South Manganese Investment Limited
南方錳業投資有限公司
(incorporated in Bermuda with limited liability)
(Stock Code: 1091)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

- Revenue amounted to HK$3,562.2 million for 1H 2026, representing an increase of 22.3% from HK$2,912.4 million of 1H 2025.
- Gross profit amounted to HK$788.2 million for 1H 2026, representing an increase of 42.5% from HK$553.1 million of 1H 2025. Gross profit margin was 22.1% for 1H 2026, representing an increase of 3.1 percentage points from 19.0% for 1H 2025.
- Operating profit amounted to HK$452.7 million for 1H 2026 (1H 2025: HK$207.0 million).
- Impairment losses on property, plant and equipment of HK$15.9 million were recognised for 1H 2026 (1H 2025: HK$nil).
- Profit attributable to owners of the Company amounted to HK$359.1 million for 1H 2026 (1H 2025: HK$172.7 million).
- The Board does not recommend the payment of any interim dividend for 1H 2026 (1H 2025: Nil).

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Six months ended 30 June 2026

	Note	Six months ended 30 June	
		2026	2025
		HK$'000	*HK$'000*
		(Unaudited)	(Unaudited)
REVENUE	*3*	**3,562,172**	2,912,419
Cost of sales		**(2,773,957)**	(2,359,303)
Gross profit		**788,215**	553,116
Other income and gains	*3*	**84,836**	42,948
Selling and distribution expenses		**(28,335)**	(35,117)
Administrative expenses		**(250,499)**	(242,475)
Impairment losses on property, plant and equipment	*5*	**(15,927)**	-
Reversals of impairment losses/(impairment losses) on financial assets, net	*5*	**333**	(486)
Finance costs	*4*	**(69,840)**	(79,435)
Other expenses		**(71,674)**	(32,004)
Share of profits and losses of associates		**(4,132)**	10,290
PROFIT BEFORE TAX	*5*	**432,977**	216,837
Income tax expense	*6*	**(47,934)**	(35,588)
PROFIT FOR THE PERIOD		**385,043**	181,249
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
– Changes in fair value of financial assets at fair value through other comprehensive income, net of tax		**509**	(9)
– Exchange differences on translation of foreign operations		**109,605**	27,651
		110,114	27,642
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
– Surplus on revaluation of property, plant and equipment, net of tax		**4,372**	–
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**499,529**	208,891

	Note	Six months ended 30 June 2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)
Profit for the period attributable to:			
Owners of the Company		**359,115**	172,696
Non-controlling interests		**25,928**	8,553
		385,043	181,249
Total comprehensive income for the period attributable to:			
Owners of the Company		**485,775**	211,207
Non-controlling interests		**13,754**	(2,316)
		499,529	208,891
Earnings per share attributable to owners of the Company	*7*		
– Basic		**HK$0.0727**	HK$0.0473
– Diluted		**HK$0.0727**	HK$0.0473

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2026

	Note	**30 June 2026 *HK$'000* (Unaudited)**	31 December 2025 *HK$'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**4,137,405**	3,996,469
Investment properties		**160,282**	90,972
Right-of-use assets		**503,601**	491,460
Intangible assets		**211,560**	204,874
Interests in associates		**94,815**	95,197
Deferred tax assets		**55,144**	45,065
Prepayments and other assets		**52,998**	141,560
Total non-current assets		**5,215,805**	5,065,597
CURRENT ASSETS			
Inventories		**1,030,512**	681,225
Trade and notes receivables	*9*	**570,912**	872,778
Prepayments, other receivables and other assets		**1,649,013**	761,905
Due from related companies		**-**	12,707
Tax recoverable		**470**	452
Restricted deposits		**50,496**	35,840
Pledged deposits		**928,777**	858,740
Cash and cash equivalents		**503,820**	806,996
Total current assets		**4,734,000**	4,030,643
CURRENT LIABILITIES			
Trade and notes payables	*10*	**1,575,861**	1,282,589
Other payables and accruals		**1,680,337**	1,260,023
Interest-bearing bank and other borrowings		**2,604,471**	2,851,881
Due to related companies		**1,880**	2,338
Tax payable		**71,795**	73,702
Total current liabilities		**5,934,344**	5,470,533
NET CURRENT LIABILITIES		**(1,200,344)**	(1,439,890)
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,015,461**	3,625,707

	Note	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**635,372**	793,741
Deferred tax liabilities		**197,632**	171,945
Other long-term liabilities		**116,289**	111,202
Deferred income		**71,534**	49,815
Total non-current liabilities		**1,020,827**	1,126,703
NET ASSETS		**2,994,634**	2,499,004
EQUITY			
Equity attributable to owners of the Company			
Issued capital		**493,698**	493,698
Reserves		**2,853,133**	2,427,097
		3,346,831	2,920,795
Non-controlling interests		**(352,197)**	(421,791)
TOTAL EQUITY		**2,994,634**	2,499,004

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2026

1. BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES

1.1 Basis of preparation

The interim condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing Securities on the Stock Exchange and the Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

In preparing the interim condensed consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that the Group's current liabilities exceeded its current assets by HK$1,200.3 million as at 30 June 2026. Subsequent to the end of the reporting period, the Group has successfully renewed or obtained new bank and other borrowings of HK$555.4 million during the period from 1 July 2026 up to the date of authorisation of the consolidated financial statements of the Group. The directors of the Company, after taking into account of internally generated funds from its operations and successful renewals of bank and other borrowings, are of the opinion that the Group has sufficient working capital for its present requirements for the next twelve months from the end of the reporting period. Accordingly, the interim condensed consolidated financial statements have been prepared on a going concern basis.

1.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of all new and revised HKFRS Accounting Standards issued by the HKICPA that are relevant to the Group's operations and effective for its accounting year beginning on 1 January 2026. The new and revised HKFRS Accounting Standards do not have a material effect on the Group's condensed consolidated interim financial statement.

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2026 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed consolidated interim financial statements.

2. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised as a mixture of both business products and geographical locations based on their products and services and has four reportable operating segments as follows:

(a) EMM and alloying materials production segment (PRC)

The EMM and alloying materials production segment comprises mining and processing ores used in hydrometallurgical processing for/and production of Electrolytic Manganese Metal ("**EMM**") and manganese briquette;

(b) Battery materials production segment (PRC)

The battery materials production segment engages in the manufacture and sale of battery material products, including Electrolytic Manganese Dioxide ("**EMD**"), manganese sulfate, lithium manganese oxide and trimanganese tetraoxide;

(c) Manganese mining segment (PRC and Gabon)

The manganese mining segment engages in the mining and production of manganese products including principally, through the Group's integrated processes, the mining, beneficiation, concentrating, grinding and the production of manganese concentrates and natural discharging manganese powder and sand; and

(d) Other business segment (PRC and HK)

The other business segment principally comprises the trading of various commodities such as manganese ores, EMM, manganese alloys and non-manganese metals, sales of scraps, rental of investment properties and leasehold lands and investments in companies engaged in mining and production of non-manganese metals and trading business.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax from operation. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that interest income, non-lease-related finance costs, production halt expenses as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, tax recoverable, restricted deposits, pledged deposits, cash and cash equivalents and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude banks loans, lease liabilities under sales and leaseback arrangements, deferred tax liabilities, tax payable and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers between group companies are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

	EMM and alloying materials production PRC *HK$'000*	Battery materials production PRC *HK$'000*	Manganese mining PRC *HK$'000*	Manganese mining Gabon *HK$'000*	Other business PRC & HK *HK$'000*	Total *HK$'000*
Six months ended 30 June 2026 (Unaudited)						
Segment revenue:						
Sales to external customers	1,395,389	870,943	33,760	648,808	613,272	3,562,172
Intersegment sales	–	–	–	239,014	–	239,014
Other income and gains from operations	43,428	12,167	1,502	568	20,054	77,719
	1,438,817	883,110	35,262	888,390	633,326	3,878,905
Reconciliation:						
Elimination of inter segment sales						(239,014)
Revenue, other income and gains from operations						3,639,891
Segment results	302,042	229,513	(3,153)	89,019	(8,868)	608,553
Reconciliations:						
Interest income						7,117
Corporate and other unallocated expenses						(120,476)
Finance costs (other than interest on lease liabilities)						(62,217)
Profit before tax						432,977
Income tax expense						(47,934)
Profit for the period						385,043
Assets and liabilities						
Segment assets	3,174,539	2,164,952	590,803	422,108	1,749,788	8,102,190
Reconciliations:						
Corporate and other unallocated assets						1,847,615
Total assets						9,949,805
Segment liabilities	1,528,016	188,100	368,683	348,547	918,297	3,351,643
Reconciliations:						
Corporate and other unallocated liabilities						3,603,528
Total liabilities						6,955,171

	EMM and alloying materials production PRC	Battery materials production PRC	Manganese mining PRC	Manganese mining Gabon	Other business PRC & HK	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Six months ended 30 June 2025 (Unaudited)						
Segment revenue:						
Sales to external customers	1,028,107	753,657	86,994	633,419	410,242	2,912,419
Intersegment sales	–	–	–	82,685	–	82,685
Other income and gains from operations	16,348	8,213	(3,963)	496	19,822	40,916
	1,044,455	761,870	83,031	716,600	430,064	3,036,020
Reconciliation:						
Elimination of inter segment sales						(82,685)
Revenue, other income and gains from operations						2,953,335
Segment results	38,897	206,153	(5,873)	37,505	78,967	355,649
Reconciliations:						
Interest income						2,032
Corporate and other unallocated expenses						(70,245)
Finance costs (other than interest on lease liabilities)						(70,599)
Profit before tax						216,837
Income tax expense						(35,588)
Profit for the period						181,249
Assets and liabilities						
Segment assets	2,630,888	2,145,557	571,420	450,718	1,246,561	7,045,144
Reconciliations:						
Corporate and other unallocated assets						1,404,987
Total assets						8,450,131
Segment liabilities	896,653	149,596	389,203	453,362	350,138	2,238,952
Reconciliations:						
Corporate and other unallocated liabilities						3,884,098
Total liabilities						6,123,050

3. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Sale of goods:		
EMM and alloying materials production	**1,395,389**	1,028,107
Battery materials production	**870,943**	753,657
Manganese mining	**682,568**	720,413
Other business	**613,272**	410,242
	3,562,172	2,912,419

Revenue from contracts with customers

Disaggregated revenue information

For the six months ended 30 June 2026 (Unaudited)

Segments	**EMM and alloying materials production**	**Battery materials production**	**Manganese mining**	**Other business**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Sale of goods	**1,395,389**	**870,943**	**682,568**	**613,272**	**3,562,172**
Geographical markets					
Mainland China	**1,249,054**	**867,844**	**414,155**	**561,725**	**3,092,778**
Asia (excluding Mainland China)	**91,225**	**3,099**	**268,413**	**8,133**	**370,870**
Europe	**46,968**	**–**	**–**	**43,414**	**90,382**
North America	**8,142**	**–**	**–**	**–**	**8,142**
Total revenue from contracts with customers	**1,395,389**	**870,943**	**682,568**	**613,272**	**3,562,172**
Timing of revenue recognition					
Goods transferred at a point in time with customers	**1,395,389**	**870,943**	**682,568**	**613,272**	**3,562,172**

For the six months ended 30 June 2025 (Unaudited)

Segments	EMM and alloying materials production HK$'000	Battery materials production HK$'000	Manganese mining HK$'000	Other business HK$'000	Total HK$'000
Sale of goods	1,028,107	753,657	720,413	410,242	2,912,419
Geographical markets					
Mainland China	933,344	750,181	574,987	402,220	2,660,732
Asia (excluding Mainland China)	69,044	3,476	145,426	7,971	225,917
Europe	22,309	–	–	51	22,360
North America	3,410	–	–	–	3,410
Total revenue from contracts with customers	1,028,107	753,657	720,413	410,242	2,912,419
Timing of revenue recognition					
Goods transferred at a point in time with customers	1,028,107	753,657	720,413	410,242	2,912,419

An analysis of other income and gains is as follows:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Other income and gains		
Interest income	**7,117**	2,032
Subsidy income	**21,006**	13,472
Sale of scraps and other materials	**28,124**	6,665
Rental income	**10,473**	5,976
Others	**18,116**	14,803
	84,836	42,948

4. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest on loans and other payables	**54,905**	65,195
Finance costs for discounted notes receivable	**7,312**	5,404
Interest expenses on lease liabilities	**7,623**	8,836
	69,840	79,435

5. PROFIT BEFORE TAX

The Group's profit before tax are arrived at after charging/(crediting):

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Cost of inventories sold#	**2,753,470**	2,399,597
Provision/(reversals of provision) for inventories, net#	**20,487**	(40,294)
Depreciation of property, plant and equipment	**203,955**	188,315
Depreciation of right-of-use assets	**8,806**	10,091
Amortisation of intangible assets	**1,642**	1,994
Research and development costs	**26,212**	24,315
Auditor's remuneration	**2,501**	2,577
Employee benefit expenses	**341,879**	282,111
Losses on disposal of items of property, plant and equipment*	**1,380**	2,658
Foreign exchange differences, net*	**10,320**	22,184
Impairment losses on property, plant and equipment	**15,927**	–
(Reversals of impairment losses)/impairment losses on financial assets, net, included in trade and notes receivables and other receivables	**(333)**	486
Variable lease payments not included in the measurement of lease liabilities (included in cost of inventories sold)	**2,625**	705
Expenses relating to leases of low-value assets^	**1,295**	1,120
Fair value losses on investment properties*	**34,420**	–

\# Included in "Cost of sales" in the interim condensed consolidated statement of profit or loss and other comprehensive income.

* Included in "Other expenses" in the interim condensed consolidated statement of profit or loss and other comprehensive income.

^ Included in "Selling and distribution expenses" or "Administrative expenses" in the interim condensed consolidated statement of profit or loss and other comprehensive income.

6. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis and assessable based on tax rates prevailing in the jurisdictions in which members of the Group operate.

The major components of income tax expense for the reporting period are as follows:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current – PRC		
Charge for the period	**16,700**	40,688
Current – Hong Kong		
Charge for the period	**8,139**	1,881
Current – Gabon		
Charge for the period	**11,619**	528
Deferred	**11,476**	(7,509)
Total tax charge for the period	**47,934**	35,588

Hong Kong profits tax

Hong Kong profits tax for the six months ended 30 June 2026 and 2025 has been provided at the rate of 16.5% on the estimated assessable profits for the period.

PRC corporate income tax ("CIT")

Pursuant to the PRC Income Tax Law and the respective regulations, each of South Manganese Group, Guangxi South Manganese International New Energy Technology Co., Ltd, Huiyuan Manganese and Guangxi Daxin Huiyuan New Energy Technology Co., Ltd are recognised as a High and New Technology Enterprise and is entitled to a preferential CIT rate of 15% up to 2028, 2028, 2026 and 2026 respectively.

Other companies of the Group which operate in Mainland China are subject to CIT at a rate of 25% on their respective taxable income, unless it meets the conditions for other preferential tax treatments, such as the entitled CIT rate of 5% for Small and Marco Enterprises.

Gabon CIT

Pursuant to the Gabon Income Tax Law, a company which engages in mining operations in Gabon is subject to CIT at the higher of 35% of its taxable income or 1% of its revenue.

7. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
The calculation of basic and diluted earnings per share are based on:		
Earnings		
Earnings attributable to owners of the Company, used in the basic earnings per share calculation	**359,115**	172,696
	Number of shares	
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**4,936,980,960**	3,653,213,534

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2026 nor the six months ended 30 June 2025.

8. DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2026 (2025: Nil).

9. TRADE AND NOTES RECEIVABLES

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables	**709,352**	666,887
Less: Impairment provision	**(268,967)**	(266,781)
	440,385	400,106
Notes receivable	**130,527**	472,672
	570,912	872,778

An ageing analysis of the trade receivables of the Group as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within one month	**224,667**	234,373
One to two months	**91,434**	77,138
Two to three months	**40,687**	24,827
Over three months	**83,597**	63,768
	440,385	400,106

The Group normally offers credit terms of one month to three months to its established customers.

Notes receivable represents bank acceptance notes issued by banks in Mainland China maturing within six months from the end of the reporting period.

10. TRADE AND NOTES PAYABLES

An ageing analysis of the trade and notes payables as at the end of the reporting period, based on the invoice date of trade payables and the issue date of notes, is as follows:

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within one month	**617,888**	477,826
One to two months	**198,984**	67,355
Two to three months	**195,729**	64,130
Over three months	**563,260**	673,278
	1,575,861	1,282,589

Trade payables are non-interest-bearing and are normally settled on 60-day terms.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

	1H 2026	1H 2025
	HK$'000	*HK$'000*
Revenue	**3,562,172**	2,912,419
Gross profit	**788,215**	553,116
Gross profit margin	**22.1%**	19.0%
Operating profit	**452,703**	207,033
Impairment losses on property, plant and equipment	**(15,927)**	–
Reversals of impairment losses/(impairment losses) on financial assets, net	**333**	(486)
Share of profits and losses of associates	**(4,132)**	10,290
Profit before tax	**432,977**	216,837
Income tax expense	**(47,934)**	(35,588)
Profit for the period	**385,043**	181,249
Profit for the period attributable to owners of the Company	**359,115**	172,696
Profit for the period attributable to non-controlling interests	**25,928**	8,553
	385,043	181,249

OVERVIEW

The global economy maintained moderate growth in 1H 2026, although the pace of expansion remained uneven across major economies. The United States continued to record relatively resilient economic activity, supported by consumer spending and a stable labour market, while economic growth in the Eurozone remained modest amid continued policy uncertainties and soft industrial activity. China's economy continued its gradual recovery, supported by policy measures aimed at stimulating domestic demand and infrastructure investment, although the property sector remained under pressure and consumer confidence recovered at a measured pace. Inflationary pressures generally eased across major economies, allowing certain central banks to adopt a more accommodative monetary policy stance. Nevertheless, geopolitical tensions, trade policy uncertainties and ongoing supply chain adjustments continued to pose risks to the global economic outlook.

The Group continued to focus on its core businesses in EMM and alloying materials production, battery materials production, manganese mining and trading business in 1H 2026, with major products including EMM Products, EMD, and manganese ores and related products.

- Steel sector is our major downstream industry, with demand for our EMM Products primarily arising from consumption within China. During 1H 2026, while the broader steel market navigated a subdued property sector, demand for EMM was supported by resilient activity in infrastructure investment and manufacturing, alongside steady production of steels. Against this backdrop, average selling price of our EMM Products for 1H 2026 increased notably by 39.7% to HK$17,767 per tonne (1H 2025: HK$12,722 per tonne). Coupled with our comprehensive cost control across key areas such as production, procurement, material management, tendering and operations, gross profit margin of EMM Products improved to 26.6% for 1H 2026 (1H 2025: 12.9%) and the gross profit contribution of EMM Products increased to HK$357.6 million for 1H 2026 (1H 2025: HK$131.2 million).

- In 1H 2026, our production of battery materials including EMD continued to achieve satisfying overall results. For EMD, its average selling price increased to HK$16,285 per tonne for 1H 2026 (1H 2025: HK$14,869 per tonne) despite the decline in its sales volume. Gross profit margin of EMD remained relatively stable at 44.4% for 1H 2026 (1H 2025: 43.1%) and gross profit contribution of EMD was maintained at HK$261.3 million for 1H 2026 (1H 2025: HK$267.9 million).

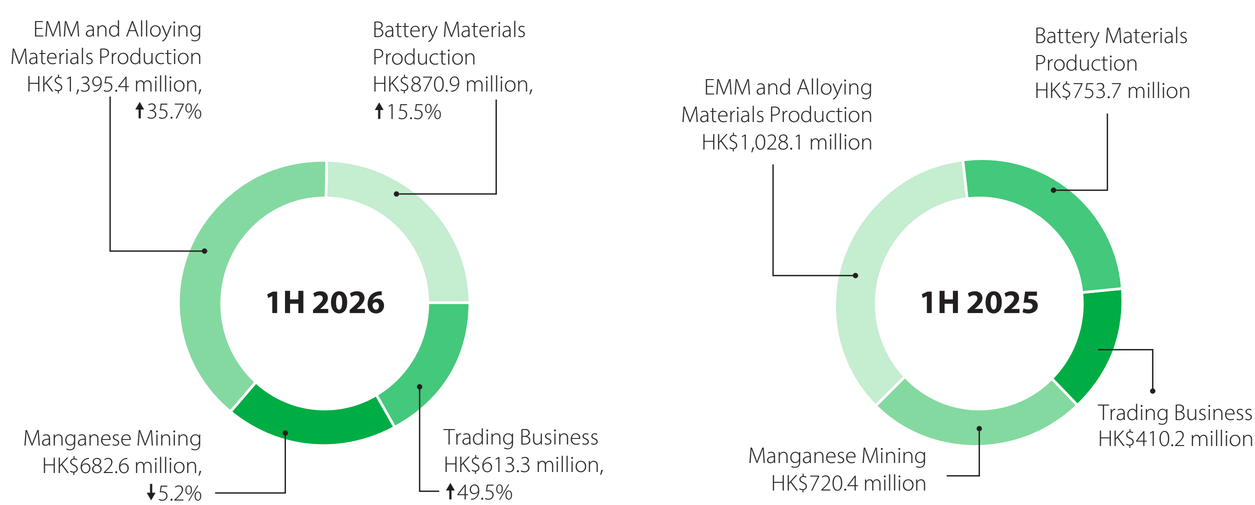
- The Group recorded slight decline in revenue from manganese mining business which was mainly due to decrease in sales volume of Gabon manganese ores and manganese concentrate. However, primarily as a result of the increase in average selling price and relatively stable unit cost of Gabon manganese ores, gross profit margin of manganese mining business for 1H 2026 improved to 21.3% (1H 2025: 12.2%) and gross profit contribution of manganese mining business increased to HK$145.4 million for 1H 2026 (1H 2025: HK$88.2 million).

- For 1H 2026, mainly as a result of the increase in sales of manganese ingots with relatively thin margins, trading business recorded gross profit margin of 0.5% (1H 2025: 16.7%) and the gross profit contribution of trading business amounted to HK$3.0 million (1H 2025: HK$68.3 million).

In summary, primarily driven by the satisfactory performance of the Group's businesses in EMM and alloying materials production and manganese mining, operating profit for 1H 2026 amounted to HK$452.7 million (1H 2025: HK$207.0 million). Earnings before interest, taxes, depreciation and amortisation ("**EBITDA**") for 1H 2026 amounted to HK$710.1 million (1H 2025: HK$494.6 million) and the profit attributable to owners of the Company for 1H 2026 was HK$359.1 million (1H 2025: HK$172.7 million).

COMPARISON WITH SIX MONTHS ENDED 30 JUNE 2025

Revenue by segment



For 1H 2026, total revenue was HK$3,562.2million (1H 2025: HK$2,912.4 million), representing an increase of 22.3% as compared with 1H 2025. The increase was mainly driven by increase in revenue from EMM and alloying materials production, battery materials production and trading business.

EMM and alloying materials production segment

	Sales Volume *(tonnes)*	Average Selling Price *(HK$/tonne)*	Revenue *(HK$'000)*	Unit Cost of Sales *(HK$/tonne)*	Cost of Sales *(HK$'000)*	Gross Profit *(HK$'000)*	Gross Profit Margin *(%)*
Six months ended 30 June 2026							
EMM	**71,482**	**17,812**	**1,273,265**	**12,986**	**928,261**	**345,004**	**27.1**
Manganese briquette	**4,160**	**16,993**	**70,689**	**13,968**	**58,107**	**12,582**	**17.8**
	75,642	**17,767**	**1,343,954**	**13,040**	**986,368**	**357,586**	**26.6**
Others	**35,885**	**1,433**	**51,435**	**1,269**	**45,552**	**5,883**	**11.4**
Total	**111,527**	**12,512**	**1,395,389**	**9,253**	**1,031,920**	**363,469**	**26.0**
Six months ended 30 June 2025							
EMM	70,804	12,777	904,671	11,029	780,929	123,742	13.7
Manganese briquette	9,203	12,297	113,170	11,486	105,708	7,462	6.6
	80,007	12,722	1,017,841	11,082	886,637	131,204	12.9
Others	39,289	261	10,266	179	7,043	3,223	31.4
Total	119,296	8,618	1,028,107	7,491	893,680	134,427	13.1

Revenue of EMM and alloying materials production segment increased by 35.7% to HK$1,395.4 million for 1H 2026 (1H 2025: HK$1,028.1 million) mainly driven by the increase in revenue of EMM Products. EMM Products continued to be one of our major products in terms of revenue, with average selling price of which increased notably by 39.7% to HK$17,767 per tonne for 1H 2026 (1H 2025: HK$12,722 per tonne) primarily attributable to elevated costs of major upstream raw materials. Sales volume of EMM Products slightly decreased by 5.5% to 75,642 tonnes for 1H 2026 (1H 2025: 80,007 tonnes), mainly reflecting tight industry supply.

Through the ongoing implementation of comprehensive cost control measures across key areas such as production, procurement, material management, tendering and operations, the Group contained the increase in the unit cost of EMM products below the rise in their average selling price. Overall gross profit of EMM and alloying materials production segment increased by 170.5% to HK$363.5 million for 1H 2026 (1H 2025: HK$134.4 million) and its overall gross profit margin increased to 26.0% for 1H 2026 (1H 2025: 13.1%). As a result of the foregoing, the EMM and alloying materials product segment recorded a segment profit of HK$302.0 million for 1H 2026 (1H 2025: HK$38.9 million).

Battery materials production segment

	Sales Volume *(tonnes)*	Average Selling Price *(HK$/tonne)*	Revenue *(HK$'000)*	Unit Cost of Sales *(HK$/tonne)*	Cost of Sales *(HK$'000)*	Gross Profit/(Loss) *(HK$'000)*	Gross Profit/(Loss) Margin *(%)*
Six months ended 30 June 2026							
EMD	**36,171**	**16,285**	**589,049**	**9,061**	**327,728**	**261,321**	**44.4**
Manganese sulfate	**39,530**	**3,537**	**139,814**	**3,357**	**132,690**	**7,124**	**5.1**
Lithium manganese oxide	**1,831**	**53,711**	**98,344**	**52,260**	**95,688**	**2,656**	**2.7**
Trimanganese tetraoxide	**2,679**	**16,325**	**43,736**	**14,353**	**38,451**	**5,285**	**12.1**
Total	**80,211**	**10,858**	**870,943**	**7,412**	**594,557**	**276,386**	**31.7**
Six months ended 30 June 2025							
EMD	41,770	14,869	621,085	8,456	353,212	267,873	43.1
Manganese sulfate	23,242	2,998	69,669	3,158	73,395	(3,726)	(5.3)
Lithium manganese oxide	1,546	30,161	46,629	32,242	49,846	(3,217)	(6.9)
Trimanganese tetraoxide	1,348	12,073	16,274	11,177	15,066	1,208	7.4
Total	67,906	11,099	753,657	7,238	491,519	262,138	34.8

For 1H 2026, revenue of battery materials production segment increased by 15.5% to HK$870.9 million (1H 2025: HK$753.7 million) mainly attributable to the followings:

(a) EMD continued to be our major battery material product. Primarily due to elevated raw material costs, such as sulfuric acid, and tightened industry supply, average selling price of EMD for 1H 2026 increased by 9.5% to HK$16,285 per tonne (1H 2025: HK$14,869 per tonne) while the sales volume of EMD for 1H 2026 decreased by 13.4% to 36,171 tonnes (1H 2025: 41,770 tonnes), resulting in a slight decrease in revenue from EMD.

(b) For 1H 2026, revenue of other battery material products, including manganese sulfate, lithium manganese oxide and trimanganese tetraoxide recorded growth which was mainly driven by increase in their average selling price and sales volume, primarily supported by strong downstream demands.

As a result of the above and the elevated raw material costs, overall gross profit of battery materials production segment slightly increased by 5.5% to HK$276.4 million for 1H 2026 (1H 2025: HK$262.1 million) with a slightly declined overall gross profit margin of 31.7% for 1H 2026 (1H 2025: 34.8%). The battery materials production segment recorded a segment profit of HK$229.5 million for 1H 2026 (1H 2025: HK$206.2 million).

Manganese mining segment

	Sales Volume *(tonnes)*	Average Selling Price *(HK$/tonne)*	Revenue *(HK$'000)*	Unit Cost of Sales *(HK$/tonne)*	Cost of Sales *(HK$'000)*	Gross Profit/ (Loss) *(HK$'000)*	Gross Profit/ (Loss) Margin *(%)*
Six months ended 30 June 2026							
Gabon ore	**709,106**	**915**	**648,808**	**721**	**511,069**	**137,739**	**21.2**
Manganese concentrate	**58,913**	**400**	**23,575**	**405**	**23,882**	**(307)**	**(1.3)**
Natural discharging manganese powder and sand	**4,041**	**2,520**	**10,185**	**560**	**2,262**	**7,923**	**77.8**
Total	**772,060**	**884**	**682,568**	**696**	**537,213**	**145,355**	**21.3**
Six months ended 30 June 2025							
Gabon ore	757,191	837	633,419	735	556,870	76,549	12.1
Manganese concentrate	208,801	358	74,647	348	72,639	2,008	2.7
Natural discharging manganese powder and sand	5,452	2,265	12,347	493	2,687	9,660	78.2
Total	971,444	742	720,413	651	632,196	88,217	12.2

For 1H 2026, revenue of manganese mining segment slightly decreased by 5.2% to HK$682.6 million (1H 2025: HK$720.4 million) primarily due to decrease in sales volume of manganese concentrate. Such decrease was mainly attributable to a higher allocation of manganese concentrate for internal production of downstream manganese products with higher margins. The effect was largely offset by the revenue growth of Gabon manganese ore mainly driven by the increase in average selling price supported by the demands from downstream producers.

Primarily attributable to the revenue growth of Gabon manganese ore and its relatively stable unit cost, gross profit of manganese mining segment increased by 64.9% to HK$145.4 million for 1H 2026 (1H 2025: HK$88.2 million). As a result of the above, the manganese mining segment recorded a segment profit of HK$85.9 million for 1H 2026 (1H 2025: HK$31.6 million).

Other business segment

	Revenue *(HK$'000)*	Cost of Sales *(HK$'000)*	Gross Profit *(HK$'000)*	Gross Profit Margin *(%)*
Six months ended 30 June 2026				
Trading	**613,272**	**610,267**	**3,005**	**0.5**
Six months ended 30 June 2025				
Trading	410,242	341,908	68,334	16.7

Revenue of other business segment increased to HK$613.3 million for 1H 2026 (1H 2025: HK$410.2 million), representing an increase of 49.5%, whereas its gross profit margin declined to 0.5% (1H 2025: 16.7%) with a gross profit amounted to HK$3.0 million (1H 2025: HK$68.3 million). These were primarily attributable to the significant increase in sales of manganese ingots with relatively thin margins during 1H 2026.

Cost of Sales

Total cost of sales increased by 17.6% to HK$2,774.0 million for 1H 2026 (1H 2025: HK$2,359.3 million) in line with increase of revenue.

Gross Profit

For 1H 2026, the Group recorded a gross profit of HK$788.2 million (1H 2025: HK$553.1 million), which represented an increase of HK$235.1 million or 42.5%. The Group's overall gross profit margin was 22.1% for 1H 2026, representing an increase of 3.1 percentage points from 19.0% for 1H 2025. The improvements in overall gross profit and gross profit margin were primarily driven by the satisfactory performance of the Group's businesses in EMM and alloying materials production and manganese mining during the reporting period.

Other Income and Gains

Other income and gains amounted to HK$84.8 million for 1H 2026 (1H 2025: HK$42.9 million) which mainly represented interest income, subsidy income, income from sale of scraps, rental income and other miscellaneous income.

Selling and Distribution Expenses

The Group's selling and distribution expenses for 1H 2026 decreased by 19.4% to HK$28.3 million (1H 2025: HK$35.1 million) generally in line with decrease in sales volume of EMD and EMM Products.

Administrative Expenses

Administrative expenses remained stable at HK$250.5 million for 1H 2026 (1H 2025: HK$242.5 million).

Impairment Losses on Property, Plant and Equipment

Impairment losses on property, plant and equipment amounted to HK$15.9 million for 1H 2026 (1H 2025: HK$nil) which mainly represented impairment losses on certain obsolete plant and machinery of Guangxi Start due to relocation of business.

Finance Costs

For 1H 2026, the Group's finance costs were HK$69.8 million (1H 2025: HK$79.4 million), representing a decrease of 12.1% which was mainly due to the decrease in total borrowings.

Other Expenses

Other expenses increased to HK$71.7 million for 1H 2026 (1H 2025: HK$32.0 million) mainly due to the recognition of fair value losses on investment properties of HK$34.4 million for the reporting period.

Share of Profits and Losses of Associates

For 1H 2026, share of losses of associates of HK$4.1 million (1H 2025: profits of HK$10.3 million) mainly represented share of losses of Qingdao Manganese.

Income Tax Expense

For 1H 2026, the effective tax rate was 11.1% (1H 2025: 16.4%) which was lower than the applicable corporate income tax rate of China in which the Group mainly operates, mainly due to over-provision in prior year and utilisation of tax losses not previously recognised.

Profit Attributable to Owners of the Company

For 1H 2026, the Group's profit attributable to owners of the Company was HK$359.1 million (1H 2025: HK$172.7 million).

Earnings per Share

For 1H 2026, earnings per share attributable to owners of the Company was HK$0.0727 (1H 2025: HK$0.0473).

Interim Dividend

The Board does not recommend the payment of any interim dividend for 1H 2026 (1H 2025: Nil).

Liquidity and Financial Resources

Cash and Bank Balances

As at 30 June 2026, the currency denomination of the Group's cash and bank balances including restricted deposits and pledged deposits are as follows:

Currency denomination	**30 June 2026** ***HK$ million***	31 December 2025 *HK$ million*
Denominated in:		
RMB	**1,366.0**	1,541.1
HKD	**2.2**	1.9
USD	**75.0**	120.2
XAF	**1.5**	33.5
EUR	**38.4**	4.9
	1,483.1	1,701.6

As at 30 June 2026, our cash and bank balances including restricted deposits and pledged deposits were HK$1,483.1 million (31 December 2025: HK$1,701.6 million) while the Group's borrowings amounted to HK$3,239.8 million (31 December 2025: HK$3,645.6 million). As at 30 June 2026, the Group's borrowings net of cash and bank balances amounted to HK$1,756.8 million (31 December 2025: HK$1,944.0 million).

To manage liquidity risk, the Group continues to monitor current and expected liquidity requirements to secure sufficient balance of cash in the short and long terms as well as facilities from banks and financial institutions.

Other major changes in working capital

As at 30 June 2026, prepayments, other receivables and other assets classified under current assets increased to HK$1,649.0 million (31 December 2025: HK$761.9 million) mainly due to increase in prepayments for purchase of manganese ingots.

Net Current Liabilities

As at 30 June 2026, the Group's net current liabilities decreased to HK$1,200.3 million (31 December 2025: HK$1,439.9 million).

Bank and Other Borrowings

As at 30 June 2026, the Group's borrowing structure and maturity profile are as follows:

Borrowing structure	**30 June 2026** *HK$ million*	31 December 2025 *HK$ million*
Secured borrowings (including lease liabilities)	**768.2**	1,713.2
Unsecured borrowings	**2,471.6**	1,932.4
	3,239.8	3.645.6

Maturity profile	**30 June 2026** *HK$ million*	31 December 2025 *HK$ million*
Repayable:		
Within one year or on demand	**2,604.5**	2,851.9
In the second year	**357.1**	626.1
In the third to fifth years, inclusive	**278.2**	167.6
	3,239.8	3,645.6

Currency denomination	**30 June 2026** *HK$ million*	31 December 2025 *HK$ million*
Denominated in:		
RMB	**3,238.1**	3,644.2
USD	**1.0**	0.2
HK$	**0.7**	1.2
	3,239.8	3,645.6

As at 30 June 2026, borrowings as to the amounts of HK$2,940.8 million (31 December 2025: HK$3,645.6 million) and HK$299.0 million (31 December 2025: HK$nil), carry fixed and floating rate interest respectively. The fixed rate borrowings carry interest at rates ranging from 2.22% to 6.30%. The floating rate borrowings comprise RMB denominated loans that carry interest up to the China Loan Prime Rate.

Overall, aggregate borrowings decreased to HK$3,239.8 million as at 30 June 2026 (31 December 2025: HK$3,645.6 million). The Group continues to explore various means including short-term or medium-term notes and more long-term bank loans to improve borrowing structure in terms of interest rate level and repayment terms. The Group will also continue to implement the debt reduction proposal approved by the shareholders of the Company at the special general meeting held on 9 July 2025.

Charge on Group Assets

As at 30 June 2026, (a) right-of-use assets of HK$1.4 million (31 December 2025: HK$1.5 million) related to property, plant and equipment were held under leases; (b) bank balances of HK$928.8 million (31 December 2025: HK$858.7 million) were pledged to secure certain of the Group's bank acceptance notes payable and bank borrowings; (c) property, plant and equipment and leasehold lands of HK$1,112.7 million (31 December 2025: HK$1,055.7 million) and trade receivables of HK$49.2 million (31 December 2025: HK$nil) were pledged to secure certain of the Group's bank and other borrowings; and (d) bank balances of HK$50.5 million (31 December 2025: HK$35.8 million) were restricted to secure certain potential claims from disputes with customers.

Key Financial Ratios of the Group

Maturity profile	**30 June 2026**	31 December 2025
Current ratio	**0.80**	0.74
Quick ratio	**0.62**	0.61
Net gearing ratio	**52.5%**	66.6%

Current ratio	=	balance of current assets at the end of the period/balance of current liabilities at the end of the period
Quick ratio	=	(balance of current assets at the end of the period − balance of inventories at the end of the period)/balance of current liabilities at the end of the period
Net gearing ratio	=	Calculated as net debt divided by equity attributable to owners of the Company. Net debt is defined as the sum of interest-bearing bank and other borrowings less cash and cash equivalents, restricted deposits and pledged deposits

As at 30 June 2026, current ratio, quick ratio and net gearing ratio of the Group improved as compared to those as at 31 December 2025, mainly as a result of the better operating results for 1H 2026 and the reduction of total borrowings.

Liquidity risk and going concern basis

The Group monitors its risk to a shortage of funds on an on-going basis by closely monitoring the maturity of both its financial instruments and financial assets and projected cash flows from operations. The Group's objective is to maintain sufficient working capital to finance its operations and meet its financial obligation as and when they fall due. At the same time, the Group will strive a balance between continuity of funding and flexibility through the use of short-term and long-term bank loans, finance leases, other interest-bearing borrowings and short-term and medium-term notes, taking also into account of the different pricing of various financing for each alternatives. Due consideration will also be given to equity financing alternatives.

In preparing the interim condensed consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that the Group's current liabilities exceeded its current assets by HK$1,200.3 million as at 30 June 2026. Subsequent to the end of the reporting period, the Group has successfully renewed or obtained new bank and other borrowings of HK$555.4 million during the period from 1 July 2026 up to the date of authorisation of the consolidated financial statements of the Group. The directors of the Company, after taking into account of internally generated funds from its operations and successful renewals of bank and other borrowings, are of the opinion that the Group has sufficient working capital for its present requirements for the next twelve months from the end of the reporting period. Accordingly, the interim condensed consolidated financial statements have been prepared on a going concern basis.

Credit Risk

The Group endeavoured to maintain strict control over its outstanding receivables to minimise credit risk. Credit periods allowed are determined according to relevant business practice and the relevant type of goods and generally are in the range of one to three months from the invoice date and cash realization may be further extended by three to six months for those customers paying by bank acceptance notes. Overdue balances are regularly reviewed by senior management. Since the Group's trade and notes receivables related to a large number of diversified customers, there was no significant concentration of credit risk save for a customer described below. The Group normally did not hold any collateral or other credit enhancements over its trade and notes receivable balances.

As at 30 June 2026, the customer with the largest balance of trade and notes receivables of the Group was a customer together with its subsidiaries ("**Customer A**") which is principally engaged in manganese ferroalloy production and manganese ore trading in China. At 30 June 2026, trade receivables due from Customer A was HK$232.0 million (31 December 2025: HK$232.0 million) and represented 32.7% (31 December 2025: 34.8%) of the Group's total trade receivables, which was totally overdue and fully provided as at 31 December 2025 and 30 June 2026. The Group continues to negotiate a repayment schedule with Customer A and will take further legal actions when necessary to speed up the collections of the debts.

As at 30 June 2026, the fully impaired amount due from Dushan Jinmeng of HK$337.1 million (31 December 2025: HK$324.2 million) was arising from the settlement of guarantee liability in 2024 for a corporate guarantee provided by the Group on banking facilities granted to Dushan Jinmeng since 2015. Dushan Jinmeng's leasehold land and certain of its property, plant and equipment was pledged to the Group to secure the repayment and this right over charge will be exercisable if Duhan Jinmeng does not repay the amount on or before 19 May 2027.

Interest rate risk

We are exposed to interest rate risk resulting from fluctuations in interest rates on our floating rate debt. Floating interest rates are subject to interest rate changes in the China Loan Prime Rate. If the China Loan Prime Rate increases, our finance costs will increase. In addition, to the extent that we may need to raise debt financing or roll over our short-term loans in the future, any upward fluctuations in interest rates will increase the costs of new debt obligations.

Foreign exchange risk

The Group's operations are primarily in Hong Kong, China and Gabon. Foreign exchange risks for operations in each location are set out below.

(a) In respect of our trading operations in Hong Kong, our sales and purchases are both denominated in United States dollars. In addition, Hong Kong dollars is pegged to United States dollars and hence foreign exchange risk is minimal.

(b) In respect of our mining and downstream operations in the PRC, our products are sold to local customers in RMB and to a less extent to overseas customers in United States dollars. Major expenses of our PRC operations are denominated in RMB. Our PRC operations face minimal foreign exchange risks except for the followings:

    The Group imported manganese ores from oversea suppliers which are denominated in United States dollars to cope with its production of alloy materials and trading purpose. In addition, certain of our purchases was financed by bank borrowings denominated in United States dollars. In order to contain the foreign currency risk in association with such purchases, the Group may enter into forward currency contracts for selected major purchases at the time of entering into the relevant purchase contracts or loan contracts to secure against exchange rate movements.

(c) In respect of our Gabon operation, our income is substantially denominated in RMB and United States dollars and all major local operating expenses are denominated in RMB and XAF, which is pegged to EURO, while the freight charges are denominated in United States dollars.

Use of Proceeds from IPO

Up to 30 June 2026, we utilised the net proceeds raised from the IPO in accordance with the designated uses set out in the Prospectus as follows:

Description	Amount designated in Prospectus *(HK$ Million)*	Amount utilised up to 30 June 2026 *(HK$ Million)*	% utilised	Amount utilised up to 31 December 2025 *(HK$ Million)*	% utilised
1 Expansion project at Daxin EMD Plant	79	79	100.0	79	100.0
2 Expansion project of underground mining and ore processing at Daxin Mine	278	278	100.0	278	100.0
3 Expansion and construction projects of our EMM production facilities	516	516	100.0	516	100.0
4 Construction project at Chongzuo Base	59	59	100.0	59	100.0
5 Development of Bembélé Manganese Mine and associated facilities	119	119	100.0	119	100.0
6 Technological improvement and renovation projects at our production facilities	40	40	100.0	40	100.0
7 Acquisition of mines and mining rights	397	347	87.4	336	84.6
8 Repayment on a portion of our bank borrowings	297	297	100.0	297	100.0
9 Working capital and other corporate purposes	198	198	100.0	198	100.0
Total	1,983	1,933	97.5	1,922	96.9

As at 30 June 2026, proceeds from IPO designated for acquisition of mines and mining rights to the extent of HK$50 million was not yet utilised. According to the Prospectus, the proceeds shall be used for the acquisition of mines, mining rights in relation to mines with identified mining resources or related production facilities. During 1H 2026, HK$11.4 million was utilised and paid to the PRC government to extend the mining rights of Changgou Manganese Mine and Daxin Manganese Mine. The unutilised proportion of IPO proceeds of HK$50 million is expected to be fully utilised during or before the year ending 31 December 2032. The unutilised portion of IPO proceeds continues to be maintained in deposits with licensed banks.

Events after the reporting period

On 18 August 2026, the Company and the placing agent entered into a placing agreement in respect of the placing of a maximum of 987,396,192 Shares at the placing price of HK$0.314 per Share under general mandate (the "**Placing**"). Assuming that all placing Shares are placed, the gross proceeds from the Placing are expected to be approximately HK$310.04 million, and the net proceeds from the Placing (after deduction of the placing commission in respect of the Placing and other related expenses including, among others, the professional fees) are expected to be approximately HK$303.53 million. Details of the Placing were disclosed in announcement of the Company dated 18 August 2026.

Business Model and Strategy

The Group strives to be the global leading one stop and vertical integrated manganese producer while maintaining the Group's long term profitability and assets growth with adoption of flexible business model and strategy and prudent risk and capital management framework. We intend to adopt and implement the following strategies to achieve our objective:

(a) expand and upgrade our manganese resources and reserves through exploration and enhance our strategic control of manganese resources and reserves through mergers and acquisitions;

(b) enhance our operational efficiency and profitability; and

(c) establish and consolidate our strategic relationships with selected major customers and industry leading partners.

Future Development and Outlook

In 1H 2026, the global economic environment remained subject to uncertainties arising from geopolitical tensions, evolving international trade policies and fluctuations in financial markets. While the pace of global economic recovery remained uneven, China continued to demonstrate relatively stronger resilience, supported by ongoing policy measures aimed at stimulating domestic demand and infrastructure investment, which are likely to accelerate demand for high-purity manganese products such as EMM and EMD.

We will continue to closely monitor developments in the global economic environment, international trade dynamics and market conditions, and will respond proactively by strengthening cost control, enhancing operational efficiency and maintaining prudent capital management.

CORPORATE GOVERNANCE CODE

Throughout the six months ended 30 June 2026, the Company has applied the principles, complied with the applicable code provisions, and also complied with certain recommended best practices, of the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct for dealings in securities of the Company by its Directors (the "**Securities Dealings Code**") that is based on the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules (or on terms no less stringent than the Model Code).

All Directors confirmed, following specific enquiry by the Company, that they have complied with the required standards set out in the Securities Dealings Code throughout the six months ended 30 June 2026.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

REVIEW OF ACCOUNTS

The Audit Committee has reviewed the unaudited interim results for the six months ended 30 June 2026 with the management of the Company.

FORWARD LOOKING STATEMENTS

This interim results contains certain forward looking statements with respect to the financial condition, results of operations and business of the Group. These forward looking statements represent the Company's expectations or beliefs concerning future events and involve known and unknown risks and uncertainty that could cause actual results, performance or events to differ materially from those expressed or implied by such statements.

Glossary of Terms

1H 2025	six months ended 30 June 2025
1H 2026	six months ended 30 June 2026
Audit Committee	audit committee of the Board
Bembélé Manganese Mine	a manganese mine located in Bembélé, Moyen-Ogooue Province, Gabon, the exploration rights and mining rights of which are owned by Compagnie Industrielle et Commerciale des Mines de Huazhou (Gabon) (華州礦業(加蓬)工貿有限公司)
Board or Board of Directors	our board of Directors
Changgou Manganese Mine	貴州遵義匯興鐵合金有限責任公司長溝錳礦 (Guizhou Zunyi Hui Xing Ferroalloy Limited Company Changgou Manganese Mine)
China or PRC	the People's Republic of China, but for the purpose of this announcement, excluding the Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan
Chongzuo Base	a production facility owned and operated by Chongzuo Branch that produces and sells trimanganese tetraoxide, lithium manganese oxide and lithium cobalt oxide
Chongzuo Branch	南方錳業集團有限責任公司崇左分公司 (South Manganese Group Limited Chongzuo Branch)
Company or our Company	South Manganese Investment Limited, which is listed on the Stock Exchange (Stock Code: 1091.HK)
Daxin EMD Plant	an EMD production plant located in Daxin county, Guangxi, owned and operated by a wholly owned subsidiary of the Group
Daxin Mine	大新大錳錳業集團有限公司大新錳礦 (Daxin Dameng Manganese Co., Ltd Daxin Manganese Mine)

Director(s)	the director(s) of our Company
Dushan Jinmeng	獨山金孟錳業有限公司 (Dushan Jinmeng Manganese Industry Co., Ltd.), a 33.00%-owned associate of the Group
EMD	electrolytic manganese dioxide
EMM	electrolytic manganese metal
EMM Products	EMM and manganese briquette
EUR or Euro	euros, the lawful currency of the members of the European Union
Gabon	the Gabonese Republic
Group, we or us	the Company and its subsidiaries
Guangxi	Guangxi Zhuang Autonomous Region, the PRC
Guangxi Start	廣西斯達特錳材料有限公司 (Guangxi Start Manganese Materials Co., Ltd.)
HK$ or HKD	Hong Kong dollars, the lawful currency of Hong Kong
Hong Kong or HK	The Hong Kong Special Administrative Region of the PRC
Huiyuan Manganese	廣西滙元錳業有限公司 (Guangxi Huiyuan Manganese Industry Co., Ltd)
IPO	the initial public offering and listing of Shares of the Company on the Main Board of the Stock Exchange on 18 November 2010
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
Prospectus	the prospectus of the Company dated 8 November 2010

Qingdao Manganese	青島錳系投資合夥企業(有限合夥) (Qingdao Manganese Investment Cooperative Enterprise (Limited Partnership)), a limited partnership in which we indirectly held 68.49% equity interest as at 30 June 2026
RMB	Renminbi, the lawful currency of the PRC
Shares	ordinary shares in the share capital of the Company, with a nominal value of HK$0.10 each
South Manganese Group	南方錳業集團有限責任公司 (South Manganese Group Limited)
Stock Exchange	The Stock Exchange of Hong Kong Limited
tonne	metric tonne
US$ or USD	United States dollars, the lawful currency of the United States of America
XAF	Central African CFA franc, the lawful currency of Gabon

Note: The English names of the PRC entities mentioned hereinabove are translated from their Chinese names. If there are any inconsistencies, the Chinese names shall prevail.

By Order of the Board
SOUTH MANGANESE INVESTMENT LIMITED
Zhang He
Chairman

Hong Kong, 28 August 2026

As at the date of this announcement, the executive Directors are Mr. Zhang He, Mr. Xu Xiang, Mr. Liu Yang, Mr. Pan Shenghai, Ms. Cui Ling, Mr. An Wei, Mr. Zhan Haiqing, Mr. Ming Xianquan and Mr. Wan Weihua; the non-executive Director is Mr. Huang Chuangxin; and the independent non-executive Directors are Mr. Yuan Mingliang, Mr. Lo Sze Hung, Mr. Zhou Jie, Mr. Luo Guihua and Mr. Wu Qi.