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MMG LIMITED

五礦資源有限公司

(Incorporated in Hong Kong with limited liability)

(STOCK CODE: 1208)

**CONNECTED TRANSACTION
KINSEVERE EXPANSION PROJECT
GOODS AND SERVICES AGREEMENT-MACHINE MAINTENANCE DEVICES**

Goods and Services Agreement of Machine Maintenance Devices

MMG has approved and is progressing, the development of the Kinsevere Expansion Project at the Kinsevere Mine. This includes the installation of new facilities and associated processing methodology involving a concentrator plant, roaster system and cobalt processing circuit into which the existing SX-EW plant will be integrated.

On 19 September 2023, MMG Kinsevere and Beijing Dadi entered into the Goods and Services Agreement for the supply of Machine Maintenance Devices for the Kinsevere Expansion Project.

Listing Rules Implications

Beijing Dadi is a wholly-owned subsidiary of MCCT, which is a wholly-owned subsidiary of MCC Ltd. The MCC Group has an interest of 49.18% in MCC Ltd. The MCC Group is a wholly-owned subsidiary of CMC. As a result, the Goods and Services Agreement constitutes a connected transaction for the Company.

As some of the relevant percentage ratios in respect of the Goods and Services Agreement are more than 0.1% but less than 5% (including when aggregated with pre-existing connected transactions), such connected transactions are subject to the reporting, annual review and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Goods and Services Agreement

MMG is progressing the development of the Kinsevere Expansion Project at the Kinsevere Mine.

On 19 September 2023, MMG Kinsevere and Beijing Dadi entered into the Goods and Services Agreement for the supply of Machine Maintenance Devices (**Goods**) and installation and commissioning guidance services. The principal terms of the Goods and Services Agreement are set out below.

Agreement with Beijing Dadi

- Parties : (1) MMG Kinsevere
(2) Beijing Dadi

- Term : Delivery at Shanghai port within 11 weeks from execution of the Goods and Services Agreement and MMG Kinsevere’s acceptance of the Goods in accordance with the terms of the Goods and Services Agreement.

- Scope : Supply of 24 Machine Maintenance Devices and the associated spares, installation and commissioning guidance services.

- Consideration : Lump sum payment of US\$162,322 (contract sum).

- Payment terms : Advance Payment: 30% of the contract sum to the contractor within 14 Business Days of MMG receiving of agreed documentation.

 Shipment Payment: 60% of contract sum payable upon the completion of the packing of all the agreement goods subject to receipt of agreed documentation.

 Site Delivery Payment: 5% of contract sum payable upon confirmation of receipt of equipment at the Kinsevere mine in DRC and open-box inspected.

 Acceptance Payment: 5% of contract sum payable upon the completion of commissioning and submission of the Warranty Guarantee of 5% of contract sum.

In order to determine to award the Goods and Services Agreement, MMG Kinsevere conducted an inquiry to invitation process. After the pre-qualification assessment of six vendors, two were deemed to be qualified and the proposals from these two companies were received. The project team conducted a commercial and technical evaluation of the proposals, and Beijing Dadi was selected as the preferred supplier, as Beijing Dadi was materially lower in price and met the technical requirements. Beijing Dadi has a good, long-term partnership with MMG, including providing procurement services of instrumentation for the Cobalt Plant, air and gas receiver, laboratory devices and other materials.

The terms of the Goods and Services Agreement was arrived at after arm’s length negotiations between the parties. MMG Kinsevere assessed that the terms agreed with Beijing Dadi are

reasonable, commercial and at least as favourable to MMG Kinsevere as those of other independent parties taking part in the tender process, and that it is in the best interests of the Company, when compared with alternative suppliers as demonstrated through its tender process, to award the Goods and Services Agreement to Beijing Dadi.

REASONS FOR AND BENEFITS OF THE GOODS AND SERVICES AGREEMENT

The entering into of the Goods and Services Agreement has the benefit of delivery of goods necessary for the construction of the Kinsevere Expansion Project, which are on terms that are in the commercial interests of the Group.

The terms of the Goods and Services Agreement have been reviewed and approved by the Directors (including the independent non-executive Directors but excluding the Interested Directors), who are of the view that the terms of the Goods and Services Agreement and the transactions contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Group, and are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Interested Directors, each holding position(s) at CMC and/or CMN, have abstained from voting on the Board resolution approving the Goods and Services Agreement in order to avoid any possible conflicts of interest.

LISTING RULES IMPLICATIONS

Beijing Dadi is a wholly-owned subsidiary of MCCT, which is a wholly-owned subsidiary of MCC Ltd. The MCC Group has an interest of 49.18% in MCC Ltd. The MCC Group is a wholly-owned subsidiary of CMC. As a more than 30% controlled company of CMC, Beijing Dadi is therefore an associate of CMC and a connected person of the Company under the Listing Rules. As a result, the Goods and Services Agreement constitutes a connected transaction for the Company.

Pursuant to Rule 14A.76(2) of the Listing Rules, as some of the relevant percentage ratios in respect of the Goods and Services Agreement are more than 0.1% but less than 5% (including when aggregated with pre-existing connected transactions), the Goods and Services Agreement are subject to the reporting, annual review and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The pre-existing connected transactions include the following Purchase Agreements:

Supply of Piping Materials of the Cobalt Plant

- Parties : (1) MMG Kinsevere
(2) Beijing Dadi

- Term : Delivery at CPT Lubumbashi International Airport, DRC within 20/30 days after purchase order issuance (7 March 2023)

- Scope : Flanges and pipe fittings

- Consideration : Lump sum payment of US\$47,700

Payment terms : 100% payment after shipment

Tender Process : Request for Quotation

Supply of Materials for Leaching Tank

Parties : (1) MMG Kinsevere
(2) Beijing Dadi

Term : Delivery at Lubumbashi International Airport, DRC within 26 days after purchase order issuance (4 May 2023) and Delivery at FOB Shanghai, China within 26 days after purchase order issuance (4 May 2023)

Scope : Flanges and pipe fittings

Consideration : Lump sum payment of US\$31,500

Payment terms : 100% payment after shipment

Tender Process : Request for Quotation

Supply of SAG Mill Ball Charger

Parties : (1) MMG Kinsevere
(2) Beijing Dadi

Term : Delivery at Shanghai port within 7 weeks from the Agreement Date (20 April 2023)

Scope : SAG Mill Ball Charger

Consideration : Lump sum payment of US\$36,000

Payment terms : Advance Payment: 30% of the contract sum to the contractor within 14 Business Days of receipt of agreed documentation.

Shipment Payment: 60% of contract sum payable upon release of the equipment at a PRC port subject to receipt of agreed documentation.

Commissioning Payment: 5% of contract sum payable upon confirmation of successful commissioning.

Warranty Expiry Payment: 5% of contract sum, payable upon the expiry of the warranty period providing there are no outstanding warranty claims.

Key Performance Indicators (KPIs) : 0.5% of the total contract sum per week delay in liquidated damages will be claimed against late delivery of Goods within 7 weeks from Commencement Date

Tender Process : Invitation to tender

Supply of Bolts and Nuts for Leaching Tank

Parties	:	(1) MMG Kinsevere (2) Beijing Dadi
Term	:	Delivery at CPT - Lubumbashi International Air within 35 days after purchase order issuance (26 April 2023)
Scope	:	Bolts and Nuts for leaching tank
Consideration	:	Lump sum payment of US\$10,800
Payment terms	:	100% payment after shipment
Tender Process	:	Request for Quotation

Supply of Cables for Tailings Transfer System

Parties	:	(1) MMG Kinsevere (2) Beijing Dadi
Term	:	Delivery at Chinese Airport within 1 month from the purchase order date (29 May 2023)
Scope	:	7 types of cable and 1 pair of cable terminal
Consideration	:	Approximately US\$20,094 (contract sum)
Payment terms	:	100% of the sum to the contractor upon confirmation of receipt of equipment at the Kinsevere mine in DRC.
Key Performance Indicators (KPIs)	:	0.1% of the total contract sum per week delay in liquidated damages will be claimed against late delivery of Goods within 1 months from Commencement Date
Tender Process	:	Request for Quotation

Supply of Three Flanges

Parties	:	(1) MMG Kinsevere (2) Beijing Dadi
Term	:	Delivery in accordance with Incoterm DDP MMG Kinsevere SARL, 10 days after the issuance of Purchase Order (10 May 2023)
Scope	:	3 flanges
Consideration	:	US\$699
Payment terms	:	100% prepayment
Tender Process	:	Request for Quotation

Supply of Sampling Device

Parties	: (1) MMG Kinsevere (2) Beijing Dadi
Term	: 1) Sampler Device: FOB Shanghai Port 15 weeks from the Commencement Date (29 May 2023) 2) On-line Analyser: FOB Shanghai Port 24 weeks from the Commencement Date (29 May 2023)
Scope	: Procurement of Sampler Device and On-line Analyzer
Consideration	: US\$2,309,955
Payment terms	: Advance Payment: 30% of the contract sum to the contractor within 14 Business Days of MMG receiving of agreed documentation. Shipment Payment: 60% of contract sum payable upon the completion of the packing of all the agreement goods subject to receipt of agreed documentation. Acceptance Payment: 10% of contract sum payable upon confirmation of receipt of equipment at the Kinsevere mine in DRC.
Key Performance Indicators (KPIs)	: 0.25% of the total contract sum per week delay in liquidated damages will be claimed against late delivery of Goods within 15 weeks for Sampler Device and 24 weeks for On-line Analyzer from Commencement Date
Tender Process	: Invitation to tender

Supply of Bag Breaker

Parties	: (1) MMG Kinsevere (2) Beijing Dadi
Term	: Delivery at Shanghai port within 6 weeks from the Agreement Date (9 August 2023)
Scope	: Procurement of Bag Breaker
Consideration	: US\$48,500
Payment terms	: Advance Payment: 30% of the contract sum to the contractor within 14 Business Days of MMG receiving of agreed documentation. Shipment Payment: 50% of contract sum payable upon the completion of the packing of all the agreement goods subject to receipt of agreed documentation.

Acceptance Payment: 10% of contract sum payable upon confirmation of receipt of equipment at the Kinsevere mine in DRC.

Warranty Expiry Payment: 10% of contract sum, payable upon the expiry of the warranty period providing there are no outstanding warranty claims. or Payable upon confirmation by MMG's Representative that the Goods have been installed and commissioning accepted at Site after the Contractor provides to MMG the Warranty Guarantee Security: 10% of Contract Sum.

Key Performance Indicators (KPIs) : 0.5% of the total contract sum per week delay in liquidated damages will be claimed against late delivery of Goods within 6 weeks from Commencement Date

Tender Process : Request for Quotation

Supply of Hose Pumps

Parties : (1) MMG Kinsevere
(2) Beijing Dadi

Term : 18 weeks from execution of the Agreement (30 May 2023)

Scope : Procurement of Hose Pumps

Consideration : US\$345,800

Payment terms : Advance Payment: 30% of the contract sum to the contractor within 14 Business Days of MMG receiving of agreed documentation.

Delivery Payment: 60% of contract sum payable upon the completion of delivery subject to receipt of agreed documentation.

Acceptance Payment: 10% of contract sum payable upon confirmation of receipt of equipment at the Kinsevere mine in DRC.

Key Performance Indicators (KPIs) : 0.25% of the total contract sum per week delay in liquidated damages will be claimed against late delivery of Goods within 18 weeks from Commencement Date

Tender Process : Request for Quotation

Supply of Supplemented Gap Spare Parts

Parties : (1) MMG Kinsevere
(2) Minmetals Logistics Group

Term : 23 weeks from the execution of the Agreement (1 August 2023)

Scope : Procurement of Gap Spares Parts

Consideration : US\$47,000

Payment terms : 100% of Goods value to be paid after successful open box inspection.

Tender Process : Request for Quotation

INFORMATION ABOUT THE GROUP

The Group is engaged in exploration, development and mining of zinc, copper, gold, silver and lead deposits around the world.

INFORMATION ABOUT BEIJING DADI

Beijing Dadi is a wholly-owned subsidiary of MCCT, which is a wholly-owned subsidiary of MCC Ltd. The MCC Group has an interest of 49.18% in MCC Ltd. The MCC Group is a wholly-owned subsidiary of CMC.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

associate	has the meaning ascribed to it under the Listing Rules
Beijing Dadi	Beijing Dadi Trading Company Limited, a company incorporated under the laws of the PRC and a subsidiary of CMC
Board	the board of Directors
CMC	中國五礦集團有限公司 (China Minmetals Corporation), a state-owned enterprise incorporated under the laws of the PRC and the ultimate controlling shareholder of the Company
CMN	五礦有色金屬股份有限公司 (China Minmetals Non-Ferrous Metals Company Limited), a company incorporated under the laws of the PRC and the controlling shareholder of the Company
Company or MMG	MMG Limited, a company incorporated in Hong Kong, the securities of which are listed and traded on the Main Board of the Stock Exchange
connected person	has the meaning ascribed to it under the Listing Rules
controlling shareholder	has the meaning ascribed to it under the Listing Rules
Director(s)	the director(s) of the Company
DRC	Democratic Republic of Congo
Goods and Services Agreement	the agreement dated 19 September 2023 between MMG Kinsevere and Beijing Dadi for the the purchase of Machine Maintenance Devices for the Kinsevere Expansion Project

Group	the Company and its subsidiaries from time to time
Hong Kong	the Hong Kong Special Administrative Region of the PRC
Interested Directors	Xu Jiqing, Zhang Shuqiang and Li Liangang
Kinsevere Expansion Project	the project that will mine and process the copper sulphide and cobalt resource located at the Kinsevere mine
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange
MCC Group	China Metallurgical Group Corporation, a company incorporated in PRC and a wholly owned subsidiary of CMC
MCC Ltd	Metallurgical Corporation of China Ltd., a Hong Kong and Shanghai dual-listed company, and a subsidiary of the MCC Group
MCCT	MCC Tongsin Resources Limited a company registered in the British Virgin Islands and a wholly owned subsidiary of MCC Ltd
Minmetals Logistics Group	Minmetals Logistics Group Co., Ltd., a company incorporated in PRC and a subsidiary of CMC
MMG Kinsevere	MMG Kinsevere SARL, a company incorporated in DRC and a wholly owned subsidiary of the Company
PRC	the People's Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
Stock Exchange	The Stock Exchange of Hong Kong Limited
subsidiary	has the meaning ascribed to it under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
%	per cent.

By order of the Board
MMG Limited
Li Liangang
Interim CEO and Executive Director

Hong Kong, 19 September 2023

As at the date of this announcement, the Board comprises six directors, one of which is an executive director, namely Mr Li Liangang; two are non-executive directors, namely Mr Xu Jiqing (Chairman), Mr Zhang Shuqiang; and three are independent non-executive directors, namely Dr Peter William Cassidy, Mr Leung Cheuk Yan and Mr Chan Ka Keung, Peter.