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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board would like to inform the Shareholders and potential investors that based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2019, the Group expects to record a net loss for the Period amounting to approximately RMB61 million as compared to the net profit of approximately RMB8.8 million for the corresponding period of previous year.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

This announcement is made by Xinjiang Xinxin Mining Industry Co., Ltd.* (the "**Company**", and together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("**SFO**").

The board of directors of the Company (the "**Board**") would like to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2019 (the "**Period**"), the Group expects to record a net loss for the Period amounting to approximately RMB61 million as compared to the net profit of approximately RMB8.8 million for the corresponding period of previous year.

The Board believes that the significant decline in operating results for the Period to be recorded by the Group as compared to that for the corresponding period of previous year was mainly attributable to:

(1) the decreases in the average selling prices of nickel cathode and copper cathode for the Period by 11.2% and 3.9%, respectively, as compared to the corresponding period of previous year, and

(2) since the market price of nickel cathode decreased, the Company adopted "to sell at better price" selling strategies in order to obtain greater benefit, which caused the decrease in sales volume of nickel cathode for the Period by 34.4%, as compared to the corresponding period of previous year.

The Company is in the process of finalising the operating results of the Group for the six months ended 30 June 2019. The information contained in this announcement is only a preliminary assessment by the Board based on the unaudited consolidated management accounts of the Group and such information has not been audited or reviewed by the Company's auditors. Shareholders and potential investors are advised to refer to the details in the interim results announcement of the Company for the six months ended 30 June 2019, which is expected to be published in August 2019.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

By order of the Board
Xinjiang Xinxin Mining Industry Co., Ltd.*
Zhang Guohua
Chairman

Xinjiang, the PRC, 26 July 2019

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

* *For identification purposes only*