



XinRen stays in the black for 4th consecutive quarter in 1QFY14 despite all-time low aluminum prices

- ◆ Group posts a net profit of RMB10.8m in 1QFY14; Xinjiang Plant adds RMB23.1m to the bottomline
- ◆ Sale of loss-making Yichang plant nets gain of RMB27.9m; Proposed purchase of additional 30% stake in low-cost Xinjiang Plant to boost earnings when approved
- ◆ Expects to improve performance on back of rising contribution from Xinjiang Plant and a more efficient cost structure

SINGAPORE ◆ 12 May 2014

For immediate release

XinRen Aluminum Holdings Limited (XinRen, the Group or 鑫仁铝业), a leading aluminum producer in the PRC, reported a net profit of RMB10.8 million for the quarter ended 31 March 2014 (1QFY14) – its fourth consecutive profitable quarter, and also a reversal from 1QFY13's loss of RMB6.8 million.

These results were achieved despite the slump in aluminum prices, which hit an all-time low during the quarter. Rising contribution from the jointly controlled Xinjiang Plant as well as profits from the trading segment and the RMB27.9 million gain from the sale of loss-making smelter, Yichang Plant, held up XinRen's earnings.

Xinjiang Plant, which stands amongst China's lowest cash cost aluminum smelters, added RMB23.1 million to XinRen's profit, up from its RMB6.8 million contribution in the previous first quarter.

The Group's Executive Chairman, Mr Zeng Chaolin (曾超林), said: "These results reflect our ongoing efforts to review all our assets and operations to maximise returns on XinRen's invested capital and improve shareholder value.



XinRen Aluminum Holdings Limited

250 North Bridge Rd
Raffles City Tower #15-01
Singapore 179101

Tel: +65 6336 8850
Fax: +65 6336 8703

Because of the strategic investment decisions we made in the past months, especially our acquisition of an initial 21% stake in China International Group Limited which owns 100% of Xinjiang Plant, we are confident of XinRen's place as one of China's leading upstream aluminum producers."

The Group intends to ramp up production output at Xinjiang Plant to 880,000 tonnes in FY14, from last year's output of 400,000 tonnes. As Xinjiang Plant has been a growing contributor to Group earnings, XinRen exercised its call option to raise its stake in the highly cost-efficient smelter to 51% for RMB3.15 billion in April. The proposed purchase, which is subject to shareholders' approval, will enable the Group to enjoy a larger share of a lucrative business.

Another major step forward for the Group in its continuing efforts to streamline operations and maximise returns was the sale of Yichang Plant, held under Yichang Changjiang Aluminum Co., Ltd, for RMB400 million earlier this year. As a result, losses from the plant will no longer dampen the Group's results while the net proceeds from the sale have gone to strengthen XinRen's balance sheet - as at 31 March 2014, the Group's total bank loans declined to RMB2.4 billion from the near RMB3.0 billion as at end 2013 which helped to lower interest expenses by 35% to RMB23.3 million.

"We expect to improve our performance with rising contribution from Xinjiang Plant and a more efficient cost structure. We have been, and will continue to focus on improving returns," added Mr Zeng.

In line with this goal, the Group will continue to optimise operations at its smelting plant in Liupanshui city in Guizhou province and its fabrication plant at Jiangyin city in Jiangsu province. Meanwhile, its carbon anode plant in Guizhou, which came online in FY13, is expected to provide further cost savings. In addition, XinRen has bought back nearly 7 million of its ordinary shares since February. These shares are kept as treasury shares and have not been cancelled.

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



XinRen Aluminum Holdings Limited

250 North Bridge Rd
Raffles City Tower #15-01
Singapore 179101

Tel: +65 6336 8850
Fax: +65 6336 8703

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. The Group's purchase of another 30% stake in China Leading International Group Limited, when approved by shareholders, will give it a controlling 51% stake in primary aluminum smelter, Xinjiang Production and Construction Corps Agricultural Division Eight Xinjiang Tianshan Aluminum Plant Co., Ltd. (Xinjiang Plant). This will further enhance the Group's competitive edge over its PRC peers. Xinjiang Plant will step up its production output to 880,000 tonnes per annum in FY2014, and eventually to a maximum capacity of 1.6 million tpa 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.

FOR FURTHER ENQUIRIES

MS LIM JOO SENG	XINREN ALUMINUM
+65 6336 8850	jooseng.lim@xinren-aluminum.com
MS LOW LI YIN	OAKTREE ADVISERS
+65 9879 3378	liyin@oaktreadvisers.com
MS NORA CHENG	OAKTREE ADVISERS
+65 9634 7450	noracheng@oaktreadvisers.com

Other media releases on the company can be accessed at www.oaktreadvisers.com