
THE CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any parts of the contents of this circular.

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.



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 ADOPTION OF
H SHARE APPRECIATION RIGHTS INCENTIVE PLAN
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the EGM to be held at 11: 00 a.m. on Friday, 29 October 2021 at Conference Room, Level 6, 501 Ronghe South Road, Cooperation District, Economic and Technological Development Zone, Urumqi, Xinjiang, the People's Republic of China is set out in this circular.

Every Shareholder 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. The return of a form of proxy will not preclude a Shareholder 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.

13 September 2021

* For identification purposes only

CONTENTS

	<i>Page</i>
Definitions	ii
Letter from the Board	1
Appendix I — Proposed Adoption of H Share Share Appreciation Rights Incentive Plan	6
Notice of the EGM	16

DEFINITIONS

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

“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
“Director(s)”	one or all of the director(s) of the Company
“Domestic Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB0.25 each, which are subscribed for and/or credited as paid up in Renminbi
“EGM”	the extraordinary general meeting of the Company to be held at 11:00 a.m. on Friday, 29 October 2021 at Conference Room, Level 6, 501 Ronghe South Road, Cooperation District, Economic and Technological Development Zone, Urumqi, Xinjiang, the People’s Republic of China
“EGM Notice”	the notice of the EGM
“Grant”	grant of Share Appreciation Rights to the Participants pursuant to the Plan
“Grantees”	person(s) who is (are) proposed to be granted the Share Appreciation Rights pursuant to the Plan
“Grant Date”	the date of grant of Share Appreciation Rights to the Participants pursuant to the Plan
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign share(s) in the ordinary share capital of the Company with a nominal value of RMB0.25 each subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Participant(s)”	person(s) who is/(are) eligible to receive the Share Appreciation Rights pursuant to the Plan
“Plan”	the H share appreciation rights incentive plan of the Company
“PRC”	the People’s Republic of China, but for the purposes of this circular only, excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi yuan, the lawful currency of PRC
“SASAC”	State-owned Assets Supervision and Administration Commission of Xinjiang Uyghur Autonomous Region
“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 as from time to time
“Share Appreciation Right(s)”	the H share appreciation right(s) under the Plan, entitling a Grantee to obtain a virtual right to enjoy the gains from the appreciation of the H shares without actually trading the shares of the Company, for each Share Appreciation Right, a Grantee has the right to receive cash payments for the difference between the closing price at the exercise date over the exercise price per H share of the Company, subject to the satisfaction of the exercise conditions and the exercise arrangement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

* *For identification purposes only*

LETTER FROM THE BOARD



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 Directors:

Mr. Qi Xinhui

Mr. Yu Wenjiang

Non-executive Directors:

Mr. Zhang Guohua

Mr. Zhou Chuanyou

Mr. Guo Quan

Mr. Hu Chengye

Independent Non-executive Directors:

Mr. Hu Benyuan

Mr. Wang Qingming

Mr. Lee Tao Wai

*Statutory address and principal
place of business in the PRC:*

3/F, Tower 1, Youse Kejiyuan

Complex Buildings

52 East 2nd Lane, Binhe Middle Road,

Saybagh District,

Urumqi, Xinjiang

Registered office in Hong Kong:

9/F The Center

99 Queen's Road Central

Central, Hong Kong

13 September 2021

To the Shareholders

Dear Sir or Madam,

**PROPOSED ADOPTION OF
H SHARE APPRECIATION RIGHTS INCENTIVE PLAN AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with the notice of the EGM and the information on certain proposed resolutions to be considered at the EGM to enable you to make an informed decision on whether to vote for or against those resolutions at the EGM.

LETTER FROM THE BOARD

1. PROPOSED ADOPTION OF THE H SHARE APPRECIATION RIGHTS INCENTIVE PLAN

References are made to the announcement of 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 Plan, and 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, and the announcement of the Company dated 23 July 2021 in relation to the approval of the proposed Plan from the SASAC.

The Company is pleased to announce that the Company had on 23 July 2021 received the approval on the Plan from the SASAC, pursuant to which the implementation of the Plan was approved in principle by the SASAC. A summary of the Plan is set out in Appendix I to this circular.

The Plan shall be subject to the approval of the EGM as well as the satisfaction of the grant conditions. The Plan does not involve the granting of any options in relation to new shares or other new securities in relation to the Company or any of its subsidiaries, and therefore is not required to comply with the requirements of Chapter 17 of the Listings Rules.

The Plan is drafted in Chinese and therefore, the English version is unofficial translation and is for reference only. In case of any discrepancy between the Chinese and the English versions, the Chinese version shall prevail.

Reasons for the adoption of the Plan

In order to establish and improve a sound incentive and constraint mechanism, and effectively stimulate the management and core team, the Company formulated the Plan in accordance with the “Working Guidelines for the Implementation of Equity Incentive by Listed Companies Controlled by Central Enterprises” (《中央企業控股上市公司實施股權激勵工作指引》) (Guo Zi Kao Fen [2020] No. 178) of the SASAC, Listing Rules and other relevant laws and regulations.

The Company expects to:

- (1) form a mechanism for benefit and risk sharing among Shareholders, the Company and employees;
- (2) fully mobilise the enthusiasm of senior management and core personnels of the Company; and
- (3) attract and retain excellent management and business personnel to ensure the long-term development of the Company.

LETTER FROM THE BOARD

The Board believes that the proposed terms and conditions of the Plan are fair and reasonable and are in the interests of the Company and Shareholders as a whole.

General information

No Grantees will practically own the shares or have any rights relating to share ownership such as voting right, allotment and dividend rights. Grantees shall not, without approval, dispose of Share Appreciation Rights, including but not limited to transfer, sale, exchange, mortgage, guarantee, and repayment of debts etc. Grantees shall refrain from any act that may damage the interests of the Company, including gross misconduct, major decision-making errors leading to material losses of the Company, and violations of the aforesaid restrictions on the disposal of Share Appreciation Rights; the Grantees will not be entitled to Share Appreciation Rights and gains thereon in whole or in part upon the occurrence of such acts, and the gains on Share Appreciation Rights obtained during this period shall be recoverable by the Company.

Pursuant to the Plan, each Share Appreciation Right is related to a H share, and Share Appreciation Rights will be settled in cash, and thus there will be no influence on the total number of issued shares or dilution effect on shares. Since the Plan does not involve the grant of options in relation to new shares or other new securities of the Company or any of its subsidiaries, it is not subject to requirements of Chapter 17 of the Listing Rules.

For the purpose of carrying out specific matters relating to the Plan, the Board recommends the Shareholders to:

1. authorise the Board to grant the Share Appreciation Rights to the Participants when conditions are met in accordance with the Plan and the relevant laws and regulations;
2. authorise the Board to adjust the number of the Share Appreciation Rights and exercise price in accordance with the methods stipulated in the Plan in the event of conversion of equity structure of the Company as described in the Plan;
3. authorise the Board to amend the Plan and decide any matters relating to the Plan during the effective term;
4. authorise the Board to handle formalities with relevant authorities in relation to the Plan, such as review, registration, filings, approval and consent;
5. authorise the Board to sign, execute, amend and complete documents submitted to relevant authorities, organisations and individuals; and

LETTER FROM THE BOARD

6. authorise the Board to carry out all other actions and do all other things necessary, appropriate or expedient in relation to the Plan.

2. EGM

The EGM Notice is set out on pages 16 to 18 of this circular. Every Shareholder 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 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. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the EGM 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.

4. RECOMMENDATION

The Board considers that all resolutions proposed for consideration and approval by the Shareholders at the EGM are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all the proposed resolutions at the EGM as set out in the EGM Notice.

LETTER FROM THE BOARD

5. 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.

Yours faithfully,

By Order of the Board

Xinjiang Xinxin Mining Industry Co., Ltd.*

Li Zhenzhen, Lam Cheuk Fai

Joint Company Secretaries

* *For identification purposes only*

A summary of the Plan is set out as follows:

PROPOSED ADOPTION OF THE PLAN

Incentive instrument:	The Plan uses Share Appreciation Rights as an incentive instrument. Subject to the satisfaction of the exercise conditions and the exercise arrangement, for each Share Appreciation Right, the Grantees have the right to receive cash payments for the difference between the closing price at the exercise date of the Share Appreciation Rights over the exercise price per H Share of the Company. No Grantees will practically own the shares or have rights relating to share ownership such as voting right, allotment and dividend rights. The Share Appreciation Rights shall not be transferred or used for securing or repaying debts, etc.
Conditions for the entry into force of the Plan:	The entry into force of the Plan is subject to the fulfillment of the following conditions: (1) review and approval by the SASAC; and (2) review and approval by the general meeting of the Shareholders.
Effective term:	Unless early termination according to the provisions of the Plan, the Plan is valid for a term of ten (10) years commencing from the date of approval in the general meeting of the Shareholders.
Participants:	Participants include the senior management of the Company and other core personnel identified by the Company, excluding (1) those who have not worked in the Company or its subsidiaries or are not part of the Company or its subsidiaries; (2) independent non-executive Directors and supervisors of the Company; (3) any shareholder or de facto controller who individually or jointly holds more than 5% shares of the Company and his/her spouse, parents and children; and (4) those prohibited from being Participants as stipulated by the SASAC.
Number of Share Appreciation Rights to be granted:	The total number of underlying shares in relation to the Share Appreciation Rights to be granted during the term of the Plan shall not exceed 66,000,000 shares, representing approximately 2.99% of the total issued share capital of the Company as at the date of this circular.

The Grant Date:

The Grant Date of the Plan shall be determined by the Board in accordance with the provisions of the Plan after review and approval of the Plan by the SASAC and the general meeting of the Shareholders and subject to the satisfaction of the conditions of the Grant pursuant to the Plan. The Grant Date shall be a trading day. The Share Appreciation Rights shall not be granted particularly within one month before 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 announcement pursuant to the Listing Rules.

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

Conditions for the grant
of Share Appreciation Rights:

The Company may grant the Share Appreciation Rights to the Participants upon satisfaction of the following conditions by the Company and the Participants:

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 Participant:

- (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 the Grant being below “basically competent”.

Exercise price:

The exercise price of Share Appreciation Rights granted under the Plan is the highest of the following three prices:

- (1) the closing price of the H Shares of the Company as stated in the daily quotation sheet of the Stock Exchange on the Grant Date;
- (2) the average closing price of H Shares of the Company as stated in the daily quotation sheet of the Stock Exchange for five consecutive trading days immediately prior to the Grant Date; and
- (3) the nominal value of the H Shares of the Company.

Restricted exercise periods
and exercise arrangements:

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:

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 previous financial year 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 previous financial year 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 previous financial year is below basically competent.

PROPOSED GRANTEEES

- (1) Mr. Qi Xinhui, being an executive Director, general manager of the Company and the Company's deputy secretary of the Party Committee;
- (2) Mr. Yu Wenjiang, being an executive Director, the deputy general manager of the Company and the Company's secretary of the Party Committee;
- (3) Mr. Meng Guangzhi, being the Company's deputy secretary of the Party Committee and the secretary of the Commission for Discipline Inspection;
- (4) Mr. Dong Guoqing, being a member of the Party Committee and the deputy general manager of the Company;
- (5) 沙根别克·艾力木汗, being a member of the Party Committee and the chairman of the labour union;
- (6) Mr. Zhu Lingxiao, being a member of the Party Committee and the deputy general manager of the Company;
- (7) Mr. Li Jiangping, being a member of the Party Committee;
- (8) Mr. He Hongfeng, being the chief financial officer of the Company;

- (9) Mr. Li Zhenzhen, being joint company secretary of the Company;
- (10) Mr. Guo Zhenhai, being a secretary of the Party Committee and a general manager of Xinjiang Yakesi Resources Co., Ltd., a subsidiary of the Company;
- (11) Mr. Jiang Xiao, being a deputy secretary of the Party Committee and the secretary of the Commission for Discipline Inspection of Xinjiang Yakesi Resources Co., Ltd., a subsidiary of the Company;
- (12) Mr. Wang Xiao, being a deputy general manager of Xinjiang Yakesi Resources Co., Ltd., a subsidiary of the Company;
- (13) Mr. Liu Dongfeng, being a deputy general manager and the chairman of the labour union of Xinjiang Yakesi Resources Co., Ltd., a subsidiary of the Company;
- (14) Mr. Pan Yuzhong, being a deputy general manager of Xinjiang Yakesi Resources Co., Ltd., a subsidiary of the Company;
- (15) Mr. Han Yubao, being a deputy general manager of Xinjiang Yakesi Resources Co., Ltd., a subsidiary of the Company;
- (16) Mr. Yang Wei, being a deputy secretary of the Party Committee and a general manager of Hami Hexin Mining Company Limited, a joint venture of the Company;
- (17) Mr. Li Mingyu, being a deputy general manager of Hami Hexin Mining Company Limited, a joint venture of the Company;
- (18) Mr. Du Zhifeng, being a secretary of the Party Committee and a deputy plant manager of the Fukang Refinery, a subsidiary of the Company;
- (19) 木哈買提漢•木達汗, being a deputy secretary of the Party Committee and the secretary of the Commission for Discipline Inspection of the Fukang Refinery, a subsidiary of the Company;
- (20) Mr. Wang Chunhai, being a deputy plant manager and the chairman of the labour union of the Fukang Refinery, a subsidiary of the Company;
- (21) Mr. Ma Yuxin, being the chief engineer of the Fukang Refinery, a subsidiary of the Company;
- (22) Mr. Zhang Yufei, being the deputy plant manager of the Fukang Refinery, a subsidiary of the Company;

- (23) Mr. Liu Qingli, being the deputy secretary of the Party Committee and the secretary of the Commission for Discipline Inspection of Xinjiang Kalatongke Mining Industry Company Limited, a subsidiary of the Company;
- (24) Mr. Zhao Jingbo, being the deputy general manager of Xinjiang Kalatongke Mining Industry Company Limited, a subsidiary of the Company;
- (25) Mr. Chen Yin, being the deputy general manager of Xinjiang Kalatongke Mining Industry Company Limited, a subsidiary of the Company;
- (26) Mr. Xiao Yuwu, being the chairman of the labour union of Xinjiang Kalatongke Mining Industry Company Limited, a subsidiary of the Company; and
- (27) core personnel of the Company, with a total of not exceeding 154 personnel.

In summary, the total number of Grantees under the Plan is not more than 180 personnel, details are as follows:

Name/Category of Grantee	Number of Participant(s) involved	Number of the 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. Qi Xinhui	1	150	2.27%	0.07%
Mr. Yu Wenjiang	1	150	2.27%	0.07%
Mr. Meng Guangzhi	1	120	1.82%	0.05%
Mr. Dong Guoqing	1	120	1.82%	0.05%
沙根别克·艾力木汗	1	120	1.82%	0.05%
Mr. Zhu Lingxiao	1	120	1.82%	0.05%
Mr. Li Jiangping	1	120	1.82%	0.05%
Mr. He Hongfeng	1	128	1.94%	0.06%
Mr. Li Zhenzhen	1	90	1.36%	0.04%

APPENDIX I**PROPOSED ADOPTION OF H SHARE
APPRECIATION RIGHTS INCENTIVE PLAN**

Name/Category of Grantee	Number of Participant(s) involved	Number of the 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. Guo Zhenhai	1	112.5	1.70%	0.05%
Mr. Jiang Xiao	1	90	1.36%	0.04%
Mr. Wang Xiao	1	90	1.36%	0.04%
Mr. Liu Dongfeng	1	90	1.36%	0.04%
Mr. Pan Yuzhong	1	90	1.36%	0.04%
Mr. Han Yubao	1	90	1.36%	0.04%
Mr. Yang Wei	1	97.5	1.48%	0.04%
Mr. Li Mingyu	1	78	1.18%	0.04%
Mr. Du Zhifeng	1	105	1.59%	0.05%
木哈買提漢•木達汗	1	84	1.27%	0.04%
Mr. Wang Chunhai	1	84	1.27%	0.04%
Mr. Ma Yuxin	1	84	1.27%	0.04%
Mr. Zhang Yufei	1	84	1.27%	0.04%
Mr. Liu Qingli	1	101.25	1.53%	0.05%
Mr. Zhao Jingbo	1	90	1.36%	0.04%
Mr. Chen Yin	1	101.25	1.53%	0.05%
Mr. Xiao Yuwu	1	90	1.36%	0.04%
Core personnels	154	3,920.5	59.40%	1.77%
Total	180	6,600	100%	2.99%

The expected return of the equity incentive granted to each Grantee shall be limited to within 40% of the total annual salary level of such Grantee at the time of the Grant.

NOTICE OF THE EGM



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 an extraordinary general meeting of shareholders (the “**EGM**”) of Xinjiang Xinxin Mining Industry Co., Ltd (the “**Company**”) will be held at 11:00 a.m. on Friday, 29 October 2021 at Conference Room, Level 6, 501 Ronghe South Road, Cooperation District, Economic and Technological Development Zone, Urumqi, Xinjiang, the People's Republic of China (the “**PRC**”) to consider and, if thought fit, to pass the following resolutions:

SPECIAL RESOLUTIONS

1. to consider and approve the H share appreciation rights incentive plan;
2. to consider and approve the H share appreciation rights incentive plan implementation, assessment and management measures; and
3. to consider and approve the authorisation for the general meeting of the shareholders' for the board of the Company to handle matters in relation to the H share appreciation rights incentive plan.

By order of the Board

Xinjiang Xinxin Mining Industry Co., Ltd.*

Li Zhenzhen, Lam Cheuk Fai

Joint Company Secretaries

Xinjiang, the PRC, 13 September 2021

NOTICE OF THE EGM

Notes:

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

The register of members of the Company will be closed from Wednesday, 29 September 2021 to Friday, 29 October 2021 (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, Wan Chai, Hong Kong, no later than 4:30 p.m. on Tuesday, 28 September 2021.

Shareholders of the Company whose names appear on the register of members of the Company at the opening of business on Friday, 29 October 2021 are entitled to attend the EGM.

2. Notice of attendance

Shareholders who intend to attend the EGM should complete and lodge the accompanying reply slip and return it to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, on or before Saturday, 9 October 2021. The reply slip may be delivered by hand, by post or by fax to the Company's H Share registrar. Completion and return of the reply slip does not affect the right of a shareholder of the Company to attend the EGM. However, the failure to return the notice of attendance may result in an adjournment of the EGM, if the number of shares carrying the right to vote represented by the shareholders of the Company proposing to attend the EGM by the notice of attendance does not reach more than half of the total number of shares of the Company carrying the right to vote at the EGM.

3. 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.

NOTICE OF THE EGM

4. Others

Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (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 two hours. 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 directors are Mr. Qi Xinhui and Mr. Yu Wenjiang; the non-executive directors are Mr. Zhang Guohua, Mr. Zhou Chuanyou, Mr. Guo Quan and Mr. Hu Chengye; and the independent non-executive directors are Mr. Hu Benyuan, Mr. Wang Qingming and Mr. Lee Tao Wai.

* *For identification purposes only*