



UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2015

The Board of Directors of XinRen Aluminum Holdings Limited (the "Company") is pleased to announce the consolidated results for the first quarter ended 31 March 2015. The figures below have not been audited or reviewed by the auditors of the Company.

The Company is an investment holding and trading company and the Group is engaged primarily in the manufacturing of aluminum ingots through the smelting process, and the fabricating and trading of aluminum-related products.

The consolidated financial statements are presented in Chinese Renminbi ("RMB") and all values in the tables are rounded to the nearest thousand (RMB'000) as indicated.

1(a)(i) A Consolidated Income Statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		
	Three months ended		
	31/3/2015	31/3/2014	+/(-) %
	RMB'000	RMB'000	
	Unaudited	Unaudited (restated)	
Revenue	5,605,120	1,668,740	235.9
Cost of sales	(5,236,222)	(1,670,522)	213.4
Gross profit/(loss)	368,898	(1,782)	n.m
Other items of income			
Finance income	4,952	3,351	47.8
Other income	135,004	39,422	242.5
Other items of expense			
Selling and distribution expenses	(83,312)	(10,195)	717.2
Administrative expenses	(47,690)	(20,662)	130.8
Finance costs	(74,860)	(23,260)	221.8
Other expenses	(1,005)	(662)	51.8
Share of result of a jointly controlled entity (Note 1)	-	23,117	(100.0)
Profit before income tax	301,987	9,329	3,137.1
Income tax (expense)/credit	(70,066)	7,964	n.m
Profit after income tax	231,921	17,293	1,241.1
Profit attributable to:			
Equity holders of the Company	98,053	17,293	
Non-controlling interests	133,868	-	
	231,921	17,293	

Note 1: Share of result of a jointly controlled entity is after tax.

n.m –not meaningful

1(a)(ii) A Consolidated Statement of Comprehensive Income (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		
	Three months ended		
	31/3/2015	31/3/2014	+/(-) %
	RMB'000	RMB'000	
	Unaudited	Unaudited (restated)	
Profit after income tax	231,921	17,293	1,241.1
Other comprehensive loss:			
Foreign currency translation	(18,331)	(9,195)	99.4
Other comprehensive loss for the period	(18,331)	(9,195)	99.4
Total comprehensive income for the period	213,590	8,098	2,537.6
Total comprehensive income attributable to:			
Equity holders of the Company	79,722	8,098	
Non-controlling interests	133,868	-	
	213,590	8,098	

1(a)(iii) Notes to the Consolidated Income Statement

The following items have been included in arriving at profit before income tax:

	Group		
	Three months ended		
	31/3/2015	31/3/2014	+/(-) %
	RMB'000	RMB'000	
	Unaudited	Unaudited	
Other income:			
Government subsidies (note 1)	99,609	2,152	4,528.7
Sale of scraps	3,752	1,061	253.6
Gain on disposal of a subsidiary (note 2)	-	27,948	(100.0)
Foreign exchange gain	17,388	6,005	189.6
Reversal of impairment of inventories	13,350	-	n.m
Others	905	2,256	(59.9)
Other expenses:			
Others	(1,005)	(662)	51.8
Interest income	4,952	3,351	47.8
Finance expense:			
Interest expense	(7,635)	(8,302)	(8.0)
Accretion of finance lease liabilities	(17,785)	-	n.m
Amortisation of discount related to payables arising from acquisition of a subsidiary (note 3)	(39,560)	-	n.m
Bank charges and discount charges for notes receivable	(9,880)	(14,958)	(33.9)
Accretion of deferred income of financial lease (note 4)	12,544	-	n.m
Accretion of intangible assets	(32,362)	-	n.m
Amortisation of land use rights	(4,507)	(240)	1,777.9
Depreciation of property, plant and equipment	(151,958)	(21,429)	609.1
Staff costs	(83,957)	(16,276)	415.8

Notes:

- These relate to: (i) freight allowance provided by the local government; and (ii) other subsidies provided by the local government on income earned by the Group's subsidiaries.
- On 25 February 2014, the Group entered into a sale and purchase agreement to dispose of its entire interest in a wholly owned subsidiary, Yichang Changjiang Aluminum Co. Ltd. ("Yichang Plant"). With effect from 1 January 2014, the Group no longer consolidates the results of Yichang Plant.
- Payables arising from the acquisition of the 30% equity interest in China Leading International Limited ("CLI") were measured at fair value at the date of acquisition and the difference between the fair value and the acquisition cost is amortised over the payment period.
- The Group sold certain electrobaths and immediately leased back these electrobaths from the buyer. Since the Group did not dispose of the risks and rewards of ownership of the electrobaths, the lease was classified as a finance lease. The difference between the sale price and the previous carrying amount of the assets is deferred and amortised over the lease term.

1(b)(i) A Consolidated Statement of Financial Position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31/3/2015	31/12/2014	31/3/2015	31/12/2014
	RMB'000	RMB'000	RMB'000	RMB'000
	Unaudited	Audited	Unaudited	Audited
Non-current assets				
Property, plant and equipment	16,686,750	16,202,903	95	217
Land use rights	807,657	812,164	-	-
Intangible assets	4,672,003	4,704,366	-	-
Investments in subsidiaries	-	-	5,692,509	5,691,127
Deferred income tax assets	109,449	98,974	1,539	252
	22,275,859	21,818,407	5,694,143	5,691,596
Current assets				
Inventories	1,638,460	1,504,792	-	-
Prepayments	2,663,747	2,745,342	-	-
Amounts due from related parties	179,041	172,902	-	-
Amounts due from subsidiaries	-	-	853,358	752,035
Amounts due from directors	30,601	24,609	-	-
Income tax receivable	12,273	10,194	-	-
Trade and other receivables	1,607,306	1,954,412	328,884	442,421
Restricted cash	2,284,533	1,933,562	-	-
Cash and cash equivalents	266,016	313,913	12,548	40,604
	8,681,977	8,659,726	1,194,790	1,235,060
Current liabilities				
Borrowings	3,983,904	4,475,096	1,022,151	1,029,606
Notes payable	4,307,122	4,132,159	-	-
Payables arising from acquisition of a subsidiary	52,734	52,734	-	-
Trade and other payables	4,479,130	4,490,953	4,174	4,280
Advances from customers	1,575,904	1,335,431	-	-
Finance lease liabilities	261,707	265,129	-	-
Income tax payable	85,076	99,488	1,370	1,163
	14,745,577	14,850,990	1,027,695	1,035,049
Net current (liabilities)/assets	(6,063,600)	(6,191,264)	167,095	200,011
Non-current liabilities				
Deferred income tax liabilities	1,003,276	987,573	-	-
Deferred income	342,480	356,701	-	-
Payables arising from acquisition of a subsidiary	3,069,323	3,030,216	3,069,323	3,030,216
Borrowings	726,876	376,876	-	-
Finance lease liabilities	733,913	801,495	-	-
Advances from customers	4,533,954	4,485,435	1,653,274	1,677,785
	10,409,822	10,038,296	4,722,597	4,708,001
Net assets	5,802,437	5,588,847	1,138,641	1,183,606
Equity attributable to equity holders of the Company				
Share capital	995,377	995,377	995,377	995,377
Treasury shares	(12,483)	(12,483)	(12,483)	(12,483)
Retained profits	1,333,558	1,236,395	168,913	199,618
Other reserves	135,504	152,945	(13,166)	1,094
	2,451,956	2,372,234	1,138,641	1,183,606
Non-controlling interests	3,350,481	3,216,613	-	-
Total equity	5,802,437	5,588,847	1,138,641	1,183,606

1(b)(ii) Aggregate amount of Group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

	31/3/2015		31/12/2014	
	Secured RMB'000 Unaudited	Unsecured RMB'000 Unaudited	Secured RMB'000 Audited	Unsecured RMB'000 Audited
Borrowings	3,118,463	865,441	3,851,776	623,320
Notes payables	3,015,072	1,292,050	3,180,430	951,729
Finance lease liabilities	261,707	-	265,129	-
	<u>6,395,242</u>	<u>2,157,491</u>	<u>7,297,335</u>	<u>1,575,049</u>

Amount repayable after one year

	31/3/2015		31/12/2014	
	Secured RMB'000 Unaudited	Unsecured RMB'000 Unaudited	Secured RMB'000 Audited	Unsecured RMB'000 Audited
Borrowings	626,876	100,000	276,876	100,000
Finance lease liabilities	733,913	-	801,495	-
	<u>1,360,789</u>	<u>100,000</u>	<u>1,078,371</u>	<u>100,000</u>

Details of any collateral

Borrowings, notes payables and finance lease liabilities are secured by charges over restricted cash, land use rights and buildings, inventories and plant and machinery, and/or guarantees by directors of the Company and its subsidiaries.

1(c) A Consolidated Statement of Cash Flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	Three months ended	
	31/3/2015	31/3/2014
	RMB'000	RMB'000
	Unaudited	Unaudited
		(restated)
Cash flow from operating activities		
Profit before income tax	301,987	9,329
Adjustments for:		
Amortisation of discount related to payable arising from acquisition of a subsidiary	39,560	-
Accretion of financial lease liabilities	17,785	-
Accretion of deferred income	(2,783)	-
Accretion of deferred income of financial lease	(12,544)	-
Reversal of impairment of inventories	(13,350)	-
Depreciation of property, plant and equipment	151,958	21,429
Gain on disposal of a subsidiary	-	(27,948)
Amortisation of land use rights	4,507	240
Amortisation of intangible assets	32,362	-
Exchange realignment	(2,784)	490
Unrealised exchange gain	(12,110)	(9,196)
Share of result in a jointly controlled entity	-	(23,117)
Bank charges and discount fee for notes receivable	9,880	14,958
Interest income	(4,952)	(3,351)
Interest expense	7,635	8,302
Operating profit/(loss) before changes in working capital	517,151	(8,864)
Increase in inventories	(120,318)	(103,166)
Decrease/(increase) in prepayments	81,595	(20,845)
Decrease/(increase) in trade and other receivables	347,106	(481,381)
(Increase)/decrease in amounts due from directors and related parties	(12,131)	113,624
Increase in amount due from a jointly controlled entity	-	(493,035)
(Decrease)/increase in trade and other payables	(7,019)	359,087
Increase in advances from customers	288,992	292,903
Cash generated from/(used in) operating activities	1,095,376	(341,677)
Interest income received	4,952	3,351
Interest expense paid	(17,515)	(23,260)
Tax paid	(81,328)	(1,765)
Net cash generated from/(used in) operating activities	1,001,485	(363,351)
Cash flows from investing activities		
Payment for acquisition of a jointly controlled entity	-	(572,084)
Purchase of property, plant and equipment	(635,772)	(12,208)
Proceed from disposal of a subsidiary	-	10,222
Net cash used in investing activities	(635,772)	(574,070)

1(c) A Consolidated Statement of Cash Flows – continued

	Group	
	Three months ended	
	31/3/2015	31/3/2014
	RMB'000	RMB'000
	Unaudited	Unaudited
		(restated)
Cash flow from financing activities		
Purchase of treasury shares	-	(5,556)
Proceeds from borrowings	846,414	174,757
Repayments of borrowings	(991,684)	(348,192)
Repayments of finance lease	(92,486)	-
Increase in notes payable	174,963	247,500
Increase in restricted cash	(350,971)	(277,415)
Net cash used in financing activities	(413,764)	(208,906)
Net decrease in cash and cash equivalents	(48,051)	(1,146,327)
Effects of currency translation on cash and cash equivalents	154	(157)
Cash and cash equivalents at beginning of the period	313,913	1,682,282
Cash and cash equivalents at end of the period	266,016	535,798

1(d)(i) A Statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to Equity Holders of the Company					Non-controlling interest	Total equity
	Share capital	Treasury shares	Retained profits	Other reserves	Total reserves		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Group							
Balance at 1 January 2014 (restated)	995,377	(6,927)	831,572	251,648	1,083,220	2,071,670	2,071,670
Purchase of treasury shares	-	(5,556)	-	-	-	(5,556)	(5,556)
Realisation of reserve upon disposal of a subsidiary	-	-	148,690	(148,690)	-	-	-
Profit for the period (restated)	-	-	17,293	-	17,293	17,293	17,293
Other comprehensive loss for the period	-	-	-	(9,195)	(9,195)	(9,195)	(9,195)
Total comprehensive income/(loss) for the period	-	-	17,293	(9,195)	8,098	8,098	8,098
Appropriation to special reserve	-	-	(1,885)	1,885	-	-	-
Balance at 31 March 2014 (restated)	995,377	(12,483)	995,670	95,648	1,091,318	2,074,212	2,074,212
Balance at 1 January 2015	995,377	(12,483)	1,236,395	152,945	1,389,340	2,372,234	3,216,613
Profit for the period	-	-	98,053	-	98,053	98,053	133,868
Other comprehensive loss for the period	-	-	-	(18,331)	(18,331)	(18,331)	-
Total comprehensive income/(loss) for the period	-	-	98,053	(18,331)	79,722	79,722	133,868
Appropriation to special reserve	-	-	(890)	890	-	-	-
Balance at 31 March 2015	995,377	(12,483)	1,333,558	135,504	1,469,062	2,451,956	3,350,481
Company							
Balance at 1 January 2014 (restated)	995,377	(6,927)	180,544	(14,014)	166,530	1,154,980	
Purchase of treasury shares	-	(5,556)	-	-	-	(5,556)	
Loss for the period (restated)	-	-	(11,427)	-	(11,427)	(11,427)	
Other comprehensive loss for the period	-	-	-	(7,123)	(7,123)	(7,123)	
Total comprehensive loss for the period	-	-	(11,427)	(7,123)	(18,550)	(18,550)	
Balance at 31 March 2014 (restated)	995,377	(12,483)	169,117	(21,137)	147,980	1,130,874	
Balance at 1 January 2015	995,377	(12,483)	199,618	1,094	200,712	1,183,606	
Loss for the period	-	-	(30,705)	-	(30,705)	(30,705)	
Other comprehensive loss for the period	-	-	-	(14,260)	(14,260)	(14,260)	
Total comprehensive loss for the period	-	-	(30,705)	(14,260)	(44,965)	(44,965)	
Balance at 31 March 2015	995,377	(12,483)	168,913	(13,166)	155,747	1,138,641	

- 1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

During the three-month period ended 31 March 2015, there were no changes to the total number of 1,303,567,528 issued ordinary shares of the Company (the "Shares") excluding treasury shares.

The holders of the Shares (other than treasury shares) are entitled to receive dividends as and when declared by the Company. All Shares (other than treasury shares) carry one vote per share without restriction. The Shares do not have par value.

There were no convertibles issued by the Company as at 31 March 2015, 31 December 2014 and 31 March 2014.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and at as the end of the immediately preceding year.**

	As at 31 March 2015	As at 31 December 2014	As at 31 March 2014
Number of issued shares excluding treasury shares :	1,303,567,528	1,303,567,528	1,303,567,528
Number of treasury shares held :	6,980,000	6,980,000	6,980,000

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There were no sales, transfers, disposal, cancellation and/or use of treasury shares by the Company as at 31 March 2015.

- 2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

The financial statements presented above have not been audited nor reviewed by the Company's auditor.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed section 5 below, there were no changes in accounting policies and methods of computation in the consolidated financial statements for the current reporting period as compared to the most recently audited consolidated financial statements for the financial year ended 31 December 2014.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has applied the same accounting policies and methods of computation in the preparation of the consolidated financial statements for the current reporting period compared with the audited financial statements as at 31 December 2014 except for the adoption of new or revised FRS that are mandatory for financial years beginning on or after 1 January 2015. The adoption of these FRS has no significant impact on the Group's consolidated financial statements.

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

The calculation of basic earnings per share is based on the Group's profit after income tax attributable to owners of the Company for the respective periods divided by:

- (a) the total number of issued shares of the Company of 1,303,567,528 shares excluding treasury shares as at 31 March 2015; and
- (b) the weighted average of total number of issued shares of the Company of 1,305,455,306 shares excluding treasury shares as at 31 March 2014.

	Group	
	Three months ended 31/3/2015 Unaudited	31/3/2014 Unaudited (restated)
Profit after income tax attributable to owners of the Company (RMB'000)	98,053	17,293
Basic earnings per share (RMB cents)	7.52	1.32

* There were no potential dilutive options for the period

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury of shares of the issuer at the end of the:

- (a) current financial period reported on; and
- (b) immediately preceding financial year.

	Group		Company	
	31/3/2015 Unaudited	31/12/2014 Unaudited	31/3/2015 Unaudited	31/12/2014 Unaudited
Net asset value (RMB'000)	2,451,956	2,372,234	1,138,641	1,183,606
Net asset value per share (RMB cents)	188.10	181.98	87.35	90.80

The calculation of net asset value per share is based on the net asset value as at the end of respective periods divided by the total number of issued shares of the Company of 1,303,567,528 Shares (31 December 2014: 1,303,567,528 shares) excluding treasury shares.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

First Quarter Ended 31 March 2015 ("1Q2015") vs First Quarter Ended 31 March 2014 ("1Q2014")

Revenue (excluding all inter-segment transactions)

	Group		
	Three months ended		
	31/3/2015	31/3/2014	+/(−)
	RMB'000	RMB'000	%
	Unaudited	Unaudited	
		(restated)	
Smelting	2,851,566	322,004	785.6
Fabrication	76,594	106,213	(27.9)
Trading	2,676,960	1,240,523	115.8
	<u>5,605,120</u>	<u>1,668,740</u>	235.9

The Group's revenue increased by approximately RMB3,936 million to RMB5,605 million in 1Q2015 from RMB1,669 million in 1Q2014. The increase in revenue was largely due to the consolidation of the Group's 51%-owned subsidiary, CLI (which wholly owns Xinjiang Production and Construction Corps Agricultural Division Eight Xinjiang Tianshan Aluminum Plant Co., Ltd., or "Xinjiang Plant") since July 2014.

The Group's revenue from the smelting segment increased by approximately 785.6% to RMB2,852 million in 1Q2015 from RMB322 million in 1Q2014. The increase was primarily due to the consolidation of Xinjiang Plant's results into the Group's financial statements from July 2014.

The Group's revenue from the fabrication segment decreased by approximately 27.9% to RMB77 million in 1Q2015 from RMB106 million in 1Q2014. The decrease in revenue was largely because the sales volume of fabricated aluminum products decreased from 7,900 metric tons ("MT") in 1Q2014 to 5,900 MT in 1Q2015.

The Group's revenue from the trading segment increased to RMB2,677 million in 1Q2015 from RMB1,241 million in 1Q2014. The increase was mainly attributable to: (i) expansion of the Group's customer base to cater for the increase in Xinjiang Plant's production capacity, which is expected to come on-stream in the ensuing quarters; and (ii) contribution from Xinjiang Plant as the Group started to consolidate its 51% stake in CLI from July 2014.

Gross profit/(loss) margin

The Group's gross profit increased to RMB369 million in 1Q2015 from a gross loss of RMB2 million in 1Q2014, and the gross profit margin rose to approximately 6.6% in 1Q2015. The increase in gross profit was mainly due to: (i) Xinjiang Plant's relatively lower electricity costs compared to other plants; and (ii) Xinjiang Plant's higher sales volume.

The gross profit margin for the smelting and fabrication segments were 14.1% and 9.1% respectively, and the gross loss margin for the trading segment is 1.5%.

Profit before income tax (excluding all inter-segment transactions)

	Group		
	Three months ended		+/(-) %
	31/3/2015	31/3/2014	
	RMB'000	RMB'000	
	Unaudited	Unaudited	
		(restated)	
Smelting	340,952	(26,187)	n.m
Fabrication	2,046	(1,112)	n.m
Trading	(41,011)	13,511	n.m
Share of result in a jointly controlled entity	-	23,117	(100.0)
	<u>301,987</u>	<u>9,329</u>	3,137.1

The Group recorded a profit before income tax of RMB302 million in 1Q2015, largely because the smelting segment posted a higher profit contribution. Gains for this segment came from Xinjiang Plant, as its profit contribution rose on higher smelting output and lower production cost.

The higher loss incurred by the trading segment was due to the volatility of aluminum prices during 1Q2015.

Selling and distribution expenses increased by approximately 717.2% to RMB83 million in 1Q2015 from RMB10 million in 1Q2014. The increase was mainly attributable to the inclusion of selling and distribution expenses of Xinjiang Plant.

Administrative expenses increased by approximately 130.8% to RMB48 million in 1Q2015 from RMB21 million in 1Q2014, due to the inclusion of administrative expenses of Xinjiang Plant.

Finance costs increased by approximately 221.8% to RMB75 million in 1Q2015 from RMB23 million in 1Q2014. The increase was mainly due to: (i) interest cost of RMB17 million arising from finance lease liabilities for machinery leased by Xinjiang Plant; and (ii) amortisation of discount of RMB40 million related to payables arising from the acquisition of subsidiaries. Finance costs incurred by Xinjiang Plant were mostly capitalised as Xinjiang Plant is still expanding its smelting production capacity and in-house power plant.

Other income increased by approximately 242.5% to RMB135 million in 1Q2015 from RMB39 million in 1Q2014. The increase was mainly due to: (i) government subsidies received from the local government; (ii) reversal of impairment of inventories of RMB13 million; and (iii) unrealised foreign exchange gain related to payables arising from the acquisition of CLI.

Income tax (expense)/credit

The increase in tax was mainly due to the higher taxable profit of Xinjiang Plant. However, the increase was partially offset by income tax credits resulting from the tax losses of some of the Group's subsidiaries that are expected to be realised in the near future.

Profit after income tax

Profit after income tax for the owners of the Company was lower than that of the non-controlling interests', mainly due to losses incurred by some of the Group's wholly-owned subsidiaries during the period under review.

Review of Statement of Financial Position

Non-current assets increased by approximately 2.1% from RMB21,818 million as at 31 December 2014 to RMB22,276 million as at 31 March 2015. These assets consist of property, plant and equipment, land use rights, intangible assets, and deferred income tax assets. The increase in non-current assets was attributable primarily to the purchase of property, plant and equipment in Xinjiang Plant.

Current assets

Inventories increased from RMB1,505 million as at 31 December 2014 to RMB1,638 million as at 31 March 2015. The increase was primarily attributable to the stocking of more raw materials for the production at Xinjiang Plant.

Prepayments decreased from RMB2,745 million as at 31 December 2014 to RMB2,664 million as at 31 March 2015. The decrease was mainly due to the delivery of raw materials from suppliers.

Trade and other receivables decreased from RMB1,954 million as at 31 December 2014 to RMB1,607 million as at 31 March 2015. The decrease was primarily attributable to the payment received from customers.

Restricted cash increased from RMB1,934 million as at 31 December 2014 to RMB2,285 million as at 31 March 2015. This was the result of more deposits being held as collateral for the bank loans taken as well as the increase in utilisation of notes payable.

Current liabilities

Borrowings decreased from RMB4,475 million as at 31 December 2014 to RMB3,984 million as at 31 March 2015. The decrease was due to the repayment of short term loans.

Notes payable increased from RMB4,132 million as at 31 December 2014 to RMB4,307 million as at 31 March 2015, because the notes payable was utilised as working capital and to also partially finance the expansion of production at Xinjiang Plant.

Payables arising from the acquisition of a subsidiary was for the acquisition of a 55% shareholding interest in Xinjiang Tianfu Coal Mining Co., Limited, which is in the business of mining and selling coal.

A slight decrease in trade and other payables by RMB12 million from RMB4,491 million as at 31 December 2014 to RMB4,479 million as at 31 March 2015 was recorded.

The increase in advances from customers from RMB1,335 million as at 31 December 2014 to RMB1,576 million as at 31 March 2015 was primarily attributable to the sales contracts entered with customers during 1Q2015 that required upfront payment before delivery.

Net current liabilities

Although the Group's current liabilities exceeded its current assets by RMB6,064 million, the Group was able to: (i) generate positive cash flows from its operations; (ii) renew its existing funding; and (iii) obtain new funding from its lenders, so as to enable the Group to meet their financial obligations as and when they fall due.

Non-current liabilities

Non-current liabilities increased by RMB372 million from RMB10,038 million as at 31 December 2014 to RMB10,410 million as at 31 March 2015. The increase was due primarily to an increase in loans and borrowings of RMB350 million.

Review of Statement of Cash Flows

The Group generated a net cash inflow from operating activities of approximately RMB1,001 million in 1Q2015. This was mainly attributable to the operating profit for the period, decrease in trade and other receivables and increase in advances from customers. However, the overall increase was partially offset by the increase in inventories.

There was a net cash outflow of RMB636 million from investing activities in 1Q2015, which was primarily due to the purchase of property, plant and equipment in Xinjiang Plant.

Financing activities resulted in net cash outflows of RMB414 million in 1Q2015, which was mainly attributable to the increase in restricted cash of RMB351 million and repayments of finance lease.

Cash and cash equivalents decreased from RMB314 million as at 31 December 2014 to RMB266 million as at 31 March 2015 for the reasons discussed above.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Despite the slow worldwide economic recovery and volatile aluminum prices, XinRen was able to generate an impressive net attributable profit to shareholders of RMB98.1 million for the quarter, a 467% increase year-on-year. This achievement was driven by contributions from Xinjiang Plant, the low-cost and highly lucrative aluminum smelter that has been the key driver of XinRen's remarkable profit turnaround and earnings growth over the past two years. The plant has enabled the Group to grow its profitability even when most players in the global aluminum industry suffered diminished profits or even losses in a still difficult operating environment. Xinjiang Plant was consolidated from July 2014 onwards, after the Group raised its effective stake in the mega facility from 21% to a controlling 51%.

Xinjiang Plant is well on its way to realising its full potential. The Group has managed to obtain government approval to expand its production capacity to 1.6 million tonnes, even as other smelters were hit by capacity shutdowns. In this regard, XinRen has pushed ahead with plans to ramp up production output at the facility to around 1.1 million tonnes by the end of 2015, from about 800,000 tonnes in 2014. In addition, the Group has completed phase 1 construction of a carbon anode plant. This plant will eventually supply all of Xinjiang Plant's requirements when fully completed in three phases. Moreover, two more 350MW power-generating units will become fully operational in 2015, which will increase the in-house power plant's total to six units.

These steps will allow Xinjiang Plant to enjoy the cost benefits of a fully integrated value chain and further reduce its unit production cost, sharpening XinRen's edge amongst the lowest-cost producers in the PRC. The Group is therefore well-positioned to ride an upturn in aluminum prices and grow its profits on a sustainable basis.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommendeded, a statement to that effect.

No dividend has been declared or recommended for the first quarter ended 31 March 2015.

13. Update on Utilisation of IPO Proceeds

As at 31 March 2015, the net proceeds from the Company's initial public offering had been utilised as follows:

Use of Proceeds	Amount Allocated SGD'million	Amount Utilised SGD'million	Balance SGD'million
Increasing the capacity of Jiangyin fabrication plant	52.9	47.9	5.0
Strategic investments, acquisitions and general corporate purposes	14.4	14.4	-
Working capital	28.8	28.8	-
Total	96.1	91.1	5.0

14. If the Group has obtained a general mandate from Shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group did not obtain any general mandate from its shareholders for IPTs.

15. Negative Assurance Confirmation on Interim Financial Results pursuant to Rule 705(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited

The Board of Directors of XinRen Aluminum Holdings Limited hereby confirm that, to the best of its knowledge, nothing has come to their attention which may render the financial results for the first quarter ended 31 March 2015 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Liang Hongbo
Executive Director
11 May 2015