

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.



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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO PLACING OF EXISTING SHARES AND TOP-UP SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

Reference is made to the announcement of the Company dated 3 June 2026 (the “**Announcement**”) in respect of the Placing and the Subscription. Unless defined otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

USE OF THE PROCEEDS FROM THE SUBSCRIPTION

As disclosed in the Announcement, the Company intends to utilise the net proceeds from the Subscription as follows:

- (i) approximately HK\$161.2 million for potential strategic investment and acquisition in the upstream mining space;
- (ii) approximately HK\$161.2 million for development of business and expansion of production capacity; and
- (iii) approximately HK\$214.8 million for working capital and general corporate purposes.

The Company wishes to provide further information in relation to the use of the proceeds from the Subscription.

(i) **Potential strategic investment and acquisition in the upstream mining space**

HK\$161.2 million reserved for strategic investment and acquisition is earmarked for the upstream mining sector focusing on tantalum, niobium and other rare mineral resources, which are core raw materials matching with the Group's existing downstream rare metal smelting and processing business. Investment covers mineral exploration, mine development and tantalum/niobium concentrate production and equity investment business of relevant companies. Geographically, the Company prioritises resource-rich jurisdictions with sound mining regulations, mainly Africa and Brazil, the world's major tantalum and niobium producing regions.

As at the date of this announcement, no specific investment or acquisition targets have been identified by the Company. The Group remains at the preliminary project screening stage, without entering into substantive negotiations, term sheets or legally binding agreements with any potential targets, thus indicative investment size per individual project cannot be confirmed as at the date of this announcement. Without confirmed targets in place, the Company cannot finalise a fixed schedule for project selection and transaction completion. The Group will continue with its industry research and project screening. Once concrete targets are secured and substantive negotiations commence, the Company will formulate detailed implementation schedules and make timely disclosures in compliance with the Listing Rules.

(ii) **Development of business and expansion of production capacity**

HK\$161.2 million will be deployed across three in-house capacity upgrade projects as detailed below, dominated by machinery and equipment procurement for each project and other capital project expenditures:

1. *Capacity release in Guangdong Leizhou Tantalum-Niobium Hydrometallurgical Product Production Base* (“**Leizhou Base**”): A significant portion of the proceeds under business development and expansion of production capacity will be allocated to the Leizhou Base, covering approximately HK\$30 million for equipment procurement and HK\$30 million for payment of rent for factories, warehouses and ancillary infrastructure and other capital project expenditures such as minor fixed assets renovation and expansion. The Leizhou Base is not a greenfield project. Construction was completed and formal commissioning took place in 2026. Designed annual oxide capacity stands at 3,000 tons, with 1,500 tons capacity to be realised in 2026 and full 3,000-ton output targeted in 2027. Related payments are scheduled to be fully settled by the end of 2027.

2. *Capacitor-grade tantalum powder production line expansion project in Guangdong Yingde Tantalum-Niobium Hydrometallurgical Product Production Base (“Yingde Base”)*: Proceeds will also be allocated to a planned 200-ton annual capacitor-grade tantalum powder project, the feasibility studies of which have recently been completed. Around HK\$80 million will be used for capital expenditures related to preliminary project construction such as workshop construction on available owned land and equipment acquisition, with full payment expected to be made by the end of 2028.
3. *Production expansion project in Guizhou Xingyi Tantalum-Niobium Metal Pyrometallurgical Product Production Base (“Xingyi Base”)*: HK\$20 million will be reserved for equipment purchase in relation to additional production lines based on the Xingyi Base and the preliminary investment related to the production line renovation and expansion project, aiming to lift annual production capacity from 1,200 tons in 2025 to 1,500 tons in 2026, with payment completion targeted by the end of 2027.

All relevant expansions are carried out via renovation and upgrades on the Company’s existing operating facilities without acquiring new land for new construction. Such development optimises capital expenditure and makes full use of existing premises, utility infrastructure and on-site management teams.

Funds will be disbursed in tranches within 24 months upon receipt of the net proceeds from the Subscription, in line with equipment installation progress and the construction progress of Leizhou Base, Yingde Base and Xingyi Base, respectively. Any material changes to the schedule will be announced by the Company as appropriate in accordance with the Listing Rules.

(iii) Working capital and general corporate purposes

Of HK\$214.8 million working capital:

1. approximately 30% will be used for raw material and auxiliary material procurement, including tantalum and niobium raw concentrates to support regular production; and
2. approximately 70% will be used for repayment of borrowings.

The aforesaid ratios are provisional and subject to slight future adjustments according to actual business conditions.

The substantial working capital allocation is determined based on the Group's historical cash flow records, robust demand growth from global high-end manufacturing industries including semiconductor powered by AI computing, commercial aerospace, new energy and high-end medical devices, as well as raw material price trends.

Tantalum and niobium feedstock prices have surged markedly in 2026. Driven by strong demand growth across global high-end manufacturing sectors, tantalum and niobium raw material prices feature drastic cyclical volatility and elevate procurement cost risks. Sufficient working capital enables the Company to lock in raw material supply at favourable pricing to mitigate cost inflation, while the gradual capacity expansion at the Leizhou Base brings incremental demand for raw materials and operating funds. Supported by the Group's healthy financial profile with cash and bank balances of RMB431.5 million and net gearing ratio of merely 24.4% as at 31 December 2025, the working capital arrangement is reasonable and avoids expensive additional external financing to safeguard liquidity stability.

As stated in the annual report of the Company for the year ended 31 December 2025, the Group had current bank borrowings of approximately RMB806.1 million as at 31 December 2025. The allocation of net proceeds from the Subscription for repayment of borrowings strengthens the Group's liquidity and financial resilience in the prevailing interest rate environment.

The working capital portion will be utilised in instalments within 24 months after receipt of net proceeds from the Subscription, matching regular raw material purchasing cycles and periodic debt repayment arrangements as well as progressive capacity release of the Leizhou Base. Drawdown will be made based on actual operational needs instead of one-off lump-sum payment.

The Placing and Subscription Agreement may be terminated pursuant to the termination provisions contained therein. In addition, completion of the Subscription is subject to the satisfaction of the conditions precedent in the Placing and Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

By order of the Board
Ximei Resources Holding Limited
Wu Li Jue
Chairman

Hong Kong, 8 June 2026

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

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.