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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)

**(1) APPOINTMENT OF INDEPENDENT INTERNAL CONTROL
CONSULTANT;
AND
(2) CONTINUED SUSPENSION OF TRADING**

This announcement is made by South Manganese Investment Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) 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).

Reference is made to the announcements of the Company dated 29 March 2023, 31 March 2023, 2 May 2023, 28 May 2023, and 29 June 2023 (the “**Announcements**”) in relation to, among other things, (i) the delay in publication of the annual results and the annual report of the Company for the year ended 31 December 2022; (ii) the formation of an independent investigation committee; (iii) appointment of independent forensic accountant; (iv) the guidance for the resumption of trading issued to the Company by the Stock Exchange (the “**Resumption Guidance**”); and (v) the quarterly update on the status of resumption. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

APPOINTMENT OF INDEPENDENT INTERNAL CONTROL CONSULTANT

The Board wishes to announce that on 28 July 2023, the Company has appointed SWRS Risk Services Limited as an independent internal control consultant to conduct an independent internal control review (the “**Internal Control Review**”) on certain aspects of the Group’s internal control procedure, system and control measures in order to fulfill the Resumption Guidance. The scope of the Internal Control Review covers (i)

internal control review at entity level under the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework, including but not limited to control environment, risk assessment and response, control activities, information and communication, and monitoring; (ii) internal control review on business procedure including but not limited to financial reporting, revenue and accounts receivable, costs, purchases, fees and expenses, inventory management, bank and cash management, fixed assets management, human resources and payroll, taxation, and information system control management; (iii) internal control review on compliance procedure in relation to the Listing Rules and other related regulations; and (iv) internal control review on corporate governance under the Corporate Governance Code as set out in Appendix 14 to the Listing Rules.

Further announcement(s) will be made by the Company to update the Shareholders and potential investors of the Company with respect to any material developments and findings of the Internal Control Review as and when appropriate.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 30 March 2023. Trading in the shares of the Company will remain suspended until further notice.

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

By order of the Board
SOUTH MANGANESE INVESTMENT LIMITED
Li Weijian
Chairman and Chief Executive Officer

Hong Kong, 28 July 2023

As at the date of this announcement, the executive Directors are Mr. Li Weijian, Mr. Zhang He, Mr. Xu Xiang and Mr. Li Junji; the non-executive Directors are Ms. Cui Ling and Mr. Pan Shenghai; and the independent non-executive Directors are Mr. Zhang Yupeng, Mr. Yuan Mingliang and Mr. Lo Sze Hung.