in trade and notes payables | 37,844 | 32,116 |
| vi) Receipts in advance from associates included in other payables and accruals | 14,906 | 64,794 |

The Group's trade receivables from related companies and associates pertain to goods sold in the ordinary course of business. The amounts are unsecured and non-interest-bearing.

Other payables to the Group's related companies are non-interest-bearing and have no fixed terms of repayment.

Trade payables to associates pertain to goods purchased from the associates in the ordinary course of business. The amounts are unsecured and non-interest bearing.

Receipts in advance from associates pertain to goods to be provided to the associates in the ordinary course of business. The amounts are unsecured and non-interest bearing.

(c) Compensation of key management personnel of the Group

| | Six months ended 30 June 2025 HK\$'000 (Unaudited) | 2024 HK\$'000 (Unaudited) |
|---|---|---------------------------------|
| Short-term employee benefits | 14,597 | 11,905 |
| Retirement benefit costs | 617 | 212 |
| Total compensation paid to key management personnel | 15,214 | 12,117 |

Notes to Interim Condensed Consolidated Financial Statements

30 June 2025

28. Fair value and fair value hierarchy of financial instruments

The Group's management is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the management analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of notes receivable measured at FVTOCI and interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for notes receivable and interest-bearing bank and other borrowings as at 30 June 2025 were assessed to be insignificant.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments.

Assets and liabilities measured at fair value:

| | Fair value measurement using | | | |
|-------------------------|--|--|--|-------------------|
| | quoted prices in active markets (Level 1) HK\$'000 | significant observable inputs (Level 2) HK\$'000 | significant unobservable inputs (Level 3) HK\$'000 | Total HK\$'000 |
| 30 June 2025 | | | | |
| Assets: | | | | |
| Notes receivable | – | 106,199 | – | 106,199 |
| 31 December 2024 | | | | |
| Assets: | | | | |
| Notes receivable | – | 369,006 | – | 369,006 |

During the six months ended 30 June 2025 and year ended 31 December 2024, there were no transfers of fair value measurement between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

Excepted as disclosed above, management has assessed that the fair values of the Group's financial instruments approximate to their carrying amounts.

Notes to Interim Condensed Consolidated Financial Statements

30 June 2025

29. Events after the reporting period

Placing of new shares under general mandate

On 8 July 2025, the Company and the Placing Agent entered into a placing agreement in respect of the placing of 822,830,160 ordinary shares at a price of HK\$0.224 per share under general mandate (the **"Second Placing"**). The Second Placing was completed on 28 July 2025. The net proceeds from the Second Placing, after deduction of the commission and other expenses, amounted to approximately HK\$180.44 million. Details of the Second Placing were disclosed in announcements of the Company dated 8 July 2025, 15 July 2025 and 28 July 2025.

30. Approval of the interim condensed consolidated financial statements

These interim condensed consolidated financial statements were approved and authorised for issue by the Board of Directors on 15 August 2025.

Management Discussion and Analysis

Financial Review

| | 1H 2025 HK\$'000 | 1H 2024 HK\$'000 |
|--|---------------------|---------------------|
| Revenue | 2,912,419 | 5,733,287 |
| Gross profit | 553,116 | 282,068 |
| Gross profit margin | 19.0% | 4.9% |
| Operating profit/(loss) | 207,033 | (10,360) |
| Impairment losses on financial assets, net | (486) | (100,810) |
| Share of profits and losses of associates | 10,290 | (24,505) |
| Profit/(Loss) before tax | 216,837 | (135,675) |
| Income tax expense | (35,588) | (41,859) |
| Profit/(Loss) for the period | 181,249 | (177,534) |
| Profit/(Loss) for the period attributable to owners of the Company | 172,696 | (162,783) |
| Profit/(Loss) for the period attributable to non-controlling interests | 8,553 | (14,751) |
| | 181,249 | (177,534) |

Financial Highlights

- Revenue amounted to HK\$2,912.4 million for 1H 2025, representing a decrease of 49.2% from HK\$5,733.3 million of 1H 2024.
- Gross profit amounted to HK\$553.1 million for 1H 2025, representing an increase of 96.1% from HK\$282.1 million of 1H 2024. Gross profit margin was 19.0% for 1H 2025, representing an increase of 14.1 percentage points from 4.9% for 1H 2024.
- Operating profit amounted to HK\$207.0 million for 1H 2025 (1H 2024: loss of HK\$10.4 million).
- For 1H 2025, impairment losses on financial assets, net, decreased to HK\$0.5 million (1H 2024: HK\$100.8 million).
- Profit attributable to owners of the Company amounted to HK\$172.7 million for 1H 2025 (1H 2024: loss of HK\$162.8 million).

Overview

The global economy delivered modest growth in 1H 2025, with mixed performance across key regions. The United States maintained steady expansion, driven by resilient consumer demand, while the Eurozone underperformed due to subdued economic activity and restrictive monetary conditions. China's recovery remained uneven, with persistent weakness in the property sector dampening growth. Inflationary trends moderated as energy prices stabilised, though geopolitical risks continued to disrupt supply chains. Overall, growth diverged, with advanced economies outperforming several developing markets amid ongoing structural headwinds.

Management Discussion and Analysis

Steel sector is our major downstream industry, with its demand for our EMM Products largely arising from consumptions within China. In 1H 2025, China's economy faced ongoing property sector challenges and subdued domestic demand. Due to the continued stagnant consumption for steels, average selling price of our EMM Products for 1H 2025 remained stable at HK\$12,722 per tonne (1H 2024: HK\$12,366 per tonne). Gross profit margin of EMM Products was maintained at 12.9% for 1H 2025 (1H 2024: 12.2%) and the gross profit contribution of EMM Products remained stable at HK\$131.2 million for 1H 2025 (1H 2024: HK\$128.7 million).

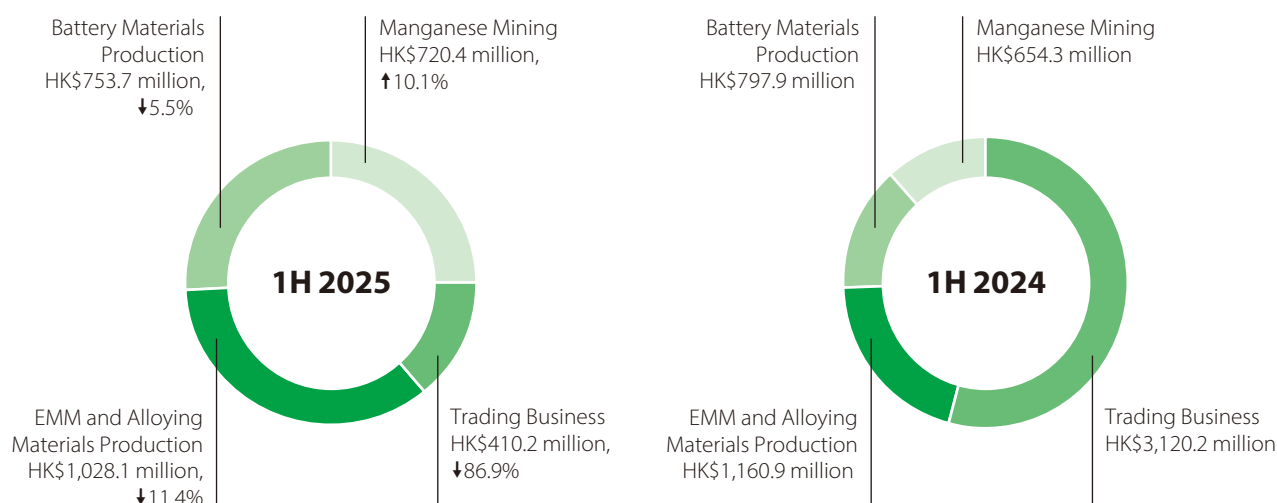
In 1H 2025, our production of battery materials including EMD continued to achieve satisfying results with a growth in sales volume which was mainly driven by the demands for battery material products. In the meantime, the Group also continued to enjoy the costs advantage from our internal supply of manganese ores from our Gabon Bembélé Manganese Mine and strengthened cost control measures. In the long term, the Group will continue to focus on seizing market share, securing raw materials supplies, strengthening product research and development, further upgrading our EMD production plants and expanding our production to other battery material products. For 1H 2025, the average selling price of EMD was relatively stable at HK\$14,869 per tonne (1H 2024: HK\$15,245 per tonne), gross profit margin of EMD was kept up at 43.1% for 1H 2025 (1H 2024: 42.0%) and the gross profit contribution of EMD recorded an increase of 8.3% to HK\$267.9 million for 1H 2025 (1H 2024: HK\$247.5 million).

In 1H 2025, the Group successfully achieved a turnaround of our trading business which was mainly attributable to the conscientious optimisation of trade product mix and adjustment of sales strategies during the period. As a result, despite the significant decrease in revenue from trading business, gross profit margin of trading business for 1H 2025 turned around to 16.7% (1H 2024: -6.8%) and the gross profit contribution of trading business amounted to HK\$68.3 million for 1H 2025 (1H 2024: gross loss of HK\$211.1 million).

In summary, mainly due to the turnaround from gross loss to gross profit for trading business, the Group's operating profit for 1H 2025 amounted to HK\$207.0 million (1H 2024: loss of HK\$10.4 million). Earnings before interest, taxes, depreciation and amortisation ("EBITDA") for 1H 2025 increased by 281.8% to HK\$494.6 million (1H 2024: HK\$129.6 million) and the profit attributable to owners of the Company in 1H 2025 was HK\$172.7 million (1H 2024: loss of HK\$162.8 million) as an impairment loss on amount due from Dushan Jinmeng of HK\$108.7 million was recognised in 1H 2024.

Comparison with six months ended 30 June 2024

Revenue by segment



For 1H 2025, the Group's revenue was HK\$2,912.4 million (1H 2024: HK\$5,733.3 million), representing a decrease of 49.2% as compared with 1H 2024. The decrease was mainly due to decrease in sales revenue from trading business.

Management Discussion and Analysis

Manganese mining segment

| | Sales Volume (tonnes) | Average Selling Price (HK\$/tonne) | Revenue (HK\$'000) | Unit Cost of Sales (HK\$/tonne) | Cost of Sales (HK\$'000) | Gross Profit (HK\$'000) | Gross Profit Margin (%) |
|--|-----------------------------|--|-----------------------|---------------------------------------|--------------------------------|----------------------------|-------------------------------|
| Six months ended 30 June 2025 | | | | | | | |
| Gabon ore | 757,191 | 837 | 633,419 | 735 | 556,870 | 76,549 | 12.1 |
| Manganese concentrate | 208,801 | 358 | 74,647 | 348 | 72,639 | 2,008 | 2.7 |
| Natural discharging manganese powder and sand | 5,452 | 2,265 | 12,347 | 493 | 2,687 | 9,660 | 78.2 |
| Total | 971,444 | 742 | 720,413 | 651 | 632,196 | 88,217 | 12.2 |
| Six months ended 30 June 2024 | | | | | | | |
| Gabon ore | 760,414 | 778 | 591,426 | 650 | 493,922 | 97,504 | 16.5 |
| Manganese concentrate | 137,747 | 348 | 47,999 | 331 | 45,556 | 2,443 | 5.1 |
| Natural discharging manganese powder and sand | 6,240 | 2,380 | 14,853 | 599 | 3,738 | 11,115 | 74.8 |
| Total | 904,401 | 723 | 654,278 | 601 | 543,216 | 111,062 | 17.0 |

For 1H 2025, revenue of manganese mining segment increased by 10.1% to HK\$720.4 million (1H 2024: HK\$654.3 million) primarily due to (i) increase in average selling price of Gabon ore in response to increase in unit costs as a result of the higher domestic costs in Gabon; and (ii) increase in sales volume of manganese concentrate mainly attributable to the demands from downstream producers.

As a result of the increase in unit costs of Gabon ore, gross profit of manganese mining segment decreased by 20.6% to HK\$88.2 million for 1H 2025 (1H 2024: HK\$111.1 million). For 1H 2025, the manganese mining segment recorded a segment profit of HK\$31.6 million (1H 2024: HK\$80.3 million), representing a decrease of 60.6%.

Management Discussion and Analysis

EMM and alloying materials production segment

| | Sales Volume (tonnes) | Average Selling Price (HK\$/tonne) | Revenue (HK\$'000) | Unit Cost of Sales (HK\$/tonne) | Cost of Sales (HK\$'000) | Gross Profit (HK\$'000) | Gross Profit Margin (%) |
|--------------------------------------|-----------------------------|--|-----------------------|---------------------------------------|--------------------------------|-------------------------------|----------------------------------|
| Six months ended 30 June 2025 | | | | | | | |
| EMM | 70,804 | 12,777 | 904,671 | 11,029 | 780,929 | 123,742 | 13.7 |
| Manganese briquette | 9,203 | 12,297 | 113,170 | 11,486 | 105,708 | 7,462 | 6.6 |
| | 80,007 | 12,722 | 1,017,841 | 11,082 | 886,637 | 131,204 | 12.9 |
| Alloy Products | – | – | – | – | – | – | – |
| Others | 39,289 | 261 | 10,266 | 179 | 7,043 | 3,223 | 31.4 |
| Total | 119,296 | 8,618 | 1,028,107 | 7,491 | 893,680 | 134,427 | 13.1 |
| Six months ended 30 June 2024 | | | | | | | |
| EMM | 80,815 | 12,373 | 999,892 | 10,837 | 875,814 | 124,078 | 12.4 |
| Manganese briquette | 4,603 | 12,249 | 56,384 | 11,254 | 51,801 | 4,583 | 8.1 |
| | 85,418 | 12,366 | 1,056,276 | 10,860 | 927,615 | 128,661 | 12.2 |
| Alloy Products | 12,356 | 6,982 | 86,269 | 6,461 | 79,826 | 6,443 | 7.5 |
| Others | 28,896 | 634 | 18,314 | 512 | 14,801 | 3,513 | 19.2 |
| Total | 126,670 | 9,164 | 1,160,859 | 8,070 | 1,022,242 | 138,617 | 11.9 |

Revenue of EMM and alloying materials production segment decreased by 11.4% to HK\$1,028.1 million for 1H 2025 (1H 2024: HK\$1,160.9 million) mainly attributable to the followings:

- EMM Products continued to be one of our major products in terms of revenue. Average selling price of EMM Products remained stable at HK\$12,722 per tonne for 1H 2025 (1H 2024: HK\$12,366 per tonne), while sales volume of EMM Products decreased by 6.3% to 80,007 tonnes for 1H 2025 (1H 2024: 85,418 tonnes).
- there was no revenue of Alloy Products for 1H 2025 as production has been halted since 2024.

As a result of the above, overall gross profit of EMM and alloying materials production segment slightly decreased by 3.0% to HK\$134.4 million for 1H 2025 (1H 2024: HK\$138.6 million) while its overall gross profit margin increased to 13.1% for 1H 2025 (1H 2024: 11.9%). The EMM and alloying materials product segment recorded a segment profit of HK\$38.9 million for 1H 2025 (1H 2024: loss of HK\$50.7 million).

Management Discussion and Analysis

Battery materials production segment

| | Sales Volume (tonnes) | Average Selling Price (HK\$/tonne) | Revenue (HK\$'000) | Unit Cost of Sales (HK\$/tonne) | Cost of Sales (HK\$'000) | Gross Profit/(Loss) (HK\$'000) | Gross Profit/ (Loss) Margin (%) |
|--------------------------------------|-----------------------------|--|-----------------------|---------------------------------------|--------------------------------|--------------------------------------|---|
| Six months ended 30 June 2025 | | | | | | | |
| EMD | 41,770 | 14,869 | 621,085 | 8,456 | 353,212 | 267,873 | 43.1 |
| Manganese sulfate | 23,242 | 2,998 | 69,669 | 3,158 | 73,395 | (3,726) | (5.3) |
| Lithium manganese oxide | 1,546 | 30,161 | 46,629 | 32,242 | 49,846 | (3,217) | (6.9) |
| NCM | - | - | - | - | - | - | - |
| Trimanganese tetraoxide | 1,348 | 12,073 | 16,274 | 11,177 | 15,066 | 1,208 | 7.4 |
| Total | 67,906 | 11,099 | 753,657 | 7,238 | 491,519 | 262,138 | 34.8 |
| Six months ended 30 June 2024 | | | | | | | |
| EMD | 38,637 | 15,245 | 589,002 | 8,840 | 341,550 | 247,452 | 42.0 |
| Manganese sulfate | 22,118 | 3,069 | 67,873 | 3,164 | 69,982 | (2,109) | (3.1) |
| Lithium manganese oxide | 3,743 | 36,623 | 137,080 | 37,127 | 138,968 | (1,888) | (1.4) |
| NCM | 0.4 | 72,500 | 29 | 57,500 | 23 | 6 | 20.7 |
| Trimanganese tetraoxide | 318 | 12,421 | 3,950 | 12,374 | 3,935 | 15 | 0.4 |
| Total | 64,816 | 12,311 | 797,934 | 8,554 | 554,458 | 243,476 | 30.5 |

For 1H 2025, revenue of battery materials production segment decreased by 5.5% to HK\$753.7 million (1H 2024: HK\$797.9 million) mainly attributable to the followings:

- EMD continued to be our major battery material product. Average selling price of EMD for 1H 2025 remained stable at HK\$14,869 per tonne (1H 2024: HK\$15,245 per tonne) and the sales volume of EMD for 1H 2025 increased by 8.1% to 41,770 tonnes (1H 2024: 38,637 tonnes), resulting in the increases in revenue and gross profit of EMD.
- For 1H 2025, the average selling price of lithium manganese oxide decreased by 17.6% to HK\$30,161 per tonne (1H 2024: HK\$36,623 per tonne) and sales volume decreased by 58.7% to 1,546 tonnes (1H 2024: 3,743 tonnes), resulting in a decrease in revenue and increase in gross loss of lithium manganese oxide.

As a result of the above and the decrease in unit costs through comprehensive cost control on production, procurement, tendering and operations, overall gross profit of battery materials production segment increased by 7.7% to HK\$262.1 million for 1H 2025 (1H 2024: HK\$243.5 million) and increase in overall gross profit margin to 34.8% for 1H 2025 (1H 2024: 30.5%). The battery materials production segment recorded a segment profit of HK\$206.2 million for 1H 2025 (1H 2024: HK\$194.0 million), representing an increase of 6.3%.

Management Discussion and Analysis

Other business segment

| | Revenue (HK\$'000) | Cost of Sales (HK\$'000) | Gross Profit/(Loss) (HK\$'000) | Gross Profit/ (Loss) Margin (%) |
|--------------------------------------|-----------------------|--------------------------------|--------------------------------------|---------------------------------------|
| Six months ended 30 June 2025 | | | | |
| Trading | 410,242 | 341,908 | 68,334 | 16.7 |
| Six months ended 30 June 2024 | | | | |
| Trading | 3,120,216 | 3,331,303 | (211,087) | (6.8) |

For 1H 2025, revenue of other business segment decreased to HK\$410.2 million (1H 2024: HK\$3,120.2 million), representing a decrease of 86.9%, whereas its gross profit margin turned around to 16.7% (1H 2024: -6.8%) with a gross profit amounted to HK\$68.3 million (1H 2024: gross loss of HK\$211.1 million). These were primarily attributable to the Group's conscientious optimisation of trade product mix and adjustment of sales strategies for trading business in 1H 2025.

Cost of Sales

Total cost of sales decreased by 56.7% to HK\$2,359.3 million for 1H 2025 (1H 2024: HK\$5,451.2 million) in line with decrease of revenue.

Gross Profit

For 1H 2025, the Group recorded a gross profit of HK\$553.1 million (1H 2024: HK\$282.1 million), which represented an increase of HK\$271.0 million from 1H 2024, or 96.1%. The Group's overall gross profit margin was 19.0% for 1H 2025, representing an increase of 14.1 percentage points from 4.9% for 1H 2024. The improvement of overall gross profit margin was mainly driven by the turnaround of the Group's trading business from gross loss for 1H 2024 to gross profit for 1H 2025.

Other Income and Gains

Other income and gains decreased by 36.3% to HK\$42.9 million for 1H 2025 (1H 2024: HK\$67.4 million) mainly due to decrease in subsidy income.

Selling and Distribution Expenses

The Group's selling and distribution expenses for 1H 2025 decreased by 47.3% to HK\$35.1 million (1H 2024: HK\$66.7 million) in line with decrease in revenue.

Administrative Expenses

Administrative expenses remained stable at HK\$242.5 million for 1H 2025 (1H 2024: HK\$239.8 million).

Impairment Losses on Financial Assets, Net

The amount for 1H 2024 mainly represented impairment allowance on amount due from our 33.00%-owned associate Dushan Jinmeng of HK\$108.7 million arising from the settlement of guarantee liability for a corporate guarantee provided by the Group in respect of banking facilities granted to Dushan Jinmeng.

Finance Costs

For 1H 2025, the Group's finance costs were HK\$79.4 million (1H 2024: HK\$47.7 million), representing an increase of 66.6% which was mainly attributable to the recognition of a reversal of accrued interest amounted to HK\$60.3 million on social insurance contribution payables for 1H 2024.

Management Discussion and Analysis

Other Expenses

Other expenses of HK\$32.0 million for 1H 2025 (1H 2024: HK\$5.7 million) mainly represented foreign exchange differences, net.

Share of Profits and Losses of Associates

For 1H 2025, share of profits of associates of HK\$10.3 million (1H 2024: losses of HK\$24.5 million) mainly represented share of profits of Qingdao Manganese.

Income Tax Expense

For 1H 2025, the effective tax rate was 16.4% (1H 2024: -30.9%) which was generally in line with the relevant statutory preferential corporate income tax rates.

Profit Attributable to Owners of the Company

For 1H 2025, the Group's profit attributable to owners of the Company was HK\$172.7 million (1H 2024: loss of HK\$162.8 million).

Earnings per Share

For 1H 2025, earnings per share attributable to owners of the Company was HK\$0.0473 (1H 2024: HK\$-0.0475).

Interim Dividend

The Board does not recommend the payment of any interim dividend for 1H 2025 (1H 2024: Nil).

Liquidity and Financial Resources Cash and Bank Balances

As at 30 June 2025, the currency denomination of the Group's cash and bank balances including restricted deposits and pledged deposits are as follows:

| Currency denomination | 30 June 2025 HK\$ million | 31 December 2024 HK\$ million |
|-----------------------|---------------------------------|-------------------------------------|
| Denominated in: | | |
| RMB | 819.8 | 655.9 |
| HKD | 1.7 | 3.3 |
| USD | 129.8 | 48.9 |
| XAF | 1.8 | 4.4 |
| EUR | 0.4 | 0.1 |
| | 953.5 | 712.6 |

As at 30 June 2025, our cash and bank balances including restricted deposits and pledged deposits were HK\$953.5 million (31 December 2024: HK\$712.6 million) while the Group's borrowings amounted to HK\$3,594.2 million (31 December 2024: HK\$3,945.6 million). The Group's borrowings net of cash and bank balances amounted to HK\$2,640.7 million (31 December 2024: HK\$3,233.0 million).

To manage liquidity risk, the Group continues to monitor current and expected liquidity requirements to secure sufficient balance of cash in the short and long terms as well as facilities from banks and financial institutions.

Management Discussion and Analysis

Other major changes in working capital

As at 30 June 2025, trade and notes receivables of the Group decreased by HK\$303.7 million to HK\$643.5 million (31 December 2024: HK\$947.2 million) in line with decrease of revenue.

Net Current Liabilities

As at 30 June 2025, the Group's net current liabilities decreased to HK\$1,389.2 million (31 December 2024: HK\$1,659.4 million).

Bank and Other Borrowings

As at 30 June 2025, the Group's borrowing structure and maturity profile are as follows:

| Borrowing structure | 30 June 2025 HK\$ million | 31 December 2024 HK\$ million |
|--|--|--|
| Secured borrowings (including lease liabilities) | 998.3 | 1,300.7 |
| Unsecured borrowings | 2,595.9 | 2,644.9 |
| | 3,594.2 | 3,945.6 |

| Maturity profile | 30 June 2025 HK\$ million | 31 December 2024 HK\$ million |
|--|--|--|
| Repayable: | | |
| Within one year or on demand | 2,737.1 | 2,910.1 |
| In the second year | 571.9 | 229.3 |
| In the third to fifth years, inclusive | 285.2 | 806.2 |
| | 3,594.2 | 3,945.6 |

| Currency denomination | 30 June 2025 HK\$ million | 31 December 2024 HK\$ million |
|------------------------------|--|--|
| Denominated in: | | |
| RMB | 3,590.3 | 3,944.1 |
| USD | 2.2 | 0.4 |
| HK\$ | 1.7 | 1.1 |
| | 3,594.2 | 3,945.6 |

As at 30 June 2025, borrowings as to the amounts of HK\$3,419.2 million (31 December 2024: HK\$3,719.1 million) and HK\$175.0 million (31 December 2024: HK\$226.5 million), carry fixed and floating rate interest respectively. The fixed rate borrowings carry interest at rates ranging from 2.20% to 8.25%. The floating rate borrowings comprise RMB denominated loans that carry interest up to a premium up to 45 basis points above the China Loan Prime Rate.

Overall, aggregate borrowings decreased to HK\$3,594.2 million as at 30 June 2025 (31 December 2024: HK\$3,945.6 million). The Group continues to explore various means including short-term or medium-term notes and more long-term bank loans to improve borrowing structure in terms of interest rate level and repayment terms. The Group will also implement the debt reduction proposal approved by the shareholders of the Company at the special general meeting held on 9 July 2025.

Management Discussion and Analysis

Charge on Group Assets

As at 30 June 2025, (a) right-of-use assets of HK\$2.6 million (31 December 2024: HK\$1.5 million) related to property, plant and equipment were held under leases; (b) bank balances of HK\$174.9 million (31 December 2024: HK\$282.4 million) were pledged to secure certain of the Group's bank acceptance notes payable and bank borrowings; (c) property, plant and equipment and leasehold lands of HK\$800.1 million (31 December 2024: HK\$824.2 million) and trade receivables of HK\$44.8 million (31 December 2024: HK\$44.1 million) were pledged to secure certain of the Group's bank and other borrowings; and (d) bank balances of HK\$53.9 million (31 December 2024: HK\$27.8 million) were restricted to secure certain potential claims from disputes with customers.

Key Financial Ratios of the Group

| Maturity profile | 30 June 2025 | 31 December 2024 |
|-------------------|-----------------|---------------------|
| Current ratio | 0.72 | 0.69 |
| Quick ratio | 0.56 | 0.51 |
| Net gearing ratio | 97.3% | 136.9% |

Current ratio = balance of current assets at the end of the period/balance of current liabilities at the end of the period

Quick ratio = (balance of current assets at the end of the period – balance of inventories at the end of the period)/balance of current liabilities at the end of the period

Net gearing ratio = Calculated as net debt divided by equity attributable to owners of the Company. Net debt is defined as the sum of interest-bearing bank and other borrowings less cash and cash equivalents, restricted deposits and pledged deposits

As at 30 June 2025, current ratio, quick ratio and net gearing ratio of the Group improved as compared to those as at 31 December 2024, mainly as a result of the better operating results for 1H 2025, increase in cash and cash equivalents and the reduction of debts with the proceeds from the placing of new Shares under general mandate completed on 2 May 2025 ("**First Placing**").

Liquidity risk and going concern basis

The Group monitors its risk to a shortage of funds on an on-going basis by closely monitoring the maturity of both its financial instruments and financial assets and projected cash flows from operations. The Group's objective is to maintain sufficient working capital to finance its operations and meet its financial obligation as and when they fall due. At the same time, the Group will strive a balance between continuity of funding and flexibility through the use of short-term and long-term bank loans, finance leases, other interest-bearing borrowings and short-term and medium-term notes, taking also into account of the different pricing of various financing for each alternatives. Due consideration will also be given to equity financing alternatives.

In preparing the interim condensed consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that the Group's current liabilities exceeded its current assets by HK\$1,389.2 million as at 30 June 2025. Subsequent to the end of the reporting period, the Group has successfully renewed or obtained new bank loans of HK\$131.6 million during the period from 1 July 2025 up to 15 August 2025. On 28 July 2025, the Company has also completed the placing of 822,830,160 new Shares under general mandate and raised net proceeds of approximately HK\$180.44 million which will be utilised for repayment of the Group's outstanding bank borrowings. The directors of the Company, after taking into account of internally generated funds from its operations, successful renewals of bank loans and completion of equity fundraisings during the period and after the reporting date, are of the opinion that, the Group has sufficient working capital for its present requirements for the next twelve months from the end of the reporting period. Accordingly, the interim condensed consolidated financial statements have been prepared on a going concern basis.

Management Discussion and Analysis

Credit Risk

The Group endeavoured to maintain strict control over its outstanding receivables to minimise credit risk. Credit periods allowed are determined according to relevant business practice and the relevant type of goods and generally are in the range of one to three months from the invoice date and cash realization may be further extended by three to six months for those customers paying by bank acceptance notes. Overdue balances are regularly reviewed by senior management. Since the Group's trade and notes receivables related to a large number of diversified customers, there was no significant concentration of credit risk save for a customer described below. The Group normally did not hold any collateral or other credit enhancements over its trade and notes receivable balances.

As at 30 June 2025, the customer with the largest balance of trade and notes receivables of the Group was a customer together with its subsidiaries ("**Customer A**") which is principally engaged in manganese ferroalloy production and manganese ore trading in China. At 30 June 2025, trade receivables due from Customer A was HK\$232.0 million (31 December 2024: HK\$232.0 million) and represented 28.6% (31 December 2024: 27.4%) of the Group's total trade receivables, which was totally overdue and fully provided as at 30 June 2025 and 31 December 2024. The Group continues to negotiate a repayment schedule with Customer A and will take further legal actions when necessary to speed up the collections of the debts.

As at 30 June 2025, the fully impaired amount due from Dushan Jinmeng of HK\$321.1 million was arising from the settlement of guarantee liability in 2024 for a corporate guarantee provided by the Group on banking facilities granted to Dushan Jinmeng since 2015. Dushan Jinmeng's leasehold land and certain of its property, plant and equipment was pledged to the Group to secure the repayment and this right over charge will be exercisable if Duhan Jinmeng does not repay the amount on or before 19 May 2027.

Interest rate risk

We are exposed to interest rate risk resulting from fluctuations in interest rates on our floating rate debt. Floating interest rates are subject to interest rate changes in the China Loan Prime Rate. If the China Loan Prime Rate increases, our finance costs will increase. In addition, to the extent that we may need to raise debt financing or roll over our short-term loans in the future, any upward fluctuations in interest rates will increase the costs of new debt obligations.

Foreign exchange risk

The Group's operations are primarily in Hong Kong, China and Gabon. Foreign exchange risks for operations in each location are set out below.

- (a) In respect of our trading operations in Hong Kong, our sales and purchases are both denominated in United States dollars. In addition, Hong Kong dollars is pegged to United States dollars and hence foreign exchange risk is minimal.
- (b) In respect of our mining and downstream operations in the PRC, our products are sold to local customers in RMB and to a less extent to overseas customers in United States dollars. Major expenses of our PRC operations are denominated in RMB. Our PRC operations face minimal foreign exchange risks except for the followings:

The Group imported manganese ores from overseas suppliers which are denominated in United States dollars to cope with its production of alloy materials and trading purpose. In addition, certain of our purchases was financed by bank borrowings denominated in United States dollars. In order to contain the foreign currency risk in association with such purchases, the Group may enter into forward currency contracts for selected major purchases at the time of entering into the relevant purchase contracts or loan contracts to secure against exchange rate movements.

- (c) In respect of our Gabon operation, our income is substantially denominated in RMB and United States dollars and all major local operating expenses are denominated in RMB and XAF, which is pegged to EURO, while the freight charges are denominated in United States dollars.

Management Discussion and Analysis

Use of Proceeds

(a) Use of Proceeds from IPO

Up to 30 June 2025, we utilised the net proceeds raised from the IPO in accordance with the designated uses set out in the Prospectus as follows:

| Description | Amount designated in Prospectus (HK\$ Million) | Amount utilised up to 30 June 2025 (HK\$ Million) | % utilised | Amount utilised up to 31 December 2024 (HK\$ Million) | % utilised |
|--|--|---|------------|---|------------|
| 1 Expansion project at Daxin EMD Plant | 79 | 79 | 100.0 | 79 | 100.0 |
| 2 Expansion project of underground mining and ore processing at Daxin Mine | 278 | 278 | 100.0 | 278 | 100.0 |
| 3 Expansion and construction projects of our EMM production facilities | 516 | 516 | 100.0 | 516 | 100.0 |
| 4 Construction project at Chongzuo Base | 59 | 59 | 100.0 | 59 | 100.0 |
| 5 Development of Bembélé Manganese Mine and associated facilities | 119 | 119 | 100.0 | 119 | 100.0 |
| 6 Technological improvement and renovation projects at our production facilities | 40 | 40 | 100.0 | 40 | 100.0 |
| 7 Acquisition of mines and mining rights | 397 | 336 | 84.6 | 322 | 81.1 |
| 8 Repayment on a portion of our bank borrowings | 297 | 297 | 100.0 | 297 | 100.0 |
| 9 Working capital and other corporate purposes | 198 | 198 | 100.0 | 198 | 100.0 |
| Total | 1,983 | 1,922 | 96.9 | 1,908 | 96.2 |

As at 30 June 2025, proceeds from IPO designated for acquisition of mines and mining rights to the extent of HK\$61 million was not yet utilised. According to the Prospectus, the proceeds shall be used for the acquisition of mines, mining rights in relation to mines with identified mining resources or related production facilities. During 1H 2025, HK\$13.7 million was utilised and paid to the PRC government to extend the mining rights of Changgou Manganese Mine, Daxin Mine and Tiandeng Mine. The unutilised proportion of IPO proceeds of HK\$61 million is expected to be fully utilised during or before the year ending 31 December 2032. The unutilised portion of IPO proceeds continues to be maintained in deposits with licensed banks.

Management Discussion and Analysis

(b) Use of Proceeds from the First Placing

On 2 May 2025, an aggregate of 685,691,800 new Shares was issued at a price of HK\$0.21 per Share to one placee, Mr. Cheung Ming, pursuant to the placing agreement (the “**First Placing Agreement**”) dated 11 April 2025, representing approximately 16.67% of the enlarged issued share capital of the Company immediately following the First Placing. The aggregate nominal value of the 685,691,800 new Shares was HK\$68,569,180. The placing price of HK\$0.21 per Share represented (i) a discount of approximately 13.58% to the closing price of HK\$0.243 per Share as quoted on the Stock Exchange on 11 April 2025, being the date of the First Placing Agreement; and (ii) a discount of approximately 18.79% to the average closing price of HK\$0.2586 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately preceding the date of the First Placing Agreement. The net price per share for the subscription after deducting related costs and expenses is approximately HK\$0.2056 per Share and the net proceeds raised from the First Placing were HK\$140.97 million.

Up to 30 June 2025, we utilised the net proceeds from the First Placing in accordance with the designated uses set out in the announcement of the Company dated 11 April 2025 as follows:

| Description | | Amount designated for intended purposes (HK\$ Million) | Amount utilised up to 30 June 2025 (HK\$ Million) | % utilised (%) |
|-------------|---|--|---|----------------|
| 1 | Repayment of outstanding liabilities of the Group | 133.92 | 133.92 | 100.0 |
| 2 | General working capital of the Company | 7.05 | 3.52 | 49.9 |
| Total | | 140.97 | 137.44 | 97.5 |

Business Model and Strategy

The Group strives to be the global leading one stop and vertical integrated manganese producer while maintaining the Group’s long term profitability and assets growth with adoption of flexible business model and strategy and prudent risk and capital management framework. We intend to adopt and implement the following strategies to achieve our objective:

- (a) expand and upgrade our manganese resources and reserves through exploration and enhance our strategic control of manganese resources and reserves through mergers and acquisitions;
- (b) enhance our operational efficiency and profitability; and
- (c) establish and consolidate our strategic relationships with selected major customers and industry leading partners.

Future Development and Outlook

In 1H 2025, the reciprocal tariffs imposed by the United States disrupted capital markets and weighed on global economic activity. Although the impacts have gradually eased, the uncertainties cannot be easily shaken off. Looking ahead, despite persistent global uncertainties, our major market, China, is poised to outperform the rest of the world. It has proliferated broad-based economic stimulus policies, aimed at spurring domestic consumption, are likely to accelerate demand for high-purity manganese products such as EMM and EMD.

We will continue to monitor these developments closely and adjust our strategies in line with evolving market conditions. With our refined management, disciplined production process and strong customer and supplier relationships, we are well positioned to navigate the remainder of the year and pursue opportunities that support sustainable, long-term value creation.

Environmental, Social and Governance Report

We always adhere to the concept of sustainable development including using scientific design and taking advanced, reasonable and effective measures to exploit mine resources scientifically, orderly, and reasonably. While becoming bigger and stronger in the industry, we always maintain the harmony between man and nature, demonstrate a new image of a good and responsible mining company.

Now we have around 5,200 employees in Hong Kong, Guangxi, Guizhou, China and Gabon, Africa. In addition to continue our long-term goal to provide quality products to our valuable clients in an environmental friendly manner, we are also keen to establish a quality operation system, to protect the safety and health of our employees and also to provide contribution to the surrounding community in which we have businesses.

Materiality

The Group has been publishing the Environmental, Social and Governance (“ESG”) report in its interim report and annual report. This report has been approved by the Board and set out in the Company’s interim report. As part of the preparation for compiling this report, we undertake a preliminary review of the material topics that have affected and continue to affect our business, and our actions to address them. This report concentrated on the sustainability topics which we consider of interest to our key stakeholders, which include national and regional government, community members, our workforce and business partners.

A matter is considered to be material if, in the view of the Board and senior management, it is of such importance that it will, or potentially could, in the short, medium or long term:

- have a significant influence on, or is of particular attention to, our stakeholders; or
- substantively impact our ability to meet our strategic objectives.

Once identified, each material issue is given a priority level based on the level of concern shown by stakeholders, as well as its actual and/or potential impact on the business. The issues which we identified as being material are in the following four aspects, in no order of priority:

- Safety Production and Labour Protection;
- Energy Savings and Environmental Protection;
- Quality Operation System Establishment, Employment Training and Growth; and
- Social Contribution, Living Environment and Culture Development.

The Group attaches great importance to ESG management and incorporates it into the Company’s management process. The Board assumes full responsibility for the Group’s ESG strategy and reporting and is responsible for assessing and determining the Group’s ESG-related risks and ensuring appropriate and effective ESG risk management and proper implementation of the internal monitoring system.

The Group attaches great importance to the communication with stakeholders, by disseminating the Company’s ESG concepts and practices through raises channels, understanding the concerns of stakeholders and taking action to meet their reasonable expectations and demands.

Basis of preparation

Unless otherwise stated, the basis for preparation of this report is same as the past years. The data in this report, covers companies, assets and projects in which we have operational control (where we have full authority to implement our operating policies), but does not cover our associated companies.

Environmental, Social and Governance Report

Basis of preparation (continued)

A summary of our key performance indicators in the aforesaid four critical areas during the six months ended 30 June 2025 is set out in the following table:

| Critical Areas | Key performance indicators | Six months ended 30 June | | |
|--|---|--------------------------|-----------|-----------|
| | | 2025 | 2024 | 2023 |
| Safety Production and Labour Protection | Number of Fatalities (Note 1) | 0 | 0 | 0 |
| | Number of Injuries | 1 | 0 | 0 |
| | Number of Lost Days Caused by Injuries (Note 2) | 29 | 0 | 0 |
| | | | | |
| Energy Savings and Environmental Protection | Total Electricity Consumption (MWh) (Note 3) | 1,049,646 | 769,696 | 951,691 |
| | (i) Electricity Intensity of EMM (kWh per tonne) (Note 4) | 6,870 | 6,570 | 6,300 |
| | (ii) Electricity Intensity of EMD (kWh per tonne) (Note 5) | 1,929 | 2,330 | 1,953 |
| | (iii) Electricity Intensity of silicomanganese alloy (kWh per tonne) (Note 6) | – | 4,178 | 4,202 |
| | Total Water Consumption (Tonnes) (Note 7) | 2,050,691 | 2,865,271 | 2,690,309 |
| | (i) Water Intensity of EMM (m ³ per tonne) (Note 8) | 2.81 | 2.03 | 2.73 |
| | (ii) Water Intensity of EMD (m ³ per tonne) (Note 9) | 9.09 | 9.29 | 11.03 |
| | (iii) Water Intensity of silicomanganese alloy (m ³ per tonne) (Note 10) | – | 4.81 | 3.44 |
| | Exhaust Gas Emission (Tonnes) (Note 11) | – | 5 | 24 |
| | Greenhouse Gas Emission (Tonnes) (Note 12) | – | 19,619 | 78,478 |
| | Waste Slag Volume (Tonnes) | 906,302 | 907,505 | 1,191,361 |
| | Non-hazardous Waste Produced (Tonnes) (Note 13) | 412,762 | 532,485 | 460,065 |
| | Total Packaging Material Used for Finished Products Number | 269,090 | 195,748 | 613,132 |
| | | | | |
| | | | | |
| | | | | |
| Quality Operation System Establishment, Employment Training and Growth | Number of Suppliers | 212 | 603 | 484 |
| | Number of Complaint against our Products | 0 | 0 | 1 |
| | Number of Complaints and/or Legal Cases regarding Corrupt Practices | 0 | 0 | 0 |
| | Number of Employees | 5,218 | 6,029 | 6,861 |
| | Female Ratio (percentage) | 26.4 | 28.1 | 29.0 |
| Social Contribution, Living Environment and Culture Development | Donation (HKD) | | | |
| | | 65,000 | 348,000 | 379,500 |

Environmental, Social and Governance Report

Basis of preparation (continued)

Notes:

1. Fatality is the death of an employee as a result of an occupational illness/injury/disease incident in the course of employment.
2. An occupational illness/injury/disease sustained by an employee causing him/her to miss one scheduled workday/shift or more after the day of the injury.
3. The figures include the total electricity consumption for all the EMM, EMD and silicomanganese alloy processing plants.
4. The figures include the consolidated average electricity usage (kWh) per EMM (tonne) for our EMM production by our EMM plants.
5. The figures include the average electricity usage (kWh) per EMD (tonne) for EMD production by our EMD plants.
6. The figures include the average electricity usage (kWh) per silicomanganese alloy (tonne) for our silicomanganese alloy production by our silicomanganese alloy plants. For the six months ended 30 June 2025, there were no relevant figures as our silicomanganese alloy plants were in the state of shutdown.
7. The figures include the total water consumption for the EMM, EMD and silicomanganese alloy processing plants.
8. The figures include the consolidated average water usage (m3) per EMM (tonne) for our EMM production by our EMM plants.
9. The figures include the average water usage (m3) per EMD (tonne) for our EMD production by our EMD plants.
10. The figures include the average water usage (m3) per silicomanganese alloy (tonne) for our silicomanganese alloy production by our silicomanganese alloy plants. For the six months ended 30 June 2025, there were no relevant figures as our silicomanganese alloy plants were in the state of shutdown.
11. The figures include the exhaust gas emissions for Qinzhou Ferroalloy Plant and Xingyi Ferroalloy Plant. For the six months ended 30 June 2025, there were no relevant figures as both Qinzhou Ferroalloy Plant and Xingyi Ferroalloy Plant were in the state of shutdown.
12. The figures include the greenhouse gas emission for Qinzhou Ferroalloy Plant and Xingyi Ferroalloy Plant. For the six months ended 30 June 2025, there were no relevant figures as both Qinzhou Ferroalloy Plant and Xingyi Ferroalloy Plant were in the state of shutdown.
13. The figures include the tailings produced by Daxin Mine, Tiandeng Mine, Changgou Manganese Mine and Bembélé Manganese Mine during the six months ended 30 June 2025. Since Waifu Manganese Mine has not come into formal mining production, therefore no tailings were produced in Waifu Manganese Mine during the six months ended 30 June 2025.

Environmental, Social and Governance Report

1. Safety Production and Labour Protection

Safety production and labour protection are our top priority. We insist on safety production and continue to strengthen the safety awareness of our workers.

During the six months ended 30 June 2025, our major measures are as follows:

(1) Strict Implementation of the Establishment and Execution of the Safety Production System:

In China, we continued to strictly implement the “Six Major Safety Systems” in our Daxin Mine, Tiandeng Mine and Changgou Manganese Mine.

(2) Strict Implementation of Safety Production Responsibility System:

We continued to strictly implement the safety production responsibility system, requiring each of our production units to endorse and implement the production safety responsibility commitments, which are also part of the appraisals for our employees, so as to ensure our safety system is in place.

(3) Establishment of Safety Production Standardisation System:

In China, we continued to reinforce our efforts on production safety standardisation for metallurgical and non coal enterprises, including, inter alia, the followings:

- (i) Daxin Branch maintained the qualification for second level safety standardization in respect of EMM plants and EMD plants;
- (ii) Chongzuo Branch maintained the qualification for second level safety standardization; and
- (iii) Qinzhou Ferroalloy Plant maintained the qualification for the second level safety standardization.

(4) Safety Education and Training, Reinforcement of Production Safety Concept to our employees:

In China, we continued to reinforce the production safety concept to our employees, including, inter alia, the following:

- (i) We conducted diversified safety publicity, education and training;
- (ii) We commenced “Safety Production Month” activities, safety knowledge trainings, safety knowledge competition and first aid rescue etc. series of activities regarding safety production; and
- (iii) We investigated the remaining problems, actively implemented rectifications, and strengthened supervision and inspection.

Environmental, Social and Governance Report

1. Safety Production and Labor Protection (continued)

(5) Strict Compliance with Labour Standards:

Our employment policies strictly followed the prevailing laws and regulations regarding the compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

We prohibited the employment of child, forced or compulsory labour in any of our operations. During the six months ended 30 June 2025, we did not identify any operation or supplier as having significant risk of child labour, young workers exposed to hazardous work, or forced or compulsory labour.

(6) Continuous Investment to the Safety Measures:

We committed to invest in our safety measures for labor protection, including protection accessories, dust prevention and noise removal facilities. During the six months ended 30 June 2025, we have conducted a review in respect of our workplaces regarding the existing adverse effect of occupational diseases and occupational diseases testing and enhanced the protection equipments with those dangerous positions so as to protect the health of our employees.

We strongly believe that our carefully designed safety production system, thoroughly implemented and continuous reassessment, can provide sufficient protection to protect the health and safety of our employees.

As a result of our continuous stringent control in respect of the production safety, we continued to keep relatively low fatalities and the number of injuries in respect of our employees continued to remain at a relatively low level.

Set out below is a summary of the fatalities, number of injuries, fatality rate and loss of days caused by injuries during the six months ended 30 June 2025:

| Number of Fatalities (by Location) | Six months ended 30 June | | |
|------------------------------------|--------------------------|------|------|
| | 2025 | 2024 | 2023 |
| Hong Kong | 0 | 0 | 0 |
| Mainland China | 0 | 0 | 0 |
| Gabon | 0 | 0 | 0 |
| Total | 0 | 0 | 0 |

| Number of Injuries (by Location) | Six months ended 30 June | | |
|----------------------------------|--------------------------|------|------|
| | 2025 | 2024 | 2023 |
| Hong Kong | 0 | 0 | 0 |
| Mainland China | 1 | 0 | 0 |
| Gabon | 0 | 0 | 0 |
| Total | 1 | 0 | 0 |

Environmental, Social and Governance Report

1. Safety Production and Labor Protection (continued)

| Fatality Rate (%) (by Location) | Six months ended 30 June | | |
|---------------------------------|--------------------------|------|------|
| | 2025 | 2024 | 2023 |
| Hong Kong | 0 | 0 | 0 |
| Mainland China | 0 | 0 | 0 |
| Gabon | 0 | 0 | 0 |
| Total | 0 | 0 | 0 |

| Number of Lost Days Caused by Injuries (by Location) | Six months ended 30 June | | |
|--|--------------------------|------|------|
| | 2025 | 2024 | 2023 |
| Hong Kong | 0 | 0 | 0 |
| Mainland China | 29 | 0 | 0 |
| Gabon | 0 | 0 | 0 |
| Total | 29 | 0 | 0 |

We maintained low number of lost days caused by injuries during the six months ended 30 June 2025 due to our efforts in the enhancement of safety production measures.

We will continue to the training towards our workers and actively implemented and reinforced our production safety measures, in order to protect the safety and health of our employees.

Compliance with Safety Production Rules and Regulations and Labour Standards

During the six months ended 30 June 2025, we continued to strictly follow all the prevailing laws and regulations regarding safety production and labour standards in Hong Kong, Mainland China and Gabon. To the best of our information and knowledge, there are no material non-compliance with the prevailing laws and regulations regarding safety production and labour standards by the Group during the six months ended 30 June 2025.

2. Energy Savings and Environmental Protection

Strict Supervision of Resource Consumption

Our electricity are provided by the local electricity companies or generated by our electricity generators. Our water are either extracted from the rivers or provided by the water supplies authority of the local regions which we operate. The supply of electricity and water are fit for our operation or production purposes and are provided in a stable and effective manner.

We continued to strictly monitor our resources consumption on an ongoing basis and take effective measures to increase energy efficiency. The electricity consumption and water consumption (including electricity and water intensity) are our top priorities. During the six months ended 30 June 2025, we collected the figures for total electricity consumption and water consumption for all the EMM, EMD and silicomanganese alloy processing plants. For the six months ended 30 June 2025, there were no relevant figures as our silicomanganese alloy plants were in the state of shutdown. Details are set out in the following table:

| | Six months ended 30 June | | |
|---|--------------------------|-----------|-----------|
| | 2025 | 2024 | 2023 |
| Electricity Consumption (MWh) | 1,049,646 | 769,696 | 951,691 |
| (i) Electricity Intensity of EMM (kWh per tonne) | 6,870 | 6,570 | 6,300 |
| (ii) Electricity Intensity of EMD (kWh per tonne) | 1,929 | 2,330 | 1,953 |
| (iii) Electricity Intensity of silicomanganese alloy (kWh per tonne) | – | 4,178 | 4,202 |
| Water Consumption (Tonnes) | 2,050,691 | 2,865,271 | 2,690,309 |
| (i) Water Intensity of EMM (m ³ per tonne) | 2.81 | 2.03 | 2.73 |
| (ii) Water Intensity of EMD (m ³ per tonne) | 9.09 | 9.29 | 11.03 |
| (iii) Water Intensity of silicomanganese alloy (m ³ per tonne) | – | 4.81 | 3.44 |

Environmental, Social and Governance Report

2. Energy Savings and Environmental Protection (continued)

Reduction of Waste Production

Waste is a by-product during the process of our production operation. Due to the different operation processes in our mining and downstream production, different types of waste are generated. Throughout the whole production process from our upstream mining up to downstream operations, the biggest volume of hazardous wastes generated are greenhouse gas, waste water, and waste slag while the biggest volume of non-hazardous wastes generated are tailings. Beyond that, the volume of solid and liquid waste we generate is small and the risk of significant environmental spills or leakages is low. We are committed to reducing our various kinds of waste production through technical innovation, so as to reduce their impact on the natural environment.

(1) Exhaust Gas and Greenhouse Gas Emissions

The exhaust gas and greenhouse gas emissions are mainly caused during the silicomanganese alloy production by Qinzhou Ferroalloy Plant and Xingyi Ferroalloy Plant. Beyond that, the exhaust gas and greenhouse gas emissions by our other segment of business is relatively not significant and therefore we have not taken into account. We improved the production technology, reduced energy consumption and continuously and regularly detected exhaust gas and greenhouse gas emissions, so as to reduce the total amount of exhaust gas and greenhouse gas emissions and its impact on the natural environment, and meet the environmental impact assessment implementation standards. Details of our exhaust gas and greenhouse gas emissions are set out as follows:

| | Six months ended 30 June | | |
|--------------------------------|--------------------------|--------|--------|
| | 2025 | 2024 | 2023 |
| Exhaust Gas | | | |
| Nitrogen oxides (NOx) (Tonnes) | – | 4 | 17 |
| Sulfur oxides (SOx) (Tonnes) | – | 1 | 7 |
| Total Amount (Tonnes) | – | 5 | 24 |
| Greenhouse Gas | | | |
| Scope 1 emissions (Tonnes) | – | 18,170 | 72,681 |
| Scope 2 emissions (Tonnes) | – | 1,449 | 5,797 |
| Total Amount (Tonnes) | – | 19,619 | 78,478 |

For the six months ended 30 June 2025, there were no relevant figures as both Qinzhou Ferroalloy Plant and Xingyi Ferroalloy Plant were in the state of shutdown.

(2) Waste Water

Water is mainly used for our upstream mining operation and downstream EMM and EMD production. The largest volume of water we withdraw from water bodies is used for grinding of our manganese ores and electrolysis process of our EMM and EMD. However, the majority of the water is discharged back to their sources after appropriate treatment in accordance with local environmental laws and regulations to ensure no adverse environmental impact is introduced. Depending on site-specific conditions, operational situations and age, some of these were introduced in the design stage, and some were initiated after production.

Environmental, Social and Governance Report

2. Energy Savings and Environmental Protection (continued)

Reduction of Waste Production (continued)

(3) *Waste Slag*

Waste slags are by products of our various downstream productions. We are committed to reducing our waste slag emissions by strict monitoring and management to ensure such waste slags are processed with proper treatments before disposal. Details of our waste slags are set out as follows:

| | Six months ended 30 June | | |
|------------------------------|--------------------------|---------|-----------|
| | 2025 | 2024 | 2023 |
| Waste Slags Volumes (Tonnes) | 906,302 | 907,505 | 1,191,361 |

(4) *Non-hazardous Wastes-Tailings*

Tailings are produced during the ore processing process of our upstream mining operation. All these tailings are non hazardous and are directed into our designated tailings dams and tailings storage facilities and when full, replantation will be carried out thereof in order to restore their original ecological structure. Details of tailings produced are set out as follows:

| | Six months ended 30 June | | |
|------------------------------|--------------------------|---------|---------|
| | 2025 | 2024 | 2023 |
| Tailings Production (Tonnes) | 412,762 | 532,485 | 460,065 |

(5) *Packaging Materials used for our finished products*

Packaging bags are used to contain our finished products in accordance with the need of our customers. Details of our packaging bags used are set out as follows:

| | Six months ended 30 June | | |
|----------------|--------------------------|---------|---------|
| | 2025 | 2024 | 2023 |
| Packaging bags | 269,090 | 195,748 | 613,132 |

We will continue to monitor the environmental effect in respect of our production, continuing to reduce our waste production, so as to minimise the impact on the surrounding ecosystem.

Environmental Regulation: Compliance and Beyond

In China, the implementation of rules and regulations such as 2008-2015 National Mineral Resources Plan, Guangxi Zhuang Autonomous Region Green and Harmonious Mines Construction Management Rules (Trial Version), Guangxi Zhuang Autonomous Region Green and Harmonious Mines Construction Implementation Program and National Land Remediation Plan (2016-2020), have enhanced the green mine constructions regulations and requirements regarding the legal operation, comprehensive utilization, environmental protection, land reclamation, etc. for the mining companies including the Group.

In Gabon, the local government also enhanced the rules and requirements regarding the environmental protection matters.

Environmental, Social and Governance Report

2. Energy Savings and Environmental Protection (continued)

Environmental Regulation: Compliance and Beyond (continued)

Notwithstanding that, during the six months ended 30 June 2025, we continued our investment in environmental protection measures in compliance with the relevant rules and regulations. We have not breached any environmental rules or regulations which resulted in material fines or prosecutions. We believe that rule compliance is only the minimum standard – we treat it as the floor to our environmental performance. We are committed to the responsible management of both the short and long-term impacts of our business on the environment. This commitment goes beyond compliance and applies to all stages of our business – from planning, building, operation, maintenance to the decommissioning of our facilities and equipment.

Energy Savings and Reduction: Continuous Research and Implementation

By strengthening our management method, improving our production facilities and streamlining our production process, we continued our research upon and implement various energy savings and reduction measures. During the six months ended 30 June 2025, we have implemented the following measures:

- (1) Our upstream mining business:
 - (i) We continued to optimize production layout, ensure raw material supply and improve the mining methods, thereby reducing the mining costs;
 - (ii) Through technical improvement, we fully tap the potential of equipment, improve production efficiency and achieve energy saving; and
 - (iii) We are actively building green mines and promoting intelligent upgrades.
- (2) Our downstream business:
 - (i) EMM business:
 - (a) We improved the metal recovery rate during our EMM production process, thereby reducing the unit consumption rate; and
 - (b) We carried out safety rectification works in respect of safety and environmental risks for our EMM plants, thereby preventing the happening of safety and environmental accidents;
 - (ii) EMD business:
 - (a) We effectively reduced the rinsing times during our EMD production process, and used the recycled rinse water in a systematic manner, thereby reducing the energy consumption; and
 - (b) We increased the chemical leaching efficiency to ensure our quality of electrolysis.

Environmental, Social and Governance Report

3. Quality Operation System Establishment, Employment Training and Growth

(1) Quality Operation System Establishment

We continued to enhance our quality operation system, so as to increase our operational efficiency and effectiveness.

(i) Supply Chain Management

Our suppliers and contractors provide us a wide range of products and services, including fuel and equipment for our upstream mining operations; electricity and other raw materials for our downstream operations; packaging bags and other related accessories for the sales of our final products as well as underground technology innovation construction service and subcontracting processing services, etc. When selecting suppliers, we will encourage them to use as many environmentally friendly products and services as possible, and we have made relevant green procurement policies.

Details of the number of our suppliers are set out as follows:

| Number of our suppliers | Six months ended 30 June | | |
|-------------------------|--------------------------|------|------|
| | 2025 | 2024 | 2023 |
| Hong Kong | 1 | 1 | 1 |
| Mainland China | 206 | 597 | 477 |
| Gabon | 5 | 5 | 6 |
| Total | 212 | 603 | 484 |

All our suppliers are required to be assessed for their capabilities to fulfill our business needs and such assessment is based on a combination of different and various factors such as their track record, reputation, production capacity as applicable.

In addition, we continued to keep close supervision in respect of procurement practice of normal operation. Save and except for those special suppliers, all other suppliers and contractors are selected based on public auction with strict comparison and assessment.

Furthermore, we also continued to carry out assessment and internal audit in respect of our suppliers on a regular basis, so as to assess whether such suppliers continue to meet our request.

Environmental, Social and Governance Report

3. Quality Operation System Establishment, Employment Training and Growth (continued)

(1) Quality Operation System Establishment (continued)

(ii) Product Quality Supervision

The whole production process, commencing from procurement, production up to after sales services, are strictly complied with ISO9001:2015 quality management requirement.

We continued our improvements and researches on our production technique and have applied and were granted various patents licenses thereof. All our products (including but not limited to our product advertisements and labels) strictly meet the national and our sector standards and our client's requirements. Among which, our major products, EMM, EMD and manganese sulfate are rewarded with recognition of "Quality products of Guangxi" since 2015 and have passed the inspection by the relevant PRC quality assessment bureau.

We continued to provide our clients with quality after sales service and comply with our stringent products quality and safety control system, e.g. "Customers Satisfaction and Complaints Assessment Procedure" and "Products Recall Procedures" etc.

As a result of our continuous stringent control in respect of the quality of our products, the complaints and/or recalls we received in respect of our products continued to remain at a low level. During the six months ended 30 June 2025, the complaints and/or recalls we received in respect of our products are as follows:

| | Six months ended 30 June | | |
|---|--------------------------|------|------|
| | 2025 | 2024 | 2023 |
| Number of products related complaints and/or recalls received | 0 | 0 | 1 |

(iii) Probity Operating System Establishment

We continued to establish a clean and efficient business environment, including, inter alia, establishment of anti bribery regulation, inclusion of probity system as annual object responsibility audit, execution of probity agreement with our suppliers, and provision of notification letters of reporting channels etc. We enhanced the responsibility assessment of the department heads and established rational and effective management mechanism to prevent our employees from being engaged in illegal activities such as bribery, extortion, fraud and money laundering, etc.

During the six months ended 30 June 2025, the complaints or legal cases regarding corruption we received are as follows:

| | Six months ended 30 June | | |
|---|--------------------------|------|------|
| | 2025 | 2024 | 2023 |
| Number of Complaints and/or Legal Cases regarding Corrupt Practices | 0 | 0 | 0 |

Environmental, Social and Governance Report

3. Quality Operation System Establishment, Employment Training and Growth (continued)

(1) Quality Operation System Establishment (continued)

(iv) Our Code of Conduct and Personal Privacy Protection

All our management and staff are subject to our code(s) of conduct which we implement and review from time to time and such code(s) places them under specific obligations as to the ethics and principles by which our business is conducted. Non-compliance with the code(s) of conduct results in disciplinary action. Disciplinary measures are decided by the relevant line management. These measures are then subject to review and endorsement by the board of directors, in order to ensure the consistency and fairness of treatment.

We monitor and periodically document any complaints related to breaches of customer privacy and loss of customer data. No customer privacy and data loss cases have been reported or noted during the six months ended 30 June 2025.

(2) Employment Training and Growth

We arranged trainings at all levels of our employees through multi-channels, multi-formats and multi-levels. In summary, various different training courses were held during the six months ended 30 June 2025, effectively improving the quality of staff, and promoting development of our employees.

During the six months ended 30 June 2025, our major training activities and projects are as follows:

- (i) Organize the "Series of Trainings to Improve Comprehensive Quality and Ability at Workshop Director Level";
- (ii) Carry out "Publicity and Implementation Training of Mine Safety Laws and Regulations";
- (iii) Organize "Business Reception Etiquette Training";
- (iv) Organize "Safety Management Ability Training";
- (v) Organize "Training to Improve Work Injury Prevention Capabilities of Mining Enterprises";
- (vi) Send key management personnel to participate in the "Guangxi "Shibaiqian" Accounting Talent Training"; and
- (vii) Organize employees to participate in the "Procurement Business Series Professional Training".

Environmental, Social and Governance Report

4. Social Contribution, Living Environment and Culture Development

Our community investment activities complement the way in which our core business contributes to society, by improving the quality of life for communities through donation of our skills, expertise and resources. The three focus areas of our community investment initiatives are: social contribution, living environment and cultural development, details of which are as follows:

- (1) In China, we treasured our social contribution in particular the surrounding community of our mines and the improvement of the living environment of our employees as well as the cultural development, including the followings:
 - (i) We continued to carry out various charitable activities and offer series of poverty alleviation works through employment, education, training, etc. and to the villages or associations surrounding our mines and production plants, including:
 - (a) We purchased condolence materials during festivals to help villagers around the mines carry out festival activities such as Spring Festival and Lantern Festival; and
 - (b) We provided cranes and other equipment support to the governments around the mines, and supplied diesel fuel to border police station vehicles to build grassroots security.
 - (ii) We continued to offer our help and assistance to our employees particularly those in need, including the followings:
 - (a) We carried out charity activities to help the poor during the Spring Festival, targeted poverty alleviation and continuous help; and
 - (b) We organized employees to participate in health science lectures and pay attention to employees' physical and mental health.
 - (iii) We continued to host or organise various cultural or sports activities to our employees or the surrounding villagers, including the followings:
 - (a) We built cultural and sports facilities such as employee homes and employee libraries to provide employees with leisure space to relax and relieve stress;
 - (b) We carry out a series of Women's Day activities such as garden parties and making glutinous rice balls; and
 - (c) We organized employees to participate in various events such as long runs, watching New Year movies, table tennis competitions, and fishing competitions.

Environmental, Social and Governance Report

4. Social Contribution, Living Environment and Culture Development (continued)

- (2) In Gabon, we continued to focus on the local community development and actively participate in various social activities in Gabon and to support the local government in building schools and hospitals. We also donated medical equipments to local hospitals and dug domestic water wells to improve local medical conditions.

We treasure serving our community and therefore, we spent money into the community where our businesses are situated. During the six months ended 30 June 2025, our cash donations to charities amounted to HK\$65,000. Details are as follows:

| | Six months ended 30 June | | |
|----------------|--------------------------|---------|---------|
| | 2025 | 2024 | 2023 |
| Donation (HKD) | 65,000 | 348,000 | 379,500 |

Given the geographical diversity of our business, we take a site-specific or tailored approach to our various social engagements or construction works. As with any investment that the Company makes, we need to be careful that our resources are allocated to community initiatives in a disciplined and systematic way and that this leads to positive, sustainable outcomes as opposed to having a disruptive effect on a community or the local environment. We are confident that selected community initiatives, carefully chosen, thoroughly implemented and carefully monitored, do enhance the Company's reputation and relationships and do enjoy the support of our shareholders and other stakeholders.

Summary of Our Manganese Mineral Resources and Our Manganese Ore Reserves

Below is the information on our mineral resources and ore reserves as of 30 June 2025:

Summary of our manganese mineral resources

| Mining Block | Ownership Percentage | JORC Resource Category | Million Tonnes As of 30.6.2025 | Average Manganese Grade (%) | Million Tonnes As of 31.12.2024 | Average Manganese Grade (%) |
|-------------------------|----------------------|------------------------|-----------------------------------|-----------------------------|------------------------------------|-----------------------------|
| Daxin Mine | 100% | Measured | 3.32 | 26.05 | 3.32 | 26.05 |
| | | Indicated | 54.45 | 22.03 | 54.81 | 22.02 |
| | | Subtotal | 57.77 | 22.26 | 58.13 | 22.25 |
| | | Inferred | 0.43 | 21.23 | 0.43 | 21.23 |
| | | Total | 58.20 | 22.25 | 58.56 | 22.24 |
| Tiandeng Mine | 100% | Measured | 0.53 | 18.43 | 0.53 | 18.43 |
| | | Indicated | 2.22 | 17.64 | 2.22 | 17.64 |
| | | Subtotal | 2.75 | 17.79 | 2.75 | 17.79 |
| | | Inferred | 3.27 | 14.32 | 3.43 | 14.32 |
| | | Total | 6.02 | 15.90 | 6.18 | 15.90 |
| Waifu Manganese Mine | 100% | Measured | – | – | – | – |
| | | Indicated | – | – | – | – |
| | | Subtotal | – | – | – | – |
| | | Inferred | 1.54 | 17.52 | 1.54 | 17.52 |
| | | Total | 1.54 | 17.52 | 1.54 | 17.52 |
| Changgou Manganese Mine | 64% | Measured | 3.06 | 20.45 | 3.06 | 20.45 |
| | | Indicated | 14.65 | 20.32 | 14.65 | 20.32 |
| | | Subtotal | 17.71 | 20.34 | 17.71 | 20.34 |
| | | Inferred | 3.24 | 20.50 | 3.24 | 20.50 |
| | | Total | 20.95 | 20.37 | 20.95 | 20.37 |
| Bembélé Manganese Mine | 51% | Measured | – | – | – | – |
| | | Indicated | 1.70 | 35.84 | 2.40 | 34.41 |
| | | Subtotal | 1.70 | 35.84 | 2.40 | 34.41 |
| | | Inferred | 12.37 | 32.74 | 12.37 | 32.74 |
| | | Total | 14.07 | 33.11 | 14.77 | 33.01 |
| Total | | | 100.78 | | 102.00 | |

Summary of Our Manganese Mineral Resources and Our Manganese Ore Reserves

Summary of our manganese ore reserves

| Mine | Ownership Percentage | JORC Resource Category | Million Tonnes As of 30.6.2025 | Average Manganese Grade (%) | Million Tonnes As of 31.12.2024 | Average Manganese Grade (%) |
|-------------------------|----------------------|------------------------|-----------------------------------|-----------------------------|------------------------------------|-----------------------------|
| Daxin Mine | 100% | Proved | 3.10 | 20.72 | 3.10 | 20.72 |
| | | Probable | 51.99 | 19.17 | 52.35 | 19.19 |
| | | Total | 55.09 | 19.26 | 55.45 | 19.27 |
| Tiandeng Mine | 100% | Proved | 0.49 | 15.86 | 0.49 | 15.86 |
| | | Probable | 2.09 | 16.28 | 2.09 | 16.28 |
| | | Total | 2.58 | 16.20 | 2.58 | 16.20 |
| Waifu Manganese Mine | 100% | Proved | – | – | – | – |
| | | Probable | – | – | – | – |
| | | Total | – | – | – | – |
| Changgou Manganese Mine | 64% | Proved | 3.06 | 20.45 | 3.06 | 20.45 |
| | | Probable | 14.65 | 20.32 | 14.65 | 20.32 |
| | | Total | 17.71 | 20.34 | 17.71 | 20.34 |
| Bembélé Manganese Mine | 51% | Proved | – | – | – | – |
| | | Probable | 1.69 | 16.70 | 2.39 | 22.35 |
| | | Total | 1.69 | 16.70 | 2.39 | 22.35 |
| Total | | | 77.07 | | 78.13 | |

Note: The figures of the aforesaid manganese resources and manganese ore resources are rounded to two decimal and those figures may show apparent addition errors.

Assumptions:

The figures of the aforesaid manganese resources and manganese ores reserves are based on the following assumptions:

- (1) (a) The manganese resources and manganese ore reserves for Daxin Mine, Tiandeng Mine and Bembélé Manganese Mine were based on the estimates per the independent technical review report as shown in the Prospectus. The decreases of the amounts of manganese resources and manganese ore reserves during the period were largely due to mining activity. The period end amounts have been confirmed by internal experts.
 - (b) The manganese resources and manganese ore reserves for Changgou Manganese Mine are based on the estimate in accordance with 《錳礦礦產資源儲量核實報告》(Manganese Resources Verification Report) dated November 2009 prepared by 中國冶金地質總局中南局南寧地質調查所 (ChinaYe Jin Di Zhi Zong Ju Zhong Nan Ju Nanning Di Zhi Diao Cha Suo). The decreases of the amounts of manganese resources and manganese ore reserves during the period were largely due to mining activity. The period end amounts have been confirmed by our internal experts.
 - (c) The manganese resources and manganese ore reserves for Waifu Manganese Mine are based on the estimate in accordance with 《靖西縣湖潤外伏錳礦礦產資源量核實地質報告評審意見書》(Accreditation Opinion of the Verified Geographical Resources Report of Waifu Manganese Mine, Jinxi) dated 17th July 2004 prepared by 南寧儲偉資源有限責任公司 (Nanning Qu Wei Resources Limited Company). The period end amounts have been confirmed by our internal experts.
- (2) All material assumptions and technical parameters underpinning the estimates in the aforesaid independent technical reports continue to apply and have not materially changed.

Summary of Our Manganese Mineral Resources and Our Manganese Ore Reserves

Exploration, Development, and Mining Activities

I) Exploration

Overview

There were no significant progress in respect of our exploration works and we have not conducted any exploration drilling works in the PRC. Our main focus was to continue to carry out geological exploration work at Bembele Manganese Mine in Gabon and we have achieved certain exploration results.

Daxin Mine

During the six months ended 30 June 2025, we have not entered into any contracts or commitments in respect of exploration work or conducted any exploration work at Daxin Mine.

Tiandeng Mine

During the six months ended 30 June 2025, we have not entered into any contracts or commitments in respect of exploration work or conducted any exploration work at Tiandeng Mine.

Waifu Manganese Mine

During the six months ended 30 June 2025, we have not entered into any contracts or commitments in respect of exploration work or conducted any exploration work at Waifu Manganese Mine.

Changgou Manganese Mine

During the six months ended 30 June 2025, we have not entered into any contracts or commitments in respect of exploration work or conducted any exploration work at Changgou Manganese Mine.

Bembélé Manganese Mine

During the six months ended 30 June 2025, we continued the following geological exploration work at Bembélé Manganese Mine:

- (1) drilling exploration work based on the detailed geological investigation of Bembélé Manganese Mine, and continued to make good exploration project planning and production exploration plans in the mining rights area;
- (2) the established work plan for the southern block of Bembélé Manganese Mine as a working target area has been completed;
- (3) increasing geological exploration work within the scope of the exploration rights to provide new resource mining areas for the sustainable development of the project.

Save as disclosed hereinabove, we have not entered into any contracts or commitments in respect of exploration work or conducted any exploration work at Bembélé Manganese Mine during the six months ended 30 June 2025.

II) Development

Daxin Mine

During the six months ended 30 June 2025, we continued the following infrastructure works or projects at the Daxin Mine:

Our outsourced contractor continued the 1,000,000 tonnes/year expansion project for the underground mining at southern mining zone of Daxin Mine. As at 30 June 2025, the tunnel construction works amounted to approximately 19,513 metres in length.

Save as disclosed hereinabove, during the six months ended 30 June 2025, we have not entered into any contracts or commitments in respect of the infrastructure development (including infrastructure construction, subcontracting arrangements or purchases of equipment) or conducted any infrastructure or development work at Daxin Mine.

Summary of Our Manganese Mineral Resources and Our Manganese Ore Reserves

Exploration, Development, and Mining Activities (continued)

II) Development (continued)

Tiandeng Mine

During the six months ended 30 June 2025, we have purchased some mining machines and related facilities in order to replace the obsolete or damaged machines or facilities.

Save as disclosed hereinabove, we have not entered into any contracts or commitments in respect of the infrastructure development (including infrastructure construction, subcontracting arrangements or purchases of equipment) or conducted any infrastructure or development work at Tiandeng Mine during the six months ended 30 June 2025.

Waifu Manganese Mine

During the six months ended 30 June 2025, we have not entered into any contracts or commitments in respect of the infrastructure development (including infrastructure constructions, subcontracting arrangements or purchases of equipment) or conducted any infrastructure or development work at Waifu Manganese Mine.

Changgou Manganese Mine

During the six months ended 30 June 2025, we have purchased some mining machines and related facilities in order to replace the obsolete or damaged machines or facilities.

Save as disclosed hereinabove, we have not entered into any contracts or commitments in respect of the infrastructure development (including infrastructure constructions, subcontracting arrangements or purchases of equipment) or conducted any infrastructure or development work at Changgou Manganese Mine during the six months ended 30 June 2025.

Bembélé Manganese Mine

During the six months ended 30 June 2025, we continued the following infrastructure works or projects at the Bembélé Manganese Mine:

- (1) the core library construction project of Bembélé Manganese Mine has been completed to provide guarantee for geological exploration engineering and geological analysis;
- (2) the technical renovation project of the rail extension line at Ndjole transfer station has entered the acceptance and trial operation stage to further improve the efficiency of manganese ore transportation to the terminal;
- (3) continue to carry out heightening and capacity upgrade projects for the tailings pond.

Save as disclosed hereinabove, we have not entered into any contracts or commitments in respect of the infrastructure development (including infrastructure constructions, subcontracting arrangements or purchases of equipment) or conducted any infrastructure or development work at Bembélé Manganese Mine during the six months ended 30 June 2025.

Summary of Our Manganese Mineral Resources and Our Manganese Ore Reserves

Exploration, Development, and Mining Activities (continued)

III) Mining activities

(1) Mining Operations

Daxin Mine

| | 1.1.2025-30.6.2025 | 1.1.2024-30.6.2024 |
|---|--------------------|--------------------|
| Open pit mining | | |
| Mine production (thousand tonnes) | – | – |
| Underground mining | | |
| Mine production (thousand tonnes) | 517 | 508 |
| Total mine production (thousand tonnes) | 517 | 508 |
| Average manganese grade | | |
| Manganese carbonate ore | 12.0% | 11.5% |
| Manganese oxide ore | – | – |

Tiandeng Mine

| | 1.1.2025-30.6.2025 | 1.1.2024-30.6.2024 |
|-----------------------------------|--------------------|--------------------|
| Open pit mining | | |
| Mine production (thousand tonnes) | – | 87 |
| Average manganese grade | | |
| Manganese carbonate ore | – | 11.6% |
| Manganese oxide | – | 13.2% |

Waifu Manganese Mine

| | 1.1.2025-30.6.2025 | 1.1.2024-30.6.2024 |
|-----------------------------------|--------------------|--------------------|
| Underground mining | | |
| Mine production (thousand tonnes) | – | – |
| Average manganese carbonate grade | – | – |

Changgou Manganese Mine

| | 1.1.2025-30.6.2025 | 1.1.2024-30.6.2024 |
|-----------------------------------|--------------------|--------------------|
| Underground mining | | |
| Mine production (thousand tonnes) | 153 | 15 |
| Average manganese carbonate grade | 15.6% | 16.1% |

Bembélé Manganese Mine

| | 1.1.2025-30.6.2025 | 1.1.2024-30.6.2024 |
|-----------------------------------|--------------------|--------------------|
| Open pit mining | | |
| Mine production (thousand tonnes) | 707 | 1,090 |
| Average manganese oxide grade | 30.9% | 27.6% |

Note: Figures for mining production are rounded to nearest whole number and figures for manganese grade are rounded to one decimal place and these figures may show apparent addition errors.

Summary of Our Manganese Mineral Resources and Our Manganese Ore Reserves

Exploration, Development, and Mining Activities (continued)

III) Mining activities (continued)

(2) Ore processing operations

• Concentrating

| Production (thousand tonnes) | 1.1.2025-30.6.2025 | 1.1.2024-30.6.2024 |
|--|--------------------|--------------------|
| Daxin Concentration Plant Concentrate production | | |
| Manganese carbonate ore | 406 | 453 |
| Manganese oxide ore | 15 | – |
| Total | 421 | 453 |
| Average manganese grade of concentrate | | |
| Manganese carbonate ore | 16.4% | 18.0% |
| Manganese oxide ore | 31.9% | – |
| Tiandeng Concentration Plant Concentrate production | | |
| Manganese carbonate ore | 112 | – |
| Manganese oxide ore | 37 | 26 |
| Total | 149 | 26 |
| Average manganese grade of concentration | | |
| Manganese carbonate ore | 11.7% | – |
| Manganese oxide ore | 19.5% | 19.3% |
| Bembélé Concentration Plant | | |
| Concentrate production | 444 | 612 |
| Average manganese grade of concentrate | 35.1% | 34.8% |

• Grinding

| Production (thousand tonnes) | 1.1.2025-30.6.2025 | 1.1.2024-30.6.2024 |
|--------------------------------|--------------------|--------------------|
| Daxin Grinding Plant | | |
| Powder produced | 424 | 562 |
| Tiandeng Grinding Plant | | |
| Powder produced | 112 | 243 |

Note: Figures for concentrating and grinding are rounded to nearest whole number and the figures for manganese grade are rounded to nearest one decimal place and these figures may show apparent addition errors.

IV) Downstream processing operations

(1) EMM and alloying materials

• EMM

Our existing EMM production facilities include Daxin EMM Plant, Daxin Manganese EMM Plant, Tiandeng EMM Plant and Start EMM Plant. Details of EMM production are set out below:

| Production (thousand tonnes) | 1.1.2025-30.6.2025 | 1.1.2024-30.6.2024 |
|----------------------------------|--------------------|--------------------|
| Daxin EMM Plant | 52.4 | 49.0 |
| Daxin Manganese EMM Plant | 2.5 | 5.6 |
| Tiandeng EMM Plant | 9.9 | 19.6 |
| Start EMM Plant | 8.6 | 8.8 |
| Total | 73.4 | 83.0 |

Summary of Our Manganese Mineral Resources and Our Manganese Ore Reserves

Exploration, Development, and Mining Activities (continued)

IV) Downstream processing operations (continued)

(1) EMM and alloying materials (continued)

- Manganese briquette

| Production (thousand tonnes) | 1.1.2025-30.6.2025 | 1.1.2024-30.6.2024 |
|------------------------------|--------------------|--------------------|
| Daxin Branch | 8.1 | 5.6 |

- Silicomanganese alloy

| Production (thousand tonnes) | 1.1.2025-30.6.2025 | 1.1.2024-30.6.2024 |
|---------------------------------|--------------------|--------------------|
| Qinzhou Ferroalloy Plant | – | 1.8 |
| Xingyi Ferroalloy Plant | – | 11.3 |
| Total | – | 13.1 |

(2) Battery materials

- EMD

| Production (thousand tonnes) | 1.1.2025-30.6.2025 | 1.1.2024-30.6.2024 |
|------------------------------|--------------------|--------------------|
| Daxin EMD Plant | 8.9 | 7.9 |
| Huiyuan Manganese | 31.1 | 29.9 |
| Total | 40.0 | 37.8 |

- Lithium manganese oxide

| Production (thousand tonnes) | 1.1.2025-30.6.2025 | 1.1.2024-30.6.2024 |
|------------------------------|--------------------|--------------------|
| Chongzuo Branch | 1.6 | 4.2 |

- Manganese sulfate

| Production (thousand tonnes) | 1.1.2025-30.6.2025 | 1.1.2024-30.6.2024 |
|--------------------------------------|--------------------|--------------------|
| Daxin Manganese Sulfate Plant | 4.6 | 9.0 |
| Huiyuan Manganese | 18.1 | 10.8 |
| Total | 22.7 | 19.8 |

Note: All our other downstream processing products are rounded to nearest one decimal place and these figures may show apparent addition errors.

Summary of Our Manganese Mineral Resources and Our Manganese Ore Reserves

Exploration, Development, and Mining Activities (continued)

V) Exploration, development and mining cost of the Group

Expenses of exploration, development, and mining activities of the Group for the six months ended 30 June 2025 are set out below:

(HK\$'000)

| | Daxin Mine | Tiandeng Mine | Waifu Manganese Mine | Changgou Manganese Mine | Bembélé Manganese Mine | Total |
|---|---------------|------------------|----------------------------|-------------------------------|------------------------------|---------|
| Exploration activities | | | | | | |
| Purchases of assets and equipment | – | – | – | – | – | – |
| Drilling and analysis | – | – | – | – | – | – |
| Transportation | – | – | – | – | – | – |
| Others | – | – | – | – | 281 | 281 |
| | – | – | – | – | 281 | 281 |
| Development activities (including mine construction) | | | | | | |
| Purchases of assets and equipment | – | – | – | 755 | – | 755 |
| Construction of mines, tunnels and roads | – | – | – | – | – | – |
| Staff cost | – | – | – | – | – | – |
| Sub-contracting fee | – | – | – | – | – | – |
| Others | 717 | – | – | – | – | 717 |
| | 717 | – | – | 755 | – | 1,472 |
| Mining activities* | | | | | | |
| Staff cost | 2,433 | – | – | 2,534 | – | 4,967 |
| Consumables | 86 | – | – | 627 | 372 | 1,085 |
| Fuel, electricity, water and other services | 559 | – | – | 2,972 | – | 3,531 |
| Transportation | 3,568 | – | – | – | 20,542 | 24,110 |
| Sub-contracting fee | 79,770 | – | – | 43,060 | 37,479 | 160,309 |
| Depreciation | 18,421 | – | – | – | 6,310 | 24,731 |
| Others | 1,371 | – | – | 133 | 4,085 | 5,589 |
| | 106,208 | – | – | 49,326 | 68,788 | 224,322 |

(* Concentrating not included)

Corporate Governance Code

Throughout the six months ended 30 June 2025, the Company has applied the principles, complied with the applicable code provisions, and also complied with certain recommended best practices, of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules.

Model Code for Securities Transactions by Directors

The Company has adopted a code of conduct for dealings in securities of the Company by its Directors (the “**Securities Dealings Code**”) that is based on the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules (or on terms no less stringent than the Model Code).

All Directors confirmed, following specific enquiry by the Company, that they have complied with the required standards set out in the Securities Dealings Code throughout the six months ended 30 June 2025.

Directors’ and Chief Executive’s Interests in Shares and Underlying Shares

As at 30 June 2025, so far as is known to any Directors, none of the Directors or chief executives of the Company had any interests or short positions in shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO, which were required (a) to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (b) to be entered into the register required to be kept by the Company pursuant to section 352 of the SFO, or (c) to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

Substantial Shareholders' and Other Persons' Interests in Shares and Underlying Shares

At 30 June 2025, according to the register kept by the Company pursuant to Section 336 of the SFO and, so far as is known to the Directors, the persons or entities who had an interest or a short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or of any other company which is a member of the Group, or in any options in respect of such share capital are as follows:

| Name | Notes | Capacity and nature of interest | Number of ordinary shares held (a) | Approximate percentage of the Company's issued share capital | Number of share options held |
|---|-------|----------------------------------|---------------------------------------|--|------------------------------|
| Sun Mingwen | (b) | Through a controlled corporation | 994,260,000 (L) | 24.17 | – |
| Youfu Investment Co., Ltd | (b) | Directly beneficially interested | 994,260,000 (L) | 24.17 | – |
| Guangxi Dameng Manganese Industrial Co., Ltd | (c) | Through a controlled corporation | 776,250,000 (L) | 18.87 | – |
| Guinan Dameng International Resources Limited | (c) | Directly beneficially interested | 776,250,000 (L) | 18.87 | – |
| Cheung Ming | | Directly beneficially interested | 685,691,800 (L) | 16.67 | – |

Notes:

- (a) The letter "L" denotes the long position in such Shares.
- (b) Youfu Investment Co., Ltd. is wholly owned by Mr. Sun Mingwen.
- (c) Guinan Dameng International Resources Limited is wholly owned by Huanan Dameng Investments Limited, which is in turn wholly owned by Guangxi Dameng.

Save as disclosed above, as at 30 June 2025, the Company has not been notified by any persons who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Purchase, Redemption or Sale of Listed Securities of The Company

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

Review of Accounts

The Audit Committee has reviewed the unaudited interim results for the six months ended 30 June 2025 with the management of the Company.

Forward Looking Statements

This interim report contains certain forward looking statements with respect to the financial condition, results of operations and business of the Group. These forward looking statements represent the Company's expectations or beliefs concerning future events and involve known and unknown risks and uncertainty that could cause actual results, performance or events to differ materially from those expressed or implied by such statements.

On behalf of the Board

Zhang Yi

Chairman

Hong Kong, 15 August 2025

Glossary of Terms

| | |
|-------------------------------|--|
| 1H 2024 | six months ended 30 June 2024 |
| 1H 2025 | six months ended 30 June 2025 |
| Alloy Products | silicomanganese alloy and ferromanganese |
| Audit Committee | audit committee of the Board |
| Bembélé Concentration Plant | the concentration plant associated with Bembélé Manganese Mine |
| Bembélé Manganese Mine | a manganese mine located in Bembélé, Moyen-Ogooue Province, Gabon, the exploration rights and mining rights of which are owned by Compagnie Industrielle et Commerciale des Mines de Huazhou (Gabon) (華州礦業(加蓬)工貿有限公司), a company in which we indirectly hold 51% equity interest |
| Board or Board of Directors | our board of Directors |
| Changgou Manganese Mine | 貴州遵義匯興鐵合金有限責任公司長溝錳礦 (Guizhou Zunyi Hui Xing Ferroalloy Limited Company Changgou Manganese Mine) |
| China or PRC | the People's Republic of China, but for the purpose of this interim report, excluding the Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan |
| Chongzuo Base | a production facility owned and operated by Chongzuo Branch that produces and sells trimanganese tetraoxide, lithium manganese oxide and lithium cobalt oxide |
| Chongzuo Branch | 南方錳業集團有限責任公司崇左分公司(South Manganese Group Limited Chongzuo Branch) |
| Company or our Company | South Manganese Investment Limited, which is listed on the Stock Exchange (Stock Code: 1091.HK) |
| Daxin EMD Plant | an EMD production plant located in Daxin county, Guangxi, owned and operated by a wholly owned subsidiary of the Group |
| Daxin Manganese Sulfate Plant | a manganese sulfate production plant located in Daxin county, Guangxi, owned and operated by a wholly owned subsidiary of the Group |
| Daxin Mine | 大新大錳錳業集團有限公司大新錳礦 (Daxin Dameng Manganese Co., Ltd Daxin Manganese Mine) |
| Director(s) | the director(s) of our Company |
| Dushan Jinmeng | 獨山金孟錳業有限公司 (Dushan Jinmeng Manganese Industry Co., Ltd.), a 33.00%-owned associate of the Group |
| EMD | electrolytic manganese dioxide |

Glossary of Terms

| | |
|----------------------|--|
| EMM | electrolytic manganese metal |
| EMM Products | EMM and manganese briquette |
| EUR or Euro | euros, the lawful currency of the members of the European Union |
| Gabon | the Gabonese Republic |
| GMG | Greenway Mining Group Limited (信盛礦業集團有限公司), a limited liability company incorporated under the laws of the Cayman Islands on 30 November 2009, which we hold approximately 23.99% shareholding |
| Group, we or us | the Company and its subsidiaries |
| Guangxi | Guangxi Zhuang Autonomous Region, the PRC |
| Guangxi Dameng | 廣西大錳錳業集團有限公司 (Guangxi Dameng Manganese Industry Group Co., Ltd.), a state-owned limited liability company established under the laws of the PRC on 30 July 2001, which is an indirect substantial shareholder of our Company |
| Guangxi Start | 廣西斯達特錳材料有限公司 (Guangxi Start Manganese Materials Co., Ltd.) |
| Hong Kong or HK | The Hong Kong Special Administrative Region of the PRC |
| HK\$ or HKD | Hong Kong dollars, the lawful currency of Hong Kong |
| Huiyuan Manganese | 廣西滙元錳業有限公司 (Guangxi Huiyuan Manganese Industry Co., Ltd) |
| IPO | the initial public offering and listing of Shares of the Company on the Main Board of the Stock Exchange on 18 November 2010 |
| JORC | the Joint Ore Reserves Committee of the Australian Institute of Mining and Metallurgy |
| JORC Code | the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 edition, which is used to determine resources and reserves, and is published by JORC of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia |
| Listing Rules | the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time) |
| NCM | Lithium Nickel Cobalt Manganese Oxide |
| Nomination Committee | nomination committee of the Board |
| Prospectus | the prospectus of the Company dated 8 November 2010 |

Glossary of Terms

| | |
|---|---|
| Qingdao Manganese | 青島錳系投資合夥企業(有限合夥) (Qingdao Manganese Investment Cooperative Enterprise (Limited Partnership)), a limited partnership in which we indirectly held 68.49% equity interest as at 30 June 2025 |
| Qinzhou Ferroalloy Plant | the ferroalloy production plant located near Qinzhou port and owned and operated by 欽州大錳新材料有限公司 (Qinzhou Dameng New Materials Co., Ltd.), a company in which we indirectly hold 70% equity interest |
| Remuneration Committee | remuneration committee of the Board |
| RMB | Renminbi, the lawful currency of the PRC |
| Securities and Futures Ordinance or SFO | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| Shares | ordinary shares in the share capital of the Company, with a nominal value of HK\$0.10 each |
| South Manganese Group | 南方錳業集團有限責任公司 (South Manganese Group Limited) |
| Stock Exchange | The Stock Exchange of Hong Kong Limited |
| substantial shareholder | has the meaning ascribed to it under the Listing Rules |
| Tiandeng Mine | 南方錳業集團有限責任公司天等錳礦 (South Manganese Group Limited Tiandeng Manganese Mine) |
| tonne | metric tonne |
| US\$ or USD | United States dollars, the lawful currency of the United States of America |
| Waifu Manganese Mine | 大新大錳錳業集團有限公司外伏錳礦 (Daxin Dameng Manganese Co., Ltd Waifu Manganese Mine) |
| XAF | Central African CFA franc, the lawful currency of Gabon |
| Xingyi Ferroalloy Plant | a ferroalloy production plant located in Xingyi, Guizhou, leased and operated by a wholly owned subsidiary of the Group |

Note: The English names of the PRC entities mentioned hereinabove are translated from their Chinese names. If there are any inconsistencies, the Chinese names shall prevail.

LUCID WATERS AND LUSH MOUNTAINS ARE INVALUABLE

