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XIMEI RESOURCES HOLDING LIMITED

稀美資源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 9936)

VOLUNTARY ANNOUNCEMENT INVESTMENT AGREEMENT REGARDING CAPITAL INCREASE OF A SUBSIDIARY

INTRODUCTION

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Ximei Resources Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

THE INVESTMENT AGREEMENT

The Board is pleased to announce that on 31 March 2022, an investment agreement (the “**Investment Agreement**”) was entered into between, among others, Ximei Resources (Guizhou) Technology Limited * (稀美資源(貴州)科技有限公司) (“**Ximei Guizhou**”), an indirect wholly-owned subsidiary of the Company, and Guizhou Province New Kinetic Energy Industry Development Fund Partnership (Limited Partnership)* (貴州省新動能產業發展基金合夥企業(有限合夥)) (“**Guizhou New Kinetic LP**”) in relation to the investment in the equity interest in Ximei Guizhou.

Pursuant to the Investment Agreement, Guizhou New Kinetic LP conditionally agreed to contribute capital of RMB60 million to Ximei Guizhou (the “**Capital Increase**”) and subscribe for 37.50% of the equity interest in Ximei Guizhou. Upon completion of the Capital Increase, Ximei Guizhou will be owned as to 62.50% and 37.50% by the Company and Guizhou New Kinetic LP respectively. The registered capital of Ximei Guizhou will be increased to RMB160 million upon completion of the Capital Increase.

INFORMATION OF THE PARTIES

Ximei Guizhou is a company established in the People’s Republic of China (the “**PRC**”) with limited liability. It is an indirect wholly-owned subsidiary of the Company as at the date of this announcement. It is principally engaged in the manufacture and sale of non-ferrous metal products.

Guizhou New Kinetic LP is an industrial fund partnership established by the government of Guizhou province in the PRC. It was established with an aim to, among others, support the development of new industrial enterprises in Guizhou province in the PRC. To the best knowledge and belief of the Directors, Guizhou New Kinetic LP and its ultimate beneficial owners are independent third parties (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and not connected with the Company.

REASONS FOR AND BENEFITS OF ENTERING INTO THE INVESTMENT AGREEMENT

The increased capital will be used for business activities related to the production, construction and operation of a project regarding the production of high-purity and high-performance tantalum-and niobium-based new materials. The Company considers that the Investment Agreement will optimise the Group’s financial structure, enhance the Group’s overall competitiveness in the industry, promote the overall corporate development of the Group and maximise return to the Company and its shareholders in the long run. Upon completion of the Capital Increase, the Company will remain as the major equity holder of Ximei Guizhou.

IMPLICATIONS UNDER THE LISTING RULES

As a result of the Capital Increase, the Company’s equity interest in Ximei Guizhou will decrease from 100% to 62.5%, and Ximai Guizhou will remain as a subsidiary of the Company. In view of the above, the Capital Increase constitutes a deemed disposal in the equity interest in Ximei Guizhou under Chapter 14 of the Listing Rules. As all the applicable percentage ratios (as defined under the Listing Rules) for the Capital Increase are less than 5%, the Capital Increase does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

By Order of the Board
Ximei Resources Holding Limited
Wu Lijue
Chairman and executive Director

Hong Kong, 31 March 2022

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Wu Lijue and Ms. Wu Shandan; and three independent non-executive Directors, namely Mr. Lau Kwok Fai Patrick, Mr. Zhong Hui and Mr. Yin Fusheng

* *For identification purpose only*