



XinRen Aluminum Holdings Limited

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

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

MEDIA RELEASE

OAKTREE ADVISERS, YOUR IR PARTNER

XinRen to raise stake in profitable Xinjiang Plant to 51% for RMB3.15 billion

- ◆ Xinjiang Plant added RMB93.6m to Group's FY2013 net profit; expects profit to rise as output is ramped up to 880,000 tonnes this year
- ◆ Move will enhance XinRen's already-efficient cost structure
- ◆ Purchase will firmly set XinRen amongst leading integrated upstream producers in China's aluminum industry

SINGAPORE ◆ 3 April 2014

For immediate release

XinRen Aluminum Holdings Limited (XinRen, the Group or 鑫仁铝业), a leading aluminum producer in the PRC, has signed an agreement to increase its stake in Xinjiang Production and Construction Corps Agricultural Division Eight Xinjiang Tianshan Aluminum Plant Co., Ltd. (Xinjiang Plant) from 21% to 51% for RMB3.15 billion.

The Group has decided to exercise the call option to raise its stake in China Leading International Group Limited, which owns 100% of the Xinjiang Plant, to 51% from 21% currently. The purchase of this additional 30% stake will be financed from internal sources, bank borrowings and/or proceeds from fundraising exercises, and is subject to shareholders' approval at an extraordinary general meeting to be convened at a later date.

The move will enable the Group to consolidate the results of a very lucrative enterprise, which in the year ended 31 December 2013 (FY2013) contributed RMB93.6 million to XinRen's net profit of RMB61.6 million. Xinjiang Plant generated a net profit of RMB443.0 million from an output of 400,000 tonnes in FY2013 on a standalone basis. The primary aluminum smelter's profit contribution to XinRen is expected to rise even further as output is ramped up to 880,000 tonnes this year.

XinRen's Executive Chairman, Mr Zeng Chaolin (曾超林), said: "Based on external studies, Xinjiang Plant has one of the lowest cash production costs among the aluminum smelters in China."



“XinRen's increased stake in this strategic investment is in line with the Group's drive to remain profitable in the midst of a prolonged industry downturn. It also firmly sets XinRen amongst the leading integrated upstream producers in China's aluminum industry.”

Located in Xinjiang Province, and having its in-house independent power plant, the Xinjiang Plant gives XinRen access to cheap and abundant coal resources and comparatively lower electricity costs. In light of the still low aluminum prices and the PRC government's efforts to phase out inefficient producers, XinRen believes that its majority stake in this prime asset will enable the Group to pull ahead of its competition.

The profitability of the Xinjiang Plant is expected to improve significantly as it increases its smelting capacity to a maximum 1.6 million tonnes per annum (tpa). Currently, the plant has an established smelting capacity of 880,000 tpa, powered by four fully operating generators of 350MW each.

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 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 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.



XinRen Aluminum Holdings Limited

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

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

M E D I A R E L E A S E

FOR FURTHER ENQUIRIES

MS LIM JOO SENG

+65 6336 8850

XINREN ALUMINUM

jooseng.lim@xinren-aluminum.com

MS LOW LI YIN

+65 9879 3378

OAKTREE ADVISERS

liyin@oaktreadvisers.com

MS NORA CHENG

+65 9634 7450

OAKTREE ADVISERS

noracheng@oaktreadvisers.com

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

OAKTREE ADVISERS, YOUR IR PARTNER