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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) DELAY IN PUBLICATION OF THE 2022 ANNUAL RESULTS;
(2) POSTPONEMENT OF BOARD MEETING; AND
(3) 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(2)(a) and 13.49(3)(i) 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) (the “**SFO**”).

(1) DELAY IN PUBLICATION OF THE 2022 ANNUAL RESULTS

Pursuant to Rule 13.49(1) of the Listing Rules, the Company is required to publish an announcement in relation to its preliminary results in respect of the financial year ended 31 December 2022 (the “**2022 Annual Results**”) not later than three months after the end of the financial year of the Company, i.e. on or before 31 March 2023. Under Rule 13.49(2) of the Listing Rules, the preliminary announcement in relation to the 2022 Annual Results shall be based on the Company’s financial statements for the financial year ended 31 December 2022 which shall have been agreed with the auditor.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders and potential investors of the Company that, during the course of the audit process, the Board and the audit committee of the Company (the “**Audit Committee**”) has received a letter (the “**Letter**”) from PricewaterhouseCoopers, the auditor of the Company (the “**Auditor**”) on 28 March 2023, regarding Auditor’s suggestions concerning the Company’s Ghana manganese ore trading business that, among others: (1) the Audit Committee is responsible for

the formation of an independent investigation committee; (2) the independent investigation committee shall appoint an independent third-party investigative agency to assist its investigation (the “**Investigation**”) on, among others, (a) the unusualness noted from the confirmations returned by a supplier (the “**Supplier**”) and a customer (the “**Customer**”); (b) to provide further supporting documents to substantiate the trade with the Supplier and the Customer; and (c) the commercial basis of the prepayment amounted to approximately RMB540 million as at 31 December 2022 made to the Supplier.

The Board and the Audit Committee is reviewing the Letter and may take appropriate actions for the purpose of addressing the concern raised by the Auditor and safeguard the interest of the Group.

Rule 13.49(3) of the Listing Rules provides that where an issuer is unable to issue its preliminary results in accordance with Rules 13.49(1) and (2) of the Listing Rules, it must announce its results based on the financial results that have yet to be agreed with the Auditor (so far as the information is available). The Board, after due and careful consideration, is of the view that it would not be appropriate for the Company to publish the unaudited management accounts of the Group for the financial year ended 31 December 2022 at this stage as it may not accurately reflect the financial performance and position of the Group.

The Company will make further announcement(s) to provide updates on the above matters as and when appropriate in accordance with the Listing Rules and the SFO.

(2) POSTPONEMENT OF THE BOARD MEETING

In light of the delay in the publication of the 2022 Annual Results, the Board meeting in respect of reviewing and approving, among other matters, the 2022 Annual Results will be postponed. The Company will continue to work with the Auditor to complete the audit work as soon as practicable and will publish further announcement(s) to inform the shareholders of the Company of the date of the Board meeting as and when appropriate.

(3) SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange will be suspended at 9:00 am on Thursday, 30 March 2023 until further notice.

Shareholders of the Company and potential investors 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, 29 March 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.