



XinRen's earnings climb more than 4-fold to RMB284.0m; proposes DPS of S\$0.01 for FY14

- ◆ Proposed dividend gives a current yield of 2.1%
- ◆ Sterling results buoyed by consolidation of 51%-owned Xinjiang Plant from July 2014, which lifts ROE to a 3-year high
- ◆ Group expects further gains this year as the mega facility boosts output by 37.5% to 1.1m tonnes and greater cost efficiencies are achieved
- ◆ Ready to push ahead with plans to make Xinjiang Plant a leading cost-efficient aluminum producer in China

SINGAPORE ◆ 27 February 2015

For immediate release

Through the clear and bold foresight of the experienced management team leading the push for growth, XinRen Aluminum Holdings Limited (XinRen, the Group or 鑫仁铝业), a leading aluminum producer in the PRC, has turned in a stellar report for the financial year ended 31 December 2014 (FY14). It pulled off these striking gains despite a very challenging 4Q14, during which aluminum prices headed southwards in tandem with a sharp fall in crude oil prices.

Affirming its confidence in its future, XinRen has proposed to reward shareholders with a dividend of S\$0.01 per share for FY14, which would provide a current yield of 2.1% based on the last closing share price of S\$0.475 as at 26 February 2014.

XinRen delivered more than a four-fold rise in net attributable profit, which surged to RMB284.0 million from RMB60.0 million previously, even as revenue grew 76.4% to a record RMB14.8 billion. The Group also chalked up a solid increase in its return on equity (ROE), which jumped to 11.8% from just 3% – a three-year high.

These robust results were driven by the Group's decision to invest further in Xinjiang Plant, a large-scale and highly efficient coal-powered aluminum smelting facility. The move proved instrumental in accelerating earnings as the mega facility expanded its capacity and doubled output to 800,000 tonnes in FY14. The Group has held an effective stake of 51%



in Xinjiang Plant since July 2014, after adding to the initial 21% stake that it acquired in 2012.

The Group's Executive Chairman, Mr Zeng Chaolin (曾超林), said: "Xinjiang Plant has once again proved its mettle as the mainstay of XinRen's growing profitability – it was even able to expand revenues for the year despite the harsh operating conditions. Its highly efficient cost structure has not only buffered XinRen against the impact of industry fluctuations, but also pushed us firmly forward on our growth path."

Situated in Xinjiang Province, and armed with its own in-house independent power plant, the large-scale and integrated facility has ready access to cheap and abundant coal resources, which results in comparatively lower electricity costs. In addition, its 55%-owned, ultra-large and modern coal mine, located about 70km from the facility, will eventually supply all of its electricity needs and bolster its already low cost structure.

To further augment the plant's operations, the Group is now actively working to help it achieve self-sufficiency in terms of carbon anode needs. A fully integrated value chain will allow the mega aluminum smelting facility to enjoy additional cost benefits. Two more power-generating units are also expected to be fully operational in 2015, bringing the plant's total to six power-generating units.

Moreover, XinRen plans to ramp up Xinjiang Plant's output to 1.1 million tonnes by the end of FY15. All of these steps will enable the plant to further reduce its production costs.

Commenting on XinRen's prospects, Mr Zeng said: "We have made every effort to capitalise on the unique strengths of our Xinjiang Plant operations, and we have focused on continually upgrading its facilities to reduce its cost structure. We are thus ready to push on with our plans to make Xinjiang Plant a leading cost-efficient aluminum producer in China."

ABOUT THE COMPANY

www.xinren-aluminum.com ♦ SGX mainboard listing: October 2010

XinRen Aluminum Holdings Limited (XinRen or the Group) is a vertically integrated maker of primary aluminum products in the PRC that is led by a highly experienced management. Established in the 1970s, the Group is involved in key stages of aluminum smelting, fabrication and trading, where it derives revenue from the sale of ingots and plates, as well as sheets, coils and foils – which are used in a diverse range of sectors such as consumer, transport and construction.



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XinRen owns 51% of Xinjiang Production and Construction Corps Agricultural Division Eight Xinjiang Tianshan Aluminum Plant Co., Ltd. (Xinjiang Plant). This large-scale, coal-powered primary aluminum smelter in Xinjiang Province enjoys the benefits of a fully integrated value chain and has one of the most efficient cost structures in the industry.

XinRen is set to increase its lead as an integrated upstream aluminum producer as Xinjiang Plant continues to expand its capacity and sharpen its cost competitiveness. Already, the mega facility has acquired an ultra-large coal mine that will supply its in-house power plant, and it will soon begin construction of a carbon anode plant. Once fully in place, these facilities will reduce the Group's unit production cost even further.

FOR FURTHER ENQUIRIES

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