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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)

SUPPLEMENTAL ANNOUNCEMENT TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Reference is made to the annual report of South Manganese Investment Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 December 2021 (the “**2021 Annual Report**”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in 2021 Annual Report.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to provide the shareholders of the Company and potential investors with the following additional information regarding the use of proceeds from IPO as disclosed in 2021 Annual Report as follows:

- (1) As at 31 December 2021, proceeds from IPO designated for acquisition of mines and mining rights to the extent of HK\$96.0 million was not yet utilized. Since IPO, the Group has been continuously studying potential acquisition opportunities of various mining projects introduced by investment banks, mine owners and other sources from time to time.
- (2) However, the Group has not yet identified new projects which meet our investment strategy including risk return requirement. On the other hand, some of our mining rights were expired in previous years, extension of mining rights was granted by relevant authorities. Annual progress payment of approximately RMB6.2 million from 2022 to 2032 are required for the extension of one of the mining rights.
- (3) IPO proceeds will be utilized to settle the progress payments, extension of mining rights and identified investment opportunities for mine and mining rights. Therefore, the unutilized IPO proceeds of HK\$96.0 million is expected to be fully utilized on or before 2032.

The above information does not affect the information disclosed in the 2021 Annual Report. Save as disclosed in this announcement, all other information in the 2021 Annual Report remains unchanged.

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

Hong Kong, 14 December 2022

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.