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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  
SUPPLEMENTAL PROPERTY LEASE AGREEMENT  
AND  
REVISION OF ANNUAL CAPS FOR  
CONTINUING CONNECTED TRANSACTIONS**

Reference is made to the announcement of the Company dated 30 October 2015 in relation to, among others, the Renewed Property Lease Agreement and the Original Annual Caps.

As a result of implementing measures to reduce cost and improve efficiency of the office premises leased by the Company, the Company proposed to terminate the tenancy in respect of the 8th floor of the Original Office Premises. In this regard, the Company and Xinjiang Non-ferrous entered into the Supplemental Property Lease Agreement on 27 May 2016 to revise certain terms of the Renewed Property Lease Agreement, including the Original Annual Caps.

Pursuant to Rule 14A.54 of the Listing Rules, since the Company proposes to revise the Original Annual Caps, the Company will be required to re-comply with the relevant requirements of Chapter 14A of the Listing Rules.

As at the date of this announcement, Xinjiang Non-ferrous is the controlling shareholder (as defined in the Listing Rules) of the Company and is beneficially interested in approximately 40.06% of the entire issued share capital of the Company. Accordingly, Xinjiang Non-ferrous is a connected person of the Company under Chapter 14A of the Listing Rules.

The transactions contemplated under the Renewed Property Lease Agreement (as supplemented by the Supplemental Property Lease Agreement) constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Given that the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Revised Annual Caps for the three years ending 31 December 2018 is less than 0.1%, the continuing connected transactions contemplated under the Renewed Property Lease Agreement (as supplemented by the Supplemental Property Lease Agreement) and the Revised Annual Caps are fully exempt from the reporting, announcement, annual review and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **BACKGROUND**

Reference is made to the announcement of the Company dated 30 October 2015 in relation to, among others, the Renewed Property Lease Agreement and the Original Annual Caps.

## **SUPPLEMENTAL PROPERTY LEASE AGREEMENT**

On 30 October 2015, the Company and Xinjiang Non-ferrous entered into the Renewed Property Lease Agreement pursuant to which Xinjiang Non-ferrous agreed to continue to lease the Original Office Premises to the Company for office use from 1 January 2016 to 31 December 2018.

As a result of implementing measures to reduce cost and improve efficiency of the office premises leased by the Company, the Company proposed to terminate the tenancy in respect of the 8th floor of the Original Office Premises. In this regard, the Company and Xinjiang Non-ferrous entered into the Supplemental Property Lease Agreement on 27 May 2016 to revise certain terms of the Renewed Property Lease Agreement including the Original Annual Caps.

The principal terms of the Supplemental Property Lease Agreement are summarised below:

- the Supplemental Property Lease Agreement is for a term commencing from 1 July 2016 and ending on 31 December 2018;

- the leased office premise has been amended to be the New Office Premise;
- the gross floor area of the leased office premise has been amended approximately to 996 square metres; and
- the monthly rental has been amended to RMB68,163.75, and the annual rental for the three years ending 31 December 2018 has been amended to RMB1,226,947.50, RMB817,965.00 and RMB817,965.00, respectively.

Saved as disclosed above, all of the existing terms and conditions under the Renewed Property Lease Agreement remain unchanged.

## **REVISION OF ANNUAL CAPS UNDER THE SUPPLEMENTAL PROPERTY LEASE AGREEMENT**

The table below set out the Original Annual Caps and the Revised Annual Caps:

	<b>For the year ending 31 December</b>		
	<b>2016</b>	<b>2017</b>	<b>2018</b>
Original Annual Caps	RMB1,635,930.00	RMB1,635,930.00	RMB1,635,930.00
Revised Annual Caps	RMB1,226,947.50	RMB817,965.00	RMB817,965.00

The Directors expect that there will be no annual increase in the rental and the area of the New Office Premise under the Supplemental Property Lease Agreement. The above Revised Annual Caps for rental under the Supplemental Property Lease Agreement for the three years ending 31 December 2018 are the annual rentals payable by the Company under the Supplemental Property Lease Agreement which is determined according to the prevailing market condition in Urumqi, Xinjiang, the PRC and the market rates of comparable properties.

## **LISTING RULES IMPLICATIONS**

Pursuant to Rule 14A.54 of the Listing Rules, since the Company proposes to revise the Original Annual Caps, the Company will be required to re-comply with the relevant requirements of Chapter 14A of the Listing Rules.

As at the date of this announcement, Xinjiang Non-ferrous is the controlling shareholder (as defined in the Listing Rules) of the Company and is beneficially interested in approximately 40.06% of the entire issued share capital of the Company. Accordingly, Xinjiang Non-ferrous is a connected person of the Company under Chapter 14A of the Listing Rules.

The transactions contemplated under the Renewed Property Lease Agreement (as supplemented by the Supplemental Property Lease Agreement) constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Given that the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Revised Annual Caps for the three years ending 31 December 2018 is less than 0.1%, the continuing connected transactions contemplated under the Renewed Property Lease Agreement (as supplemented by the Supplemental Property Lease Agreement) and the Revised Annual Caps are fully exempt from the reporting, announcement, annual review and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **GENERAL**

The Company is 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. Xinjiang Non-ferrous is principally engaged in, among other things, investment in nonferrous metal industry and sale of non-ferrous metal products.

The Directors (including the independent non-executive Directors) consider that the terms of the Supplemental Property Lease Agreement and the Revised Annual Caps are based on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Mr. Guo Haitang and Mr. Shi Wenfeng have abstained from voting on the Board resolution since Mr. Guo Haitang and Mr. Shi Wenfeng are the chairman of the board of directors and the deputy general manager of Xinjiang Non-ferrous, respectively.

Save as mentioned above, no other Director has a material interest in the transaction and hence no other Director has abstained from voting on this board resolution.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors
“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
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules

“Directors”	directors of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Office Premise”	the office premise on the 7th floor of the Property with a gross floor area of approximately 996 square metres
“Original Annual Caps”	the annual cap amounts in respect of the rental payable for the Original Office Premises under the Renewed Property Lease Agreement for the three years ending 31 December 2018, respectively
“Original Office Premises”	the office premises on the 7th and 8th floors of the Property with a total gross floor area of approximately 1,992 square metres
“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)
“Property”	Youse Building, No. 4 You Hao North Road, Urumuqi, Xinjiang, the PRC
“Renewed Property Lease Agreement”	the property leasing contract dated 30 October 2015 entered into between the Company and Xinjiang Non-ferrous in respect of the leasing of the Original Office Premises
“Revised Annual Caps”	the revised annual cap amounts in respect of the rental payable for the New Office Premise under the Supplemental Property Lease Agreement for the three years ending 31 December 2018, respectively
“RMB”	Renminbi, the lawful currency of the PRC
“Supplemental Property Lease Agreement”	the supplemental property leasing contract dated 27 May 2016 entered into between the Company and Xinjiang Non-ferrous in respect of the Renewed Property Lease Agreement
“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  
stateowned enterprise with limited liability and  
incorporated in the PRC, being one of the promoters and  
the controlling shareholder of the Company

“%” per cent

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

Xinjiang, the PRC, 27 May 2016

*As at the date of this announcement, the executive Directors are Mr. Guo Quan and Mr. Lu Xiaoping; the non-executive Directors are Mr. Guo Haitang, Mr. Shi Wenfeng, Mr. Zhou Chuanyou and Mr. Hu Chengye; and the independent non-executive Directors are Mr. Chen Jianguo, Mr. Wang Lijin and Mr. Li Wing Sum Steven.*

\* *For identification purpose only*