

APPENDIX DATED 14 APRIL 2015

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

This Appendix is issued by XinRen Aluminum Holdings Limited (the “Company”). Its purpose is to explain to the Shareholders the rationale and provide information to the Shareholders for the proposed renewal of the Share Buy-back Mandate (as defined in this Appendix) to be tabled at the annual general meeting of the Company to be held on 29 April 2015 at 10 a.m. at Governor Room, St. Regis Singapore, 29 Tanglin Road, Singapore 247911 (the “2015 AGM”). The notice of the 2015 AGM and the Proxy Form will be circulated with this Appendix.

If you have sold or transferred all your shares in the capital of the Company, you should forward this Appendix immediately to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix.



XINREN ALUMINUM HOLDINGS LIMITED

(Incorporated in Singapore on 29 August 2006)

(Company Registration No. 200612545H)

APPENDIX TO NOTICE OF ANNUAL GENERAL MEETING

IN RELATION TO

THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

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DEFINITIONS

In this Appendix, the following definitions apply throughout unless otherwise stated:

<i>“2014 Mandate”</i>	:	The general and unconditional mandate granted by the Shareholders to the Directors on 28 April 2014 to exercise all powers of the Company to purchase or otherwise acquire its issued Shares.
<i>“2015 AGM”</i>	:	The annual general meeting of the Company to be held on 29 April 2015
<i>Appendix</i>	:	This appendix to the notice of annual general meeting dated 14 April 2015
<i>“Articles”</i>	:	The articles of association of the Company, as amended or modified from time to time
<i>“Associate”</i>	:	<ul style="list-style-type: none">(i) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:<ul style="list-style-type: none">(a) his immediate family;(b) the trustee of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and(c) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more(ii) in relation to a Substantial Shareholder or Controlling Shareholder (being a company) means any company which is its subsidiary or holding company or is a subsidiary of any such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
<i>“Associated Company”</i>	:	A company in which at least 25% but not more than 50% of its shares are held by the Company and/or its subsidiaries
<i>“Board” or “Board of Directors”</i>	:	The board of directors of the Company
<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“Company” or “XinRen”</i>	:	XinRen Aluminum Holdings Limited
<i>“Companies Act”</i>	:	The Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
<i>“Companies Amendment Act”</i>	:	The Companies (Amendment) Act 2005 of Singapore
<i>“Controlling Shareholder”</i>	:	A person who: (i) holds directly or indirectly 15% or more of the Company’s issued share capital; or (ii) in fact exercises control over the Company
<i>“Depositors”</i>	:	The term “Depositors” shall have the meaning ascribed to it by section 130A of the Companies Act
<i>“Director”</i>	:	A director of the Company as at the date of this Appendix

<i>“EPS”</i>	:	Earnings per Share
<i>“FY” or “Financial Year”</i>	:	Financial year ended, or as the case may be, ending 31 December
<i>“Group”</i>	:	The Company and its subsidiaries
<i>“Latest Practicable Date”</i>	:	1 April 2015, being the latest practicable date prior to the despatch of this Appendix
<i>“Listing Manual”</i>	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading of securities
<i>“Notice of AGM”</i>	:	Notice of the 2015 AGM dated 14 April 2015
<i>“NTA”</i>	:	Net tangible assets
<i>“Relevant Period”</i>	:	Has the meaning ascribed to it under section 2.1 of this Appendix
<i>“RMB”</i>	:	PRC Renminbi
<i>“Securities Accounts”</i>	:	The securities account maintained with CDP, but not including the securities accounts maintained with a Depository Agent (as defined in Section 130A of the Act)
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“Share Buy-Back Mandate”</i>	:	The proposed general mandate to authorise the Directors to exercise all the powers of the Company to purchase, on behalf of the Company, Shares in accordance with the terms set out in this Appendix
<i>“Shares”</i>	:	Ordinary shares in the capital of the Company
<i>“Share Purchase”</i>	:	The purchase of Shares by the Company pursuant to the Share Buy-Back Mandate
<i>“Shareholders”</i>	:	Registered holders of Shares except that where the registered holder is CDP, the term “Shareholders” in relation to Shares held by CDP shall mean the persons named as Depositors in the Depository Register maintained by CDP and to whose securities accounts such Shares are credited
<i>“Substantial Shareholder”</i>	:	A person who has an interest or interests in voting Shares in the Company representing not less than 5.0% of all the voting Shares
<i>“Take-over Code”</i>	:	The Singapore Code on Take-overs and Mergers, as amended and modified from time to time
<i>“Treasury Shares”</i>	:	Issued Shares of the Company which was (or is treated as having been) purchased by the Company in circumstances which Section 76H of the Companies Act applies and has, since purchase, been continuously held by the Company

“S\$”, “SGD” or “\$” and “cents” : Singapore dollars and cents respectively

“%” : Percentage and per centum

The terms “Depository” and “Depository Register” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and used in this Appendix shall have the meaning assigned to it under the said Companies Act.

Words importing the singular number shall include the plural number where the context admits and vice versa. Words importing the masculine gender shall include the feminine gender where the context admits. Reference to persons shall, where applicable, include corporations.

Any reference to a time of a day in this Appendix is a reference to Singapore time.

XINREN ALUMINUM HOLDINGS LIMITED

(Incorporated in Singapore on 29 August 2006)

(Company Registration No. 200612545H)

Directors :

Zeng Chaolin (Executive Chairman and Chief Executive Officer)
Zeng Xiaoqiao @ Zeng Xiao Shan (Executive Director)
Zeng Mingliu (Executive Director)
Liang Hongbo (Executive Director)
Chen Timothy Teck Leng (Non-Executive Lead Independent Director)
Loh Weng Whye (Non-Executive Independent Director)
Liu Jingan (Non-Executive Independent Director)

Registered Office :

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

14 April 2015

To: The Shareholders of XinRen Aluminum Holdings Limited

Dear Sir / Madam,

THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

1. INTRODUCTION

The purpose of this Appendix is to provide Shareholders with information relating to, and to seek their approval for, the Share Buy-Back Mandate at the 2015 AGM.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

The SGX-ST assumes no responsibility for the accuracy of any statements made, opinions expressed or reports contained in this Appendix.

2. THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

2.1 Proposed renewal of the Share Buy-Back Mandate

Any purchase or acquisition of its Shares by the Company would have to be made in accordance with, and in the manner prescribed by, the Companies Act, the Listing Manual, the Articles and such other laws and regulations as may for the time being be applicable.

At the annual general meeting of the Company held on 28 April 2014, Shareholders had granted a general and unconditional mandate to the Directors to exercise all powers of the Company to purchase or otherwise acquire its issued Shares, on the terms of that mandate (the "2014 Mandate"). The 2014 Mandate will expire on 29 April 2015, being the date of the 2015 AGM. It is proposed that such authority be renewed.

Accordingly, we seek Shareholders' approval at the 2015 AGM for a renewed general and unconditional mandate to be given to the Directors to exercise all powers of the Company to purchase or otherwise acquire its Shares on the terms of such mandate. If approved at the 2015 AGM, the authority conferred by the Share Buy-Back Mandate will continue in force until the date the next AGM is held or is required by law to be held, whichever is earlier (whereupon it will lapse, unless renewed at such meeting) or until it is varied or revoked by the Company in general meeting (if so varied or revoked prior to the date the next AGM is held or is required by law to be held, whichever is earlier) (the "Relevant Period").

2.2 Rationale for the Share Buy-Back Mandate

The Company proposes to seek Shareholders' approval for the proposed adoption of the Share Buy-Back Mandate to give Directors the flexibility to undertake Share Purchases at any time when circumstances permit, with the objective of increasing Shareholders' value and to improve, inter alia, the return of equity of the Group. A Share Purchase made at an appropriate price level is one of the ways through which the return on equity of the Group may be enhanced.

The Directors believe that the Share Buy-Back Mandate provides the Company with a mechanism to facilitate the return of surplus cash over and above the Group's working capital requirements in an expedient and cost efficient manner. Share Purchases also allow the Directors to exercise control over the Company's share structure and, depending on market conditions, may lead to an enhancement of the EPS and/or NTA per Share. The Directors further believe that Share Purchases may also help to mitigate short-term market volatility and offset the effects of share price speculation.

If and when circumstances permit, the Directors will decide whether to effect the Share Purchases via On-Market Share Purchases (as defined hereinafter) or Off-Market Share Purchases (as defined hereinafter), after taking into account the amount of surplus cash available, the then prevailing market conditions and the most cost effective and efficient approach.

The Share Purchases will only be undertaken as and when the Directors consider it to be in the best interests of the Company and/or Shareholders. No Share Purchases will be made in circumstances which the Directors believe will have or may have a material adverse effect on the liquidity and the orderly trading of the Shares and the working capital requirements and gearing level of the Company and the Group.

The Share Buy-Back Mandate will give the Directors the flexibility to purchase or acquire its Shares when circumstances permit, with the objective of increasing Shareholders' value and to improve, inter alia, the return of equity of the Group. A share buy-back at an appropriate price level is one of the ways through which the return on equity of the Group may be enhanced. Share purchases or acquisitions provide the Company with an easy mechanism to facilitate the return of surplus cash over and above the ordinary capital requirements, in an expedient and cost efficient manner. Share purchases or acquisitions also allow the Directors to exercise control over the Company's share structure and may depending on market conditions, lead to an enhancement of the EPS and/ or NTA per share of the Company.

2.3 Authority and limits of the Share Buy-Back Mandate

The authority and limitations placed on the Share Purchases by the Company under the proposed Share Buy-Back Mandate, if approved at the AGM, are summarised below:-

2.3.1 Maximum number of Shares

Only Shares that are issued and fully paid-up may be purchased or acquired by the Company pursuant to the Share Buy-Back Mandate.

The total number of Shares which can be purchased or acquired by the Company pursuant to the Share Buy-Back Mandate during the Relevant Period or within any one financial year of the Company, whichever is the earlier, is limited to that number of Shares representing not more than 10.0% of the total issued ordinary share capital of the Company (ascertained as at the date of the EGM at which the Share Buy-Back Mandate is approved, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered) (the "Approval Date"). For the purposes of calculating the percentage of issued Shares above, any of the Shares which are held as treasury shares will be disregarded.

Purely for illustrative purposes, assuming that the Company has 1,303,567,528 Shares as at the date of the 2015 AGM (being the number of Shares as at the Latest Practicable Date excluding treasury shares and assuming no change in the number of Shares on or prior to the date of the 2015 AGM), not more than 130,356,752 Shares (representing 10.0% of the issued share capital of the Company as at that date) may be purchased or acquired by the Company pursuant to the Share Buy-Back Mandate during the duration referred to in section 2.3.2 below.

2.3.2 Duration of authority

Under the Share Buy-Back Mandate, Share Purchases may be made, at any time and from time to time, on and from the date of the 2015 AGM, at which the Share Buy-Back Mandate is approved, up to the earlier of:

- (i) the conclusion of the next AGM or the date by which such AGM is required to be held;
- (ii) the date on which the Share Purchases are carried out to the full extent mandated; or
- (iii) the date on which the authority contained by the Share Buy-Back Mandate is revoked or varied by the Shareholders in general meeting.

The authority conferred on the Directors by the Share Buy-Back Mandate to purchase Shares may be renewed at each AGM or other general meeting of the Company. When seeking the approval of the Shareholders for the renewal of the Share Buy-Back Mandate, the Company is required to disclose details pertaining to any Share Purchases made during the previous 12 months, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such Share Purchases, where relevant, and the total consideration paid for such Share Purchases.

2.3.3 Manner of purchases or acquisitions of Shares

Share Purchases may be made by way of:

- (i) on-market purchases through the SGX-ST's ready market or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose ("**On-Market Share Purchase**"); and/or
- (ii) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit and in the best interests of the Company, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Listing Manual ("**Off-Market Share Purchase**").

The Directors may impose such terms and conditions, which are not inconsistent with the Share Buy-Back Mandate, the Listing Manual and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. Under the Companies Act, an equal access scheme must satisfy all of the following conditions:

- (i) offers for the Share Purchases shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made to them;
- (iii) the terms of all the offers are the same, except that there shall be disregarded:
 - (a) differences in consideration attributable to the fact that offers relate to Shares with different accrued dividend entitlements;
 - (b) (if applicable) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and

- (c) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, the Listing Manual provides that, in making an Off-Market Share Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information:

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances;
- (iii) the reasons for the proposed Share Purchase;
- (iv) the consequences, if any, of Share Purchases by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (v) whether the Share Purchase, if made, could affect the listing of the Shares on the Official Listing of SGX-ST;
- (vi) details of any Share Purchases made by the Company in the previous 12 months (whether On-Market Share Purchases or Off-Market Share Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such Share Purchases, where relevant, and the total consideration paid for such Share Purchases; and
- (vii) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

2.3.4 Maximum purchase price

The purchase price (excluding brokerage, commissions, stamp duties, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors.

However, the purchase price to be paid for a Share pursuant to the Share Purchases as determined by the Directors must not exceed:

- (i) in the case of an On-Market Share Purchase, 105% of the Average Closing Price (as defined hereinafter) of the Shares; and
- (ii) in the case of an Off-Market Share Purchase, 120% of the Average Closing Price of the Shares,

(the “**Maximum Price**”) in either case, excluding related expenses of the Share Purchase.

For the above purposes:

The “**Average Closing Price**” means the average of the closing market prices of a Share over the last 5 Market Days, on which transactions in the Shares were recorded, preceding the day of the On-Market Share Purchase or, as the case may be, preceding the date of making an announcement by the Company of an offer for an Off-Market Share Purchase and deemed to be adjusted for any corporate action that occurs after the relevant 5-day period.

2.4 **Status of purchased Shares**

A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

2.5 Cancellation of purchased Shares

Any Share which is purchased or acquired by the Company shall, unless held as treasury shares to the extent permitted under the Companies Act, be deemed cancelled immediately on purchase, and all rights and privileges attached to that Share shall expire on cancellation. The total number of Shares will be diminished by such number of Shares purchased or acquired by the Company and which are not held as treasury shares.

Any Shares purchased or acquired by the Company (other than treasury shares held by the Company to the extent permitted by the Companies Act) and cancelled will be automatically de-listed by the SGX-ST and (where applicable) all certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following the settlement of any such purchase.

2.6 Purchased Shares held as treasury shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under (i) the Listing Manual, and (ii) the Companies Act, as amended by the Companies Amendment Act, are summarised below:

2.6.1 Maximum holdings

The number of Shares held as treasury shares cannot at any time exceed 10.0% of the total number of issued Shares.

In the event that the Company holds more than 10.0% of the total number of its issued Shares as treasury shares, the Company shall cancel or dispose of the excess treasury shares in the manner set out under section 2.6.3 below within 6 months beginning with the day on which that contravention occurs, or such further period as the Registrar of Companies may allow.

2.6.2 Voting and other rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a smaller or larger amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

2.6.3 Disposal and cancellation

Where Shares are held as treasury shares, the Company may at any time:

- (i) sell the treasury shares for cash;
- (ii) transfer the treasury shares for the purposes or pursuant to an employees' share scheme;
- (iii) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the treasury shares; or
- (v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister of Finance.

As at the Latest Practicable Date, the Company holds 6,980,000 of its Shares as treasury shares.

2.6.4 Reporting obligation under the Listing Manual

Under Rule 704 (28) of the Listing Manual, the Company must immediately announce any sale, transfer, cancellation and/or use of treasury shares, stating the following:

- (i) date of the sale, transfer, cancellation and/or use;
- (ii) purpose of such sale, transfer, cancellation and/or use;
- (iii) number of treasury shares sold, transferred, cancelled and/or used;
- (iv) number of treasury shares before and after such sale, transfer, cancellation and/or use;
- (v) percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
- (vi) value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.7 **Source of funds**

Previously, any purchase of Shares could only be made out of the Company's distributable profits that are available for payment as dividends. However the Companies Act, as amended by the Companies Amendment Act, now permits the Company to also purchase its own Shares out of capital, as well as from its distributable profits, provided that:

- (i) the Company is able to pay its debts in full at the time it purchases the Shares and will be able to pay its debts as they fall due in the normal course of business in the 12 months immediately following the purchase; and
- (ii) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not after the purchase of Shares become less than the value of its liabilities.

Further, for the purposes of determining the value of a contingent liability, the Directors or managers of the Company may take into account the following:

- (i) the likelihood of the contingency occurring; and
- (ii) any claim the Company is entitled to make and can reasonably expect to be met to reduce or extinguish the contingent liability.

The Company will use internal resources and/or external borrowings and/or a combination of both to finance purchases of Shares pursuant to the Share Buy-back Mandate.

The Directors will only carry out the Share Buy-backs as and when they consider it to be in the best interest of the Company, and in circumstances that they believe would not result in a material adverse effect on the financial condition, liquidity and working capital of the Company and the Group.

2.8 **Financial effects of the Share Buy-Back Mandate**

If the purchased or acquired Shares are cancelled, the issued share capital of the Company will be reduced by the corresponding total purchase price of the Shares purchased or acquired by the Company. The consideration to be paid by the Company for the purchase or acquisition of Shares (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. If, on the other hand, the purchased or acquired Shares are not cancelled but held in treasury, then there is no change in the Company's issued capital. However, there will be financial effects as illustrated in paragraphs 2.8.3 below.

The financial effects on the Company and the Group arising from purchases or acquisition of Shares which may be made pursuant to the Share Buy-back Mandate will depend on, inter alia, the aggregate number of Shares purchased or acquired, the price at which such Shares are purchased or acquired, the amount (if any) borrowed by the Company to fund the purchase or acquisition and whether the Shares are cancelled or held in treasury. The financial effects on the Company and the Group, based on the audited financial statements of the Company and the Group for the financial year ended 31 December 2014, are based on the following principal assumptions:

- (i) the acquisition of Shares pursuant to the Share Buy-back Mandate had taken place on 1 January 2014 for the purpose of computing the financial effects on the EPS of the Group and the Company;
- (ii) the acquisition of Shares pursuant to the Share Buy-back Mandate had taken place on 31 December 2014 for the purpose of computing the financial effects on the shareholders' equity, NTA per share and gearing of the Group and the Company; and
- (iii) transaction costs incurred for the acquisition of Shares pursuant to the Share Buy-back Mandate are assumed to be insignificant and have been ignored for the purpose of computing the financial effects.

2.8.1 Purchase or acquisition out of capital or profits

Under the Companies Act, as amended by the Companies Amendment Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent.

Where the consideration (excluding related brokerage, goods and services tax, stamp duties and clearance fees) paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced but the issued share capital of the Company will be reduced by the value of the Shares purchased. Where the consideration (excluding related brokerage, goods and services tax, stamp duties and clearance fees) paid by the Company for the purchase or acquisition of the Shares is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

2.8.2 Information as at the Latest Practicable Date

As at the Latest Practicable Date, the issued and paid-up capital of the Company is S\$204,853,654 (equivalent to RMB962,812,000 based on the exchange of S\$1: RMB4.7 as at the Latest Practicable Date) comprising 1,310,547,528 Shares (including 6,980,000 treasury Shares). No Shares are reserved for issue by the Company as at the Latest Practicable Date.

2.8.3 Financial effects

For illustration purposes only, and on the basis of the assumptions set out above, the financial effects of the:

- (i) acquisition of Shares by the Company pursuant to the Share Buy-back Mandate by way of purchases made out of capital and held as treasury shares; and
- (ii) acquisition of Shares by the Company pursuant to the Share Buy-back Mandate by way of purchases made out of capital and cancelled;

based on the audited financial statements of the Group and the Company for the financial year ended 31 December 2014 are set out in the sections below. The SGD:RMB exchange rate used for illustration of the financial effects in the sections below is S\$1: RMB4.7 as at the Latest Practicable Date.

The financial effects of the acquisition of Shares by the Company pursuant to the Share Buy-back Mandate by way of purchases made out of profits are similar to that of purchases made out of capital. Therefore, only the financial effects of the acquisition of the Shares pursuant to the Share Buy-back Mandate by way of purchases made out of capital are set out in this Circular.

2.8.3.1 Market purchase

For illustrative purposes only, in a market purchase, assuming that:-

- (i) the Maximum Price is S\$0.48 which is 105% of the Average Closing Price of the Shares over the five (5) trading days preceding the Latest Practicable Date on which transactions in the Shares were recorded;
- (ii) assuming that the Company has 1,303,567,528 Shares as at the date of the 2015 AGM (being the number of Shares as at the Latest Practicable Date excluding treasury shares and assuming no change in the number of Shares in or prior to the date of the 2015 AGM), such that not more than 130,356,752 Shares may be purchased or acquired by the Company pursuant to the Share Buy-Back Mandate,

the maximum amount of funds required for the purchase of up to 130,356,752 Shares under and during the duration of the Share Buy-Back Mandate, is approximately S\$62,571,000 (equivalent to approximately RMB294,084,000).

On this assumption, the impact of the Share Purchase by the Company undertaken in accordance with the proposed Share Buy-back Mandate on the Company's and the Group's audited financial statements for the financial year ended 31 December 2014 is as follows:

	Group			Company		
	Before Share Purchase	After Share Purchase		Before Share Purchase	After Share Purchase	
	RMB'000	Purchased Shares Cancelled	Purchased Shares held as Treasury Shares	RMB'000	Purchased Shares Cancelled	Purchased Shares held as Treasury Shares
As at 31 December 2014						
Net profit after tax attributable to owners of the parent	284,014	284,014	284,014	19,074	19,074	19,074
Share Capital	995,377	701,293	995,377	995,377	701,293	995,377
Treasury shares	(12,483)	(12,483)	(306,567)	(12,483)	(12,483)	(306,567)
Retained profits	1,236,395	1,236,395	1,236,395	199,618	199,618	199,618
Reserves	152,945	152,945	152,945	1,094	1,094	1,094
Equity attributable to equity holders of the parent	2,372,234	2,078,150	2,078,150	1,183,606	889,522	889,522
NTA	2,372,234	2,078,150	2,078,150	1,183,606	889,522	889,522
Current assets	8,659,726	8,365,642	8,365,642	1,235,060	940,976	940,976
Current liabilities	14,850,990	14,850,990	14,850,990	1,035,049	1,035,049	1,035,049
Net borrowings	3,671,121	3,671,121	3,671,121	989,002	989,002	989,002
Number of shares ('000)	⁽¹⁾ 1,303,568	⁽²⁾ 1,173,211	⁽²⁾ 1,173,211	⁽¹⁾ 1,303,568	⁽²⁾ 1,173,211	⁽²⁾ 1,173,211
Financial Ratios						
NTA per share (RMB cents)	⁽³⁾ 181.98	⁽⁴⁾ 177.13	⁽⁴⁾ 177.13	⁽³⁾ 90.80	⁽⁴⁾ 0.76	⁽⁴⁾ 0.76
Net gearing (times) ⁽⁵⁾	1.55	1.77	1.77	0.84	1.11	1.11
Current ratio (times)	0.58	0.56	0.56	1.19	0.91	0.91
EPS (RMB cents)	⁽³⁾ 21.79	⁽⁴⁾ 24.2	⁽⁴⁾ 24.21	⁽³⁾ 1.46	⁽⁴⁾ 1.63	⁽⁴⁾ 1.63
ROE (%)	11.97	13.67	13.67	1.61	2.14	2.14

Notes:

- (1) Number of Shares excludes 6,980,000 Shares that are held as treasury shares as at 31 December 2014.
- (2) Number of Shares excludes 6,980,000 Shares that are held as treasury shares and assumes (i) no change in the number of Shares on or prior to the date of the 2015 AGM, and (ii) all Shares that are held as treasury shares as at the Latest Practicable Date has been cancelled.
- (3) The NTA per Share and EPS are computed based on the total number of Shares in issue as at 31 December 2014 excluding treasury shares, instead of the weighted average number of Shares in issue for the respective period presented.
- (4) The NTA per Share and EPS are computed based on the total number of Shares in issue as at the Latest Practicable Date excluding treasury shares, instead of the weighted average number of Shares in issue for the respective period presented.
- (5) Calculated based on the total net borrowings divided by the total equity.

2.8.3.2 Off-Market Purchase

For illustrative purposes only, in an off-market purchase, assuming that: -

- (i) the Maximum Price is S\$0.55, which is 120% of the Average Closing Price of the Shares over the five (5) trading days preceding the Latest Practicable Date on which transactions in the Shares were recorded;
- (ii) assuming that the Company has 1,303,567,528 Shares as at the date of the 2015 AGM (being the number of Shares as at the Latest Practicable Date excluding treasury shares and assuming no change in the number of Shares in or prior to the date of the 2015 AGM), such that not more than 130,356,752 Shares may be purchased or acquired by the Company pursuant to the Share Buy-Back Mandate,

the maximum amount of funds required for the purchase of up to 130,356,752 Shares under and during the duration of the Share Buy-Back Mandate, is approximately S\$71,696,000 (equivalent to approximately RMB336,971,000).

On this assumption, the impact of the Share Purchase by the Company undertaken in accordance with the proposed Share Buy-back Mandate on the Company's and the Group's audited financial statements for the financial year ended 31 December 2014 is as follows:

	Group			Company		
	Before Share	After Share Purchase	Purchased Shares held as Treasury Shares	Before Share	After Share Purchase	Purchased Shares held as Treasury Shares
	Purchase RMB'000			Purchase RMB'000		
		Purchased Shares Cancelled			Purchased Shares Cancelled	
As at 31 December 2014						
Net profit after tax attributable to owners of the parent	284,014	284,014	284,014	19,074	19,074	19,074
Share Capital	995,377	658,406	995,377	995,377	658,406	995,377
Treasury shares	(12,483)	(12,483)	(349,454)	(12,483)	(12,483)	(349,454)
Retained profits	1,236,395	1,236,395	1,236,395	199,618	199,618	199,618
Reserves	152,945	152,945	152,945	1,094	1,094	1,094
Equity attributable to equity holders of the parent	2,372,234	2,035,263	2,035,263	1,183,606	846,635	846,635
NTA	2,372,234	2,035,263	2,035,263	1,183,606	846,635	846,635
Current assets	8,659,726	8,322,755	8,322,755	1,235,060	898,089	898,089
Current liabilities	14,850,990	14,850,990	14,850,990	1,035,049	1,035,049	1,035,049
Net borrowings	3,671,121	3,671,121	3,671,121	989,002	989,002	989,002
Number of shares ('000)	⁽¹⁾ 1,303,568	⁽²⁾ 1,173,211	⁽²⁾ 1,173,211	⁽¹⁾ 1,303,568	⁽²⁾ 1,173,211	⁽²⁾ 1,173,211
Financial Ratios						
NTA per share (RMB cents)	⁽³⁾ 181.98	⁽⁴⁾ 173.48	⁽⁴⁾ 173.48	⁽³⁾ 90.80	⁽⁴⁾ 0.72	⁽⁴⁾ 0.72
Net gearing (times) ⁽⁵⁾	1.55	1.80	1.80	0.84	1.17	1.17
Current ratio (times)	0.58	0.56	0.56	1.19	0.87	0.87
EPS (RMB cents)	⁽³⁾ 21.79	⁽⁴⁾ 24.21	⁽⁴⁾ 24.21	⁽³⁾ 1.46	⁽⁴⁾ 1.63	⁽⁴⁾ 1.63
ROE (%)	11.97	13.95	13.95	1.61	2.25	2.25

Notes:

- (1) Number of Shares excludes 6,980,000 Shares that are held as treasury shares as at 31 December 2014.
- (2) Number of Shares excludes 6,980,000 Shares that are held as treasury shares and assumes (i) no change in the number of Shares on or prior to the date of the 2015 AGM, and (ii) all Shares that are held as treasury shares as at the Latest Practicable Date has been cancelled.
- (3) The NTA per Share and EPS are computed based on the total number of Shares in issue as at 31 December 2014 excluding treasury shares, instead of the weighted average number of Shares in issue for the respective period presented.
- (4) The NTA per Share and EPS are computed based on the total number of Shares in issue as at the Latest Practicable Date excluding treasury shares, instead of the weighted average number of Shares in issue for the respective period presented.
- (5) Calculated based on the total net borrowings divided by the total equity.

Shareholders should note that the financial effects set out above are for illustrative purposes only. In particular, it is important to note that the above analysis is based on historical audited financial statements for the financial year ended 31 December 2014 and is not necessarily representative of future financial performance.

Although the Share Buy-back Mandate would authorise the Company to purchase or acquire up to ten per cent. (10%) of the issued Shares (excluding treasury shares), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire ten per cent. (10%) of the issued Shares (excluding treasury shares). In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased as treasury shares.

2.9 Listing Manual

- 2.9.1 As at the Latest Practicable Date, approximately 24.5% of the issued share capital of the Company are held in the hands of the public. Assuming that the Company repurchased the maximum of 10.0% of its issued share capital as at the Latest Practicable Date from members of the public by way of a Market Purchase, the percentage of Shares held by the public would be approximately 16.1%.

Accordingly, the Company is of the view that there is a sufficient number of the Shares in issue held by public Shareholders which would permit the Company to undertake Share Purchase up to the full 10% limit pursuant to the Share Buy-Back Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading. The Directors will ensure that any Share Purchase, if undertaken by the Company pursuant to the Share Buy-Back Mandate, will not affect orderly trading of the Company's shares and its listing status.

- 2.9.2 Under Rule 884 of the Listing Manual, a listed company may only purchase shares by way of a market acquisition at a price which is not more than 5.0% above the average closing market price. The term average closing market price is defined as the average of the closing market price of shares over the last 5 market days, on which transactions in the shares were recorded, before the day on which purchases are made. The Maximum Price for a Share in relation to Market Purchases by the Company, referred to in Section 2.3.4 of this Circular, conforms to this restriction.

Additionally, Rule 886 of the Listing Manual also specifies that a listed company shall report all purchases or acquisitions of its Shares to SGX-ST not later than 9.00 a.m.:

- (i) in the case of a Market Purchase, on the market day following the day of purchase or acquisition of any of its Shares; and
- (ii) in the case of an Off-Market Purchase under an equal access scheme, on the second market day after the close of acceptances of the offer.

Such announcement must include details of the total number of Shares purchased and the purchase price per Share or the highest and lowest prices paid for such Shares, as applicable.

- 2.9.3 While the Listing Manual do not expressly prohibit any buy-back of shares by a listed company of its own shares during any particular time or times, because the listed company would be regarded as an "insider" in relation to any proposed purchase of its issued shares, the Company will not undertake any buy-back of Shares pursuant to the proposed Share Buy-back Mandate at any time after any matter or development of a price sensitive nature has occurred or has been the subject of a decision until such price sensitive information has been publicly announced. In particular, in line with the best practices guide on securities dealings issued by SGX-ST, the Company will not purchase or acquire any Shares pursuant to the proposed Share Buy-back Mandate during the period commencing two (2) weeks immediately preceding the announcement of the Company's financial statements for each of the first three quarters of its financial year and one (1) month immediately preceding the announcement of the Company's financial statements of its full-year and ending on the date of the announcement of the relevant results.

2.10 Tax implications

Section 10J of the Income Tax Act, Chapter 134, of Singapore stipulates that when a company buys back its own shares from a shareholder using funds other than contributed capital of the company, the payment by the company shall be deemed to be a dividend paid by the company to the shareholder.

Since the Companies (Amendment) Act has come into operation, purchases of Shares made by the Company may be paid out of the Company's capital or profits so long as the Company is solvent. Where the Company purchases its Shares out of contributed capital, it shall not be regarded as having paid a dividend to Shareholders.

Shareholders who are in doubt as to their respective tax positions or the tax implications of the Share Purchases by the Company or who may be subject to tax whether in or outside in Singapore should consult their own professional advisers.

2.11 Take-over Code implications arising from Share Purchases

2.11.1 Obligation to make a take-over offer

If, as a result of Share Purchases, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of the Take-over Code. If such increase results in the change of control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code.

2.11.2 Persons acting in concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons will, inter alia, be presumed to be acting in concert:

- (i) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (ii) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the above companies, and any company whose associated companies include any of the above companies. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20.0% but not more than 50.0% of the voting rights of the first-mentioned company;
- (iii) a company with any of its pension funds and employee share schemes;
- (iv) a person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis;
- (v) a financial or other professional adviser, with its clients in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholding of the adviser and any of those funds in the client total 10.0% or more of the client's equity share capital;
- (vi) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer where they have reason to believe a bona fide offer for their company may be imminent;
- (vii) partners; and

- (viii) an individual, his close relatives, his related trusts, and any person who is accustomed to act according to his instructions and companies controlled by any of the above.

The circumstances under which Shareholders (including Directors) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a Share Purchase by the Company are set out in Appendix 2 of the Take-over Code.

2.11.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30.0% or more, or if the voting rights of such Directors and their concert parties fall between 30.0% and 50.0% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1.0% in any period of 6 months.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30.0% or more, or, if such Shareholder holds between 30.0% and 50.0% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1.0% in any period of 6 months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buy-back Mandate.

However, Shareholders will be subject to the provisions of Rule 14 of the Take-over Code if they acquire Shares after the Company's Share Purchases. For the purpose of the Take-over Code, an increase in the percentage of voting rights as a result of the Share Purchases will be taken into account in determining whether a Shareholder and persons acting in concert with him have increased their voting rights by more than 1.0% in any period of 6 months.

Shareholders (including Directors) and their concert parties who hold more than 50% of our Company's voting rights are under no obligation to make a take-over offer if the voting rights of such Shareholders and their concert parties were to increase as a result of our Company purchasing or acquiring Shares.

If the Company decides to cease the Share Purchases before it has purchased in full such number of Shares authorised by its Shareholders at the latest annual general meeting, the Company will promptly inform its Shareholders of such cessation. This will assist Shareholders to determine if they can buy any more Shares without incurring an obligation under Rule 14 of the Take-over Code.

2.11.4 Application of the Take-over Code

The shareholdings of the Substantial Shareholders as at the Latest Practicable Date and after the purchase by the Company (other than from the Substantial Shareholders) of the maximum of 10% of the issued share capital of the Company pursuant to the Share Buy-back Mandate as the case may be, are as follows:

	Before Share Purchase			After Share Purchase		
	Number of Shares			Number of Shares		
	Direct Interest	Deemed Interest	%	Direct Interest	Deemed Interest	%
Substantial Shareholders						
Sunshine International Global Capital Ltd. ⁽¹⁾	432,401,161	-	33.2	432,401,161	-	36.9
Jiacai International Ltd. ⁽²⁾	421,874,516	-	32.4	421,874,516	-	36.0
Hanwen International Group Ltd. ⁽³⁾	11,742,645	-	0.9	11,742,645	-	1.0
Shunqi International Ltd. ⁽⁴⁾	39,441,581	-	3.0	39,441,581	-	3.4
Jintudi Group Ltd. ⁽⁵⁾	26,044,290	-	2.0	26,044,290	-	2.2

Substantial Shareholders	Before Share Purchase			After Share Purchase		
	Number of Shares			Number of Shares		
	Direct Interest	Deemed Interest	%	Direct Interest	Deemed Interest	%
Yansheng Ltd. ⁽⁶⁾	28,473,839	-	2.2	28,473,839	-	2.4
Xijin Ltd. ⁽⁷⁾	24,119,000	-	1.8	24,119,000	-	2.0
Mr. Zeng Xiaoqiao @ Zeng Xiaoshan ⁽³⁾	-	984,097,032	75.5	-	984,097,032	83.9
Mr. Zeng Chaoyi ⁽¹⁾	-	984,097,032	75.5	-	984,097,032	83.9
Mr. Zeng Chaolin ⁽²⁾	-	984,097,032	75.5	-	984,097,032	83.9
Mr. Zeng Mingliu ⁽⁵⁾	-	984,097,032	75.5	-	984,097,032	83.9
Mr. Liang Hongbo ⁽⁶⁾	-	984,097,032	75.5	-	984,097,032	83.9
Mdm. Deng Eying ⁽⁴⁾	-	984,097,032	75.5	-	984,097,032	83.9
Ms. Zeng Hong ⁽⁶⁾	-	984,097,032	75.5	-	984,097,032	83.9
Ms. Li Yazhou ⁽¹⁾	-	984,097,032	75.5	-	984,097,032	83.9
Ms. Zeng Yiliu ⁽⁷⁾	-	984,097,032	75.5	-	984,097,032	83.9

Notes:

- ⁽¹⁾ Mr. Zeng Chaoyi owns 100.0% and is the sole director of Sunshine International Global Capital Ltd. Mr. Zeng Chaoyi is the son of Mr. Zeng Xiaoqiao @ Zeng Xiaoshan and Mdm. Deng Eying, and is the brother of Mr. Zeng Chaolin, Ms. Zeng Mingliu, Ms. Zeng Yiliu and Ms. Zeng Hong, and he and his wife, Ms. Li Yazhou, the Company's executive officer are deemed to be interested in the Shares held by each of them through Hanwen International Group Ltd., Shunqi International Ltd., Jiakai International Ltd., Jintudi Group Ltd., Xijin Ltd. and Yansheng Ltd., respectively.
- ⁽²⁾ Mr. Zeng Chaolin, the Company's executive Chairman and Chief Executive Officer, owns 100.0% and is the sole director of Jiakai International Ltd. Mr. Zeng Chaolin is the son of Mr. Zeng Xiaoqiao @ Zeng Xiaoshan and Mdm. Deng Eying, and is the brother of Mr. Zeng Chaoyi, Ms. Zeng Mingliu, Ms. Zeng Yiliu and Ms. Zeng Hong, is deemed to be interested in the Shares held by each of them through Hanwen International Group Ltd., Shunqi International Ltd., Sunshine International Global Capital Ltd., Xijin Ltd., Jintudi Group Ltd. and Yansheng Ltd., respectively.
- ⁽³⁾ Mr. Zeng Xiaoqiao @ Zeng Xiaoshan, the Group's founder and the Company's executive Director, owns 100.0% and is the sole director of Hanwen International Group Ltd. Mr. Zeng Xiaoqiao @ Zeng Xiaoshan is the father of Mr. Zeng Chaolin, Mr. Zeng Chaoyi, Ms. Zeng Mingliu, Ms. Zeng Yiliu and Ms. Zeng Hong, and the husband of Mdm. Deng Eying, and is deemed to be interested in the Shares held by each of them through Sunshine International Global Capital Ltd., Shunqi International Ltd., Jiakai International Ltd., Jintudi Group Ltd., Xijin Ltd. and Yansheng Ltd., respectively.
- ⁽⁴⁾ Mdm. Deng Eying owns 100% and is the sole director of Shunqi International Ltd. Mdm. Deng Eying is the mother of Mr. Zeng Chaolin, Mr. Zeng Chaoyi, Ms. Zeng Mingliu, Ms. Zeng Yiliu and Ms. Zeng Hong, and the wife of Mr. Zeng Xiaoqiao @ Zeng Xiaoshan, and is deemed to be interested in the Shares held by each of them through Hanwen International Group Ltd., Sunshine International Global Capital Ltd., Jiakai International Ltd., Jintudi Group Ltd., Xijin Ltd. and Yansheng Ltd., respectively.
- ⁽⁵⁾ Ms. Zeng Mingliu, the Company's executive Director, owns 100% and is the sole director of Jintudi Group Ltd. Ms. Zeng Mingliu is the daughter of Mr. Zeng Xiaoqiao @ Zeng Xiaoshan and Mdm. Deng Eying, and is the sister of Mr. Zeng Chaolin, Mr. Zeng Chaoyi, Ms. Zeng Yiliu and Ms. Zeng Hong, and is deemed to be interested in the Shares held by each of them through Hanwen International Group Ltd., Sunshine International Global Capital Ltd., Shunqi International Ltd., Jiakai International Ltd., Xijin Ltd. and Yansheng Ltd., respectively.

- (6) Mr. Liang Hongbo, the Company's executive Director, is the husband of Ms. Zeng Hong. Ms. Zeng Hong owns 100% and is the sole director of Yansheng Ltd. Ms. Zeng Hong is the daughter of Mr. Zeng Xiaoqiao @ Zeng Xiaoshan and Mdm. Deng Eying, and is the sister of Mr. Zeng Chaolin, Mr. Zeng Chaoyi, Ms. Zeng Yilin and Ms. Zeng Mingliu, and is deemed to be interested in the Shares held by each of them through Hanwen International Group Ltd., Sunshine International Global Capital Ltd., Shunqi International Ltd., Jiakai International Ltd., Xijin Ltd. and Jintudi Group Ltd., respectively.
- (7) Ms. Zeng Yiliu owns 100% and is the sole director of Xijin Ltd. Ms. Zeng Yiliu is the daughter of Mr. Zeng Xiaoqiao @ Zeng Xiaoshan and Mdm. Deng Eying and the sister of Mr. Zeng Chaolin, Mr. Zeng Chaoyi, Ms. Zeng Mingliu and Ms. Zeng Hong and is deemed interested in Shares held by each of them through Hanwen International Group Ltd., Sunshine International Global Capital Ltd., Shunqi International Ltd., Jiakai International Ltd., Jintudi Group Ltd. and Yansheng Ltd., respectively.

Based on the above interests of Substantial Shareholders of the Company as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date, none of the Substantial Shareholders of the Company would become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code as a result of the Share Purchases by the Company of the maximum limit of 10.0% of the total number of issued Shares as at the Latest Practicable Date.

Shareholders who are in any doubt as to whether they would incur any obligations to make a take-over offer as a result of any Share Purchases pursuant to the Share Buy-Back Mandate are advised to consult their professional advisers and/or the Securities Industry Council of Singapore and/or the relevant authorities at the earliest opportunity before they acquire any Shares during the period when the Share Buy-Back Mandate is in force.

2.12 Reporting requirements

Within 30 days of the passing of a Shareholders' resolution to approve or renew the Share Buy-Back Mandate, the Company shall lodge a copy of such resolution with ACRA. The Company shall also lodge a notice with ACRA within 30 days of a Share Purchase. Such notification is to include details such as the date of the Share Purchase; the number of Shares purchased or acquired by the Company; the number of Shares cancelled; the number of Shares held as treasury shares; the Company's issued share capital before the Share Purchase; the amount of consideration paid by our Company for the Share Purchase, whether the Shares were purchased out of profits or the capital of the Company and such other particulars that might be prescribed.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of Directors and Substantial Shareholders in the Shares as recorded in the Register of Directors' Shareholdings and Register of Members, respectively, as at the Latest Practicable Date, are as follows:

	Number of Shares			
	Direct Interest	%	Deemed Interest	%
Directors				
Mr. Zeng Xiaoqiao @ Zeng Xiaoshan ⁽¹⁾	-	-	984,097,032	75.5
Mr. Zeng Chaolin ⁽³⁾	-	-	984,097,032	75.5
Ms. Zeng Mingliu ⁽⁴⁾	-	-	984,097,032	75.5
Mr. Liang Hongbo ⁽⁵⁾	-	-	984,097,032	75.5
Mr. Chen Timothy Teck Leng @ Chen Teck Leng	-	-	-	-
Mr. Loh Weng Whye	-	-	-	-
Mr. Liu Jingan	-	-	-	-

	Number of Shares			
	Direct Interest	%	Deemed Interest	%
Substantial Shareholders				
Sunshine International Global Capital Ltd. ⁽²⁾	432,401,161	33.2	-	-
Jiacai International Ltd. ⁽³⁾	421,874,516	32.4	-	-
Hanwen International Group Ltd. ⁽¹⁾	11,742,645	0.9	-	-
Shunqi International Ltd. ⁽⁶⁾	39,441,581	3.0	-	-
Jintudi Group Ltd. ⁽⁴⁾	26,044,290	2.0	-	-
Yansheng Ltd. ⁽⁵⁾	28,473,839	2.2	-	-
Xijin Ltd. ⁽⁷⁾	24,119,000	1.8	-	-
Mdm. Deng Eying ⁽⁶⁾	-	-	984,097,032	75.5
Ms. Li Yazhou ⁽²⁾	-	-	984,097,032	75.5
Ms. Zeng Hong ⁽⁵⁾	-	-	984,097,032	75.5
Ms. Zeng Yiliu ⁽⁷⁾	-	-	984,097,032	75.5

Notes:

- (1) Mr. Zeng Xiaoqiao @ Zeng Xiaoshan, the Group's founder and the Company's executive Director, owns 100.0% and is the sole director of Hanwen International Group Ltd. Mr. Zeng Xiaoqiao @ Zeng Xiaoshan is the father of Mr. Zeng Chaolin, Mr. Zeng Chaoyi, Ms. Zeng Mingliu, Ms. Zeng Yiliu and Ms. Zeng Hong, and the husband of Mdm. Deng Eying, and is deemed to be interested in the Shares held by each of them through Sunshine International Global Capital Ltd., Shunqi International Ltd., Jiacai International Ltd., Jintudi Group Ltd., Xijin Ltd. and Yansheng Ltd., respectively.
- (2) Mr. Zeng Chaoyi owns 100.0% and is the sole director of Sunshine International Global Capital Ltd. Mr. Zeng Chaoyi is the son of Mr. Zeng Xiaoqiao @ Zeng Xiaoshan and Mdm. Deng Eying, and is the brother of Mr. Zeng Chaolin, Ms. Zeng Mingliu, Ms. Zeng Yiliu and Ms. Zeng Hong, and he and his wife, Ms. Li Yazhou, the Company's executive officer are deemed to be interested in the Shares held by each of them through Hanwen International Group Ltd., Shunqi International Ltd., Jiacai International Ltd., Jintudi Group Ltd., Xijin Ltd. and Yansheng Ltd., respectively.
- (3) Mr. Zeng Chaolin, the Company's executive Chairman and Chief Executive Officer, owns 100.0% and is the sole director of Jiacai International Ltd. Mr. Zeng Chaolin is the son of Mr. Zeng Xiaoqiao @ Zeng Xiaoshan and Mdm. Deng Eying, and is the brother of Mr. Zeng Chaoyi, Ms. Zeng Mingliu, Ms. Zeng Yiliu and Ms. Zeng Hong, is deemed to be interested in the Shares held by each of them through Hanwen International Group Ltd., Shunqi International Ltd., Sunshine International Global Capital Ltd., Jiacai International Ltd., Jintudi Group Ltd., Xijin Ltd. and Yansheng Ltd., respectively.
- (4) Ms. Zeng Mingliu, the Company's executive Director, owns 100% and is the sole director of Jintudi Group Ltd. Ms. Zeng Mingliu is the daughter of Mr. Zeng Xiaoqiao @ Zeng Xiaoshan and Mdm. Deng Eying, and is the sister of Mr. Zeng Chaolin, Mr. Zeng Chaoyi, Ms. Zeng Yiliu and Ms. Zeng Hong, and is deemed to be interested in the Shares held by each of them through Hanwen International Group Ltd., Sunshine International Global Capital Ltd., Shunqi International Ltd., Jiacai International Ltd., Xijin Ltd. and Yansheng Ltd., respectively.
- (5) Mr. Liang Hongbo, the Company's executive Director, is the husband of Ms. Zeng Hong. Ms. Zeng Hong owns 100% and is the sole director of Yansheng Ltd. Ms. Zeng Hong is the daughter of Mr. Zeng Xiaoqiao @ Zeng Xiaoshan and Mdm. Deng Eying, and is the sister of Mr. Zeng Chaolin, Mr. Zeng Chaoyi, Ms. Zeng Yiliu and Ms. Zeng Mingliu, and is deemed to be interested in the Shares held by each of them through Hanwen International Group Ltd., Sunshine International Global Capital Ltd., Shunqi International Ltd., Jiacai International Ltd., Xijin Ltd. and Jintudi Group Ltd., respectively.

- (6) Mdm. Deng Eying owns 100% and is the sole director of Shunqi International Ltd. Mdm. Deng Eying is the mother of Mr. Zeng Chaolin, Mr. Zeng Chaoyi, Ms. Zeng Mingliu, Ms. Zeng Yiliu and Ms. Zeng Hong, and the wife of Mr. Zeng Xiaoqiao @ Zeng Xiaoshan, and is deemed to be interested in the Shares held by each of them through Hanwen International Group Ltd., Sunshine International Global Capital Ltd., Jiakai International Ltd., Jintudi Group Ltd., Xijin Ltd. and Yansheng Ltd., respectively.
- (7) Ms. Zeng Yiliu owns 100% and is the sole director of Xijin Ltd. Ms. Zeng Yiliu is the daughter of Mr. Zeng Xiaoqiao @Zeng Xiaoshan and Mdm. Deng Eying and the sister of Mr. Zeng Chaolin, Mr. Zeng Chaoyi, Ms. Zeng Mingliu and Ms. Zeng Hong and is deemed interested in Shares held by each of them through Hanwen International Group Ltd., Sunshine International Global Capital Ltd., Shunqi International Ltd., Jiakai International Ltd., Jintudi Group Ltd. and Yansheng Ltd., respectively.

4. DETAILS OF SHARE PURCHASES PURSUANT TO A SHARE BUY-BACK MANDATE

Details of On-Market Share Purchases by the Company in the 12 months immediately preceding the Latest Practicable Date are as follows:-

Month of purchase or acquisition	Aggregate number of Shares purchased	Price paid per Share (S\$)	Total consideration paid (S\$)
26 February 2014	1,800,000	0.377778	681,582.93
27 February 2014	500,000	0.380950	190,918.29
28 February 2014	700,000	0.391414	274,627.43

Notes:

- (1) The above figures for On-Market Share Purchases were tabulated according to their respective settlement dates.

5. LIMITS ON SHAREHOLDINGS

The Company does not have any limits on the shareholdings of the Shareholders.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors and Controlling Shareholders has any interest, direct or indirect, in the Share Buy-Back Mandate, other than through their respective shareholdings in the Company.

7. ANNUAL GENERAL MEETING

The 2015 AGM, notice of which is circulated with this Appendix, is to be held on 29 April 2015 at 10 a.m. at Governor Room, St. Regis Singapore, 29 Tanglin Road, Singapore 247911 for the purpose of considering and, if thought fit, passing, with or without any modifications, the resolutions set out in the Notice of AGM.

8. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the 2015 AGM and wish to appoint a proxy to attend and vote on their behalf should complete, sign and return the Proxy Form attached to the Notice of AGM in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive at the registered office of the Company at 250 North Bridge Road, #15-01 Raffles City Tower, Singapore 179101, not later than 48 hours before the time fixed for holding the 2015 AGM.

The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the 2015 AGM if he so wishes. A Depositor shall not be regarded as a member of the Company entitled to attend the 2015 AGM and to speak and vote thereat unless his name appears on the Depository Register 48 hours before the 2015 AGM.

9. DIRECTORS' RECOMMENDATION

Having considered, amongst others, the rationale and information relating to the Share Buy-back Mandate, the Directors are of the opinion that the Share Buy-back Mandate is in the interests of the Company and not prejudicial to Shareholders as a whole. Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolution relating to the Share Buy-back Mandate to be proposed at the 2015 AGM.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the Share Buy-back Mandate, the Company and its Subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in the Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix in its proper form and context.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 250 North Bridge Road, #15-01 Raffles City Tower, Singapore 179101, during normal business hours from the date of this Circular up to and including the date of the 2015 AGM:

- (a) The Memorandum and Article of Association of the Company; and
- (b) The Annual Report of the Company for the financial year ended 31 December 2014.

Yours faithfully

For and on behalf of the Board of Directors of
XINREN ALUMINUM HOLDINGS LIMITED

ZENG CHAOLIN
Executive Chairman

