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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

RESULTS HIGHLIGHTS

- Revenue increased by 29.9% to approximately RMB1,822.0 million (2023: RMB1,403.2 million).
- Gross profit increased by 27.8% to approximately RMB396.8 million (2023: RMB310.4 million).
- Gross profit margin decreased by 0.3% to 21.8% (2023: 22.1%).
- Profit before tax increased by 38.5% to approximately RMB163.0 million (2023: RMB117.7 million).
- Profit for the year increased by 29.6% to approximately RMB134.2 million (2023: RMB103.5 million).
- Profit for the year attributable to shareholders of the Company increased by 42.5% to approximately RMB124.2 million (2023: RMB87.1 million).
- Basic earnings per share increased by 45.8% to approximately RMB0.35 (2023: RMB0.24).
- The Board proposed the payment of a final dividend of HK5.56 cents per share for the year ended 31 December 2024 (2023: Nil).

The board (the "**Board**") of directors (the "**Directors**") of Ximei Resources Holding Limited (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2024 (the "**Year Under Review**") and selected explanatory notes, together with the comparative figures of the corresponding year in 2023 as follows:

Consolidated Statement of Profit or Loss
Year ended 31 December 2024

	Notes	**2024** *RMB'000*	2023 *RMB'000*
REVENUE	*4*	**1,822,049**	1,403,169
Cost of sales		**(1,425,277)**	(1,092,745)
Gross profit		**396,772**	310,424
Other income and gains, net	*5*	**24,088**	13,531
Selling and distribution expenses		**(15,845)**	(14,779)
Administrative expenses		**(183,801)**	(152,732)
Other operating expenses		**(29,261)**	(8,665)
Finance costs	*6*	**(24,421)**	(27,267)
Share of loss of an associate		**(4,489)**	(2,806)
PROFIT BEFORE TAX	*7*	**163,043**	117,706
Income tax	*8*	**(28,867)**	(14,169)
PROFIT FOR THE YEAR		**134,176**	103,537
Attributable to:			
Shareholders of the Company		**124,195**	87,142
Non-controlling interests		**9,981**	16,395
		134,176	103,537
EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	*10*		
Basic *(in RMB)*		**0.35**	0.24
Diluted *(in RMB)*		**0.35**	0.24

Consolidated Statement of Comprehensive Income
Year ended 31 December 2024

	2024	2023
	RMB'000	*RMB'000*
PROFIT FOR THE YEAR	**134,176**	103,537
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**135**	477
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of the Company's financial statements	**6,226**	3,157
OTHER COMPREHENSIVE INCOME FOR THE YEAR	**6,361**	3,634
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**140,537**	107,171
Attributable to:		
Shareholders of the Company	**130,556**	90,776
Non-controlling interests	**9,981**	16,395
	140,537	107,171

Consolidated Statement of Financial Position
31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**386,974**	385,340
Right-of-use assets		**68,081**	98,983
Investment in an associate		**35,459**	24,566
Prepayments, deposits and other receivables		**50,277**	39,084
Deferred tax assets		**10,199**	10,357
Total non-current assets		**550,990**	558,330
CURRENT ASSETS			
Inventories		**744,508**	682,012
Trade and bills receivables	*11*	**406,222**	397,878
Prepayments, deposits and other receivables		**236,778**	166,857
Due from an associate		**9,140**	–
Income tax recoverable		**12,278**	7,605
Cash and bank balances		**182,039**	115,547
Total current assets		**1,590,965**	1,369,899
CURRENT LIABILITIES			
Trade payables	*12*	**62,266**	54,280
Other payables and accruals		**111,875**	96,951
Due to an associate		**43,974**	–
Income tax payables		**9,953**	14,117
Bank borrowings		**470,249**	536,816
Lease liabilities		**5,312**	13,776
Total current liabilities		**703,629**	715,940
NET CURRENT ASSETS		**887,336**	653,959
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,438,326**	1,212,289

	2024	2023
	RMB'000	*RMB'000*
NON-CURRENT LIABILITIES		
Bank borrowings	**129,100**	101,862
Lease liabilities	**2,601**	4,247
Deferred tax liability	**6,000**	–
Total non-current liabilities	**137,701**	106,109
Net assets	**1,300,625**	1,106,180
EQUITY		
Equity attributable to shareholders of the Company		
Issued capital	**3,228**	3,228
Reserves	**1,175,056**	1,026,780
	1,178,284	1,030,008
Non-controlling interests	**122,341**	76,172
Total equity	**1,300,625**	1,106,180

Notes to the Consolidated Financial Statements

31 December 2024

1. CORPORATE INFORMATION

Ximei Resources Holding Limited (the "**Company**") is a limited liability company incorporated in the Cayman Islands under the Companies Law (2010 Revision) of the Cayman Islands and the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The registered address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business is Unit 02, 15th Floor Office Tower, Convention Plaza, No.1 Harbour Road, Wan Chai, Hong Kong.

During the year, the Company and its subsidiaries (collectively the "**Group**") were principally engaged in the manufacture, sale and trading of non-ferrous metal products and the provision of related processing services to customers.

In the opinion of the directors, the immediate holding company and the ultimate holding company of the Company is Jiawei Resources Holding Limited, which is incorporated in the Republic of Seychelles ("**Seychelles**").

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for derivative financial instruments which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the shareholders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements:

Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current (the "**2020 Amendments**")*
Amendments to HKAS 1	*Non-current Liabilities with Covenants (the "**2022 Amendments**")*
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*

The nature and the impact of the revised HKFRSs are described below:

(a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16 *Leases*, the amendments did not have any impact on the financial position or performance of the Group.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

Save as disclosed above, the accounting policies used in preparing the consolidated financial statements are consistent with those of the annual consolidated financial statements for the year ended 31 December 2023.

3. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the manufacture, sale and trading of non-ferrous metal products and provision of related processing services to customers. For the purpose of resource allocation and performance assessment, the Group's management focuses on the operating results of the Group. As such, the Group's resources are integrated and no discrete operating segment information is available. Accordingly, no operating segment information is presented.

Geographical information

(a) Revenue from external customers

	2024	2023
	RMB'000	*RMB'000*
The People's Republic of China (the "**PRC**")	**1,452,627**	1,177,379
United States of America	**140,596**	124,319
Canada	**105,860**	8,027
United Kingdom	**44,367**	34,399
European Union	**53,724**	35,033
Asia	**17,570**	23,890
Other countries	**7,305**	122
Total revenue	**1,822,049**	1,403,169

The revenue information above is based on the locations of the customers.

(b) Non-current assets

No geographical information about the Group's non-current assets is presented as more than 90% of the Group's non-current assets as at 31 December 2024 and 2023 were located in the PRC.

Information about a major customer

During each of the years ended 31 December 2024 and 2023, revenue from a customer accounted for 10% or more of the Group's revenue for the reporting period and the amounts of revenue from this customer for each of these years are set out below:

	2024	2023
	RMB'000	*RMB'000*
Customer A	**244,048**	155,564

4. REVENUE

Revenue of the Group for each of the years ended 31 December 2024 and 2023 wholly represented revenue from contracts with customers.

Notes:

(a) Disaggregated revenue information

	2024	2023
	RMB'000	*RMB'000*
Types of goods or services		
Tantalum and niobium hydrometallurgical compounds	**584,240**	523,224
Tantalum and niobium metal and its products	**841,055**	603,963
Trading goods, processing services and others	**396,754**	275,982
Total	**1,822,049**	1,403,169
Timing of revenue recognition		
Goods transferred and services transferred at a point in time	**1,822,049**	1,403,169

(b) The following table shows the amount of revenue recognised in the current reporting period that was included in the contract liabilities at the beginning of the reporting period:

	2024	2023
	RMB'000	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of non-ferrous metal products	**23,617**	3,611

(c) Performance obligations

Sale and trading of non-ferrous metal products

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 30 to 90 days from delivery, except for new customers, where payment in advance is normally required.

Provision of non-ferrous metal processing services

The performance obligation is satisfied when the services are rendered and payment is generally due within 30 to 90 days from the completion of services, except for new customers, where payment in advance is normally required.

The Group has applied the practical expedient in HKFRS 15 to all of its revenue for not disclosing the remaining performance obligations under the Group's existing contracts as the performance obligations are expected to be recognised as revenue with an original expected duration of one year or less.

5. OTHER INCOME AND GAINS, NET

	2024 *RMB'000*	2023 *RMB'000*
Other income		
Bank interest income	**1,834**	2,346
Government grants*	**18,287**	7,872
	20,121	10,218
Gains, net		
Fair value gains of derivative financial instruments, net	**687**	1,816
Gain from disposal of scrap materials, net	**2,492**	206
Others	**788**	1,291
	3,967	3,313
Total	**24,088**	13,531

* Government grants mainly represented (i) additional input value-added tax credit provided by relevant PRC local government authorities to two subsidiaries of the Group which are qualified as high and new technology enterprises; and (ii) subsidies received from the PRC local government authorities to support certain subsidiaries' research and development activities. There are no unfulfilled conditions or contingencies relating to these gains.

6. FINANCE COSTS

	2024 *RMB'000*	2023 *RMB'000*
Interest on bank loans	**16,004**	20,129
Discount on bill discounting	**6,914**	4,989
Interest on lease liabilities	**1,503**	2,628
Total finance costs	**24,421**	27,746
Less: Interest capitalised in respect of construction in progress	**–**	(479)
	24,421	27,267

7. PROFIT BEFORE TAX

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

	2024	2023
	RMB'000	*RMB'000*
Cost of inventories sold:		
Self-produced goods	**1,073,182**	858,813
Trading goods	**308,579**	201,976
	1,381,761	1,060,789
Cost of services provided	**43,516**	31,956
Depreciation of property, plant and equipment	**39,120**	31,686
Depreciation of right-of-use assets	**8,052**	8,070
Research and development costs	**73,927**	66,553
Lease payments not included in the measurement of lease liabilities	**141**	411
Auditor's remuneration	**1,911**	2,112
Employee benefit expense (including directors' remuneration):		
Wages and salaries	**93,606**	79,186
Pension scheme contributions*	**13,096**	11,904
Equity-settled share award arrangement	**4,177**	–
	110,879	91,090
Loss on disposal of items of property, plant and equipment#	**3,251**	1,334
Impairment of trade receivables#	**4,952**	1,469
Impairment of a deposit	**11,000**	–
Write-down of inventories to net realisable value^	**1,778**	–
Foreign exchange differences, net#	**6,008**	4,146

* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

\# These items are included in "Other operating expenses, net" in the face of the consolidated statement of profit or loss.

^ This item is included in "Cost of sales" in the face of the consolidated statement of profit or loss.

8. INCOME TAX

Hong Kong profit tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime in Hong Kong. The first HK$2,000,000 of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

Tax on profits assessable in the Mainland China has been calculated at the applicable PRC corporate income tax ("**CIT**") rate of 25% during the year (2023: 25%), except that two subsidiaries, namely Ximei Resources (Guangdong) Limited and Ximei Resources (Guizhou) Limited, which were qualified as high and new technology enterprises, enjoyed the preferential CIT rate of 15% (2023: 15%).

	2024	2023
	RMB'000	*RMB'000*
Current – Hong Kong		
Charge for the year	**849**	6,458
Under/(over) provision in prior year	**(805)**	1,271
Current – The PRC		
Charge for the year	**19,846**	16,687
Underprovision in prior year	**3,135**	110
	23,025	24,526
Deferred	**5,842**	(10,357)
Total tax charge for the year	**28,867**	14,169

9. DIVIDEND

	2024	2023
	RMB'000	*RMB'000*
Proposed final – HK5.56 cents (2023: Nil) per ordinary share	**18,521**	–

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

10. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The calculation of the basic earnings per share amounts presented is based on the profit for the year attributable to shareholders of the Company, and the weighted average number of ordinary shares used in the calculation is (i) the weighted average number of ordinary shares outstanding during the year; less (ii) the weighted average number of ordinary shares held under the share award scheme of the Company during the year.

The calculation of the diluted earnings per share amounts presented is based on the profit for the year attributable to shareholders of the Company, and the weighted average number of ordinary shares used in the calculation is the total of (i) the weighted average number of ordinary shares used in the basic earnings per share calculation; and (ii) the weighted average number of ordinary shares assumed to have been issued at no consideration during the year in respect of the unvested share awards granted under the share award scheme of the Company.

The calculations of the basic and diluted earnings per share amounts are based on the following data:

	2024	2023
	RMB'000	*RMB'000*
Earnings		
Profit attributable to shareholders of the Company, used in the basic and diluted earnings per share calculation	**124,195**	87,142

	2024	2023
Number of ordinary shares		
Weighted average number of ordinary shares outstanding less weighted average number of shares held by trustee under the share award scheme of the Company during the year, used in the basic earnings per share calculation	**358,590,219**	359,550,418
Effect of dilution – weighted average number of ordinary shares:		
Share awards	**3,741**	–
Weighted average number of ordinary shares, used in the diluted earnings per share calculation	**358,593,960**	359,550,418

11. TRADE AND BILLS RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**287,210**	263,807
Less: Impairment	**(4,903)**	(2,145)
	282,307	261,662
Bills receivable	**123,915**	136,216
Net carrying amount	**406,222**	397,878

The Group's trading terms with its customers are mainly on credit. The credit period is generally one month, extending up to three months. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade and bills receivables are non-interest-bearing.

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

	2024	2023
	RMB'000	*RMB'000*
Within 1 month	**211,100**	281,579
1 to 2 months	**80,694**	63,373
2 to 3 months	**62,617**	46,897
Over 3 months	**51,811**	6,029
Total	**406,222**	397,878

In respect of trade receivables, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

The movements in the loss allowance for impairment of trade receivables are as follows:

	2024	2023
	RMB'000	*RMB'000*
At beginning of year	**2,145**	676
Impairment recognised during the year	**4,952**	1,469
Amounts written-off	**(2,194)**	–
At end of year	**4,903**	2,145

In respect of bill receivables, they are mostly banker's acceptance bills and, in the opinion of the directors, the expected credit losses of these receivables are minimal.

12. TRADE PAYABLES

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

	2024	2023
	RMB'000	*RMB'000*
Within 1 month	**27,323**	32,831
1 to 2 months	**24,011**	12,861
2 to 3 months	**764**	2,313
Over 3 months	**10,168**	6,275
Total	**62,266**	54,280

Trade payables are non-interest-bearing and are normally settled on 40-day terms.

13. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified and re-presented to conform to the current year's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Remarkable results in business management

The strong performance in 2024 is built on the successful implementation of the strategic positioning of a "professional, integrated, large-scale, high-end, international, and capital-based" operation, which the Group has pursued over the past two years. Our goal is to transform the Company into a high-performance, resilient, and competitive growth-oriented enterprise. In 2024, we seized opportunities in the tantalum and niobium industry, achieving significant improvements across all core departments. In 2024, the Group achieved revenue of RMB1,822.0 million, representing a year-on-year increase of 29.9%, including revenue from the overseas market of RMB369.4 million, representing a year-on-year growth of 63.6%.

Compared to the initial period after listing, the proportion of tantalum and niobium pyrometallurgical products in the Group's revenue structure has grown from nil, insignificant, significant to approximately a half, marking a considerable development. The evolution of product variety has been key to steady revenue growth. Today, the Company boasts broader operational vision, stronger raw material security, more diverse range of tantalum and niobium products, and wider variety of partners, with greater flexibility in strategic maneuvering. Guided by the great vision of "becoming a globally leading tantalum and niobium manufacturing operator", we are optimistic about robust growth prospects in the medium term and remain committed to long-termism, strengthening R&D empowerment, and prioritising innovation-driven strategies. The Group is steadily and systematically developing new products and exploring new markets. We are confident in achieving greater market returns and establishing a stronger market position in the future.

Constant optimisation of talent structure

During the Year Under Review, the Group consistently adhered to the talent philosophy that "human resources are the primary resource", continuously advancing the refined adjustment of its organisational structure and talent framework. By balancing empowerment and oversight, the Group stimulated talent effectiveness. In November 2024, the Group awarded three million shares of the Company (the "**Shares**") to core employees as share incentives. Throughout the year, the Group focused on cultivating versatile talent pipelines with both professional expertise and innovative vision. Through initiatives such as the "First Executive Training Camp of the Refinement Program" and the "Second Smelting Program Training Camp", the Group has established a long-term team advancement mechanism. By implementing the "Pioneer Program" and "Succession Plan", several postgraduate from prestigious universities such as Tsinghua University and Zhengzhou University have assumed mid-level management roles. Additionally, the "Management Trainee Program" infused fresh talents into frontline operations, with some participants already becoming key production backbones. Simultaneously, the Group extensively recruited top talents, selecting and hiring postgraduate students and undergraduates from nearly ten universities, including Central South University, Wuhan University, Kunming University of Science and Technology and Jiangxi University of Science and Technology. Furthermore, the Group recruited one Ph. D. holder to join the Ximei Guangdong Postdoctoral Research Station and several seasoned professionals from the tantalum and niobium industry to join the core management team.

Building momentum, cultivating excellence and advancing with honours

As of the end of 2024, the Group was granted with 116 authorised patents accumulatively, including 25 invention patents and 92 utility model patents. Additionally, the Group had 77 patents under application review. While continuously optimising R&D processes and extending its patents pipeline, the Group has seen widespread improvement in product quality and a steady rise in its industry standing. The Group's subsidiary, Ximei Resources (Guizhou) Technology Limited (稀美資源(貴州)科技有限公司) ("**Ximei Guizhou**"), has been recognised as a "High-Tech Enterprise" and awarded titles such as "Guizhou Province Innovative SME" and "Guizhou Province Enterprise Technology Centre." Its project, "Advanced Manufacturing Technology Integration and Application of High-End Tantalum and Niobium Metal Materials", was successfully approved as a 2024 Guizhou Provincial Central-Guided Local Science and Technology Project, receiving special funding support for civil-military integration and aerospace industry development. Ximei Resources (Guangdong) Limited* (稀美資源(廣東)有限公司) ("**Ximei Guangdong**"), a National High-Tech Enterprise and a national-level specialised and sophisticated "Little Giant" enterprise, achieved another milestone in 2024 when its in-house testing centre obtained CNAS laboratory accreditation, officially entering the CNAS laboratory directory.

The Group has consistently adhered to the philosophy of "focusing on quality and uniqueness" in every aspect of its operations. The high-capacitance tantalum powder developed for polymer tantalum capacitors has passed a 2,000-hour lifespan test at the customer end. Tantalum and niobium smelting products have been included in the qualified product lists of leading domestic and international high-temperature alloy companies. High-RRR (Residual Resistivity Ratio) superconducting niobium ingots have been supplied to downstream customers for use in major scientific projects such as the Shanghai Hard X-ray Free-Electron Laser (SHINE), the High-Intensity Heavy-Ion Accelerator Facility (HIAF), and the China Initiative Accelerator-Driven System (CiADS). Ultra-high-purity tantalum metal is supplied in bulk to semiconductor tantalum target manufacturers, while the annual shipment of lithium tantalate for photonic communications has surpassed the 10-ton milestone. The Group is committed to becoming a globally leading tantalum and niobium manufacturing operator with strong innovative capabilities.

Capacity optimisation yields impressive results

During the Year Under Review, the Group focused on process standardisation and technological improvements, tapping into the potential of production lines. Through initiatives such as "automated upgrades for high-niobium drying and calcination", "ammonia gas absorption in niobium solutions", "ultra-high-pressure membrane concentration" and "key technology research for smelted tantalum preparation", the Group achieved a year-on-year increase in the direct recovery rate of tantalum and niobium hydrometallurgy. The unit consumption of products such as superconducting niobium ingots significantly decreased, while the unit energy consumption for smelted tantalum and niobium continued to decline. The comprehensive utilisation rate of by-products reached record highs. The annual production of tantalum and niobium oxide products increased by 16% year-on-year, while the production of tantalum- and niobium-based metal products rose by 13% year-on-year. The production and sales volumes of multiple products reached the highest levels since the Group's establishment.

Strengthening and extending the industrial chain for green development

The Group implemented the strategy of "integration and scale", and focused on strengthening and extending the tantalum-niobium industrial chain while giving full play to the existing production line capacity. During the Year Under Review, the Group undertook numerous specialised projects. Ximei Guangdong implemented the "Annual 700-Ton High-purity-niobium Expansion and Technical Upgrade Project" to enhance oxide production capacity. Upon completion, the monthly production of high-purity niobium oxide successfully surpassed the 60-ton milestone. Besides, during the Year Under Review, Ximei Guangdong passed clean production audits, green quality improvement and technical upgrade production acceptance, ammonia and oxide technical upgrade acceptance and third-level safety standardisation audits. Ximei Guizhou added 28 sets of production equipment and testing instruments to its tantalum and niobium pyrometallurgical production lines, including core equipment such as large-scale electron beam melting furnaces. While expanding production and extending the industrial chain, Ximei Guizhou passed re-certification audits for various systems, including the Weapon Equipment Quality Management System, Energy Management System, Occupational Health and Safety Management System, Quality Management System and Environmental Management System in April, June and September 2024, respectively. Ximei Resources (Leizhou) Company Limited* (稀美資源(雷州)有限公司) ("**Ximei Leizhou**") fully completed its civil engineering works, including foundation construction, main structure building, interior and exterior decoration and equipment foundations, laying a reliable foundation for the Group's future market upgrading and high-quality sustainable development.

FINANCIAL REVIEW

Revenue

The Group's revenue comprised revenue generated from sales of goods and the provision of processing services. The following table sets forth our revenue by source for the years indicated:

	For the year ended 31 December			
	2024		2023	
	RMB'000	*%*	*RMB'000*	*%*
Tantalum and niobium hydrometallurgical compounds	**584,240**	**32.0%**	523,224	37.3%
Tantalum and niobium metal and its products	**841,055**	**46.2%**	603,963	43.0%
Trading goods, processing services and others	**396,754**	**21.8%**	275,982	19.7%
Total revenue	**1,822,049**	**100.0%**	1,403,169	100.0%

During the years ended 31 December 2024 and 2023, our products sold included: (i) tantalum and niobium hydrometallurgical compounds; (ii) tantalum and niobium metal and its products; and (iii) trading goods, processing services and others. The Group's revenue increased by approximately RMB418.9 million or 29.9% from approximately RMB1,403.2 million for the year ended 31 December 2023 to approximately RMB1,822.0 million for the Year Under Review. The increase was mainly due to the significant increase in the sales of metal products from 2023, in particular niobium metal products, which was attributable to the Group's proactive efforts to explore new markets by optimising product mix in alignment with the market demands, optimising production process and increasing production capacity in its production bases.

Tantalum and niobium hydrometallurgical compounds

For the Year Under Review, our revenue generated from sales of compounds amounted to approximately RMB584.2 million, representing an increase of approximately RMB61.0 million or 11.7% from approximately RMB523.2 million for the year ended 31 December 2023. Such increase was due to the Group's optimisation of production process, the increase of hydrometallurgical production capacity, and the active adjustment of product structure in line with market demand, resulting in obvious growth of high-purity niobium oxide products.

Tantalum and niobium metal and its products

For the Year Under Review, our revenue from the sale of tantalum and niobium metal and its products increased by approximately RMB237.1 million or 39.3% from approximately RMB604.0 million to approximately RMB841.1 million. The increase was mainly due to the increase in the output of pyrometallurgical projects and the surge in market demand for niobium metal products in downstream applications, which led to the increase in sales revenue.

Trading goods, processing services and others

The Group's trading goods, processing services and other businesses include selling trading goods, providing processing services and selling by-products. For the Year Under Review, our revenue from trading goods, processing services and others was approximately RMB396.8 million, an increase of approximately RMB120.8 million or 43.8% compared with approximately RMB276.0 million for the year ended 31 December 2023. The increase is mainly due to the increase of trading of approximately RMB117.8 million in the Year Under Review.

Cost of Sales

Cost of sales represented the direct costs of production, which comprised raw materials costs, factory overheads, electricity and fuels costs, labour costs and processing fee in respect of our processed products. For the years ended 31 December 2024 and 2023, our cost of sales amounted to approximately RMB1,425.3 million and RMB1,092.7 million, respectively. The following table sets forth the breakdown of our cost of sales for the years indicated:

	For the year ended 31 December			
	2024		2023	
	RMB'000	*%*	*RMB'000*	*%*
Raw materials	**959,067**	**67.3%**	789,196	72.2%
Cost of trading goods	**308,580**	**21.6%**	201,976	18.5%
Factory overheads	**66,284**	**4.7%**	45,916	4.2%
Electricity and fuels	**43,484**	**3.1%**	33,691	3.1%
Labour *(Note)*	**23,296**	**1.6%**	21,966	2.0%
Processing fee	**24,566**	**1.7%**	–	–
Total cost of sales	**1,425,277**	**100.0%**	1,092,745	100.0%

Note: Labour costs mainly included salaries and benefits for our production personnel.

Our raw materials costs mainly represented the cost for purchasing tantalum and niobium raw materials, and accounted for approximately 67.3% and 72.2% of our total cost of sales for the Year Under Review and the year ended 31 December 2023, respectively. Our cost of sales increased by approximately RMB332.5 million or 30.4% from approximately RMB1,092.7 million for the year ended 31 December 2023 to approximately RMB1,425.3 million for the Year Under Review. Such increase was mainly attributable to the increase in sales volume and increase in production scale of the Group during the Year Under Review, leading to an increase in manufacturing overhead and processing fee.

Gross Profit and Gross Profit Margin

The Group's gross profit increased from approximately RMB310.4 million for the year ended 31 December 2023 to approximately RMB396.8 million for the Year Under Review, mainly driven by the increase in our revenue.

Our gross profit margin decreased from approximately 22.1% for the year ended 31 December 2023 to approximately 21.8% for the Year Under Review. Such decrease was mainly due to the changes in the structure of product sales of the Group and fluctuations in margins.

Other Income and Gains, Net

The following table sets forth the breakdown of our other income and gains, net, for the years indicated:

	For the year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Other income		
Bank interest income	**1,834**	2,346
Government grants *(Note)*	**18,287**	7,872
	20,121	10,218
Gains, net		
Fair value gains on derivative financial instruments, net	**687**	1,816
Gain from disposal of scrap materials, net	**2,492**	206
Others	**788**	1,291
	3,967	3,313
Total	**24,088**	13,531

Note: Government grants mainly represented (i) additional input value-added tax credit provided by relevant PRC local government authorities to two subsidiaries of the Group which are qualified as high and new technology enterprises; and (ii) subsidies received from the PRC local government authorities to support certain subsidiaries' research and development activities. There are no unfulfilled conditions or contingencies relating to such grants.

Our other income and gains, net, primarily comprised government subsidies, bank interest income and others. We received government grants from local government authorities for engaging in research and development activities, which vary from year to year.

Our other income and gains, net, was a gain amounting to approximately RMB24.1 million for the Year Under Review (2023: a gain of approximately RMB13.5 million).

Selling and Distribution Expenses

The Group's selling and distribution expenses primarily comprised distribution costs for transportation and packaging for delivery of products, salaries and benefits for personnel of our sales and procurement department, consultation fees, and travelling and entertainment expenses. The table below sets forth the breakdown of our selling and distribution expenses for the years indicated:

	For the year ended 31 December			
	2024		2023	
	RMB'000	*%*	*RMB'000*	*%*
Distribution costs	**4,112**	**26.0%**	4,639	31.4%
Staff costs	**6,933**	**43.8%**	5,460	36.9%
Consultation fees	**766**	**4.8%**	1,963	13.3%
Travelling and entertainment expenses	**1,060**	**6.7%**	1,401	9.5%
Office expenses	**371**	**2.3%**	163	1.1%
Others	**2,603**	**16.4%**	1,153	7.8%
Total selling and distribution expenses	**15,845**	**100.0%**	14,779	100.0%

The Group's selling and distribution expenses increased from approximately RMB14.8 million for the year ended 31 December 2023 to approximately RMB15.8 million for the Year Under Review. Such increase was mainly attributable to the increase in staff costs of approximately RMB1.5 million as a result of the Group's constant efforts to leverage the industry opportunities to explore new product markets.

Administrative Expenses

The Group's administrative expenses primarily comprised research and development expenses, staff costs of our administrative and management staff and legal advisory and professional fees. The table below sets forth the breakdown of our administrative expenses for the years indicated:

	For the year ended 31 December			
	2024		2023	
	RMB'000	*%*	*RMB'000*	*%*
Research and development expenses	**73,927**	**40.2%**	66,553	43.6%
Staff costs	**58,252**	**31.7%**	42,805	28.0%
Other tax expenses	**3,735**	**2.0%**	2,983	2.0%
Legal advisory and professional fees	**6,568**	**3.6%**	6,617	4.3%
Depreciation and amortisation	**8,101**	**4.4%**	10,653	7.0%
Travelling and entertainment expenses	**3,570**	**1.9%**	3,242	2.1%
Bank charges	**693**	**0.4%**	616	0.4%
Others *(Note)*	**28,955**	**15.8%**	19,263	12.6%
Total administrative expenses	**183,801**	**100.0%**	152,732	100.0%

Note: Others primarily comprised audit fees, insurance, office expenses, motor vehicle expenses, maintenance fee and handling charges.

The Group's administrative expenses increased from approximately RMB152.7 million for the year ended 31 December 2023 to approximately RMB183.8 million for the Year Under Review. Such increase was mainly attributable to (i) the increase in staff costs of approximately RMB15.4 million from approximately RMB42.8 million for the year ended 31 December 2023 to approximately RMB58.3 million for the Year Under Review; and (ii) the increase in research and development expenses of approximately RMB7.4 million from approximately RMB66.6 million for the year ended 31 December 2023 to approximately RMB73.9 million for the Year Under Review. The increase in research and development expenses was mainly due to the increase in research and development activities of the Group such as development of new tantalum- and niobium-based products, improvement of production technique and process and enhancement of recycling and reuse capability.

Finance Costs

Our finance costs mainly represented interest on interest-bearing bank borrowings. The following table sets forth the breakdown of our finance costs for the years indicated:

	For the year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Finance costs on interest-bearing bank borrowings	**16,004**	20,129
Discount on bill discounting	**6,914**	4,989
Interest on lease liabilities	**1,503**	2,628
Less: interest capitalised	**–**	(479)
Total net finance costs	**24,421**	27,267

Our finance costs for the Year Under Review and the year ended 31 December 2023 amounted to approximately RMB24.4 million and RMB27.3 million, respectively. Such decrease was mainly due to the decrease in bank borrowings raised during the Year Under Review, leading to a decrease in finance costs of interest-bearing bank borrowings.

Income Tax Expense

Two subsidiaries in the Group was accredited as high and new technology enterprises (高新技術企業), which allows us to enjoy a lower applicable tax rate of 15%, as compared to 25% pursuant to the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法). In addition, we enjoyed tax refund at the rate of 13% for our export sales of eligible tantalum metal products.

Our income tax expense for the Year Under Review and the year ended 31 December 2023 amounted to approximately RMB28.9 million and RMB14.2 million, respectively. Our effective tax rate for the years ended 31 December 2024 and 31 December 2023 was 17.7% and 12.0%, respectively. The details are set out in Note 8 to the Financial Statements.

Profit for the Year

As a result of the foregoing, we recorded profit for the year of approximately RMB134.2 million and RMB103.5 million for the Year Under Review and the year ended 31 December 2023, respectively, representing an increase of approximately RMB30.6 million or 29.6%. Our net profit margin was approximately 7.4% and 7.4% for the Year Under Review and the year ended 31 December 2023, respectively.

Profit for the Year Attributable to Owners of the Company

Profit for the Year attributable to owners of the Company for the Year Under Review and the year ended 31 December 2023 amounted to approximately RMB124.2 million and RMB87.1 million, respectively, representing an increase of approximately RMB37.1 million or 42.5%.

DIVIDEND

The Board resolved to recommend the payment of a final dividend of HK5.56 cents per share for the year ended 31 December 2024 (2023: Nil).

ANALYSIS OF MAJOR BALANCE SHEET ITEMS

Property, Plant and Equipment

Our property, plant and equipment comprised (i) buildings; (ii) plant and machinery; (iii) furniture and office equipment; (iv) motor vehicles; and (v) construction in progress.

The carrying amount of our property, plant and equipment increased by approximately RMB1.7 million from approximately RMB385.3 million as at 31 December 2023 to approximately RMB387.0 million as at 31 December 2024. Such increase was mainly driven by the continuous expansion of production facilities of hydrometallurgical and pyrometallurgical products of the Group.

Right-of-use Assets

As at 31 December 2024, the Group's total right-of-use assets amounted to approximately RMB68.1 million (31 December 2023: approximately RMB99.0 million), including (i) leasehold land; (ii) leased plant and machinery; and (iii) leased offices. Our leasehold land, and leased plant and machinery are recognised pursuant to HKFRS 16. Our leasehold land represented the prepaid land lease payments in respect of our production facilities in Yingde, Guangdong Province, the PRC. Prepaid land lease payments decreased from approximately RMB58.5 million as at 31 December 2023 to approximately RMB57.2 million as at 31 December 2024, mainly due to increase in depreciation charge. Our leased plant and machinery decreased from approximately RMB37.7 million as at 31 December 2023 to approximately RMB8.6 million as at 31 December 2024, mainly due to the depreciation charge and transfer to property, plant and equipment. Our leased offices decreased from approximately RMB2.8 million as at 31 December 2023 to approximately RMB2.3 million as at 31 December 2024, mainly due to depreciation.

Inventories

Our inventories comprised raw materials, work in progress and finished goods. The following table sets forth the breakdown of our inventories as at balance sheet dates indicated:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Raw materials	**251,302**	337,448
Work in progress	**268,051**	121,248
Finished goods	**225,155**	223,316
Total inventories	**744,508**	682,012
Average inventories *(Note 1)*	**713,260**	596,506
Average inventories to revenue from sale of products *(Note 2)*	**40.2%**	43.5%

Notes:

(1) Represents the average of inventories as at 31 December of the previous year and 31 December of the current year.

(2) Represents the average of inventories divided by the revenue generated from sale of products for the relevant year.

The Group's inventories amounted to approximately RMB744.5 million and RMB682.0 million as at 31 December 2024 and 2023, respectively. Our average inventories increased from approximately RMB596.5 million as at 31 December 2023 to approximately RMB713.3 million as at 31 December 2024. Such increase was mainly due to the increase in both the work in progress and semi-finished goods resulting from the extension of the Group's production business to the downstream of tantalum- and niobium-based metal products. Our average inventories to revenue from sale of products were approximately 40.2% and 43.5% for the years ended 31 December 2024 and 2023, respectively.

The following table sets forth the average inventory turnover days for the years indicated:

	For the year ended 31 December	
	2024	2023
	(Days)	*(Days)*
Average inventory turnover days *(Note)*	**182.7**	199.2

Note: Average inventory turnover days equal to average inventories divided by cost of sales for the year and multiplied by 365. Average inventories are calculated as inventories at the beginning of the year plus inventories at the end of the year, divided by two.

Our average inventory turnover days decreased from 199.2 days for the year ended 31 December 2023 to 182.7 days for the year ended 31 December 2024. Such change was mainly due to increase in sales volume during the Year Under Review.

Trade and Bills Receivables

Our trade and bills receivables primarily represented the credit sales of our products to be paid by customers and bank acceptance bills received from our customers during the Year Under Review. The following table sets forth the breakdown of our trade and bills receivables as at balance sheet dates indicated:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**287,210**	263,807
Less: Impairment	**(4,903)**	(2,145)
	282,307	261,662
Bills receivable	**123,915**	136,216
Net carrying amount	**406,222**	397,878
Average trade and bills receivables *(Note 1)*	**402,050**	317,203
Average trade and bills receivables to total revenue *(Note 2)*	**22.1%**	22.6%

Notes:

(1) Represents the average of trade and bills receivables as at 31 December of the previous year and 31 December of the current year.

(2) Represents trade and bills receivables divided by total revenue for the relevant year.

Our trade and bills receivables increased from approximately RMB397.9 million as at 31 December 2023 to approximately RMB406.2 million as at 31 December 2024. Such increase was mainly due to the increase in sales revenue and changes in the structure of downstream customers resulting from the extension of the industrial chain of the Group.

We generally grant a credit term of one month, extending up to three months, to our customers. We seek to maintain strict control over our outstanding receivables and to minimise credit risk. Overdue balances are reviewed regularly by our senior management.

The following is an ageing analysis of trade and bills receivables as at balance sheet dates indicated, based on the invoice dates:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Within 30 days	**211,100**	281,579
31 days to 60 days	**80,694**	63,373
61 days to 90 days	**62,617**	46,897
Over 90 days	**51,811**	6,029
Total trade and bills receivables	**406,222**	397,878

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity. The expected credit loss for trade receivables as at 31 December 2024 and 2023 was approximately RMB4.9 million and RMB2.1 million, respectively. The following table sets forth the average turnover days of our trade and bills receivables for the years indicated:

	For the year ended 31 December	
	2024	2023
	(Days)	*(Days)*
Average turnover days of trade and bills receivables *(Note)*	**80.5**	82.5

Note: Average turnover days of trade and bills receivables equal to average trade and bills receivables divided by revenue for the year and multiplied by 365. Average trade and bills receivables are calculated as trade and bills receivables at the beginning of the year plus trade and bills receivables at the end of the year, divided by two.

Our average turnover days of trade and bills receivables decreased from 82.5 days for the year ended 31 December 2023 to 80.5 days for the Year Under Review. The decrease was mainly due to increase in sales volume during the Year Under Review.

Prepayments, Deposits and Other Receivables

Our prepayments, deposits and other receivables mainly represented advance prepayments to our suppliers for purchasing raw materials, advance prepayments for purchasing our equipment and machinery and prepaid land lease payments for acquiring land use rights. We prepaid land lease payments prior to obtaining the relevant land use rights certificates and reclassified such prepayments to "prepaid land lease payments" when the land use rights certificate is granted. The following table sets forth a breakdown of our prepayments, deposits and other receivables as at balance sheet dates indicated:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Prepayments – Non-current	**29,277**	17,084
Deposits – Non-current	**32,000**	22,000
	61,277	39.084
Less: Impairment allowance	**(11,000)**	–
	50,277	39,084
Prepayments – Current	**227,680**	130,226
Other tax recoverable	**567**	31,898
Deposits and other receivables – Current	**8,531**	4,733
	236,778	166,857
Total prepayments, deposits and other receivables	**287,055**	205,941

Our prepayments, deposits and other receivables increased from approximately RMB205.9 million as at 31 December 2023 to approximately RMB287.1 million as at 31 December 2024, mainly driven by the increase in prepaid purchase amount.

Trade Payables

Our trade payables increased from approximately RMB54.3 million as at 31 December 2023 to approximately RMB62.3 million as at 31 December 2024, mainly due to the increase in the purchase of raw materials from the suppliers during the year. The following is an ageing analysis of trade payables, based on the invoice dates, as at balance sheet dates indicated:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Within 30 days	**27,323**	32,831
31 days to 60 days	**24,011**	12,861
61 days to 90 days	**764**	2,313
Over 90 days	**10,168**	6,275
Total trade payables	**62,266**	54,280

Our trade payables were non-interest-bearing and normally settled with terms of 40 days. The following table sets forth the average turnover days of our trade payables for the years indicated:

	For the year ended 31 December	
	2024	2023
	(Days)	*(Days)*
Average turnover days of trade payables *(Note)*	**14.9**	23.5

Note: Average turnover days of trade payables equal to average trade payables divided by cost of sales for the year and multiplied by 365. Average trade payables are calculated as trade payables at the beginning of the year plus trade payables at the end of the year, divided by two.

Our average turnover days of trade payables decreased from approximately 23.5 days for the year ended 31 December 2023 to 14.9 days for the Year Under Review, mainly due to the increase in sales volume for the year ended 31 December 2024.

Other Payables and Accruals

Our other payables and accruals comprised accruals, deferred income, contract liabilities, and other payables. Our accruals mainly represented accrued staff costs and accrued listing expenses. Our contract liabilities mainly represented short-term advances received to deliver goods. Our deferred income mainly represented government grants received from the PRC local government authorities in relation to our research and development activities and acquisition of property, plant and equipment. The following table sets forth a breakdown of our other payables and accruals as at balance sheet dates indicated:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Accruals	**21,250**	31,712
Deferred income	**8,886**	7,960
Contract liabilities	**50,290**	23,617
Other payables	**31,449**	33,662
Total other payables and accruals	**111,875**	96,951

Our other payables and accruals increased from approximately RMB97.0 million as at 31 December 2023 to approximately RMB111.9 million as at 31 December 2024. Such increase was mainly driven by the increase in advance payment from customers.

Bank Borrowings

Bank borrowings were the principal component of our total liabilities, accounting for approximately 71.2% and 77.7% of our total liabilities as at 31 December 2024 and 31 December 2023, respectively. The following table sets forth the breakdown of our bank borrowings by current and non-current classification as at balance sheet dates indicated:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Non-current	**129,100**	101,862
Current	**470,249**	536,816
Total bank borrowings	**599,349**	638,678

During the Year Under Review, our bank borrowings comprised secured and unsecured bank borrowings. The following table sets forth the breakdown of our bank borrowings by secured and unsecured bank borrowings as at the balance sheet dates indicated:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Secured	**80,095**	125,516
Unsecured	**519,254**	513,162
Total bank borrowings	**599,349**	638,678

As at 31 December 2024, our bank borrowings were secured by the pledge of certain of the Group's leasehold land, and property, plant and equipment with net carrying amounts of approximately RMB48.4 million (31 December 2023: approximately RMB49.5 million) and RMB91.8 million (31 December 2023: approximately RMB38.3 million), respectively.

Our total bank borrowings decreased from approximately RMB638.7 million as at 31 December 2023 to approximately RMB599.3 million as at 31 December 2024. Such decrease was mainly due to enhanced management over working capital and sound cash recovery of the Group.

LIQUIDITY AND CAPITAL RESOURCES

Working Capital

During the Year Under Review, we financed our operations by cash generated from operating activities and bank borrowings. As at 31 December 2024, we had cash and cash equivalents of approximately RMB182.0 million (31 December 2023: approximately RMB115.5 million). In the future, we intend to finance our operations by cash generated from operating activities, bank borrowings and proceeds from the listing of the Company on the Main Board of the Stock Exchange.

We monitor our cash flows and cash balance on a regular basis and strive to maintain an optimum liquidity that can meet our working capital needs while supporting a viable business scale and future plans.

Taking into account the financial resources available to us, including our existing cash and cash equivalents, availability of bank facilities, net proceeds from the global offering and cash flows from our operations, our Directors are of the view that, after due and careful inquiry, we have sufficient working capital for at least the next 12 months commencing from the date of this announcement.

CAPITAL STRUCTURE

Indebtedness

The total indebtedness of the Group as at 31 December 2024 was approximately RMB607.3 million, representing certain movements from approximately RMB656.7 million as at 31 December 2023. During the Year Under Review, the Group did not experience any difficulties in renewing its banking facilities with its lenders.

Gearing Ratio

As at 31 December 2024, the Group's gearing ratio was approximately 26.7% (31 December 2023: approximately 31.2%), calculated as the total bank borrowings excluding discounted bills, less cash and bank balances, divided by total equity as at the end of the relevant year and multiplied by 100%. The change was mainly due to movements in the Group's financing scale and closing balance of cash on hand during the Year Under Review.

Pledge of Assets

As at 31 December 2024, our bank borrowings were secured by the pledge of certain of the Group's leasehold land, and property, plant and equipment with net carrying amounts of approximately RMB48.4 million (31 December 2023: approximately RMB29.2 million) and RMB91.8 million (31 December 2023: approximately RMB38.3 million), respectively.

Capital Expenditures

Our capital expenditures primarily comprised expenditures for purchases of property, plant and equipment. Our capital expenditures amounted to approximately RMB24.2 million and RMB138.5 million for the Year Under Review and the year ended 31 December 2023, respectively.

Our current plan with respect to future capital expenditures is subject to changes based on the evolution of our business plan, market conditions and our outlook of future business conditions. As we continue to expand, we may incur additional capital expenditures.

CONTINGENT LIABILITIES, LEGAL AND POTENTIAL PROCEEDINGS

As at 31 December 2024, the Group did not have any material contingent liabilities, legal proceedings or potential proceedings (31 December 2023: Nil).

CAPITAL COMMITMENTS

As at 31 December 2024, the Group had capital commitments of approximately RMB37.7 million in respect of plant and equipment and additional investment in an associate, representing certain movements from approximately RMB105.1 million as at 31 December 2023.

SEGMENT INFORMATION

The Group is principally engaged in the manufacture and sale of metallurgical products and provision of processing services to customers. For the purpose of resource allocation and performance assessment, the Group's management focuses on the operating results of the Group. As such, the Group's resources are integrated and no discrete operating segment information is available. Accordingly, no operating segment information is presented.

MATERIAL ACQUISITION AND DISPOSAL BY THE GROUP

On 14 November 2024, the Company and Jinshi Manufacturing Transformation and Upgrading New Material Fund (Limited Partnership)* (金石製造業轉型升級新材料基金 (有限合夥)), among others, entered into an investment agreement in relation to a capital injection in Ximei Guangdong. As a result of the capital injection, the Group's interest in Ximei Guangdong was diluted from 100.00% to 95.59%, which was regarded as a deemed disposal for the Company. Please refer to the Company's announcement dated 14 November 2024 for further details.

During the Year Under Review, save as disclosed above, the Group had not made any material acquisition or disposal.

SIGNIFICANT INVESTMENTS

The Company had not held any significant investments during the Year Under Review.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no specific plan for material investments or capital assets as at 31 December 2024. In the event that the Group is engaged in any plan for material investments or capital assets, the Company will make announcement(s) and comply with relevant rules under the Listing Rules as and when appropriate.

FUTURE OUTLOOK

Looking into 2025, multiple uncertainties are expected in the course of global economic revival, and geopolitical conditions, inflation pressure and movements in monetary policies of major economies may cast certain impacts on market liquidity and stability of the supply chain. In terms of industry, the new energy, semiconductor and high-end manufacturing sectors pose growing demands for rare metals. Against such backdrop, the Group will maintain a laser focus on shifts in macro-economic environment and industry policies, flexibly adjust operating strategies, optimise resource allocations, and improve internal management efficiency to guarantee stable and healthy operations, and pursue sustainable development by leveraging market opportunities.

In terms of specific response measures, the Group will adhere to the bottom-line thinking of safety and environmental protection in 2025. In this regard, the Group will improve production organisation to leverage advantages of production capacity, and will continue to optimise the production process and product structure so as to meet and even exceed the scheduled production. Focusing on frontier markets and strategic customers, the Group will continuously explore markets, and reasonably adjust the procurement structure and pace to maintain the stable operation of supply, production and sales. Endeavours will be made to complete key projects, extend the industrial chain, and expand the industrial scale to enhance our influence in the industry. More inputs will be injected into research and development to further pursue science and technology innovation. We will also improve quality awareness. By doing so, we will shift our focus towards technology innovation and management innovation so as to gain potential market share and alternative markets with new products, technologies and processes. In respect of management, due considerations will be given to implementation of rewards and punishments in order to explore the potential of cost reduction, and ensure achievement of annual performance targets.

Considering the downstream application market of tantalum and niobium, we firmly believe that in the future, with the development of new technologies such as new energy, 5G upgrading, semiconductors and high-end equipment manufacturing, the downstream demand for tantalum and niobium will increase significantly, and in particular, potential alternatives for import of high-end products will gradually be unlocked, fostering fresh development opportunities for the domestic tantalum and niobium industry. Success comes to those who share in one purpose, and those who are in the same boat will prosper. Being committed to its strategic positioning of “professional, integrated, large-scale, high-end, international and capital-based” operation, the Group will march towards a world-leading tantalum- and niobium-based manufacturing operator. To this end, we will continue to work together with concerted efforts and forge ahead with solutions, tenacity and pragmatic innovation to achieve the established business goals.

HUMAN RESOURCES AND TRAINING

We believe that our long-term growth depends on the expertise and experience of our employees. We primarily recruit our personnel through campus recruiting, career fairs, recruitment websites and internal recommendation to maintain the talent pool underpinning our sustainability. We provide regular training programs to our employees, including, among others, introductory training, safety training, professional skills training and management training, to enhance their professional attainments and career development capacity. As at 31 December 2024, the Group had a total of 632 employees (2023: 678 employees). Total staff cost for the Year Under Review amounted to approximately RMB110.9 million (2023: approximately RMB91.1 million).

The salaries of our employees depend mainly on their positions, nature of work, results of their annual performance evaluation and market competitiveness. The Group makes constant efforts to improve the remuneration and benefit system, so as to enhance employee satisfaction and the incentive mechanism. For employees of our PRC subsidiaries, we made contributions to social insurance funds, including pension, medical, unemployment, maternity and occupational injury insurance, and housing provident funds for our employees in strict compliance with applicable PRC laws and regulations. We have also established a labour union to proactively protect our employees' rights and interests, promote the balance of labour relations, and encourage employees to participate in corporate management and decision-making processes, thereby facilitating the sustainable development of the Group.

CLOSURE OF THE REGISTER OF MEMBERS OF SHARES

To be eligible to attend and vote in the forthcoming annual general meeting

For the purposes of determining the eligibility of the shareholders of the Company (the "**Shareholders**") to attend and vote at the forthcoming annual general meeting to be held on Wednesday, 28 May 2025, the register of members of the Company will be closed from Friday, 23 May 2025 to Wednesday, 28 May 2025 (both dates inclusive) during which period no transfer of Shares will be registered. To be qualified for attending and voting at the forthcoming annual general meeting, all share transfer documents must be lodged with Computershare Hong Kong Investor Services Limited, the Company's share registrar in Hong Kong, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Thursday, 22 May 2025.

GOING CONCERN

Based on the current financial position and the available financing facilities, the Group has sufficient financial resources for ongoing operation in the foreseeable future. As such, the financial statements were prepared on a "going concern" basis.

PUBLIC FLOAT

According to the information disclosed publicly and as far as the Directors are aware, during the Year Under Review and up to the date of this announcement, at least 25% of the issued Shares was held by public Shareholders as required under the Listing Rules.

PURCHASES, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Year Under Review and up to the date of this announcement, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities. The Company did not hold any treasury shares during the Year Under Review.

CORPORATE GOVERNANCE FUNCTIONS

The Board strives to uphold the principles of corporate governance set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), and adopted various measures to enhance the internal control system, the Directors' continuous professional training and other areas of practice of the Company. While the Board strives to maintain a high level of corporate governance, it also works hard to create value and achieve maximum return for the Shareholders. The Board will continue to conduct review and improve the quality of corporate governance practices with reference to local and international standards.

During the Year Under Review, the Company has complied with the code provisions, other than code provision C.2.1 of the CG Code as set out in Appendix C1 to the Listing Rules.

According to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Currently, Mr. Wu Lijue is our chairman and also the chief executive officer of our Company and he has been managing our Group's business and supervising the overall operations of our Group since its establishment. Having considered (i) the nature and extent of our Group's operations; (ii) Mr. Wu's in-depth knowledge and experience in the tantalum and niobium metallurgy industry and familiarity with the operations of our Group which is beneficial to the management and business development of our Group; and (iii) all major decisions are made in consultation with members of our Board and relevant Board committees, which consist of three independent non-executive Directors offering independent perspectives, our Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers and authorities between our Board and the management of our Company and that it is in the best interest of our Group to have Mr. Wu taking up both roles. Our Board will continue to review and consider splitting the roles of the chairman of our Board and the chief executive officer at a time when it is appropriate and suitable by taking into account the circumstances of our Group as a whole.

On 5 February 2024, Mr. Yin Fusheng ("**Mr. Yin**") tendered his resignation as an independent non-executive Director, the chairman of the remuneration committee, and a member of each of the audit committee and the nomination committee of the Company, to focus on his other business engagements. Following the resignation of Mr. Yin, the Company was not in compliance with the requirements of (i) Rule 3.10(1) of the Listing Rules that the Board must include at least three independent non-executive Directors; and (ii) Rule 3.21 of the Listing Rules that the audit committee of the Company must comprise a minimum of three members. For further details, please refer to the announcement of the Company dated 5 February 2024.

On 25 March 2024, the Company appointed Ms. Huang Jieli as an executive Director and a member of the remuneration committee of the Company, and Ms. Shi Ying ("**Ms Shi**") as an independent non-executive Director and a member of the audit committee of the Company. Following the appointment of Ms. Shi as an independent non-executive Director and a member of the audit committee, the Company has re-complied with (i) Rule 3.10(1) of the Listing Rules that the Board must include at least three independent non-executive Directors; and (ii) Rule 3.21 of the Listing Rules that the Audit Committee must comprise a minimum of three members. For further details, please refer to the announcement of the Company dated 25 March 2024.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**") as its own code governing securities transactions of the Directors. Specific enquiries have been made to all Directors regarding Directors' securities transactions during the Year Under Review and all Directors have confirmed that they have fully complied with the required standard of dealings as set out in the Model Code during the Year Under Review.

AUDIT COMMITTEE

We established an audit committee on 19 February 2020 with written terms of reference in compliance with Rule 3.21 of the Listing Rules.

Our audit committee comprised three members, namely Mr. Lau Kwok Fai Patrick, Mr. Zhong Hui and Ms. Shi, all of whom are our independent non-executive Directors. Mr. Lau Kwok Fai Patrick, who has appropriate professional qualifications and experience in accounting matters, has been appointed as the chairman of the audit committee.

The primary responsibilities of our audit committee include, among others, (i) providing an independent view of the effectiveness of the financial reporting process, internal control, compliance and risk management systems of our Group; (ii) overseeing the audit process and performing other duties and responsibilities as assigned by our Board; (iii) developing and reviewing our policies and practices on corporate governance, compliance with legal and regulatory requirements and requirements under the Listing Rules; and (iv) developing, reviewing and monitoring the code of conduct applicable to our employees and Directors.

During the Year Under Review, the audit committee had held two meetings and all the members attended the meetings except for Ms. Shi, who was absent from one meeting since her appointment on 25 March 2024 due to personal reasons. The audit committee has, together with the management of the Company and external independent auditor, reviewed the consolidated financial statements for the year ended 31 December 2024 and accounting principles and practices adopted for the Group, as well as the risk management and internal control systems of the Group and the effectiveness of the Group's internal audit functions for the Year Under Review, and agreed with the accounting treatments adopted by the Group, and was of the opinion that the preparation of the financial statements in this results announcement complies with the applicable accounting standards and the requirements under the Listing Rules and adequate disclosures have been made.

EVENTS AFTER THE REPORTING PERIOD

There were no material events affecting the Group after the reporting period and as at the date of this announcement.

SCOPE OF WORK OF THE COMPANY'S AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this announcement have been agreed by the Company's auditor, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Ernst & Young on the preliminary announcement.

DISCLOSURE OF INFORMATION

The annual results announcement for the year ended 31 December 2024 is published on the website of the Stock Exchange (http://www.hkexnews.hk) under "Listed Company Information" and the website of the Company (http://www.ximeigroup.com). The annual report for 2024 containing all necessary information as required by the Listing Rules will be sent to shareholders of the Company in due course as required, and will be published on the website of the Stock Exchange (http://www.hkexnews.hk) under "Listed Company Information" and the website of the Company (http://www.ximeigroup.com) under "Investor Relations".

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

Hong Kong, 26 March 2025

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Wu Lijue, Mr. Mao Zili and Ms. Huang Jieli; one non-executive Director, namely Ms. Ouyang Ming; and three independent non-executive Directors, namely Mr. Lau Kwok Fai Patrick, Mr. Zhong Hui and Ms. Shi Ying.

* *for identification purpose only*