



UNAUDITED FINANCIAL STATEMENTS FOR THE FULL YEAR ENDED 31 DECEMBER 2015

The Board of Directors of XinRen Aluminum Holdings Limited (the “Company”) is pleased to announce the consolidated results for the full year ended 31 December 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 Company owns 51% equity interest in Xinjiang Production and Construction Corps Agricultural Division Eight Xinjiang Tianshan Aluminum Plant Co., Ltd. (“Xinjiang Plant”). This large-scale, coal powered primary aluminum smelter in Xinjiang Province enjoys the benefits of a fully integrated value chain and has one of the most efficient cost structures in the industry.

The Company is set to increase its lead as an integrated upstream aluminum producer as Xinjiang Plant continues to expand its capacity and sharpen its cost competitiveness. This mega facility has acquired an ultra-large coal mine that will supply its in-fence power plant, and is in the midst of constructing a carbon anode plant.

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.

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL-YEAR RESULTS

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		
	Full Year		
	31-12-15	31-12-14	+/(-)
	RMB'000	RMB'000	%
	Unaudited	Restated	
<u>Continuing operations</u>			
Revenue	25,760,299	14,481,787	77.9
Cost of sales	(24,411,508)	(13,545,770)	80.2
Gross profit	1,348,791	936,017	44.1
<u>Other items of income</u>			
Finance income	90,326	102,298	(11.7)
Other income	382,198	338,119	13.0
<u>Other items of expense</u>			
Selling and distribution expenses	(228,460)	(147,381)	55.0
Administrative expenses	(188,282)	(130,586)	44.2
Finance costs	(468,729)	(150,197)	212.1
Other expenses	(54,274)	(12,524)	333.4
Share of result of a jointly controlled entity (Note 1)	-	73,183	(100.0)
Profit from continuing operations before income tax	881,570	1,008,929	(12.6)
Income tax expenses	(232,051)	(260,773)	(11.0)
Profit from continuing operations after income tax	649,519	748,156	(13.2)
<u>Discontinued operation</u>			
Loss from discontinued operation after income tax (Note 2)	(226,743)	(140,961)	60.9
Profit after income tax	422,776	607,195	(30.4)
<u>Profit/(loss) attributable to:</u>			
Equity holders of the Company			
- From continuing operations	253,175	424,975	(40.4)
- From discontinued operation	(226,743)	(140,961)	60.9
	26,432	284,014	(90.7)
Non-controlling interests	396,344	323,181	22.6
	422,776	607,195	

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

Note 2: On 8 October 2015, the board of directors resolved to dispose of Guizhou Liupanshui Shuangyuan Aluminum Co., Ltd ("Liupanshui Plant") and committed to a plan to sell the Liupanshui Plant. As a result, the entire results of Liupanshui Plant are presented separately on the consolidated income statement as discontinued operation and the comparative figures are restated accordingly.

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		+ / (-) %
	Full year 31/12/2015 RMB'000 Unaudited	31/12/2014 RMB'000 Restated	
Profit after income tax	422,776	607,195	(30.4)
Other comprehensive income:			
Currency translation differences arising from consolidation	(332,072)	20,600	n.m
Other comprehensive (loss)/income for the year	(332,072)	20,600	n.m
Total comprehensive income for the year	<u>90,704</u>	<u>627,795</u>	(86.5)
Total comprehensive income attributable to:			
Equity holders of the Company			
- From continuing operations	(57,335)	445,575	n.m
- From discontinued operation	(226,743)	(140,961)	60.9
	<u>(284,078)</u>	<u>304,614</u>	n.m
Non-controlling interests	374,782	323,181	16.0
	<u>90,704</u>	<u>627,795</u>	(85.6)

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

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

	Group		
	Full Year		
	31/12/2015	31/12/2014	+ / (-)
	RMB'000	RMB'000	%
	Unaudited	Restated	
Other income:			
Government subsidies (note 1)	343,404	227,310	51.1
Sale of scrap	7,065	7,584	(6.8)
Gain on disposal of a subsidiary	-	27,948	(100.0)
Gain on remeasuring existing equity interest in a jointly controlled entity upon acquisition	-	59,507	(100.0)
Gain on disposal of property, plant and equipment	110	54	103.7
Gain on waiver of loan interests from non-controlling interests (note 2)	31,454	-	n.m
Arrangement fee	-	15,363	(100.0)
Others	165	353	(53.3)
Other expenses:			
Foreign exchange losses	(37,761)	(6,610)	471.3
Loss on disposal of property, plant and equipment	(69)	(4,561)	(98.5)
Net fair value loss on derivative financial instruments (note 3)	(14,745)	-	n.m
Others	(1,699)	(1,353)	25.6
Finance income:			
Interest income	90,326	38,625	133.9
Gain from change in the payment schedule for acquisition consideration	-	63,673	(100.0)
Finance costs:			
Interest expenses (note 4)	(177,390)	(35,916)	393.9
Interest expenses on convertible and corporate bonds	(104,751)	-	n.m
Accretion of finance lease liabilities	(73,356)	(44,413)	65.2
Bank charges and discount charges for notes receivable	(30,997)	(30,243)	2.5
Accretion of discount related to payables arising from acquisition of a subsidiary (note 5)	(82,235)	(39,625)	107.5
Reversal / (impairment) for trade and other receivables	1,614	(19,023)	n.m
Amortisation of intangible assets	(129,519)	(63,624)	103.6
Amortisation of land-use rights	(17,017)	(8,070)	110.9
Amortisation of deferred income of financial lease (note 6)	51,635	15,323	237.0
Depreciation of property, plant and equipment	(610,789)	(270,338)	125.9
Staff costs	(307,611)	(142,645)	115.6

n.m - not meaningful

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.
- As agreed with the non-controlling interests of Xinjiang Plant, all the interest expenses charged on the loans from non-controlling interests for 2015 were waived.
- These related to: (i) fair value change in the derivative financial instruments bifurcated from the convertible bonds contract; and (ii) fair value change in the derivative financial instruments which were purchased to hedge the Group's foreign exchange risk.
- The increase in interest expenses mainly related to (i) increase in the borrowing balances; and (ii) the Group separated financing component from a long-term sales agreement in 2015.
- 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 being 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 being 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	
	31-12-15	31-12-14	31-12-15	31-12-14
	RMB'000	RMB'000	RMB'000	RMB'000
	Unaudited	Audited	Unaudited	Audited
Non-current assets				
Property, plant and equipment	17,146,137	16,202,903	-	217
Land use rights	964,361	812,164	-	-
Intangible assets	4,575,860	4,704,366	-	-
Investments in subsidiaries	-	-	6,209,895	5,691,127
Derivatives financial instrument	48,218	-	-	-
Deferred income tax assets	76,122	98,974	7,053	252
	22,810,698	21,818,407	6,216,948	5,691,596
Current assets				
Inventories	2,771,579	1,504,792	-	-
Prepayments	2,337,020	2,745,342	-	-
Amounts due from related parties	167,844	172,902	-	-
Amounts due from subsidiaries	-	-	1,799,095	752,035
Amounts due from directors	30,321	24,609	-	-
Income tax receivable	8,967	10,194	-	-
Trade and other receivables	3,298,067	1,954,412	722,750	442,421
Assets classified as held for sale (note 1)	1,283,873	-	-	-
Derivative financial instrument	5,031	-	-	-
Restricted cash	4,686,375	1,933,562	81,942	-
Cash and cash equivalents	1,107,509	313,913	8,984	40,604
	15,696,586	8,659,726	2,612,771	1,235,060
Current liabilities				
Loans and borrowings	6,047,459	4,475,096	1,313,322	1,029,606
Payables arising from acquisition of a subsidiary	52,734	52,734	-	-
Trade and other payables	12,063,748	8,622,728	79,271	4,280
Advances from customers	2,549,021	1,335,431	-	-
Convertible bonds (Note 2)	1,368,181	-	1,368,181	-
Derivative financial instrument (Note 2)	213,401	-	206,038	-
Corporate bonds (note 3)	1,500,000	-	-	-
Finance lease liabilities	349,327	265,129	-	-
Liabilities classified as held for sale (note 1)	318,199	-	-	-
Income tax payable	163,867	99,872	1,448	1,163
	24,625,937	14,850,990	2,968,260	1,035,049
Net current (liabilities)/assets	(8,929,351)	(6,191,264)	(355,489)	200,011
Non-current liabilities				
Deferred tax liabilities	978,456	987,573	-	-
Deferred income	356,275	356,701	-	-
Loans from non-controlling interests (Note 4)	2,078,241	-	2,078,241	-
Derivative financial instrument	9,250	-	-	-
Other non-current liabilities	44,907	-	-	-
Payables arising from acquisition of a subsidiary	1,096,459	3,030,216	1,096,459	3,030,216
Loans and borrowings	967,826	376,876	-	-
Finance lease liabilities	684,164	801,495	-	-
Advances from customers	2,045,706	4,485,435	1,645,706	1,677,785
	8,261,284	10,038,296	4,820,406	4,708,001
Net assets	5,620,063	5,588,847	1,041,053	1,183,606
Equity attributable to equity holders of the parent				
Share capital	995,377	995,377	995,377	995,377
Treasury shares	(12,483)	(12,483)	(12,483)	(12,483)
Retained profits	1,179,993	1,236,395	62,414	199,618
Other reserves	(134,219)	152,945	(4,255)	1,094
	2,028,668	2,372,234	1,041,053	1,183,606
Non-controlling interests	3,591,395	3,216,613	-	-
Total equity	5,620,063	5,588,847	1,041,053	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

	31/12/2015		31/12/2014	
	Secured RMB'000 Unaudited	Unsecured RMB'000 Unaudited	Secured RMB'000 Audited	Unsecured RMB'000 Audited
Convertible bonds	1,368,181	-	-	-
Corporate bonds	-	1,500,000	-	-
Loans and borrowings	5,753,633	293,826	3,851,776	623,320
Finance lease liabilities	349,327	-	265,129	-
	<u>7,471,141</u>	<u>1,793,826</u>	<u>4,116,905</u>	<u>623,320</u>

Amount repayable after one year

	Secured RMB'000 Unaudited	Unsecured RMB'000 Unaudited	Secured RMB'000 Audited	Unsecured RMB'000 Audited
Loans from non-controlling interests	-	2,078,241	-	-
Loans and borrowings	967,826	-	276,876	100,000
Finance lease liabilities	684,164	-	801,495	-
	<u>1,651,990</u>	<u>2,078,241</u>	<u>1,078,371</u>	<u>100,000</u>

Details of any collateral

Convertible bonds, loans and borrowings 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.

Notes:

- 1) On 8 October 2015, pursuant to the board of directors' resolution, the Group decided to dispose Liupanshui Plant and committed to a sales plan, so all the assets and liabilities of Liupanshui Plant were classified as current assets or current liabilities.
- 2) In 2015, the Company issued convertible bonds of USD250 million. The embedded derivatives which include the conversion option, the Company's call option, the holders' redemption option and early redemption rights were bifurcated and recognised at fair value on the statement of financial position. The debt portion was initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.
- 3) On 19 October 2015, the Group issued a five year term corporate bonds of RMB1,500 million. The bond holders have an option to redeem the bonds at each year end and therefore the corporate bonds were classified as current liabilities.
- 4) The Group repaid payables arising from acquisition of a subsidiary of USD320 million by using the proceeds from convertible bonds as well as the long-term senior loans to the vendors. After that, the vendors on-lent the USD320 million to the Group to fund the capital expenditure of Xinjiang Plant. This borrowing was recorded as "Loans from non-controlling interests" on the statement of financial position.
- 5) The Company is in the process of obtaining a waiver from the long-term senior loan lenders and convertible bond holders in relation to certain covenants stipulated in the long-term senior loan and convertible bond agreements.

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	
	Full Year	
	31/12/2015	31/12/2014
	RMB'000	RMB'000
	Unaudited	Audited
Cash flow from operating activities		
Profit before income tax	663,048	816,512
Adjustments for:		
Gain from change in the payment schedule of acquisition consideration	-	(63,673)
Accretion of discount related to payables arising from acquisition of a subsidiary	82,235	39,625
Accretion of finance lease liabilities	73,356	44,413
Amortisation of government subsidies	(11,134)	(182,424)
Amortisation of deferred income of financial lease	(51,635)	(15,323)
Gain on waiver of loan interests from non-controlling interest	(31,454)	-
Gain on disposal of a subsidiary	-	(27,948)
Gain on remeasuring existing equity interest in a jointly controlled entity upon acquisition	-	(59,507)
Net fair value loss on derivative financial instruments	14,745	-
Net (gain)/ loss on disposal of property, plant and equipment	(41)	4,507
(Reversal) /impairment of trade and other receivables	(4,182)	31,449
(Reversal)/write-down of impairment of inventories	(11,569)	13,350
Depreciation of property, plant and equipment	670,318	320,165
Amortisation of land use rights	18,047	9,088
Amortisation of intangible assets	129,519	63,624
Share of profit in a jointly controlled entity	-	(73,183)
Interest expense	285,665	39,064
Bank charges for discount of notes receivables	48,648	53,217
Interest income	(91,918)	(40,209)
Exchange realignment	(280,927)	2,546
Foreign exchange loss	37,761	6,824
Operating profit before changes in working capital	1,540,482	982,117
Increase in inventories	(1,285,652)	(75,987)
Decrease/(increase) in prepayments	137,163	(856,236)
(Increase)/ decrease in amounts due from directors and related parties	(653)	7,329
Increase in trade and other receivables	(1,386,486)	(1,062,420)
Decrease in amount due from a jointly controlled entity	-	50,318
Increase in trade and other payables	1,879,136	554,690
(Decrease)/ increase in advances from customers	(1,123,173)	1,308,114
Increase in notes payable	2,576,908	731,043
Cash generated from operating activities	2,337,725	1,638,968
Interest income received	74,527	28,126
Interest expense paid	(269,984)	(93,396)
Income tax paid	(197,711)	(142,499)
Net cash generated from operating activities	1,944,557	1,431,199
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	86	1,809
Purchase of property, plant and equipment	(2,330,735)	(2,181,768)
Purchase of intangible assets	(1,014)	(114)
Purchase of land use rights	(207,606)	(84,094)
Net cash inflow from acquisition of subsidiaries	-	82,791
Investment in a jointly controlled entity	-	(572,084)
Repayment of payable arising from acquisition of a subsidiary	(2,016,281)	-
Proceeds from disposal of a subsidiary	-	237,155
Net cash used in investing activities	(4,555,550)	(2,516,305)

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

	Group	
	Full Year	
	31/12/2015	31/12/2014
	RMB'000	RMB'000
	Unaudited	Audited
Cash flow from financing activities		
Dividend paid on ordinary shares	(59,488)	-
Proceeds from issuance of convertible bonds and corporate bonds and from loans and borrowings, net	10,034,091	2,164,238
Repayments of loans and borrowings	(5,787,838)	(2,982,630)
Net increase in restricted cash	(2,796,840)	(288,502)
Increase/(decrease) in notes payable	-	109,100
Purchase of treasury shares	-	(5,556)
Repayment of finance lease liabilities	(374,857)	(166,142)
Proceeds from sale and leaseback transactions	313,198	795,000
Proceeds from loans from non-controlling interests	2,078,241	-
Proceeds from non-controlling interest's contribution to a subsidiary	-	80,000
Net cash generated from/(used in) financing activities	3,406,507	(294,492)
Net increase/(decrease) in cash and cash equivalents	795,514	(1,379,598)
Effects of currency translation on cash and cash equivalents	1,161	11,229
Cash and cash equivalents at beginning of the year	313,913	1,682,282
Cash and cash equivalents at end of the year	1,110,588	313,913
Included in cash and cash equivalents per the balance sheet	1,107,509	313,913
Included in the assets of the disposed group	3,079	-

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.

Group	Attributable to Equity Holders of the Company						Non-controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000	Treasury shares RMB'000	Retained profits RMB'000	Other reserves RMB'000	Total reserves RMB'000	Total RMB'000		
1 January 2014	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)	-	-	-	-
Acquisition of a subsidiary	-	-	-	-	-	-	2,814,938	2,814,938
Non-controlling interest's capital contribution to the Group	-	-	-	-	-	-	80,000	80,000
Profit for the year	-	-	284,014	-	284,014	284,014	323,181	607,195
Other comprehensive income for the year	-	-	-	20,600	20,600	20,600	-	20,600
Total comprehensive income for the year	-	-	284,014	20,600	304,614	304,614	323,181	627,795
Appropriation to statutory reserve	-	-	(16,924)	16,924	-	-	-	-
Appropriation to special reserve	-	-	(10,957)	12,463	1,506	1,506	(1,506)	-
Balance at 31 December 2014	995,377	(12,483)	1,236,395	152,945	1,389,340	2,372,234	3,216,613	5,588,847
Profit for the year	-	-	26,432	-	26,432	26,432	396,344	422,776
Other comprehensive loss for the year	-	-	-	(310,510)	(310,510)	(310,510)	(21,562)	(332,072)
Total comprehensive income/(loss) for the year	-	-	26,432	(310,510)	(284,078)	(284,078)	374,782	90,704
Dividend on ordinary shares	-	-	(59,488)	-	(59,488)	(59,488)	-	(59,488)
Appropriation to statutory reserve	-	-	(2,694)	2,694	-	-	-	-
Appropriation to special reserve	-	-	(20,652)	20,652	-	-	-	-
Balance at 31 December 2015	995,377	(12,483)	1,179,993	(134,219)	1,045,774	2,028,668	3,591,395	5,620,063

Company

1 January 2014	995,377	(6,927)	180,544	(14,014)	166,530	1,154,980
Purchase of treasury shares	-	(5,556)	-	-	-	(5,556)
Profit for the year	-	-	19,074	-	19,074	19,074
Other comprehensive income for the year	-	-	-	15,108	15,108	15,108
Total comprehensive income for the year	-	-	19,074	15,108	34,182	34,182
Balance at 31 December 2014	995,377	(12,483)	199,618	1,094	200,712	1,183,606
Loss for the year	-	-	(77,716)	-	(77,716)	(77,716)
Other comprehensive loss for the year	-	-	-	(5,349)	(5,349)	(5,349)
Total comprehensive loss for the year	-	-	(77,716)	(5,349)	(83,065)	(83,065)
Dividend on ordinary shares	-	-	(59,488)	-	(59,488)	(59,488)
Balance at 31 December 2015	995,377	(12,483)	62,414	(4,255)	58,159	1,041,053

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 financial year ended 31 December 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.

The Company issued an aggregate principal amount of US\$250,000,000 of 8.0 per cent per annum Convertible Bonds on 27 August 2015, 4 November 2015 and 23 December 2015 which remain outstanding as at 31 December 2015 (31 December 2014: Nil) :

Principal Amount	Maturity Year	Conversion Price	Convertible into new ordinary shares
US\$250 million	2020	S\$1.01	328,215,946

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 December 2015	As at 31 December 2014
Number of issued shares excluding treasury shares :	1,303,567,528	1,303,567,528
Number of treasury shares held :	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 was no sale, transfer, disposal, cancellation and/or use of treasury shares by the Company for the financial year ended 31 December 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 or 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 in 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 with 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 accounting policies.

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 tax attributable to owners of the parent for the respective years divided by:

- (a) the total number of issued shares of the Company of 1,303,567,528 shares excluding treasury shares for the financial year ended 31 December 2015; and
- (b) the total weighted average number of issued shares of the Company of 1,304,033,007 shares excluding treasury shares for the financial year ended 31 December 2014.

	Group	
	Full Year	
	31/12/2015	31/12/2014
	Unaudited	Restated
Profit/(loss) after income tax attributable to equity holders of the Company (RMB'000)		
-continuing operations	253,175	424,975
-discontinued operation	(226,743)	(140,961)
Basic earnings/(loss) per share (RMB cents)		
-continuing operations	19.42	32.59
-discontinued operation	(17.39)	(10.81)
	<u>2.03</u>	<u>21.78</u>

The outstanding convertible bonds were not included in the calculation of diluted earnings per share as they are anti-dilutive for the current year and there were no potential dilutive options for the corresponding year.

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	
	31-12-15 Unaudited	31-12-14 Audited	31-12-15 Unaudited	31-12-14 Audited
Net asset value (RMB'000)	2,028,668	2,372,234	1,041,053	1,183,606
Net asset value per share (RMB cents)	155.62	181.98	79.86	90.80

The calculation of net asset value per share is based on the net asset value as at the end of the 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.

Full Year Ended 31 December 2015 ("FY2015") vs Full Year Ended 31 December 2013 ("FY2014") from continuing operation

Revenue (excluding all inter-segment transactions)

	Group		+/(⁻)
	31/12/2015 RMB'000 Unaudited	31/12/2014 RMB'000 Restated	
Smelting	11,963,885	6,533,134	83.1
Fabrication	478,315	441,040	8.5
Trading	13,318,099	7,507,613	77.4
	25,760,299	14,481,787	77.9

The Group's revenue increased by approximately 77.9% to RMB25,760 million in FY2015 from RMB14,482 million in FY2014. The increase in revenue was due largely to (i) the full year consolidation of the Group's 51%-owned subsidiary, CLI (which wholly owns Xinjiang Plant) and it was only consolidated since the second half year in FY2014; and (ii) higher smelting output from Xinjiang Plant due to its expansion.

The Group's revenue from the smelting segment increased by approximately 83.1% to RMB11,964 million in FY2015 from RMB6,533 million in FY2014. The increase was due primarily to (i) the full year consolidation of Xinjiang Plant's results into the Group's financial statements and it was only consolidated since the second half year in FY2014; and (ii) higher smelting output from Xinjiang Plant during the year due to its expansion.

The Group's revenue from the fabrication segment increased by approximately 8.5% to RMB478 million in FY2015 from RMB441 million in FY2014. The increase in revenue was largely because of the increase in the sales volume of the fabricated aluminum products.

The Group's revenue from the trading segment increased by approximately 77.4% to RMB13,318 million in FY2015 from RMB7,508 million in FY2014. The increase was attributable mainly 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) full year contribution from CLI group as it was only consolidated since the second half year in FY2014.

Gross profit margin

The Group's gross profit increased by 44.1% to RMB1,349 million in FY2015 from RMB936 million in FY2014. The increase in gross profit was due mainly to (i) Xinjiang Plant's relatively lower electricity costs as compared with to other plants, as the electricity is self-supplied by its in-fence independent power plant with four fully operational power-generating units of 350MW each; and (ii) full year consolidation of Xinjiang Plant's results.

The gross profit margins in FY2015 for the smelting and fabrication segments were 9.2% and 8.4% respectively, and the gross loss margin for the trading segment was 2.0%.

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

	Group		
	Full Year		+I(-) %
	31/12/2015 RMB'000 Unaudited	31/12/2014 RMB'000 Restated	
Smelting	1,105,165	1,029,498	7.3
Fabrication	40,084	16,312	145.7
Trading	(263,679)	(110,064)	139.6
Share of result of a jointly controlled entity	-	73,183	(100.0)
	881,570	1,008,929	(12.6)

The profit from continuing operations before income tax decreased from RMB1,009 million in FY2014 to RMB882 million in FY2015 resulted from the decrease in aluminium price as compared to the corresponding year.

The higher loss incurred by the trading segment was due to the volatility in aluminum prices during FY2015.

Selling and distribution expenses increased by approximately 55.0% to RMB228 million in FY2015 from RMB147 million in FY2014. The increase was attributable mainly to the full year consolidation of Xinjiang Plant's results.

Administrative expenses increased by approximately 44.2% to RMB188 million in FY2015 from RMB131 million in FY2014, because of the full year administrative expenses of Xinjiang Plant and it was only inclusion second half year in FY2014.

Finance costs increased by approximately 212.1% to RMB469 million in FY2015 from RMB150 million in FY2014. The increase was due mainly to (i) interest costs of RMB73 million arising from finance lease liabilities for machinery leased by Xinjiang Plant; (ii) payable due to a vendor under a long term sales contract; (iii) interest on newly issued convertible and corporate bonds of RMB105 million; and (iv) more short-term loan drawdowns for working capital needs. Finance costs incurred by Xinjiang Plant were mostly capitalised as Xinjiang Plant is still expanding its smelting production capacity and in-fence power plant.

Other income increased by approximately 13.0% to RMB382 million in FY2015 from RMB338 million in FY2014. The increase arose mainly because more government subsidies were received from the local government and gain on waiver of loan interests from non-controlling interests amounting to RMB31 million.

Income tax expense

The decrease in income tax expense was due mainly to the lower taxable profit as compare to corresponding year.

Profit after income tax

Profit after income tax for the owners of the Company was lower than that of the non-controlling interests', due mainly to (i) losses incurred by some of the Group's wholly-owned subsidiaries; and (ii) non-cash items such as amortisation of discounts related to payables arising from acquisition of a subsidiary during the year under review.

Review of Statement of Financial Position

Non-current assets increased by approximately 4.5% from RMB21,818 million as at 31 December 2014 to RMB22,811 million as at 31 December 2015. These assets consist of property, plant and equipment, land use rights, intangible assets, derivative financial instrument and deferred income tax assets. The increase in non-current assets was attributable primarily to the purchase/construction of property, plant and equipment at Xinjiang Plant.

Current assets

Inventories increased by RMB1,267 million from RMB1,505 million as at 31 December 2014 to RMB2,772 million as at 31 December 2015. The increase arose mainly because more raw materials were kept to cater for the production in Xinjiang Plant.

Prepayments decreased from RMB2,745 million as at 31 December 2014 to RMB2,337 million as at 31 December 2015. The decrease was due mainly to the receipt of raw materials from suppliers.

Trade and other receivables increased from RMB1,954 million as at 31 December 2014 to RMB3,298 million as at 31 December 2015. The increase was attributable primarily to the increase in sales of aluminum products.

Restricted cash increased from RMB1,934 million as at 31 December 2014 to RMB4,686 million as at 31 December 2015. This increase was the result of more deposits being held as collateral for the bank loans taken as well as an increase in the utilisation of notes payable.

Assets classified as held for sale are Liupanshui Plant's related assets.

Current liabilities

Borrowings increased from RMB4,475 million as at 31 December 2014 to RMB6,047 million as at 31 December 2015. The increase arose because more borrowings were drawn down for working capital at Xinjiang Plant.

Payables arising from the acquisition of a subsidiary were for the acquisition of 55% equity interest in Xinjiang Tianfu Coal Mining Co., Limited, which is in the business of mining coal mainly used for Xinjiang Plant's electricity production.

Trade and other payables increased by RMB3,441 million from RMB8,623 million as at 31 December 2014 to RMB12,064 million as at 31 December 2015 because notes payable increased by RMB2,577 million. The notes payable were utilised as working capital and also to partially finance the expansion of Xinjiang Plant. However, increase in notes payable was offset by the repayments made to suppliers.

The increase in advances from customers from RMB1,335 million as at 31 December 2014 to RMB2,549 million as at 31 December 2015 was attributable primarily to sales contracts entered into customers during 4Q FY2015 that required upfront payment before delivery and also reclassification from non-current liabilities.

Convertible bonds were issued by the Company on 27 August 2015, 4 November 2015 and 23 December 2015.

The corporate bonds were issued by a subsidiary of the Group on 19 October 2015.

Liabilities classified as held for sale are Liupanshui Plant's related liabilities.

Net current liabilities

Although the Group's current liabilities exceeded its current assets by RMB8,929 million, the Group was able to (i) generate positive cash flow from its operations; (ii) renew its existing funding; and (iii) obtain new funding from its lenders, so as to enable the Group to meet its financial obligations as and when they fall due.

On 5 February 2016, a subsidiary of the Group issued successfully RMB860 million of corporate bonds.

Non-current liabilities

Non-current liabilities decreased by RMB1,777 million from RMB10,038 million as at 31 December 2014 to RMB8,261 million as at 31 December 2015. The decrease was due primarily to (i) approximately RMB2,078 million in repayment payable arising from acquisition of a subsidiary; and (ii) reclassification of advances from customers as current liabilities. However, the decrease was offset by (i) loans from non-controlling interests in CLI of approximately USD320 million or approximately RMB2,078 million; and (ii) increase in other loans and borrowings by RMB591 million.

Review of Statement of Cash Flows

The Group generated a net cash inflow from operating activities of approximately RMB1,945 million in FY2015. This was attributable mainly to the operating profit and increase in notes payables and trade and other payables. However, it was offset by the increase in inventories, trade and other receivables and the decrease in advances from customers.

There was a net cash outflow of RMB4,556 million from investing activities in FY2015, which was due primarily to the purchase/construction of property, plant and equipment at Xinjiang Plant, purchase of land use rights and repayment of the payables arising from acquisition of a subsidiary.

Financing activities resulted in net cash inflows of RMB3,407 million in FY2015, which were attributable mainly to (i) the issuance of convertible bonds and corporate bonds and obtaining long-term senior loans; (ii) the proceeds from sale and leaseback transaction; and (iii) the proceeds from loans from non-controlling interests. However, it was offset by the increase in restricted cash and dividend payout to shareholders of the Company.

Cash and cash equivalents increased from RMB314 million as at 31 December 2014 to RMB1,111 million as at 31 December 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.

The global aluminum industry faced another challenging year as weak aluminum prices persisted. As a result, many loss-making smelters, even major producers, reduced their output with some even shutting down their operations entirely. In China alone, approximately 4.5 million tonnes of capacity had ceased production during the year, as prices reached a low of RMB9,600 per tonne before regaining some ground recently.

To sharpen its competitive edge in this environment, XinRen has channeled resources to build up a controlling 51% stake in Xinjiang Plant, a large scale, cost-effective smelting facility located in Xinjiang Province. The acquisition has proven to be timely as profits from Xinjiang Plant have undergirded XinRen's bottom line since an initial stake of 21% in 2012. To focus on expanding this mega integrated facility, the Group has taken a decision in October 2015 to sell off its loss-making Liupanshui Plant.

The Group intends to raise Xinjiang Plant's output and capacity by the end of 2016. This capital expenditure will be funded mainly by a loan from the non-controlling interests of Xinjiang Plant, who had received this amount when XinRen fully settled the purchase consideration for the additional 30% stake in Xinjiang Plant. XinRen had raised this sum through the issuance of USD250 million in convertible bonds and USD350 million drawdown from a senior secured term loan.

XinRen will continue to streamline the operations and optimise costs at Xinjiang Plant. With four fully operating in-fence power-generating units and an in-house carbon anode facility coming onstream in phases, Xinjiang Plant's growing integrated value chain will enable XinRen to stay resilient during this downturn, and ride on the upturn when prices improve.

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?

Yes.

Name of dividend: First and final

Dividend type: Cash

Dividend rate: S\$0.01 per ordinary Share

Tax rate: Exempted – one tier

The calculation of dividend per share was based on the dividend declared as of 31 December 2014 divided by the total number of issued shares of the Company of 1,303,567,528 shares excluding treasury shares.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended for FY2015.

13. Update on Utilisation of IPO Proceeds

As at 31 December 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.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Please refer to "A Review of the Performance of the Group" in section 8 above.

16. In the review of performance, the factors leading to any material changes in the contributions to the turnover and earnings by the business or geographical segments.

Please refer to "A Review of the Performance of the Group" in section 8 above.

17. A breakdown of sales.

	Group		
	Latest Financial Year RMB'000 Unaudited	Previous Financial Year RMB'000 Restated	+/(-) %
(a) Sales reported for first half-year	12,064,725	1,635,112	637.9
(b) Profit from continuing operations after income tax reported for first half-year	498,559	104,427	377.4
(c) Sales reported for second half-year	13,695,574	12,846,675	6.6
(d) Profit from continuing operations after income tax for second half-year	150,960	643,729	(76.5)

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholders of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Zeng Chaoyi	47	Brother of the Company's Executive Chairman and Chief Executive Officer, Mr. Zeng Chaolin.	General Manager –Responsible for assisting the CEO in the day-to-day operations of the Group.	None.
Li Yazhou	40	Spouse of the Company's substantial shareholder, Mr. Zeng Chaoyi.	Vice-General Manager – Responsible for assisting the CEO in the day-to-day operations of the Group.	None.
Zeng Hong	36	Spouse of the Company's Executive Director, Mr. Liang Hongbo, sister of the Executive Chairman and shareholder.	Manager – Responsible for the enterprise management department of the Shanghai regional headquarters.	None.

Liu Shu	37	Spouse of the Company's Executive Chairman and Chief Executive Officer, Mr. Zeng Chaolin, and shareholder	Manager – Responsible for the administration department of the Shanghai regional headquarters.	None.
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BY ORDER OF THE BOARD

Zeng Chaolin
Executive Chairman
25 February 2016