

XINREN ALUMINUM HOLDINGS LIMITED

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

PROPOSED ISSUE OF US\$10,000,000 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 announcement dated 29 May 2015 (the "Announcement") 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 Announcement.

1. INTRODUCTION AND PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

- 1.1 The Board refers to the Announcement and wishes to clarify that paragraph 5.1 of the Announcement should read as follows:

"The estimated net proceeds from the issue of Convertible Bonds are approximately US\$135,800,000 and the Company intends to use the net proceeds for general working capital purposes of the Group including funding the capital expenditure of its subsidiaries and the payment of fees, costs and expenses payable by the Company in connection with the Convertible Bonds."

- 1.2 Further to the Announcement, the Board also wishes to announce that it has entered into, on 28 July 2015, a subscription agreement between the Company and Victory Access Enterprise Ltd. ("**Victory Access Enterprise**") and together with Clear Marvel Limited 湛奇有限公司 and Lotus Pacific Investment Holding Limited, the "**Subscribers**") in relation to the proposed issue by the Company of US\$10,000,000 8.0 per cent. secured convertible bonds due 2020 (the "**US\$10,000,000 Convertible Bonds**"), which are convertible into Shares (the "**\$10M Subscription Agreement**" and together with the Subscription Agreement dated 28 May 2015, the "**Subscription Agreements**").

- 1.3 The Terms and Conditions of the Convertible Bonds will be the same as those in the Subscription Agreement dated 28 May 2015, in relation to the US\$140,000,000 8.0 per cent. secured convertible bonds due 2020 (the "**US\$140,000,000 Convertible Bonds**", together with the US\$10,000,000 Convertible Bonds, the "**Convertible Bonds**"). 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 for the principal Terms and Conditions of the Convertible Bonds.

- 1.4 The Convertible Bonds will only be issued concurrently with the initial drawdown of a portion of the Term Loan, which has been entered into on 29 June 2015, with a principal amount of US\$200,000,000.

- 1.5 Further details in relation to the Convertible Bonds will be announced in due course.

2. CONVERSION SHARES

- 2.1 The proposed issue of the Convertible Bonds and the Conversion Shares issued upon conversion of the 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 108 per cent. above the reference share price of S\$0.485, being the volume weighted average price of the Shares traded on the SGX-ST on 28 July 2015.
- 2.3 The number of Conversion Shares to be allotted and issued by the Company pursuant to the full conversion of the Convertible Bonds is approximately 197,000,000 (comprising 13,000,000 Conversion Shares for the US\$10,000,000 Convertible Bonds and 184,000,000 Conversion Shares for the US\$140,000,000 Convertible Bonds and based on the Issue Size of the Convertible Bonds, the Initial Conversion Price and assuming no adjustments to the Initial Conversion Price).
- 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\$10,000,000 CONVERTIBLE BONDS**

- 3.1 The Subscriber is Victory Access Enterprise. No placement agent was appointed in connection with the issue of Convertible Bonds.
- 3.2 Victory Access Enterprise is a BVI incorporated company wholly owned by China Orient Asset Management (International) Holding Limited (“COAMI”). COAMI is an indirectly wholly-owned subsidiary of China Orient Asset Management Corporation (“COAMC”). COAMC is a state owned enterprise set up by the Ministry of Finance of the PRC, one of the state-owned asset management companies in PRC. COAMI is the primary overseas platform of COAMC. As an asset management company, COAMI's main investment strategies involve investing in non-performing assets, equities, fixed income and property. COAMI also provides financing services and investment banking advisory services. COAMI was introduced to the Company by financial institutions.
- 3.3 The Subscriber does not hold any interest in the Company. In addition, the Subscriber 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 The Subscriber is a willing investor in the Company and had entered into the \$10M Subscription Agreement purely for financial investment purposes. The Subscriber has had no previous dealings with the Company and neither the Subscriber nor its respective 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\$10,000,000 Convertible Bonds are approximately US\$8,700,000. The aggregate net proceeds from the issue of the Convertible

Bonds (being the US\$10,000,000 Convertible Bonds and US\$140,000,000 Convertible Bonds) are approximately US\$144,500,000 (taking into account fees, costs and expenses payable by the Company in connection with the Convertible Bonds of approximately US\$5,500,000) 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) the Term Loan being entered into and the initial drawdown of the Term Loan having occurred;
 - (b) 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
 - (c) 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
28 July 2015