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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares in **Xinjiang Xinxin Mining Industry Co., Ltd.,** you should at once hand this circular and the accompanying proxy form to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

PROPOSED REVISION OF THE ANNUAL CAPS FOR EXISTING CONTINUING CONNECTED TRANSACTIONS UNDER THE 2024 MUTUAL SUPPLY AGREEMENT AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

邁時金融 MAXA FINANCIAL

The letter from the Board of the Company is set out on pages 1 to 23 in this circular.

A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 24 to 25 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 26 to 48 of this circular.

A notice convening the EGM to be held at 11:30 a.m. on Friday, 20 November 2026 at Conference Room, 6/F, No. 501, Fusion South Road, Cooperation Zone, Economic and Technological Development Zone, Urumqi, Xinjiang, the People's Republic of China is set out on pages 55 to 56 in this circular, and the proxy form are enclosed with this circular. Shareholders who wish to appoint a proxy to attend the EGM are required to complete and return the proxy form in accordance with the instructions printed thereon as soon as possible and in any event not later than 11:30 a.m. on Thursday, 19 November 2026.

Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

4 November 2026

* *For identification purposes only*

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In this circular, unless the context otherwise requires, the following expressions have the following meanings:

"2024 Mutual Supply Agreement"	the mutual supply agreement dated 1 November 2024 entered into between the Company and Xinjiang Non-ferrous in respect of the mutual supply of the Construction Services, the Supporting and Ancillary Services and the Company's Products, please refer to the Announcement Dated 1 November 2024, the Circular Dated 5 November 2024 and the Circular Dated 9 December 2025 for further details
"Announcement Dated 1 November 2024"	the announcement of the Company dated 1 November 2024 in relation to, among others, continuing connected transactions under the 2024 Mutual Supply Agreement
"Announcement Dated 20 December 2024"	the announcement of the Company dated 20 December 2024 in relation to, among others, continuing connected transactions under the 2024 Mutual Supply Agreement
"Announcement Dated 19 November 2025"	the announcement of the Company dated 19 November 2025 in relation to, among other things, the revision of the annual caps under the 2024 Mutual Supply Agreement
"Announcement Dated 24 December 2025"	the announcement of the Company dated 24 December 2025 in relation to, among other things, the revision of the annual caps under the 2024 Mutual Supply Agreement
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"or "Board of Directors"	the board of Directors of the Company
"Circular Dated 5 November 2024"	the circular of the Company dated 5 November 2024 in relation to, among others, continuing connected transactions under the 2024 Mutual Supply Agreement
"Circular Dated 9 December 2025"	the circular of the Company dated 9 December 2025 in relation to, among other things, the revision of the annual caps under the 2024 Mutual Supply Agreement
"Company"	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 PRC with limited liability, the H Shares of which are listed on the Stock Exchange

"Company's Products"	nickel cathode, copper cathode, copper concentrates, self-produced precious metals, sulphuric acid, water, electricity and other ancillary materials provided/to be provided by the Company to Xinjiang Non-ferrous Group under the 2024 Mutual Supply Agreement
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Construction Services"	construction-related services, including project design, construction and facilities installation provided/to be provided by Xinjiang Non-ferrous Group to the Company under the 2024 Mutual Supply Agreement
"controlling shareholder"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	one or all of the director(s) of the Company
"EGM"	the 2026 second extraordinary general meeting of the Company to be held at 11:30 a.m. on Friday, 20 November 2026 at Conference Room, 6/F, No. 501, Fusion South Road, Cooperation Zone, Economic and Technological Development Zone, Urumqi, Xinjiang, the PRC, to approve the Revised Annual Caps, the notice of which is set out on pages 55 to 56 of this circular
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	an independent committee of the Board comprising the independent non-executive Directors, namely Ms. Liu Ying, Mr. Huang Yong and Mr. Lee Tao Wai, to advise the Independent Shareholders in respect of the Revised Annual Caps
"Independent Financial Adviser"or "Maxa Capital"	Maxa Capital Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 6 regulated activities (advising on corporate finance) under the SFO, and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Revised Annual Caps
"Independent Shareholders"	in respect of the Revised Annual Caps and transactions contemplated under the 2024 Mutual Supply Agreement, Shareholders other than Xinjiang Non-ferrous and its associates

"Independent Third Party(ies)"	third party independent of and not connected with the Company and its connected persons
"Latest Practicable Date"	30 October 2026, being the latest practicable date prior to the printing of this circular for ascertaining information in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Original Annual Cap(s)"	the original annual cap(s) for the continuous supply of the Supporting and Ancillary Services and the Company's Products under the 2024 Mutual Supply Agreement for the two years ending 31 December 2027
"PRC"	the People's Republic of China (for the purpose of this circular, excluding Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC)
"Revised Annual Cap(s)"	the revised annual cap(s) for the continuous supply of the Supporting and Ancillary Services and the Company's Products under the 2024 Mutual Supply Agreement for the two years ending 31 December 2027
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) with a nominal value of RMB0.25 each in the share capital of the Company, including both the H Shares and the Domestic Shares
"Shareholder(s)"	holder(s) of the Shares in the registers of members of the Company from time to time
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary"	has the meaning ascribed to it under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)

"Supporting and Ancillary Services"	services provided/to be provided by Xinjiang Non-ferrous Group to the Group under the 2024 Mutual Supply Agreement which include:(i) production supplies, transportation and supporting services: supplemental production materials (including copper concentrates, chemical materials, coal, coke and product packaging materials) and work safety products; (ii) storage, transportation and loading services: warehousing services in Beijing for the sales and distribution of nickel cathode to the Company's end-customers in Beijing and its surrounding areas, Hebei province and the northeastern region of the PRC, and the transportation service for the delivery of materials including coke and coal; and (iii) other supporting and ancillary services: machinery repair and improvement, and geological exploration in the mining areas
"Xinjiang Mineral"	Xinjiang Geological and Mineral Investment (Group) Co., Ltd.* (新疆地礦投資(集團)有限責任公司), 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, being one of the promoters and the controlling shareholder of the Company
"Xinjiang Non-ferrous Group"	Xinjiang Non-ferrous and its subsidiaries excluding the Company, its subsidiaries and associates
"%"	per cent

* *For identification purposes only*

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)

Executive Director:
Mr. Li Jiangping

Non-executive Directors:
Mr. Chen Yin
Mr. Zhou Chuanyou
Mr. Wang Lijian
Mr. Hu Chengye

Independent Non-executive Directors:
Ms. Liu Ying
Mr. Huang Yong
Mr. Lee Tao Wai

Employee Representative Director:
Ms. Zhang Li

Statutory address and principal place of business in the PRC:
No. 501, Fusion South Road,
Cooperation Zone, Economic and
Technological Development Zone,
Urumqi, Xinjiang

Registered office in Hong Kong:
9/F The Center
99 Queen's Road Central
Central, Hong Kong

4 November 2026

To the Shareholders

Dear Sir or Madam,

PROPOSED REVISION OF THE ANNUAL CAPS FOR EXISTING CONTINUING CONNECTED TRANSACTIONS UNDER THE 2024 MUTUAL SUPPLY AGREEMENT AND NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

References are made to (i) the Announcement Dated 1 November 2024, the Circular Dated 5 November 2024 and the Announcement Dated 20 December 2024 in relation to the existing continuing connected transactions contemplated under 2024 Mutual Supply Agreement; and (ii) the Announcement Dated 19 November 2025, the Circular Dated 9 December 2025 and the Announcement Dated 24 December 2025 in relation to the revision of the annual caps under the 2024 Mutual Supply Agreement.

References are also made to the Inside Information Announcements dated 10 July 2026, 31 July 2026, 28 August 2026 and 30 September 2026, respectively, in relation to the strategic restructuring between Xinjiang Non-Ferrous and Xinjiang Mineral. On 30 September 2026, the Company has been informed by Xinjiang Non-Ferrous that the shareholder of Xinjiang Mineral has been changed from the State-owned Assets Supervision and Administration Commission of the People's Government of Xinjiang Uygur Autonomous Region to Xinjiang Non-Ferrous.

Taking into account (i) the increase in the purchase of raw materials under the Original Annual Caps for the Supporting and Auxiliary Services due to the Strategic Restructuring; and (ii) the increase in budget under the Original Annual Caps for the Company's Products resulting from the ongoing increase of copper product prices and the anticipated increase in sales of other Company's Products, the Company proposes to revise the Original Annual Caps for the Supporting and Ancillary Services and the Company's Products for the two years ending 31 December 2027.

The annual cap for the Construction Services shall remain unchanged at approximately RMB208.2 million and RMB153.6 million for the years ending 31 December 2026 and 2027, respectively. Given that the projected production capacity of the Group has not increased significantly, no new construction projects have been planned, and the existing construction projects are progressing as scheduled, the existing annual caps for the Construction Services are sufficient to cover the expected annual transaction amounts for the Construction Services for the years ending 31 December 2026 and 2027.

The Original Annual Caps were not contained in the 2024 Mutual Supply Agreement. Accordingly, revising such annual caps does not constitute an amendment to the 2024 Mutual Supply Agreement, and the terms of the 2024 Mutual Supply Agreement disclosed in the Announcement Dated 1 November 2024 and the Circular Dated 5 November 2024 remain unchanged.

The purpose of this circular is:

(i) to give you details of the Revised Annual Caps;

(ii) to set out the recommendation of the Independent Board Committee; and

(iii) to set out a letter of advice from the Maxa Capital to the Independent Board Committee and the Independent Shareholders advising on the Revised Annual Caps.

PRINCIPAL TERMS OF THE 2024 MUTUAL SUPPLY AGREEMENT

2024 Mutual Supply Agreement

Date: 1 November 2024

Parties: The Company and Xinjiang Non-ferrous

Term: 1 January 2025 to 31 December 2027

Subject Matter

On 1 November 2024, the Company and Xinjiang Non-ferrous entered into the 2024 Mutual Supply Agreement in respect of the continuous supply of the Construction Services, the Supporting and Ancillary Services and the Company's Products.

Term

The principal terms of the 2024 Mutual Supply Agreement include the followings:

- the 2024 Mutual Supply Agreement is for a term commencing from 1 January 2025 and ending on 31 December 2027 which may be renewed upon agreement by Xinjiang Non-ferrous and the Company, subject to the approval by the Stock Exchange and/or the Independent Shareholders, if applicable;

- the Company and Xinjiang Non-ferrous Group are at liberty to procure from or provide to any Independent Third Party any of the required services and products save and except that Xinjiang Non-ferrous Group must provide the Company with services or supplies on terms no less favourable than those offered to any Independent Third Party;

- each party of the 2024 Mutual Supply Agreement may terminate the mutual supply of products and services on not less than six months' prior written notice. However, Xinjiang Non-ferrous Group may not terminate its service if the Company has informed them by written notice that the Company is unable to obtain similar products and services from an Independent Third Party (save that the Company has provided written consent to the termination by Xinjiang Non-ferrous Group); and

- the 2024 Mutual Supply Agreement is conditional and effective upon it having complied with the relevant Listing Rules and approved by the Independent Shareholders, if applicable.

Xinjiang Non-ferrous Group has agreed to provide the Company with the Construction Services and the Supporting and Ancillary Services. The Company has agreed to provide the Company's Products to Xinjiang Non-ferrous Group.

REVISION OF THE ORIGINAL ANNUAL CAPS

Original Annual Caps

As disclosed in the Announcement Dated 19 November 2025, the Circular Dated 9 December 2025 and the Announcement Dated 24 December 2025, the Original Annual Caps are as follows:

	For the year ending 31 December	
	2026	**2027**
	(RMB'000)	*(RMB'000)*
	(approximately)	*(approximately)*
Annual Caps for the Construction Services	208,212	153,600
Original Annual Caps for the Supporting and Ancillary Services	241,742	246,193
Original Annual Caps for the Company's Products	888,283	985,758

Revised Annual Caps

The Company proposes to revise the annual caps for the Supporting and Ancillary Services and the Company's Products for the two years ending 31 December 2027 as below:

	For the year ending 31 December	
	2026	**2027**
	(RMB'000)	*(RMB'000)*
	(approximately)	*(approximately)*
Annual Caps for the Construction Services**	208,212	153,600
Revised Annual Caps for the Supporting and Ancillary Services	241,742	369,142*
Revised Annual Caps for the Company's Products	1,165,690*	1,543,688*

* *indicates changes from the budget amount under the Original Annual Caps*

** *the annual caps for the Construction Services for the two years ending 31 December 2027 remain unchanged*

From 1 January 2026 to 31 August 2026, the fees paid by the Group to Xinjiang Non-ferrous Group for the Construction Services and the Supporting and Ancillary Services amounted to approximately RMB44.1 million and RMB39.3 million, respectively, and the payments made by Xinjiang Non-ferrous Group to the Group for the Company's Products amounted to approximately RMB635.4 million. For the period from 1 January 2026 to 31 August 2026, the utilisation rates of the Construction Services, the Supporting and Ancillary Services and the Company's Products represented approximately 21.2%, 16.3% and 71.5%, respectively, of the respective existing annual caps for the year ending 31 December 2026. The Company confirms that, as at the Latest Practicable Date, the transaction amounts for the Construction Services, the Supporting and Ancillary Services and the Company's Products under the 2024 Mutual Supply Agreement have not exceeded the respective existing annual caps.

Basis of Determination of the Revised Annual Caps

(A) The Supporting and Ancillary Services

(i) The Original Annual Caps for the Supporting and Ancillary Services

As disclosed in the Announcement Dated 19 November 2025 and the Circular Dated 9 December 2025, in assessing the Original Annual Caps for the Supporting and Ancillary Services, the Board assumed the budgeted amounts for the two years ending 31 December 2027 as below:

	For the year ending 31 December	
	2026	**2027**
	(RMB'000)	*(RMB'000)*
	(approximately)	*(approximately)*
Purchase of coke	14,000	14,000
Purchase of quartz stone	3,001	3,001
Purchase of chemical products	45,239	46,775
Purchase of crude nickel sulfate	17,626	17,626
Purchase of oil	35,002	35,006
Purchase of water, electricity and materials	20,775	21,125
Purchase of transportation services	62,191	63,342
Purchase of other supporting and ancillary services	43,908	45,318
Total	**241,742**	**246,193**

(ii) The Revised Annual Caps for the Supporting and Ancillary Services

In assessing the Revised Annual Caps for the Supporting and Ancillary Services, the Board assumed the revised budgeted amounts for the two years ending 31 December 2027 as below:

	For the year ending 31 December	
	2026	**2027**
	(RMB'000)	*(RMB'000)*
	(approximately)	*(approximately)*
Purchase of coke	14,000	14,000
Purchase of quartz stone	3,001	3,001
Purchase of chemical products	45,239	46,775
Purchase of crude nickel sulfate	17,626	17,626
Purchase of nickel concentrates	–	122,950*
Purchase of oil	35,002	35,006
Purchase of water, electricity and materials	20,775	21,125
Purchase of transportation services	62,191	63,342
Purchase of other supporting and ancillary services	43,908	45,318
Total	**241,742**	**369,142***

* *indicates changes from the budget amount under the Original Annual Caps for the Supporting and Ancillary Services.*

\# *the Group expects to purchase nickel concentrates from Caihong Mining and Xinyuan Mining for an aggregate amount of approximately RMB33.1 million during the period from October to December 2026. As such expected purchases will be fully covered by the existing aggregate annual cap for the Supporting and Ancillary Services for the year ending 31 December 2026 of approximately RMB241.7 million, no adjustment to the annual cap for the Supporting and Ancillary Services for 2026 is required, and accordingly, the Company has not adjusted the budget breakdown set out in the above table.*

Compared to the Original Annual Caps for the Supporting and Ancillary Services, the Revised Annual Caps for the Supporting and Ancillary Services for the year ending 31 December 2027 increased, is mainly attributable to the purchase of nickel concentrates from (i) Shanshan County Caihong Mining Co., Ltd.* (鄯善縣彩宏礦業有限責任公司, "**Caihong Mining**"), one of the indirectly wholly-owned subsidiary of Xinjiang Mineral; and (ii) Hami Xinyuan Mining Co., Ltd.* (哈密鑫源礦業有限責任公司, "**Xinyuan Mining**"), one of the indirectly non-wholly-owned subsidiary of Xinjiang Mineral. As the shareholder of Xinjiang Mineral has been changed to Xinjiang Non-Ferrous, Caihong Mining has become an indirectly wholly-owned subsidiary of Xinjiang Non-Ferrous and Xinyuan Mining has become an indirectly non-wholly-owned subsidiary of Xinjiang Non-Ferrous, as a result

of which the Group's purchase of nickel concentrates from Caihong Mining and Xinyuan Mining constitutes the Supporting and Ancillary Services under the 2024 Mutual Supply Agreement. Such increase primarily takes into consideration: (i) the actual demand for and expected purchase volume of nickel concentrate arising from the existing and future production and operation plans of the Group, as well as the expected annual production volume of nickel concentrates of Caihong Mining and Xinyuan Mining; and (ii) the actual selling prices of the each metals that may be contained in the nickel concentrates in previous year and the prevailing price trend. The Directors assume that the quantity and the unit price (including tax) of each metals that may be contained in the nickel concentrates purchased by the Group from Caihong Mining and Xinyuan Mining for the year ending 31 December 2027 are as follows:

	Purchases volume [(1)]	**Unit price** [(2)]	**Coefficient** [(3)]	**Amount**
	(tonne)	*(RMB per tonne)*		*(RMB'000)*
Nickel	1,000	155,000	69.5%	107,725
Copper	120	125,000	60.0%	9,000
Cobalt	50	415,000	30.0%	6,225
Total				**122,950**

Notes:

(1) the expected purchase volume of each metals that may be contained in the nickel concentrates for the year ending 31 December 2027 has been determined mainly based on: (i) the actual demand for and expected purchase volume of nickel concentrates arising from the existing and future production and operation plans of the Group; and (ii) the expected annual production volume of nickel concentrates of Caihong Mining and Xinyuan Mining;

(2) the expected unit price has been determined on a prudent basis, taking into consideration: (i) the actual selling prices of the various metals that may be contained in the nickel concentrates in previous year; (ii) the price increases of such metals in past years; and (iii) the management's forecast of the price trend of such metals for the year ending 31 December 2027; and

(3) the expected coefficients have been determined mainly with reference to the different grades of the metals.

Pricing terms for the purchases of nickel concentrates

The nickel concentrates purchased by the Group from Caihong Mining and Xinyuan Mining are priced on a market-based mechanism, which is consistent with the industry practice for the Group's past and present purchases of nickel concentrates from Independent Third Parties.

Specifically, the metal content is calculated by reference to the dry tonnage of the nickel concentrates after deduction of moisture and the actual assay grade of each payable metal as certified by an independent assay institution recognised by both parties, and the settlement amount is then determined by multiplying such metal content by the corresponding market benchmark price and settlement coefficient. For example, (i) nickel is priced by reference to the arithmetic average of the settlement reference prices of the nickel main contract on the Shanghai Futures Exchange over the relevant pricing period, less RMB700 per tonne; (ii) copper is priced by reference to the arithmetic average of the settlement reference prices of cathode copper on the Shanghai Futures Exchange over the relevant pricing period, less RMB400 per tonne; and (iii) cobalt is priced at 30% of the benchmark price of electrolytic cobalt published by Shanghai Metals Market. The above deduction amounts and buy-out coefficients were determined by the parties through arm's length commercial negotiation on fair and reasonable terms, with reference to the prevailing pricing standards adopted by major nickel smelters in the PRC for the purchase of nickel concentrates and the customary practices in the nickel concentrate industry (namely, a smelter purchases nickel concentrates at the benchmark price of the electrolytic metal less a fixed amount representing processing costs, and pays for the associated precious metals, which have relatively low recovery rates, at a certain proportion of the benchmark price). In addition, the settlement coefficients for nickel and copper are determined by reference to the grade band within which the final assay grade of each shipment falls, and, in the case of nickel, the applicable settlement coefficient is also adjusted by reference to the relevant nickel benchmark price level. The final settlement price is further subject to deductions in respect of the aggregate content of magnesium oxide and aluminium oxide, as well as the contents of lead, zinc and arsenic, to the extent such contents exceed the standards prescribed in the purchase contracts.

Historical transactions with Caihong Mining and Xinyuan Mining

For each of the two years ended 31 December 2025, the Group did not purchase any nickel concentrates from Caihong Mining or Xinyuan Mining. From 1 January 2026 to 30 September 2026, the Group purchased nickel concentrates with a dry weight of approximately 9,564 tonnes (containing approximately 434 tonnes of nickel and 20 tonnes of cobalt) from Caihong Mining, at a total purchase amount of approximately RMB33.0 million. As at the Latest Practicable Date, no actual purchase of nickel concentrates had been made by the Group from Xinyuan Mining.

(B) The Company's Products

(i) The Original Annual Caps for the Company's Products

As disclosed in the Announcement Dated 19 November 2025 and the Circular Dated 9 December 2025, in assessing the Original Annual Caps for the Company's Products, the Board assumed the budgeted amounts for the two years ending 31 December 2027 as below:

	For the year ending 31 December	
	2026	**2027**
	(RMB'000)	*(RMB'000)*
	(approximately)	*(approximately)*
Sales of copper cathode	788,120	882,155
Sales of other Company's Products	100,162	103,603
Total	**888,282**	**985,758**

(ii) The Revised Annual Caps for the Company's Products

The revised budgeted amounts for the Company's Products under the 2024 Mutual Supply Agreement for the two years ending 31 December 2027 as below:

	For the year ending 31 December	
	2026	**2027**
	(RMB'000)	*(RMB'000)*
	(approximately)	*(approximately)*
Sales of copper cathode	1,024,111*	1,160,730*
Sales of other Company's Products	141,579*	382,958*
Total	**1,165,690***	**1,543,688***

* *indicates changes from budget amount under the Original Annual Caps for the Company's Products.*

For the two years ending 31 December 2027, the increase in the Revised Annual Caps for the Company's Products is primarily attributable to (i) the adjustment to the estimated sales unit price and budgeted amount for copper products in light of the upward trend in market price of copper products as a result of the rising market price of copper products exceeding the estimated sales unit price of cathode copper under the Original Annual Caps for the Company's Products; and (ii) the increase in sales of other Company's Products, mainly attributable to the expected increase in the sales volume and market price of sulfuric acid and the increase in the budgeted sales amount of copper concentrates.

(1) Forecasted continuous increase in copper product price

In reassessing the annual caps for the Company's Products, the Board has taken into account the continuously forecasted upward trend in copper price, having analysed historical market price trends and the current market supply and demand situation. The actual average selling price (excluding tax) of copper cathode products was approximately RMB71,504 per tonne for the year ended 31 December 2025 and approximately RMB92,045 per tonne for the eight months ended 31 August 2026, representing an increase of approximately 28.7%. In determining the revised assumed market prices for copper cathode products for the two years ending 31 December 2026 and 2027, the Board referred to the actual average selling price of cathode copper for the eight months ended 31 August 2026, and applied an upward adjustment thereto. The magnitude of such adjustment was determined with reference to the increase of the actual average selling price for the eight months ended 31 August 2026 as compared with the actual average selling price for the year ended 31 December 2025, so as to reflect the prevailing upward trend in copper price.

In arriving at the assumed unit prices (excluding tax) of copper cathode products for the years ending 31 December 2026 and 2027, the Board adopted the actual average selling price of copper cathode for the eight months ended 31 August 2026 (i.e., approximately RMB92,045 per tonne) as the base, and applied upward adjustments of approximately 10% and 20%, respectively. Such upward adjustments were made on a prudent basis, primarily to reflect the expected continued upward trend in copper price (as supported by the external market forecasts disclosed above) and to reserve reasonable headroom for possible price fluctuations during the remaining period of 2026 and throughout 2027. Given that the forecast period for 2027 is longer and subject to relatively higher uncertainty, a higher adjustment percentage of 20% was adopted for 2027 as compared with 10% for 2026. Having considered that the actual average selling price for the eight months ended 31 August 2026 has already increased by approximately 28.7% as compared with that for the year ended 31 December 2025, the Board considers that the aforesaid adjustments represent a relatively conservative approach.

In arriving at the aforementioned upward adjustment, the Board also took into account the market forecasts and views published by various external institutions, such as the forecast copper prices for 2027 as forecasted by UBS, Citi and Bank of America. Such external forecasts are consistent with the upward trend in copper price as reflected in the Group's actual average selling prices of copper cathode as disclosed above, and provided a reference basis for the Board in determining the magnitude of the upward adjustment to the assumed unit prices.

According to the assumptions set out above, the Board assumed that the estimated market unit price (excluding tax) for copper cathode is as follows:

	Budget for the year ending 31 December	
	2026	**2027**
Sales volume of copper cathode *(tonne)*	10,063	10,493
Unit price *(RMB per tonne)*	101,770	110,620

Such budgeted transaction amount only represents the maximum amount that the Company and Xinjiang Non-ferrous Group can trade during the relevant periods, and the actual sales price of cathode copper to be received will be determined by the prevailing market price at the time of transactions.

(2) Increase in sales of other Company's Products

Such increase in sales of other Company's Products is primarily due to (i) the increased demand for sulfuric acid from the subsidiary of Xinjiang Non-ferrous Group and the rise in sulfuric acid prices, the sales of sulfuric acid by the Group to Xinjiang Non-ferrous Group are expected to further increase; and (ii) an increase in the budgeted sales amount of copper concentrates, reflecting continuously forecasted upward trend in copper price, as well as changes in the expected metal contents, applicable settlement coefficients and the proportion of copper concentrate output expected to be sold by the Group to Xinjiang Non-ferrous Group.

Based on the above, the Directors believe that the proposed revision of the Original Annual Caps would be conducive to the stability and development of the Company's business and is in the interest of the Company and its Shareholders as a whole.

Consideration

The fees in relation to the Construction Services, the Supporting and Ancillary Services and the Company's Products payable between the Company and Xinjiang Non-ferrous during the term of the 2024 Mutual Supply Agreement are determined principally by commercial negotiation between the parties according to the principles of fairness and reasonableness with reference to the market prices of the mutual supply services from time to time. Such transactions will be conducted in the ordinary and usual course of business of the Company, on normal commercial terms and on terms not less favourable to the Company than terms available to or from (as appropriate) Independent Third Parties.

In order to ensure that such principles are adhered to, the Company has adopted the following internal procedures:

(1) In respect of the supply of products/services by Xinjiang Non-ferrous Group under the Supporting and Ancillary Services, the relevant officer of the finance department will check the prices of such products under the relevant invoices issued by Xinjiang Non-ferrous Group and the Company and compare such prices with the prevailing market prices of such products if they are supplied by/to other Independent Third Parties. The finance manager will check the aforementioned pricing comparison performed by the finance officer and the financial controller will only approve the relevant invoices after he has ensured that such prices will be on terms not less favourable to the Company than terms available to/from (as appropriate) Independent Third Parties.

Further, the internal audit department of the Company will perform regular audit of the invoices to/from Xinjiang Non-ferrous Group with reference to the prevailing market prices of the relevant products and ensure that the abovementioned principle is adhered to.

In respect of the newly-added purchases of nickel concentrates by the Group from Xinjiang Non-ferrous Group, the abovementioned internal control procedures apply in principle. Given that nickel concentrates are priced by reference to a formula-based mechanism comprising the prevailing market benchmark prices, the assay grades and the contractual settlement coefficients, the finance department will verify the prices by checking the benchmark prices adopted, the assay grades and the application of the settlement coefficients on an item-by-item basis, and by comparing the settlement levels with the contemporaneous pricing levels of Independent Third-party suppliers. In addition, the Group will compare the pricing mechanism for such purchases with that for its contemporaneous purchases of nickel concentrates from Independent Third Parties. Save for the aforesaid, the purchases of nickel concentrates are conducted in accordance with the abovementioned procedures, and such arrangements ensure that the purchases will be conducted on terms no less favourable to the Group than those available from Independent Third Parties.

(2) In respect of the provision of Construction Services by Xinjiang Non-ferrous Group, the service fees payable will be determined with reference to the prevailing market prices under general commercial terms. Pursuant to the internal guidance of the Company on the construction projects, the Company is required to select service providers for all major construction projects, including the technical improvement projects, through an open tender process (the "**Tendering Process**"), through which the price and terms of services offered by the vendors will be compared and the service contracts will be awarded to vendor(s) which offer(s) the best price and/or terms of service. In addition to the tender from Xinjiang Non-ferrous Group, there will be at least two or more valid tenders to be obtained from Independent Third Parties for a comparable volume and similar service.

In accordance with the Tender and Bidding Law of the People's Republic of China (《中華人民共和國招標投標法》), the Implementation Regulations of the Tender and Bidding Law of the People's Republic of China (《中華人民共和國招標投標法實施條例》) and other relevant laws and regulations, the Company entrusted a qualified bidding agency to organize and handle bidding matters. The tender and bidding procedures are as follows:

(a) Preparing tender documents; (b) Publishing tender notices on public service platforms such as China Tendering and Bidding Public Service Platform (http://cebpubservice.cn) and China Tendering and Procurement Network (https://www.gc-zb.com); (c) Applying for bidding by bidders; (d) Releasing tender documents, drawings and other relevant information to bidders; (e) Organizing bidders to visit the site and answering questions about the bidding documents according to the actual situation and requirements of such project; (f) Establishing the tender evaluation committee; according to the project's nature and actual needs, the expert members of the tender evaluation committee shall be determined by selecting from a list of experts regarding the relevant professions in the pool of bid evaluation experts. In order to ensure the impartiality and authority of the tender evaluation committee that has a reasonable knowledge structure and high-quality members as much as possible, and pursuant to the relevant requirements of laws and regulations, the tender evaluation committee shall be composed of representatives of the bidders and experts in the relevant fields of technology and economy. The number of members shall be five or more in an odd number, and

the number of technological and economic experts shall not be less than 2/3 of the total number of members; (g) Convening the tender evaluation to examine the tender documents, and conducting qualification reviews on bidders; if there are less than three bidders, the tender shall not be started, and the bidding agent will publish tender notices again; if there are still less than three bidders, the tender may be replaced by competitive negotiation (競爭性磋商), competitive negotiation (競爭性談判) and single-source negotiation (單一來源談判) to determine the successful bidder; (h) Organizing tender evaluation to determine the successful bidder; the bidders shall be scored by the tender evaluation committee on the basis of the same objective selection criteria such as qualification, resources, experience and technical expertise of the tenders, reputation and quality of work and pricing and terms of service, then ranked according to the evaluation results in descending order, and the bidder who receives the highest score will be the first candidate of successful bidder recommended by the tender evaluation committee. If the first candidate of successful bidder surrenders the right for winning the bid, or is unable to to perform the contract due to force majeure, or fails to pay the performance bond within the stipulated period as agreed in the tender documents, the tenderer may determine the second-ranked candidate as the successful bidder according to the score rankings. By analogy, if the second-ranked candidate of successful bidder fails to sign the contract with the tenderer due to the aforementioned reasons, the tenderer may successively determine the third-ranked candidate as the successful bidder. If the difference between the successful candidate identified in the order of priority and the requirements of the tender project is expected to be larger, or if it is obviously unfavourable to the tenderer, the tenderer will re-tender; (i) The bidding agent will release the bid winning result and make a announcement on public service platforms such as China Tendering and Bidding Public Service Platform (http://cebpubservice.cn) and China Tendering and Procurement Network (https://www.gc-zb.com); (j) Issuing the notice of successful bidding by the bidding agent; (k) The entering into of a contract between the tenderer and the successful bidder.

PRICING POLICIES AND INTERNAL CONTROL MEASURES RELATING PRICING POLICIES

There has been no change to the pricing policies and internal control measures set out in the Circular Dated 5 November 2024, which remain applicable to transactions contemplated under the Revised Annual Caps.

For ease of reference, the pricing policies under the 2024 Mutual Supply Agreement and the internal control measures relating thereto are set out below.

Pricing Policies

The mutual supply services will be provided according to the following pricing policies in order of priority and to be settled on a monthly basis:

- the state-prescribed price (國家指定價) (including any price prescribed by any relevant local government), if applicable;

- where there is no state-prescribed price, then the state-guidance price (國家指導價)；

- where there is neither a state-prescribed price nor a state-guidance price, the market price which is determined by (i) the price offered by an Independent Third Party for providing similar services in an area where such supporting services are provided under general commercial terms, or (ii) where not applicable, the market price offered by an Independent Third Party for providing similar services in the PRC under general commercial terms;

- where none of the above is applicable, the price shall be determined by the cost-plus method, parties to determine price based on reasonable costs (note) incurred by them in providing the services plus a profit margin of not more than 5% of such reasonable costs (note); and

- the Company and Xinjiang Non-ferrous will ensure that any specific agreements which set out the specific terms and conditions for the supply of any such services are entered into between the parties in accordance with the terms and conditions of the 2024 Mutual Supply Agreement.

Note: The profit margin of not more than 5% is determined after negotiation between the parties based on general commercial terms and principles of equity, and the reasonable costs are the costs (including relevant taxes and surcharges) as calculated under the Accounting Standards for Business Enterprises of the PRC. According to macroeconomic data released by the National Bureau of Statistics, the operating profit margin of China's industrial enterprises above designated size has generally remained within the 4.92% to 5.70% range in recent years (for instance, 5.66% for the period January to August 2026). Against this macroeconomic backdrop, and considering the alignment of rights, responsibilities and obligations, investment and risk borne by the relevant parties in the transaction, the Directors are of the view that such profit margin constitutes a fair and reasonable commercial arrangement.

In respect of the provision of Construction Services by Xinjiang Non-ferrous Group, the service fees payable will be determined with reference to the prices established through the Tendering Process. For details of the Tendering Process, please refer to the above paragraph headed "Consideration".

In respect of the provision of Supporting and Ancillary Services by Xinjiang Non-ferrous Group, the fees payable by the Company will be determined according to the following pricing policy:

– transportation services:	The best valid quoted price as determined through the competitive quotation process
– supply of gasoline and diesel:	State-prescribed price
– supply of coal and coke, production indirect and supplementary materials, packaging materials, parts and services for machinery repairs and maintenance; and labor safety and protection and sundry supplies:	The best bid price as determined by the Tendering Process

State-prescribed prices for gasoline and diesel are updated by the Xinjiang CNPC (新疆中石油) based on the notice published by the NDRC from time to time depending on the changes in the international oil and gas market prices. As at the Latest Practicable Date, the State-prescribed prices for gasoline and diesel are RMB8.90/liter for No. 92 gasoline, and RMB8.38/liter for No. 0 diesel.

In respect of the newly-added purchases of nickel concentrates by the Group from Xinjiang Non-ferrous Group, as the payable metals contained in nickel concentrates have active and transparent public market prices, and it is the prevailing industry practice to price nickel concentrates by reference to published market benchmark prices on a formula basis rather than through a tendering or competitive quotation process, the pricing policy applicable to the purchase of materials as described above (namely, the best bid price as determined by the Tendering Process) is not applicable to such purchases. Instead, such purchases are priced at market prices determined by reference to the prevailing market benchmark prices of the relevant metals, the actual assay grades and the contractual settlement coefficients, details of which are set out in the paragraph headed "Pricing terms for the purchases of nickel concentrates" above. The Directors consider that such pricing terms are also in accordance with the abovementioned pricing policy under the 2024 Mutual Supply Agreement.

Since none of the previous transactions regarding the Supporting and Ancillary Services and the Company's Products were transacted based on the cost-plus method as all the Supporting and Ancillary Services and the Company's Products have a state prescribed price, a state-guidance price or a market price (as appropriate), the Company expects that the prices of the Supporting and Ancillary Services and the Company's Products would continue to in compliance with the state-prescribed price or the state-guidance price, if any, or the market price in the future.

The Company will provide the Company's Products to Xinjiang Non-ferrous Group at market prices which are to be determined as afore-mentioned. Since the prices of all the existing Company's Products can be determined with reference to the prevailing market prices, the Company expects that the pricing of the supply of the Company's Products will not be based on the cost-plus method. Up to and as at the Latest Practicable Date, state-prescribed price and state-guidance price have never been applicable to the Company's Products as they have never been included in any category for the state-prescribed price or the state-guidance price.

Internal Control Measures Relating to Pricing Policies

For Construction Services and Supporting and Ancillary Services under the 2024 Mutual Supply Agreement, the engineering department or the user department of the subsidiaries of Company and its designated persons will obtain quotations or tenders of the services from at least two Independent Third Parties for a comparable volume and similar services and ascertain the pricing of the quotations or tenders of the suppliers according to the above pricing policy. The service price of each service and contract price of each construction contract will be reviewed and be approved by the head of the engineering department of the subsidiaries of the Company for preparation of the final contracts. Individual contracts for Construction Services and Supporting and Ancillary Services under the 2024 Mutual Supply Agreement are reviewed and approved by the general manager of the Company or the subsidiaries.

For the sales of the Company's Products to Xinjiang Non-ferrous Group under the 2024 Mutual Supply Agreement, the sales department of the Company and its designated persons will submit the sales orders to the finance department of the Company with the required quantities who will then check into the spot rates of the metal products from Shanghai Yangtze River Non-ferrous Metals Spot Market and the relevant future prices quoted on Shanghai Futures Exchange *(note)* for preparation of formal sales invoices. Upon the receipt of payments from the customers, the finance department of the Company will acknowledge the sales department for preparation of the goods delivery notes for warehouse to deliver products to customers.

Note: In relation to the Shanghai Yangtze River Non-ferrous Metals Spot Market, reference prices and their determination method are published by the SMM Information & Technology Co., Ltd.* (上海有色網信息科技股份有限公司, "**SMM**"), a leading comprehensive service provider in the non-ferrous metals industry and are currently made available via the website https://www.smm.cn/. The reference prices are updated at 10:30 a.m. on every working day, and are presented both in terms of (i) price range; and (ii) average price in RMB per unit by category of the relevant metal. SMM formulates relevant determination method for the reference prices it publishes and all reference prices are determined and published in strict accordance with such methodology. SMM obtains the data for evaluation of relevant metal spot prices through collection of samples (i.e. collection of raw data from samples which comply with the SMM standards) and determines the reference prices pursuant to the rules of the methodology and the calculation based on the formula. Such samples are collected from the representative market participants, including manufacturers, traders and etc. In considering the data collected, SMM will take into account the circumstances of each transaction, including the relationship between the parties, market supply and demand, the brand, specifications and quality of the product transacted, freight and payment terms, and etc.

In relation to the Shanghai Futures Exchange, reference prices are published by the Shanghai Futures Exchange, which is regulated by the China Securities Regulatory Commission. Reference prices are made available via the website https://www.shfe.com.cn/and are determined based on real-time trading price quoted on the Shanghai Futures Exchange. Reference prices are presented in RMB per unit by category of the relevant metal. Trading prices are updated in real time during the trading period on every trading day, with a summary of settlement price updated at 3:00 p.m. on every trading day.

Quotations or tenders of the Construction Services and Supporting and Ancillary Services, payments of material requests, collections of sales invoices and goods delivery notes are subject to the internal audit procedures of the Company on a periodical basis.

For the supply of Supporting and Ancillary Services, that is, transportation services, and supply of coal and coke, production indirect and supplementary materials, packaging materials, parts and services for machinery repairs and maintenance; and labour safety and protection and sundry supplies, the user department of the subsidiaries of the Company and its designated persons will submit material request forms or purchase orders of services to the finance department of the subsidiaries of the Company with the required quantities who will then conduct check on the prevailing market price and/or the unit price of similar products or services to be purchased from other independent third parties in order to ensure the actual price of the Supporting and Ancillary Services would be determined on normal commercial terms and on terms not less favourable to the Company than terms offered by Independent Third Parties. Different levels of the finance department of the Company would also perform independent checks on the unit price charged by the Xinjiang Non-ferrous Group and compare such price with the prevailing market price and/or the unit price of similar products to be purchased from other Independent Third Parties during the relevant period before payment is made. For the supply of gasoline and diesel, the unit prices will be checked against the state-prescribed prices given by the Xinjiang CNPC. The internal audit department of the Company would perform audit of the invoices to/from Xinjiang Non-ferrous Group with reference to the prevailing market prices and the state-prescribed prices of the relevant products and ensure that the above internal procedures were adhered to.

For the supply of geological exploration service in the mining areas by Xinjiang Non-ferrous Group, if any, the pricing policy is the prevailing market price through the tender process which is the same as that of the supply of Construction Services. The internal control measures relating to the pricing policy in respect of geological exploration would be the same as that of the supply of Construction Services.

In respect of sales of the Company's Products to Xinjiang Non-ferrous Group, which mainly consist of copper cathode and other products, and in order to ensure each sales transaction will be on terms no more favourable to Xinjiang Non-ferrous Group than to other Independent Third Parties, the pricing of each sales transaction is determined by the sales department of the Company based upon the spot price of the product from Shanghai Yangtze River Non-ferrous Metals Spot Market and the relevant future prices quoted on Shanghai Futures Exchange and be approved by the sales department manager and checked by the finance department manager and final approved by the pricing committee of the Company. The pricing committee of the Company consists of the general manager, financial controller and the managers of the sales department and the finance department of the Company.

The independent non-executive Directors have reviewed and will continue to review the transactions contemplated under the 2024 Mutual Supply Agreement to ensure that such transactions are entered into on normal commercial terms, fair and reasonable, and carried out pursuant to its contractual terms.

The auditors of the Company will conduct annual review on the transactions contemplated under the 2024 Mutual Supply Agreement in relation to the pricing policy and annual caps contemplated thereunder in accordance with the Listing Rules.

Internal Control on Review of Annual Caps

The Company has implemented the following internal control measures to ensure that the Revised Annual Caps for the transactions contemplated under the 2024 Mutual Supply Agreement will not be exceeded:

1. An annual cap will be assigned to each subsidiary of the Group involved in relevant transaction(s) based on the total annual caps as approved by the Independent Shareholders, and each subsidiary is responsible for monitoring their transactions to ensure that their transaction amount does not exceed such annual cap assigned to them.

2. The finance department provides the Chief Financial Officer of the Company with information in relation to the actual transaction amounts (i) upon the end of the first half of the year as the production and transaction amount is usually lower during such period; (ii) upon the end of the third quarter of the year; and (iii) on a monthly basis during the fourth quarter of the year.

3. If such amount of transactions is close to the relevant annual cap, the person-in-charge of the relevant subsidiary of the Company will be notified and reminded so that the scale of transactions will be adjusted to strictly comply with the annual cap requirement. In case where the amount of transactions is estimated to exceed the relevant annual cap due to change in the Company's business strategy or otherwise based on the Company's operational needs, the secretariat to the Board will be notified to make necessary assessments and arrangements may be made to issue announcements and/or to obtain the relevant approvals from the Board and the Independent Shareholders in accordance with the requirements of the Listing Rules.

The Directors believe that the above methods and procedures are adequate to ensure that the relevant continuing connected transactions will be conducted in accordance with the terms (including pricing policy) provided under the 2024 Mutual Supply Agreement and such transactions will be conducted on normal commercial terms and in the interest of the Company and Shareholders as a whole.

GENERAL

All the existing terms and conditions under the 2024 Mutual Supply Agreement remain unchanged.

The Directors (including the independent non-executive Directors whose views are set out in the "Letter from the Independent Board Committee" in this circular) consider that the Revised Annual Caps are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INFORMATION RELATING TO THE COMPANY

The Company and its subsidiaries are principally engaged in the mining, ore processing, smelting, 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 NON-FERROUS

Xinjiang Non-ferrous is principally engaged in, among other things, investment in non-ferrous metal industry and sale of non-ferrous metal products. As at the Latest Practicable Date, Xinjiang Non-ferrous was held 100.0% by the State-owned Asset Supervision and Administration Commission of Xinjiang Uygur Autonomous Region.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Xinjiang Non-ferrous was the controlling shareholder (as defined in the Listing Rules) of the Company and was beneficially interested in approximately 40.05% of the entire issued share capital of the Company. Accordingly, members of Xinjiang Non-ferrous Group are connected persons of the Company and the transactions with members of Xinjiang Non-ferrous Group contemplated under the 2024 Mutual Supply Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual caps for continuing connected transactions, the Company will have to comply again with the relevant provisions of Chapter 14A of the Listing Rules in relation to the relevant continuing connected transactions.

Given that the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) of the Revised Annual Caps exceeds 5%, the Revised Annual Caps are subject to the reporting, announcement, annual review and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.36 of the Listing Rules, any shareholder with a material interest in the relevant connected transaction is required to abstain from voting on the relevant resolution at the EGM. As at the Latest Practicable Date, Xinjiang Non-ferrous and its associate(s) were beneficially interested in 885,204,000 Domestic Shares of the Company, representing approximately 40.05% of the entire issued share capital of the Company. Xinjiang Non-ferrous and its associate(s), holding 885,204,000 Domestic Shares of the Company, are required to and will be abstained from voting at the EGM in relation to the approval of the Revised Annual Caps.

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Company has appointed Maxa Capital as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the Revised Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and its Shareholders as a whole. A letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders is set out on pages 26 to 48 of this circular. The letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders indicates that the Independent Financial Adviser considers the Revised Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and Shareholders as a whole.

INDEPENDENT BOARD COMMITTEE

The Company has established an Independent Board Committee comprising all independent non-executive Directors to advise the Independent Shareholders as to whether the Revised Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and its Shareholders as a whole. The letter from the Independent Board Committee to the Independent Shareholders is set out on pages 24 to 25 of this circular. Having taken into account the advice of the Independent Financial Adviser, the independent non-executive Directors are of the view that the Revised Annual Caps are fair and reasonable and is in the interests of the Company and the Independent Shareholders as a whole.

BOARD'S APPROVAL

Mr. Chen Yin, Mr. Li Jiangping, Mr. Wang Lijian and Ms. Zhang Li have abstained from voting on the board resolution approving the Revised Annual Cap since Mr. Chen Yin is the deputy general manager of Xinjiang Non-ferrous; Mr. Wang Lijian is the director of the organization and personnel department, director (manager) of the human resources department, the deputy principal of the Party School of Xinjiang Non-ferrous and the secretary of the Party Committee of the Company appointed by the Party Committee of Xinjiang Non-ferrous; and Mr. Li Jiangping and Ms. Zhang Li are deputy secretaries of the Party Committee of the Company appointed by the Party Committee of Xinjiang Non-ferrous.

Other than Mr. Chen Yin, Mr. Li Jiangping, Mr. Wang Lijian and Ms. Zhang Li, none of the Directors has any material interest in the transactions contemplated under the 2024 Mutual Supply Agreement and therefore none of them is required to abstain from voting on the relevant board resolution to approve the Revised Annual Caps.

ROUNDING

Certain amounts and percentage figures included in this circular have been subject to rounding adjustments. Any minor discrepancies between the figures included in this circular and related calculations are due to rounding.

EGM

A notice of the EGM is set out on pages 55 to 56 of this circular. The EGM will be held to consider and, if thought fit, approve the Revised Annual Caps. Every shareholder of the Company who has the right to attend and vote at the EGM is entitled to appoint one or more proxies, whether or not they are members of the Company, to attend and vote on his behalf at the EGM.

A proxy must be appointed by an instrument in writing and signed by the appointer or his attorney duly authorised in writing. If the appointer is a legal person, then the instrument shall be signed under a legal person's seal or signed by its director or an attorney duly authorised in writing. The instrument appointing the proxy shall be deposited at the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not less than 24 hours before the time appointed for the holding of the EGM. If the instrument appointing the proxy is signed by a person authorised by the appointer, the power of attorney or other document of authority under which the instrument is signed shall be notarised. The notarised power of attorney or other document of authority shall be deposited together and at the same time with the instrument appointing the proxy at the Company's H Share registrar. Return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the EGM if he so wishes.

If more than one proxy is appointed, such proxies shall only be entitled to vote by poll. Shareholders or their proxies are required to produce their identification documents when attending the EGM.

VOTING BY POLL

According to Rule 13.39(4) of the Listing Rules, any vote at a general meeting must be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RECOMMENDATION

The Directors consider that the proposed resolution for consideration and approval by the Shareholders at the EGM is in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM as set out in the notice of the EGM.

GENERAL

Your attention is drawn to the letter from the Independent Board Committee, the letter from the Independent Financial Adviser, the additional information set out in the appendix to this circular and the notice of the EGM.

Yours faithfully,
By Order of the Board of
Xinjiang Xinxin Mining Industry Co., Ltd.*
Li Zhenzhen, Tsoi Ka Shing
Joint Company Secretaries

* *For identification purposes only*

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)

4 November 2026

To the Independent Shareholders

Dear Sir or Madam,

PROPOSED REVISION OF THE ANNUAL CAPS FOR EXISTING CONTINUING CONNECTED TRANSACTIONS UNDER THE 2024 MUTUAL SUPPLY AGREEMENT

We refer to the circular dated 4 November 2026 (the "**Circular**") of Xinjiang Xinxin Mining Industry Co., Ltd.* (the "**Company**"), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless otherwise specified.

We, being the independent non-executive Directors, have been appointed by the Board as members of the Independent Board Committee to advise the Independent Shareholders on the Revised Annual Caps. Maxa Capital has been appointed as the Independent Financial Adviser to advise the Independent Shareholders and us on the fairness and reasonableness of the Revised Annual Caps. Details of Maxa Capital's advice, together with the principal factors and reasons it has taken into consideration in giving such advice, are set out in the "Letter from the Independent Financial Adviser" on pages 26 to 48 of the Circular.

The Independent Shareholders' attention is drawn to the "Letter from the Board", the advice of Maxa Capital in its capacity as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of whether the Revised Annual Caps are fair and reasonable and in the interest of the Company and the Shareholders as a whole, as set out in the "Letter from the Independent Financial Adviser" as well as other additional information set out in other parts of the Circular.

* *For identification purposes only*

Having taken into account the independent advice of Maxa Capital, in particular the principal factors, reasons and recommendations set out in the "Letter from the Independent Financial Adviser" on pages 26 to 48 of the Circular and having considered the terms of the Revised Annual Caps, we consider the Revised Annual Caps to be fair and reasonable and is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Revised Annual Caps.

Yours faithfully,
Independent Board Committee
Ms. Liu Ying, Mr. Huang Yong and Mr. Lee Tao Wai
Independent Non-executive Directors

The following is the full text of the letter from Maxa Capital Limited, the Independent Financial Adviser, to the Independent Board Committee and the Independent Shareholders, setting out its advice in respect of the Revised Annual Caps, which has been prepared for the purpose of inclusion in this circular.

邁時金融
MAXA FINANCIAL

Unit 2602, 26/F, Golden Centre
188 Des Voeux Road Central
Sheung Wan
Hong Kong

4 November 2026

To the Independent Board Committee and the Independent Shareholders

Dear Sirs or Mesdames,

PROPOSED REVISION OF THE ANNUAL CAPS FOR EXISTING CONTINUING CONNECTED TRANSACTIONS UNDER THE 2024 MUTUAL SUPPLY AGREEMENT

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Revised Annual Caps, details of which are set out in the letter from the Board (the "**Letter from the Board**") contained in the circular dated 4 November 2026 issued by the Company (the "**Circular**") of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

References are made to (i) the announcement dated 1 November 2024, the circular dated 5 November 2024 and the announcement dated 20 December 2024 in relation to the existing continuing connected transactions contemplated under the 2024 Mutual Supply Agreement; and (ii) the announcement dated 19 November 2025, the circular dated 9 December 2025 and the announcement dated 24 December 2025 in relation to the revision of the annual caps under the 2024 Mutual Supply Agreement.

References are also made to the inside information announcements dated 10 July 2026, 31 July 2026, 28 August 2026 and 30 September 2026, respectively, in relation to the strategic restructuring (the "**Strategic Restructuring**") between Xinjiang Non-Ferrous and Xinjiang Mineral. On 30 September 2026, the Company was informed by Xinjiang Non-Ferrous that the shareholder of Xinjiang Mineral has been changed from the State-owned Assets Supervision and Administration Commission of the People's Government of Xinjiang Uygur Autonomous Region to Xinjiang Non-Ferrous.

Taking into account (i) the increase in the purchase of raw materials under the Original Annual Caps for the Supporting and Ancillary Services due to the Strategic Restructuring; and (ii) the increase in budget under the Original Annual Caps for the Company's Products resulting from the ongoing increase of copper product prices and the anticipated increase in sales of other Company's Products, the Company proposes to revise the Original Annual Caps for the Supporting and Ancillary Services and the Company's Products for the two years ending 31 December 2027 (the "**Revised Annual Caps**").

The Original Annual Caps were not contained in the 2024 Mutual Supply Agreement. Accordingly, revising such annual caps does not constitute an amendment to the 2024 Mutual Supply Agreement, and the terms of the 2024 Mutual Supply Agreement disclosed in the announcement dated 1 November 2024 and the circular dated 5 November 2024 remain unchanged. For a summary of the principal terms agreed under the 2024 Mutual Supply Agreement, please refer to the announcement dated 1 November 2024, the circular dated 5 November 2024 and the circular dated 9 December 2025.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Xinjiang Non-ferrous is the controlling shareholder (as defined in the Listing Rules) of the Company and is beneficially interested in approximately 40.05% of the entire issued share capital of the Company. Accordingly, members of Xinjiang Non-ferrous Group are connected persons of the Company and the transactions with members of Xinjiang Non-ferrous Group contemplated under the 2024 Mutual Supply Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual caps for continuing connected transactions, the Company will have to re-comply with the relevant provisions of Chapter 14A of the Listing Rules in relation to the relevant continuing connected transactions.

Given that the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) of the Revised Annual Caps exceeds 5%, the Revised Annual Caps are subject to the reporting, announcement, annual review and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising Ms. Liu Ying, Mr. Huang Yong and Mr. Lee Tao Wai, being all the independent non-executive Directors, has been established to advise the Independent Shareholders in respect of the Revised Annual Caps. We, Maxa Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationship with or interest in the Company, its subsidiaries and any other parties that could reasonably be regarded as relevant to our independence in accordance with Rule 13.84 of the Listing Rules, and accordingly, are eligible to give independent advice to the Independent Board Committee and the Independent Shareholders in respect of the Revised Annual Caps. In the past two years, we were appointed as independent financial adviser of the Company in respect of a major and connected transaction in relation to the acquisition of 51% equity interest of Xinjiang Huaou Mining Co., Ltd.* (新疆華甌礦業有限公司), details of which were set out in the circular of the Company dated 24 March 2025. Save as disclosed above and apart from normal advisory fee payable to us in connection with this appointment, no arrangement exists whereby we will receive any other fees or benefits from the Company.

BASIS OF OUR OPINION

In formulating our opinion and recommendations, we have reviewed, among other things, (i) the 2024 Mutual Supply Agreement; (ii) the annual reports of the Company for the year ended 31 December 2024 and 31 December 2025 (the "**2024 AR**" and "**2025 AR**"), respectively; (iii) the interim report of the Company for the six months ended 30 June 2026 (the "**2026 IR**"); (iv) the basis and assumption adopted in determining the Revised Annual Caps; and (v) the Company's internal control measures in relation to continuing connected transactions. We consider that we have reviewed sufficient and relevant information and documents and have taken reasonable steps as required under Rule 13.80 of the Listing Rules to reach an informed view and to provide a reasonable basis for our recommendation. We have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors and the management of the Group (the "**Management**"). We have reviewed, inter alia, the statements, information and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors and the Management. We have assumed that (i) all statements, information and representations provided by the Directors and the Management; and (ii) the information referred to in the Circular, for which they are solely responsible, were true and accurate at the time when they were provided and continued to be so as at the Latest Practicable Date and the Shareholders will be notified of any material changes to such information and representations before the EGM. We have also assumed that all statements of belief, opinion, intention and expectation made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the representations and opinions expressed by the Company, its advisers and/or the Directors. We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent verification of the information included in the Circular and provided to us by the Directors and the Management nor have we conducted any form of in-depth investigation into the business and affairs or the future prospects of the Group.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in the Circular misleading.

Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company. Where information in this letter has been extracted from published or otherwise publicly available sources, the sole responsibility of us is to ensure that such information has been correctly and fairly extracted, reproduced or presented from the relevant stated sources and not be used out of context.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Revised Annual Caps, we have taken into consideration the following principal factors and reasons:

1. Background of the Revised Annual Caps

1.1 Information of the Group

The Company and its subsidiaries are 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.

Set out below is a summary of the consolidated financial information of the Group for the two years ended 31 December 2024 ("**FY2024**") and 31 December 2025 ("**FY2025**") as extracted from the 2025 AR, and for the six months ended 30 June 2025 ("**1H2025**") and 30 June 2026 ("**1H2026**") as extracted from the 2026 IR:

	For the year ended 31 December		**For the six months ended 30 June**	
	2024	**2025**	**2025**	**2026**
	(restated)	(audited)	(unaudited)	(unaudited)
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	**2,292,401**	**2,561,304**	**1,117,897**	**1,265,736**
– Nickel cathode	1,161,909	1,336,394	627,861	674,494
– Copper cathode	601,838	687,316	315,691	390,322
– Copper concentrate	136,578	136,884	67,951	98,367
– Other products	359,456	372,857	88,955	93,343
– Other operations	32,620	27,853	17,439	9,210
Operating profit	**213,940**	**239,776**	**84,012**	**299,333**
Net profit for the year/ period	**169,794**	**169,863**	**67,967**	**245,403**

FY2025 vs FY2024

As illustrated in the table above, the Group's revenue increased by approximately RMB268.9 million, or 11.7%, from approximately RMB2,292.4 million for FY2024 to approximately RMB2,561.3 million for FY2025. The increase in the Group's revenue was mainly attributable to the combined effects of (i) increase in revenue from nickel cathode by approximately RMB174.5 million, or 15.0%, from approximately RMB1,161.9 million for FY2024 to approximately RMB1,336.4 million for FY2025, mainly due to the increase in its production and sales volume as the Group carried out enhancement of its mining and refining capacity, resulting in an increase of total nickel cathode output from 9,007 tonnes for FY2024 to 13,007 tonnes for FY2025; and (ii) increase in revenue from copper cathode by approximately RMB85.5 million, or 14.2%, from approximately RMB601.8 million for FY2024 to approximately RMB687.3 million for FY2025, mainly due to the increase in (a) average selling price by approximately 6.2% to approximately RMB71,505 per tonne for FY2025, and (b) sales volume by approximately 7.5% to 9,612 tonnes for FY2025.

The Group recorded net profit of approximately RMB169.9 million for FY2025, which remained broadly stable as compared to approximately RMB169.8 million for FY2,024. This was primarily due to the combined effects of (i) the increase in sales volume of nickel cathode from 9,998 tonnes in FY2024 to 12,585 tonnes in FY2025; (ii) the increase in sales volume of copper cathode from 8,939 tonnes to 9,612 tonnes and its average selling price from approximately RMB67,326 per tonne to approximately RMB71,505 per tonne; (iii) the increase in gains on changes in fair value from approximately RMB17.5 million to approximately RMB82.8 million; and was largely offset by (iv) the increases in research and development expenses and general and administrative expenses by approximately RMB35.9 million and RMB29.8 million, respectively, with the increase in general and administrative expenses mainly attributable to higher employee compensation and depreciation and amortisation expenses; (v) the increase in finance expenses by approximately RMB16.6 million, mainly due to additional borrowing costs following the acquisition of Xinjiang Huaou Mining Co., Ltd.* (新疆華甌礦業有限公司) ("**Huaou Mining**") and the inclusion of its finance expenses; (vi) the increase in income tax expenses by approximately RMB26.4 million.

1H2026 vs 1H2025

The Group's revenue increased by approximately RMB147.8 million, or 13.2%, from approximately RMB1,117.9 million for 1H2025 to approximately RMB1,265.7 million for 1H2026. The increase in the Group's revenue was mainly attributable to the combined effects of (i) an increase in revenue derived from nickel cathode by approximately RMB46.6 million, or 7.4%, from approximately RMB627.9 million to approximately RMB674.5 million, mainly attributable to an increase in its average selling price by approximately 11.9%, from RMB110,688 per tonne to RMB123,862 per tonne, partly offset by a decrease in its sales volume by approximately 4.0%, from 5,672 tonnes to 5,446 tonnes; (ii) an increase in revenue derived from copper cathode by approximately RMB74.6 million, or 23.6%, from approximately RMB315.7 million to approximately RMB390.3 million, mainly attributable to an increase in its average selling price by approximately 31.2%, from RMB69,243 per tonne to RMB90,822 per tonne, partly offset by a decrease in its sales volume by approximately 5.7%, from 4,559 tonnes to 4,298 tonnes; and (iii) an increase in revenue derived from copper concentrate by approximately RMB30.4 million, or 44.8%, from approximately RMB68.0 million to approximately RMB98.4 million, mainly attributable to an increase in its average selling price by approximately 49.0%, from RMB18,052 per tonne to RMB26,898 per tonne, partly offset by a decrease in its sales volume by approximately 2.8%, from 3,764 tonnes to 3,657 tonnes.

The Group recorded net profit of approximately RMB245.4 million for 1H2026, representing an increase of approximately 261.1% as compared to approximately RMB68.0 million for 1H2025. The increase was primarily due to the combined effects of (i) the increases in the average selling prices of nickel cathode, copper cathode and copper concentrate by approximately 11.9%, 31.2% and 49.0%, respectively; (ii) the increase in the average selling price of sulfuric acid by approximately 183.2%; (iii) the decrease in the unit cost of sales of copper cathode by approximately 10.7%; (iv) the gain on changes in fair value of approximately RMB27.0 million in 1H2026, as compared to a loss of approximately RMB3.2 million in 1H2025; and was partly offset by (v) the absence of sales of precious metal materials in 1H2026 and the increases in general and administrative expenses and income tax expenses by approximately RMB15.2 million and RMB36.0 million, respectively.

	As at 31 December		**As at 30 June**
	2024	**2025**	**2026**
	(audited)	(audited)	(unaudited)
	RMB'000	*RMB'000*	*RMB'000*
Total assets	9,644,157	10,423,233	10,533,655
– Non-current assets	7,347,930	8,123,889	8,261,290
– Current assets	2,296,227	2,299,344	2,272,366
Total liabilities	2,423,330	4,243,773	4,210,720
– Non-current liabilities	848,821	2,030,563	1,981,777
– Current liabilities	1,574,510	2,213,209	2,228,942
Net current assets	721,717	86,135	43,424
Net assets	7,220,827	6,179,460	6,322,935

Total assets

The Group had total assets of approximately RMB10,423.2 million as at 31 December 2025, which mainly comprised (i) fixed assets of approximately RMB3,616.1 million; (ii) intangible assets of approximately RMB2,362.6 million; (iii) construction in progress of approximately RMB1,508.9 million; and (iv) inventories of approximately RMB1,075.7 million, representing an increase of approximately RMB779.1 million or 8.1% as compared to approximately RMB9,644.2 million as at 31 December 2024.

The Group had total assets of approximately RMB10,533.7 million as at 30 June 2026, which mainly comprised (i) fixed assets of approximately RMB3,602.0 million; (ii) intangible assets of approximately RMB2,336.3 million; (iii) construction in progress of approximately RMB1,665.4 million; and (iv) inventories of approximately RMB1,143.6 million, representing an increase of approximately RMB110.4 million or 1.1% as compared to approximately RMB10,423.2 million as at 31 December 2025.

Total liabilities

The Group had total liabilities of approximately RMB4,243.8 million as at 31 December 2025, which mainly comprised (i) long-term borrowings of approximately RMB1,296.1 million; (ii) other payables of approximately RMB570.4 million; (iii) accounts payable of approximately RMB488.1 million; and (iv) short-term borrowings of approximately RMB437.2 million, representing an increase of approximately RMB1,820.4 million or 75.1% as compared to approximately RMB2,423.3 million as at 31 December 2024.Such significant increase was mainly attributable to additional borrowings to finance the acquisition of Huaou Mining and the construction of its mining, ore-processing and infrastructure projects, as well as increases in amounts payable to related parties and for engineering works and equipment.

The Group had total liabilities of approximately RMB4,210.7 million as at 30 June 2026, which mainly comprised (i) long-term borrowings of approximately RMB1,291.2 million; (ii) other payables of approximately RMB729.6 million; (iii) accounts payable of approximately RMB423.5 million; and (iv) short-term borrowings of approximately RMB400.2 million, representing a decrease of approximately RMB33.1 million or 0.8% as compared to approximately RMB4,243.8 million as at 31 December 2025.

Liquidity Position

The Group's current ratios were approximately 1.5 times, 1.0 times and 1.0 times as at 31 December 2024, 31 December 2025 and 30 June 2026, respectively. The Group's gearing ratios, which are calculated on the basis as net debt divided by total capital (net debt plus total equity), were approximately 2.45%, 21.49% and 21.51% as at each of 31 December 2024 and 2025 and 30 June 2026, respectively. The significant increase in the gearing ratio as at 31 December 2025 was mainly attributable to the additional borrowings for the acquisition of Huaou Mining and the construction of its projects.

1.2 Information of Xinjiang Non-ferrous

Xinjiang Non-ferrous is principally engaged in, among other things, investment in non-ferrous metal industry and sale of non-ferrous metal products. As at the Latest Practicable Date, Xinjiang Non-ferrous is held as to 100% by the State-owned Assets Supervision and Administration Commission of Xinjiang Uygur Autonomous Region.

2. Reasons for and benefits of the revision of the Original Annual Caps

2.1 Provision of the Supporting and Ancillary Services

As advised by the Management, the Group did not purchase any nickel concentrates from Shanshan County Caihong Mining Co., Ltd.* (鄯善縣彩宏礦業有限責任公司) ("**Caihong Mining**") or Hami Xinyuan Mining Co., Ltd.* (哈密鑫源礦業有限責任公司) ("**Xinyuan Mining**") during FY2024 and FY2025. From 1 January to 30 September 2026, the Group purchased nickel concentrates with a dry weight of approximately 9,564 tonnes from Caihong Mining, at a total purchase amount of approximately RMB33.0 million, while no purchase had been made from Xinyuan Mining as at the Latest Practicable Date. Prior to the Strategic Restructuring, Caihong Mining and Xinyuan Mining were subsidiaries of Xinjiang Mineral. Following the Strategic Restructuring, Caihong Mining became an indirect wholly-owned subsidiary and Xinyuan Mining became an indirect non-wholly-owned subsidiary of Xinjiang Non-ferrous. As a result, any purchases of nickel concentrates from Caihong Mining and Xinyuan Mining following the Strategic Restructuring constitute the Supporting and Ancillary Services under the 2024 Mutual Supply Agreement. Given that such purchases were not contemplated when the Original Annual Caps were determined, the Original Annual Caps for the Supporting and Ancillary Services for the year ending 31 December 2027 do not cater for the estimated purchases of nickel concentrates from both Caihong Mining and Xinyuan Mining.

Nickel concentrates are raw materials required for the Group's production of nickel and other non-ferrous metal products. As advised by the Management, the estimated purchase amount of nickel concentrates from Caihong Mining and Xinyuan Mining was determined with reference to the Group's production plan and expected purchase requirements, the expected aggregate supply volume set out in the Nickel Concentrate Memorandum (as defined below), the expected prices of the metals contained in the nickel concentrates and applicable coefficients based on the grades of such metals. As further set out in section headed "4.2 Basis of determination of the Revised Annual Caps and our assessment" below, the Group expects to purchase nickel concentrates containing approximately 1,000 tonnes of nickel, 120 tonnes of copper and 50 tonnes of cobalt during 2027. Based on the estimated unit prices of RMB155,000, RMB125,000 and RMB415,000 per tonne and the applicable settlement coefficients of 69.5%, 60.0% and 30.0% for nickel, copper and cobalt, respectively, the

estimated purchase amount is approximately RMB122.9 million. The estimated unit prices were determined with reference to the actual average selling prices for the eight months ended 31 August 2026, which increased by approximately 17% to 29% as compared with 2025, with upward adjustments of approximately 10% and 20% applied to nickel and copper, respectively, and no further adjustment applied to cobalt. The estimated purchase amount of approximately RMB122.9 million represents the entire increase in the Revised Annual Cap for 2027, which increased by approximately 49.9% from approximately RMB246.2 million to RMB369.1 million. Accordingly, the proposed revision of the Original Annual Caps would provide the Group with sufficient flexibility to procure nickel concentrates from Caihong Mining and Xinyuan Mining based on its actual production requirements without being constrained by the Original Annual Caps.

The 2024 Mutual Supply Agreement is non-exclusive and does not impose any minimum procurement obligation on the Group. The Group maintains its flexibility to procure nickel concentrates and other Supporting and Ancillary Services from Independent Third Parties. We consider that these arrangements provide the Group with procurement flexibility while allowing it to maintain a stable supply of raw materials required for its production.

Having considered the importance of nickel concentrates to the Group's production, the expected procurement requirements under the Group's production plans and the Group's expected demand for nickel concentrates to be sourced from Caihong Mining and Xinyuan Mining following the Strategic Restructuring, we consider that the revision of the Original Annual Caps for the Supporting and Ancillary Services is commercially reasonable and would provide the Group with sufficient flexibility to accommodate its expected procurement requirements.

2.2 Provision of the Company's Products

The Company's Products, including copper cathode, copper concentrates and sulfuric acid, are products produced or supplied by the Group in its ordinary and usual course of business. As advised by the Management, the Group has maintained an established business relationship with Xinjiang Non-ferrous Group for the sale of the Company's Products. Such sales provide the Group with an established sales channel and contribute to its revenue. For the eight months ended 31 August 2026, the historical transaction amount for the Company's Products was approximately RMB635.4 million, representing approximately 71.5% of the Original Annual Cap for 2026.

As disclosed in the Letter from the Board, the Original Annual Caps for the Company's Products were determined based on, among other things, the estimated selling prices of copper products at the relevant time. Since the determination of the Original Annual Caps, the market price of copper has increased further and exceeded the price estimates previously adopted. As further set out in section headed "4.2 Basis of determination of the Revised Annual Caps and our assessment" below, the actual average selling price of copper for the eight months ended 31 August 2026 increased by approximately 29% as compared with 2025. For copper cathode, while the estimated sales volumes remain unchanged, the estimated selling prices under the Revised Annual Caps have been revised upward by approximately 30% and 32% for 2026 and 2027, respectively, as compared with the corresponding selling prices adopted in determining the Original Annual Caps, resulting in increases in the budgeted sales amounts of approximately RMB236.0 million and RMB278.6 million, respectively. For copper concentrates, the copper reference price adopted for 2027 has been revised from approximately RMB75,000 to RMB125,000 per tonne, representing an increase of approximately 67%. Together with the revisions to the expected sales volume and metal contents and the applicable settlement coefficient, the budgeted sales amount for copper concentrates for 2027 has increased by approximately RMB237.9 million.

In addition, the Group expects its sales of sulfuric acid to Xinjiang Non-ferrous Group to increase due to the increase in both the demand from members of Xinjiang Non-ferrous Group and prices of sulfuric acid. An estimated sales volume of approximately 30,000 tonnes to a new customer within Xinjiang Non-Ferrous Group was included for each of 2026 and 2027. Based on the budgeted amount currently adopted, the estimated selling price of RMB1,560 per tonne represents an increase of approximately 290% as compared with the price of RMB400 per tonne adopted in the original calculation schedules. Taking into account the revised sales volume and selling price, the budgeted sales amount of sulfuric acid increased by approximately RMB41.4 million for each year. Together, the above revisions account for the increases of approximately RMB277.4 million and RMB557.9 million in the Revised Annual Caps for the Company's Products for 2026 and 2027, representing increases of approximately 31.2% and 56.6%, respectively. The proposed revision would therefore allow the Group to accommodate the expected increase in sales of copper cathode, copper concentrates and sulfuric acid having regard to the prevailing market conditions and actual customer demand without being constrained by the Original Annual Caps.

We note that the Revised Annual Caps represent only the maximum transaction amount and do not impose any minimum purchase obligation on Xinjiang Non-ferrous Group. The actual selling prices of the Company's Products will continue to be determined in accordance with the pricing policies under the 2024 Mutual Supply Agreement with reference to the prevailing market prices.

Having considered that the sale of the Company's Products forms part of the Group's ordinary and usual course of business, the continued increase in copper prices, the anticipated increase in the sales volume and market price of sulfuric acid and the established business relationship between the parties, we consider that the revision of the Original Annual Caps for the Company's Products would enable the Group to maintain its sales arrangements with Xinjiang Non-ferrous Group and respond to changes in market prices and actual customer demand.

Taking into account the above and that (i) the terms and pricing policies under the 2024 Mutual Supply Agreement remain unchanged; (ii) the Group maintains the flexibility to procure products and services from, and sell the Company's Products to, Independent Third Parties; and (iii) the transactions under the 2024 Mutual Supply Agreement shall be conducted on terms no less favourable to the Group than those available from Independent Third Parties, we concur with the Company that the proposed revision of the Original Annual Caps is in the interests of the Company and the Shareholders as a whole.

3. Principal terms of the 2024 Mutual Supply Agreement

As stated in the Letter from the Board, the Original Annual Caps were not contained in the 2024 Mutual Supply Agreement. Accordingly, the proposed revision of the Original Annual Caps does not constitute an amendment to the 2024 Mutual Supply Agreement. All terms and conditions of the 2024 Mutual Supply Agreement, including the pricing policies and related internal control measures, remain unchanged. For details of the principal terms of the 2024 Mutual Supply Agreement, please refer to the section headed "PRINCIPAL TERMS OF THE 2024 MUTUAL SUPPLY AGREEMENT" of the Circular.

Under the 2024 Mutual Supply Agreement, the actual prices of the relevant products and services are determined principally through commercial negotiations between the parties with reference to the prevailing market prices. The relevant transactions shall be conducted in the ordinary and usual course of business of the Group, on normal commercial terms and on terms no less favourable to the Group than those available from or offered to Independent Third Parties.

The applicable prices are determined in the following order of priority: (i) the State-prescribed price; (ii) where there is no State-prescribed price, the State-guidance price; (iii) where neither a State-prescribed price nor a State-guidance price is available, the prevailing market price determined with reference to prices offered by Independent Third Parties for comparable products or services; and (iv) where none of the above is applicable, the reasonable costs incurred in providing the relevant products or services plus a profit margin of not more than 5%.

In respect of the purchases of nickel concentrates, we have obtained and reviewed the purchase contract entered into with Caihong Mining (the "**Caihong Mining Contract**") and note that the payable metal content of each shipment is determined by multiplying the dry tonnage of the nickel concentrates after deduction of moisture by the actual assay grade of each payable metal as certified by an independent assay institution recognised by both parties. The settlement amount is then calculated based on the payable metal contents, the relevant published market benchmark prices and the applicable settlement coefficients, subject to the contractual deductions. In particular, the benchmark prices adopted for nickel and copper are determined by reference to the arithmetic average of the relevant settlement reference prices quoted on the Shanghai Futures Exchange over the agreed pricing period, after fixed deductions of RMB700 and RMB400 per tonne, respectively, while cobalt is priced at 30% of the benchmark price of electrolytic cobalt published by Shanghai Metals Market. We further note that the applicable settlement coefficients for nickel and copper are determined with reference to the relevant metal grades and, in the case of nickel, the applicable benchmark price level. Accordingly, as the pricing mechanism is based principally on published market benchmark prices and the actual assay results for each shipment, we consider that such market-based pricing mechanism is in line with the prevailing market price pricing policy under the 2024 Mutual Supply Agreement, notwithstanding that the tendering or competitive quotation procedures applicable to certain other Supporting and Ancillary Services do not apply to the purchases of nickel concentrates.

As part of our due diligence work, we reviewed the Caihong Mining Contract and a purchase contract entered into with an Independent Third Party in respect of nickel concentrates. We note that the settlement prices under both contracts are determined principally by reference to the actual assay results and published market benchmark prices. On this basis, we consider that the pricing terms under the Caihong Mining Contract are on normal commercial terms. We further selected one historical purchase transaction with Caihong Mining for review, which accounted for approximately half of the historical purchase amount from Caihong Mining for the nine months ended 30 September 2026. We reviewed the relevant shipping notice, quality inspection report and final settlement statement, and checked the relevant metal grades, settlement coefficients, deductions and calculations against the Caihong Mining Contract. We found that the transaction was settled in accordance with the pricing mechanism thereunder. As no historical transaction with Xinyuan Mining was available for review, any future purchases from Xinyuan Mining will be subject to the same pricing policies and internal control measures under the 2024 Mutual Supply Agreement.

In respect of the Company's Products, we selected copper cathode for review as it accounted for approximately 89% of the Original Annual Caps for the Company's Products for each of 2026 and 2027. We randomly selected six sales transactions, comprising one transaction from each quarter of FY2025 and each of the first and second quarters of 2026, and reviewed the relevant purchase orders. All six transactions were entered into with Xinjiang Wuxin Copper Industry Co., Ltd.* (新疆五鑫銅業有限責任公司) and were priced on a market basis with reference to the relevant copper prices quoted on the Shanghai Futures Exchange. Details of the transactions reviewed are set out below:

Relevant period	**Transaction date**	**Transaction amount** *(RMB'000)*
2025 1st quarter	18 March 2025	16,018
2025 2nd quarter	26 May 2025	7,799
2025 3rd quarter	10 September 2025	2,330
2025 4th quarter	3 December 2025	1,398
2026 1st quarter	2 March 2026	3,424
2026 2nd quarter	2 June 2026	15,910

We compared the selling prices stated in the purchase orders reviewed against the corresponding daily settlement prices of the relevant copper contracts quoted on the Shanghai Futures Exchange on the respective transaction dates and note that the selling prices were consistent with the relevant market prices.

In respect of the Supporting and Ancillary Services, we selected oil and transportation services for review as they were among the larger categories under the Original Annual Caps and, in aggregate, accounted for approximately 40% of the Original Annual Caps for each of 2026 and 2027. For oil, we randomly selected six purchase transactions with Fuyun Xingshengtong Trading Co., Ltd.* (富蘊鑫盛通商貿有限公司), comprising one transaction from each quarter of FY2025 and each of the first and second quarters of 2026, and reviewed the relevant purchase orders/settlement receipts and regional refined oil price adjustment notices. All six transactions were priced based on the prices published by Sinopec Marketing Co., Ltd. in Xinjiang ("**Xinjiang Sinopec**"), which were determined with reference to the applicable State-prescribed prices. For transportation services, we reviewed the competitive quotation documents and service contracts with Fukang Non-ferrous Development Co., Ltd.* (阜康有色發展有限責任公司) ("**Fukang Non-ferrous**") covering the

periods from 1 January 2025 to 31 December 2025 and from 1 April 2026 to 31 March 2027, respectively. The prices under both service arrangements were determined based on the best valid quotations obtained through the relevant competitive quotation processes. Details of the documents reviewed are set out below:

Category	**Relevant period**	**Transaction/ contract date**	**Transaction/ contract amount** *(RMB'000)*
Oil	2025 1st quarter	19 March 2025	576
Oil	2025 2nd quarter	16 June 2025	241
Oil	2025 3rd quarter	19 August 2025	325
Oil	2025 4th quarter	21 November 2025	255
Oil	2026 1st quarter	19 March 2026	177
Oil	2026 2nd quarter	22 May 2026	307
Transportation services	1 January 2025 to 31 December 2025	25 December 2024	4,238*
Transportation services	1 April 2026 to 31 March 2027	31 March 2026	4,509*

* The contract amount was calculated by applying the relevant tax-inclusive unit rates to the estimated transportation volumes.

For oil, we compared the purchase prices stated in the purchase orders/settlement receipts against the corresponding prices published by Xinjiang Sinopec and note that the purchase prices were consistent with such published prices. For transportation services, we compared the prices offered by Fukang Non-ferrous against the quotations offered by Independent Third Parties for comparable transportation services under comparable terms and note that the prices offered by Fukang Non-ferrous were no less favourable to the Group than those offered by Independent Third Parties.

In considering whether the samples selected were sufficient, we have taken into account that (i) the selected categories accounted for approximately 89% of the Original Annual Caps for the Company's Products and approximately 40% of those for the Supporting and Ancillary Services; (ii) the copper cathode and diesel oil samples were randomly selected, with one transaction from each quarter from 1 January 2025 to 30 June 2026; and (iii) we reviewed the competitive quotation documents and service contracts for transportation services applicable during the review period, and separately reviewed the purchases of nickel concentrates. On this basis, we consider the samples selected to be representative and sufficient.

Based on the above, we note that the pricing mechanism under the Caihong Mining Contract is in line with the prevailing market price pricing policy under the 2024 Mutual Supply Agreement. We also note that the relevant pricing policies have been followed in respect of the transactions reviewed by us under the 2024 Mutual Supply Agreement. Accordingly, we consider that the relevant pricing policies provide an appropriate basis for ensuring that the transactions in respect of the Supporting and Ancillary Services and the Company's Products are conducted on normal commercial terms and on terms that are fair and reasonable so far as the Independent Shareholders are concerned.

4. The Revised Annual Caps

4.1 Historical amount, existing and Revised Annual Caps

Set out below are (i) the historical transaction amount for the eight months ended 31 August 2026; (ii) the Original Annual Caps; and (iii) the Revised Annual Caps for the two years ending 31 December 2027.

For the year ending 31 December 2026

	Historical transaction amount for the eight months ended 31 August 2026	Original Annual Caps	Utilisation rates (Note)	Revised Annual Caps	Change
	RMB'000	*RMB'000*	*%*	*RMB'000*	*%*
Supporting and Ancillary Services	39,300	241,742	16.3	241,742	–
Company's Products	635,400	888,283	71.5	1,165,690	31.2

For the year ending 31 December 2027

	Original Annual Caps	Revised Annual Caps	Increase	Change
	RMB'000	*RMB'000*	*RMB'000*	*%*
Supporting and Ancillary Services	246,193	369,142	122,949	49.9
Company's Products	985,758	1,543,688	557,930	56.6

Note: The utilisation rates are calculated by dividing the historical transaction amounts for the eight months ended 31 August 2026 by the respective Original Annual Caps for the year ending 31 December 2026.

4.2 Basis of determination of the Revised Annual Caps and our assessment

In assessing the fairness and reasonableness of the Revised Annual Caps, we have discussed with the Management about the basis and underlying assumptions used in determining the Revised Annual Caps.

Supporting and Ancillary Services

The annual cap for the Supporting and Ancillary Services for 2026 remains unchanged at approximately RMB241.7 million. The Revised Annual Caps for 2027 amounts to approximately RMB369.1 million, representing an increase of approximately RMB122.9 million, or 49.9%, over the Original Annual Caps. The increase is primarily attributable to the expected purchases of nickel concentrates after the Strategic Restructuring.

According to the Letter from the Board, the Strategic Restructuring was completed on 30 September 2026. After the Strategic Restructuring, the relevant suppliers of nickel concentrates, namely Caihong Mining and Xinyuan Mining, became members of Xinjiang Non-Ferrous Group and the Group's purchases of nickel concentrates from such suppliers constitute continuing connected transactions under the 2024 Mutual Supply Agreement. We have obtained and reviewed a memorandum recently entered into between the Company and Turpan Jinyuan Mining and Metallurgy Co., Ltd.* (吐魯番金源礦冶有限責任公司) ("**Jinyuan Mining**"), which is the holding company of Caihong Mining and Xinyuan Mining, in relation to the proposed supply of nickel concentrates (the "**Nickel Concentrate Memorandum**"). According to the Nickel Concentrate Memorandum, Xinjiang Kalatongke Mining Industry Co., Ltd.* (新疆喀拉通克礦業有限責任公司) ("**Kalatongke Mining**"), a wholly-owned subsidiary of the Company, requires nickel concentrates as a principal raw material for the production of water-quenched high nickel matte. Based on its production plan, Kalatongke Mining expects to purchase nickel concentrates from Caihong Mining and Xinyuan Mining with an estimated aggregate metal content of approximately 300 tonnes of nickel, 30 tonnes of copper and 15 tonnes of cobalt during the period from October to December 2026, and approximately 1,000 tonnes of nickel, 120 tonnes of copper and 50 tonnes of cobalt during 2027. As advised by the Management, such purchase volume represents the estimated production requirements of Kalatongke Mining. Actual purchases will be made in accordance with the pricing policies under the 2024 Mutual Supply Agreement at prevailing market prices for comparable nickel concentrates under comparable terms, and on terms no less favourable to the Group than those available from Independent Third Parties.

For the eight months ended 31 August 2026, the historical transaction amount for the Supporting and Ancillary Services was approximately RMB39.3 million, representing approximately 16.3% of the Original Annual Caps for 2026. We note that the utilisation rate was relatively low. As advised by the Management, such low utilisation rate was mainly attributable to the fact that certain anticipated purchases under the Original Annual Caps were not materialised as members of Xinjiang Non-ferrous Group were not selected as suppliers through the relevant procurement and supplier selection processes.

We note that the proposed increase in the Revised Annual Caps for 2027 is wholly attributable to the expected purchases of nickel concentrates, while the annual caps relating to the existing categories of the Supporting and Ancillary Services remain unchanged. The remaining headroom of approximately RMB202.5 million under the Original Annual Caps for 2026 should also be sufficient to cover the indicative purchase amount of approximately RMB33.1 million for the period from October to December 2026. Accordingly, no revision to the annual cap for 2026 is required, and our assessment below primarily focuses on the additional amount for the purchase of nickel concentrates in 2027.

The budgeted amount for the purchase of nickel concentrates in 2027 was calculated as follows:

Metal	Expected purchase volume	Estimated unit price	Settlement coefficient	Budgeted amount
		RMB		
	tonne	*per tonne*	*%*	*RMB million*
Nickel	1,000	155,000	69.5	107.7
Copper	120	125,000	60.0	9.0
Cobalt	50	415,000	30.0	6.2
Total				**122.9**

We note that the expected purchase volumes are consistent with the Nickel Concentrate Memorandum. As advised by the Management, the estimated unit prices of the respective metals were determined with reference to the corresponding historical selling prices and expected price trends, while the settlement coefficients were determined with reference to the expected metal grades.

We have reviewed the historical sales details provided by the Management and note that the historical average selling prices (including tax) of nickel, copper and cobalt for the eight months ended 31 August 2026 increased by approximately 17% to 29% as compared with the historical average selling price for FY2025. We have checked the calculation of such historical average selling prices against the underlying sales details and found them to be consistent. As advised by the Management, the estimated unit prices for 2027 are determined with reference to the historical average selling prices for the eight months ended 31 August 2026, with upward adjustments of approximately 10% and 20% applied to nickel and copper, respectively, while no further upward adjustment was applied to cobalt. We have also reviewed the Caihong Mining Contract, the final settlement statement relating to the purchases from Caihong Mining in July 2026 and the historical settlement schedules relating to the Group's purchases of nickel concentrates from Independent Third Parties during 2026. We note that the settlement coefficients applicable to nickel and copper vary depending on the relevant metal grades and, in the case of nickel, the applicable benchmark price levels, and that the estimated settlement coefficients adopted in the calculation fall within the respective ranges reflected in the documents reviewed.

Having considered (i) the production needs of Kalatongke Mining; (ii) the expected purchase volume set out in the Nickel Concentrate Memorandum; (iii) the historical price movements and the basis of the estimated unit prices; (iv) the applicable settlement coefficients; and (v) the market-based pricing mechanism applicable to the actual purchases of nickel concentrates, we consider the estimated purchase amount of approximately RMB122.9 million to be reasonable and, accordingly, we consider that the Revised Annual Caps for the Supporting and Ancillary Services for 2027 to be fair and reasonable.

Company's Products

The Revised Annual Caps for the Company's Products for 2026 and 2027 amount to approximately RMB1,165.7 million and RMB1,543.7 million, representing increases of approximately RMB277.4 million and RMB557.9 million, or 31.2% and 56.6%, respectively, over the corresponding Original Annual Caps.

For the eight months ended 31 August 2026, the historical transaction amount for the Company's Products amounted to approximately RMB635.4 million, representing an utilisation rate of approximately 71.5% to the Original Annual Cap for 2026, of which approximately RMB616.2 million was attributable to the sales of copper cathode, representing approximately 78.2% of the original budgeted amount for copper cathode for 2026.

For copper cathode, the estimated sales volume remain unchanged at approximately 10,063 tonnes for 2026 and 10,493 tonnes for 2027. The estimated selling prices, excluding tax, have been revised from approximately RMB78,319 per tonne to RMB101,770 per tonne for 2026, and from approximately RMB84,071 per tonne to RMB110,620 per tonne for 2027. Accordingly, the budgeted sales amounts for copper cathode have increased from approximately RMB788.1 million to RMB1,024.1 million for 2026 and from approximately RMB882.2 million to RMB1,160.7 million for 2027.

As set out in the Letter from the Board, copper prices have increased significantly since the Original Annual Caps were determined and have exceeded the originally estimated selling price. Based on our review of the abovementioned historical sales details, we note that the historical average selling price of copper for the eight months ended 31 August 2026 increased by approximately 29% as compared with the historical average selling price for FY2025. We further note that the increase in the budgeted sales amounts for copper cathode is solely attributable to the revised selling price assumptions, while the estimated sales volumes remain unchanged. Having regard to the historical increase in copper prices, we consider the revised selling price assumptions adopted for copper cathode to be reasonable.

The budgeted sales amounts for other Company's Products have been revised from approximately RMB100.2 million to RMB141.6 million for 2026 and from approximately RMB103.6 million to RMB383.0 million for 2027. Based on our review of the calculation schedules, the increase for 2026 is mainly attributable to the expected increase in the sales volume and market price of sulfuric acid. As advised by the Management, the Group has entered into a new sales arrangement with Xinjiang Non-Ferrous Group in respect of the additional sales of sulfuric acid for FY2026. We have obtained and reviewed the relevant sales contract and supplemental agreement and note that the additional sales volume and latest transaction price set out therein are consistent with the assumptions adopted in the calculation schedules.

For 2027, the increase of approximately RMB279.4 million in other Company's Products mainly comprises (i) an increase of approximately RMB237.9 million in the budgeted sales amount of copper concentrates, from approximately RMB51.9 million to RMB289.8 million, reflecting the increase in the copper reference price adopted in the calculation schedules from approximately RMB75,000 to RMB125,000 per tonne, as well as changes in the expected metal contents, applicable settlement coefficients and the proportion of copper concentrate output expected to be sold to Xinjiang Non-Ferrous Group; and (ii) an increase of approximately RMB41.4 million in the budgeted sales amount of sulfuric acid, taking into account the expected sales volume and market price. As advised by the Management, the copper reference price of RMB125,000 per tonne for 2027 was determined by applying an upward adjustment of approximately 20% to the historical average selling price of copper of approximately RMB104,000 per tonne for the eight months ended 31 August 2026. As discussed above in relation to copper cathode, we note that the historical average selling price of copper for the eight months ended 31 August 2026 increased by approximately 29% as compared with the historical average selling price for FY2025. Having regard to the basis of calculation and the historical price movement of copper, we consider the copper reference price adopted for copper concentrates to be reasonable.

For the Revised Annual Caps, we have reviewed the relevant calculation schedules and found the calculations to be arithmetically accurate.

Having considered (i) the historical transaction amount for the eight months ended 31 August 2026; (ii) the revised price estimates adopted for copper cathode and copper concentrates, having regard to the historical upward price trends of copper; (iii) the expected metal contents, applicable settlement coefficients and proportion of copper concentrate output expected to be sold to Xinjiang Non-Ferrous Group; and (iv) the expected increase in the sales volume and market price of sulfuric acid, we consider that the Revised Annual Caps for the Company's Products are fair and reasonable.

5. Internal control measures

As stated in the Letter from the Board, the pricing policies and internal control measures under the 2024 Mutual Supply Agreement remain unchanged and will continue to apply to the transactions contemplated thereunder and the Revised Annual Caps. In respect of the newly-added purchases of nickel concentrates, the Group will also apply the internal control measures described below.

To monitor the utilisation of the annual caps, the finance department of the Company records the transaction amount under the 2024 Mutual Supply Agreement and provides the Chief Financial Officer of the Company with information on the actual transaction amount at the end of the first half and the third quarter of each year, and on a monthly basis during the fourth quarter. The Company is also required to re-comply with the applicable requirements under Chapter 14A of the Listing Rules before any of the Revised Annual Caps is exceeded.

We have reviewed the transaction summary for the eight months ended 31 August 2026 provided by the Management and note that the transaction amount in respect of the Supporting and Ancillary Services and the Company's Products have not exceeded the respective Original Annual Caps. As set out in the section headed "3. Principal terms of the 2024 Mutual Supply Agreement" above, we have also reviewed selected transaction documents in respect of the Company's Products and the Supporting and Ancillary Services and note that the relevant pricing policies have been followed in respect of the transactions reviewed.

As advised by the Management, in respect of the purchases of nickel concentrates, the finance department will verify the market benchmark prices, assay grades and application of the settlement coefficients for each transaction against the relevant purchase contracts, and compare the settlement levels with those applicable to contemporaneous purchases of nickel concentrates from Independent Third Parties, having regard to the relevant metal grades and other contractual terms. The results of such verification and comparison will be reviewed by the finance manager, and the relevant invoices will only be approved by the financial controller after confirming that the pricing terms are no less favourable to the Group than those available from Independent Third Parties. The relevant invoices and supporting documents will also be subject to periodic review by the internal audit department to ensure that the applicable pricing procedures have been followed. Having considered the pricing mechanisms under the relevant purchase contracts and the internal control procedures described above, we consider that such procedures provide a reasonable basis for ensuring that the purchases of nickel concentrates are conducted on normal commercial terms and on terms no less favourable to the Group than those available from Independent Third Parties.

Pursuant to Rules 14A.55 and 14A.56 of the Listing Rules, the independent non-executive Directors and the auditors of the Company are required to conduct annual reviews and provide the relevant confirmations in respect of the Company's continuing connected transactions. We have reviewed the 2025 AR and note that the independent non-executive Directors had reviewed the continuing connected transactions under the 2024 Mutual Supply Agreement and provided the relevant confirmations. We also note that the auditors of the Company had issued unqualified letters to the Board in respect of such continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules. As confirmed by the Company, it will continue to comply with the relevant annual review requirements under the Listing Rules on an ongoing basis.

Having regard to the above, we consider that appropriate measures are in place to monitor the pricing and transaction amounts in respect of the Supporting and Ancillary Services and the Company's Products and to safeguard the interests of the Company and the Independent Shareholders.

RECOMMENDATION

Having taken into consideration the principal factors and reasons discussed above, we are of the view that (i) the revision of the Original Annual Caps for the two years ending 31 December 2026 and 2027 is in the ordinary and usual course of business of the Group and in the interest of the Company and the Shareholders as a whole; and (ii) the Revised Annual Caps are fair and reasonable. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the relevant resolutions to be proposed for approving the Revised Annual Caps at the EGM.

Yours faithfully,
For and on behalf of
Maxa Capital Limited
Sammy Leung
Managing Director

Mr. Sammy Leung is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Maxa Capital Limited to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has over 14 years of experience in the corporate finance industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

Directors and chief executive of the Company

(i) As at the Latest Practicable Date, save and except for Mr. Zhou Chuanyou, being a Director, who has interests in 81,790,000 H Shares and 345,924.000 Domestic Shares of the Company, none of the Directors and chief executive of the Company had any interests and short positions in the shares, underlying shares and/or debentures (as the case may be) of the Company or any of its associated corporations (within the meaning of the SFO) which was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest and short position which any such Director or chief executive is taken or deemed to have under such provisions of the SFO) or which was required to be entered into the register required to be kept by the Company under section 352 of the SFO or which was otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules.

(ii) As at the Latest Practicable Date, none of the Directors or proposed Directors of the Company had any direct or indirect interest in any assets which have since 31 December 2025 (being the date to which the latest published audited financial statements of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

Substantial shareholders of the Company

As at the Latest Practicable Date, so far as the Directors are aware, each of the following persons, not being a Director or chief executive of the Company, had an interest in the Shares which falls to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name	Number of shares held	Class of share	Approximate percentage of shareholding on relevant class of shares *(%)*	Approximate percentage of the total share capital *(%)*
Xinjiang Non-ferrous Metal Industry (Group) Ltd (新疆有色金屬工業(集團)有限公司) *(Note 1)*	885,204,000 (L)	Domestic Share	70.29	40.05
Shanghai Yilian Kuangneng Company Limited* (上海怡聯礦能實業有限公司) ("**Shanghai Yilian**") *(Note 2)*	282,896,000 (L)	Domestic Share	22.46	12.80
China Capital Investment (Group) Company Limited*(中金投資(集團)有限公司) ("**Zhongjin Investment**") *(Note 2)*	63,028,000 (L)	Domestic Share	5.00	2.85
	81,790,000 (L)	H Share	8.60	3.70
Zijin Mining Group Company Limited*(紫金礦業集團股份有限) ("**Zijin Mining**")	59,444,000 (L)	H Share *(Note 3)*	6.25	2.69
Zijin Mining Group (Xiamen) Investment Co., Ltd*(紫金礦業集團(廈門)投資有限公司) ("**Zijin Mining (Xiamen)**")	56,580,000 (L)	H Share *(Note 3)*	5.95	2.56

(L) = Long positions

Note 1: Mr. Chen Yin (a non-executive Director) and Mr. Wang Lijian (a non-executive Director) hold positions in Xinjiang Non-ferrous, and both Mr. Li Jiangping (an executive Director) and Ms. Zhang Li (an employee representative Director) are the deputy secretaries to the Party Committee of the Company appointed by the Party Committee of Xinjiang Non-ferrous. For details, please refer to the paragraph headed "Competing Interest" in this appendix.

Note 2: The entire shareholding or equity interests of Shanghai Yilian and Zhongjin Investment are beneficially owned by Mr. Zhou Chuanyou.

Mr. Zhou Chuanyou, a non-executive Director, is the chairman of the board of Zhongjin Investment.

As at the Latest Practicable Date, the interests in the aforesaid domestic shares of the Company held by Mr. Zhou Chuanyou through Shanghai Yilian and Zhongjin Investment are under pledged.

Note 3: The H shares are held by Zijin Mining (Xiamen) and Gold Mountains (H. K.) International Mining Company Limited (金山(香港)國際礦業有限公司). The entire shareholding or equity interests of Zijin Mining (Xiamen) and Gold Mountains (H. K.) International Mining Company Limited are beneficially owned by Zijin Mining.

* *The English name is a translation of the Chinese name and provided for reference only*

Save as disclosed above, as at the Latest Practicable Date, there was no other person (other than a Director or chief executive of the Company), who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

3. SERVICE AGREEMENTS

As at the Latest Practicable Date, each of the Directors has entered into a service contract for a term of three years with the Company from 14 October 2026 to the expiry of the term of the eighth session of the Board.

Pursuant to the articles of association of the Company, the term for each of the Directors is three years commencing from the date of their respective appointment or re-appointment, subject to re-appointment at a general meeting.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group (except contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation)).

4. INTEREST IN CONTRACT

As at the Latest Practicable Date, none of the Directors had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which any member of the Group was a party.

5. MATERIAL ADVERSE CHANGES

As at the Latest Practicable Date, save as disclosed in the final results announcement of the Company dated 27 March 2026 and the announcement of the Company dated 23 July 2026 in respect of the profit warning for the six months ended 30 June 2026, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2025, the date to which the latest published consolidated audited accounts of the Company were made up.

6. COMPETING INTEREST

As at the Latest Practicable Date, the following Directors are considered to have interests in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Company, as defined in the Listing Rules:

Mr. Chen Yin is the deputy general manager of Xinjiang Non-ferrous; Mr. Wang Lijian is the director of the organization and personnel department, director (manager) of the human resources department, the deputy principal of the Party School of Xinjiang Non-ferrous and the secretary of the Party Committee of the Company appointed by the Party Committee of Xinjiang Non-ferrous; and Mr. Li Jiangping and Ms. Zhang Li are deputy secretaries of the Company appointed by the Party Committee of Xinjiang Non-ferrous. Mr. Chen Yin, Mr. Li Jiangping, Wang Lijian and Ms. Zhang Li have not given any confidential or sensitive commercial information of the Company to Xinjiang Non-ferrous or any other third party and have physically abstained the voting right of directors for the approval of the Revised Annual Cap. As the Board is independent from the board of directors of Xinjiang Non-ferrous and the above Directors do not control the Board, the Group is capable of carrying out its businesses independent from, and at arm's length from, the business of Xinjiang Non-ferrous.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors of the Company and its subsidiary, or their respective associates (as defined in the Listing Rules) had interests in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

7. EXPERT AND CONSENT

(a) The following is the qualification of the expert who has given opinions and advice which are included in this circular:

Name	Qualification
Maxa Capital	A licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activity under the SFO

(b) As at the Latest Practicable Date, Maxa Capital did not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

(c) Maxa Capital has given and has not withdrawn its written consent to the issue of this circular, with the inclusion of the references to its name and/or its opinion in the form and context in which they are included.

(d) As at the Latest Practicable Date, Maxa Capital did not have any direct or indirect interest in any asset which had been acquired, or disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group since 31 December 2025, the date to which the latest published audited financial statements of the Group were made up.

8. MISCELLANEOUS

(a) The statutory address and principal place of business of the Company in the PRC is situated at No. 501, Fusion South Road, Cooperation Zone, Economic and Technological Development Zone, Urumqi, Xinjiang.

(b) The registered office of the Company in Hong Kong is 9/F, The Center, 99 Queen's Road Central, Central, Hong Kong.

(c) The Hong Kong share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong.

(d) The joint company secretaries of the Company are Mr. Li Zhenzhen and Mr. Tsoi Ka Shing.

(e) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

9. DOCUMENTS ON DISPLAY

Copies of the following documents will be on display for inspection on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at kunlun.wsfg.hk from the date of this circular up to and including the date of the EGM:

(a) the letter from the Independent Board Committee dated 4 November 2026, the text of which is set out on pages 24 to 25 of this circular;

(b) the letter from the Independent Financial Adviser dated 4 November 2026, the text of which is set out on pages 26 to 48 of this circular;

(c) the letter of consent from the Independent Financial Adviser dated 4 November 2026 and referred to under the paragraph headed "Expert and Consent" in this appendix; and

(d) the 2024 Mutual Supply Agreement.

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)

NOTICE OF THE EGM

NOTICE IS HEREBY GIVEN that the extraordinary general meeting ("**EGM**") of Xinjiang Xinxin Mining Industry Co., Ltd.* (the "**Company**") will be held at 11:30 a.m. on Friday, 20 November 2026 at Conference Room, 6/F, No. 501, Fusion South Road, Cooperation Zone, Economic and Technological Development Zone, Urumqi, Xinjiang, the People's Republic of China to consider and, if thought fit, to pass the following resolution:

Unless otherwise defined, capitalized terms used in this notice and the following resolution shall have the same meanings as those defined in the circular of the Company dated 4 November 2026.

ORDINARY RESOLUTION

1. To consider and approve the following matter:

   THAT the Revised Annual Caps be and are hereby approved and confirmed. The Board be and is hereby authorised to do all such acts and things and execute such other documents as he in his sole and absolute discretion deems necessary, desirable or expedient in relation to the implementation of the above (if necessary).

By order of the Board
Xinjiang Xinxin Mining Industry Co., Ltd.*
Li Zhenzhen, Tsoi Ka Shing
Joint Company Secretaries

Xinjiang, the PRC
4 November 2026

Notes:

1. Closure of register of members and eligibility for attending the EGM

   The register of members of the Company will be closed from Monday, 16 November 2026 to Friday, 20 November 2026 (both days inclusive), during which time no share transfers will be registered. In order to be eligible to attend the EGM, instruments of transfer accompanied by share certificates and other appropriate documents must be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 13 November 2026. Shareholders of the Company whose names appear on the register of members of the Company at the opening of business on Friday, 20 November 2026 are entitled to attend the EGM.

2. Proxy

   Every shareholder of the Company who has the right to attend and vote at the EGM is entitled to appoint one or more proxies, whether or not they are members of the Company, to attend and vote on his behalf at the EGM.

   A proxy must be appointed by an instrument in writing and signed by the appointer or his attorney duly authorised in writing. If the appointer is a legal person, then the instrument shall be signed under a legal person's seal or signed by its director or an attorney duly authorised in writing. The instrument appointing the proxy shall be deposited at the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not less than 24 hours before the time appointed for the holding of the EGM. If the instrument appointing the proxy is signed by a person authorised by the appointer, the power of attorney or other document of authority under which the instrument is signed shall be notarised. The notarised power of attorney or other document of authority shall be deposited together and at the same time with the instrument appointing the proxy at the Company's H Share registrar. Return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the EGM if he so wishes.

   If more than one proxy is appointed, such proxies shall only be entitled to vote by poll. Shareholders or their proxies are required to produce their identification documents when attending the EGM.

3. Others

   Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the general meeting will be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

   The EGM is expected to last for approximately one hour. Shareholders and their proxies attending the meeting shall be responsible for their own travelling and accommodation expenses.

As at the date of this notice, the executive director of the Company is Mr. Li Jiangping; the non-executive directors are Mr. Chen Yin, Mr. Zhou Chuanyou, Mr. Wang Lijian and Mr. Hu Chengye; the independent non-executive directors are Ms. Liu Ying, Mr. Huang Yong and Mr. Lee Tao Wai; and the employee representative director is Ms. Zhang Li.

* *For identification purposes only*