



XinRen Aluminum Holdings Limited

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XinRen heralds start of the year with 467% surge in 1QFY15 net attributable profit to shareholders to RMB98.1m

- ◆ Impressive results boosted by consolidation of 51%-owned Xinjiang Plant, the Group's low-cost and highly lucrative aluminum smelter
- ◆ Xinjiang Plant's earnings set to rise further on a near 40% jump in capacity output for FY15; cost efficiency to improve as XinRen completes integrated value chain
- ◆ XinRen well-positioned to ride upturn in aluminum prices and grow its profits on a sustainable basis

SINGAPORE ◆ 11 May 2015

For immediate release

It has been a strong start to the year for XinRen Aluminum Holdings Limited (XinRen, the Group or 鑫仁铝业), a leading aluminum producer in the PRC. The Group posted impressive results for the first quarter ended 31 March 2015 (1QFY15), with its net attributable profit to shareholders surging 467% to RMB98.1 million from RMB17.3 million in 1QFY14.

This superb performance, booked in despite a slow worldwide economic recovery and volatile aluminum prices during the quarter, was boosted by the consolidation of the Group's 51%-owned Xinjiang Plant from 3QFY14. This low-cost and highly lucrative aluminum smelter more than tripled the Group's revenue to RMB5.6 billion in 1QFY15 from RMB1.7 billion previously, and powered the strong turnaround in gross profit to RMB367.6 million from a gross loss of RMB1.8 million in 1QFY14.

The Group's Executive Chairman, Mr Zeng Chaolin (曾超林), said: "Xinjiang Plant has been the key driver of our remarkable profit turnaround and earnings growth over the past two years. Its location in an upcoming, low-cost manufacturing hub has amplified returns, propelling XinRen ahead of the industry, where profitability is being sharply eroded by climbing costs and volatile aluminum prices.



“Management’s foresight in establishing new smelting operations in Xinjiang Province has clearly paid off. We are now able to fulfil our vision of building a mega and integrated facility that taps on the province’s very low-cost coal resources. We will press on with plans to realise the full potential of Xinjiang Plant, and will be enlarging its capacity and building a fully integrated value chain.”

Xinjiang Plant has received government approval to expand its production capacity to 1.6 million tonnes per annum when it is completed in the coming years, even as other smelters are being hit by capacity shutdowns. It has already been progressively ramping up its output: From a trial production output of only 150,000 tonnes in 2012, the figure has been raised to a production output of around 800,000 tonnes in 2014 and will increase further to about 1.1 million tonnes for 2015.

This mega smelting facility is currently powered by an in-house independent power plant with four fully operational power generating units of 350MW each. Two more power generating units will be added by the end of FY15 to meet the requirements of the plant’s expanded output. The Group is also constructing a mega carbon anode plant in phases, which will have a capacity of 900,000 tonnes when fully completed and will provide cost savings of about RMB450 per tonne. Phase 1 (capacity: 300,000 tonnes) has already been completed. These investments will allow Xinjiang Plant to reap the benefits of a fully integrated value chain and reduce its unit production cost further, sharpening XinRen’s edge among the lowest-cost producers in the PRC.

Commenting on XinRen’s prospects, Mr Zeng said: “We are poised to improve our earnings in FY15 as we enjoy the first full-year consolidation of Xinjiang Plant’s revenue and profits. With Xinjiang Plant in our fold, we are well-positioned to ride an upturn in aluminum prices and grow our profits on a sustainable basis.”

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 is in the midst of constructing 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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