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 2020, the Group expects to record a net profit for the Year amounting to approximately RMB180 million as compared to the net profit of approximately RMB24.8 million for the year ended 31 December 2019, representing an increase of approximately 620%.

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 2020 (the "**Year**"), the Group expects to record a net profit for the Year amounting to approximately RMB180 million as compared to the net profit of approximately RMB24.8 million for the year ended 31 December 2019 (the "**Previous Year**"), representing an increase of approximately 620%.

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 operating profit of the Group for the Year increased to approximately RMB120 million as compared to the Previous Year of approximately RMB24.8 million, representing an increase of approximately 383%, mainly due to the increase in average selling prices of nickel cathode by approximately 8.5% and the decrease in the average cost of sales of nickel cathode by approximately 12% for the Year as compared to the Previous Year as a result of the cost control;

(2) the write back of the provision for litigation of Shaanxi Xinxin amounting to approximately RMB161 million during the Year due to the final judgement of the cases in favour of the Company; and

(3) as offsetted by the impairment of value in respect of the exploration rights in Shaanxi Xinxin amounting to approximately RMB101 million (after tax) (RMB134 million before tax) during the Year according to a recent draft third party professional valuation report and the "Notice of the Ministry of Finance and the Ministry of Land and Resources on Issuing the Interim Measures for the Administration of the Collection of Income from the Transfer of Mineral Rights (No.35 of 2017)"*《財政部國土資源部關於印發〈礦業權出讓收益徵收管理暫行辦法〉的通知》(財綜[2017]35號).

The Company is in the process of finalising the operating results of the Group for the year ended 31 December 2020. 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 2020, which is expected to be published in March 2021.

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.*
Li Zhenzhen, Lam Cheuk Fai
Joint Company Secretaries

Xinjiang, the PRC, 22 February 2021

As at the date of this announcement, the executive Director is Mr. Qi Xinhui; the non-executive Directors are Mr. Zhang Guohua, Mr. Zhou Chuanyou, Mr. Guo Quan and Mr. Hu Chengye; and the independent non-executive Directors are Mr. Hu Benyuan, Mr. Wang Qingming and Mr. Lee Tao Wai.

* *For identification purposes only*