

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**SANERGY**

**SANERGY GROUP LIMITED**

**昇能集團有限公司**

*(Incorporated in Cayman Islands with limited liability)*

**(Stock code: 2459)**

## **PROFIT WARNING**

This announcement is made by Sanergy Group Limited (the “**Company**”, and together with its subsidiaries, “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance, Chapter 571, the Laws of Hong Kong.

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the information currently available to the Company and the preliminary assessment by the Board of the unaudited consolidated management accounts of the Group of the year ended 31 December 2024 (“**FY2024**”), the Group expects to record in FY2024 a net loss attributable to the owners of the Company of not more than US\$44.0 million, as compared to a net loss attributable to the owners of the Company for the year ended 31 December 2023 (“**FY2023**”) of approximately US\$15.5 million.

In spite of the loss reported herein, the Group achieved a commendable volume growth of over 6%, increasing from 17,015 metric tons in FY2023 to 18,141 metric tons in FY2024. This achievement reflects the Group’s commitment to maintaining market competitiveness despite global economic uncertainties and heightened competitive pressures. Additionally, our proactive efforts to reduce inventory levels have strengthened our working capital position. The Group has been able to reduce the average unit cost of sales by 2.6% compared to FY2023, primarily driven by our production cost control measures.

However, due to the problems primarily in the European market as a result of the uncertainty and disruption caused by the Ukrainian/Russian conflict to extant supply chains to the Group's Italian factory, the pricing dynamics observed across most regions resulted in a significant decrease of 26.1% in the average selling price of graphite electrodes. Additionally, the continuation of high energy costs in the European market has eroded any potential gross profit from cost control measures, which is at least partially attributable to the ongoing Ukrainian/Russian conflict.

While the increase in sales volumes contributed to a higher total cost of sales, the Group also recorded an inventory provision of approximately US\$4.0 million, based on an assessment of the prevailing market price of graphite electrodes. Further, the Group anticipates recording a net revaluation loss on property, plant and equipment charged to profit or loss of approximately US\$4.5 million.

As the Group's audited financial results for FY2024 have not yet been finalised, the information contained in this announcement is based on information currently available to the Company and the preliminary assessment by the Board of unaudited consolidated management accounts which have not yet been reviewed or confirmed by the external auditors nor approved by the audit committee of the Company, and may be subject to adjustments or amendments. The audited annual results of the Group for FY2024 are expected to be published in late March 2025. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company and should consult their advisers as and when appropriate.

By Order of the Board  
**SANERGY GROUP LIMITED**  
**Mr. Peter Brendon Wyllie**

*Executive Director and chairman of the Board*

Hong Kong, 21 March 2025

*As at the date of this announcement, the Board comprises (i) Mr. Peter Brendon Wyllie (chairman of the Board), Mr. Hou Haolong and Mr. Adriaan Johannes Basson as executive Directors; (ii) Mr. Wang Ping as a non-executive Director; and (iii) Mr. Cheng Tai Kwan Sunny, Mr. Ngai Ming Tak Michael and Ms. Chan Chore Man Germaine as independent non-executive Directors.*