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湖南有色金屬股份有限公司

HUNAN NONFERROUS METALS CORPORATION LIMITED

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

(Stock Code: 2626)

**ANNOUNCEMENT
PROFIT WARNING**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

PROFIT WARNING

It is expected that the unaudited net profit of the Group for the six months ended 30 June 2008 may decrease significantly as compared with the unaudited net profit of the same period in 2007.

Potential investors and shareholders of the Company should exercise caution when dealing in the securities of the Company.

This announcement is made by (the Hunan Nonferrous Metals Corporation Limited “Company”, and 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”).

PROFIT WARNING

It is expected that the unaudited net profit of the Group for the six months ended 30 June 2008 may decrease significantly as compared with the unaudited net profit of the same period in 2007.

The unaudited net profit of the Group for the six months ended 30 June 2007 amounted to approximately RMB 504.4 million.

The board of directors of the Company (“Board”) considers that the anticipated decrease in unaudited net profit was, among other things, primarily attributable to that there was a substantial decrease in the average selling price of the zinc products in the six months ended 30 June 2008 as compared with the same period of 2007.

This profit warning announcement is only based on the preliminary calculations by the Board in accordance with the management accounts of the Group. Shareholders of the Company and investors are advised to carefully read the interim report of the Company for the six months ended 30 June 2008, which is expected to be published on the website of the Company at www.hnc2626.com and on the website of Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk around the end of August 2008.

Potential investors and shareholders of the Company should exercise caution when dealing in the securities of the Company.

By Order of the Board
Hunan Nonferrous Metals Corporation Ltd.
He Renchun
The Chairman

Changsha, PRC
5 August 2008

As at the date of this announcement, the Board of Directors of the Company comprises Messrs. He Renchun, Li li, Liao Luhai, and Chen Zhixin as executive directors, Messrs. Cao Xiuyun, Wu Longyun, Zhang Yixian, and Yu Jiang as non-executive directors and Messrs. Gu Desheng, Chan Wai Dune, Chen Xiaohong and Wan Ten Lap as independent non-executive directors

**The English name of the Company is for identification purpose only*