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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 UNDER THE 2021 H SHARE APPRECIATION RIGHTS INCENTIVE PLAN AND FULFILLMENT OF THE EXERCISE CONDITIONS FOR THE SECOND TRANSCRIPTION PERIOD UNDER THE 2021 H SHARE APPRECIATION RIGHTS INCENTIVE PLAN

ADJUSTMENT TO THE LIST OF THE PARTICIPANTS AND NUMBER OF EQUITY INTERESTS UNDER THE 2021 H SHARE APPRECIATION RIGHTS INCENTIVE PLAN

References are made to (i) the announcement dated 26 March 2021, the circular dated 26 April 2021, the notice of the annual general meeting dated 26 April 2021 of Xinjiang Xinxin Mining Industry Co., Ltd.* (the “**Company**”) in relation to, among other things, the proposed adoption of 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 SASAC of the Proposed H Share Appreciation Rights Incentive Plan; (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; (v) the announcement of the Company dated 31 May 2024, in relation to the 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 (vi) the announcement of the Company dated 2 August

2025, in relation to, among other things, the further adjustment to the list of the participants, number of effective equity interests and exercise price under the 2021 H Share Appreciation Rights Incentive Plan (collectively, these “**Announcements and 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 implementation, assessment and management measures to the H Share Appreciation Rights Incentive Plan were approved and 63,500,000 share appreciation rights were granted to 150 grantees at a grant price of HK\$1.58 per share.

Reference is also made to the 2023 annual general meeting of the Company held on 31 May 2024, at which the board of directors of the Company (the “**Board**”) was authorised to make adjustment to the list of the participants, number of effective equity interests and exercise price under the 2021 H Share Appreciation Rights Incentive Plan. The Board announced on 31 May 2024 that the number of grantees was adjusted from 150 to 118 and the number of effective shares granted with H-share appreciation rights was adjusted from 63,500,000 shares to 43,955,000 shares due to the grantees’ job reassignments, resignations and retirement as well as the Company’s final dividend cash distributions for the years of 2022 and 2023. The exercise price was adjusted from HK\$1.58 per share to HK\$1.36 per share.

Reference is also made to the announcement of the Company dated 2 August 2025, pursuant to the authorisation granted by the general meeting, the Board further adjusted the list of the participants, number of effective equity interests and exercise price under the 2021 H Share Appreciation Rights Incentive Plan. The number of grantees was adjusted from 118 to 96 and the number of effective shares granted with H-share appreciation rights was adjusted from 43,955,000 shares to 34,685,000 shares due to the grantees’ job reassignments, resignations and retirement as well as the Company’s final dividend cash distributions for the year of 2024. The exercise price was adjusted from HK\$1.36 per share to HK\$1.31 per share.

Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in these Announcements and Circulars.

(i) Adjustment to the list of the participants and number of equity interests under the Incentive Plan

Pursuant to the authorisation granted by the general meeting, the Board hereby announces that 3 grantees have ceased to be eligible grantees under the plan due to job resignations, retirement and etc. during the period from 1 July 2025 to the date of this announcement. The number of grantees under the incentive plan has been adjusted from 96 to 93, and the number of effective equity interests has been adjusted from 34,685,000 shares to 33,965,000 shares. After this adjustment, as of the date of this announcement, the list of the participants and the number of equity interests are summarised 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. 沙根别克·艾力木汗	1	120	3.53%	0.05%
Mr. Li Jiangping	1	120	3.53%	0.05%
Mr. He Hongfeng	1	128	3.77%	0.06%
Mr. Liu Dongfeng	1	90	2.65%	0.04%
Mr. Han Yubao	1	90	2.65%	0.04%
Mr. 木哈買提漢·木達汗	1	84	2.47%	0.04%
Mr. Zhang Yufei	1	84	2.47%	0.04%
Mr. Liu Qingli	1	101.25	2.98%	0.05%
Mr. Zhao Jingbo	1	90	2.65%	0.04%
Mr. Chen Yin	1	101.25	2.98%	0.05%
Mr. Xiao Yuwu	1	90	2.65%	0.04%
Core Personnel (not more than 82 persons)		2,298	67.66%	1.04%
Total		3,396.50	100.00%	1.54%

(ii) Impact of this adjustment on the Company

The adjustment to the list of the participants and number of equity interests under the 2021 H Share Appreciation Rights Incentive Plan will not have any material impact on the Company's financial position and results of operations

(iii) Opinions of the independent non-executive Directors and the Remuneration and Review Committee

After review, the independent non-executive Directors and the Remuneration and Review Committee of the Board of the Company are of the view that the adjustment to the list of the participants and number of equity interests under the 2021 H Share Appreciation Rights Incentive Plan are in compliance with the relevant laws, regulations, regulatory documents and the relevant rules of adjustments under the 2021 H Share Appreciation Rights Incentive Plan (Draft) of the Company. The adjustment is within the scope of the authorisation granted to the Board 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.

(iv) Conclusion of the legal opinion

Beijing Yingke (Urumqi) Law Firm issued a legal opinion on the Company's adjustment to the list of the participants and number of equity interests under the 2021 H Share Appreciation Rights Incentive Plan. Beijing Yingke (Urumqi) Law Firm is of the view that the necessary approvals and authorisations have been obtained at this stage in respect of the adjustment; the adjustment is in compliance with 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)), the Articles of Association, as well as the 2021 H Share Appreciation Rights Incentive Plan (Draft) of the Company.

FULFILLMENT OF THE EXERCISE CONDITIONS FOR THE SECOND TRANSCRIPTION PERIOD UNDER THE 2021 H SHARE APPRECIATION RIGHTS INCENTIVE PLAN

References are made to the circular and the notice of the extraordinary general meeting of the Company dated 13 September 2021 in relation to the proposed adoption of the H Share Appreciation Rights Incentive Plan. The restricted exercise periods and exercise arrangements of the H Share Appreciation Rights Incentive Plan of the Company are as follows:

All Grantees under the Plan shall not exercise their Share Appreciation Rights within two years from the Grant Date. The proportion of the Share Appreciation Rights which shall become exercisable is subject to conditions and in principle shall be:

- (1) not exceeding 33% of the Share Appreciation Rights granted to each Grantee will vest from the first trading day after 24 months from the date of completion of the Grant up to the last trading day within 36 months from the date of completion of the Grant (the “**First Transcription Period**”);
- (2) not exceeding 33% of the Share Appreciation Rights granted to each Grantee will vest from the first trading day after 36 months up to the last trading day within 48 months from the date of completion of the Grant (the “**Second Transcription Period**”); and
- (3) not exceeding 34% of the Share Appreciation Rights granted to each Grantee will vest from the first trading day after 48 months from the completion of the Grant up to the last trading day within 60 months from the date of completion of the Grant (the “**Third Transcription Period**”).

Only vested Share Appreciation Rights can be exercised, while unvested portions shall not be exercised.

During the exercising process, the exercise date shall be deferred in the event the Grantee wishes to exercise the Share Appreciation Rights on the following dates:

- (1) the date of the Board meeting for the approval of the annual, interim or quarterly results of the Company; and
- (2) the deadline by which the Company publishes its annual, interim or quarterly results pursuant to the Listing Rules.

Such limitation ends on the date of the publication of the results announcement of the Company. The restricted exercise period will include the period of delay in the publication of the results of the Company.

The exercise period of the Plan is valid for five years from the Grant Date, and unexercised right will then automatically lapse and cannot be exercised retrospectively.

Conditions for the exercise of Share Appreciation Rights under the H Share Appreciation Rights Incentive Plan of the Company are as follows:

Subject to the restricted exercise periods and exercise arrangements stated above, the Share Appreciation Rights can be exercised upon satisfaction of the following conditions by the Company and the Grantees:

None of the following events occur to the Company:

- (1) issuance of an adverse opinion or a disclaimer of opinion by a certified public accountant on financial and accounting reports for the most recent accounting year;
- (2) administrative punishment by regulatory authorities due to major non-compliance of laws and regulations during the most recent year; and
- (3) such other circumstances in which the Plan shall not be implemented, as determined by the Stock Exchange.

None of the following events occur to a Grantee:

- (1) being publicly denounced, or declared as an unqualified candidate by the Stock Exchange during the most recent three years;
- (2) administrative punishment by regulatory authorities due to major non-compliance of laws and regulations during the most recent three years; and
- (3) the result of the performance appraisal for the previous financial year before exercising being below “basically competent”.

The following performance target level conditions are met:

First Transcription Period

The rate of cash return on net assets for the financial year ending 31 December 2021 shall not be lower than 11%, and shall not be lower than the average industry level or the 75th percentile level of that of the benchmarking enterprise; compared against the performance of the financial year ended 31 December 2020, the growth rate of net profit for the financial year ending 31 December 2021 shall not be lower than 16%, and shall not be lower than the average industry level or the 75th percentile level of that of the benchmarking enterprise or, the operating profit margin for the financial year ending 31 December 2021 shall not be lower than 8%.

Second Transcription Period

The rate of cash return on net assets for the financial year ending 31 December 2022 shall not be lower than 12%, and shall not be lower than the average industry level or the 75th percentile level of that of the benchmarking enterprise; compared against the performance of the financial year ended 31 December 2020, the growth rate of net profit for the financial year ending 31 December 2022 shall not be lower than 30%, and shall not be lower than the average industry level or the 75th percentile level of that of the benchmarking enterprise; the operating profit margin for the financial year ending 31 December 2022 shall not be lower than 9%.

Third Transcription Period

The rate of cash return on net assets for the financial year ending 31 December 2023 shall not be lower than 13%, and shall not be lower than the average industry level or the 75th percentile level of that of the benchmarking enterprise; compared against the performance of the financial year ended 31 December 2020, the growth rate of net profit for the financial year ending 31 December 2023 shall not be lower than 45%, and shall not be lower than the average industry level or the 75th percentile level of that of the benchmarking enterprise; the operating profit margin for the financial year ending 31 December 2023 shall not be lower than 10%.

Note 1: The rate of cash return on net assets refers to the annual EBITDA value/weighted average return on net assets. EBITDA refers to the total profit plus financial expenses plus current depreciation and amortisation. The average industry level in relation to the rate of return on net assets refers to the arithmetic average of the corresponding annual performance indicators of the “Manufacturing of Non-ferrous Metal Smelting and Rolling Processing Industry” pursuant to the China Securities Regulatory Commission’s industry classification. The average industry level in relation to the growth rate of net profit refers to the average net profit of the “Manufacturing of Non-ferrous Metal Smelting and Rolling Processing Industry” for the assessment year/the sum of the average net profit of the industry for the financial years ended 31 December 2019 and 2020/2) -1.

Note 2: If major changes occur in the principal business of listed companies in the same industry during the annual assessment process, the relevant samples shall be deleted or replaced by the Board in accordance with the authorisation of the general meeting of the Shareholders. If a listed company in the same industry is involved in a major acquisition, the effect of such matters on the net profit of the listed company in the same industry shall be excluded.

If the above performance conditions are met, the Share Appreciation Rights exercisable during the relevant transcription period can be exercised in accordance with the following principles:

- (1) 100% of the Share Appreciation Rights for the relevant period shall be exercisable if the performance appraisal of such Grantee for the corresponding performance assessment year of the Company is outstanding or competent;
- (2) 60% of the Share Appreciation Rights for the relevant period shall be exercisable, if the performance appraisal of such Grantee for the corresponding performance assessment year of the Company is basically competent; and
- (3) all Share Appreciation Rights for the relevant period shall be cancelled if the performance appraisal of such Grantee for the corresponding performance assessment year of the Company is below basically competent.

(i) The Incentive Plan has entered Second Transcription Period

The Grant Date of the 2021 H Share Appreciation Rights Incentive Plan of the Company was 29 October 2021. The Second Transcription Period shall commence from 29 October 2024 to 28 October 2025. After reviewed and confirmed by the Board, the 2021 H Share Appreciation Rights Incentive Plan of the Company has entered the Second Transcription Period.

(ii) Fulfillment of the exercise conditions for the Second Transcription Period under the Incentive Plan

The performance assessment period corresponding to the Second Transcription Period was 2022. According to the Company's audited financial statements for 2022, the corporate-level performance assessment of the Company met the exercise conditions for the Second Transcription Period, specifically: (1) the rate of cash return on net assets of the Company for the year 2022 was 22.77%, exceeding both the performance target of 12% and the 75th percentile level of that of the benchmarking enterprise of 16.63%; (2) the growth rate of total profit of the Company for the year 2022 compared to the performance base was 710.63%, surpassing both the performance target of 30% and the 75th percentile level of that of the benchmarking enterprise of 259.69%; and (3) the operating profit margin of the Company for the year 2022 was 29.48%, exceeding the performance target of 9%.

After reviewed and confirmed by the Board, the Company has determined that: (1) no events have occurred during the Second Transcription Period that would prevent the exercise of the 2021 H Share Appreciation Rights Incentive Plan; (2) except for 1 Grantee whose performance assessment results were incompetent, none of the other Grantees has experienced any circumstances that would disqualify them from exercising under the 2021 H Share Appreciation Rights Incentive Plan; (3) the Company's performance during the Second Transcription Period has met the performance requirements specified in the 2021 H Share Appreciation Rights Incentive Plan; and (4) 100% of the Share Appreciation Rights for the relevant period shall be exercisable as the performance assessment results of 88 Grantees for the 2022 financial year are outstanding or competent; 60% of the Share Appreciation Rights for the relevant period shall be exercisable as the performance assessment results of 4 Grantees for the 2022 financial year are basically competent; and all Share Appreciation Rights for the relevant period shall be cancelled as the performance assessment results of 1 Grantee for the 2022 financial year are incompetent.

In summary, the Board has reviewed and confirmed that the exercise conditions for the Second Transcription Period under the 2021 H Share Appreciation Rights Incentive Plan of the Company have been fulfilled. Pursuant to the authorisation granted by the general meeting, the Board will proceed with the relevant exercise matters in accordance with the provisions of the 2021 H Share Appreciation Rights Incentive Plan.

(iii) Particulars of this exercise

- (1) Date of grant: 29 October 2021
- (2) Number of exercisable options: 11,002,530 shares
- (3) Number of participants eligible for exercise: 92 persons
- (4) Exercise price: HK\$1.31/share
- (5) Method of exercise: Bulk exercise
- (6) Exercise arrangement: The Second Transcription Period under the Incentive Plan shall commence from 29 October 2024 to 28 October 2025. In accordance with the period of exercise window stipulated in the policy, the Company will set 5 September 2025 as the exercise date and will handle all exercise matters on behalf of the participants.

(7) List of participants and exercise of options:

Name/Category of Grantee	Company and position	Number of exercise (in 10,000 shares)	Approximate proportion of the number of options exercised to the total number of Share Appreciation Rights to be granted	Approximate proportion of the number of options exercised to the total issued share capital of the Company
Mr. 沙根别克·艾力木汗	Member of the Party Committee, Chairman of the Labour Union and Deputy General Manager of Xinxin Mining	39.6	1.17%	0.02%
Mr. Li Jiangping	Deputy Secretary to the Party Committee and General Manager of Xinxin Mining	39.6	1.17%	0.02%
Mr. He Hongfeng	Chief Financial Officer of Xinxin Mining	42.24	1.24%	0.02%
Mr. Liu Dongfeng	Deputy General Manager and Chairman of the Labour Union of Yakesi Company	29.7	0.87%	0.01%
Mr. Han Yubao	Deputy Secretary to the Party Committee and Secretary to the Discipline Inspection Commission of Kalatongke Company	29.7	0.87%	0.01%
Mr. 木哈買提漢·木達汗		27.72	0.82%	0.01%
Mr. Zhang Yufei	Deputy Director of Fukang Refinery	27.72	0.82%	0.01%

Name/Category of Grantee	Company and position	Number of exercise <i>(in 10,000 shares)</i>	Approximate proportion of the number of options exercised to the total number of Share Appreciation Rights to be granted	Approximate proportion of the number of options exercised to the total issued share capital of the Company
Mr. Liu Qingli	Secretary to the Party Committee and Director of Fukang Refinery	33.4125	0.98%	0.02%
Mr. Zhao Jingbo	Secretary to the Party Committee and Chairman of Yakesi Company, Director of Zhongxin Mining and Hami Jubao	29.7	0.87%	0.01%
Mr. Chen Yin	Secretary to the Party Committee and Chairman of Xinxin Mining	33.4125	0.98%	0.02%
Mr. Xiao Yuwu	Chairman of the Labour Union of Kalatongke Company	29.7	0.87%	0.01%
Core Personnel (not more than 81 persons)		737.7480	21.72%	0.33%
Total		1,100.253	32.39%	0.50%

(iv) Opinions of the independent non-executive Directors and the Remuneration and Review Committee

After review, the independent non-executive Directors and the Remuneration and Review Committee of the Board of the Company are of the view that the Company meets the Guidelines for the Implementation of Equity Incentives of Listed Companies Controlled by Central Enterprises and other laws, regulations and normative documents, as well as the conditions for exercising the options as stipulated in the relevant equity incentive plan under the 2021 H Share Appreciation Rights Incentive Plan (Draft). The Company is qualified to implement the 2021 H Share Appreciation Rights Incentive Plan, and the exercise conditions for the Second Transcription Period under the 2021 H Share Appreciation Rights Incentive Plan have been fulfilled.

After review, there is no circumstances in which 92 Grantees of the stock appreciation rights cannot be granted as stipulated in the Guidelines for the Implementation of Equity Incentives of Listed Companies Controlled by Central Enterprises and other laws, regulations and normative documents, as well as the 2021 H Share Appreciation Rights Incentive Plan (Draft), and the exercise conditions under the 2021 H Share Appreciation Rights Incentive Plan have been fulfilled.

The exercise is within the scope of the authorisation granted to the Board by the 2021 extraordinary general meeting of the Company, and the procedures for the exercise are legal and compliant, and there is no prejudice to the interests of the Company and all shareholders, especially the minority shareholders.

(v) Conclusion of the legal opinion

Beijing Yingke (Urumqi) Law Firm issued a legal opinion on the Company's fulfillment of exercise conditions for the Second Transcription Period under the 2021 H Share Appreciation Rights Incentive Plan. Beijing Yingke (Urumqi) Law Firm is of the view that the necessary approvals and authorisations have been obtained at this stage in respect of the exercise; the exercise is in compliance with 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)), the Articles of Association, as well as the 2021 H Share Appreciation Rights Incentive Plan (Draft) of the Company.

(vi) Implications of the Listing Rules

The 2021 H Share Appreciation Rights Incentive Plan does not involve the grant of options requiring the issuance of new shares or other new securities by the Company or any of its subsidiaries, and therefore does not fall within the scope of Chapter 17 of the Listing Rules and is not subject to its restrictions.

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

Xinjiang, the PRC, 5 September 2025

As at the date of this announcement, the executive Director 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 Mr. Hu Benyuan, Mr. Huang Yong and Mr. Lee Tao Wai; and the employee representative Director is Ms. Zhang Li.

* *For identification purposes only*