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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

PROFIT WARNING

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

Reference is also made to the joint announcement issued by Hunan Nonferrous Metals Jinsheng Development Company Limited and the Company on 11 December 2014 (the "**Joint Announcement**"), in relation to, amongst other things, the Offers. Capitalised terms used in this announcement shall have the same meanings as those defined in the Joint Announcement, unless the context herein otherwise requires.

The board of directors of the Company (the "**Board**") anticipates that for the year ended 31 December 2014, the Group is expected to record a turnaround to unaudited loss attributable to the owners of the Company in an amount between RMB500 million to RMB580 million as compared to the audited profits attributable to owners of the Company for the year ended 31 December 2013 amounted to

approximately RMB203.99 million. The Board is of the view that the anticipated turnaround from profit to loss is mainly attributable to the following factors: (i) the sales volume and price of antimony decreased simultaneously which resulted in a significant loss; (ii) the price of tungsten concentrates dropped substantially so that the gross profit arising from it got substantially decreased. The profitability of China Tungsten and Hightech Materials Co., Ltd. (中鎢高新材料股份有限公司), a subsidiary of the Company, suffered a great loss due to the reduction in the price of its major products; and (iii) the asset impairment loss went up as compared with the same period of year 2013.

The information released in the profit warning announcement ("Relevant Information") has not been audited and is prepared by the Company based on the preliminary assessment by the Board based on the current information available to the Group, including the management accounts of the Group. Shareholders and prospective investors are advised to exercise caution when dealing in the shares of the Company.

The Relevant Information constitutes a profit forecast under Rule 10 of the Takeovers Code. As such, the Company is required to comply with the requirements under Rule 10 of the Takeovers Code with respect to the Relevant Information which has to be reported on by the Company's auditor/accountants and financial adviser. Taking into account (i) the practical difficulties in terms of the additional time required for the preparation of the reports by the Company's auditor/accountants and financial advisers; and (ii) the requirements of timely disclosures of the inside information under Rule 13.09 of the Listing Rules and Part XIVA of the SFO, the Relevant Information has not been reported on as required under Rule 10 of the Takeovers Code. The Company will arrange for the forecasts to be reported on in accordance with Rule 10 of the Takeovers Code as soon as reasonably practicable and the relevant reports will be contained in the next document to be sent to the Shareholders pursuant to Rule 10 of the Takeovers Code.

Shareholders and potential investors should note that the Relevant Information has not yet been reported on in accordance with the Takeovers Code. Shareholders and potential investors should therefore exercise caution in placing reliance on the Relevant Information in assessing the merits and demerits of the H Share Offer or the transactions contemplated under the Merger Agreement. Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

By Order of the Board

Hunan Nonferrous Metals Corporation Limited*

Li Fuli

Chairman

Changsha, the PRC, 12 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.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement 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 statement in this announcement misleading.

**For identification purpose only*