



XinRen Aluminum Holdings Limited

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XinRen stays profitable in FY15 despite the prolonged aluminum industry downturn

- ◆ Group reports a net attributable profit of RMB253.2m on a 77.9% higher revenue of RMB25.8b from continuing operations
- ◆ Active working capital management generates a net cash of RMB1.9b from operating activities
- ◆ Xinjiang Plant's growing integrated value chain will enable XinRen to stay resilient in the current downturn

SINGAPORE ◆ 25 February 2016

For immediate release

Despite the prolonged downturn in the aluminum industry, XinRen Aluminum Holdings Limited (XinRen, the Group or 鑫仁铝业) reported a net attributable profit of RMB253.2 million from continuing operations for the financial year ended 31 December 2015 (FY15).

The Group's earnings were mainly supported by its 51%-owned Xinjiang Plant, a large-scale, cost-effective aluminum smelter, and despite higher selling & distribution, administrative, finance and other expenses. The pretax profit from its smelting operations, which now comprises only Xinjiang Plant, was RMB1.1 billion. The Group's other smelter – Liupanshui Plant in Guizhou – was discontinued in October 2015, in line with XinRen's ongoing exercise to streamline operations and improve efficiency.

Revenue rose by 77.9% to RMB25.8 billion, mainly due to higher smelting output as well as a full year contribution from Xinjiang Plant in FY15. Revenue from smelting at Xinjiang Plant nearly doubled to RMB12.0 billion.

At the same time, the continued careful management of XinRen's working capital requirements helped to generate a net cash from operating activities of RMB1.9 billion.

XinRen's Executive Chairman, Mr Zeng Chaolin (曾超林), said: "While aluminum prices have regained some ground after touching a low of RMB9,600 per tonne, FY16 remains



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challenging. In this respect, the acquisition of Xinjiang Plant has proven to be timely as its profits have undergirded XinRen's bottom line since our initial stake of 21% in 2012.

"We will continue to focus on streamlining our operations and optimising our costs at Xinjiang Plant. The four in-fence power-generating units now in operation and our in-house carbon anode facility coming onstream in phases will strengthen Xinjiang Plant's growing integrated value chain, enabling XinRen to stay resilient during this downturn and ride on the upturn when prices improve."

Plans to raise Xinjiang Plant's output and capacity by the end of 2016 will be funded mainly by a loan from the non-controlling interests of the smelting facility. This loan was received after XinRen fully settled the purchase consideration of RMB3.15 billion for the additional 30% stake in Xinjiang Plant which was raised via the issuance of US\$250 million in convertible bonds and US\$350 million drawdown from a senior secured term loan.

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 aluminum 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 owns 51% of 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.

XinRen 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. Already, the mega facility has acquired an ultra-large coal mine that will supply its in-house power plant, and is in the midst of constructing a carbon anode plant. Once fully in place, these facilities will reduce the Group's unit production cost even further.

FOR FURTHER ENQUIRIES

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