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South Manganese Investment Limited

南方錳業投資有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 1091)

POSITIVE PROFIT ALERT

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

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on a preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2025 (“**Year 2025**”) and the information currently available to the Board, the Group is expected to realise a turnaround and achieve a profit attributable to owners of the Company of not less than HK\$140 million for Year 2025, as compared with a loss attributable to owners of the Company of approximately HK\$725 million for the year ended 31 December 2024 (“**Year 2024**”).

The aforementioned expected turnaround from loss to profit for Year 2025 was primarily due to the following reasons:

1. the management conscientiously optimized the trade product mix, resulting in a turnaround of the Group’s trading business from gross loss for Year 2024 to gross profit for Year 2025;
2. the management achieved notable results through comprehensive cost control across key areas such as production, procurement, material management, tendering, and operations; and

3. a decrease in impairment losses on financial assets. For Year 2024, an impairment on amount due from an associate Dushan Jinneng Manganese Industry Co., Ltd. was recognised as a result of the settlement of the guarantee liabilities for a corporate guarantee provided by the Group in respect of the bank facilities granted to this associate.

CAUTION STATEMENT

As at the date of this announcement, the Company is still in the process of preparing and completing the annual results of the Group for Year 2025. The information contained in this announcement is based only on the preliminary assessment by the Board upon its review of the unaudited consolidated management accounts of the Group and the currently available information to the Board which have not been audited nor reviewed by the Company's independent auditor or audit committee of the Board. Shareholders of the Company and potential investors are advised to refer to the details of the Company's annual results announcement for Year 2025 which is expected to be published on 13 March 2026.

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

By order of the Board

SOUTH MANGANESE INVESTMENT LIMITED

Zhang He

Chairman

Hong Kong, 9 March 2026

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