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Hunan Nonferrous Metals Corporation Limited*

湖南有色金属股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2626)

ANNOUNCEMENT

INSIDE INFORMATION

This announcement is made by Hunan Nonferrous Metals Corporation Limited (the "**Company**") pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Zhongwu Gaoxin Materials Company Limited (中鎢高新材料股份有限公司) ("**China Tungsten & Hightech**"), a subsidiary of the Company and whose A shares are listed and traded on the Shenzhen Stock Exchange in the People's Republic of China (the "**PRC**") (Stock Code: 000657).

The Company recently received a notice from China Tungsten & Hightech that Zhuzhou Diamond Cutting Tools Company Limited ("**Zhuzhou Diamond Cutting**"), a subsidiary of Zhuzhou Cemented Carbides Group Corp., Ltd. under China Tungsten & Hightech, has recently received a one-off innovation subsidy (the "**Subsidy**") for the year 2014 at the amount of RMB56 million allocated by the bureau of finance of Tianyuan District, Zhuzhou City according to the Notice on the Release of Technologic Innovation Subsidies by the Government of Tianyuan District, Zhuzhou City (ZHU TIAN ZHENG HAN [2014] No.93).

All of the Subsidy has been received by Zhuzhou Diamond Cutting. According to the Accounting Standards for Business Enterprises of the PRC, the Subsidy will be recorded into non-operating revenue for the year 2014 of Zhuzhou Diamond Cutting, which will have a positive effect on the operation and cash flow of China Tungsten & Hightech.

The specific accounting arrangement and affecting amount in relation to the Subsidy are still subject to the confirmation by the auditor in the annual review. The Company will continue to follow the developments of the Subsidy and will further timely announce relevant updates accordingly. Investors are advised to pay attention to investment risks and exercise in caution when dealing in the shares of the Company.

Please refer to the relevant overseas regulatory announcement of the Company published on the website of The Stock Exchange of Hong Kong Limited on 5 January 2015 for more details.

By Order of the Board

Hunan Nonferrous Metals Corporation Limited*

Li Fuli

Chairman

Changsha, the PRC, 5 January 2015

As at the date of this announcement, the board of directors of the Company 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.

**For identification purpose only*