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)

POSITIVE PROFIT ALERT

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 year ended 31 December 2019, the Group expects to record a net profit for the Year amounting to approximately RMB20 million as compared to the net loss of approximately RMB134 million for the year ended 31 December 2018.

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 year ended 31 December 2019 (the "**Year**"), the Group expects to record a net profit for the Year amounting to approximately RMB20 million as compared to the net loss of approximately RMB134 million for the year ended 31 December 2018 (the "**Previous Year**").

The Board believes that the significant increase in operating results of the Group for the Year as compared to that for the Previous Year was mainly attributable to:

(1) the average selling price of nickel cathode, one of the main products of the Company, increased by approximately 2.1% for the Year as compared to the Previous Year;

(2) the average cost of sales of copper cathode decreased by approximately 6.7% for the Year as compared to the Previous Year due to the Company's efforts in enhancing its own capabilities, e.g. the improvements in cost control, production indicators and capacity of self-produced raw materials; and

(3) the net loss of approximately RMB134 million for the Previous Year included a provision of approximately RMB162 million for the pending litigation in respect of the claim involving Shaanxi Xinxin Mining Co., Ltd.* (陝西新鑫礦業有限公司). No such provision has been made for the Year.

The Company is in the process of finalising the operating results of the Group for the year ended 31 December 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 annual results announcement of the Company for the year ended 31 December 2019, which is expected to be published in March 2020.

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 Junjie, Lam Cheuk Fai
Joint Company Secretaries

Xinjiang, the PRC, 11 February 2020

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. 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 purposes only*