

XINREN ALUMINUM HOLDINGS LIMITED

(Company Registration No.: 200612545H)

(Incorporated in Singapore on 29 August 2006)

PROPOSED ISSUE OF US\$30,000,000 8.0 PER CENT. CONVERTIBLE BONDS DUE 2020

– UPDATE ON ACQUISITION IN CHINA LEADING INTERNATIONAL GROUP LIMITED AND THE XINJIANG PLANT

*The Board of Directors (the “**Board**”) of XinRen Aluminum Holdings Limited (the “**Company**”) refers to the Company’s announcements dated 29 May 2015, 28 July 2015, 21 August 2015, 27 August 2015 and 2 October 2015, 22 October 2015 and 2 November 2015 (the “**Announcements**”) 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 Announcements.*

Further to the Company's Announcements relating to the issuance of the Convertible Bonds, the Board wishes to provide Shareholders with updates and information regarding the China Leading International Group Limited (“**CLIG**”) and Xinjiang Production and Construction Corps Agricultural Division Eight Xinjiang Tianshan Aluminum Plant Co., Ltd. (the “**Xinjiang Plant**”) as required pursuant to the AIP received from the SGX-ST on 2 November 2015.

The SGX-ST's AIP is not to be taken as an indication of the merits of the Convertible Bonds, the Conversion Shares, the Company and/or its subsidiaries.

Investment in CLIG and Xinjiang Plant

A brief timeline on the Company's investment in CLIG and the Xinjiang Plant is set out below:

Date	Event
9 May 2012	The Company completed its acquisition in 21% of CLIG for an aggregate consideration of RMB1,890 million, which was funded by way of internal funding and external borrowings. The consideration was paid in full to the vendor on 11 March 2014.
3 July 2014	The Company completed its acquisition of an additional 30% of CLIG for an aggregate consideration of RMB31.5 billion. The consideration will be funded by existing working capital, bank borrowings and/or proceeds from fund raising exercises (which may include the raising of funds from the debt or capital market). (the “30% Acquisition”)
12 February 2015	The Company entered into a supplemental sale and purchase agreement with the vendors for the 30% Acquisition, pursuant to which the consideration payable for the 30% Acquisition shall be due and payable between 1 July 2016 and 30 June 2017. The Company shall be entitled to pay any portion of the Consideration before 1 July 2017 at its sole discretion.
27 August 2015	The net proceeds from the US\$150,000,000 Convertible Bonds and US\$200,000,000 of the Term Loan (excluding the payment of fees, costs, expenses payables and debt service reserves by the Company in connection with the

Convertible Bonds and the Term Loan) amounting to US\$320,040,000 was used entirely to fund the payment of part of the consideration for the 30% Acquisition.

- The vendors to the 30% Acquisition then on-lent the US\$320,040,000 paid to them to the Group to be used to fund the capital expenditure of the Xinjiang Plant.

The remaining approximately USD179,960,000 consideration due to the vendors to the 30% Acquisition shall be due and payable between 1 July 2016 and 30 June 2017. The Company shall be entitled to pay any portion of the Consideration before 1 July 2017 at its sole discretion. The consideration will be funded by existing working capital, bank borrowings and/or proceeds from fund raising exercises (which may include the raising of funds from the debt or capital market).

Save as stated above, the Company has not made any further investment in CLIG and the Xinjiang Plant (through, for example, any subscription of new shares or shareholder loans).

Development of the Xinjiang Plant project

The key stages of the development of the Xinjiang Plant are as set out below:

Date	Development Stage of the Xinjiang Plant
May 2012	• When the Company completed its 21% investment in CLIG and correspondingly, the Xinjiang Plant, the annual smelting production capacity of the Xinjiang Plant was 447,000 tonnes.
April 2013	• Two power-generating units of the Xinjiang Plant that have a combined output capacity of 2x350MW commenced operations.
December 2013	• The annual smelting production capacity of the Xinjiang Plant was increased to 880,000 tonnes and two more power generating units with an additional combined output capacity of 2x350MW commenced operations.
July 2014	• When the Company completed its acquisition of an additional 30% of CLIG and correspondingly, the Xinjiang Plant, the annual smelting production capacity of the Xinjiang Plant was 880,000 tonnes with four power generating units comprising a combined output capacity of 4x350MW in operation.
October 2015	• The annual smelting production capacity of the Xinjiang Plant was increased to 1,100,000 tonnes and the combined output capacity of the four power generating units remained at 4x350MW.

It is intended that the production capacity of the Xinjiang Plant will be increased to 1,600,000 tonnes per annum with an in-fence power plant comprising ten power generating units with a combined output capacity of 10x350MW by end 2018.

Construction of the Xinjiang Plant is expected to be completed in 2017 and fully operational in 2018 (after the trial production stage).

Planned Capital Expenditure of the Xinjiang Plant

The planned capital expenditure for the Xinjiang Plant are as set out in the table below:

	For the financial year ending 31 December 2016	For the financial year ending 31 December 2017
	<i>(RMB millions)</i>	
Planned Capital Expenditure	2,828	2,275

The Company intends to use existing working capital, bank borrowings and/or proceeds from fund raising exercises (including raising of funds from the debt or capital market) to fund the remaining capital expenditure of the Xinjiang Plant project.

The actual capital expenditures of the Xinjiang Plant project may differ significantly from the amounts set out above due to various factors, including but not limited to, the Group's future cash flows, results of operations and financial condition, changes in the PRC economy, the availability of financing on terms acceptable to the Group, matters relating to possible construction delays, defects or cost overrun, delays in obtaining or receipt of future approvals, changes in the legislative and regulatory environment and other factors that are beyond the Group's control.

Regulatory Approvals

The Company refers to its circular dated 5 April 2012, pursuant to which it was stated that save for:

- (i) the Construction Planning Permit (《建设工程规划许可证》) and the Construction Permit (《建设工程施工许可证》) for phase 1 of the project, which was expected to be obtained in April 2012, and
- (ii) the land use right certificate for phase 2 of Xinjiang Plant, which was expected to be received prior to the payment of the last instalment of the Consideration (as defined in the circular dated 5 April 2012),

the Xinjiang Plant had received all pre-requisite approvals from the relevant PRC authorities for its operation.

The Company wishes to highlight that as announced on 27 April 2012, it had received the Construction Planning Permit (《建设工程规划许可证》) and the Construction Permit (《建设工程施工许可证》) from the Planning Bureau Of Shihezi North Industrial Park (《石河子北工业园区规划建设局》) for phase 1 of the project in April 2012. The Company had also obtained the land use right certificate from the Bureau of Land and Resources of Xinjiang Production Construction Corps Agriculture Division Eight (《新疆生产建设兵团农八师国土资源局》) for phase 2 of Xinjiang Plant in January and April 2013.

The Company also further confirms that it has obtained all regulatory approvals currently required by the Xinjiang Plant.

BY ORDER OF THE BOARD

Zeng Chaolin
Executive Chairman
4 November 2015