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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
ADJUSTMENT TO THE LIST OF THE
PARTICIPANTS, NUMBER OF EFFECTIVE EQUITY
INTERESTS AND EXERCISE PRICE UNDER THE 2021 H SHARE
APPRECIATION RIGHTS INCENTIVE PLAN
AND
APPOINTMENT OF MEMBERS OF THE STRATEGY AND
SUSTAINABLE DEVELOPMENT (ESG) COMMITTEE AND THE
REMUNERATION AND REVIEW COMMITTEE**

References are made to (i) the announcement of Xinjiang Xinxin Mining Industry Co., Ltd. * (the “**Company**”) dated 26 March 2021, the circular of the Company dated 26 April 2021, the notice of the annual general meeting dated 26 April 2021 in relation to, among other things, the proposed adoption of the H share appreciation rights incentive plan; (ii) the announcement of the Company dated 27 May 2021 in relation to the adjournment of special resolutions to be considered at the annual general meeting; (iii) the announcement of the Company dated 23 July 2021 in relation to the approval of the proposed H share appreciation rights incentive plan from the SASAC; and (iv) the circular of the Company dated 13 September 2021, the notice of the extraordinary general meeting dated 13 September 2021 in relation to the proposed adoption of the H share appreciation rights incentive plan (collectively, the “**Announcements and the Circulars**”). Reference is also made to the extraordinary general meeting of the Company held on 29 October 2021 at which the H share appreciation rights incentive plan and the H share appreciation rights incentive plan implementation, assessment and management measures were approved and 63,500,000 share appreciation rights were granted to 150 Grantees at a grant price of HK\$1.58 per share.

Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements and the Circular.

ADJUSTMENT TO THE LIST OF THE PARTICIPANTS AND NUMBER OF EFFECTIVE EQUITY INTERESTS UNDER THE INCENTIVE PLAN

Pursuant to the authorization granted by the general meeting, the Board hereby announces that 32 Grantees have ceased to be eligible Grantees under the Plan due to job reassignments, resignations, etc. The number of Grantees under the incentive plan has been adjusted from 150 to 118, and the number of effective equity interests has been adjusted from 63,500,000 to 43,985,000. After this adjustment, the list of the Participants and the number of effective equity interests are summarized as follows:

Name/Category of Grantee	Number of Participant(s) involved	Number of Share Appreciation Rights to be granted (in 10,000 shares)	Approximate proportion of Share Appreciation Rights to be granted to such Grantee(s) to the total number of Share Appreciation Rights to be granted pursuant to the plan	Approximate proportion of underlying shares under the Share Appreciation Rights to be granted to such Grantee(s) to the total issued share capital of the Company
Mr. Yu Wenjiang	1	150	3.41%	0.07%
Mr. Dong Guoqing	1	120	2.73%	0.05%
Mr. 沙根别克·艾力木汗	1	120	2.73%	0.05%
Mr. Li Jiangping	1	120	2.73%	0.05%
Mr. He Hongfeng	1	128	2.91%	0.06%
Mr. Liu Dongfeng	1	90	2.05%	0.04%
Mr. Han Yubao	1	90	2.05%	0.04%
Mr. 木哈買提漢·木達汗	1	84	1.91%	0.04%
Mr. Wang Chunhai	1	84	1.91%	0.04%
Mr. Zhang Yufei	1	84	1.91%	0.04%
Mr. Liu Qingli	1	101.25	2.30%	0.05%
Mr. Zhao Jingbo	1	90	2.05%	0.04%
Mr. Chen Yin	1	101.25	2.30%	0.05%
Mr. Xiao Yuwu	1	90	2.05%	0.04%
Core Personnel (not more than 104 persons)		2,946	66.98%	1.33%
Total		4,398.5	100.00%	1.99%

ADJUSTMENT TO THE EXERCISE PRICE UNDER THE INCENTIVE PLAN

According to the relevant provisions of the 2021 H Share Appreciation Rights Incentive Plan (Draft) of the Company, in the event of capitalization issue, bonus issue, share subdivision, share consolidation, dividend distribution, rights issue or additional issue of new shares by the Company prior to any exercise, the exercise price of the share appreciation rights shall be adjusted.

At the 2022 annual general meeting of the Company held on 31 May 2023, the Company considered and approved the 2022 accumulated profit distribution plan. Based on the total share capital of 2,210,000,000 shares as of 31 December 2022, a dividend (2022 final dividend) of RMB0.15 per share will be paid to all Shareholders of the Company (based on the average exchange rate of approximately HK\$0.17, inclusive of tax, between RMB and HK\$ as announced by the People's Bank of China for the five business days preceding the date of approval of the annual profit distribution plan at the general meeting of the Company).

At the 2023 annual general meeting of the Company held on 31 May 2024, the Company considered and approved the 2023 accumulated profit distribution plan. Based on the total share capital of 2,210,000,000 shares as of 31 December 2023, a dividend (2023 final dividend) of RMB0.05 per share will be paid to all Shareholders of the Company (based on the average exchange rate of approximately HK\$0.05, inclusive of tax, between RMB and HK\$ as announced by the People's Bank of China for the five business days preceding the date of approval of the annual profit distribution plan at the general meeting of the Company).

Based on the above, as authorized by the annual general meeting, the Board of the Company announced an adjustment to the exercise price under the incentive plan. The adjusted exercise price = the exercise price prior to the adjustment – the amount of dividend per share, i.e. the adjusted exercise price is HK\$1.58 per share – HK\$0.17 per share – HK\$0.05 per share = HK\$1.36 per share.

IMPACT OF THIS ADJUSTMENT ON THE COMPANY

The adjustment to the list of the Participants, the number of effective equity interests and the exercise price of the 2021 H Share Appreciation Rights Incentive Plan will not have any material impact on the Company's financial position and results of operations.

OPINIONS OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS AND THE SUPERVISORY COMMITTEE

After review, the independent non-executive Directors and the Supervisory Committee are of the view that the adjustment to the list of the Participants, the number of effective equity interests and the exercise price under the 2021 H Share Appreciation Rights Incentive Plan are in compliance with the relevant laws, regulations, regulatory documents and the relevant adjustments under the 2021 H Share Appreciation Rights Incentive Plan (Draft) of the Company. The adjustment is within the scope of the authorization granted to the Board of the Company by the 2021 extraordinary general meeting of the Company, and the procedures for the adjustment are legal and compliant, and there is no prejudice to the interests of the Company and all shareholders, especially the minority shareholders.

CONCLUSION OF THE LEGAL OPINION

Beijing Grandway Law Offices issued a legal opinion on the Company's adjustment of the list of the Participants, the number of effective equity interests, and the exercise price under the 2021 H Share Appreciation Rights Incentive Plan. Beijing Grandway Law Offices is of the view that the necessary approvals and authorizations have been obtained at this stage in respect of the adjustment; the adjustment is in compliance with the Trial Measures on the Implementation of Equity Incentives by State-controlled Listed Companies (Overseas)* (《國有控股上市公司(境外)實施股權激勵試行辦法》), the Guidelines for the Implementation of Equity Incentives for Listed Companies Controlled by Enterprises under the Supervision of the State-owned Assets Supervision and Administration Commission of Autonomous Regions (Xin Guo Zi Kao He [2021] No. 129) (《自治區國資委監管企業控股上市公司實施股權激勵工作指引》(新國資考核[2021] 129號)), as well as the 2021 H Share Appreciation Rights Incentive Plan (Draft) of the Company.

APPOINTMENT OF MEMBERS OF THE ESG COMMITTEE AND THE REMUNERATION COMMITTEE

References are made to the announcements of the Company dated 11 January 2024 and 27 March 2024 in relation to, among other things, (i) the resignation of Mr. Guo Quan (“**Mr. Guo**”) as a member of the Strategy and Sustainable Development (ESG) Committee of the Board (the “**ESG Committee**”); (ii) the resignation of Mr. Wang Qingming (“**Mr. Wang**”) as a member of each of the ESG Committee and the Remuneration and Review Committee of the Board (the “**Remuneration Committee**”).

Following the resignation of Mr. Guo and Mr. Wang as members of the ESG Committee, the Board considered and approved the appointment of Mr. Chen Yin and Mr. Huang Yong as members of the ESG Committee for a term commencing from 31 May 2024 to 13 October 2026 (i.e. the expiration of the seventh session of the ESG Committee).

Following the resignation of Mr. Wang as a member of the Remuneration Committee, the Board considered and approved the appointment of Mr. Huang Yong as a member of the Remuneration Committee for a term commencing from 31 May 2024 to 13 October 2026 (i.e. the expiration of the seventh session of the Remuneration Committee).

By order of the Board
Xinjiang Xinxin Mining Industry Co., Ltd.*
Lam Siu Wing, Wu Ning
Joint Company Secretaries

Xinjiang, the PRC, 31 May 2024

As at the date of this announcement, the executive directors are Mr. Qi Xinhui and Mr. Chen Yin; the non-executive directors are Mr. Zhou Chuanyou, Mr. Wang Lijian, Ms. Chen Yang and Mr. Hu Chengye; and the independent non-executive directors are Mr. Hu Benyuan, Mr. Huang Yong and Mr. Lee Tao Wai.

* *For identification purposes only*