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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)

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 2021, the Group expects to record a net profit for the Year amounting to approximately RMB491.08 million as compared to the net profit of approximately RMB179.17 million for the Previous Year, representing an increase of approximately 173.88%.

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 2021 (the “**Year**”), the Group expects to record a net profit for the Year amounting to approximately RMB491.08 million as compared to the net profit of approximately RMB179.17 million for the year ended 31 December 2020 (the “**Previous Year**”), representing an increase of approximately 173.88%.

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

1. revenue for the Year amounted to approximately RMB2,382.41 million, representing an increase of approximately RMB528.50 million, or 28.51%, as compared to RMB1,853.91 million in the Previous Year, mainly attributable to (i) the average selling prices of nickel cathode and copper cathode during the Year increased by 17.73% and 47.24%, respectively, and (ii) the sales value and sales volume of electrolytic cobalt for the Year increased by 39.59% and 880.2%, respectively,
2. production costs during the Year decreased due to the entire production processing optimization of the mining, ore-processing and smelting processes which improves the grade and metal contents of nickel in the major mines, and
3. financial expenses for the Year decreased by RMB33.11 million as a result of the cash flow management in respect of the timely adjustment upon the size and interest rates of financing.

The Company is in the process of finalising the Group's operating results for the Year. 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, which is expected to be published by the end of March 2022.

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, 15 February 2022

As at the date of this announcement, the executive Directors are Mr. Qi Xinhui and Mr. Yu Wenjiang; 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*