

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.



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)

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.

Zhuzhou Smelter Group Co., Ltd. (株洲冶煉集團股份有限公司) ("**Zhuzhou Smelter**"), a subsidiary of the Company and whose A shares are listed and traded on the Shanghai Stock Exchange in the People's Republic of China (the "**PRC**") (Stock Code: 600961).

Reference is made to the announcement made by the Company dated 12 January 2015 in respect of the profit alert of the annual results of the Company as at 31 December 2014 (the "**Announcement**").

The board of directors of the Company (the "**Board**") hereby announces that Zhuzhou Smelter has recently received government subsidies allocated by Zhuzhou Bureau of Finance and obtained product tax refund for comprehensive utilization of resources as approved by State Taxation Bureau of Tianyuan District of Zhuzhou. Relevant details are set out as follows:

1. Receiving government subsidies

Zhuzhou Smelter received the *Certificate on Allocation of Comprehensive Environmental Protection Subsidies to Zhuzhou Smelter Group Co., Ltd.* issued by Zhuzhou Bureau of Finance, which states that for the last two years, Zhuzhou Smelter has accumulatively made significant capital investment in performing the work deployment of Zhuzhou in relation to the establishment of a resource-conserving & environmental-friendly society through reinforcing pollution and emission reduction, promoting clean production with technologic upgrading and vigorously improving comprehensive improvement of environmental protection, which has brought relatively favourable results. In order to help Zhuzhou Smelter continuously speed up the development of transformation and upgrading as well as improving the comprehensive governance level in Qingshuitang area, a comprehensive environmental protection subsidy of RMB29.98 million is hereby allocated to Zhuzhou Smelter.

2. Obtaining Tax Refund for Products of Comprehensive Utilization of Resources

According to relevant requirements such as the Notice of Value Added Taxation Policies on Products of Comprehensive Utilization of Resources and Other Products (CAI SHUI [2008] No. 156) and the Notice of Taxation on Adjusting and Improving the Valued Added Tax Policy for Products and Labor Services of Comprehensive Utilization of Resources (CAI SHUI [2011] No. 115), Zhuzhou Smelter has met the requirements under the policy of 50% refund immediately after payment of the Value Added Tax on the sale of vitriol, silver plate, purity indium, bismuth and copper made from raw materials such as industrial exhaust gas, smoke dust, sludge from wet smelting and smelting waste. State Taxation Bureau of Tianyuan District of Zhuzhou has reviewed and approved the application of the 50% refund immediately after payment of the Value Added Tax on vitriol, silver plate, purity indium, bismuth and copper made from raw materials such as industrial exhaust gas, smoke dust, sludge from wet smelting and smelting waste produced and sold by Zhuzhou Smelter. For the 12 months ended 31 December 2014, Zhuzhou Smelter has obtained an accumulative Value Added Tax refund of RMB38.305 million for products of comprehensive utilization of resources.

3. Impact on the Company

According to relevant requirements of Accounting Standards for Business Enterprises, the comprehensive environmental protection improvement subsidies Zhuzhou Smelter has obtained will be recorded into its profit and loss for the year of 2014 as non-operation revenue while the tax refund for products of comprehensive utilization of resources will be recognized as gain of current period upon receipt. The accumulated affect to the current profit and loss of the above is expected to be an amount of RMB68.285 million, which has been taken into account of in the

expected unaudited loss attributable to the owners of the Company in an amount between RMB500 million to RMB580 million as disclosed in the Announcement.

Please refer to the relevant overseas regulatory announcement of the Company published on the website of The Stock Exchange of Hong Kong Limited on 12 January 2015 for more details.

Shareholders and potential investors are advised to exercise caution when dealing in the securities 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.

**For identification purpose only*