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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)**

#### **INSIDE INFORMATION**

##### **(1) RESUMPTION GUIDANCE;**

##### **(2) APPOINTMENT OF INDEPENDENT FORENSIC ACCOUNTANT; AND**

##### **(3) 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 Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) 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).

References are made to the announcements of the Company dated 29 March 2023 and 31 March 2023 in relation to, among others, inside information of the Company (the “**Announcements**”). Unless otherwise specified, the capitalised terms used herein shall have the same meaning as defined in the Announcements.

#### **(1) RESUMPTION GUIDANCE**

On 24 May 2023, the Company received a letter from the Stock Exchange setting out the following guidance for the resumption of trading in the shares of the Company (the “**Resumption Guidance**”):

- (a) publish all outstanding financial results required under the Listing Rules and address any audit modifications;
- (b) conduct an appropriate independent investigation into the audit issues, assess their impact on the Company’s business operation and financial position, announce the findings and take appropriate remedial actions;

- (c) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet the obligations under the Listing Rules;
- (d) demonstrate the Company's compliance with Rule 13.24; and
- (e) inform the market of all material information for the Company's shareholders and other investors to appraise the Company's position.

The Stock Exchange has stated that the Company must meet all Resumption Guidance, remedy the issues causing its trading suspension and fully comply with the Listing Rules to the Stock Exchange's satisfaction before trading in its securities is allowed to resume and for this purpose, the Company has the primary responsibility to devise its action plan for resumption. The Stock Exchange has further stated that it may modify or supplement the Resumption Guidance if the Company's situation changes.

Under Rule 6.01A(1) of the Listing Rules, the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 18 months. In the case of the Company, the 18-month period expires on 29 September 2024. If the Company fails to remedy the issues causing its trading suspension, fulfill the Resumption Guidance and fully comply with the Listing Rules to the Stock Exchange's satisfaction and resume trading in its shares by 29 September 2024, the Listing Division will recommend the Listing Committee to proceed with the cancellation of the Company's listing. Under Rules 6.01 and 6.10 of the Listing Rules, the Stock Exchange also has the right to impose a shorter specific remedial period, where appropriate.

The Company will publish further announcement(s) to keep its shareholders and potential investors informed of the latest progress as and when appropriate and will announce quarterly updates on its development pursuant to Rule 13.24A of the Listing Rules.

## **(2) APPOINTMENT OF INDEPENDENT FORENSIC ACCOUNTANT**

The Board announces that on 25 May 2023, the Company has engaged RSM Corporate Advisory (Hong Kong) Limited, an independent forensic accountant, to conduct an investigation in relation to matters as set out in the Letter from the Auditor (the "**Independent Investigation**") and produce a report of findings on the Independent Investigation to the Independent Board Committee.

The Company will make further announcement(s) to update the shareholders and potential investors of the Company with respect to any material developments and results of the Independent Investigation as and when appropriate.

### **(3) CONTINUED SUSPENSION OF TRADING**

At the request of the Company, trading in the shares of the Company on The Stock Exchange of Hong Kong Limited 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.

By order of the Board

**SOUTH MANGANESE INVESTMENT LIMITED**

**Li Weijian**

*Chairman and Chief Executive Officer*

Hong Kong, 28 May 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.*