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MMG LIMITED

五礦資源有限公司

(Incorporated in Hong Kong with limited liability)

(STOCK CODE: 1208)

PROFIT WARNING

This announcement is made by MMG Limited (Company, 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 (Listing Rules) and the Inside Information Provisions (as defined under the Listing Rules).

The board of directors of the Company (Board) wishes to inform the shareholders and potential investors of the Company that the Company is expected to record a net loss after tax attributable to equity holders for the six months ended 30 June 2023 of approximately US\$58.8 million, as compared to the net profit after tax attributable to equity holders of US\$79.5 million recorded for the six months ended 30 June 2022.

The expected result represents some challenges in the underlying operating and market conditions that the Company encountered in the first half of 2023, compared with the performance in the first half of 2022. These challenges included:

- The 34-day suspension of operations at Dugald River following a tragic incident at the mine in February, resulting in lower volumes;
- A higher consumption of third-party ore at Kinsevere to offset the reduced oxide ore mined during the transition to mining sulphide ores;
- Lower commodity prices for copper and zinc, particularly in the second quarter of 2023 after the resumption of sales at Las Bambas and Dugald River; and
- Higher financing costs due to a rising interest rate environment, although the level of debt has reduced.

The Company is still in the process of finalising its financial results of the Group for the first half of 2023. The information contained in this announcement is based on a preliminary assessment made by the Board and information currently available and may be subject to adjustment and change.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 31 July 2023

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