

稀美資源控股有限公司

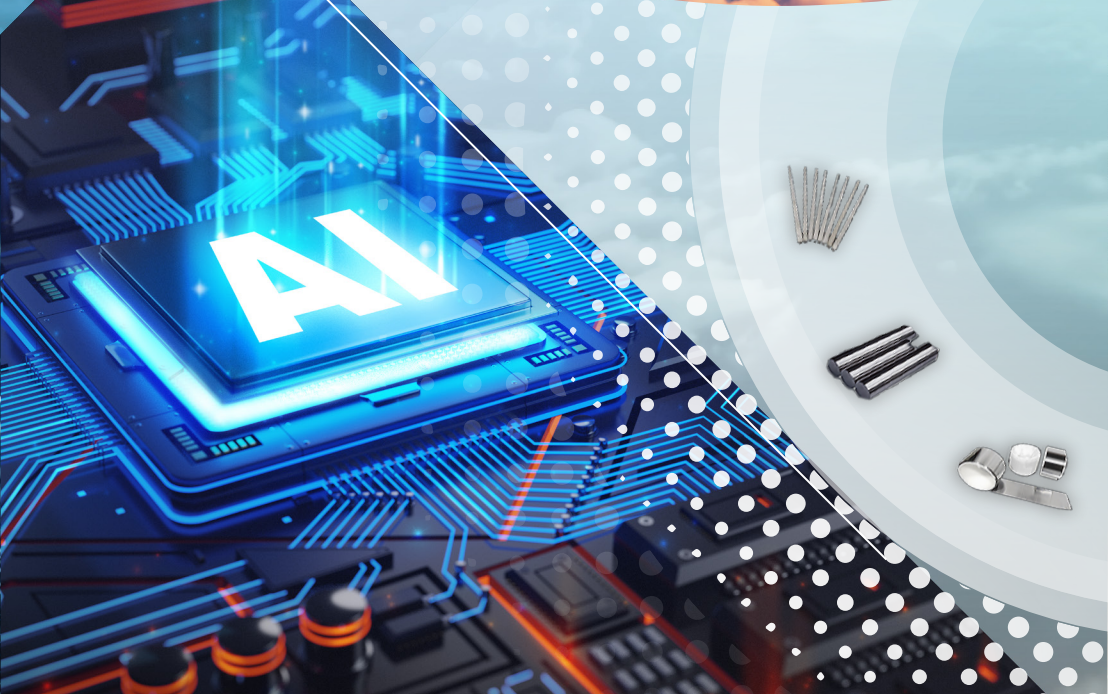
XIMEI RESOURCES HOLDING LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 9936

2025

Interim Report





CORPORATE PROFILE

Ximei Resources Holding Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**” or “**Ximei Resources**” or “**we**” or “**us**”) was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in March 2020. So far the Group has established a total of six production bases in Guangdong Province, Guizhou Province and Hunan Province. In 2022, Ganfeng Lithium Group Co., Ltd. (江西贛鋒鋰業集團股份有限公司) (“**Ganfeng Lithium**”), a leading company in the global lithium industry chain, became a strategic shareholder of the Company with a 16.7% shareholding. In November 2024, our subsidiary, Ximei Resources (Guangdong) Limited* (稀美資源(廣東)有限公司) (“**Ximei Guangdong**”), received a capital injection of RMB60 million from 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)), which will provide strong support to the Company in terms of capital, technology and resources.

Founded on 9 May 2006, the Group is an early non-state-owned market player in the tantalum and niobium industry in the People's Republic of China (the “**PRC**”), ranking ahead among domestic peers in terms of market share of products. The Group is principally engaged in the manufacturing and sale of tantalum- and niobium-based products, including tantalum- and niobium-based hydrometallurgical products, tantalum- and niobium-based pyrometallurgical products, and tantalum- and niobium-based deeply-processed products. In particular, hydrometallurgical products mainly include tantalum pentoxide, niobium pentoxide, potassium heptafluorotantalate and tantalum/niobium alkoxide; pyrometallurgical products mainly include tantalum/niobium powder, melted tantalum/niobium, ferroniobium and niobium-nickel binary alloys, and various high-purity tantalum/niobium ingots; tantalum- and niobium-based deep-processed products include tantalum/niobium strips, tubes, rods and wires, and various processed products based on supplied drawings. The products are widely used in high-temperature alloys, semiconductors, high-end electronics, aerospace, defense and military, optical and medical fields. The Group has passed the quality, environment, occupational health, intellectual property and other management system certifications, and passed the Responsible Minerals Initiative (RMI) annual audit in the second half of 2024. As a member of the Tantalum-Niobium International Study Center (TIC) and vice president of the Tantalum and Niobium Division of the China Nonferrous Metals Industry Association, the Group strictly complies with applicable international and domestic laws, regulations and industry self-discipline rules.

Hydrometallurgical Projects

The implementation entities of the Group's hydrometallurgical projects include Ximei Guangdong and Ximei Resources (Leizhou) Company Limited* (稀美資源(雷州)有限公司) (“**Ximei Leizhou**”), being its wholly-owned subsidiaries, and CNNC Central China New Materials Co., Ltd. (“**CNNC Huazhong**”), being its associate. In particular, Ximei Guangdong is a world leading tantalum- and niobium-based hydrometallurgical enterprise, focusing on the research and development and production of potassium heptafluorotantalate, niobium pentoxide, tantalum pentoxide, high-purity niobium pentoxide, high-purity tantalum pentoxide and tantalum/niobium alkoxide. In the past three years, the Group's hydrometallurgical products gained a market share of nearly 40% (note 1) in China. The Group is a national high-tech enterprise, and has been recognised as an innovative enterprise of Guangdong Province, an excellent manufacturing enterprise of Guangdong Province, a provincial single champion product enterprise in manufacturing industry of Guangdong Province, a high-growth enterprise of Guangdong Province, a “Little Giant” specialised and innovative enterprise, a postdoctoral scientific research center and a national enterprise with intellectual property advantages. The Group has established a provincial and municipal engineering technology research center, and a provincial and municipal technology specialist workstation. Ximei Leizhou has a project with a total planned annual production capacity of 3,000 tons of high-performance tantalum- and niobium-based oxide which is under proactive advancement and CNNC Huazhong entered the production phase in 2024, with a designed annual capacity of 1,000 tons of oxides.

Pyrometallurgical Projects

The implementation entities of the Group's pyrometallurgical projects include Ximei Guangdong Qinghua Park Production Base, Ximei Resources (Guizhou) Technology Limited* (稀美資源(貴州)科技有限公司) (“**Ximei Guizhou**”) and Ximei Resources (Guiyang) Company Limited* (稀美資源(貴陽)有限公司) (“**Ximei Guiyang**”). Established in 2020, Ximei Guizhou is the Group's major production base for pyrometallurgical products, which mainly include tantalum and niobium powders, melted tantalum/niobium, ferroniobium and niobium-nickel binary alloys, and various high-purity tantalum/niobium ingots, with a planned production capacity of 1,500 tons per year, which will rank among the top three in the world upon reaching full capacity.

In light of its strategic positioning of “professional, integrated, large-scale, high-end, international and capital-based” operation and the goal of “developing strategic metals and pursuing green metallurgy”, Ximei Resources makes continuous research and development and innovation, expands its production capacity and extends its industrial chain. With its unique technology, excellent quality and high-quality services, the Group has won the recognition and praise of its customers and aspires to become “a world leading manufacturer and operator of tantalum- and niobium-based products”.

Note:

1. Reference is made to the statistics of Ximei Resources.

* For identification purpose only

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CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. Wu Lijue (*Chairman*)
Mr. Mao Zili
Ms. Huang Jieli

Non-executive Director

Ms. Ouyang Ming

Independent Non-executive Directors

Mr. Lau Kwok Fai Patrick
Mr. Zhong Hui
Ms. Shi Ying

AUDIT COMMITTEE

Mr. Lau Kwok Fai Patrick (*Chairman*)
Mr. Zhong Hui
Ms. Shi Ying

NOMINATION COMMITTEE

Mr. Wu Lijue (*Chairman*)
Mr. Zhong Hui
Mr. Lau Kwok Fai Patrick
Ms. Shi Ying (appointed on 27 June 2025)

REMUNERATION COMMITTEE

Mr. Zhong Hui (*Chairman*)
Mr. Lau Kwok Fai Patrick
Ms. Huang Jieli

COMPANY SECRETARY

Mr. Chang Eric Jackson (*HKICPA*)

AUTHORISED REPRESENTATIVES

Mr. Wu Lijue
Mr. Chang Eric Jackson (*HKICPA*)

REGISTERED OFFICE

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CORPORATE INFORMATION (CONTINUED)

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AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
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Quarry Bay
Hong Kong

PRINCIPAL BANKERS

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Guangdong Province
People's Republic of China

Bank of China
Qingyuan Branch
No. 2, Beijiang Road, Xincheng
Qingyuan City
Guangdong Province
People's Republic of China

COMPANY'S WEBSITE

www.ximeigroup.com

STOCK CODE

9936

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June		
	2025 RMB' 000	2024 RMB'000	Changes Increase/ (decrease)
Financial Highlights			
Revenue	954,200	902,593	5.7%
Cost of sales	(727,878)	(712,017)	2.2%
Gross profit	226,322	190,576	18.8%
Gross profit margin	23.7%	21.1%	2.6% points
Profit before tax	130,397	75,695	72.3%
Profit for the period	107,493	62,721	71.4%
Profit for the period attributable to owners of the Company	91,821	62,266	47.5%
Basic earnings per share (in RMB)	0.26	0.17	47.5%
	As at 30 June 2025 RMB' 000	As at 31 December 2024 RMB'000	Changes Increase/ (decrease)
Liquidity and Gearing			
Current ratio (Note 1)	2.00	2.26	(11.5%)
Quick ratio (Note 2)	0.84	1.20	(30%)
Gearing ratio (Note 3)	32.2%	26.7%	5.5% points

Notes:

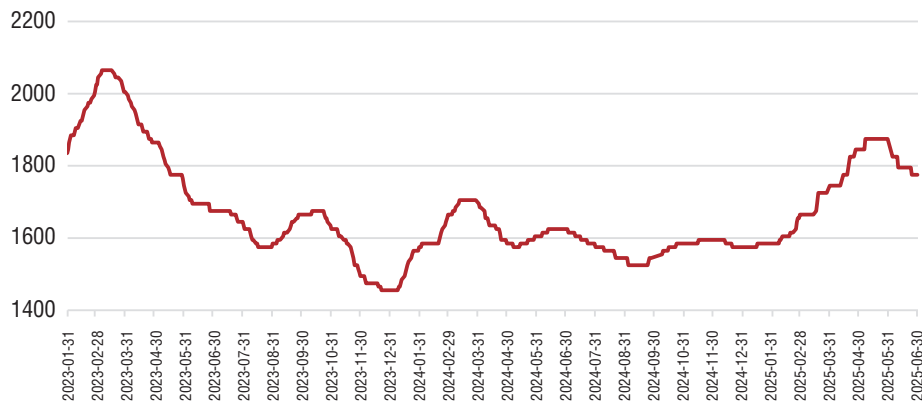
- (1) Current ratio represents total current assets divided by total current liabilities as at the end of relevant period.
- (2) Quick ratio represents total current assets less inventories divided by total current liabilities as at the end of relevant period.
- (3) Gearing ratio represents total bank borrowings excluding discounted bills, less cash and bank balance, divided by total equity as at the end of relevant period multiplied by 100%.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW OF TANTALUM AND NIOBIUM PRODUCTS

In the first half of 2025, the price pivot of ditantalum pentoxide shifted upward. According to asianmetal.cn, as of the end of June, the annual average ex-factory price of 99.5% ditantalum pentoxide in China was RMB1,728.4/kg, representing an increase of 8.6% compared to the full-year average in 2024. At the beginning of the year, the rapid rise in tantalum ore prices was primarily driven by supply disruptions caused by geopolitical conflicts in the Democratic Republic of Congo and Rwanda, coupled with increased purchasing enthusiasm from smelters following the Chinese Lunar New Year. During the first half of the year, the peak ex-factory price of 99.5% ditantalum pentoxide in China was quoted at RMB1,875/kg.

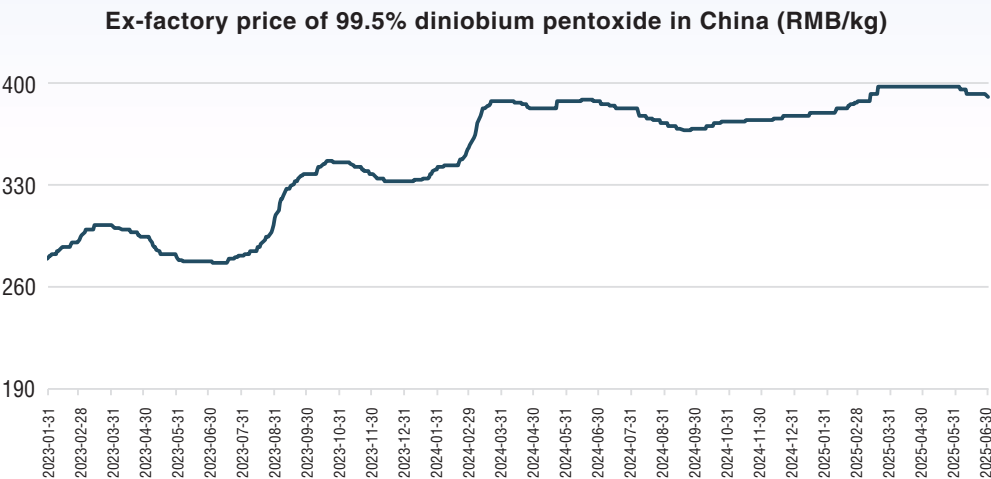
Ex-factory price of 99.5% ditantalum pentoxide in China (RMB/kg)



Source: asianmetal.cn

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

In the first half of 2025, ex-factory price of 99.5% diniobium pentoxide in China showed a steady upward trend. By the end of June, the annual average tax-inclusive price was RMB378.6/kg, up 0.1% from the 2024 full-year average. With niobium ore supply remaining tight and downstream demand relatively optimistic, the ex-factory price of 99.5% diniobium pentoxide in China was prone to rise rather than fall. Subsequently, the price maintained a high-level consolidation, reaching a peak of RMB397.5/kg in the first half of 2025.



Source: asianmetal.cn

DEVELOPMENT TREND OF DOWNSTREAM APPLICATIONS OF TANTALUM AND NIOBIUM

Tantalum- and niobium-based products have been widely applied in many fields due to their excellent performance, and enjoy stable demand from many industries. Furthermore, these products have seen strong demand from additional sectors in recent years, mainly reflected in the following areas:

- (1) Tantalum capacitor sector: Tantalum powder, tantalum wire, tantalum shell and tantalum furnace materials for production of tantalum capacitors remain as a key application of tantalum metal, where the product technology represents the highest level of tantalum application. Given their high capacity density, low leakage current and stability, tantalum capacitors play a unique role in PCB design. In particular, consumer electronics represent approximately 35%-40% usage volume of tantalum capacitors, mainly benefiting from the demand from 5G smartphones, fast charging technology and internet of things (IoT) devices. Automotive electronics, with a special preference for tantalum capacitors, represent 25%-30% usage volume of tantalum capacitors. Especially, with an even higher penetration rate in intelligent electric vehicles (EVs), tantalum capacitors see a usage volume of 2-3 times that in traditional cars. In addition, industrials and energy sectors, including industrial automation, power electronics and renewable energy (such as photovoltaic inverters), represent 20% usage volume. Medical and aerospace sectors, given their reliance on high reliability and extreme environmental resistance and known for their use of tantalum capacitors at no cost, represent 10%-15% of the usage volume. In 2023, consumer electronics represented approximately 38% demand for tantalum capacitors, implying a market size of approximately US\$770 million (based on the total global market size of US\$2.03 billion). Since the first quarter of 2024, consumer electronics market gradually showed signs of recovery, as evidenced by a year-on-year growth of 6% in global smartphone market, a year-on-year growth of 7% in laptop shipments, and an annualised growth of over 10% in electronic wearables market. The annual demand for tantalum capacitors in consumer electronics was estimated to increase by 6%-7% to US\$820-830 million, and further grow to US\$870-890 million in 2025. Tantalum demand from tantalum capacitors is set to increase significantly, driven by the rise of future industries such as AI algorithm models, brain-computer interfaces and humanoid robots, as well as sustained demand from wireless communication and fast charging. According to a report from CPM Group LLC, annual tantalum demand is estimated to exceed 4,000 tons by 2030, including over 1,000 tons of demand from tantalum capacitors.
- (2) High-temperature alloy sector: In 2024, the global high-temperature alloy market showed a steady growth momentum, where tantalum and niobium have been widely added to various high-temperature alloy categories due to their irreplaceable properties. Alloys without niobium addition have a durability life of 100 hours at 800°C and 200MPa stress, compared to 200-300 hours for those with niobium addition. Deformation of turbine blades with niobium addition during the service life, thanks to creep resistance of blades, can be reduced by 30%-40% under high-temperature gas pressure and centrifugal force. By adding appropriate amount of tantalum, yield strength of nickel-based high-temperature alloys at 700°C can be improved by approximately 15%-20%. In addition, by adding tantalum, volume fraction of the strengthening phase γ' in nickel-based high-temperature alloys can be increased by 5%-10%, resulting in a 20%-30% improvement in their endurance strength at 800°C.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Benefiting from demand expansion in aerospace, energy and industrial sectors, high-temperature alloys saw a dramatic increase in shipment volume in the past two years, which is expected to continue in the future.

- **Aerospace sector:** Driven by a recovery of commercial aviation market and military aircraft upgrades, the demand for nickel-based and cobalt-based high-temperature alloys in aviation engines has increased significantly. CJ-1000A turbofan engine from Aero Engine Corporation of China has completed airworthiness certification, together with C919 aircraft equipped with the engine entering bulk delivery, demonstrating an acceleration process of domestic substitution. Rolls-Royce Holdings (“**Rolls-Royce**”) saw an increasing market share of its small gas turbines (e.g. MT30) in the ship power segment, and estimated that the flight hours of large engines for civil aviation in 2025 will recover to 110-115% of the 2019 level. The company is also developing a new-generation engine with industry-leading fuel efficiency and power density, which will be marketed in 2028. In addition, Rolls-Royce expanded its joint venture with Guangxi Yuchai Machinery Group Co., Ltd. (廣西玉柴機器集團有限公司) in China to address the rapidly growing China market.
- **Military equipment sector:** The fourth-generation engines such as WS-15 have achieved installations in large scale, coupled with improving performance of the fifth-generation fighter jets such as J-20 and ongoing R&D for the sixth-generation fighter jets to accelerate iterative upgrades of aviation equipment.
- **Energy equipment sector:** Demand from energy sector is driven by gas turbine power generation, nuclear energy facility construction and hydrogen energy technology progress, where performance advantages of high-temperature alloys including high temperature resistance and corrosion resistance are further highlighted. Driven by the replacement of coal-fired power with gas turbines in Europe and Americas, General Electric 9HA.02 and Siemens SGT-8000H, among other models, saw a recovery of orders, with hydrogen-fueled gas turbines accounting for 15% of installations. Mitsubishi Heavy Industries recorded an order growth, driven by LNG power generation projects in Southeast Asia and the Middle East. General Electric launched an AI operation and maintenance platform to improve gas turbine efficiency. Along with the booming mature markets, emerging markets are to see potentially surging demand, such as the Middle East and Africa where investment in gas turbine power stations has been driven by natural gas exploitation. In Central Asia and Central Africa, a focus of China’s gas turbine export under its “Belt and Road Initiative”, localised manufacturing is a widely preferred model which may stimulate gas turbine order growth continuously.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

- (3) Superconducting materials sector: Superconducting materials include high-temperature and low-temperature superconducting materials. Currently, the industry is dominated by low-temperature superconducting technology (representing a market share of approximately 96%), while the rest is for high-temperature superconducting technology. Niobium and niobium alloys are the only choice for low-temperature superconducting materials. Demand for superconducting materials mainly comes from scientific research, nuclear fusion, medical equipment, national defense and military, transportation, electricity and energy, etc.. According to Galaxy Securities, the global superconducting material market has been growing, with an expected compound annual growth rate of 23.1% by 2027 based on the market size of €6.8 billion in 2022.

Global market size of superconducting materials in 2022 reached €6.8 billion (+3%); 5-year CAGR in 2022-2027 = 23.1%



Source: Conectus, China Galaxy Securities Research Institute

- (4) Semiconductor sector: High-purity tantalum target materials are used in conjunction with high-purity copper target materials in the production of very large scale integrated circuits (chips). Despite some uncertainties such as seasonality and excess inventory previously in semiconductor sector, global semiconductor industry has shown a general recovery starting from 2024. According to Gartner's forecast, benefiting from surging demand for artificial intelligence related semiconductors and recovery of electronic production, the global chip market was estimated to grow by 19% year-on-year to US\$630 billion in 2024, and continue the momentum to grow by 13.8% year-on-year to US\$716.7 billion in 2025. As forecast by the World Semiconductor Trade Statistics (WSTS), global semiconductor market size will reach US\$687 billion in 2025, representing a year-on-year growth of 12.5%, mainly driven by memory and logic chips.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

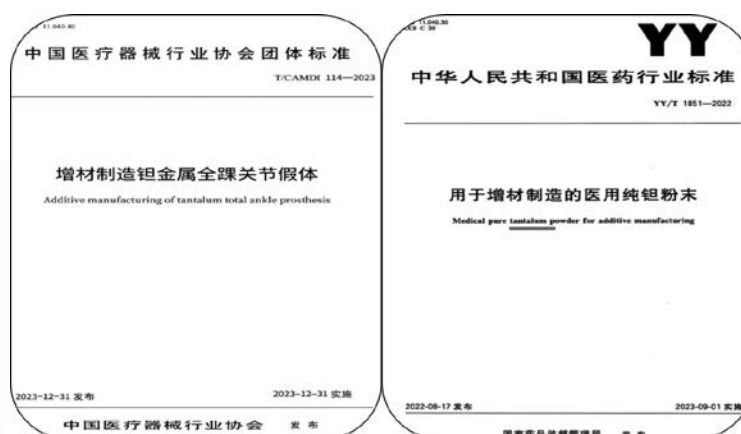
Semiconductors revenue forecast, worldwide, 2023-2025
(billions of USD)

	2023	2024	2025
Revenue	530.0	629.8	716.7
Growth (%)	-11.7	18.8	13.8

Source: Gartner, Dongguan Securities Research Institute

Looking ahead, AI functions will be increasingly integrated into personal terminal devices, such as AI smartphones, AI personal computers and AI wearables; and the evolving intelligent driving assistance systems and automotive infotainment systems will further fuel the growth of automotive semiconductor market. Tantalum is widely used as a barrier material in semiconductor manufacturing given its high conductivity, thermal stability and atomic blocking effect. Driven by the thriving semiconductor sector, tantalum is expected to see increasing application in this field.

- (5) Medical sector: Tantalum has relatively limited applications in medical sector at present which, however, is expected to expand year by year. Tantalum metal is widely used in medical sector, especially in orthopedic surgeries, such as treatment of femoral head necrosis, joint replacement and revision, and bone defect repair. In addition, porous tantalum as a novel material has been developed as orthopedic transplantation materials. The evolving 3D printing technology further accelerated medical applications of tantalum materials. Through 3D printing, porous tantalum implants can be customised to meet personalised needs of patients. Tantalum coating also plays an important protective role in implanted medical devices. These applications not only help improve success rate of surgery, but also significantly enhance rehabilitation process of patients. The evolving medical technologies will usher in broad prospects for tantalum in medical applications.

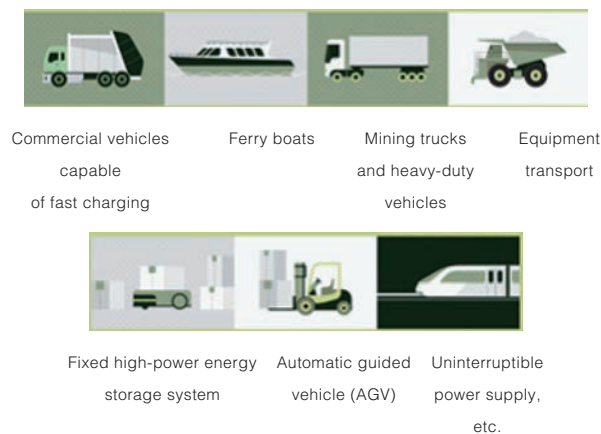


Source: China Association for Medical Devices Industry and National Medical Products Administration

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

- (6) New energy sector: In new energy sector, an emerging application field for niobium, niobium-based anode technology can contribute to the miniaturisation and light-weighting transformation of lithium-ion batteries. Currently, niobium-containing anode materials have achieved commercialisation and are widely applied. Adding niobium to lithium batteries can enhance stability and safety, as niobium-based anode materials do not exhibit lithium plating – a primary cause of internal short circuits in graphite, silicon, and lithium metal batteries. Niobium-based anodes can extend battery lifespan, supporting over 10,000 charge-discharge cycles. They also enable fast charging, with full charging achievable in just 6 minutes or less. At the cell level, the volumetric energy density exceeds 130 Wh/kg and 350 Wh/L, comparable to lithium iron phosphate cells. Batteries using niobium-based anodes offer a new alternative for miniaturising uninterruptible power supply (UPS) systems in data centers. Additionally, niobium and tantalum are primarily used in oxide form (LiAlLaZrNb/TaO) as inorganic solid-state electrolytes, offering higher energy density and improved safety for solid-state lithium batteries. Solid-state batteries are expected to become a new growth driver for niobium in the new energy sector.

Application scenarios of niobium-based anode batteries are as follows:

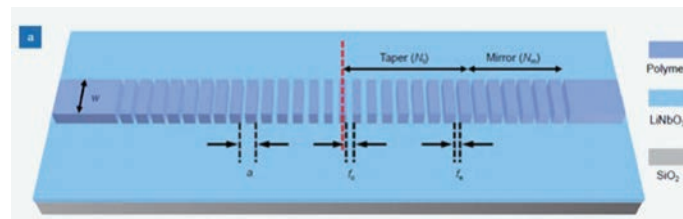


Source: <https://www.niobiumtech.cn>

- (7) Integrated photonics field: Lithium niobate can be used to fabricate devices such as electro-optic modulators, which are core components in modern communication systems and photonic integrated circuits. Thin-film lithium niobate (TFLN) exhibits excellent electro-optic effects, nonlinear optical properties, and acousto-optic effects, offering advantages such as smaller size, lower cost, and higher integration density. These properties make it suitable for applications in 5G communications, quantum computing, and other advanced fields. The Wuxi Photonic Chip Research Institute of Shanghai Jiaotong University has developed high-quality, low-loss thin-film lithium niobate optical waveguides, achieving mass integration of “photonic chips”. This achievement was recognised as a “2024 Annual Case of New Quality Productive Forces” by China Media Group. The popularity of ChatGPT and DeepSeek has spurred the construction of AI computing infrastructure, which requires significant computing power to support model optimisation and extensive training, the application and development of foundation models also lead to higher demand for bandwidth of traffic flows. This has brought vast market opportunities to high-speed optical module market. Especially, as the speed of optical modules evolves to 800G and potentially upgrades to 1.6T and 3.2T going forward, the demand for digital electro-optic modulators for high-speed coherent optical communication is expected to see an explosive growth.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

At the beginning of 2025, the thin-film lithium niobate (TFLN) photonic chip production line jointly built by Q.ANT, a German quantum technology company, and IMS CHIPS, was officially put into use, which marked the first publicly reported mass production attempt to integrate thin-film lithium niobate photonic technology with traditional wafer manufacturing technology globally, aiming at solving the problems of surge in demand for artificial intelligence computing and energy consumption bottleneck. The experimental data show that the prototype of its photonic processor based on thin-film lithium niobate is 30 times more energy efficient and 50 times faster than the traditional chip. In terms of efficient photonic integrated circuits, researchers from École Polytechnique Fédérale de Lausanne (EPFL) and Shanghai Institute of Microsystems and Information Technology (SIMIT) have successfully developed a revolutionary new photonic integrated circuit (PICs). It is based on lithium tantalate, which is not only excellent in performance, but also cost-effective and has a wide application prospect. Photonic integrated circuit (PICs) means that a variety of optical devices and functions are integrated on a single chip. Since debut, PICs has caused profound changes in the field of optical communication and computing systems. The prepared lithium tantalate PICs shows high efficiency, with the optical loss rate as low as 5.6 dB/m and the electro-optical bandwidth as high as 40 GHz. These indicators fully prove its ability to handle high-speed data transmission, making it an ideal choice for the next generation optical communication system with significantly bright prospect. According to QY research data, in 2023, the global market scale of lithium niobate thin film modulators reached US\$200 million, and by 2029, it is expected to reach US\$2 billion, with a compound annual growth rate (CAGR) of 41.0%.



Source: Development of Tantalum and Niobium Industry

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

BUSINESS REVIEW

Remarkable results in business management

The strong performance in the first half of 2025 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 2025, we seized opportunities in the tantalum and niobium industry, achieving significant improvements across all core departments. In the first half of 2025 (the “**Period Under Review**” or the “**Reporting Period**”), the Group achieved revenue of RMB954.2 million, representing a year-on-year increase of 5.7%, and profit for the period amounted to RMB107.5 million, representing a year-on-year increase of 71.4%.

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 Period Under Review, the Group consistently adhered to the talent philosophy that “human resource leadership strategy is the first competitive strategy and people are the most valuable and core assets of an enterprise”, continuously advancing the refined adjustment of its organisational structure and talent framework. By balancing empowerment and oversight, the Group stimulated talent effectiveness. The Group focused on cultivating versatile talent pipelines with both professional expertise and innovative vision, and 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, infused fresh talents into frontline operations through the “Management Trainee Program” with the retention rate of trainees increasing year by year, and outstanding trainees from previous programs have become key production backbones.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Building momentum, cultivating excellence and advancing with honours

As of 30 June 2025, the Group was granted with 120 authorised patents accumulatively, including 28 invention patents and 92 utility model patents. Additionally, the Group had 79 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. In 2025, Ximei Guizhou, a subsidiary of the Group, was recognized as a “Key Specialised and Innovative Enterprise in Guizhou Province”, and Ximei Guangdong was rated as a “High-Quality Manufacturing Enterprise” by Qingyuan City. At the date of this interim report, the Group’s subsidiary, 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 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 Period 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.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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. Ximei Guangdong has enhanced oxide production capacity through the “Annual 700-Ton High-purity-niobium Expansion and Technical Upgrade Project”. 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 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 periods indicated:

	For the six months ended 30 June			
	2025		2024	
	RMB' 000	%	RMB' 000	%
Tantalum and niobium hydrometallurgical compounds	233,840	24.5	306,263	33.9
Tantalum and niobium metal and its products	504,590	52.9	419,538	46.5
Trading goods, processing services and others	215,770	22.6	176,792	19.6
Total revenue	954,200	100.0	902,593	100.0

During the six months ended 30 June 2025 and 2024, 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 RMB51.6 million or 5.7% from approximately RMB902.6 million for the six months ended 30 June 2024 to approximately RMB954.2 million for the Period Under Review. The increase was mainly attributable to the Group's active adjustment of its product mix, with the metal products especially niobium metal products and the trading business experiencing a significant year-on-year growth in the first half of the year.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Tantalum and niobium hydrometallurgical compounds

For the Period Under Review, our revenue generated from sales of compounds amounted to approximately RMB233.8 million, representing a decrease of approximately RMB72.4 million or 23.6% from approximately RMB306.3 million for the six months ended 30 June 2024. Such decrease was mainly due to the decrease in external sales as a result of the increased proportion of internal consumption of hydrometallurgical compounds due to higher market demand for metal products.

Tantalum and niobium metal and its products

For the Period Under Review, our revenue from the sale of tantalum and niobium metal and its products increased by approximately RMB85.1 million or 20.3% from approximately RMB419.5 million to approximately RMB504.6 million. Such increase was mainly due to increased market sales of niobium metal products as a result of the increased output of pyrometallurgical projects.

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 Period Under Review, our revenue from trading goods, processing services and others was approximately RMB215.8 million, an increase of approximately RMB39.0 million or 22.0% compared with approximately RMB176.8 million for the six months ended 30 June 2024. The increase is mainly due to the increase in trading of sales in the Period Under Review.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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 six months ended 30 June 2025 and 2024, our cost of sales amounted to approximately RMB727.9 million and RMB712.0 million, respectively. The following table sets forth the breakdown of our cost of sales for the years indicated:

	For the six months ended 30 June			
	2025		2024	
	RMB' 000	%	RMB'000	%
Raw materials	439,888	60.4	476,238	66.9
Cost of trading goods	183,186	25.2	142,636	20.0
Factory overheads	28,823	4.0	23,767	3.3
Electricity and fuels	53,377	7.3	46,796	6.6
Labour (Note)	13,306	1.8	12,036	1.7
Processing fee	9,298	1.3	10,544	1.5
Total cost of sales	727,878	100.0	712,017	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 60.4% and 66.9% of our total cost of sales for the Period Under Review and the six months ended 30 June 2024, respectively. Our cost of sales increased by approximately RMB15.9 million or 2.2% from approximately RMB712.0 million for the six months ended 30 June 2024 to approximately RMB727.9 million for the Period Under Review. Such increase was mainly attributable to the increase in sales volume.

Gross Profit and Gross Profit Margin

The Group's gross profit increased from approximately RMB190.6 million for the six months ended 30 June 2024 to approximately RMB226.3 million for the Period Under Review, mainly driven by the improved gross profit margin.

Our gross profit margin increased from approximately 21.1% for the six months ended 30 June 2024 to approximately 23.7% for the Period Under Review. Such increase was mainly attributable to the further release of the Group's production capacity during the Period Under Review and the increase in the proportion of sales of metal products, especially high-purity metals, as well as the strengthened production process and improved efficiency, including the utilization of recycled materials and by-products, which drove cost reduction and efficiency enhancement and therefore improved the gross profit margin.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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 six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Other income		
Bank interest income	473	906
Government grants (Note)	5,335	5,089
	5,808	5,995
Gains, net		
Fair value gains on derivative financial instruments, net	1,900	98
Gain from disposal of scrap materials, net	954	760
Others	2,268	449
	5,122	1,307
Total	10,930	7,302

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 increased by approximately RMB3.6 million or 49.7% from approximately RMB7.3 million for the six months ended 30 June 2024 to approximately RMB10.9 million for the Period Under Review. Such increase was mainly attributable to the increase in government grants and fair value gain on derivative financial instruments.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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 six months ended 30 June			
	2025		2024	
	RMB'000	%	RMB'000	%
Distribution costs	2,706	27.8	2,891	29.4
Staff costs	5,231	53.8	5,407	54.9
Consultation fees	454	4.7	350	3.5
Travelling and entertainment expenses	690	7.1	439	4.5
Office expenses	107	1.1	214	2.2
Others	537	5.5	540	5.5
Total selling and distribution expenses	9,725	100.0	9,841	100.0

The Group's selling and distribution expenses decreased from approximately RMB9.8 million for the six months ended 30 June 2024 to approximately RMB9.7 million for the Period Under Review. Such decrease was mainly due to a slight decrease in staff costs as the Group strengthened staff management and appraisal.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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 six months ended 30 June			
	2025		2024	
	RMB' 000	%	RMB'000	%
Research and development expenses	33,466	45.3	36,993	42.3
Staff costs	20,407	27.6	26,951	30.8
Other tax expenses	44	0.1	383	0.4
Legal advisory and professional fees	1,239	1.7	1,268	1.5
Depreciation and amortisation	4,053	5.5	3,754	4.3
Travelling and entertainment expenses	1,803	2.4	1,856	2.1
Bank charges	405	0.5	439	0.5
Others (Note)	12,521	16.9	15,847	18.1
Total administrative expenses	73,938	100.0	87,491	100.0

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

The Group's administrative expenses decreased from approximately RMB87.5 million for the six months ended 30 June 2024 to approximately RMB73.9 million for the Period Under Review. Such decrease was mainly attributable to (i) the decrease in staff costs of approximately RMB6.5 million from approximately RMB27.0 million for the six months ended 30 June 2024 to approximately RMB20.4 million for the Period Under Review, which was mainly due to a decrease in staff costs as a result of the Group's enhanced appraisal and restructuring of its management personnel; and (ii) the decrease in research and development expenses of approximately RMB3.5 million from approximately RMB37.0 million for the six months ended 30 June 2024 to approximately RMB33.5 million for the Period Under Review. The decrease in research and development expenses was mainly due to the completion of certain research and development projects of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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 periods indicated:

	For the six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Finance costs on interest-bearing bank borrowings	9,220	7,977
Discount on bill discounting	3,181	4,545
Interest on lease liabilities	103	1,352
Total net finance costs	12,504	13,874

Our finance costs for the Period Under Review and the six months ended 30 June 2024 amounted to approximately RMB12.5 million and RMB13.9 million, respectively. Such decrease was mainly due to the decrease in bill discounting raised during the Period Under Review, leading to a decrease in finance costs of discount on bill discounting.

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 Period Under Review and the six months ended 30 June 2024 amounted to approximately RMB22.9 million and RMB13.0 million, respectively. Our effective tax rate for the six months ended 30 June 2025 and 30 June 2024 was 17.6% and 17.1%, respectively. The details are set out in Note 6 to the condensed consolidated financial information of this interim report.

Profit for the Reporting Period

As a result of the foregoing, we recorded profit for the period of approximately RMB107.5 million and RMB62.7 million for the Period Under Review and the six months ended 30 June 2024, respectively, representing an increase of approximately RMB44.8 million or 71.4%. Our net profit margin was approximately 11.3% and 6.9% for the Period Under Review and the six months ended 30 June 2024, respectively.

Profit Attributable to Owners of the Company

Profit for the Period attributable to owners of the Company for the Period Under Review and the six months ended 30 June 2024 amounted to approximately RMB91.8 million and RMB62.3 million, respectively, representing an increase of approximately RMB29.6 million or 47.5%.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

ANALYSIS OF MAJOR BALANCE SHEET ITEMS

Property, Plant and Equipment

Our property, plant and equipment comprised (i) buildings and ancillary structures; (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 RMB3.5 million from approximately RMB387.0 million as at 31 December 2024 to approximately RMB390.5 million as at 30 June 2025. 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 30 June 2025, the Group's total right-of-use assets amounted to approximately RMB67.3 million (31 December 2024: approximately RMB68.1 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 RMB57.2 million as at 31 December 2024 to approximately RMB56.8 million as at 30 June 2025, mainly due to increase in depreciation charge. Our machinery decreased from approximately RMB8.6 million as at 31 December 2024 to approximately RMB7.7 million as at 30 June 2025, mainly due to the depreciation charge and transfer to property, plant and equipment. Our leased offices increased from approximately RMB2.3 million as at 31 December 2024 to approximately RMB2.8 million as at 30 June 2025, mainly due to addition of a new office in Hong Kong.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Raw materials	424,176	251,302
Work in progress	269,342	268,051
Finished goods	381,038	225,155
Total inventories	1,074,556	744,508
Average inventories (Note 1)	909,532	713,260
Average inventories to revenue from sale of products (Note 2)	47.7%	40.2%

Notes:

- (1) Represents the average of inventories as at 31 December of the previous year and 30 June of the current period.
- (2) Represents the average of inventories divided by the total (annualised) revenue generated from sale of products for the relevant period.

The Group's inventories amounted to approximately RMB1,074.6 million and RMB744.5 million as at 30 June 2025 and 31 December 2024, respectively. Our average inventories increased from approximately RMB713.3 million as at 31 December 2024 to approximately RMB909.5 million as at 30 June 2025. Such increase was mainly due to the increase in both the raw materials 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 47.7% and 40.2% for the six months ended 30 June 2025 and the year ended 31 December 2024, respectively. During the Reporting Period, the Company dynamically adjusted its raw material procurement plan in light of the demand of downstream orders in hand and the market conditions of raw materials, and also considered the plan of commissioning of the newly built Leizhou plant, which resulted in a moderate increase in the inventory of raw materials. Meanwhile, the delivery and acceptance of certain downstream customers were delayed, leading to a certain increase in the inventory of finished goods.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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 Period Under Review. The following table sets forth the breakdown of our trade and bills receivables as at balance sheet dates indicated:

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Trade receivables	387,267	287,210
Less: Impairment	(9,895)	(4,903)
	377,372	282,307
Bills receivable	60,027	123,915
	437,399	406,222
Net carrying amount		
	437,399	406,222
Average trade and bills receivables (Note 1)	421,811	402,050
Average trade and bills receivables to total revenue (Note 2)	22.1%	22.1%

Notes:

- (1) Represents the average of trade and bills receivables as at 31 December of the previous year and 30 June of the current period.
- (2) Represents trade and bills receivables divided by the total (annualised) revenue for the relevant period.

Our trade and bills receivables increased from approximately RMB406.2 million as at 31 December 2024 to approximately RMB437.4 million as at 30 June 2025. Such increase was mainly due to the increase in revenue.

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.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Within 30 days	168,984	211,100
31 days to 60 days	99,010	80,694
61 days to 90 days	87,691	62,617
Over 90 days	81,714	51,811
Total trade and bills receivables	437,399	406,222

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 30 June 2025 and 31 December 2024 was approximately RMB9.9 million and RMB4.9 million, respectively. The following table sets forth the average turnover days of our trade and bills receivables for the years indicated:

	For the six months ended 30 June	
	2025 (Days)	2024 (Days)
Average turnover days of trade and bills receivables (Note)	80.0	80.5

Note: Average turnover days of trade and bills receivables equal to average trade and bills receivables divided by revenue for the period and multiplied by 181. Average trade and bills receivables are calculated as trade and bills receivables at the beginning of the period plus trade and bills receivables at the end of the period, divided by two.

Our average turnover days of trade and bills receivables decreased from 80.5 days for the six months ended 30 June 2024 to 80.0 days for the Period Under Review. The decrease was mainly due to the slightly shorter credit period as a result of enhanced management of sales payment collection during the Period under Review.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Prepayments – Non-current	18,075	29,277
Deposits – Non-current	32,000	32,000
	50,075	61,277
Less: Impairment allowance	(11,000)	(11,000)
	39,075	50,277
Prepayments – Current	148,673	227,680
Other tax recoverable	–	567
Deposits and other receivables – Current	9,813	8,531
	158,486	236,778
Total prepayments, deposits and other receivables	197,561	287,055

Our prepayments, deposits and other receivables decreased from approximately RMB287.1 million as at 31 December 2024 to approximately RMB197.6 million as at 30 June 2025, mainly driven by the decrease in prepayment deposit amount.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Trade Payables

Our trade payables decreased from approximately RMB62.3 million as at 31 December 2024 to approximately RMB48.6 million as at 30 June 2025, mainly due to the timely settlement of certain procurement payments to suppliers. The following is an ageing analysis of trade payables, based on the invoice dates, as at balance sheet dates indicated:

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Within 30 days	26,179	27,323
31 days to 60 days	11,242	24,011
61 days to 90 days	2,800	764
Over 90 days	8,399	10,168
Total trade payables	48,620	62,266

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 periods indicated:

	For the six months ended 30 June	
	2025 (Days)	2024 (Days)
Average turnover days of trade payables (Note)	13.8	14.9

Note: Average turnover days of trade payables equal to average trade payables divided by cost of sales for the period and multiplied by 181. Average trade payables are calculated as trade payables at the beginning of the period plus trade payables at the end of the period, divided by two.

Our average turnover days of trade payables decreased from approximately 14.9 days for the six months ended 30 June 2024 to 13.8 days for the Period Under Review, mainly due to the decrease in trade payable amount for the six months ended 30 June 2025.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Accruals	23,357	21,250
Deferred income	9,151	8,886
Contract liabilities	20,011	50,290
Other payables	42,038	31,449
Total other payables and accruals	94,557	111,875

Our other payables and accruals decreased from approximately RMB111.9 million as at 31 December 2024 to approximately RMB94.6 million as at 30 June 2025. Such decrease was mainly driven by the decrease in advance payment from customers.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Bank Borrowings

Bank borrowings were the principal component of our total liabilities, accounting for approximately 79.2% and 71.2% of our total liabilities as at 30 June 2025 and 31 December 2024, 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 30 June 2025 RMB' 000	As at 31 December 2024 RMB' 000
Non-current	78,259	129,100
Current (Note)	717,241	470,249
Total bank borrowings	795,500	599,349

Note: The current portion of bank borrowings includes discounted bills of RMB205,000,000 (31 December 2024: RMB70,000,000).

During the Period 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 30 June 2025 RMB' 000	As at 31 December 2024 RMB' 000
Secured	142,389	129,431
Unsecured	653,111	469,918
Total bank borrowings	795,500	599,349

As at 30 June 2025, 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 RMB48.3 million (31 December 2024: approximately RMB48.4 million) and RMB88.6 million (31 December 2024: approximately RMB91.8 million), respectively.

Our total bank borrowings increased from approximately RMB599.3 million as at 31 December 2024 to approximately RMB795.5 million as at 30 June 2025. Such increase was mainly due to the increase in the Group's raw material reserves during the Period Under Review.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

LIQUIDITY AND CAPITAL RESOURCES

Working Capital

During the Period Under Review, we financed our operations by cash generated from operating activities and bank borrowings. For the Period Under Review, the effective interest rate for fixed rate borrowings was from 2.45% to 4.90%. The currency of the borrowings is Renminbi. As at 30 June 2025, we had cash and cash equivalents of approximately RMB145.1 million (31 December 2024: approximately RMB182.0 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 interim report.

CAPITAL STRUCTURE

Indebtedness

The total indebtedness of the Group as at 30 June 2025 was approximately RMB800.7 million, representing certain movements from approximately RMB607.3 million as at 31 December 2024. During the Period Under Review, the Group did not experience any difficulties in renewing its banking facilities with its lenders.

Gearing Ratio

As at 30 June 2025, the Group's gearing ratio was approximately 32.2% (31 December 2024: approximately 26.7%), 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/period 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 Period Under Review.

Pledge of Assets

As at 30 June 2025, 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 RMB48.3 million (31 December 2024: approximately RMB48.4 million) and RMB88.6 million (31 December 2024: approximately RMB91.8 million), respectively.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Capital Expenditures

Our capital expenditures primarily comprised expenditures for purchases of property, plant and equipment. Our capital expenditures amounted to approximately RMB25.4 million and RMB8.3 million for the Period Under Review and the six months ended 30 June 2024, 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.

EXPOSURE TO FOREIGN EXCHANGE RISK

Most of the Group's assets and liabilities are denominated in Renminbi, except for certain payables to suppliers, receivables from customers, bank balances, bank borrowings and professional parties that are denominated in U.S. dollars and Hong Kong dollars. As Renminbi is not freely convertible, the Group is exposed to the risk that the PRC government may take actions affecting the exchange rate, which may have a material adverse effect on the net assets, earnings and any dividends declared by the Group if such dividends are to be converted or translated into foreign currencies.

The Group has established a foreign exchange risk management system internally to address the exchange rate risk. The Board and the management will continue to closely monitor the movements in the foreign exchange market and take effective measures to prevent exchange rate risk in a timely manner.

CONTINGENT LIABILITIES, LEGAL AND POTENTIAL PROCEEDINGS

As at 30 June 2025, the Group did not have any material contingent liabilities, legal proceedings or potential proceedings (31 December 2024: Nil).

CAPITAL COMMITMENTS

As at 30 June 2025, the Group had capital commitments of approximately RMB44.1 million in respect of plant and equipment and additional investment in an associate, representing certain movements from approximately RMB37.7 million as at 31 December 2024.

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

For the six months ended 30 June 2025, the Group had not made any material acquisition or disposal.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

SIGNIFICANT INVESTMENTS

The Company had not held any significant investments during the six months ended 30 June 2025.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no specific plan for material investments or capital assets as at 30 June 2025. 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 the second half of 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.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

HUMAN RESOURCES AND TRAINING

By upholding the talent philosophy that “the human resources leadership strategy is the primary competitive strategy, and people are the most valuable and core assets of an enterprise”, the Group continues to refine the organizational structure and talent framework, leveraging a balanced mechanism of empowerment and oversight to enhance talent effectiveness. In the first half of 2025, the Group focused on cultivating a versatile talent pipeline with both professional expertise and innovative vision. Initiatives such as the “Stellar Program”, a specialized training project for young core leaders, and the “Mentorship Program” were launched, establishing a dual-mentor development system. Senior executives and technical experts of the Company signed mentorship responsibility agreements, fostering a structured talent cultivation framework. Under this system, several master’s graduates from prestigious universities such as Tsinghua University and Central South University have advanced to mid-level management roles. Additionally, the “Management Trainee Program” has infused fresh talent into frontline operations, with trainee retention rates increasing year over year. Outstanding former trainees have now become key production leaders.

We believe that our long-term growth depends on the expertise and experience of our employees. We primarily recruit our personnel through campus recruiting, offline 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, and have enriched online and offline training courses and introduced off-site observational training programs to enhance their professional attainments and career development capacity. As at 30 June 2025, the Group had a total of 663 employees (as at 31 December 2024: 632 employees). Total staff cost for the Reporting Period amounted to approximately RMB64.5 million (for the period ended 30 June 2024: approximately RMB57.7 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.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

USE OF PROCEEDS FROM THE LISTING

The shares of the Company were listed on the Main Board of the Stock Exchange on 12 March 2020. Net proceeds from the placing of the shares were approximately RMB92.7 million (equivalent to approximately HK\$105.5 million), after deduction of the underwriting commission and relevant expenses. As at 30 June 2025, the Group had used net proceeds of approximately RMB91.0 million. The following table illustrates the status of the use of net proceeds according to the intentions previously disclosed by the Company as stated in the section headed “Future Plans and Use of Proceeds” in the Prospectus as at 30 June 2025:

		Planned use of proceeds as disclosed in the Prospectus %	(RMB million)	Amount of net proceeds brought forward as at 1 January 2025 (RMB million)	Actual utilised amount during the Period Under Review (RMB million)	Actual utilised amount as at 30 June 2025 (RMB million)	Unutilised amount as at 30 June 2025 (RMB million)
Construction of new production facilities to produce tantalum powder and bars	28.9%	26.8	–	–	26.8	–	
Acquisition and installing of machinery and equipment to produce tantalum powder and bars	36.0%	33.4	–	–	33.4	–	
Other expense for setting up the new production facilities	3.9%	3.6	–	–	3.6	–	
Financing five research and development projects	17.9%	16.6	–	–	16.6	–	
Strengthening the sales network in Europe and sourcing channels in Brazil	3.5%	3.2	1.8	0.1	1.5	1.7	
General working capital	9.8%	9.1	–	–	9.1	–	
Total	100.0%	92.7	1.8	0.1	91.0	1.7	

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

References are made to the Company's annual report for the year ended 31 December 2023 (the **"2023 Annual Report"**) and the annual report for the year ended 31 December 2024 (the **"2024 Annual Report"**) respectively.

As disclosed in the 2023 Annual Report, the unutilised amount of net proceeds (for financing five research and development projects and strengthening the sales network in Europe and sourcing channels in Brazil) as at 31 December 2023 was approximately RMB4.8 million, which was expected to be completely utilised by August 2024.

As disclosed in the 2024 Annual Report, the unutilised amount of net proceeds as at 31 December 2024 was approximately RMB1.8 million (for strengthening the sales network in Europe and sourcing channels in Brazil), which was expected to be completely utilised by the end of 2025.

As at 30 June 2025, the unutilised amount of net proceeds was approximately RMB1.7 million (for strengthening the sales network in Europe and sourcing channels in Brazil), which was expected to be completely utilised by the end of 2025.

The delay in the utilisation of net proceeds from August 2024 to the end of 2025 is mainly due to the delay in the Company's expansion in Europe and Brazil resulting from the changes in the macro-economic environment and international business environment, and therefore the relevant utilisation of net proceeds was delayed. The Company will monitor market conditions and intend to accelerate such business expansion and relevant use of net proceeds in a prudent manner, ensuring the best interests of the Company and its shareholders. The Board considers that the extension of the expected timeline for utilisation of the unutilised net proceeds will not have any material adverse impact on the existing business and operations of the Group and is in the best interests of the Company and its shareholders as a whole.

OTHER INFORMATION

PRINCIPAL ACTIVITIES

The Company is an investment holding company. During the Reporting Period, the Company's subsidiaries were principally engaged in the manufacture, sale and trading of non-ferrous metal products and provision of processing services to customers.

DISCLOSURE OF INTERESTS

(a) Interests and Short Positions of Directors and Chief Executive in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporation

As at 30 June 2025, the interests and short positions held by the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange, were as follows:

(i) Interest in the Shares and underlying Shares:

Name of Director	Capacity/ Nature of interest	Number of Shares and underlying Shares (Note 1)	Approximate percentage of shareholding %
Mr. Wu Lijue (Note 2)	Interest in controlled corporation	205,000,000 (L)	56.94%
Ms. Huang Jieli (Note 3)	Beneficial owner	260,000 (L)	0.07%

Notes:

- (1) The letter "L" denotes long position in our Shares.
- (2) It represents Shares held by Jiawei Resources Seychelles, which was wholly owned by Mr. Wu Lijue.
- (3) Ms. Huang Jieli is interested in Awarded Shares granted to her under the Shares Award Scheme entitling her to receive 260,000 Shares, of which 130,000 Shares were vested as at 30 June 2025.

OTHER INFORMATION (CONTINUED)

(ii) Interests in the shares of the associated corporation of the Company:

Name of Director	Name of associated corporation	Capacity/ Nature of interest	Number and class of shares	Percentage of shareholding
Mr. Wu Lijue	Jiawei Resources Seychelles	Beneficial owner	1 ordinary share (L)	100%

Save as disclosed above, as at 30 June 2025, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange.

Save as disclosed above, as at 30 June 2025, none of the Directors is a director or employee of a company which has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

(b) Substantial Shareholders' Interests and Short Positions in the Shares and Underlying Shares of the Company

As at 30 June 2025, so far as was known to the Directors, the interests or short positions held by the following persons (other than the Directors) in the shares of the Company which were required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or the interests or short positions recorded in the register kept by the Company under section 336 of the SFO were as follows:

Interests in the Shares and underlying Shares:

Name of Substantial Shareholders	Capacity/Nature of interest	Number of Shares and underlying Shares (Note 1)	Approximate percentage of shareholding %
Jiawei Resources Seychelles	Beneficial owner	205,000,000 (L)	56.94%
Ms. Ruan Xiaomei (Note 2)	Interest of spouse	205,000,000 (L)	56.94%
Ganfeng Lithium Co., Ltd. (Note 3)	Beneficial owner	60,000,000 (L)	16.67%
Mr. Huang Hua (Note 4)	Interest of spouse	260,000 (L)	0.07%

OTHER INFORMATION (CONTINUED)

Notes:

- (1) The Letter “L” denotes long position in our Shares.
- (2) Ms. Ruan Xiaomei is the spouse of Mr. Wu Lijue. By virtue of the SFO, Ms. Ruan Xiaomei is deemed to be interested in all the Shares held by Mr. Wu. Jiawei Resources Seychelles is wholly owned by Mr. Wu. By virtue of the SFO, Mr. Wu is deemed to be interested in all the Shares held by Jiawei Resources Seychelles.
- (3) Ganfeng Lithium Co., Ltd. is a joint stock company established in the PRC with limited liability, the A shares of which are listed on the Shenzhen Stock Exchange (stock code: 002460) and the H shares of which are listed on the Main Board of the Stock Exchange (stock code: 1772). So far as was known to the Directors, interests held by Ganfeng Lithium Co., Ltd were indirectly held through GFL Investment (Hong Kong) Limited, its indirect wholly-owned subsidiary and an investment holding company.
- (4) Mr. Huang Hua is the spouse of Ms. Huang Jieli. By virtue of the SFO, Mr. Huang Hua is deemed to be interested in all the Shares and underlying Shares held by Ms. Huang Jieli.

Save as disclosed above, to the best knowledge of the Directors of the Company, as at 30 June 2025, no person (other than the Directors) had any interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO or any interest or short positions recorded in the register kept by the Company under section 336 of the SFO.

SHARE OPTION SCHEME

On 19 February 2020, the Company conditionally adopted a share option scheme (the “**Share Option Scheme**”). Under the Share Option Scheme, the Board may, at its absolute discretion, at any time within a period of ten years commencing from 19 February 2020 offer to grant to any Eligible Participants (as defined herein below) options to subscribe for Shares. The Company amended the Share Option Scheme (the “**Amended Share Option Scheme**”) by ordinary resolution of the Shareholders in the extraordinary general meeting on 5 December 2022. Please refer to the circular of the Company dated 16 November 2022 for details. During the Period Under Review, no share option was granted, exercised, cancelled or lapsed pursuant to the Amended Share Option Scheme. There was no outstanding share option as at 1 January 2025 and 30 June 2025.

The principal terms of the Amended Share Option Scheme are summarised as follows:

1. The purposes of the Amended Share Option Scheme are (i) to enable us to grant options to selected participants as incentives or rewards for their contribution to our growth and development; (ii) to attract and retain personnel to promote our sustainable development; and (iii) to align the interest of the grantees with those of the Shareholders to promote our long-term financial and business performance. Our Directors consider the Amended Share Option Scheme will enable us to reward the employees, our Directors and other selected participants for their contributions to us.

OTHER INFORMATION (CONTINUED)

2. Our Directors shall, in accordance with the provisions of the Amended Share Option Scheme and the Listing Rules, be entitled but shall not be bound at any time within a period of ten years commencing from the date of the adoption of the Amended Share Option Scheme to make an offer to any Eligible Participants:
 - (i) any employee (whether full-time or part-time including any executive Director but excluding any non-executive Director) of our Company or any of our subsidiaries in which our Group holds an equity interest (and including persons who are granted options under the Amended Option Scheme or any other share scheme(s) as an inducement to enter into employment contracts with our Group) ("**Employee Participant**");
 - (ii) any non-executive Directors (including independent non-executive Directors) of the Company or any of our subsidiaries; and
 - (iii) any related entity participant.
3. The maximum number of Shares that may be allotted under all share schemes (which include the Amended Share Option Scheme and the Share Award Scheme (as defined below)) was 36,000,000 Shares, representing 10% of the total issued Shares as at 5 December 2022. Any further grant of share options in excess of this limit is subject to Shareholders' approval in a general meeting with such participant and his associates abstaining from voting. As at the date of this report, the total number of Shares available for issue upon the exercise of the options granted under the Amended Share Option Scheme was 33,000,000, representing 9.2% of the total issued Shares as at the date of this report.
4. The number of Shares issued and to be issued upon exercise of all options and awards granted to such person (excluding any options and awards lapsed) under the Amended Share Option Scheme and any other share scheme to each participant in any 12-month period shall not exceed 1% of the issued share capital of our Company ("**1% Individual Limit**"). Any further grant of options in excess of the 1% Individual Limit in any 12-month period up to and including the date of such further grant shall be subject to the issue of a circular to our Shareholders and our Shareholders' approval in general meeting of our Company with such participant and his associates abstaining from voting. The number and terms (including the exercise price) of options to be granted to such participant must be fixed before Shareholders' approval and the date of board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under Rule 17.03E of the Listing Rules.

OTHER INFORMATION (CONTINUED)

5. An option may be accepted by a participant within 21 days from the date of the offer of grant of the option. An option may be exercised in accordance with the terms of the Amended Share Option Scheme at any time during a period to be determined and notified by our Directors to each grantee, which period may commence on the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination thereof. Unless otherwise determined by our Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Amended Share Option Scheme for the holding of an option before it can be exercised. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option. The vesting period of options granted under the Amended Share Option Scheme shall not be shorter than 12 months from the date of acceptance of the offer for the grant of options. The remuneration committee (or, as the case may be, our Directors) has the authority to determine a shorter vesting period if the participant is an Employee Participant and the remuneration committee (or, as the case may be, our Directors) considers that a shorter vesting period is appropriate to align with the purpose of the Amended Share Option Scheme.
6. The exercise price in respect of any option shall, subject to any adjustments made pursuant to the Amended Share Option Scheme, be at the discretion of our Directors, provided that it shall not be less than the highest of:
 - (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the Shares on the date of the offer of grant, which must be a business day;
 - (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the offer of grant; and
 - (iii) (where applicable) the nominal value of a Share.
7. Unless terminated by the Company by resolution in general meeting, the Amended Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date of its adoption (i.e. 5 December 2022). As at the date of this report, the Amended Share Option Scheme had a remaining life of approximately 7 years.
8. As at 1 January 2025 and 30 June 2025, the number of awards available for grant under the scheme mandate limit of the Share Award Scheme and the number of options available for grant under the scheme mandate limit of the Amended Share Option Scheme shall not exceed 33,000,000 and 33,000,000 in aggregate respectively.

SHARE AWARD SCHEME

The Company adopted a share award scheme (the “**Share Award Scheme**”) by ordinary resolution of the Shareholders in the extraordinary general meeting on 5 December 2022 (the “**Adoption Date**”). The Share Award Scheme constitutes a share scheme involving the grant of new Shares for the purposes of the amendments to the Listing Rules relating to share scheme of listed issuers, which took effect on 1 January 2023. Please refer to the circular of the Company dated 16 November 2022 for further details. On 18 November 2024, the Company granted a total of 3,000,000 Shares pursuant to the Share Award Scheme (“**Awarded Shares**”), which are existing Shares. Please refer to the announcement of the Company dated 18 November 2024 for further details. During the Reporting Period, no share award was granted, vested, cancelled or lapsed pursuant to the Share Award Scheme. As at 30 June 2025, the Awarded Shares pursuant to the Share Award Scheme are set out below:

Name of grantee	Date of grant ⁽¹⁾	Number of Awarded Shares as of 1 January 2025	Number of unvested Awarded Shares as of 1 January 2025	Number of Awarded Shares granted during the Reporting Period	Number of Awarded Shares vested during the Reporting Period	Number of Awarded Shares cancelled during the Reporting Period	Number of Awarded Shares lapsed during the Reporting Period	Number of unvested Awarded Shares as of 30 June 2025	Vesting period ⁽¹⁾⁽²⁾	Consideration for the grant of the Awarded Shares	Weighted average closing price of the Shares immediately before the date of vesting	Closing price of Shares on the date of grant	Closing price of Shares immediately before the date of grant
Directors/senior management													
Ms. Huang Jieji	18 November 2024	260,000	130,000	-	-	-	-	130,000	2024-2026	Nil	HK\$2.93	HK\$3.01	HK\$3.01
Ms. Wu Shuangzhu	18 November 2024	120,000	60,000	-	-	-	-	60,000	2024-2026	Nil	HK\$2.93	HK\$3.01	HK\$3.01
Five highest paid individuals (Other than Directors) ⁽³⁾	18 November 2024	200,000	100,000	-	-	-	-	100,000	2024-2026	Nil	HK\$2.93	HK\$3.01	HK\$3.01
Other grantees													
Other employees	18 November 2024	2,420,000	1,210,000	-	-	-	-	1,210,000	2024-2026	Nil	HK\$2.93	HK\$3.01	HK\$3.01
		3,000,000	1,500,000	-	-	-	-	1,500,000					

Notes:

- (1) (i) The first 50% of the Awarded Shares were vested on 20 December 2024; (ii) the next 25% of the Awarded Shares will be vested on 20 December 2025; and (iii) the remaining 25% of the Awarded Shares will be vested on 20 December 2026.
- (2) The vesting of the Awarded Shares is subject to the fulfillment of performance targets set up by the Company, which are based on individual performance indicators relevant to the roles and responsibilities of the grantees. The Board will determine whether the grantees meet their individual performance targets.
- (3) The five highest paid individuals include three Directors and two other individuals. One of the other individuals was granted with Awarded Shares.
- (4) The Directors estimated the fair value of the share awards based on the closing market price per share on the date of the grant, i.e. HK\$3.01, and therefore the fair value of the share awards granted at the date of grant is HK\$3.01 per share.

As at 30 June 2025, the trustee has purchased an aggregate of 3,070,000 shares of the Company on the Stock Exchange for the purpose of the Share Award Scheme, and granted and vested 1,500,000 shares of the Company cumulatively. A summary of the principal terms of the Share Award Scheme is set out below.

OTHER INFORMATION (CONTINUED)

Purposes and objectives

The purposes and objectives of the Share Award Scheme are: (i) to recognize the contributions by certain eligible participants and to provide them with incentives in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group.

Eligible participants

Eligible participants under the Share Award Scheme include any employee, officer or director of any member of the Group.

Duration

Subject to any early termination as may be determined by the Board pursuant to the rules of the Share Award Scheme, the Share Award Scheme shall be valid and effective for a term of 10 years commencing on the Adoption Date.

Scheme mandate limit and individual limit

The maximum number of Shares which may be allotted and issued in respect of all awards to be granted under the Share Award Scheme, and the options and awards to be granted under any other share scheme(s) shall not in aggregate exceed 10% of the number of Shares in issue on the date on which the Share Award Scheme was adopted by the Company.

As at the date of this report, the total number of Shares available for issue under the Share Award Scheme was 33,000,000, representing 9.2% of the total issued Shares as at the date of this report. As the Awarded Shares are all existing Shares, there are no Shares which may be issued in respect of awards granted under the Share Award Scheme during the Period Under Review.

The number of Shares issued and to be issued in respect of all options or awards granted to each participant (excluding any options and awards lapsed) under the Share Award Scheme and any other share scheme in any 12-month period shall not exceed 1% of the issued share capital of the Company. Any further grant of awards in excess of such limit in any 12-month period up to and including the date of such further grant shall be separately approved by our Shareholders in general meeting of our Company with such participant and his associates abstaining from voting. The number and terms of awards to be granted to such participant must be fixed before Shareholders' approval.

Vesting period

The vesting period of awards granted under the Share Award Scheme shall not be shorter than 12 months. The remuneration committee (or, as the case may be, our Directors) has the authority to determine a shorter vesting period if the remuneration committee (or, as the case may be, our Directors) considers that a shorter vesting period is appropriate to align with the purpose of the Amended Share Option Scheme.

Amount payable on acceptance of awards

The Board may grant awards to any selected participant at nil consideration.

Alteration of the Share Award Scheme

Subject to the provisions of the Share Award Scheme, the Share Award Scheme may be altered in any respect by resolution of the Board except that certain provisions of the Share Award Scheme shall not be altered to the advantage of the eligible participants except with the sanction of a resolution of the Shareholders in general meeting, provided that no such alteration shall operate to affect adversely the terms of any award granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the selected participants as would be required of the holders of the Shares under the Articles of Association for the time being of the Company for a variation of the rights attached to the Shares.

Termination

The Share Award Scheme shall terminate on the earlier of: (i) the 10th anniversary date of the Adoption Date; and (ii) such date of early termination as determined by the Board by a resolution of the Board, provided that such termination shall not affect any subsisting rights of any selected participants. As at the date of this report, the Share Award Scheme had a remaining life of approximately 7 years.

Number of awards available for grant

As at 1 January 2025 and 30 June 2025, the number of awards available for grant under the scheme mandate limit of the Share Award Scheme and the number of options available for grant under the scheme mandate limit of the Amended Share Option Scheme shall not exceed 33,000,000 and 33,000,000 in aggregate respectively.

PUBLIC FLOAT

According to the information disclosed publicly and as far as the Directors are aware, during the Reporting Period and up to the date of this report, at least 25% of the issued shares of the Company was held by public shareholders as required under the Listing Rules.

OTHER INFORMATION (CONTINUED)

UPDATE ON DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes and updated information regarding the Directors are set out below:

Ms. Shi Ying	<p>Appointed as a member of the nomination committee of the Board with effect from 27 June 2025.</p> <p>Term as an independent director of Hebei Sinopack Electronic Technology Co., Ltd. (河北中瓷電子科技股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 003031) expired on 7 July 2025.</p> <p>Term as an independent director of JCET Group Co., Ltd. (江蘇長電科技股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600584) expired on 15 May 2025.</p> <p>Term as an independent director of Tianshui Huatian Technology Co., Ltd. (天水華天科技股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 002185) expired on 22 April 2025.</p>
Ms. Ouyang Ming	<p>Resigned as a director of Ganzhou Tengyuan Cobalt New Material Co., Ltd.* (贛州騰遠鈷業新材料股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 301219) on 13 May 2025.</p>

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

During the Reporting Period and up to the date of this report, 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 Reporting Period.

GOING CONCERN

Based on the current financial position and financing facilities available, 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.

* For identification purpose only

USE OF PROCEEDS FROM ISSUE AND SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

As disclosed in the announcements of the Company dated 19 May 2022, 22 July 2022 and 29 July 2022 (the “**Announcements**”) (unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Announcements), a total of 60,000,000 Subscription Shares (all being ordinary shares of the Company) were issued and allotted to the Subscriber, GFL Investment (Hong Kong) Limited, at the Subscription Price of HK\$4.0 (equivalent to RMB3.44) per Subscription Share pursuant to the terms and conditions of the Execution Agreement. After deducting related professional fees and all related expenses, the net Subscription Price is approximately HK\$3.88 (equivalent to RMB3.34) per Subscription Share. On 19 May 2022, being the date of the Framework Subscription Agreement, the closing price of the Company’s shares is HK\$4.43 (equivalent to RMB3.76) per Share as quoted on the Stock Exchange. On 22 July 2022, being the date of the Execution Agreement, the closing price of the Company’s shares is HK\$4.55 (equivalent to RMB3.91) per Share as quoted on the Stock Exchange. The aggregate nominal value of share capital for the Subscription Shares is HK\$600,000.

The Directors consider that the Subscription represents an opportunity to raise capital for the Company while broadening the Shareholder base of the Company. Moreover, as Ganfeng Lithium is a global leading lithium ecological enterprise, the Subscription will create synergy effect and complementary advantages in terms of mineral resources, non-ferrous metal smelting and processing, and downstream customer resources. The Subscription is expected to enhance the Group’s development in its tantalum and niobium business and enhance the Group’s overall competitiveness.

The gross proceeds from the Subscription are approximately HK\$240.0 million (approximately equivalent to RMB200.0 million) in aggregate. After deducting related professional fees and all related expenses of about HK\$7.2 million (approximately equivalent to RMB6.2 million) borne by the Company under the Subscription, the net proceeds of the Subscription amount to approximately HK\$232.8 million (equivalent to RMB193.8 million). As disclosed in the Announcements, the net proceeds from the Subscription will be used for the Group’s investment in fixed assets and general working capital purposes. Please refer to the Announcements for further details.

As at 30 June 2025, the Group had used net proceeds of approximately HK\$232.8 million, the following table illustrates the status of the use of net proceeds according to the intentions previously disclosed by the Company:

	Planned use of the net proceeds as disclosed in the Announcements	Amount of net proceeds brought forward as at 1 January 2025	Amount utilised during the Period Under Review	Actual utilised amount as at 30 June 2025	Unutilised amount as at 30 June 2025
	% (HK\$ million) (in approximate)	(HK\$ million) (in approximate)	(HK\$ million) (in approximate)	(HK\$ million) (in approximate)	(HK\$ million) (in approximate)

Investment in fixed assets
and general working
capital purposes

100%

232.8

–

–

232.8

–*

* As of the date of this report, unutilised net proceeds of HK\$18,951.80 were fully utilised.

OTHER INFORMATION (CONTINUED)

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 Listing Rules, and adopted various measures to enhance the internal control system, the Directors’ continuing 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 its shareholders. The Board will continue to conduct review and improve the quality of corporate governance practises with reference to local and international standards.

During the Period Under Review and up to the date of this report, the Company has complied with the code provisions, other than code provisions C.2.1 of the CG Code as set out in Part 2 of 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 on our Board 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.

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 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 Period Under Review and up to the date of this report.

REVIEW BY AUDIT COMMITTEE

We have established an audit committee (the “**Audit Committee**”) on 19 February 2020 with written terms of reference in compliance with Rule 3.21 of the Listing Rules.

Our Audit Committee has three members, namely Mr. Lau Kwok Fai Patrick, Mr. Zhong Hui and Ms. Shi Ying, 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.

OTHER INFORMATION (CONTINUED)

The financial information in this interim report has not been audited by the auditor of the Company. The Audit Committee has reviewed the unaudited financial statements, the results announcement and this interim report of the Company for the six months ended 30 June 2025 with the management of the Group and agreed with the accounting treatments adopted by the Company, and was of the opinion that the preparation of the financial statements in this interim report complies with the applicable accounting standards and the requirements under the Listing Rules and adequate disclosures have been made.

EVENT AFTER THE REPORTING PERIOD

There is no material event after the reporting period as at the date of this report.

DISCLOSURE OF INFORMATION

The interim results announcement for the six months ended 30 June 2025 is published on the website of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>) under “Listed Company Information” and the website of the Company (<http://www.ximeigroup.com>). The interim report for 2025 will be sent to shareholders of the Company (if necessary) in due course, and will be published on the website of The Stock Exchange of Hong Kong Limited (<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, 25 August 2025

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Six months ended 30 June 2025

	Notes	2025 (Unaudited) RMB' 000	2024 (Unaudited) RMB'000
REVENUE	4	954,200	902,593
Cost of sales		(727,878)	(712,017)
Gross profit		226,322	190,576
Other income and gains, net		10,930	7,302
Selling and distribution expenses		(9,725)	(9,841)
Administrative expenses		(73,938)	(87,491)
Other operating expenses, net		(5,164)	(9,317)
Finance costs		(12,504)	(13,874)
Share of loss of an associate		(5,524)	(1,660)
PROFIT BEFORE TAX	5	130,397	75,695
Income tax expense	6	(22,904)	(12,974)
PROFIT FOR THE PERIOD		107,493	62,721
Attributable to:			
Shareholders of the Company		91,821	62,266
Non-controlling interest		15,672	455
		107,493	62,721
EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	8		
Basic (RMB)		0.26	0.17
Diluted (RMB)		0.26	0.17

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six months ended 30 June 2025

	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
PROFIT FOR THE PERIOD	107,493	62,721
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(1,203)	(400)
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of the Company's financial statements	(4,691)	4,411
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	(5,894)	4,011
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	101,599	66,732
Attributable to:		
Shareholders of the Company	85,927	66,277
Non-controlling interest	15,672	455
	101,599	66,732

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	Notes	30 June 2025 (Unaudited) RMB' 000	31 December 2024 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	9	390,529	386,974
Right-of-use assets		67,354	68,081
Investment in an associate		29,935	35,459
Prepayments, deposits and other receivables		39,075	50,277
Deferred tax assets		13,646	10,199
Total non-current assets		540,539	550,990
CURRENT ASSETS			
Inventories		1,074,556	744,508
Trade and bills receivables	10	437,399	406,222
Prepayments, deposits and other receivables		158,486	236,778
Due from an associate		—	9,140
Income tax recoverable		30,791	12,278
Cash and bank balances		145,132	182,039
Total current assets		1,846,364	1,590,965
CURRENT LIABILITIES			
Trade payables	11	48,620	62,266
Other payables and accruals		94,557	111,875
Due to an associate		39,415	43,974
Income tax payables		18,640	9,953
Bank borrowings		717,241	470,249
Lease liabilities		3,033	5,312
Total current liabilities		921,506	703,629
NET CURRENT ASSETS		924,858	887,336
TOTAL ASSETS LESS CURRENT LIABILITIES		1,465,397	1,438,326
NON-CURRENT LIABILITIES			
Bank borrowings		78,259	129,100
Lease liabilities		2,157	2,601
Deferred tax liability		3,000	6,000
Total non-current liabilities		83,416	137,701
Net assets		1,381,981	1,300,625

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

30 June 2025

	Note	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
EQUITY			
Equity attributable to shareholders of the Company			
Issued capital	12	3,228	3,228
Reserves		1,244,271	1,175,056
		1,247,499	1,178,284
Non-controlling interest		134,482	122,341
Total equity		1,381,981	1,300,625

Mr. Wu Lijue
Director

Ms. Huang Jieli
Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six months ended 30 June 2025

	Attributable to shareholders of the Company											Non-controlling interest	Total equity
	Issued capital (unaudited) RMB'000	Share premium account (unaudited) RMB'000	Shares held for share award scheme (unaudited) RMB'000	Capital reserve (unaudited) RMB'000	Merger reserve (unaudited) RMB'000	PRC statutory reserve (unaudited) RMB'000	Specific reserve (unaudited) RMB'000	Other reserve (unaudited) RMB'000	Exchange fluctuation reserve (unaudited) RMB'000	Retained profits (unaudited) RMB'000	Total (unaudited) RMB'000		
At 1 January 2024	3,228	328,184	(1,959)	35,793	8,803	85,988	3,748	9	12,979	553,235	1,030,008	76,172	1,106,180
Profit for the period	-	-	-	-	-	-	-	-	-	62,266	62,266	455	62,721
Other comprehensive income/(loss) for the period:													
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	(400)	-	(400)	-	(400)
Exchange differences on translation of the Company's financial statements	-	-	-	-	-	-	-	-	4,411	-	4,411	-	4,411
Total comprehensive income for the period	-	-	-	-	-	-	-	-	4,011	62,266	66,277	455	66,732
Utilisation of specific reserve, net	-	-	-	-	-	-	(1,533)	-	-	-	(1,533)	-	(1,533)
Purchase of shares under share award scheme	-	-	(630)	-	-	-	-	-	-	-	(630)	-	(630)
At 30 June 2024	3,228	328,184	(2,589)	35,793	8,803	85,988	2,215	9	16,990	615,501	1,094,122	76,627	1,170,749

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

Six months ended 30 June 2025

	Attributable to shareholders of the Company												
	Shares held												
	Issued	Share	for share	Share	Capital	Merger	PRC	Specific	Other	Exchange	Retained	Total	Non-
	capital	premium	award	award	reserve	reserve	statutory	reserve	reserve	fluctuation	profits	(unaudited)	controlling
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
At 1 January 2025	3,228	328,184*	(5,090)*	214*	56,430*	8,803*	85,931*	8,522*	9*	19,340*	672,713*	1,178,284	122,341
Profit for the period	-	-	-	-	-	-	-	-	-	-	91,821	91,821	15,672
Other comprehensive income for the period:													
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	(1,203)	-	(1,203)	-
Exchange differences on translation of the Company's financial statements	-	-	-	-	-	-	-	-	-	(4,691)	-	(4,691)	-
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	(5,894)	91,821	85,927	15,672
Equity-settled share award arrangement	-	-	-	1,542	-	-	-	-	-	-	-	1,542	-
Capital contribution from a non-controlling shareholder	-	-	-	-	-	-	-	-	-	-	-	-	70
Final 2024 dividend declared	-	-	-	-	-	-	-	-	-	-	(18,254)	(18,254)	-
Dividend paid to the non-controlling equity holder of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(3,601)
Increase in safety protection fund, net	-	-	-	-	-	-	-	1,646	-	-	(1,646)	-	-
At 30 June 2025	3,228	328,184*	(5,090)*	1,756*	56,430*	8,803*	85,931*	10,168*	9*	13,446*	744,634*	1,247,499	134,482

* These reserve accounts comprise the consolidated reserves of RMB1,244,271,000 (unaudited) (31 December 2024: RMB1,175,056,000 (audited)) in the unaudited condensed consolidated statement of financial position as at 30 June 2025.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Six months ended 30 June 2025

	Six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from/(used in) operations	(157,808)	156,793
Income tax paid	(18,153)	(28,519)
Net cash flows from/(used in) operating activities	(175,961)	128,274
CASH FLOWS FROM INVESTING ACTIVITIES		
Additional investment in an associate	–	(13,722)
Purchases of items of property, plant and equipment	(14,166)	(2,019)
Proceeds from disposal of items of property, plant and equipment	342	1,711
Interest received	473	906
Net cash flows used in investing activities	(13,351)	(13,124)
CASH FLOWS FROM FINANCING ACTIVITIES		
New bank loans	369,149	902,154
Repayment of bank loans	(172,998)	(879,305)
Repayment of lease liabilities	(4,425)	(9,009)
Interest paid	(12,504)	(12,905)
Purchase of shares under share award scheme	–	(630)
Dividend paid and payable	(21,855)	–
Capital contribution from a non-controlling interest	70	–
Net cash flows from/(used in) in financing activities	157,437	305
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(31,875)	115,455
Cash and cash equivalents at beginning of period	182,039	115,547
Effect of foreign exchange rate changes, net	(5,032)	2,333
CASH AND CASH EQUIVALENTS AT END OF PERIOD	145,132	233,335

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

1. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial information of the Group for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited.

The unaudited interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period’s financial information.

Amendments to HKAS 21

Lack of Exchangeability

The adoption of the above amended HKFRS Accounting Standard does not have a significant impact on the preparation of the Group’s unaudited interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the manufacture and 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.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2025

3. OPERATING SEGMENT INFORMATION (Continued)

Geographical information

(a) Revenue from external customers

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
The People's Republic of China (the "PRC")	730,539	708,787
The United States of America	53,382	86,128
Canada	48,601	54,841
United Kingdom	19,594	22,388
European Union	38,399	22,076
Asia	53,701	7,270
Other countries	9,984	1,103
	954,200	902,593

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 30 June 2025 and 31 December 2024 were located in the PRC.

3. OPERATING SEGMENT INFORMATION (Continued)

Information about major customers

A summary of revenue earned from external customers which contributed 10% or more of the Group's revenue for each of the periods ended 30 June 2025 and 2024 is set out below:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Customer A	208,591	102,303

4. REVENUE

Revenue of the Group for each of the periods ended 30 June 2025 and 2024 wholly represented revenue from contracts with customers.

Disaggregate revenue information

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Types of goods or services		
Tantalum and niobium hydrometallurgical compounds	233,840	306,263
Tantalum and niobium metal and its products	504,590	419,538
Trading goods, processing services and others	215,770	176,792
Total	954,200	902,593
Timing of revenue recognition		
Goods transferred and services rendered at a point in time	954,200	902,593

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2025

5. PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Cost of inventories sold:		
Self-produced goods	516,587	551,758
Trading goods	183,186	142,636
	699,773	694,394
Cost of services provided	28,105	17,623
Depreciation of property, plant and equipment	19,949	15,681
Depreciation of right-of-use assets	4,006	3,931
Research and development costs	33,466	36,993
Gain on disposal of items of property, plant and equipment, net	(121)	(98)
Impairment of trade receivables	4,910	1,366
Foreign exchange differences, net	(1,703)	7,585

6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2024: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024: 16.5%).

Tax on profits assessable in Mainland China has been calculated at the applicable PRC corporate income tax ("CIT") rate of 25% during the period (2024: 25%) except that two subsidiaries, namely Ximei Resources (Guangdong) Limited and Ximei Resources (Guizhou) Technology Limited which were qualified as high and new technology enterprises, enjoyed the preferential CIT rate at 15% (2024: 15%).

6. INCOME TAX (Continued)

	Six months ended 30 June	
	2025 RMB' 000 (Unaudited)	2024 RMB' 000 (Unaudited)
Current – The PRC		
Charge for the period	28,928	10,308
Current – Hong Kong		
Charge for the period	954	141
Deferred	(6,978)	2,525
Total tax charge for the period	22,904	12,974

7. DIVIDEND

During the six months ended 30 June 2025, the Board declared a final dividend of HK5.56 cents (six months ended 30 June 2024: Nil) per ordinary share amounting to RMB18,254,000 (six months ended 30 June 2024: Nil) in respect of the year ended 31 December 2024.

The Board does not recommend the payment of any interim dividend in respect of the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

8. 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 period 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 period; less (ii) the weighted average number of ordinary shares held under the share award scheme of the Company during the period.

The calculation of the diluted earnings per share amounts presented is based on the profit for the period 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 period in respect of the unvested share awards granted under the share award scheme of the Company.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2025

8. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY (Continued)

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

	Six months ended 30 June	
	2025 RMB' 000 (Unaudited)	2024 RMB' 000 (Unaudited)
Earnings		
Profit attributable to shareholders of the Company, used in the basic and diluted earnings per share calculation	91,821	62,266
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 period, used in the basic earnings per share calculation	358,430,000	359,404,533
Effect of dilution – weighted average number of ordinary shares: Share awards	693,395	–
Weighted average number of ordinary shares, used in the diluted earnings per share calculation	359,123,395	359,404,533

9. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired items of property, plant and equipment at a cost of RMB25,368,000 (six months ended 30 June 2024: RMB8,275,000).

During the six months ended 30 June 2025, plant and machinery with a net book value of RMB351,000 (six months ended 30 June 2024: RMB2,092,000) were disposed of by the Group, resulting in a net gain on disposal of RMB121,000 (six months ended 30 June 2024: RMB98,000).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2025

10. TRADE AND BILLS RECEIVABLES

An ageing analysis of the trade and bills receivables as at 30 June 2025 and 31 December 2024, based on the invoice date and net of loss allowance, is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 1 month	168,984	211,100
1 to 2 months	99,010	80,694
2 to 3 months	87,691	62,617
Over 3 months	81,714	51,811
Total	437,399	406,222

11. TRADE PAYABLES

An ageing analysis of the trade payables as at 30 June 2025 and 31 December 2024, based on the invoice date, is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 1 month	26,179	27,323
1 to 2 months	11,242	24,011
2 to 3 months	2,800	764
Over 3 months	8,399	10,168
Total	48,620	62,266

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2025

12. SHARE CAPITAL

	30 June 2025		31 December 2024	
	HK\$' 000 (Unaudited)	Equivalent to RMB' 000 (Unaudited)	HK\$'000 (Audited)	Equivalent to RMB'000 (Audited)
Authorised: 1,000,000,000 ordinary shares of HK\$0.01 each	10,000		10,000	
Issued and fully paid: 360,000,000 ordinary shares of HK\$0.01 each	3,600	3,228	3,600	3,228

13. CAPITAL COMMITMENTS

The Group had the following contractual commitments as at 30 June 2025 and 31 December 2024:

	30 June 2025 RMB' 000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Plant and equipment	44,063	37,740

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2025

14. RELATED PARTY DISCLOSURES

- (a) In addition to the transactions detailed elsewhere in this unaudited interim condensed consolidated financial information, the Group had the following transactions with related parties during the period:

	Notes	Six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Lease payments for properties:			
Jiawei Resources Limited	(i)	225	191
Mr. Wu Lijue	(ii)	693	693
Storage income received			
CNNC Huazhong New Materials Co., Ltd. ("CNNC Huazhong")	(iii)	19	—
Purchases of non-ferrous metal materials			
CNNC Huazhong	(iv)	108,864	—

Notes:

- (i) The lease payments for a property located in Hong Kong were paid or payable by the Group to Jiawei Resources Limited, a fellow subsidiary, based on terms as agreed by the relevant parties as set out in a tenancy agreement.
- (ii) The lease payments for properties located in the PRC were paid or payable by the Group to Mr. Wu, a director and the Company's controlling shareholder, based on terms as agreed by the relevant parties as set out in the tenancy agreements.
- (iii) The storage income was received or receivable from an associate, based on terms as agreed by the relevant parties.
- (iv) The purchases from an associate were made according to the published prices and conditions offered by the associate to its major customers.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2025

14. RELATED PARTY DISCLOSURES (Continued)

(b) Compensation of key management personnel of the Group:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Short term employee benefits	2,808	2,590
Post-employment benefits	205	108
Equity-settled share award arrangement	370	–
Total compensation paid to key management personnel	3,383	2,698

15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Bank borrowings	795,500	599,349	772,672	506,627

Management has assessed that the fair values of cash and bank balances, trade and bills receivables, trade payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amounts at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

16. APPROVAL OF THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

This unaudited interim condensed consolidated financial information was approved by the Board on 25 August 2025.