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Xinjiang Xinxin Mining Industry Co., Ltd.*

新疆新鑫礦業股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock code: 3833)

ANNOUNCEMENT

UNAUDITED FINANCIAL INFORMATION FOR THE THREE MONTHS ENDED 31 MARCH 2017

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

References are made to the announcements of the Company dated 11 February 2014 and 19 February 2014 and 16 November 2015 in connection with the issue of the First Tranche and the Second Tranche Medium-term Notes by the Company. Pursuant to the applicable laws and regulations in the People's Republic of China (the "PRC"), the unaudited financial information of the Group for the three months ended 31 March 2017 is required to be published on the websites of Shanghai Clearing House (www.shclearing.com) and China Money (www.chinamoney.com.cn), extract of which is set out in the Appendix herein.

Shareholders and prospective investors are reminded that the unaudited consolidated financial information as published on the relevant websites in the PRC are prepared in accordance with the PRC accounting standards, which may require adjustments during the course of audit.

Shareholders and prospective investors are cautioned not to unduly rely on such information and are reminded to exercise caution when dealing in the Shares.

By Order of the Board
Xinjiang Xinxin Mining Industry Co., Ltd.*
Guo Haitang
Chairman

Xinjiang, the PRC, 26 April 2017

As at the date of this announcement, the executive directors of the Company are Mr. Guo Quan and Mr. Lu Xiaoping; the non-executive directors of the Company are Mr. Guo Haitang, Mr. Shi Wenfeng, Mr. Zhou Chuanyou and Mr. Hu Chengye; and the independent non-executive directors of the Company are Mr. Chen Jianguo, Mr. Wang Lijin and Mr. Li Wing Sum Steven.

* *For identification purpose only*

APPENDIX

UNAUDITED FINANCIAL INFORMATION OF THE GROUP FOR THE THREE MONTHS ENDED 31 MARCH 2017

Consolidated and company balance sheets as at 31 March 2017

Assets	31 March 2017 Consolidated	31 December 2016 Consolidated	31 March 2017 Company	31 December 2016 Company
Current assets				
Cash at bank and on hand	270,663,194.08	153,014,245.00	224,764,923.86	56,306,656.46
Notes receivable	81,870,803.81	190,672,515.58	73,527,025.31	190,328,580.58
Accounts receivable	154,863,544.73	112,130,198.60	118,428,979.23	73,777,482.66
Advances to suppliers	32,650,407.39	24,005,985.16	407,135,219.91	97,055,086.44
Interest receivables	3,792,958.33	–	16,715,458.33	5,381,847.21
Other receivables	106,119,701.83	106,104,633.53	803,036,393.28	1,092,425,046.43
Inventories	1,488,951,023.69	1,385,290,969.53	1,151,936,026.99	1,008,871,742.88
Other current assets	384,773,941.83	628,858,538.72	269,939,670.52	387,700,632.32
Total current assets	2,523,685,575.69	2,600,077,086.12	3,065,483,697.43	2,911,847,074.98
Non-current assets				
Long-term receivables	–	–	435,000,000.00	800,000,000.00
Long-term equity investments	128,801,114.55	130,802,279.44	2,480,401,665.56	2,481,966,513.94
Fixed assets	2,751,969,050.36	2,799,957,815.87	499,602,201.25	511,774,658.57
Construction in progress	1,438,750,429.05	1,411,717,557.11	66,759,019.95	55,720,031.65
Construction materials	642,609.04	642,609.04	16,439.93	16,439.93
Intangible assets	959,457,955.53	963,989,772.34	47,044,862.77	47,358,951.94
Goodwill	28,087,550.20	28,087,550.20	–	–
Long-term prepaid expenses	180,479.94	57,738.75	133,676.19	–
Deferred tax assets	135,163,748.45	130,950,672.60	103,629,021.18	103,629,021.18
Other non-current assets	22,000,000.00	22,000,000.00	–	–
Total non-current assets	5,465,052,937.12	5,488,205,995.35	3,632,586,886.83	4,000,465,617.21
Total Assets	7,988,738,512.81	8,088,283,081.47	6,698,070,584.26	6,912,312,692.19

	31 March 2017 Consolidated	31 December 2016 Consolidated	31 March 2017 Company	31 December 2016 Company
Liabilities and owners' equity				
Current liabilities				
Short-term borrowings	1,000,000,000.00	420,000,000.00	580,000,000.00	–
Financial liabilities at fair value through profit or loss	135,367,200.00	137,693,150.55	–	–
Notes payable	197,200,000.00	101,250,000.00	187,200,000.00	93,200,000.00
Accounts payable	257,781,897.00	302,860,921.14	85,606,847.52	207,393,554.50
Advances from customers	20,850,775.59	24,336,532.36	15,880,351.38	23,467,067.55
Employee benefits payable	60,561,535.48	55,117,302.59	22,665,213.58	20,113,679.21
Taxes payable	15,833,154.86	11,137,582.93	3,217,736.14	3,330,022.98
Interest payable	25,697,678.25	40,942,962.32	18,221,765.61	39,060,776.27
Other payables	123,297,823.44	251,253,507.52	16,319,424.06	266,389,025.25
Current portion of non-current liabilities	162,000,000.00	662,000,000.00	–	500,000,000.00
Total current liabilities	1,998,590,064.62	2,006,591,959.41	929,111,338.29	1,152,954,125.76
Non-current liabilities				
Long-term borrowings	75,000,000.00	75,000,000.00	–	–
Bond payable	800,000,000.00	800,000,000.00	800,000,000.00	800,000,000.00
Long-term payables	–	59,978,281.32	–	–
Provisions	8,248,582.21	8,248,582.21	–	–
Deferred income	33,028,740.43	33,562,996.66	1,710,449.00	1,725,782.00
Deferred tax liability	149,204,020.18	150,479,836.70	–	–
Other non-current liabilities	502,709,380.00	502,709,380.00	250,000,000.00	250,000,000.00
Total non-current liabilities	1,568,190,722.82	1,629,979,076.89	1,051,710,449.00	1,051,725,782.00
Total liabilities	3,566,780,787.44	3,636,571,036.30	1,980,821,787.29	2,204,679,907.76

	31 March 2017 Consolidated	31 December 2016 Consolidated	31 March 2017 Company	31 December 2016 Company
Owners' equity				
Share capital	552,500,000.00	552,500,000.00	552,500,000.00	552,500,000.00
Capital surplus	4,258,569,997.76	4,263,591,716.44	4,254,754,857.49	4,254,754,857.49
Specific reserve	5,862,397.08	1,543,421.85	1,867,796.97	–
Surplus reserve	249,625,789.74	249,625,789.74	249,625,789.74	249,625,789.74
Accumulated lossed	(720,170,532.02)	(691,384,794.32)	(341,499,647.23)	(349,247,862.80)
Total equity attributable to equity holders of the Company	4,346,387,652.56	4,375,876,133.71	4,717,248,796.97	4,707,632,784.43
Non-controlling interests	75,570,072.81	75,835,911.46	–	–
Total owners' equity	4,421,957,725.37	4,451,712,045.17	4,717,248,796.97	4,707,632,784.43
Total liabilities and owners' equity	7,988,738,512.81	8,088,283,081.47	6,698,070,584.26	6,912,312,692.19

Consolidated and company income statements for the period ended 31 March 2017

	Three Months ended 31 March 2017 Consolidated	Three Months ended 31 March 2016 Consolidated	Three Months ended 31 March 2017 Company	Three Months ended 31 March 2016 Company
Revenue	169,976,457.85	270,826,850.94	153,399,745.26	130,538,885.55
Less: Cost of sales	(140,866,252.84)	(280,201,359.70)	(132,251,220.29)	(135,774,542.22)
Taxes and surcharges	(9,293,585.81)	(1,355,564.89)	(2,445,716.75)	(96,536.07)
Selling and distribution expenses	(7,030,639.22)	(9,247,295.00)	(2,116,794.58)	(2,021,234.17)
General and administrative expenses	(22,685,336.13)	(38,093,107.51)	(7,269,120.11)	(10,170,703.18)
Financial expense-net	(26,204,749.43)	(60,373,747.48)	(1,845,601.16)	(11,837,924.54)
Asset impairment reversal	–	2,515,771.76	–	2,515,771.76
Gains on the change in fair value	–	121,319.67	–	–
Investment income/(losses)	1,043,062.21	8,437,430.32	250,111.06	–
Operating (loss)/profit	(35,061,043.37)	(107,369,701.89)	7,721,403.43	(26,846,282.87)
Add: Non-operating income	1,090,607.79	1,278,733.50	26,812.14	24,214.50
Less: Non-operating expenses	(570,051.20)	(63,366.70)	–	–
Total (loss)/profit	(34,540,486.78)	(106,154,335.09)	7,748,215.57	(26,822,068.37)
Less: Income tax expenses	5,488,892.37	10,447,113.60	–	–
Net (loss)/profit	(29,051,594.41)	(95,707,221.49)	7,748,215.57	(26,822,068.37)
Attributable to shareholders of the Company	(28,785,737.70)	(81,981,160.51)	7,748,215.57	(26,822,068.37)
Non-controlling interests	(265,856.71)	(13,726,060.98)	–	
Accumulated losses brought forward	(691,384,794.32)	(484,316,830.46)	(349,247,862.80)	(322,209,527.41)
Accumulated losses	(720,170,532.02)	(566,297,990.97)	(341,499,647.23)	(349,031,595.78)
Profit distribution to shareholders	–	–	–	–
Accumulated losses	(720,170,532.02)	(566,297,990.97)	(341,499,647.23)	(349,031,595.78)

Consolidated and company cash flow statements for the Period ended 31 March 2017

	Three Months ended 31 March 2017 Consolidated	Three Months ended 31 March 2016 Consolidated	Three Months ended 31 March 2017 Company	Three Months ended 31 March 2016 Company
Cash flows from operating activities				
Cash received from sales of goods	257,691,545.17	404,567,341.23	244,041,044.48	101,738,356.51
Cash received relating to other operating activities	22,205,418.51	17,555,664.89	525,713.75	282,937,486.78
Sub-total of cash inflows	279,896,963.68	422,123,006.12	244,566,758.23	384,675,843.29
Cash paid for goods and services	(211,567,322.27)	(528,505,322.01)	(568,275,662.74)	(458,521,480.81)
Cash paid to and on behalf of employees	(52,058,875.89)	(81,780,261.82)	(22,339,348.35)	(23,813,878.54)
Payments of taxes and surcharges	(32,560,924.90)	(11,970,796.75)	(5,307,657.61)	(3,465,458.17)
Cash paid relating to other operating activities	(44,169,948.82)	(15,628,429.86)	(299,246,853.56)	(26,807,759.73)
Sub-total of cash outflows	(340,357,071.88)	(637,884,810.44)	(895,169,522.26)	(512,608,577.25)
Net cash flows used in operating activities	(60,460,108.20)	(215,761,804.32)	(650,602,764.03)	(127,932,733.96)

	Three Months ended 31 March 2017 Consolidated	Three Months ended 31 March 2016 Consolidated	Three Months ended 31 March 2017 Company	Three Months ended 31 March 2016 Company
Cash flows from investing activities				
Cash received from disposal of available-for-sale financial assets	1,777,264,000.00	–	1,203,064,000.00	–
Cash received from returns on investments	2,647,177.43	–	1,341,233.44	–
Cash received from disposal of investments	–	44,000,000.00	–	–
Cash received relating to other investing activities	–	–	756,292,708.34	–
Sub-total of cash inflows	1,779,911,177.43	44,000,000.00	1,960,697,941.78	–
Cash paid to acquire available-for-sale financial assets	(1,519,727,000.00)	–	(1,067,527,000.00)	–
Cash paid to acquire fixed assets, intangible assets and other long-term assets	(852,958.20)	(53,220,831.69)	–	(8,005,141.54)
Cash paid relating to other investing activities	–	–	(135,000,000.00)	–
Sub-total of cash outflows	(1,520,579,958.20)	(53,220,831.69)	(1,202,527,000.00)	(8,005,141.54)
Net cash flows generated from/(used in) investing activities	259,331,219.23	(9,220,831.69)	758,170,941.78	(8,005,141.54)

	Three Months ended 31 March 2017 Consolidated	Three Months ended 31 March 2016 Consolidated	Three Months ended 31 March 2017 Company	Three Months ended 31 March 2016 Company
Cash flows from financing activities				
Cash received from borrowings	915,367,200.00	1,304,269,860.33	580,000,000.00	450,000,000.00
Sub-total of cash inflows	915,367,200.00	1,304,269,860.33	580,000,000.00	450,000,000.00
Cash repayment of borrowings	(972,078,000.00)	(784,572,382.11)	(500,000,000.00)	–
Cash payments for interest expense	(44,700,744.30)	(71,278,766.62)	(39,296,291.67)	(24,432,011.02)
Sub-total of cash outflows	(1,016,778,744.30)	(855,851,148.73)	(539,296,291.67)	(24,432,011.02)
Net cash flows (used in) /generated from financing activities	(101,411,544.30)	448,418,711.60	40,703,708.33	425,567,988.98
Net increase in cash and cash equivalents	97,459,566.73	223,436,075.59	148,271,886.08	289,630,113.48
Cash and cash equivalents at beginning of year	100,406,459.07	506,128,056.01	18,569,742.78	72,795,873.48
Cash and cash equivalent at end of year	197,866,025.80	729,564,131.60	166,841,628.86	362,425,986.96