

XINREN ALUMINUM HOLDINGS LIMITED

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

PROPOSED ISSUE OF US\$30,000,000 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 and 27 August 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 AND PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

- 1.1 Further to the Announcements, the Board wishes to announce that it has entered into, on 2 October 2015, a subscription agreement between the Company and Southwest Securities International Securities Limited ("**Southwest Securities**") in relation to the proposed issue by the Company of US\$30,000,000 8.0 per cent. secured convertible bonds due 2020 (the "**US\$30,000,000 Convertible Bonds**"), which are convertible into Shares (the "**US\$30M Subscription Agreement**").
- 1.2 The Terms and Conditions of the Convertible Bonds will be the same as those relating to the US\$150,000,000 8.0 per cent. secured convertible bonds due 2020 issued on 27 August 2015 (the "**US\$150,000,000 Convertible Bonds**", together with the US\$30,000,000 Convertible Bonds, the "**Convertible Bonds**"), save for the amendment to the issue date and adjustments made to achieve the same internal rate of return amongst all the Bondholders. Each Convertible Bond will, at the option of the holder of the 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. Please refer to the announcement dated 29 May 2015 for the principal Terms and Conditions of the Convertible Bonds.
- 1.3 Further details in relation to the US\$30,000,000 Convertible Bonds will be announced in due course.

2. CONVERSION SHARES

- 2.1 The proposed issue of the US\$30,000,000 Convertible Bonds and the Shares issued upon conversion of the US\$30,000,000 Convertible Bonds will be made pursuant to the Existing Share Issue Mandate given to the directors of the Company at the annual general meeting of the Company held on 29 April 2015.
- 2.2 The Initial Conversion Price is S\$1.01 per Share subject to adjustment in the applicable circumstances as more fully described in the Terms and Conditions. The Initial Conversion Price is approximately 124 per cent. above the reference share price of S\$0.45, being the volume weighted average price of the Shares traded on the SGX-ST on 2 October 2015.
- 2.3 The maximum number of Conversion Shares to be allotted and issued by the Company pursuant to the full conversion of the US\$30,000,000 Convertible Bonds is 39,385,914 (based on the Issue Size of the US\$30,000,000 Convertible Bonds, the Initial Conversion Price and

assuming no adjustments to the Initial Conversion Price, and using a fixed US\$ to SG\$ conversion rate of US\$1 = S\$1.326).

- 2.4 The proposed issue of the 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.

3. **THE SUBSCRIBER OF THE US\$30,000,000 CONVERTIBLE BONDS**

- 3.1 The Subscriber is Southwest Securities. No placement agent was appointed in connection with the issue of Convertible Bonds.

- 3.2 Southwest Securities (Southwest Securities and its subsidiaries, 0812.HK) is a subsidiary of Southwest Securities International Investment Limited ("**Southwest Securities International Investment**"). Southwest Securities International Investment was established on 29 November 2013 as a Hong Kong-based wholly owned subsidiary of Southwest Securities Company Limited ("**Southwest Securities Company**"). The establishment of Southwest Securities Company in 1999 was initiated by stockholders based on several Chongqing corporations. Southwest Securities Company is the trend setter of the capital market. Based on the quality and strong traditional areas of business, it continues to obtain licenses for other new areas in order to extend its business boundaries and industry influence. Southwest Securities Company has established a "fully-licensed" structure of securities companies to provide all the securities services for a wide range of customers. Building on this structure, Southwest Securities Company strives to create a mature, integrated service platform. Through allocation of resources and cooperation among different businesses of the company, it provides all-round, cross-regional integrated financial services along the whole service chain in order to establish a sustainable, efficient and quality development model and profit model. With over 2,000 employees, the company has been approved to set up 109 securities business departments in 28 provinces in the country and 17 investment banking divisions. Southwest Securities has major operations in investment banking, asset management, securities brokerage and securities proprietary business, amongst others. Southwest Securities was introduced to the Company by financial institutions.

- 3.3 Southwest Securities does not hold any interest in the Company. In addition, Southwest Securities is not (a) one of the Company's directors and substantial shareholders; (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%.

- 3.4 Southwest Securities is a willing investor in the Company and had entered into the \$30M Subscription Agreement purely for financial investment purposes. Southwest Securities has had no previous dealings with the Company and neither Southwest Securities nor its directors or substantial shareholders have any connection with any director or substantial shareholder of the Company.

4. **RATIONALE AND USE OF PROCEEDS**

- 4.1 The estimated net proceeds from the issue of US\$30,000,000 Convertible Bonds are approximately US\$28,800,000 (taking into account fees, costs and expenses payable by the

Company in connection with the Convertible Bonds of approximately US\$1,200,000) and the Company intends to use all such net proceeds for general working capital purposes of the Group including funding the capital expenditure of its subsidiaries.

5. FINANCIAL EFFECTS

- 5.1 The financial effects of the issue of Convertible Bonds will be disclosed in further announcements to be released by the Company.

6. CONDITIONS PRECEDENT

- 6.1 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 Existing Share Issue Mandate having been passed and not revoked for the valid issue of the Convertible Bonds pursuant to such Existing Share Issue Mandate.

BY ORDER OF THE BOARD

Zeng Chaolin
Executive Director and Chief Executive Officer
2 October 2015