

MERIT STAND INC. (THE "OFFEROR") LAUNCHES
VOLUNTARY CONDITIONAL CASH OFFER ("OFFER") FOR
XINREN ALUMINUM HOLDINGS LIMITED (THE "COMPANY")

*Unless otherwise defined herein, all capitalised terms which are used in this press release shall have the same meanings ascribed to them in the Offer Announcement made by DBS Bank Ltd. ("**DBS Bank**") for and on behalf of the Offeror. A copy of the Offer Announcement is available on <http://www.sgx.com>.*

- For each Offer Share: **S\$0.60** in cash (the "**Offer Price**")
- Offer Price exceeds the highest closing price over the past five (5) years, and it represents premium of:
 - ✓ approximately 66.7% over the last transacted price per Share of S\$0.360 on 22 February 2016 ("**Last Relevant Trading Day**"), being the last full Market Day prior to the significant increase in Share price and volume on 23 February 2016
 - ✓ between 63.9% and 35.7% over the one (1)-month to twelve-month volume weighted average price per Share up to and including the Last Relevant Trading Day
- Offer will be conditional upon the Offeror holding, by the close of the Offer, not less than 90% of the total number of issued Shares¹ as at the date of the Offer
- Shareholders holding approximately 75.49% of the total number of issued Shares have undertaken to accept the Offer
- Offeror is seeking to privatise and delist the Company

SINGAPORE, 25 February 2016 – Merit Stand Inc. (the "**Offeror**") has today launched a voluntary conditional cash offer (the "**Offer**") to acquire all the issued and paid-up ordinary shares ("**Shares**") in the share capital of the Company, other than those Shares owned, controlled or agreed to be acquired by the Offeror as at the date of the Offer.

The Offer will be conditional upon the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror before or during the Offer, will result in the Offeror holding not less than 90% of the total number of issued Shares as at the date of the Offer.

Each of Mr. Zeng Chaoyi, Mr. Zeng Chaolin, Mdm. Deng Eying, Ms. Zeng Hong, Ms. Zeng Mingliu, Ms. Zeng Yiliu and Mr. Zeng Xiaoqiao (collectively, the "**Zeng Family**") has undertaken and agreed, *inter alia*, to accept, or procure the acceptance of, the Offer in respect of all the Shares held by each of them (whether directly or indirectly). The Zeng Family currently holds (whether directly or indirectly) in aggregate 984,097,032 Shares, representing approximately 75.49% of the total number of issued Shares.

¹ Unless otherwise stated, all references to the total number of issued Shares shall be to 1,303,567,528 Shares (excluding 6,980,000 treasury Shares).

The Offer provides Shareholders with a unique cash exit opportunity to realise their entire investment at a premium to the prevailing market prices of the Shares, an option which may not otherwise be readily available due to the low trading liquidity of the Shares.

The Offeror also believes that privatising the Company will give the Offeror and the management of the Company more flexibility to manage the business of the Company, optimise the use of its management and capital resources and facilitate the implementation of any operational change.

The Offer Price exceeds the highest closing price over the past five (5) years, and the Offer Price represents the following premia over the historical traded prices of the Shares:

	Description	Share Price (S\$)⁽¹⁾	Premium over Share Price⁽²⁾ (%)
(a)	Last Relevant Share Price	0.360	66.7
(b)	VWAP of the Shares traded on the SGX-ST for the one (1)-month period prior to and including the Last Relevant Trading Day	0.366	63.9
(c)	VWAP of the Shares traded on the SGX-ST for the three (3)-month period prior to and including the Last Relevant Trading Day	0.367	63.5
(d)	VWAP of the Shares traded on the SGX-ST for the six (6)-month period prior to and including the Last Relevant Trading Day	0.380	57.9
(e)	VWAP of the Shares traded on the SGX-ST for the 12-month period prior to and including the Last Relevant Trading Day	0.442	35.7
(f)	Highest closing price for the Shares in five (5) years up to and including the Last Relevant Trading Day	0.545	10.1

Notes:

(1) The figures set out in the table above are based on data extracted from Bloomberg L.P. on 24 February 2016.

(2) Computed based on the share prices which were rounded to the nearest three (3) decimal places.

The Offer Document setting out the terms and conditions of the Offer and enclosing the relevant form(s) of acceptance will be despatched to Shareholders not earlier than 14 days and not later than 21 days from the Offer Announcement Date.

The Offeror intends to make the Company its wholly owned subsidiary and does not intend to preserve the listing status of the Company. Accordingly, the Offeror, if and when entitled, intends to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act and does not intend to take any steps for the public float to be restored and/or for any trading suspension of the Shares by the Singapore Exchange Securities Trading Limited to be lifted in the event that, inter alia, less than 10% of the total number of Shares in issue (excluding treasury Shares) are held in public hands.

DBS Bank is the financial adviser to the Offeror.

Responsibility Statement

The directors of the Offeror (including any who may have delegated detailed supervision of the preparation of this press release) have taken all reasonable care to ensure that the facts stated and opinions expressed in this press release (excluding information relating to the Company or any opinion expressed by the Company) are fair and accurate and that there are no other material facts not contained in this press release, the omission of which would make any statement in this press release misleading.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Company, the sole responsibility of the directors of the Offeror has been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this press release.

The directors of the Offeror jointly and severally accept responsibility accordingly.

Any inquiries relating to this press release or the Offer should be directed during office hours to:

DBS Bank Ltd.

Strategic Advisory

Tel: (65) 6878 1989

Forward-looking Statements

All statements other than statements of historical facts included in this press release are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "aim", "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the Offeror's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information.

Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Offeror nor DBS Bank undertakes any obligation to update publicly or revise any forward-looking statements.