

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company nor shall there be any sale, purchase or subscription for securities of the Company in any jurisdiction in which such offer, solicitation or sale would be unlawful absent the filing of a registration statement or the availability of an applicable exemption from registration or other waiver. This announcement is not for release, publication or distribution in or into any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction.*

**HUNAN NONFERROUS METALS JINSHENG  
DEVELOPMENT COMPANY LIMITED**  
(湖南有色金晟發展有限公司)  
*(a company limited by shares incorporated in Hong Kong)*



**HUNAN NONFERROUS METALS  
CORPORATION LIMITED\***  
(湖南有色金屬股份有限公司)  
*(a joint stock limited company incorporated in the  
People's Republic of China with limited liability)*  
(Stock Code: 2626)

\* For identification purposes only

## **JOINT ANNOUNCEMENT**

**(1) PRE-CONDITIONAL VOLUNTARY CASH OFFER BY CICCHKS  
ON BEHALF OF THE OFFEROR, A WHOLLY OWNED SUBSIDIARY OF HNG,  
TO ACQUIRE ALL OF THE ISSUED H SHARES IN THE COMPANY  
(OTHER THAN THOSE OWNED, CONTROLLED OR AGREED  
TO BE ACQUIRED BY THE OFFEROR AND ITS CONCERT PARTIES)**

**(2) PRE-CONDITIONAL VOLUNTARY CASH OFFER BY HNG TO  
ACQUIRE ALL OF THE ISSUED DOMESTIC SHARES IN THE COMPANY  
(OTHER THAN THOSE OWNED, CONTROLLED OR AGREED  
TO BE ACQUIRED BY HNG AND ITS CONCERT PARTIES)**

**(3) PROPOSED VOLUNTARY WITHDRAWAL  
OF LISTING OF THE H SHARES OF THE COMPANY**

**(4) PROPOSED MERGER BY ABSORPTION OF THE COMPANY BY HNG**

**AND**

**(5) RESUMPTION OF TRADING IN THE H SHARES OF THE COMPANY**



**Financial adviser to the Offeror**

## **INTRODUCTION**

The Offeror Board and the Board jointly announce that CICCHKS, on behalf of the Offeror (a wholly owned subsidiary of HNG), firmly intends, subject to the satisfaction of the Pre-Condition, to make a voluntary conditional cash offer to acquire all of the issued H Shares (other than those owned, controlled or agreed to be acquired by the Offeror and its Concert Parties) in accordance with the Takeovers Code. In addition, subject to the satisfaction of the Pre-Condition, HNG will make a voluntary conditional cash offer to acquire all of the issued Domestic Shares (other than those owned, controlled or agreed to be acquired by HNG and its Concert Parties).

The Offeror Board and the Board further jointly announce that on 11 December 2014, HNG entered into the Merger Agreement with the Company, pursuant to which and subject to the satisfaction of the Pre-Condition and the satisfaction or waiver (as applicable) of the Merger Conditions, the Company will be merged and absorbed by HNG in accordance with Article 172 of the PRC Company Law and other applicable PRC Laws.

## **THE POSSIBLE H SHARE OFFER**

### **Consideration for the H Share Offer**

The H Share Offer will be made by CICCHKS on behalf of the Offeror on the following basis:

**For each H Share ..... HK\$4.20 in cash**

**The Offeror will not increase the H Share Offer Price.** Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the H Share Offer Price.

The H Share Offer Price represents a premium of approximately 68.67% over the closing price of the H Shares of HK\$2.49 per H Share as quoted on the Stock Exchange on the Last Trading Date.

## **Pre-condition to the Offers, the Delisting and the Merger**

The making of the Offers and proceeding with the Delisting and the Merger are subject to the satisfaction of the Pre-Condition of the relevant necessary SASAC approval having been obtained on terms reasonably acceptable to the Offeror and HNG, and such approval remaining in full force and effect. The Pre-Condition cannot be waived in any event. The expiry of any applicable statutory waiting periods for a response from or a waiver granted by SASAC in respect of the Pre-Condition shall be deemed to be satisfaction of the Pre-Condition.

The Offeror and the Company will issue a further announcement as soon as practicable after the Pre-Condition has been satisfied. If the Pre-Condition is not satisfied on or before the Pre-Condition Long Stop Date, the Offers will not be made and the Delisting and the Merger will not proceed, and the Shareholders will be notified by a further announcement as soon as practicable thereafter.

**WARNING: The Pre-Condition must be satisfied before the making of the Offers and proceeding with the Delisting and the Merger. The making of the Offers and proceeding with the Delisting and the Merger are therefore a possibility only and all references to the Offers, the Delisting and the Merger in this announcement are references to the possible Offers, the possible Delisting and the possible Merger, which will be implemented if and only if the Pre-Condition is satisfied. Accordingly, Shareholders and potential investors should exercise caution when dealing in the securities of the Company.**

## **Conditions of the H Share Offer**

The H Share Offer will be conditional upon the fulfilment or waiver (as applicable) of a number of Conditions described in the section headed “3.4 Conditions of the H Share Offer” of this announcement. All of the Conditions will have to be fulfilled or waived (as applicable) on or before the Completion Long Stop Date, failing which the H Share Offer will lapse.

## **VOLUNTARY WITHDRAWAL OF LISTING OF THE H SHARES**

Upon the H Share Offer becoming unconditional and subject to the approval of the Delisting by the Independent Shareholders at the Special General Meeting of the Independent Shareholders and the approval of the Privatisation by the Independent H Shareholders at the H Share Class Meeting, the Company will make an application for the Delisting in accordance with Rule 6.12 of the Listing Rules.

## **THE POSSIBLE DOMESTIC SHARE OFFER**

The Domestic Share Offer will be made by HNG on the following basis:

**For each Domestic Share ..... RMB1.58 in cash  
(being approximately HK\$1.996)**

Since the Domestic Shares are unlisted, the Domestic Share Offer Price represents a liquidity discount of 19.84% to the closing price of the H Shares on the Last Trading Date, and a premium of 54.90% over the net asset value per share of the Company as at 30 June 2014.

## **MERGER BY ABSORPTION OF THE COMPANY BY HNG**

Pursuant to the Merger Agreement, and subject to the completion of the Offers, the Delisting becoming effective, the fulfilment or waiver (as applicable) of the Merger Conditions, including but not limited to the Offeror and HNG holding (directly or indirectly) in aggregate not less than 85% of the issued share capital of the Company, the Company will be merged and absorbed by HNG in accordance with Article 172 of the PRC Company Law and other applicable PRC Laws.

As part of the Merger, HNG will (i) pay the H Share Cancellation Price per delisted H Share (other than those owned by HNG) in cash to the existing H Shareholders (being those who have not tendered their H Shares under the H Share Offer or otherwise sold their H Shares to the Offeror) as at the effective date of the Merger as soon as possible but no later than 7 Business Days after the Merger has become effective for the cancellation of all H Shares; and (ii) pay the Domestic Share Cancellation Price per Domestic Share (other than those owned by HNG) in cash to the existing Domestic Shareholders as at the effective date of the Merger as soon as possible but no later than 7 Business Days after the Merger has become effective for the cancellation of all Domestic Shares.

Under the Merger Agreement, on the date of the completion of the Merger, the Company will be merged into HNG, with HNG as the surviving corporation and the Company will cease to exist as a separate legal entity. As a result of the Merger, on the date of completion of the Merger, the assets and liabilities (together with the rights and obligations attached to such assets), the business and the employees of the Company will be assumed by HNG as the surviving corporation. HNG and all of its rights, privileges, exemptions and permits will not be affected by the Merger.

All of the Merger Conditions will have to be fulfilled or waived (as applicable) on or before 30 June 2016 (or such other date as HNG and the Company may agree), failing which the Merger will lapse.

**As the Merger Conditions (in respect of the Merger) are different from the Conditions (in respect of the H Share Offer), Shareholders and potential investors should be aware that even following the successful completion of the H Share Offer and the Delisting, there is no certainty that the Merger will proceed.**

## **TOTAL CONSIDERATION FOR THE OFFERS AND CONFIRMATION OF FINANCIAL RESOURCES FOR THE OFFERS**

Assuming full acceptance of the Offers, the aggregate cash consideration payable under the Offers would be approximately HK\$6,362.11 million. Assuming full acceptance of the H Share Offer, the aggregate cash consideration payable under the H Share Offer would be approximately HK\$6,186.00 million.

The Offeror intends to satisfy the consideration required for the H Share Offer from debt financing provided by Industrial and Commercial Bank of China Limited, Hong Kong Branch. CICCHKS, as financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the H Share Offer and that sufficient financial resources are available to HNG to satisfy full acceptance of the Domestic Share Offer.

HNG intends to satisfy the consideration required for the Domestic Share Offer and the Merger from available cash resources of HNG. HNG undertakes that such cash resources shall be used for the purposes of the Domestic Share Offer and the Merger, and guarantees that such amount shall not be subject to any third party claim.

## **SHAREHOLDINGS IN THE COMPANY**

As at the date of this announcement, the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company comprised 3,668,058,000 Shares, of which there are 1,632,728,000 H Shares (representing approximately 44.51% of the issued share capital of the Company) and 2,035,330,000 Domestic Shares (representing approximately 55.49% of the issued share capital of the Company). As at the date of this announcement, there were no outstanding convertible securities, warrants or options issued by the Company.

As at the date of this announcement:

- (a) the Offeror holds 159,872,000 H Shares (representing approximately 9.79% of the total issued H Shares and 4.36% of the issued share capital of the Company); and
- (b) HNG holds 1,947,074,266 Domestic Shares (representing approximately 95.66% of the total issued Domestic Shares and 53.08% of the issued share capital of the Company).

Accordingly, as at the date of this announcement, HNG's total interests in H Shares and Domestic Shares in issue represents approximately 57.44% of the total issued share capital of the Company.

## **GENERAL**

### **Establishment of the Independent Board Committee**

An Independent Board Committee, which comprises one of the non-executive Directors and all of the independent non-executive Directors, has been established by the Board to make a recommendation to the Shareholders as to:

- (a) whether the H Share Offer is, or is not, fair and reasonable and as to its acceptance;
- (b) whether the Domestic Share Offer is, or is not, fair and reasonable and as to its acceptance; and
- (c) whether the Delisting and the Merger are, or are not, fair and reasonable and as to voting.

## **Appointment of the independent financial adviser to the Independent Board Committee**

China Securities (International) Corporate Finance Company Limited has been appointed by the Company to act as the independent financial adviser to the Independent Board Committee and advise the Independent Board Committee in connection with the Offers, the Delisting and the Merger. The appointment has been approved by the Independent Board Committee.

## **No dividend or other distribution**

The Company does not intend to declare or pay any dividend or other distribution on the Shares during the period from the date of this announcement until whichever is the latest of (i) the Closing Date and (ii) the date on which the H Share Offer lapses or is withdrawn.

## **Despatch of the Composite Document**

The Composite Document will contain, among other things, further details of the Offers, the Delisting and the Merger, the recommendation from the Independent Board Committee with respect to the Offers, the Delisting and the Merger and the advice of the Independent Financial Adviser to the Independent Board Committee, notices of the H Share Class Meeting, the Special General Meeting of the Independent Shareholders and the Special General Meeting, as well as other particulars required by PRC Laws, the Listing Rules and the Takeovers Code, will be despatched to the Shareholders, together with the form of acceptance for the H Share Offer and forms of proxy in relation to the relevant shareholder meetings, within 7 days after the satisfaction of the Pre-Condition. The Offeror will apply to the Executive for its consent under Note 2 to Rule 8.2 of the Takeovers Code to permit the Composite Document to be posted within this timeframe.



## **SUSPENSION AND RESUMPTION OF TRADING**

At the request of the Company, trading in the H Shares on the Stock Exchange was suspended from 9:00 a.m. on 29 October 2014, pending the issue of this announcement.

Application has been made by the Company to the Stock Exchange for the resumption of trading in the H Shares on the Stock Exchange with effect from 9:00 a.m. on 12 December 2014.

### **WARNING:**

**Shareholders and potential investors should be aware that the making of the Offers is subject to the satisfaction of the Pre-Condition. The Offers are a possibility only and may or may not be made.**

**Completion of the H Share Offer is conditional upon the satisfaction (or waiver, as applicable) of the Conditions, and the Merger is conditional upon the satisfaction (or waiver, as applicable) of the Merger Conditions. Accordingly, the issue of this announcement does not imply in any way that the Offers, the Delisting or the Merger will be completed. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

## **1. INTRODUCTION**

The Offeror Board and the Board jointly announce that CICCHKS, on behalf of the Offeror (a wholly owned subsidiary of HNG), firmly intends, subject to the satisfaction of the Pre-Condition, to make a voluntary conditional cash offer to acquire all of the issued H Shares (other than those owned, controlled or agreed to be acquired by the Offeror and its Concert Parties) in accordance with the Takeovers Code. In addition, subject to the satisfaction of the Pre-Condition, HNG will make a voluntary conditional cash offer to acquire all of the issued Domestic Shares (other than those owned, controlled or agreed to be acquired by HNG and its Concert Parties).

The Offeror Board and the Board further jointly announce that on 11 December 2014, HNG entered into the Merger Agreement with the Company, pursuant to which and subject to the satisfaction of the Pre-Condition and the satisfaction or waiver (as applicable) of the Merger Conditions, the Company will be merged and absorbed by HNG in accordance with Article 172 of the PRC Company Law and other applicable PRC Laws.

## **2. PRE-CONDITION TO THE OFFERS, THE DELISTING AND THE MERGER**

The making of the Offers and proceeding with the Delisting and the Merger are subject to the satisfaction of the Pre-Condition of the relevant necessary SASAC approval having been obtained on terms reasonably acceptable to the Offeror and HNG, and such approval remaining in full force and effect. The Pre-Condition cannot be waived in any event. The expiry of any applicable statutory waiting periods for a response from or a waiver granted by SASAC in respect of the Pre-Condition shall be deemed to be satisfaction of the Pre-Condition.

The Offeror and the Company will issue a further announcement as soon as practicable after the Pre-Condition has been satisfied. If the Pre-Condition is not satisfied on or before the Pre-Condition Long Stop Date, the Offers will not be made and the Delisting and the Merger will not proceed, and the Shareholders will be notified by a further announcement as soon as practicable thereafter.

**WARNING: The Pre-Condition must be satisfied before the making of the Offers and proceeding with the Delisting and the Merger. The making of the Offers and proceeding with the Delisting and the Merger are therefore a possibility only and all references to the Offers, the Delisting and the Merger in this announcement are references to the possible Offers, the possible Delisting and the possible Merger, which will be implemented if and only if the Pre-Condition is satisfied. Accordingly, Shareholders and potential investors should exercise caution when dealing in the securities of the Company.**

### **3. THE POSSIBLE H SHARE OFFER**

#### **3.1 Consideration for the H Share Offer**

The H Share Offer will be made by CICCHKs on behalf of the Offeror on the following basis:

**For each H Share ..... HK\$4.20 in cash**

**The Offeror will not increase the H Share Offer Price.** Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the H Share Offer Price.

The H Share Offer Price was determined on the basis of the market trading price of the H Shares over a relatively long time period and the Offeror's review of the Company's business.

#### **3.2 Comparisons of value**

The H Share Offer Price represents:

- (a) a premium of approximately 68.67% over the closing price of the H Shares of HK\$2.49 per H Share as quoted on the Stock Exchange on the Last Trading Date;
- (b) a premium of approximately 64.71% over the average closing price of the H Shares of HK\$2.55 per H Share as quoted on the Stock Exchange for the 5 consecutive trading days up to and including Last Trading Date;
- (c) a premium of approximately 60.31% over the average closing price of the H Shares of HK\$2.62 per H Share as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Date;
- (d) a premium of approximately 55.56% over the average closing price of the H Shares of HK\$2.70 per H Share as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Date;

- (e) a premium of approximately 50.00% over the average closing price of the H Shares of HK\$2.80 per H Share as quoted on the Stock Exchange for the 60 consecutive trading days up to and including the Last Trading Date; and
- (f) a premium of approximately 70.04% over the average closing price of the H Shares of HK\$2.47 per H Share as quoted on the Stock Exchange for the 180 consecutive trading days up to and including the Last Trading Date.

### **3.3 Highest and lowest closing prices of H Shares**

During the six-month period preceding the Last Trading Date, the highest closing price of H Shares as quoted on the Stock Exchange was HK\$3.06 per H Share on 6 August 2014, and the lowest closing price of H Shares as quoted on the Stock Exchange was HK\$2.19 per H Share on 17 June 2014.

### **3.4 Conditions of the H Share Offer**

The H Share Offer is subject to the fulfilment or waiver (as applicable) of the following conditions:

- (a) valid acceptances of the H Share Offer and the Domestic Share Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date (or such later time(s) and/or date(s) as the Offeror may, subject to the Takeovers Code, decide) in respect of such number of Shares which, together with Shares already owned or agreed to be acquired before or during the Offers, would result in the Offeror and HNG holding (directly or indirectly) in aggregate not less than 85% of the issued share capital of the Company;
- (b) the passing of a resolution by way of poll approving the Privatisation at the H Share Class Meeting to be convened for this purpose, provided that:
  - (i) approval is given by at least 75% of the votes attaching to the H Shares held by the Independent H Shareholders that are cast either in person or by proxy; and
  - (ii) the number of votes cast against the resolution is not more than 10% of the votes attaching to all H Shares held by the Independent H Shareholders;

- (c) the passing of resolutions by way of poll approving the Delisting and the Merger at the Special General Meeting of the Independent Shareholders to be convened for this purpose, provided that:
  - (i) approval is given by at least 75% of the votes attaching to the Shares held by the Independent Shareholders that are cast either in person or by proxy; and
  - (ii) the number of votes cast against the resolutions is not more than 10% of the votes attaching to all Shares held by the Independent Shareholders;
- (d) the approval of the Merger by not less than two-thirds of the voting rights held by the Shareholders present at the Special General Meeting in accordance with the requirements of the Articles of the Company at the Special General Meeting to be convened for this purpose;
- (e) all necessary authorisations, registrations, filings, rulings, consents, opinions, permissions, waivers, exemptions and approvals required from the Relevant Authorities or other third parties which are necessary for the Company to carry on its business remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any of the Relevant Authorities which is not expressly provided for, or is in addition to the requirements expressly provided for, in the relevant laws, rules, regulations or codes in connection with the Offers or any matters, documents (including circulars) or things relating thereto, in each case up to and at the time when the Offers become unconditional;
- (f) there having been no material adverse change in the business, assets, financial or trading positions, profits or prospects of the Group since the date of this announcement; and
- (g) there having been no frustrating action (as defined under Rule 4 of the Takeovers Code) taken by any member of the Group since the date of this announcement, unless with the consent of the Offeror.

The Offeror reserves the right to waive Conditions (a), (e), (f) and (g) above in whole or in part, either generally or in respect of any particular matter (including, with respect to Condition (a), by accepting a lower acceptance threshold). Conditions (b), (c), and (d) cannot be waived in any event. The Company does not have the right to waive any of the Conditions.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any Condition (other than Conditions (a), (b), (c) and (d) above) so as to cause the H Share Offer to lapse if the circumstances which give rise to a right to invoke the Condition are of material significance to the Offeror in the context of the H Share Offer.

All of the above Conditions will have to be fulfilled or waived (as applicable) on or before the Completion Long Stop Date, failing which the H Share Offer will lapse.

Shareholders are reminded that the H Share Offer is conditional on valid acceptances of the H Share Offer and the Domestic Share Offer being received (and not, where permitted, withdrawn), by 4:00 p.m. on the Closing Date (or such later time(s) and/or date(s) as the Offeror may, subject to the Takeovers Code, decide), in respect of such number of Shares which, together with Shares already owned or agreed to be acquired before or during the Offers, would result in the Offeror and HNG holding (directly or indirectly) in aggregate not less than 85% of the issued share capital of the Company. Accordingly, assuming none of the Domestic Shareholders accepts the Domestic Share Offer and the Offeror does not accept a lower acceptance threshold by waiving Condition (a), valid acceptances of the H Share Offer need to be received by 4:00 p.m. on the Closing Date in respect of not less than 61.9% of the H Shares (representing 27.55% of the issued share capital of the Company). Shareholders should note that if such acceptance threshold is not achieved by 4:00 p.m. on the Closing Date and unless the Offeror accepts a lower acceptance threshold and waives this Condition, the H Share Offer will lapse and all share certificates in respect of the H Shares which were tendered for acceptance previously will be returned to the respective H Shareholders as soon as possible but in any event within 10 days thereof.

### **3.5 Further terms and general matters relating to the H Share Offer**

#### ***Effect of accepting the H Share Offer***

Under the terms of the H Share Offer, the H Shares will be acquired fully paid and free from all options, liens, claims, equities, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attached to them as at the date of this announcement or which subsequently become attached to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid, on or after the date of this announcement.

#### ***Hong Kong stamp duty***

Seller's ad valorem stamp duty at the rate of HK\$1.00 for every HK\$1,000 or part thereof of the consideration arising on acceptance of the H Share Offer will be payable by the H Shareholders who accept the H Share Offer. The relevant amount of stamp duty will be deducted from the consideration payable to such H Shareholders under the H Share Offer. The Offeror will bear its own portion of buyer's ad valorem stamp duty at the rate of HK\$1.00 for every HK\$1,000 or part thereof of the consideration payable in respect of acceptances of the H Share Offer and will be responsible to account to the Stamp Office of Hong Kong for all the stamp duty payable for the sale and purchase of the H Shares which are validly tendered for acceptance under the H Share Offer.

#### ***Settlement of consideration***

Settlement of the consideration payable in respect of acceptances of the H Share Offer will be made as soon as possible but in any event within 7 Business Days following the later of (i) the Unconditional Date and (ii) the date of receipt of a complete and valid acceptance in respect of the H Share Offer.

### *Closing Date of the H Share Offer*

The H Share Offer will initially be open for acceptances for at least 21 days from the date that the Composite Document is posted. Once all of the Conditions have been either fulfilled, or, if permitted, waived by the Offeror, the H Share Offer will be declared unconditional and at least 14 days' notice in writing will be given before the H Share Offer is closed by the Offeror to those H Shareholders who have not accepted the H Share Offer.

#### **4. THE POSSIBLE DOMESTIC SHARE OFFER**

The Domestic Share Offer will be made by HNG on the following basis:

**For each Domestic Share ..... RMB1.58 in cash  
(being approximately HK\$1.996)**

Since the Domestic Shares are unlisted, the Domestic Share Offer Price represents a liquidity discount of 19.84% to the closing price of the H Shares on the Last Trading Date, and a premium of 54.90% over the net asset value per share of the Company as at 30 June 2014.

HNG reserves the right in its absolute discretion to acquire by itself or through any of its wholly owned subsidiaries 100% of the equity interests in any special purpose vehicle holding Domestic Shares, as if the underlying Domestic Shares had been acquired directly at the Domestic Share Offer Price, subject to the relevant Domestic Shareholder warranting that such special purpose vehicle has no assets, liabilities or businesses other than its holding of the Domestic Shares. The total consideration to be received by the relevant Domestic Shareholder will be the same if HNG elects to acquire such special purpose vehicle instead of the underlying Domestic Shares.

The Domestic Share Offer is subject to the H Share Offer becoming or being declared unconditional in all respects. This condition cannot be waived in any event.

As the Domestic Share Offer and the H Share Offer are not inter-conditional, the Offeror and HNG will apply to the Executive for a waiver from the requirements under Note 3 to Rule 14 of the Takeovers Code.



## **5. INTENTIONS IN RELATION TO THE COMPANY**

### **5.1 Voluntary Withdrawal of Listing of the H Shares**

Upon the H Share Offer becoming unconditional and subject to the approval of the Delisting by the Independent Shareholders at the Special General Meeting of Independent Shareholders and the approval of the Privatisation by the Independent H Shareholders at the H Share Class Meeting, the Company will make an application for the Delisting in accordance with Rule 6.12 of the Listing Rules.

The Offeror has no rights under PRC Laws and the Articles of the Company to acquire compulsorily the H Shares that are not tendered for acceptance pursuant to the H Share Offer. Accordingly, Independent H Shareholders are reminded that if they do not accept the H Share Offer and the H Share Offer subsequently becomes unconditional in all respects and the H Shares are delisted from the Stock Exchange, this will result in the Independent H Shareholders holding securities that are not listed on the Stock Exchange or any other exchange. In addition, the Company may not continue to be subject to the Takeovers Code after the completion of the H Share Offer.

The H Shareholders will be notified by way of an announcement of the dates of the last day for dealing in the H Shares and on which the Delisting will become effective.

## 5.2 Merger by Absorption of the Company

Pursuant to the Merger Agreement, and subject to the completion of the Offers, the Delisting becoming effective, the fulfilment or waiver (as applicable) of the Merger Conditions, including but not limited to the Offeror and HNG holding (directly or indirectly) in aggregate not less than 85% of the issued share capital of the Company, the Company will be merged and absorbed by HNG in accordance with Article 172 of the PRC Company Law and other applicable PRC Laws. The Company will be de-registered in accordance with the PRC Company Law or the Regulations of the People's Republic of China on the Registration Administration of Companies and relevant legal provisions and the Company will cease to exist as a separate legal entity, and will be merged into HNG. Further details on the Merger Agreement can be referred to in the section headed "6. Merger by Absorption of the Company by HNG" below.

**As the Merger Conditions (in respect of the Merger) are different from the Conditions (in respect of the H Share Offer), Shareholders and potential investors should be aware that even following the successful completion of the H Share Offer and the Delisting, there is no certainty that the Merger will proceed.**

## 6. MERGER BY ABSORPTION OF THE COMPANY BY HNG

### 6.1 Merger Agreement

On 11 December 2014, HNG entered into the Merger Agreement with the Company, pursuant to which and subject to the satisfaction of the Pre-Condition and the satisfaction or waiver (as applicable) of the Merger Conditions, the Company will be merged and absorbed by HNG in accordance with Article 172 of the PRC Company Law and other applicable PRC Laws.

The Merger will be implemented and completed by going through the following major processes after (among other things) the completion of the Offers and the Delisting:

- (a) all H Shares held by the Offeror, and all Domestic Shares held by any wholly owned subsidiary of HNG, will be transferred to HNG;

- (b) HNG will pay the H Share Cancellation Price per delisted H Share (other than those owned by HNG) in cash to the existing H Shareholders (being those who have not tendered their H Shares under the H Share Offer or otherwise sold their H Shares to the Offeror) as at the effective date of the Merger as soon as possible but no later than 7 Business Days after the Merger has become effective for the cancellation of all H Shares;
- (c) HNG will pay the Domestic Share Cancellation Price per Domestic Share (other than those owned by HNG) in cash to the existing Domestic Shareholders as at the effective date of the Merger as soon as possible but no later than 7 Business Days after the Merger has become effective for the cancellation of all Domestic Shares; and
- (d) the Company will be de-registered in accordance with the PRC Company Law, the Regulations of the People's Republic of China on the Registration Administration of Companies and relevant legal provisions.

Consequently, the Company will be merged into HNG, with HNG as the surviving corporation, and the Company will cease to exist as a separate legal entity. As a result of the Merger, on the date of completion of the Merger, the assets and liabilities (together with the rights and obligations attached to such assets), the business and the employees of the Company will be assumed by HNG as the surviving corporation. HNG and all of its rights, privileges, exemptions and permits will not be affected by the Merger.

## **6.2 De-registration of the Company**

Pursuant to the Merger Agreement, the payment to the relevant Shareholders (other than HNG) will be made as soon as possible but in any event within 7 Business Days after the Merger has become effective. After payment had been made to the relevant Shareholders (other than HNG), the relevant rights attaching to such Shares shall be deemed as cancelled.

The effectiveness of the Merger is conditional upon the fulfilment or waiver (if applicable) of a number of Merger Conditions as set out below. After the fulfilment of the Merger Conditions, the Company will make all necessary filings with Hunan Provincial AIC for its de-registration in accordance with the PRC Company Law, the Regulations of the People’s Republic of China on the Registration Administration of Companies and other relevant PRC Laws.

### **6.3 Right of the Dissenting Shareholders**

According to the Articles of the Company, any Shareholder who has opposed the Merger may request the Company or other Shareholders who have approved the Merger to acquire its Shares at a “fair price”. The Merger Agreement provides that if any Shareholder elects to request the Company or other Shareholders who have voted for the Merger to purchase its Shares at a “fair price”, HNG shall, at the request of the Company or such Shareholder, assume any liability which the Company or such Shareholder who has received such a request may have towards the dissenting Shareholder.

Any Shareholder who has opposed the Merger and has requested the Company or other Shareholders who have approved the Merger to acquire its Shares at a “fair price” will, after the Merger is approved by the Shareholders, continue to have a right against the Company and/or such Shareholder, or HNG (if requested by the Company and/or such Shareholder to assume their respective liabilities after receiving the request from the dissenting Shareholder.) In any case, such request shall be made within the earlier of (a) the expiration of two months from the date of approval of the Merger at the Special General Meeting and (b) the date of completion of the Merger.

## **6.4 Notification to Creditors**

The Company and HNG are also required by the PRC Company Law and the Articles of the Company to notify their respective creditors of the Merger within 10 days after the Merger is approved by the Shareholders and the shareholders of HNG. The creditors may require the Company or HNG (as the case may be) to pay off its indebtedness or provide a satisfactory guarantee for such indebtedness. If the Shareholders approve the Merger at the Special General Meeting and the shareholders of HNG approve the Merger, the Company and HNG will give notice to their respective creditors of the Merger within 10 days after the Merger is approved at the Special General Meeting, as well as announce the approval of the Merger in a newspaper within 30 days of such approval. If any creditor requests repayment of the indebtedness owed by the Company or HNG (as appropriate) or requests for any guarantee in relation to such indebtedness, such request will have to be made within 30 days upon the receipt of a notice or within 45 days upon the issuance of the public announcement if it fails to receive a notice.

## **6.5 Merger Conditions**

The Merger will become effective upon the fulfilment or waiver (as applicable) of the following Merger Conditions:

- (a) the written resolutions by the shareholders of HNG approving the Merger having been passed;
- (b) a waiver application having been submitted to the CSRC by HNG within three days after the execution of the Merger Agreement for the exemption of making any mandatory offer in relation to the change of controlling shareholder of the A-Share Listed Subsidiary as a result of the Merger, and such waiver having been granted by the CSRC or no objection having been raised by the CSRC;

- (c) the H Share Offer becoming or being declared unconditional in all respects pursuant to the fulfilment or waiver (as applicable) of the Conditions set out in section 3.4 of this announcement and subsequently being closed (in particular, Conditions (b), (c) and (d) set out in the section headed “3.4 Conditions of the H Share Offer” of this announcement are also Merger Conditions);
- (d) the Domestic Share Offer becoming or being declared unconditional in all respects pursuant to the fulfilment or waiver (as applicable) of the conditions set out in section 4 of this announcement and subsequently being closed;
- (e) the Delisting application having been submitted by the Company to the Stock Exchange and such Delisting having become effective pursuant to the Listing Rules;
- (f) the transfer of all H Shares held by the Offeror (including all H Shares acquired under the H Share Offer) to HNG such that HNG is the registered holder of such H Shares; and
- (g) the Offeror and HNG holding (directly or indirectly) in aggregate not less than 85% of the issued share capital of the Company.

Upon the fulfilment or waiver (as applicable) of the Merger Conditions, the Merger will become effective.

Merger Conditions (b) and (g) can be waived by HNG in whole or in part, either generally or in respect of any particular matter (including, with respect to Merger Condition (g), by accepting a lower percentage threshold), provided that such waiver will not result in a breach of any applicable laws and regulations. Merger Conditions (a), (c), (d), (e) and (f) cannot be waived in any event. The Company does not have the right to waive any of the Merger Conditions.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, HNG may only invoke any Merger Condition (other than Merger Conditions (b), (c), (d), (e) and (g) above) so as to not proceed with the Merger if the circumstances which give rise to a right to invoke the Merger Condition are of material significance to HNG in the context of the Merger.

The Merger Conditions will have to be fulfilled or waived (as applicable) on or before 30 June 2016 (or such other date as HNG and the Company may agree), failing which the Merger will lapse.

Following the Merger having become effective, the transactions under the Merger Agreement will be completed upon the submission of the de-registration applications by the Company to Hunan Provincial AIC and the completion of the de-registration procedures.

## **6.6 Termination of the Merger Agreement**

The Merger Agreement can be terminated at any time prior to the completion of the Merger:

(a) by either HNG or the Company if:

- (i) the Pre-Condition is not satisfied by the Pre-Condition Long Stop Date;
- (ii) the Offeror publishes an announcement stating that the Pre-Condition has not been satisfied by the Pre-Condition Long Stop Date;
- (iii) the Offeror publishes an announcement stating that the Offers have been withdrawn with the consent of the Executive;
- (iv) any governmental body has issued an order or ruling or taken any other actions (which order, ruling or other action HNG and the Company shall use their reasonable efforts to terminate), which permanently restrains, enjoins or otherwise prohibits the Merger and such order, ruling or other action shall have become final and not subject to appeal;
- (v) the relevant shareholders' approvals for the Delisting and the Merger (as the case may be) have not been obtained at the Special General Meeting, the Special General Meeting of the Independent Shareholders and the H Share Class Meeting (or any adjournments of such meetings);  
or
- (vi) the Merger Conditions have not been fulfilled or waived (if applicable) before 30 June 2016 (or such later date as HNG and the Company may agree);

- (b) by HNG if the Company has breached any of its representations, warranties or covenants in the Merger Agreement or is in any other material breach of the Merger Agreement, and cannot rectify such breaches within 30 days after being given a written notice by HNG; and
- (c) by the Company if HNG has breached any of its representations, warranties or covenants in the Merger Agreement or is in any other material breach of the Merger Agreement, and cannot rectify such breaches within 30 days after being given a written notice by the Company.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, HNG may only invoke any of the above termination rights (other than those in paragraphs (a)(i), (a)(ii), (a)(iii), (a)(v) and (a)(vi) above) so as to not proceed with the Merger if the circumstances which give rise to a right to invoke the termination right are of material significance to HNG in the context of the Merger.

## **7. TOTAL CONSIDERATION FOR THE OFFERS AND CONFIRMATION OF FINANCIAL RESOURCES FOR THE OFFERS**

Assuming full acceptance of the Offers, the aggregate cash consideration payable under the Offers would be approximately HK\$6,362.11 million. Assuming full acceptance of the H Share Offer, the aggregate cash consideration payable under the H Share Offer would be approximately HK\$6,186.00 million.

The Offeror intends to satisfy the consideration required for the H Share Offer from debt financing provided by Industrial and Commercial Bank of China Limited, Hong Kong Branch. CICCHKS, as financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the H Share Offer and that sufficient financial resources are available to HNG to satisfy full acceptance of the Domestic Share Offer.

HNG intends to satisfy the consideration required for the Domestic Share Offer and the Merger from available cash resources of HNG. HNG undertakes that such cash resources shall be used for the purposes of the Domestic Share Offer and the Merger, and guarantees that such amount shall not be subject to any third party claim.



## **8. REASONS FOR AND BENEFITS OF THE OFFERS, THE DELISTING AND THE MERGER**

Certain businesses of HNG overlap with the Company, for example, in relation to the tungsten production business as well as in research and development of non-ferrous metals. After the completion of the Delisting and the Merger, HNG and the Company will be better positioned to eliminate overlaps, align interests and integrate resources.

After the completion of the Delisting and the Merger, the Company will be de-registered, which will help HNG simplify its corporate structure and facilitate its decision making process.

## **9. GENERAL INFORMATION**

### **9.1 Information on HNG and the Offeror**

China Minmetals Corporation is the ultimate parent company and controlling shareholder of the Offeror and HNG, and is a state-owned enterprise existing under PRC Laws. It is an international metals and mining corporation committed to providing high-quality services globally. It is primarily engaged in exploration, mining, smelting, processing and trading for metals and minerals, and is also engaged in finance, real estate, and mining and metallurgic technology.

HNG mainly operates in the manufacturing and distribution of non-ferrous metals, and owns a complete integrated industrial chain from exploration, mining, ore-dressing, refining, deep processing and R&D. It is engaged in multiple business segments including the mining and dressing, refining, processing and R&D activities in relation to non-ferrous metals, machinery manufacturing, inorganic chemicals, bio-medicine, and property development.

The Offeror is a company incorporated in Hong Kong and a wholly owned subsidiary of HNG, mainly engaged in consultation and import and export trade of nonferrous metal mineral resources and asset management.

## 9.2 Interests of the Offeror and its Concert Parties in the Company

As at the date of this announcement, the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company comprised 3,668,058,000 Shares, of which there are 1,632,728,000 H Shares (representing approximately 44.51% of the issued share capital of the Company) and 2,035,330,000 Domestic Shares (representing approximately 55.49% of the issued share capital of the Company). As at the date of this announcement, there were no outstanding convertible securities, warrants or options issued by the Company.

As at the date of this announcement:

- (a) the Offeror holds 159,872,000 H Shares (representing approximately 9.79% of the total issued H Shares and 4.36% of the issued share capital of the Company); and
- (b) HNG holds 1,947,074,266 Domestic Shares (representing approximately 95.66% of the total issued Domestic Shares and 53.08% of the issued share capital of the Company).

Accordingly, as at the date of this announcement, HNG's total interests in H Shares and Domestic Shares in issue represents approximately 57.44% of the total issued share capital of the Company.

As at the date of this announcement, the parent company of Bangxin Asset Management Co., Ltd., a Domestic Shareholder, has certain equity interests in some of the subsidiaries and a jointly-controlled entity of China Minmetals Corporation. These interests give rise to a presumption that Bangxin Asset Management Co., Ltd. is acting in concert with HNG and the Offeror for the purposes of the Takeovers Code within class (1) of the definition of "acting in concert". HNG and the Offeror are of the view that Bangxin Asset Management Co., Ltd. is not acting in concert with HNG or the Offeror for the purposes of the Takeovers Code and have made an application to the Executive to rebut the presumption. The Offeror and the Company will issue a further announcement on the results of such application.

CICCHKS is presumed to be acting in concert with the Offeror in accordance with class (5) of the definition of “acting in concert” in the Takeovers Code. In accordance with Note 1 to Rule 3.5 of the Takeovers Code, details of the holdings or borrowings or lendings of the Shares or options or derivatives in respect of them held by or entered into by other parts of the CICCHKS group will be obtained as soon as possible after this announcement. The statements in this announcement as to holdings or borrowings or lendings of the Shares or options or derivatives in respect of them by parties acting in concert with the Offeror are subject to the holdings, borrowings, or lendings (if any) of the other parts of the CICCHKS group.

Save for the above, as at the date of this announcement:

- (a) there is no existing holding of voting rights and rights over Shares which HNG or the Offeror owns or over which it has control or direction;
- (b) there is no existing holding of voting rights and rights over Shares which is owned or controlled or directed by any of HNG’s or the Offeror’s Concert Parties;
- (c) there is no existing holding of voting rights and rights over Shares in respect of which HNG or the Offeror or any of their Concert Parties has received an irrevocable commitment to accept the H Share Offer or to vote for or against the Delisting and/or the Merger;
- (d) there is no existing holding of voting rights and rights over Shares in respect of which HNG or the Offeror or any of their Concert Parties holds convertible securities, warrants or options;
- (e) there is no outstanding derivative in respect of securities in the Company entered into by HNG or the Offeror or any of their Concert Parties;
- (f) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the Shares and which might be material to the Offers, the Delisting and/or the Merger;

- (g) there is no agreement or arrangement to which HNG or the Offeror is a party which relates to the circumstances in which it may or may not invoke or seek to invoke the Pre-Condition, a Condition or a Merger Condition and the consequences of its doing so; and
- (h) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which HNG or the Offeror or any of their Concert Parties has borrowed or lent.

### **9.3 Information on the Group**

The Company is a joint stock company incorporated in the PRC with limited liability. The Group is an integrated producer of nonferrous metals, excluding aluminium, in the PRC. The Group's mines contain tungsten, bismuth and antimony reserves. The Group possess a vertically-integrated and centralised production chain that includes upstream exploration, mining and ore processing as well as midstream smelting, downstream refining and value-added processing. The Group is a major producer of cemented carbides, zinc and antimony in the PRC, as well as a major producer of lead, silver, indium, tantalum and niobium products in term of production volume.

### **9.4 Independent Board Committee**

An Independent Board Committee, which comprises one of the non-executive Director and all of the independent non-executive Directors, has been established by the Board to make a recommendation to the Shareholders as to:

- (a) whether the H Share Offer is, or is not, fair and reasonable and as to its acceptance;
- (b) whether the Domestic Share Offer is, or is not, fair and reasonable and as to its acceptance; and
- (c) whether the Delisting and the Merger are, or are not, fair and reasonable and as to voting.

## **9.5 Independent financial adviser to the Independent Board Committee**

China Securities (International) Corporate Finance Company Limited has been appointed by the Company to act as the independent financial adviser to the Independent Board Committee and advise the Independent Board Committee in connection with the Offers, the Delisting and the Merger. The appointment has been approved by the Independent Board Committee.

## **9.6 No dividend or other distribution**

The Company does not intend to declare or pay any dividend or other distribution on the Shares during the period from the date of this announcement until whichever is the latest of (i) the Closing Date and (ii) the date on which the H Share Offer lapses or is withdrawn.

## **9.7 Overseas H Shareholders**

The H Share Offer is intended to be made available to all H Shareholders (other than the Offeror and its Concert Parties), including those who are resident outside Hong Kong, to the extent practicable. The making of the H Share Offer to H Shareholders who are not resident in Hong Kong may be subject to the laws of the relevant jurisdictions in which such Shareholders are located. Such persons should inform themselves about and observe any applicable legal or regulatory requirements. It is the responsibility of each overseas H Shareholder who wishes to accept the H Share Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities or legal or regulatory requirements and the payment of any issue, transfer or other taxes due in such jurisdiction.

**Any acceptance of the H Share Offer by any H Shareholder will be deemed to constitute a representation and warranty from such H Shareholder to the Offeror and the Company that all local laws and requirements have been complied with and that the H Share Offer can be accepted by such H Shareholder lawfully under the laws of the relevant jurisdiction. H Shareholders should consult their professional advisers if in doubt.**

In the event that the despatch of the Composite Document to overseas H Shareholders is prohibited by any relevant law or may only be effected after compliance with conditions or requirements that are unduly burdensome, subject to the Executive's consent, the Composite Document will not be despatched to such overseas Shareholders. The Offeror will apply for such waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time.

## **9.8 Notice to US H Shareholders**

The H Share Offer is being made for the securities of a company incorporated in the PRC and is subject to Hong Kong disclosure requirements, which are different from those of the United States. The financial information included in this announcement has been prepared in accordance with International Financial Reporting Standards and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. The H Share Offer will be made in the United States pursuant to applicable US tender offer rules and otherwise in accordance with the requirements of the SFO and the Takeovers Code. Accordingly, the H Share Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that are different from those applicable under US domestic tender offer procedures and law.

It may be difficult for US holders of H Shares to enforce their rights and any claim arising out of the US federal securities laws, since the Offeror and the Company are located in a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. US holders of H Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

The receipt of cash pursuant to the H Share Offer by H Shareholders who are US taxpayers may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each holder of H Shares is urged to consult his or her independent professional adviser immediately regarding the tax consequences of acceptance of the H Share Offer.

## **9.9 Meetings**

As required under the PRC Company Law, the Merger requires the approval of no less than two-thirds of the voting rights held by the Shareholders present at the Special General Meeting. According to the PRC Company Law and the Articles of the Company, the Offeror and HNG are eligible to vote at the Special General Meeting. The Offeror and HNG intend to vote to approve the Merger in the Special General Meeting.

The Special General Meeting of the Independent Shareholders is required to be convened for the purpose passing resolutions by way of poll to approve the Merger and the Delisting by the Independent Shareholders, and such approval must be given by at least 75% of the votes attaching to the Shares held by the Independent Shareholders that are cast either in person or by proxy; and the number of votes cast against the resolution is not more than 10% of the votes attaching to all Shares held by the Independent Shareholders. The Offeror, HNG and their respective Concert Parties are required to abstain from voting at the Special General Meeting of the Independent Shareholders.

The H Share Class Meeting is required to be convened for the purpose of passing resolutions by way of poll to approve the Privatisation by the Independent H Shareholders, and such approval must be given by at least 75% of the votes attaching to the H Shares held by the Independent H Shareholders that are cast either in person or by proxy; and the number of votes cast against the resolution is not more than 10% of the votes attaching to all H Shares held by the Independent H Shareholders. The Offeror and its Concert Parties are required to abstain from voting at the H Share Class Meeting.

Notices of the above meetings will be sent to the Shareholders together with the Composite Document.

### **9.10 Despatch of Composite Document**

The Composite Document will contain, among other things, further details of the Offers, the Delisting and the Merger, the recommendation from the Independent Board Committee with respect to the Offers, the Delisting and the Merger and the advice of the Independent Financial Adviser to the Independent Board Committee, notices of the H Share Class Meeting, the Special General Meeting of the Independent Shareholders and the Special General Meeting, as well as other particulars required by PRC Laws, the Listing Rules and the Takeovers Code, will be despatched to the Shareholders, together with the form of acceptance for the H Share Offer and forms of proxy in relation to the relevant shareholder meetings, within 7 days after the satisfaction of the Pre-Condition. The Offeror will apply to the Executive for its consent under Note 2 to Rule 8.2 of the Takeovers Code to permit the Composite Document to be posted within this timeframe.

### **9.11 Responsibilities of stockbrokers, banks and other intermediaries**

In accordance with Rule 3.8 of the Takeovers Code, associates (including persons holding 5% or more of a class of relevant securities of the Company) of HNG, the Offeror and the Company are hereby reminded to disclose their dealings in any shares in the Company pursuant to the requirements of the Takeovers Code.



In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

*“Responsibilities of stockbrokers, banks and other intermediaries*

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.*

*This dispensation does not alter the obligations of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that cooperation.”*

## **10. SUSPENSION AND RESUMPTION OF TRADING**

At the request of the Company, trading in the H Shares on the Stock Exchange was suspended from 9:00 a.m. on 29 October 2014, pending the issue of this announcement.

Application has been made by the Company to the Stock Exchange for the resumption of trading in the H Shares on the Stock Exchange with effect from 9:00 a.m. on 12 December 2014.

## **WARNING:**

**Shareholders and potential investors should be aware that the making of the Offers is subject to the satisfaction of the Pre-Condition. The Offers are a possibility only and may or may not be made.**

**Completion of the H Share Offer is conditional upon the satisfaction (or waiver, as applicable) of the Conditions, and the Merger is conditional upon the satisfaction (or waiver, as applicable) of the Merger Conditions. Accordingly, the issue of this announcement does not imply in any way that the Offers, the Delisting or the Merger will be completed. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below, unless the context requires otherwise:

|                             |   |
|-----------------------------|---|
| “acting in concert”         | has the meaning ascribed to it in the Takeovers Code;   |
| “Articles”                  | the existing articles of association of a company;  |
| “A-Share Listed Subsidiary” | Zhongwu Gaoxin Materials Company Limited (中鋤高新材料股份有限公司), which is directly owned by the Company as to 60.94%; |
| “associate(s)”              | has the meaning ascribed to it in the Takeovers Code;   |
| “Board”                     | the board of directors of the Company from time to time;  |
| “Business Day”              | a day on which the Stock Exchange is open for the transaction of business;                                    |

|                             |   |
|-----------------------------|---|
| “CICCHKS”                   | China International Capital Corporation Hong Kong Securities Limited, a registered institution under the SFO, licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in future contracts), Type 3 (leveraged foreign exchange trading), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO; |
| “Closing Date”              | the date to be stated in the Composite Document as the first closing date of the H Share Offer or any subsequent closing date as may be announced by the Offeror in compliance with the Takeovers Code;   |
| “Company”                   | Hunan Nonferrous Metals Corporation Limited (湖南有色金屬股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, and whose H Shares are listed on the main board of the Stock Exchange;  |
| “Completion Long Stop Date” | 30 September 2015, or such later date as the Offeror and the Company may agree or, to the extent applicable, to which the Executive may consent;  |
| “Composite Document”        | upon satisfaction of the Pre-Condition, the composite document to be jointly issued by the Offeror and the Company to the Shareholders in respect of the H Share Offer, the Delisting and the Merger in accordance with the Takeovers Code and the Listing Rules;   |
| “Concert Party(ies)”        | a party (the parties) acting in concert with the Offeror or HNG (as the case may be);   |
| “Conditions”                | the conditions of the H Share Offer, as set out under the section headed “3.4 Conditions of the H Share Offer” of this announcement, and “Condition” means any of them;   |
| “CSRC”                      | China Securities Regulatory Commission;   |

|                                     |  |
|-------------------------------------|--|
| “Delisting”                         | the voluntary withdrawal of the Listing;   |
| “Directors”                         | the directors of the Company from time to time;  |
| “Domestic Share Cancellation Price” | a RMB amount per Domestic Share equal to the offer price of the Domestic Share Offer payable by HNG pursuant to the Merger;  |
| “Domestic Shareholders”             | the registered holders of the Domestic Shares from time to time;   |
| “Domestic Share Offer”              | the voluntary conditional cash offer to be made by HNG after the satisfaction of the Pre-Condition to acquire all of the Domestic Shares (other than those owned, controlled or agreed to be acquired by HNG and its Concert Parties); |
| “Domestic Share Offer Price”        | RMB1.58 per Domestic Share;  |
| “Domestic Shares”                   | the unlisted domestic shares of the Company representing 55.49% of the issued share capital of the Company;  |
| “Executive”                         | the Executive Director of the Corporate Finance Division of the SFC and any of its delegates;  |
| “Group”                             | the Company and its subsidiaries from time to time;  |
| “H Share Cancellation Price”        | a HK\$ amount per H Share equal to the offer price of the H Share Offer payable by HNG pursuant to the Merger;   |
| “H Share Class Meeting”             | the extraordinary general meeting of the Independent H Shareholders to be convened and held for the purpose of approving the Privatisation, or any adjournment thereof;  |
| “H Shareholders”                    | the registered holders of the H Shares from time to time;  |

|                               |  |
|-------------------------------|--|
| “H Shares”                    | the H shares of the Company representing approximately 44.51% of the issued share capital of the Company, and which are listed on the Stock Exchange;  |
| “H Share Offer”               | the voluntary conditional cash offer to be made by CICCHKS on behalf of the Offeror after the satisfaction of the Pre-Condition to acquire all of the H Shares (other than those owned, controlled or agreed to be acquired by the Offeror and its Concert Parties); |
| “H Share Offer Price”         | the cash offer price of the H Share Offer, being HK\$4.20 per H Share;   |
| “HK\$”                        | Hong Kong Dollars, the lawful currency of Hong Kong;   |
| “HNG”                         | Hunan Nonferrous Metals Holding Group Co., Ltd. (湖南有色金屬控股集團有限公司), a limited liability company incorporated in the PRC and the controlling shareholder of the Company;  |
| “Hong Kong”                   | the Hong Kong Special Administrative Region of the PRC;  |
| “Hunan Provincial AIC”        | the Hunan Provincial Branch of the Administration for Industry and Commerce of the PRC;  |
| “Independent Board Committee” | an independent committee of the Board comprising one of the non-executive Directors, being Mr. Yang Guang and the independent non-executive Directors, being Mr. Wan Ten Lap, Mr. Choi Man Chau, Michael and Ms. Chen Xiaohong;                                      |
| “Independent Shareholders”    | the Shareholders other than the Offeror, HNG and their respective Concert Parties;   |
| “Independent H Shareholders”  | the H Shareholders other than the Offeror and its Concert Parties;   |

|                     |   |
|---------------------|---|
| “Last Trading Date” | 28 October 2014, being the final day of trading prior to suspension of trading in the H Shares and the last trading day for the H Shares before the date of this announcement;          |
| “Listing”           | the listing of the H Shares on the Stock Exchange;  |
| “Listing Rules”     | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;   |
| “Merger”            | the proposed merger by absorption of the Company by HNG in accordance with Article 172 of the PRC Company Law and other applicable PRC Laws as contemplated under the Merger Agreement; |
| “Merger Agreement”  | the agreement dated 11 December 2014 entered into between HNG and the Company in relation to the Merger;  |
| “Merger Conditions” | the conditions in the Merger Agreement, as set out in the section headed “6.5 Merger Conditions” in this announcement, subject to which the Merger will become effective;               |
| “Offeror”           | Hunan Nonferrous Metals Jinsheng Development Company Limited (湖南有色金晟發展有限公司), a company incorporated in Hong Kong;   |
| “Offeror Board”     | the board of directors of the Offeror from time to time;  |
| “Offeror Directors” | the directors of the Offeror from time to time;   |
| “Offers”            | the Domestic Share Offer and the H Share Offer;   |

|                                |  |
|--------------------------------|--|
| “PRC”                          | the People’s Republic of China (excluding Hong Kong, Macau and Taiwan for the purpose of this announcement);   |
| “PRC Company Law”              | the Company Law of the PRC, as amended, supplemented or otherwise modified from time to time;  |
| “PRC Laws”                     | any and all laws, regulations, statutes, rules, decrees, notices, and supreme court’s judicial interpretations as may be in force and publicly available in the PRC from time to time;             |
| “Pre-Condition”                | the pre-condition to the making of the Offers and proceeding with the Delisting and the Merger as set out under the section headed “2. Pre-Condition to the Offers, the Delisting and the Merger”; |
| “Pre-Condition Long Stop Date” | 31 July 2015, or such later date as the Offeror and the Company may agree;   |
| “Privatisation”                | the Delisting and the Merger;  |
| “Relevant Authorities”         | all applicable governments, governmental bodies, statutory or regulatory bodies, courts and/or institutions (including but not limited to the SFC and the Stock Exchange);                         |
| “RMB”                          | Renminbi, the lawful currency of the PRC;  |
| “SASAC”                        | the State-owned Assets Supervision and Administration Commission of the State Council of the PRC;  |
| “SFC”                          | the Securities and Futures Commission of Hong Kong;  |
| “SFO”                          | the Securities and Future Ordinance (Cap. 571 of the Laws of Hong Kong);   |

|   |  |
|---|--|
| “Shareholders”  | collectively, the H Shareholders and the Domestic Shareholders;  |
| “Shares”  | collectively, the H Shares and the Domestic Shares;  |
| “Special General Meeting”                                 | the special general meeting of the Company to be convened and held for the purpose of approving the Merger, or any adjournment thereof;                                    |
| “Special General Meeting of the Independent Shareholders” | the special general meeting of the Independent Shareholders to be convened and held for the purpose of approving the Delisting and the Merger, or any adjournment thereof; |
| “Stock Exchange”  | The Stock Exchange of Hong Kong Limited;   |
| “subsidiaries”  | has the meaning ascribed to it in the Listing Rules;   |
| “Takeovers Code”  | the Hong Kong Code on Takeovers and Mergers;   |
| “Unconditional Date”                                      | the date on which the H Share Offer becomes unconditional in all respects; and   |
| “US” or “United States”                                   | the United States of America.  |

*In this announcement, amounts denominated in RMB have been translated into HK\$ at the exchange rate of RMB0.79178 to HK\$1.00, being the median exchange rate of RMB against HK\$ as announced by the People’s Bank of China on the Last Trading Date. No representation is made that the HK\$ amounts could have been or could be converted into RMB at such rate or any other rate or at all.*

*Certain amounts and percentage figures in this announcement have been subject to rounding adjustments.*



By Order of the Board  
**HUNAN NONFERROUS METALS  
JINSHENG DEVELOPMENT  
COMPANY LIMITED**  
(湖南有色金屬發展有限公司)

**Cao Xiuyun**  
*Chairman*

By Order of the Board  
**HUNAN NONFERROUS METALS  
CORPORATION LIMITED\***  
(湖南有色金屬股份有限公司)

**Li Fuli**  
*Chairman*

Changsha, PRC, 11 December 2014

\* *For identification purposes only*

*As at the date of this announcement, the Offeror Directors are Mr. Cao Xiuyun, Mr. Wang Jinrong and Mr. Wu Xiaopeng.*

*The Offeror Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Group and China Minmetals Corporation) and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Group and China Minmetals Corporation) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.*

*As at the date of this announcement, Mr. Zhou Zhongshu is the president of China Minmetals Corporation. Mr Zhou Zhongshu accepts full responsibility for the accuracy of the information contained in this announcement (other than in relation to the Offeror, CICCHKS and the Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement (other than those expressed by the Offeror, CICCHKS and the Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.*

*As at the date of this announcement, the Board comprises Mr. Li Fuli, Ms. Deng Yingjie, Mr. He Yawen, and Mr. Wu Xiaopeng as executive Directors, Mr. Cao Xiuyun and Mr. Yang Guang as non-executive Directors and Mr. Wan Ten Lap, Mr. Choi Man Chau, Michael and Ms. Chen Xiaohong as independent non-executive Directors.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Offeror and its Concert Parties and CICCHKS) and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement (other than that expressed by the Offeror and its Concert Parties and CICCHKS) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.*