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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) QUARTERLY UPDATE ON STATUS OF RESUMPTION;  
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 and 13.24A 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 and 28 May 2023 (the “**Announcements**”) in relation to, among other things, (i) the delay in publication of the annual results (the “**Annual Results**”) and the annual report (the “**Annual Report**”) of the Company for the year ended 31 December 2022; (ii) the formation of an independent investigation committee (the “**Independent Investigation Committee**”); (iii) appointment of independent forensic accountant (the “**Independent Forensic Accountant**”); and (iv) the guidance for the resumption of trading issued to the Company by the Stock Exchange (the “**Resumption Guidance**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

### **RESUMPTION GUIDANCE**

As disclosed in the announcement of the Company dated 28 May 2023, the Company received from the Stock Exchange the following 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 of the Listing Rules; and
- (e) inform the market of all material information for the Company's shareholders (the "**Shareholders**") and other investors to appraise the Company's position.

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 EXPECTED TIMELINE IN FULFILLING THE RESUMPTION GUIDANCE**

The Company would like to provide the following information to the Shareholders and potential investors in relation to the Company's resumption plan and the expected timetable towards fulfillment of the Resumption Guidance set by the Stock Exchange.

<b>Resumption Guidance</b>	<b>Expected Timeline</b>
(a) publish all outstanding financial results required under the Listing Rules and address any audit modifications	The delay in publication of the Annual Results and the Annual Report is due to the Auditor's suggestions concerning the Company's Ghana manganese ore trading business as set out in the Letter from the Auditor. The Company has formed the Independent Investigation Committee to commission and lead the Independent Investigation to be conducted by the Independent Forensic Accountant on the audit issues as set out

	<p>in the Letter from the Auditor.</p> <p>As at the date of this announcement, the Independent Investigation is ongoing. Further announcement(s) will be made by the Company as and when appropriate in relation to the results of the Independent Investigation. The Company will only be able to publish the Annual Results and the Annual Report after completion of the Independent Investigation.</p> <p>The Company has on-going discussions with the Auditor on, among others, the formation of the Independent Investigation Committee, the engagement of the Independent Forensic Accountant, the additional audit fee and the audit timetable. As at the date of this announcement, there is no consensus reached between the Company and the Auditor regarding the additional audit fee and the audit timetable for the Annual Report. The Company will publish further announcement(s) in due course to inform the Shareholders and potential investors of the date of release of the Annual Results and the Annual Report.</p>
<p>(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</p>	<p>The Company has formed the Independent Investigation Committee to commission and lead and has engaged RSM Corporate Advisory (Hong Kong) Limited as the Independent Forensic Accountant to conduct the Independent Investigation and to produce a report of findings on the Independent Investigation to the Independent Investigation Committee.</p> <p>As at the date of this announcement, the Independent Investigation is ongoing. Further announcement(s) will be made by the Company as and when appropriate in relation to the results of the Independent Investigation.</p>

<p>(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</p>	<p>As at the date of this announcement, the Company is in the process of selecting an independent internal control consultant to assess the adequacy of the internal controls and procedures of the Company. The Company will continue to update its Shareholders and potential investors the appointment of independent internal control consultant and the results of the independent internal control review as and when appropriate.</p>
<p>(d) demonstrate the Company's compliance with Rule 13.24 of the Listing Rules</p>	<p>Since the suspension of trading in the Company's shares on 30 March 2023, the Group has continued its normal business operations and there has been no major change in the business operations of the Group.</p>
<p>(e) inform the market of all material information for the Shareholders and other investors to appraise the Company's position</p>	<p>Since the suspension of trading in its shares on 30 March 2023, the Company has been keeping its Shareholders and potential investors informed of all material information to appraise the Company's position by way of publication of announcements on the website of the Stock Exchange and of the Company in accordance with the Listing Rules.</p> <p>The Company will continue to keep its Shareholders and potential investors informed of any material developments by making further announcement(s) as and when appropriate and in accordance with the Listing Rules.</p>

## **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, 29 June 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.*