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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)

**ANNOUNCEMENT
CONNECTED TRANSACTION
PURCHASE AGREEMENT OF MATERIALS**

PURCHASE AGREEMENT

Following the technical standard compliance review and the commercial standard review by Xinjiang Yakesi, the Board is pleased to announce that Huachuang Tianyuan won the tender for the supply of the Materials. On 13 October 2021, Xinjiang Yakesi, a wholly-owned subsidiary of the Company, entered into the Purchase Agreement with Huachuang Tianyuan, pursuant to which Xinjiang Yakesi agreed to purchase Materials from Huachuang Tianyuan for an aggregate consideration of approximately RMB12.42 million.

LISTING RULES IMPLACTIONS

As at the date of this announcement, Xinjiang Non-ferrous (the controlling shareholder of the Company) indirectly holds 30% of the interests in Huachuang Tianyuan. Therefore, Huachuang Tianyuan is an associate of Xinjiang Non-ferrous. Accordingly, Huachuang Tianyuan is a connected person of the Company and the entering into of the Purchase Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the transaction contemplated under the Purchase Agreement exceeds 0.1% but is less than 5%, the Purchase Agreement and the transaction contemplated thereunder are subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

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The principal terms of the Purchase Agreement are set out below:

Date	:	13 October 2021
Parties	:	(1) Xinjiang Yakesi, as the purchaser; and (2) Huachuang Tianyuan, as the seller
Subject matter	:	Xinjiang Yakesi shall purchase the Materials from Huachuang Tianyuan
Consideration	:	The aggregate consideration for the purchase of Materials pursuant to the Purchase Agreement (the “ Consideration ”) is approximately RMB12.42 million, which was the tender price offered by Huachuang Tianyuan in the public tender process
Payment term	:	30% of the Consideration shall be payable by Xinjiang Yakesi upon signing of the Purchase Agreement; 30% of the Consideration shall be payable upon delivery of the Materials; 30% of the Consideration shall be payable upon inspection acceptance two months after the Materials are installed and commence water supply; and the remaining 10% of the Consideration shall be treated as the warranty deposit, which shall be reserved for one year
Delivery term	:	the Materials shall be delivered by batches in accordance with the Purchase Agreement, with all the Materials being delivered to Xinjiang Yakesi within one month upon receipt of tender award by Huachuang Tianyuan

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE PURCHASE AGREEMENT

The Materials to be purchased under the Purchase Agreement are ductile cast iron pipes and various spare parts which are required for the water pipeline (for supplying domestic water) maintenance project of Xinjiang Yakesi. Following the technical standard compliance review and the commercial standard review by Xinjiang Yakesi, Huachuang Tianyuan won the tender for the supply of the Materials in the relevant public tender.

Given that the terms of the Purchase Agreement and the transaction contemplated thereunder are fair and reasonable and on normal commercial terms and in the ordinary and usual course of business of the Group, the Directors (including the independent non-executive Directors) consider that the entering into of the Purchase Agreement and the transaction contemplated thereunder are in the best interests of the Company and its shareholders as a whole.

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INFORMATION RELATING TO XINJIANG YAKESI

Xinjiang Yakesi is principally engaged in the mining of copper and nickel ores, ore processing and sales of self-produced copper and nickel ores.

INFORMATION RELATIN TO HUACHUANG TIANYUAN

Huachuang Tianyuan is a limited liability company established in the PRC and a company in which Xinjiang Non-ferrous indirectly holds 30% of its interests. Huachuang Tianyuan is principally engaged in the development, production and sale of pipelines, pipe materials and relevant equipment.

BOARD’S APPROVAL

The Purchase Agreement has been approved by the Board. Save for Mr. Zhang Guohua, Mr. Guo Quan, Mr. Qi Xinhui and Mr. Yu Wenjiang who are Directors connected to Xinjiang Non-ferrous and have abstained from voting on the relevant resolution of the Board, none of the other Directors have material interest in the Purchase Agreement and the transaction contemplated thereunder.

DEFINITIONS

In this announcement, the following terms have the following meanings:

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“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
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	one or all of the director(s) of the Company
“Group”	the Company and its subsidiaries
“Huachuang Tianyuan”	Xinjiang Huachuang Tianyuan Shiye Limited Company* (新疆華創天元實業有限責任公司), a limited liability company established in the PRC and a company in which Xinjiang Non-ferrous indirectly holds 30% of its interests
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Materials”	ductile cast iron pipes and various spare parts, with specifications stipulated pursuant to the Purchase Agreement

“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC)
“Purchase Agreement”	the purchase agreement dated 13 October 2021 entered into between Xinjiang Yakesi and Huachuang Tianyuan in relation to the purchase of Materials
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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 and the controlling Shareholder of the Company
“Xinjiang Yakesi”	Xinjiang Yakesi Resources Co. Ltd.* (新疆亞克斯資源開發股份有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company

By order of the Board
Xinjiang Xinxin Mining Industry Co., Ltd.*
Li Zhenzhen, Lam Cheuk Fai
Joint Company Secretaries

Xinjiang, the PRC, 13 October 2021

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

* For identification purpose only