

# XINREN ALUMINUM HOLDINGS LIMITED

(Company Registration No.: 200612545H)  
(Incorporated in Singapore on 29 August 2006)

---

## PROPOSED ISSUE OF US\$70,000,000 8.0 PER CENT. CONVERTIBLE BONDS DUE 2020 – SUBSCRIPTION AGREEMENT

---

*The Board of Directors (the "Board") of XinRen Aluminum Holdings Limited (the "Company") refers to the Company's announcements dated 29 May 2015, 28 July 2015, 21 August 2015 and 27 August 2015, 2 October 2015, 22 October 2015, 2 November 2015, 4 November 2015, 15 November 2015, 21 November 2015, 23 November 2015 and 11 December 2015 (the "Announcements") relating to, inter alia, the issue of Convertible Bonds. Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings ascribed to them in the Announcements.*

### 1. INTRODUCTION

The Board of Directors (the "**Board**") of Xinren Aluminum Holdings Limited (the "**Company**") wishes to announce that it has on 15 December 2015 entered into a subscription agreement between the Company and Lotus Pacific Investment Holding Limited (the "**US\$70M Subscriber**") in relation to the proposed issue by the Company of US\$70,000,000 8.0 per cent. secured convertible bonds due 2020 (the "**US\$70M Convertible Bonds**"), which are convertible into new ordinary shares (the "**Shares**") in the capital of the Company (the "**US\$70M Subscription Agreement**").

Each US\$70M Convertible Bond will, at the option of the holder of the US\$70M Convertible Bond, be convertible (unless previously redeemed, converted or purchased and cancelled) into Shares at an initial conversion price of S\$1.01 per Share ("**Conversion Share**"). The conversion price is subject to adjustment in certain circumstances.

Please refer to the circular to Shareholders dated 24 November 2015 (the "**Circular**") for the principal Terms and Conditions of the US\$70M Convertible Bonds.

The proposed issue of the US\$70M Convertible Bonds and the Shares issued upon conversion of the US\$70M Convertible Bonds (the "**Conversion Shares**") will be made pursuant to the mandate for issue of shares and securities given to the directors of the Company at the extraordinary general meeting of the Company held on 11 December 2015 ("**Existing Share Issue Mandate**").

The number of Conversion Shares to be allotted and issued by the Company pursuant to the full conversion of the US\$70M Convertible Bonds is approximately 91,900,465 (based on the issue size of the US\$70M Convertible Bonds, the Initial Conversion Price and assuming no adjustments to the Initial Conversion Price), amounting to 7.05% of the current issued share capital of the Company and 25.18% of the issued share capital of the Company after the issue and full conversion of the US\$70M Convertible Bonds and the US\$180M Convertible Bonds.

The proposed issue of the US\$70M Convertible Bonds is conditional upon, *inter alia*, the receipt by the Company of the approval in-principle of the SGX-ST for the listing and quotation of the Conversion Shares on the Official List of the SGX-ST. The Company will make an application to the SGX-ST for the listing and quotation of the Conversion Shares. Appropriate announcements on the outcome of the application will be made in due course.

## **2. SUBSCRIBER**

The US\$70M Subscriber is Lotus Pacific Investment Holding Limited. No placement agent was appointed in connection with the issue of US\$70M Convertible Bonds.

Lotus Pacific Investment Holding Limited is a company incorporated under the laws of the British Virgin Islands, whose principal business is investment holding and is a wholly-owned subsidiary of China Huarong International Holdings Limited, which in turn is an indirect subsidiary of China Huarong Asset Management Co., Ltd. (中國華融資產管理股份有限公司) (“China Huarong”), a state-owned enterprise in the PRC. The three main businesses of China Huarong are asset management business, direct investment business and equity management business. To the best information, knowledge and belief of the Company, each of Lotus Pacific Investment Holding Limited and China Huarong is a third party independent of the Company and its connected persons. Lotus Pacific Investment Holding Limited was introduced to the Company by financial institutions.

As stated in the Announcements, US\$60,000,000 in aggregate principal amount of 8.0 per cent. secured convertible bonds due 2020 which are convertible into Shares was issued to Lotus Pacific Investment Holding Limited on 27 August 2015. Save for the foregoing, Lotus Pacific Investment Holding Limited does not hold any interest in the Company.

In addition, the Lotus Pacific Investment Holding Limited is not (a) the Company's director and substantial shareholder; (b) an immediate family member of the directors and substantial shareholders; (c) a substantial shareholder, related company (as defined in Section 6 of the Companies Act, Chapter 50 of Singapore), associated company and sister company of the Company's substantial shareholders; or (d) a corporation in whose shares the Company's directors and substantial shareholders have an aggregate interest of at least 10%.

Lotus Pacific Investment Holding Limited is a willing investor in the Company and had entered into the US\$70M Subscription Agreement purely for financial investment purposes.

Save as stated above, none of the Company's directors or Substantial Shareholders have, to the best of their knowledge, any connection (including business relationship) with any Lotus Pacific Investment Holding Limited or its directors or substantial shareholders.

## **3. RATIONALE AND USE OF PROCEEDS**

The net proceeds from the issue of the US\$70M Convertible Bonds will be US\$63,500,000 (excluding the payment of professional fees, costs, expenses payables and debt service reserves (being the amounts kept to service certain interest payments to the Bondholders) by the Company in connection with the US\$70M Convertible Bonds). The net proceeds from the issue of the US\$70M Convertible Bonds will be used entirely to fund the payment of part of the consideration to the vendors for the Acquisition (as defined in the Circular), and the

vendors will then on-lend such amounts to fund the capital expenditure of the Xinjiang Plant project.

Please refer to Section 2.2 of the Circular for further details.

#### **4. FINANCIAL EFFECTS**

The financial effects of the issue of the US\$70M Convertible Bonds will be disclosed in further announcements to be released by the Company.

#### **5. CONDITIONS PRECEDENT**

The obligations of the Subscribers to subscribe for the Convertible Bonds shall be subject to the satisfaction of, *inter alia*, the following conditions:

- (a) approval in-principle being obtained from the SGX-ST for the listing and quotation of the Conversion Shares on the Official List of the SGX-ST and not having been revoked or amended; and
- (b) the approval from Shareholders' for the valid issue of the Convertible Bonds having been obtained and not revoked.

#### **BY ORDER OF THE BOARD**

Zeng Chaolin  
Executive Chairman and Chief Executive Officer  
15 December 2015