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SANERGY

SANERGY GROUP LIMITED

昇能集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2459)

FURTHER CHANGE IN USE OF PROCEEDS FROM THE LISTING

References are made to (i) the prospectus of Sanergy Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") dated 30 December 2022 (the "**Prospectus**") in relation to the listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Listing**"); (ii) the interim report of the Company for the six months ended 30 June 2024 (the "**2024 Interim Report**"); and (iii) the interim report of the Company for the six months ended 30 June 2025 (the "**2025 Interim Report**"). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus, the 2024 Interim Report and the 2025 Interim Report.

The Board announces that it has resolved to further change the use of the Net Proceeds from the Listing in the manner as set out in this announcement.

FURTHER CHANGE IN USE OF PROCEEDS FROM THE LISTING

The original intended use of the Net Proceeds from the Listing, which amounted to approximately HK$186.7 million after deducting the underwriting fees and commissions and related expenses in relation to the Listing, was disclosed in the section headed "FUTURE PLANS AND USE OF PROCEEDS" in the Prospectus.

As disclosed in the section headed "CHANGE OF USE OF PROCEEDS FROM THE LISTING" in the 2024 Interim Report, the Board resolved to change and reallocate the use of the Net Proceeds from the Listing which remained unutilised as at 30 June 2024 (the "**First Change in Use of Proceeds**").

As disclosed in the section headed "USE OF PROCEEDS FROM THE LISTING" in the 2025 Interim Report, the unutilised Net Proceeds from the Listing as at 30 June 2025 were approximately HK$45.5 million, of which (i) approximately HK$42.2 million was expected to be fully utilised by the end of second half of 2026 for the upgrade of the Group's production systems on the Italian Factory, the PRC Factory and the Sanli Assets (as defined in the Prospectus); and (ii) approximately HK$3.3 million was expected to be fully utilised by the end of first half of 2026 for the development and expansion of graphite anode materials business.

The following table sets forth the status of use of Net Proceeds from the Listing as at 30 June 2025.

Purpose	**The allocation of Net Proceeds after the First Change in Use of Proceeds** *(Note)* *HK$'million*	**Utilised Net Proceeds up to 30 June 2025** *HK$'million*	**Remaining balance as at 30 June 2025** *HK$'million*
1. Pay for the purchase price of the Taigu Assets (as defined in the Prospectus)	44.2	(44.2)	–
2. Upgrade of the Group's production systems on the Italian Factory, the PRC Factory and the Sanli Assets (as defined in the Prospectus)	83.0	(40.8)	42.2
3. Develop and expand graphite anode materials business	15.0	(11.7)	3.3
4. Working capital and general corporate purposes	18.7	(18.7)	–
5. Pay for operational costs of our graphite electrode business	25.8	(25.8)	–
Total	186.7	(141.2)	45.5

Note: Details of the First Change in Use of Proceeds were set out in section headed "CHANGE OF USE OF PROCEEDS FROM THE LISTING" in the 2024 Interim Report.

For the reasons set out in the section headed "REASONS FOR AND BENEFITS OF THE FURTHER CHANGE IN USE OF PROCEEDS FROM THE LISTING" in this announcement below, the Board has resolved to further change the use of the unutilised Net Proceeds from the Listing by reallocating HK$39.5 million from the unutilised Net Proceeds originally allocated to upgrading the Group's production systems on the Italian Factory, the PRC Factory and the Sanli Assets to paying for operational costs of the graphite electrode business.

The proposed further change in use of the unutilised Net Proceeds from the Listing is summarised as follows:

	The allocation of Net Proceeds after the First Change in Use of Proceeds *(Note)* *HK$'million*	**Utilised Net Proceeds up to 30 June 2025** *HK$'million*	**Remaining balance as at 30 June 2025** *HK$'million*	**Proposed further change in allocation of unutilised Net Proceeds** *HK$'million*	**Revised Use of Remaining Net Proceeds** *HK$'million*	**Expected Time for full utilisation of unutilised Net Proceeds**
1. Pay for the purchase price of the Taigu Assets (as defined in the Prospectus)	44.2	(44.2)	–	–	–	–
2. Upgrade of the Group's production systems on the Italian Factory, the PRC Factory and the Sanli Assets (as defined in the Prospectus)	83.0	(40.8)	42.2	(39.5)	2.7	Second half of 2026
3. Develop and expand graphite anode materials business	15.0	(11.7)	3.3	–	3.3	First half of 2026
4. Working capital and general corporate purposes	18.7	(18.7)	–	–	–	–
5. Pay for operational costs of our graphite electrode business	25.8	(25.8)	–	39.5	39.5	Second half of 2026
Total	186.7	(141.2)	45.5	–	45.5	

Note: Details of the First Change in Use of Proceeds were set out in section headed "CHANGE OF USE OF PROCEEDS FROM THE LISTING" in the 2024 Interim Report.

REASONS FOR AND BENEFITS OF THE FURTHER CHANGE IN USE OF PROCEEDS FROM THE LISTING

(1) Upgrade of the Group's graphite electrode production systems on the Italian Factory, the PRC Factory and the Sanli Assets

With due consideration of prevailing market conditions, the management has resolved that, rather than pursuing further capacity expansion in 2026, capital expenditure will be directed toward the optimization and maintenance of existing production facilities and equipment. These initiatives are critical to reducing production costs, mitigating the risk of operational disruptions, and ultimately enhancing profitability in 2026. As referenced in the announcement of the Company dated 25 August 2025, the net proceeds from the Rights Issue were approximately HK$43.9 million, of which approximately HK$11.0 million have been allocated to the development and expansion of the graphite electrodes business and/or the GAM business. This allocation includes, but is not limited to:

(a) upgrades and expansion of production facilities to enhance efficiency and reduce costs in the long run, and

(b) investment in projects that generate strategic synergies for the Group.

The Group intends to apply the remaining proceeds of HK$2.7 million from the Listing and HK$11.0 million from the Rights Issue toward these capital expenditures. Notwithstanding, the Group has not ruled out capacity enhancements as a business objective, as disclosed in the Prospectus. When deemed appropriate in light of market conditions and the Group's development trajectory, the Group plans to utilise its own financial resources to fund further upgrades to its graphite electrode production facilities, which currently have an annual production capacity of approximately 46,000 MT.

(2) Pay for operational costs of the graphite electrode business

A reallocation of approximately HK$39.5 million is made for the purpose of payment for operational costs to support the ordinary course of graphite electrode business, including but not limited to (i) procurement of raw materials and/or graphite electrodes, (ii) payment for subcontracting and conversion cost, and (iii) other operating and overhead costs, which will help improve the Group's liquidity, provide more buffer to adapt flexibly to changes in the market environment and demonstrate the resilience of the Group's existing core business. These funds are expected to support the Group to ensure the fulfillment of the secured and potential customer orders expected for delivery in the first half of 2026.

The Board considers that the further change in use of the unutilised Net Proceeds from the Listing is in line with the current business development of the Group and allows the Group to deploy its financial resources more effectively and is hence in the interests of the Company and the Shareholders as a whole. The Board believes that the further change in use of the Net Proceeds from the Listing will not have any material adverse effects on the existing business and operations of the Group.

The Board will continuously assess the plan for the use of the unutilised Net Proceeds and may revise or amend such plan where necessary to cope with the changing market conditions and strive for better business performance of the Group.

By order of the Board
Sanergy Group Limited
Peter Brendon Wyllie
Chairman and executive Director

Hong Kong, 19 December 2025

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