



XinRen gets overwhelming shareholder support to raise stake in profitable Xinjiang Plant to 51%

- ◆ XinRen received 99.62% of votes in favour of the acquisition at today's EGM
- ◆ Group expects higher profit contribution from Xinjiang Plant as it ramps up output to 880,000 tonnes in FY2014
- ◆ The purchase will firmly set XinRen amongst the leading integrated upstream producers in China's aluminum industry

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For immediate release

XinRen Aluminum Holdings Limited (XinRen, the Group or 鑫仁铝业), a leading aluminum producer in the PRC, today received strong shareholder support to increase its effective stake in Xinjiang Production and Construction Corps Agricultural Division Eight Xinjiang Tianshan Aluminum Plant Co., Ltd. (Xinjiang Plant) from 21% to 51%.

At the Extraordinary General Meeting held today, XinRen received 99.62% of votes in favour of the acquisition. Shareholder backing for the Group's decision to raise its stake in China Leading International Group Limited ("CLI"), which owns 100% of the Xinjiang Plant, was clearly based on the fact that the primary aluminum smelter has been contributing to its bottomline since it commenced production in the third quarter of the financial year ended 31 December 2012.

With an effective 51% shareholding in Xinjiang Plant, the Group will be able to consolidate the results of a very lucrative enterprise, which in the year ended 31 December 2013 (FY2013), contributed RMB93.6 million to XinRen. In FY2013, CLI generated a net profit of RMB443.0 million from an output of 400,000 tonnes in FY2013 on a standalone basis.

XinRen's Executive Chairman, Mr Zeng Chaolin (曾超林), said: "Our increased investment in Xinjiang Plant is in line with the Group's drive to stay profitable, even during this extremely trying industry downturn, and remain as one of China's leading integrated upstream aluminum producers."



“We expect to enjoy rising profits from Xinjiang Plant as it grows its capacity to 1.6 million tonnes per annum over the medium term. In fact, we will see a higher profit contribution in FY2014 as Xinjiang Plant is expected to ramp up production to 880,000 tonnes.”

On a proforma basis based on XinRen’s FY2013 results, the increased 51% stake in CLI would have increased the Group’s net profit from RMB61.6 million to RMB103.8 million, a rise of 68%.

Located in Xinjiang Province, and having an in-house independent power plant, the Xinjiang Plant has comparatively lower electricity costs. Based on independent studies, Xinjiang Plant has one of the lowest production costs among the aluminum smelters in China.

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 the upstream value chain of 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.

XinRen already enjoys one of the local sector’s most efficient cost structures. Its effective controlling 51% stake in Xinjiang Plant, gives XinRen a strong competitive edge over its peers in the PRC. Xinjiang Plant, which is held under China Leading International Group Limited, will step up its production to 880,000 tonnes per annum in FY2014, and eventually to a maximum capacity of 1.6 million tonnes per annum in the medium term.

With Xinjiang Plant, XinRen is set to increase its lead as an integrated upstream producer in the industry, and it will remain among the country’s most cost-efficient aluminum producers. The Group plans to further expand and comprehensively integrate its production capacity to tap the growing demand for aluminum products, both at home and overseas.



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