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MMG LIMITED

五礦資源有限公司

(Incorporated in Hong Kong with limited liability)

(STOCK CODE: 1208)

SUPPLEMENTAL ANNOUNCEMENT ON CONTINUING CONNECTED TRANSACTION KINSEVERE COBALT SALES FRAMEWORK AGREEMENT

Reference is made to the announcement of MMG Limited (Company) dated 9 May 2024 in relation to the entering into the Sales Framework Agreement with CMN for the sale of crude cobalt hydroxide concentrate by MMG Kinsevere (Announcement). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Company would like to provide the following supplemental information in relation to the continuing connected transaction contemplated under the Sales Framework Agreement.

Basis of pricing and pricing policy

As disclosed in the Announcement, CMN may purchase or MMG Kinsevere may sell the Product at prices determined on an arms' length basis and comparable to the prevailing market rates or at rates similar to those offered by MMG Kinsevere to any other independent third party. The Company would like to further clarify that the basis for determining the prices to be paid by CMN under the Sales Framework Agreement is as follows:

Pursuant to the Framework Agreement between MMG Kinsevere and CMN, the pricing of the Product is calculated with reference to prices provided by market participants through general market engagement over agreed quotation periods; less agreed deductions negotiated with reference to prevailing pricing indices and after having approached at least two independent parties. Given that such pricing mechanism is in line with the market practice of the cobalt industry and is consistent with that prevailing for comparable metals at the time of each sales agreement, the Company considers such transactions under the Framework Agreement to be conducted on normal commercial terms and not prejudicial to the interests of the Group and its shareholders as a whole.

By order of the Board
MMG Limited
Cao Liang
CEO and Executive Director

Hong Kong, 29 May 2024

As at the date of this announcement, the Board comprises six directors, of which one is an executive director, namely Mr Cao Liang; two are non-executive directors, Mr Xu Jiqing (Chairman) and 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.