

XINREN ALUMINUM HOLDINGS LIMITED

(Company Registration No.: 200612545H)

(Incorporated in Singapore on 29 August 2006)

USE OF PROCEEDS FROM THE ISSUE OF THE US\$150,000,000 8.0 PER CENT. CONVERTIBLE BONDS DUE 2020

*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, 27 August 2015 and 2 October 2015 (the "**Announcements**") relating to, inter alia, the issue of the Convertible Bonds. Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings ascribed to them in the Announcements.*

Further to the Company's Announcements in relation to the issuance of the US\$150,000,000 8.0 per cent. secured Convertible Bonds due 2020, the Board wishes to clarify that the net proceeds from the US\$150,000,000 Convertible Bonds and US\$200,000,000 of the Term Loan (excluding the payment of fees, costs, expenses payables and debt service reserves by the Company in connection with the Convertible Bonds and the Term Loan) amounting to US\$320,040,000 (of which US\$138,480,000 is the net proceeds from the US\$150,000,000 Convertible Bonds and US\$181,560,000 is the net proceeds from the Term Loan) will be used entirely to fund the payment of part of the consideration to the vendors for the acquisition of 30% of the issued share capital of China Leading International Group Limited (the "**Acquisition**"). Details of the Acquisition are described in the Company's circular to shareholders dated 22 May 2014 (the "**Circular**").

The Vendors (as defined in the Circular) have agreed to then on-lend the US\$320,040,000 paid to them to the Group to be used to fund the capital expenditure of the Xinjiang Plant (as defined and described in the Circular), which is a large-scale integrated aluminum power plant entity located in Xinjiang, PRC.

The Board further wishes to announce that it has, on 27 August 2015, made the payment of US\$320,040,000 to the Vendors, and the Vendors have then subsequently on-lent US\$320,040,000 to the Group. The net proceeds of US\$320,040,000 from the US\$150,000,000 Convertible Bonds and the Term Loan were then disbursed in September 2015 to fund part of the capital expenditure of the Xinjiang Plant project, which involves the construction of additional production lines to increase the aluminum smelting capacity by approximately 400,000 tonnes and in relation to the construction of four power generating units. In particular, the net proceeds of US\$320,040,000 were used for the payment and pre-payment to suppliers of the Group.

The use of proceeds from the issue of the US\$150,000,000 Convertible Bonds is in accordance with the intended use.

The Company intends to use existing working capital, bank borrowings and/or proceeds from fund raising exercises (including raising of funds from the debt or capital market) to fund the remaining capital expenditure of the Xinjiang Plant project.

BY ORDER OF THE BOARD

Zeng Chaolin
Executive Chairman
22 October 2015