



(a joint stock limited company incorporated in the People's Republic of China with limited liability)  
(Stock Code: 2626)

## Hunan Nonferrous Metals Privatisation Notice of Voting at Shareholder Meetings

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Date: 9:00 a.m., 6 March 2015

Venue: Atrium Room, Level 39, Island Shangri-La, Hong Kong  
Pacific Place, Supreme Court Road, Hong Kong

Dear Shareholders,

**Hunan Nonferrous Metals Corporation Limited** (the "Company" or "Hunan Nonferrous Metals", stock code: 2626) announced on 11 December 2014 that China International Capital Corporation Hong Kong Securities Limited, has made on behalf of Hunan Nonferrous Metals Jinsheng Development Company Limited (the "Offeror"), a wholly owned subsidiary of Hunan Nonferrous Metals Holding Group Co. Ltd. ("HNG"), a voluntary conditional cash offer to privatise the Company at an offer price of HK\$4.2 per H share. The Composite Document has been despatched to shareholders on 20 January 2015. As such, the Special General Meeting, the Special General Meeting of the Independent Shareholders and the H Share Class Meeting (the "Shareholder Meetings") will be held on 6 March 2015 to approve the related resolutions. **The Board of Directors hereby urges all shareholders to attend and vote at the Shareholder Meetings. Shareholders are reminded to pay attention to, and to call (if necessary) your financial intermediary, licensed securities dealer (or other registered dealer in securities)/custodian bank or CCASS timely to confirm, the deadline for attending and voting at the Shareholder Meetings, as well as for accepting the H Share Offer.**

Specifically for the Privatisation, the Company has established the Independent Board Committee, which has appointed China Securities (International) Corporate Finance Company Limited to act as the Independent Financial Adviser to offer advice in relation to the Offers, the Delisting and the Merger. As stated in the Composite Document, the Independent Financial Adviser, having taken into consideration of the following key factors, considers the terms of the Offers, the Delisting and the Merger fair and reasonable so far as the Independent Shareholders' interests are concerned:

1. the H Share Offer price represents premium over the historical trading ranges of the Company over a prolonged period, and the P/E multiple and P/B multiple of the H Share Offer were above the P/E multiple range and the P/NAV multiple range, respectively, of both the Comparable Companies and the Company itself;
2. the Company has seen narrowing gross margins, as affected by the globally sluggish demand for nonferrous metals. In a profit warning announcement made by the Company earlier in January 2015, the unaudited loss attributable to the owners of the Company in 2014 is anticipated to be in the range of RMB500-580 million;
3. economic slowdown, unfavourable operating environment, and oversupply of nonferrous metals coupled with the strengthening of US dollar which led to decreases in commodity prices make it a sensible and logical move for the parent company HNG to adopt a strategy in consolidating its group resources;

4. the Company's historical trading has been relatively thin and its share price performance has been lacklustre for a prolonged period of time, which has effectively hampered its function as a capital market platform for funding business development; and
5. it is expected that the Company together with HNG will streamline their nonferrous metals business operations, eliminate overlaps, align interests and integrate resources.

The Independent Board Committee considers the terms of Privatisation fair and reasonable, and therefore recommends the H Shareholders and the Domestic Shareholders to accept respective Offers and to vote in favour of the Delisting and the Merger.

Shareholders are reminded to read the full text of the letter from the Independent Financial Adviser as set out in the Composite Document.

**If you have any questions concerning meeting administrative matters, please call (852) 5808 6588 (general line).**

This helpline is managed by an external service provider engaged by the Offeror and will not provide any information more than what has been disclosed in the Composite Document. This helpline will only provide information on administrative matters (including the procedure for voting and acceptance) and cannot and will not provide advice on the merits of the H Share Offer, the Delisting and/or the Merger or give any financial or legal advice, and will not be soliciting proxies or votes in respect of the resolutions to be voted on at the Special General Meeting, the Special General Meeting of the Independent Shareholders and the H Share Class Meeting.

**We urge all Shareholders to attend the Shareholder Meetings on 6 March 2015; meanwhile, we also advise Shareholders to carefully consider the reduced liquidity of the H Shares after the Delisting becomes effective, and to consider that it may be best for Shareholders to accept the Offers as soon as possible.**

#### **Guidelines to attend and vote at the Shareholder Meetings**

Shareholders may vote in person or by proxy at the Shareholder Meetings. If the H Shares are registered under your name, please complete and sign the WHITE proxy form for Special General Meeting; PINK proxy form for the Special General Meeting of the Independent Shareholders, and GREEN proxy form for the H Share Class Meeting in accordance with the instructions respectively printed thereon, and return the forms as soon as possible (by no later than **9:00 a.m., 5 March 2015**) formally to the Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. The return of the proxy forms will not preclude you from attending and voting in person at the Special General Meeting, the Special General Meeting of the Independent Shareholders and/or the H Share Class Meeting (as applicable) or any adjourned meetings to be held at Atrium Room, Level 39, Island Shangri-La, Hong Kong, Pacific Place, Supreme Court Road, Hong Kong.

If your H Shares are held in the name of the nominee of a financial intermediary or a name other than your own, it may not vote your H Shares without your instructions. You should therefore ensure that it is provided with instructions on how to vote your H Shares by the deadlines set by it (which might be **before 9:00 a.m., 5 March 2015**). If you do not give voting instructions to it, you will not be counted as having voted at the Special General Meeting, the Special General Meeting of the Independent Shareholders and/or the H Share Class Meeting (as applicable) unless you have the H Shares registered in your name and appear in person or by proxy at the Special General Meeting, the Special General Meeting of the Independent Shareholders and/or the H Share Class Meeting (as applicable).

If your H Shares are being held by your licensed securities dealer (or other registered dealer in securities)/custodian bank through CCASS, and you intend to vote at the Special General Meeting,

the Special General Meeting of Independent Shareholders and/or the H Shares Class Meeting (as applicable) or attend in person, you need to call your licensed securities dealer (or other registered dealer in securities)/custodian bank immediately to tell him your intention, ask for a form designated by him, promptly fill out and return the form to him to make sure your instruction form will be received by your licensed securities dealer (or other registered dealer in securities)/custodian bank before its deadline (which might be **before 9:00 a.m., 5 March 2015**), and your licensed securities dealer (or other registered dealer in securities)/custodian bank will lodge your instruction to HKSCC Nominees Limited no later than the deadline prescribed by HKSCC Nominees Limited.

If your H Share(s) have been lodged with your investor participant's account maintained with CCASS and you intend to vote at the Special General Meeting, the Special General Meeting of Independent Shareholders and/or the H Shares Class Meeting (as applicable) or attend in person, you need to authorise your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set out by HKSCC Nominees Limited.

### **Guidelines to accept the H Share Offer**

For shareholders who intend to accept the H Share Offer, if the H Shares are registered under your name, please sign and return the Form of Acceptance and send it back together with related H Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (by no later than **4:00 p.m., 17 March 2015**) to the Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

If your H Shares are in the name of the nominee of a financial intermediary or a name other than your own, please give your instructions authorising it to accept the H Share Offer on your behalf and requesting it to deliver the Form of Acceptance duly completed together with the relevant H Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for the number of H Shares in respect of which you intend to accept the H Share Offer (by no later than **4:00 p.m., 17 March 2015**) to the Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong; or arrange for the H Share(s) to be registered in your name through the Share Registrar and send the Form of Acceptance duly completed together with the relevant H Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

If your H Share(s) have been lodged with your licensed securities dealer (or other registered dealer in securities)/custodian bank through CCASS, please instruct your licensed securities dealer (or other registered dealer in securities)/custodian bank to authorise HKSCC Nominees Limited to accept the H Share Offer on your behalf on or before the deadline set out by HKSCC Nominees Limited (which might be **before 4:00 p.m., 17 March 2015**). In order to meet the deadline set out by HKSCC Nominees Limited, you should check with your licensed securities dealer (or other registered dealer in securities)/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer (or other registered dealer in securities)/custodian bank as required by them.

If your H Share(s) have been lodged with your investor participant's account maintained with CCASS, please authorise your instruction to accept the H Share Offer via the CCASS Phone System or CCASS Internet System on or before the deadline set out by HKSCC Nominees Limited.

The proxy forms and Form of Acceptance, together with fill-in instructions, have been mailed together with the Composite Document. They are also available for download via the Company's website ([www.hnc2626.com](http://www.hnc2626.com)) or the Hong Kong Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)).

We look forward to seeing you at the Shareholder Meetings.

**WARNING:**

**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 notice 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.**

**Hunan Nonferrous Metals Corporation Limited  
Li Fuli  
Chairman**

3 February 2015

*As at the date of this notice, 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 notice and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this have been arrived at after due and careful consideration and there are no other facts not contained in this notice, the omission of which would make any statements in this notice misleading.*

*Unless otherwise specified, all terms in capital letters carry the same meaning as defined in the Composite Document dated 20 January 2015.*