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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
CONNECTED TRANSACTION
SALE AND PURCHASE AGREEMENT OF
COMMERCIAL RESIDENTIAL HOUSES**

SALE AND PURCHASE AGREEMENT OF COMMERCIAL RESIDENTIAL HOUSES

The Board is pleased to announce that on 24 May 2019, the Company, as the purchaser and Xinjiang Jinhui, as the seller entered into the Sale and Purchase Agreement, pursuant to which Xinjiang Jinhui shall sell and the Company shall purchase the Properties at the Initial Consideration of RMB6,834,961.80 (subject to adjustment in accordance with the Certificate Area).

LISTING RULES IMPLICATIONS OF THE TRANSACTION

As at the date of this announcement, Xinjiang Jinhui is a wholly-owned subsidiary of Xinjiang Non-ferrous (the controlling shareholder of the Company). Therefore, Xinjiang Jinhui is an associate of Xinjiang Non-ferrous. Accordingly, Xinjiang Jinhui is a connected person of the Company and the entering into of the Sale and Purchase Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Transaction exceeds 0.1% but is less than 5%, the Sale and Purchase Agreement and the transaction contemplated thereunder are subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

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THE SALE AND PURCHASE AGREEMENT

Date

24 May 2019

Parties

- (1) The Company, as the purchaser; and
- (2) Xinjiang Jinhui, as the seller.

Properties

The Properties comprise Room 401D, Room 402E, Room 403B, Room 404B and Room 405A of Block No. 1 of Building No. 1 of Non-ferrous Mingyuan Technology Garden Commercial and Residential Buildings located at No. 52 East 2nd Lane, Binhe Mid Road, Shayibake District, Urumqi, Xinjiang. Currently, construction of the Properties has not been completed, but the Properties are qualified for pre-sales.

Consideration

The Initial Consideration of RMB6,834,961.80 (subject to adjustment in accordance with the Certificate Area) was determined based on the market sales price list prepared by Xinjiang Jinhui to the public and was calculated by reference to the estimated gross floor area and the related Unit Price of each Property.

The estimated gross floor area, the related Unit Price and pre-sale price of each of the Properties are as follows:

Property	Estimated Gross Floor Area (m^2)	Unit Price (RMB/m^2)	Pre-sale Price (RMB)
Room 401D	107.51	11,850.00	1,273,993.50
Room 402E	83.49	11,850.00	989,356.50
Room 403B	124.09	11,870.00	1,472,948.30
Room 404B	124.09	11,870.00	1,472,948.30
Room 405A	136.96	11,870.00	1,625,715.20
Total	<u>576.14</u>		<u>6,834,961.80</u>

The Initial Consideration shall be payable by the Company to Xinjiang Jinhui in full within 5 working days upon the Sale and Purchase Agreement taking effect. The Initial Consideration will be settled by the internal resources of the Group.

Adjustment to the Initial Consideration

Since the actual gross floor area of the Properties as stated in the Property Ownership Certificates can only be determined after completion and delivery of the Properties, the Initial Consideration is subject to adjustments as follows:

- (a) to the extent the Certificate Area is larger than the Agreement Area, the Company shall pay Xinjiang Jinhui an additional amount calculated with reference to the difference between the Certificate Area and the Agreement Area multiplied by the relevant Unit Price listed above; and
- (b) to the extent the Certificate Area is smaller than the Agreement Area, Xinjiang Jinhui shall pay back the Company an amount calculated with reference to the difference between the Certificate Area and the Agreement Area multiplied by the relevant Unit Price listed above.

It is estimated that the difference between the Certificate Area and the Agreement Area will not be more than 3%.

Delivery of the Properties

The Properties shall be delivered upon completion of the acceptance and inspection procedures of the Properties by the relevant PRC authority.

Conditions Precedent of the Sale and Purchase Agreement

The Sale and Purchase Agreement will take effect upon

- (a) the legal representative or the authorised persons of the Company and Xinjiang Jinhui having signed and/or sealed the company seal on the Sale and Purchase Agreement; and
- (b) the passing of the board resolutions or shareholders' resolutions (if necessary) of the Company.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Properties are intended to be used as staff dormitories. As the Properties are located near to the headquarter of the Company, the Group believes that the Transaction will bring forth convenience for the staff of the Group to travel to the Company for meetings, staff training and development.

Given that the terms of the Sale and Purchase Agreement and the transaction contemplated thereunder are fair and reasonable and on normal commercial terms with the Initial Consideration being determined based on the market sales price of the Properties and in the ordinary and usual course of business of the Group, the Directors (including the independent non-executive Directors) consider that the entering into of the Sale and Purchase Agreement and the transaction contemplated thereunder are in the best interests of the Company and its shareholders as a whole.

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INFORMATION RELATING TO THE COMPANY

The Company is principally engaged in the mining, ore processing, smelting and refining of nickel, copper and other non-ferrous metals, which include cobalt and precious metals such as gold, silver, platinum and palladium.

INFORMATION RELATING TO XINJIANG JINHUI

Xinjiang Jinhui is a limited liability company established in the PRC and a wholly-owned subsidiary of Xinjiang Non-ferrous. Xinjiang Jinhui is principally engaged in the development and sales of properties.

BOARD'S APPROVAL

The Sale and Purchase Agreement has been approved by the Board. Save for Mr. Zhang Guohua, Mr. Shi Wenfeng, Mr. Guo Quan and Mr. Liu Jun who are Directors connected to Xinjiang Non-ferrous and have abstained from voting on the relevant resolution of the Board, none of the other Directors have material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder.

DEFINITIONS

In this announcement, the following terms have the following meanings:

“Agreement Area”	the estimated gross floor area of the Properties as stated in the Sale and Purchase Agreement, which is determined in accordance with the estimated construction area of the Properties
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Certificate Area”	the actual total gross area of the Properties as stated in the Property Ownership Certificates
“Company”	Xinjiang Xinxin Mining Industry Co., Ltd.* (新疆新鑫矿业股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	one or all of the director(s) of the Company

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Initial Consideration”	the initial consideration for the Properties, being the aggregate of the pre-sale prices of the Properties set out in the Sale and Purchase Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“m ² ”	square meter
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC)
“Properties”	the commercial residential houses to be purchased by the Company pursuant to the Sale and Purchase Agreement
“Property Ownership Certificates”	the property ownership certificates (房產權證) in relation to the Properties to be issued by the relevant PRC authority
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement of commercial residential houses dated 24 May 2019 and entered into between the Company, as purchaser and Xinjiang Jinhui, as seller in respect of the purchase of the Properties
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning to be construed in accordance with section 2 of the Companies Ordinance (Chapter 32, Laws of Hong Kong)

“Transaction”	the purchase of the Properties by the Company from Xinjiang Jinhui pursuant to the terms and conditions of the Sales and Purchase Agreement
“Unit Price”	price per m ²
“Xinjiang Jinhui”	Xinjiang Jinhui Property Development Company, Limited* (新疆金輝房地產開發有限責任公司), a limited liability company established in the PRC and a wholly-owned subsidiary of Xinjiang Non-ferrous
“Xinjiang Non-ferrous”	Xinjiang Non-ferrous Metal Industry (Group) Ltd.* (新疆有色金屬工業(集團)有限責任公司), a wholly state-owned enterprise with limited liability and incorporated in the PRC and the controlling Shareholder of the Company

By order of the Board
Xinjiang Xinxin Mining Industry Co., Ltd.*
Zhang Junjie, Lam Cheuk Fai
Joint Company Secretaries

Xinjiang, the PRC, 24 May 2019

As at the date of this announcement, the executive Directors are Mr. Guo Quan and Mr. Liu Jun; the non-executive Directors are Mr. Zhang Guohua, Mr. Shi Wenfeng, Mr. Zhou Chuanyou and Mr. Hu Chengye; and the independent non-executive Directors are Mr. Hu Benyuan, Mr. Wang Lijin and Mr. Wong Yik Chung John.

* *For identification purpose only*