



鑫仁铝业 XINREN ALUMINUM HOLDINGS LIMITED (Company Registration No. 200612545H)

UNAUDITED FINANCIAL STATEMENTS FOR THE FULL YEAR ENDED 31 DECEMBER 2014

The Board of Directors of XinRen Aluminum Holdings Limited (the "Company") is pleased to announce the consolidated results for the full year ended 31 December 2014. The figures below have not been audited or reviewed by the auditors of the Company.

The Company is an investment holding and trading company, and the Company and its subsidiaries (the "Group") is engaged primarily in the manufacturing of aluminum ingots through the smelting process, and the fabricating and trading of aluminum-related products.

The consolidated financial statements are presented in Chinese Renminbi ("RMB"), and all values in the tables are rounded to the nearest thousand (RMB'000) as indicated.

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL-YEAR RESULTS

- 1(a)(i) A Consolidated Income Statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group		
	Full Year		
	31/12/2014	31/12/2013	+/(-) %
	RMB'000	RMB'000	
	Unaudited	Audited	
		(Restated)	
Revenue	14,797,614	8,390,528	76.4
Cost of sales	(13,959,761)	(8,309,540)	68.0
Gross profit	837,853	80,988	934.5
Other items of income			
Finance income	103,882	33,414	210.9
Other income	345,607	109,789	214.8
Other items of expense			
Selling and distribution expenses	(179,654)	(44,282)	305.7
Administrative expenses	(161,744)	(95,107)	70.1
Finance costs	(176,319)	(150,981)	16.8
Other expenses	(26,296)	(39,563)	(33.5)
Share of result of a jointly controlled entity (Note 1)	73,183	93,591	(21.8)
Profit/(Loss) before taxation	816,512	(12,151)	6,819.7
Income tax (expenses)/credit	(209,317)	72,288	389.6
Profit after taxation	607,195	60,137	909.7
Profit attributable to:			
Owners of the parent	284,014	60,137	372.3
Non-controlling interests	323,181	-	n.m
	607,195	60,137	

Note 1: 'Share of result of a jointly controlled entity' is after tax.

- 1(a)(ii) A Consolidated Statement of Comprehensive Income (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group		
	Full year		
	31/12/2014	31/12/2013	+/(-) %
	RMB'000	RMB'000	
	Unaudited	Audited	
		(Restated)	
Profit after taxation	607,195	60,137	909.7
Other comprehensive income:			
Net loss on available-for-sale financial assets	-	(245)	(100.0)
Currency translation differences arising from consolidation	20,600	24,904	(17.3)
Other comprehensive income for the year	20,600	24,659	(16.5)
Total comprehensive income for the year	627,795	84,796	640.4
Total comprehensive income attributable to:			
Owners of the parent	304,614	84,796	259.2
Non-controlling interests	323,181	-	n.m
	627,795	84,796	

1(a)(iii) Notes to the Consolidated Income Statement

The following items have been included in arriving at profit/(loss) before taxation:

	Group		
	Full Year 31/12/2014 RMB'000 Unaudited	31/12/2013 RMB'000 Audited (Restated)	+ / (-) %
Other income:			
Government subsidies (note 1)	228,966	23,426	877.4
Sale of scrap	11,268	5,061	122.6
Gain on disposal of a subsidiary (note 2)	27,948	-	n.m
Gain on remeasuring existing equity interest in a jointly controlled entity upon acquisition (note 3)	59,507	-	n.m
Gain on disposal of property, plant and equipment	54	-	n.m
Loan arrangement fee income (note 4)	15,363	60,290	(74.5)
Overprovision for value-added tax in prior years	-	14,956	(100.0)
Others	2,501	6,056	(58.7)
Other expenses:			
Foreign exchange losses	(6,824)	(43,243)	(84.2)
Loss on disposal of property, plant and equipment	(4,561)	-	n.m
(Write-down)/reversal of impairment of inventories	(13,350)	4,630	(388.3)
Others	(1,561)	(950)	64.3
Finance income:			
Interest income	40,209	33,414	20.3
Gain from change in the payment schedule for acquisition consideration (note 5)	63,673	-	n.m
Finance costs:			
Interest expenses	(39,064)	(77,649)	(49.7)
Accretion of finance lease liabilities	(44,413)	-	n.m
Bank charges and discount charges for notes receivable	(53,217)	(73,332)	(27.4)
Amortisation of discount related to payables arising from acquisition of a subsidiary (note 6)	(39,625)	-	n.m
Impairment for trade and other receivables	(31,449)	-	n.m
Amortisation of intangible assets	(63,624)	-	n.m
Amortisation of land-use rights	(9,088)	(1,428)	536.4
Amortisation of deferred income of financial lease (Note 7)	15,323	-	n.m
Depreciation of property, plant and equipment	(320,165)	(137,823)	132.3
Staff costs	(172,524)	(90,965)	89.7

n.m - not meaningful

Notes:

- These relate to: (i) a subsidy provided by the local government for electricity costs incurred by one of the Group's smelting plants; (ii) other subsidies provided by the local government on income earned by the Group's subsidiaries; and (iii) investment incentives provided by the local government for one of the Group's subsidiaries. There are no unfulfilled conditions to the aforesaid subsidies.
- On 25 February 2014, the Group entered into a sale-and-purchase agreement to dispose of its entire interest in a wholly owned subsidiary, Yichang Changjiang Aluminum Co. Ltd. ("Yichang Plant"), with effect from 1 January 2014. Therefore, the Group no longer consolidates the results of Yichang Plant since 1 January 2014.
- On 3 July 2014, the Group further acquired 30% equity interest in China Leading International Group Limited ("CLI"). After the acquisition, CLI became a subsidiary of the Group. The previously held 21% equity interest in CLI was remeasured to fair value as at the acquisition date and, therefore, a gain was recognised in profit or loss during the year.
- The loan arrangement fee income represent fee charges for the loan facilities arrangement for our then jointly controlled entity.
- On 12 February 2015, the Company entered into a supplemental agreement with the existing shareholders of CLI, pursuant to which the Company and the existing shareholders of CLI agreed to reschedule the payment term for the remaining purchase consideration of CLI to any time before 1 July 2016, solely at the Company's discretion, effective from 22 December 2014. The gain from the change in the payment schedule for the acquisition consideration represents the difference between the discounted cash flows under the original term and the new term.
- Payables arising from the acquisition of the 30% equity interest in CLI are measured at fair value in the Group's balance sheet and the difference between the fair value and the acquisition cost is amortised over the repayment period.
- The Group sold certain electrobaths and immediately leased back these electrobaths from the buyer. Since the Group did not dispose of the risks and rewards of ownership of the electrobaths, the lease was classified as a finance lease. The difference between the sale price and the previous carrying amount of the assets is deferred and amortised over the lease term.

1(b)(i) A Consolidated Statement of Financial Position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group			Company		
	31/12/2014	31/12/2013	1/1/2013	31/12/2014	31/12/2013	1/1/2013
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	Unaudited	Audited	Audited	Unaudited	Audited	Audited
		(Restated)	(Restated)		(Restated)	(Restated)
Non-current assets						
Property, plant and equipment	16,202,903	2,288,096	2,327,497	217	1,155	3,692
Land use rights	812,164	71,339	54,379	-	-	-
Intangible assets	4,704,366	-	-	-	-	-
Investments in subsidiaries	-	-	-	5,691,127	547,641	458,258
Investment in a jointly controlled entity	-	1,975,362	1,902,658	-	1,890,000	1,890,000
Deferred income tax assets	98,974	84,961	4,062	252	-	-
	21,818,407	4,419,758	4,288,596	5,691,596	2,438,796	2,351,950
Current assets						
Inventories	1,504,792	453,840	831,797	-	-	-
Prepayments	2,745,342	579,098	677,582	-	-	-
Amount due from a jointly controlled entity	-	50,318	477,327	-	225,188	-
Amounts due from related parties	172,902	-	-	-	-	-
Amounts due from subsidiaries	-	-	-	752,035	-	23,564
Amounts due from directors	24,609	23,154	16,038	-	-	-
Income tax receivable	10,194	13,118	14,360	-	103	1,047
Trade and other receivables	1,954,412	934,950	752,956	442,421	596,359	231,194
Available-for-sale financial assets	-	2,710	3,037	-	-	-
Restricted cash	1,933,562	1,239,449	942,839	-	-	-
Cash and cash equivalents	313,913	1,682,282	189,561	40,604	1,438,095	8,419
	8,659,726	4,978,919	3,905,497	1,235,060	2,259,745	264,224
Current liabilities						
Loans and borrowings	4,475,096	1,493,193	1,177,363	1,029,606	565,183	-
Notes payable	4,132,159	1,452,010	2,139,959	-	-	-
Amounts due to related parties	-	4,635	19,871	-	-	-
Amounts due to subsidiaries	-	-	-	-	596,159	470,156
Payables arising from acquisition of a jointly controlled entity	-	572,084	1,130,105	-	572,084	1,130,105
Payables arising from acquisition of a subsidiary	52,734	-	-	-	-	-
Trade and other payables	4,490,953	403,295	533,881	4,280	3,726	6,128
Advances from customers	1,335,431	1,079,234	1,036,078	-	-	-
Finance lease liabilities	265,129	-	-	-	-	-
Income tax payable	99,488	2,764	665	1,163	2,616	-
	14,850,990	5,007,215	6,037,922	1,035,049	1,739,768	1,606,389
Net current (liabilities)/assets	(6,191,264)	(28,296)	(2,132,425)	200,011	519,977	(1,342,165)
Non-current liabilities						
Deferred tax liabilities	987,573	132,709	139,297	-	-	-
Deferred income	356,701	-	-	-	-	-
Payables arising from acquisition of a subsidiary	3,030,216	-	-	3,030,216	-	-
Loans and borrowings	376,876	49,970	30,000	-	-	-
Finance lease liabilities	801,495	-	-	-	-	-
Advances from customers	4,485,435	2,137,113	-	1,677,785	1,803,793	-
	10,038,296	2,319,792	169,297	4,708,001	1,803,793	-
Net assets	5,588,847	2,071,670	1,986,874	1,183,606	1,154,980	1,009,785
Equity attributable to equity holders of the parent						
Share capital	995,377	995,377	995,377	995,377	995,377	995,377
Treasury shares	(12,483)	(6,927)	(6,927)	(12,483)	(6,927)	(6,927)
Retained profits	1,236,395	831,572	796,289	199,618	180,544	56,655
Other reserves	152,945	251,648	202,135	1,094	(14,014)	(35,320)
	2,372,234	2,071,670	1,986,874	1,183,606	1,154,980	1,009,785
Non-controlling interests	3,216,613	-	-	-	-	-
Total equity	5,588,847	2,071,670	1,986,874	1,183,606	1,154,980	1,009,785

1(b)(ii) Aggregate amount of Group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

	31/12/2014		31/12/2013	
	Secured	Unsecured	Secured	Unsecured
	RMB'000	RMB'000	RMB'000	RMB'000
	Unaudited	Unaudited	Audited	Audited
Loans and borrowings	3,851,776	623,320	1,333,193	160,000
Notes payables	3,180,430	951,729	1,006,250	445,760
Finance lease liabilities	265,129	-	-	-
	<u>7,297,335</u>	<u>1,575,049</u>	<u>2,339,443</u>	<u>605,760</u>

Amount repayable after one year

	31/12/2014		31/12/2013	
	Secured	Unsecured	Secured	Unsecured
	RMB'000	RMB'000	RMB'000	RMB'000
	Unaudited	Unaudited	Audited	Audited
Loans and borrowings	276,876	100,000	-	49,970
Finance lease liabilities	801,495	-	-	-
	<u>1,078,371</u>	<u>100,000</u>	<u>-</u>	<u>49,970</u>

Details of any collateral

Loans and borrowings, notes payables and finance lease liabilities are secured by charges over restricted cash, land use rights and buildings, inventories and plant and machinery, and/or guarantees by directors of the Company and its subsidiaries.

1(c) **A Consolidated Statement of Cash Flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group	
	Full Year	
	31/12/2014	31/12/2013
	RMB'000	RMB'000
	Unaudited	Audited
		(Restated)
Cash flow from operating activities		
Profit/(loss) before taxation	816,512	(12,151)
Adjustments for:		
Gain from change in the payment schedule of acquisition consideration	(63,673)	-
Amortisation of discount related to payables arising from acquisition of a subsidiary	39,625	-
Accretion of finance lease liabilities	44,413	-
Amortisation of government subsidies	(182,424)	-
Amortisation of deferred income of financial lease	(15,323)	-
Gain on disposal of a subsidiary	(27,948)	-
Gain on remeasuring existing equity interest in a jointly controlled entity upon acquisition	(59,507)	-
Net loss on disposal of property, plant and equipment	4,507	-
Impairment of trade and other receivables	31,449	-
Write-down/(reversal) of impairment of inventories	13,350	(4,630)
Depreciation of property, plant and equipment	320,165	137,823
Amortisation of land use rights	9,088	1,428
Amortisation of intangible assets	63,624	-
Share of profit in a jointly controlled entity	(73,183)	(93,591)
Interest expense	39,064	77,649
Bank charges for discount of notes receivables	53,217	73,332
Interest income	(40,209)	(33,414)
Foreign exchange loss	9,370	25,431
Operating profit before changes in working capital	982,117	171,877
(Increase)/decrease in inventories	(75,987)	351,671
(Increase)/decrease in prepayments	(856,236)	102,306
Decrease/(increase) in amounts due from directors and related parties	7,329	(22,352)
Increase in trade and other receivables	(1,062,420)	(181,771)
Decrease in amount due from a jointly controlled entity	50,318	447,896
Increase/(decrease) in trade and other payables	554,690	(130,809)
Increase in advances from customers	1,308,114	2,180,269
Increase in notes payable	731,043	-
Cash generated from operating activities	1,638,968	2,919,087
Interest income received	28,126	33,414
Interest expense paid	(93,396)	(150,981)
Tax refunded	-	1,460
Tax paid	(142,499)	(13,213)
Net cash generated from operating activities	1,431,199	2,789,767
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	1,809	-
Purchase of property, plant and equipment	(2,181,768)	(71,658)
Purchase of intangible assets	(114)	-
Purchase of land use rights	(84,094)	(18,388)
Net cash inflow from acquisition of subsidiaries	82,791	-
Investment in a jointly controlled entity	(572,084)	(558,021)
Proceeds from disposal of a subsidiary	237,155	-
Net cash used in investing activities	(2,516,305)	(648,067)

1(c) A Consolidated Statement of Cash Flows – continued

	Group	
	Full Year	
	31/12/2014	31/12/2013
	RMB'000	RMB'000
	Unaudited	Audited
		(Restated)
Cash flow from financing activities		
Proceeds from loans and borrowings	2,164,238	2,105,163
Repayments of loans and borrowings	(2,982,630)	(1,769,363)
Net increase in restricted cash	(288,502)	(296,610)
Increase/(decrease) in notes payable	109,100	(687,949)
Purchase of treasury shares	(5,556)	-
Repayment of finance lease	(166,142)	-
Proceeds from sale and leaseback transactions	795,000	-
Proceeds from non-controlling interest's contribution to a subsidiary	80,000	-
Net cash used in financing activities	(294,492)	(648,759)
Net (decrease)/increase in cash and cash equivalents	(1,379,598)	1,492,941
Effects of currency translation on cash and cash equivalents	11,229	(220)
Cash and cash equivalents at beginning of the year	1,682,282	189,561
Cash and cash equivalents at end of the year	313,913	1,682,282

1(d)(i) A Statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to Equity Holders of the Parent						Non-controlling interests	Total equity
	Share capital	Treasury shares	Retained profits	Other reserves	Total reserves	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Group								
Balance at 1 January 2013	995,377	(6,927)	800,441	202,153	1,002,594	1,991,044	-	1,991,044
Restatement	-	-	(4,152)	(18)	(4,170)	(4,170)	-	(4,170)
Balance at 1 January 2013 (restated)	995,377	(6,927)	796,289	202,135	998,424	1,986,874	-	1,986,874
Profit for the year (restated)	-	-	60,137	-	60,137	60,137	-	60,137
Other comprehensive income for the year	-	-	-	24,659	24,659	24,659	-	24,659
Total comprehensive income for the year (restated)	-	-	60,137	24,659	84,796	84,796	-	84,796
Appropriation to statutory reserve	-	-	(5,495)	5,495	-	-	-	-
Appropriation to special reserve	-	-	(19,359)	19,359	-	-	-	-
Balance at 31 December 2013 and 1 January 2014 (restated)	995,377	(6,927)	831,572	251,648	1,083,220	2,071,670	-	2,071,670
Purchase of treasury shares	-	(5,556)	-	-	-	(5,556)	-	(5,556)
Realisation of reserve upon disposal of a subsidiary	-	-	148,690	(148,690)	-	-	-	-
Acquisition of a subsidiary	-	-	-	-	-	-	2,814,938	2,814,938
Non-controlling interest's capital contribution to the Group	-	-	-	-	-	-	80,000	80,000
Profit for the year	-	-	284,014	-	284,014	284,014	323,181	607,195
Other comprehensive income for the year	-	-	-	20,600	20,600	20,600	-	20,600
Total comprehensive income for the year	-	-	284,014	20,600	304,614	304,614	323,181	627,795
Appropriation to statutory reserve	-	-	(16,924)	16,924	-	-	-	-
Appropriation to special reserve	-	-	(10,957)	12,463	1,506	1,506	(1,506)	-
Balance at 31 December 2014	995,377	(12,483)	1,236,395	152,945	1,389,340	2,372,234	3,216,613	5,588,847
Company								
Balance at 1 January 2013	995,377	(6,927)	64,648	(35,302)	29,346	1,017,796	-	1,017,796
Restatement	-	-	(7,993)	(18)	(8,011)	(8,011)	-	(8,011)
Balance at 1 January 2013 (restated)	995,377	(6,927)	56,655	(35,320)	21,335	1,009,785	-	1,009,785
Profit for the year (restated)	-	-	123,889	-	123,889	123,889	-	123,889
Other comprehensive income for the year	-	-	-	21,306	21,306	21,306	-	21,306
Total comprehensive income for the year (restated)	-	-	123,889	21,306	145,195	145,195	-	145,195
Balance at 31 December 2013 and 1 January 2014 (restated)	995,377	(6,927)	180,544	(14,014)	166,530	1,154,980	-	1,154,980
Purchase of treasury shares	-	(5,556)	-	-	-	(5,556)	-	(5,556)
Profit for the year	-	-	19,074	-	19,074	19,074	-	19,074
Other comprehensive income for the year	-	-	-	15,108	15,108	15,108	-	15,108
Total comprehensive income for the year	-	-	19,074	15,108	34,182	34,182	-	34,182
Balance at 31 December 2014	995,377	(12,483)	199,618	1,094	200,712	1,183,606	-	1,183,606

- 1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

The Company exercised its share-buy-back mandate to purchase 3,000,000 shares in the capital of the Company (the "Shares") from the open market during the full year ended 31 December 2014. These Shares are held as treasury shares.

	No. of Shares
Balance as at 31/12/2013 and 01/01/2014	1,306,567,528
Less: share buy-back during the financial period from 1 January 2014 to 31 March 2014	<u>(3,000,000)</u>
Balance as at 31/03/2014, 30/6/2014, 30/9/2014 and 31/12/2014	<u><u>1,303,567,528</u></u>

The holders of Shares (other than treasury shares) are entitled to receive dividends as and when declared by the Company. All Shares (other than treasury shares) carry one vote per share without restriction. The Shares do not have par value.

There were no convertibles issued by the Company as of 31 December 2014 and 31 December 2013.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and at as the end of the immediately preceding year.**

	As at 31 December 2014	As at 31 December 2013
Number of issued shares : excluding treasury shares	1,303,567,528	1,306,567,528
Number of treasury shares : held	6,980,000	3,980,000

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There was no sale, transfer, disposal, cancellation and/or use of treasury shares by the Company as of 31 December 2014.

- 2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

The financial statements presented above have not been audited or reviewed by the Company's auditor.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

With effect from Q4 FY2014, the Group implemented a retrospective change in its accounting treatment in respect of the recognition of revenue and the corresponding costs for sales contracts with provisional pricing arrangements.

The rationale for the change is set out below:

- (a) The change will more appropriately reflect the underlying nature of the transactions as the selling price of aluminum is subject to fluctuations in the open market. The inclusion of a fair value component in the final sales adjustment in the financial statements will allow the commodity risk of the Group to be more accurately reflected in the financial statements, and will thus enable more reliable and relevant information to be provided about the effects of such transactions.
- (b) The change will allow the Group to be more in line with general accounting practices within the industry, thus making its financial statements more comparable with those of its peer companies.
- (c) The Company's management is of the view that the impact of the restatements on the financial statements of the Group for the financial years ended 31 December 2012 and 31 December 2013 is not material.

The effects of the change on the Group's financial statements are as follows:

Group	31 December 2013 or FY2013	1 January 2013 or FY2012
	(RMB'000)	(RMB'000)
Increase in trade receivables	116,496	36,334
Decrease in deferred expenses	(561,570)	(205,184)
Decrease in deferred revenue	(440,717)	(163,785)
Increase/(decrease) in income tax payable	1,256	(895)
Decrease in other reserves	-	(18)
Decrease in retained profits	(5,613)	(4,152)
Company	31 December 2013 or FY2013	1 January 2013 or FY2012
	(RMB'000)	(RMB'000)
Increase in trade receivables	116,496	36,334
Decrease in deferred expenses	(544,416)	(209,025)
Decrease in deferred revenue	(440,717)	(163,785)
Increase/(decrease) in income tax payable	1,256	(895)
Decrease in other reserves	-	(18)
Increase/(decrease) in retained profits	11,541	(7,993)
		Group 2013
		(RMB'000)
Increase in revenue		363,367
Increase in cost of sales		(362,658)
Increase in income tax expenses		(2,170)
Decrease in net profit		(1,461)
Decrease in basic and diluted earnings per share (RMB cents per share)		(0.11)

Except as disclosed above and in section 5 below, there were no changes in accounting policies and methods of computation in the consolidated financial statements for the current reporting period as compared with the most recently audited consolidated financial statements for the financial year ended 31 December 2013.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted all new and revised Financial Reporting Standards (FRS) and Interpretations of FRS (INT FRS) that are relevant to its operations and effective for annual periods beginning on or after 1 January 2014. The adoption of these new or revised FRSs and INT FRS standards has no significant impact on the consolidated financial statements.

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

The calculation of basic earnings per share is based on the Group's profit after tax attributable to owners of the parent for the respective years divided by:

- (a) the total weighted average number of issued shares of the Company of 1,304,033,007 shares excluding treasury shares as of 31 December 2014; and
- (b) the total number of issued shares of the Company of 1,306,567,528 shares excluding treasury shares as of 31 December 2013.

	Group	
	Full Year	
	31/12/2014	31/12/2013
	Unaudited	Audited
		(Restated)
Profit after tax attributable to owners of the parent (RMB'000)	284,014	60,137
The weighted average of total number of issued shares	1,304,033,007	1,306,567,528
Basic earnings per share (RMB cents)	21.78	4.60

* There were no potential dilutive options for the year

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury of shares of the issuer at the end of the:

- (a) current financial period reported on; and
- (b) immediately preceding financial year.

	Group		Company	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	Unaudited	Audited	Unaudited	Audited
		(Restated)		(Restated)
Net asset value (RMB'000)	2,372,234	2,071,670	1,183,606	1,154,980
Net asset value per share (RMB cents)	181.98	158.56	90.80	88.40

The calculation of net asset value per share is based on the net asset value as of the end of the respective periods divided by the total number of issued shares of the Company of 1,303,567,528 shares (31 December 2013: 1,306,567,528 shares) excluding treasury shares.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Full Year Ended 31 December 2014 ("FY2014") vs Full Year Ended 31 December 2013 ("FY2013")

Revenue (excluding all inter-segment transactions)

	Group		
	Full Year		
	31/12/2014	31/12/2013	+/(−)
	RMB'000	RMB'000	%
	Unaudited	Audited	
		(Restated)	
Smelting	6,265,438	2,669,829	134.7
Fabrication	441,040	445,586	(1.0)
Trading	8,091,136	5,275,113	53.4
	<u>14,797,614</u>	<u>8,390,528</u>	76.4

The Group's revenue increased by approximately RMB6,407 million to RMB14,798 million in FY2014 from RMB8,391 million in FY2013. The increase in revenue was largely due to the consolidation of the Group's 51%-owned subsidiary, China Leading International Group Limited ("CLI") (which wholly owns Xinjiang Production and Construction Corps Agricultural Division Eight Xinjiang Tianshan Aluminum Plant Co., Ltd. ("Xinjiang Plant")) since July 2014. The increase was partially offset by a decrease in revenue due to the disposal of Yichang Plant.

The Group's revenue from the smelting segment increased by approximately 134.7% to RMB6,265 million in FY2014 from RMB2,670 million in FY2013. The increase was primarily due to the contribution from Xinjiang Plant as the Group's 51% stake in CLI was effective from July 2014 and the results of Xinjiang Plant were consolidated into Group's financial statements from the date of the acquisition. However, the increase was partially offset by the exclusion of Yichang Plant's revenue, which no longer featured in the Group's results with effect from 1 January 2014.

The Group's revenue from the fabrication segment decreased by approximately 1% to RMB441 million in FY2014 from RMB446 million in FY2013.

The Group's revenue from the trading segment increased to RMB8,091 million in FY2014 from RMB5,275 million in FY2013. The increase was mainly attributable to (i) the Group expanding its customer base to cater to the increase in Xinjiang Plant's production capacity, which is expected to come on stream in the ensuing quarters; and (ii) the contribution from Xinjiang Plant as the Group started to consolidate its 51% stake in CLI effective from July 2014.

Gross profit and gross profit margin

The Group's gross profit increased by 932.4% to RMB838 million in FY2014 from RMB81 million in FY2013, while its gross profit margin increased to approximately 5.7% in FY2014 from 1.0% in FY2013. The increase in gross profit was mainly due to: (i) relatively lower electricity costs of Xinjiang Plant as compared to other plants; and (ii) higher sales volume contributed by Xinjiang Plant.

The gross margins for smelting, fabrication and trading segment are 13.8%, 10.5% and (0.9)%, respectively.

Profit/ (loss) before taxation (excluding all inter-segment transactions)

	Group		
	Full Year		
	31/12/2014	31/12/2013	+/(-) %
	RMB'000	RMB'000	
	Unaudited	Audited	
		(Restated)	
Smelting	824,118	(239,358)	(444.3)
Fabrication	16,312	32,932	(50.5)
Trading	(97,101)	100,684	(196.4)
Share of result of a jointly controlled entity	73,183	93,591	(21.8)
	<u>816,512</u>	<u>(12,151)</u>	(6,819.7)

The Group recorded a profit before tax of RMB817 million in FY2014, largely because the smelting segment made a higher profit contribution. Gains improved in this segment because of the contribution from Xinjiang Plant, whose increased smelting capacity and lower production cost helped to boost profit.

The higher loss incurred by the trading segment was due to: (i) volatility of aluminum prices during the year; and (ii) the jointly controlled entity, CLI, to whom the Group's subsidiaries sold alumina to in FY2013, becoming a subsidiary of the Group with effect from July 2014.

Finance income increased by 210.9% to RMB104 million in FY2014 from RMB33 million in FY2013. The increase was due mainly to the gain arising from the rescheduled payment for the acquisition of 30% equity interest in CLI amounting to RMB64 million.

Selling and distribution expenses increased by 305.7% to RMB180 million in FY2014 from RMB44 million in FY2013. The increase was mainly attributable to the inclusion of selling and distribution expenses of Xinjiang Plant.

Administrative expenses increased by approximately 70.1% to RMB162 million in FY2014 from RMB95 million in FY2013, as the administrative expenses of Xinjiang Plant were included. In addition, impairment for trade and other receivables amounting to RMB31 million was provided for in Q4 FY2014.

Finance costs increased by approximately 16.8% to RMB176 million in FY2014 from RMB151 million in FY2013. The increase was mainly due to: (i) the interest cost of finance lease liabilities incurred with respect to machinery leased by Xinjiang Plant amounting to RMB44 million; and (ii) the amortisation of payables arising from the acquisition of subsidiaries amounting to RMB40 million. Finance costs incurred by Xinjiang Plant were mostly capitalised as Xinjiang Plant is still expanding its smelting production capacity and power plant.

Other income increased by approximately 214.8% to RMB346 million in FY2014 from RMB110 million in FY2013. The increase was mainly due to (i) investment incentives of approximately RMB229 million received by a subsidiary from the local government; (ii) a gain on the disposal of Yichang Plant, which amounted to approximately RMB28 million; (iii) an arrangement fee of approximately RMB15 million charged to the then jointly controlled entity in the first half of FY2014; and (iv) a gain on remeasuring the existing equity interest in CLI of approximately RMB59 million after the Group acquired a further 30% equity interest, resulting in CLI becoming a subsidiary of the Group with effect from July 2014.

Taxation

The increase in tax was due mainly to higher taxable profit of Xinjiang Plant. However, the increase was partially offset by income tax credits resulting from the tax losses of some of the Group's subsidiaries that are expected to be realised in the near future.

Profit after taxation

Profit after taxation for the owners of the parent was lower than that of the non-controlling interests', mainly due to losses incurred by some of the Group's subsidiaries during the year.

Review of Statement of Financial Position

Non-current assets increased by approximately 393.6% from RMB4,420 million as at 31 December 2013 to RMB21,818 million as at 31 December 2014. These assets consist of property, plant and equipment, land use rights, intangible assets, and deferred tax assets, as well as the investment in a jointly controlled entity prior to July 2014. The increase in non-current assets was attributable primarily to the consolidation of the non-current assets of Xinjiang Plant with effect from July 2014 and the recognition of intangible assets arising from the purchase price allocation related to the acquisition of CLI.

Current assets

Inventories increased from RMB454 million as at 31 December 2013 to RMB1,505 million as at 31 December 2014. The increase was primarily attributable to the inclusion of Xinjiang Plant's inventories.

Prepayments increased from RMB579 million as at 31 December 2013 to RMB2,745 million as at 31 December 2014. The increase was due mainly to the inclusion of Xinjiang Plant's prepayments, which mainly consist of advance payments made for the purchase of raw materials.

Trade and other receivables increased from RMB935 million as at 31 December 2013 to RMB1,954 million as at 31 December 2014. The increase was primarily attributable to the inclusion of the outstanding amount owed by Xinjiang Plant's customers.

Restricted cash increased from RMB1,239 million as at 31 December 2013 to RMB1,934 million as at 31 December 2014 as a result of including the restricted cash of Xinjiang Plant related to its notes payable facilities.

Current liabilities

Loans and borrowings increased from RMB1,493 million as at 31 December 2013 to RMB4,475 million as at 31 December 2014. The increase was due to the inclusion of borrowings drawn down by Xinjiang Plant, which were mainly to finance the expansion of the plant's production capacity.

Notes payable increased from RMB1,452 million as at 31 December 2013 to RMB4,132 million as at 31 December 2014, because the notes payable were utilised as working capital and to partially finance the expansion of production at Xinjiang Plant.

Payables of RMB572 million arising from the acquisition of a jointly controlled entity (a 21% stake in CLI) as at 31 December 2013 were fully settled in March 2014. Therefore, there were no longer any outstanding payables arising from the acquisition of a jointly controlled entity as at 31 December 2014.

Payables arising from the acquisition of a subsidiary was for the acquisition of a 55% shareholding interest in Xinjiang Tianfu Coal Mining Co., Limited, which is in the business of mining and selling coal, by Xinjiang Plant. This acquisition was completed in September 2014.

Trade and other payables increased from RMB403 million as at 31 December 2013 to RMB4,491 million as at 31 December 2014. The increase was mainly attributable to the inclusion of Xinjiang Plant's payables for the purchase of raw materials, the accrual of electricity costs and also construction costs incurred by Xinjiang Plant.

The increase in advances from customers from RMB1,079 million as at 31 December 2013 to RMB1,335 million as at 31 December 2014 was primarily attributable to the inclusion of advances received from Xinjiang Plant's customers.

Net current liabilities

Although the Group's current liabilities exceeding its current assets by RMB6,191 million, the Group was able to (i) generate positive cashflows from operations; (ii) renewing its existing funding; and (iii) obtaining new funding from its lenders, so as to enable the Group to meet their financial obligations as and when they fall due.

Non-current liabilities

Non-current liabilities increased by RMB7,718 million from RMB2,320 million as at 31 December 2013 to RMB10,038 million as at 31 December 2014. The increase was due primarily to: (i) an increase in deferred tax liabilities in relation to the recognition of intangible assets resulting from the acquisition of CLI; (ii) outstanding payables arising from the acquisition of another 30% equity interest in CLI; (iii) the contribution of deferred income after consolidating CLI; (iv) the contribution of finance lease liabilities relating to the machinery of Xinjiang Plant under sale-and-leaseback arrangements; and (v) an increase in loans and borrowings after consolidating CLI.

Review of Statement of Cash Flows

The Group generated a net cash inflow in operating activities of approximately RMB1,431 million in FY2014. This was mainly attributable to an increase in advances from customers, an increase in notes payable and an increase in trade and other payables. However, the overall increase was offset by an increase in inventories, prepayments and trade and other receivables.

There was a net cash outflow of RMB2,516 million from investing activities in FY2014, which was mainly attributable to: (i) the purchase of property, plant and equipment; (ii) the final payment made in respect of the acquisition of a 21% stake in CLI during FY2014; and (iii) the purchase of land use rights. However, the net cash outflow from investing activities was offset by a cash inflow of RMB83 million related to the net cash inflow from the acquisition of certain subsidiaries and proceeds of RMB237 million from the disposal of a subsidiary.

Financing activities resulted in net cash outflows of RMB294 million in FY2014, which were attributable mainly to the repayment of loans and borrowings and an increase in restricted cash. However, the net cash outflows were offset by proceeds from new loans and borrowings and sale and leaseback transactions and proceeds of RMB80 million from a non-controlling interest's contribution to a subsidiary.

Cash and cash equivalents decreased from RMB1,682 million as at 31 December 2013 to RMB314 million as at 31 December 2014 for the reasons discussed above.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Despite the volatile aluminum prices and difficult operating environment, XinRen was able to book in a more than four-fold rise in net attributable profit for FY2014. Going forward, the Group will push ahead with its plans to grow a sustainable earnings stream and further improve the cost efficiency of its operations, which will enable XinRen to maintain or improve its lead in the industry.

As part of these plans, XinRen aims to step up output at Xinjiang Plant to 1.1 million tonnes by the end of 2015, from 800,000 tonnes in FY2014. Two more power-generating units are also expected to be fully operational in 2015, bringing the plant's total to six power-generating units. In addition, XinRen is actively working to achieve self-sufficiency in terms of Xinjiang Plant's carbon anode requirements, which will allow the mega aluminum smelting facility to enjoy the cost benefits of a fully integrated value chain. These steps will enable Xinjiang Plant to further reduce its production costs.

These efforts to continually streamline XinRen's operations and upgrade its facilities have prepared the Group well to maintain or improve its earnings in 2015.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

Yes.

Name of dividend: First and final

Dividend type: Cash

Dividend rate: S\$0.01 per ordinary Share

Tax rate: Exempted – one tier

The calculation of dividend per share is based on the dividend to be declared as at 31 December 2014 divided by the total number of issued shares of the Company of 1,303,567,528 shares excluding treasury shares

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Date payable for the proposed first and final dividend to be announced at a later date.

(d) Books closure date

Books closure date for the proposed first and final dividend to be announced at a later date.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13. Update on Utilisation of IPO Proceeds

As at 31 December 2014, the net proceeds from the Company's initial public offering had been utilised as follows:

Use of Proceeds	Amount Allocated SGD'million	Amount Utilised SGD'million	Balance SGD'million
Increasing the capacity of Jiangyin fabrication plant	52.9	47.9	5.0
Strategic investments, acquisitions and general corporate purposes	14.4	14.4	-
Working capital	28.8	28.8	-
Total	96.1	91.1	5.0

14. If the Group has obtained a general mandate from Shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group did not obtain any general mandate from its shareholders for IPTs.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Please refer to "A Review of the Performance of the Group" in section 8 above.

16. In the review of performance, the factors leading to any material changes in the contributions to the turnover and earnings by the business or geographical segments.

Please refer to "A Review of the Performance of the Group" in section 8 above.

17. A breakdown of sales.

	Group		
	Latest Financial Year RMB'000 Unaudited	Previous Financial Year RMB'000 Audited (Restated)	+/(-) %
(a) Sales reported for first half-year	3,617,034	3,686,086	(1.9)
(b) Profit after tax reported for first half-year	21,898	3,376	548.6
(c) Sales reported for second half-year	11,180,580	4,704,442	137.7
(d) Profit after tax reported for second half-year	585,297	56,761	931.2

18. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Not applicable.

19. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholders of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make appropriate negative statement.**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Zeng Chaoyi	45	Brother of the Company's Executive Chairman and Chief Executive Officer, Mr. Zeng Chaolin.	General Manager –Responsible for assisting the CEO in the day-to-day operations of the Group.	None.
Li Yazhou	39	Spouse of the Company's substantial shareholder, Mr. Zeng Chaoyi.	Vice-General Manager – Responsible for assisting the CEO in the day-to-day operations of the Group.	None.
Zeng Hong	35	Spouse of the Company's Executive Director, Mr. Liang Hongbo, sister of the Executive Chairman and shareholder.	Manager – Responsible for the enterprise management department of the Shanghai regional headquarters.	None.
Liu Shu	36	Spouse of the Company's Executive Chairman and Chief Executive Officer, Mr. Zeng Chaolin, and shareholder	Manager – Responsible for the administration department of the Shanghai regional headquarters.	None.

BY ORDER OF THE BOARD

Zeng Chaolin
Executive Chairman
27 February 2015