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**MMG LIMITED**

**五礦資源有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(STOCK CODE: 1208)**

## CONTINUING CONNECTED TRANSACTION SHIPPING FRAMEWORK AGREEMENT

### **Shipping Framework Agreement**

On 24 January 2025, the Company entered into the Shipping Framework Agreement with Minmetals Logistics in relation to the provision of ocean transport by Minmetals Logistics for the shipment of the products of the Group.

Minmetals Logistics is a wholly-owned subsidiary of CMC, the ultimate controlling shareholder of the Company, and is therefore an associate of CMC and a connected person of the Company under the Listing Rules. As a result, the Shipping Framework Agreement constitutes a continuing connected transaction for the Company.

As some of the relevant percentage ratios in respect of the Shipping Framework Agreement are more than 0.1% but all of them are less than 5%, the transaction constitutes a continuing connected transaction which is subject to the reporting, annual review and announcement requirements, but exempt from the independent shareholders' approval requirements, under Chapter 14A of the Listing Rules.

### **SHIPPING FRAMEWORK AGREEMENT**

As part of the ordinary and usual course of business, the Group engages ocean transport from various shipping services providers and/or brokers for the shipment of its products, including copper, zinc and lead concentrates.

On 24 January 2025, the Company entered into the Shipping Framework Agreement with Minmetals Logistics in relation to the provision of ocean transport by Minmetals Logistics for the shipment of the products of the Group from time to time during the term of the Shipping Framework Agreement.

The principal terms of the Shipping Framework Agreement are set out below.

- Parties : (1) Company  
(2) Minmetals Logistics
- Services to be purchased : Provision of ocean transport for the shipment of the products of the Group between ports nominated by the Group pursuant to specific voyage charter party agreements on normal commercial terms to be negotiated by the parties on an arm's length basis from time to time
- Term : The period from 24 January to 31 December 2025
- Pricing of sea freight : Prices will be expressed in US Dollars determined on an arm's length basis and consistent with the prevailing international market practice and rates at the time for similar services which shall be based on the freight rate to be paid per wet metric ton, such rate to be inclusive of all port charges, pilotages, light dues, port agents' fees and all other dues usually paid by the relevant vessel
- Other applicable rates will be as negotiated but will include, without limitation, load rates at an agreed rate of wet metric tons per weather workings days for the applicable port, discharge rates at an agreed rate of wet metric tons per weather working day with agreed laytime and demurrage and despatch rates at a rate of US Dollars per day, that are consistent with the current shipping market for similar services
- Payment terms : Payment will be made in accordance with the terms of each voyage charter party provided always that 95% of the total payment will be paid on bill of lading weight at least 7 days from signing and release of bills of lading

If the Company wishes to engage ocean transport for the shipment of its products, the Company may advise Minmetals Logistics of its vessel requirements for the particular cargo. The Company may, in addition, place its requirements into the open market through a panel of shipping brokers selected by the Company. Minmetals Logistics may submit an offer to the Company in response to those requirements and the Company will evaluate the offer having regard to current freight market conditions and, where the requirements have been placed in the open market, offers submitted by other parties.

If selected by the Company, Minmetals Logistics shall fix a vessel under a voyage charter party agreement to be negotiated by the parties on commercial arm's length terms, but which will be consistent with the terms of the Shipping Framework Agreement and will include international terms for similar voyage charter party agreements addressing (without limitation) contract/shipment period and spread, nominated vessels, freight rates, payment terms and other

usual conditions (including those dealing with laytime, demurrage, loading and discharging terms).

The terms of the Shipping Framework Agreement were arrived at after arm's length negotiations between the Company and Minmetals Logistics.

### **ANNUAL CAP**

The maximum aggregate amount to be paid under the Shipping Framework Agreement for a calendar year during the term of the Shipping Framework Agreement is capped at USD16.0 million for 2025. The annual cap was determined by reference to the agreed pricing principles set out in the Shipping Framework Agreement, projected production volumes and schedules of the Group, requirements of buyers including loading and discharging points and prevailing and projected international market sea freight rates for similar services from Peru and Australia.

### **REASONS FOR AND BENEFITS OF THE SHIPPING FRAMEWORK AGREEMENT**

The Group's principal activities include the production of copper, zinc and lead concentrates, and as part of its ordinary and usual course of business the Group sells these products and requires ocean transport to deliver such products to its customers. Engaging the services of Minmetals Logistics has the benefit of making additional shipping services available to the Company, therefore allowing the Company to maximise its delivery options and to consequently both (i) meet its obligations to customers in a timely manner and (ii) manage the production schedules and ensure efficient operations of Group members.

In view of the continuing nature of the transactions which are the subject of the Shipping Framework Agreement, the Directors (including the independent non-executive Directors) believe that the entering into of the Shipping Framework Agreement has the benefit of reducing the administrative burden and costs associated with compliance with laws and regulations to which the Group is subject.

The Directors (including the independent non-executive Directors but excluding the Interested Directors) are of the view that the Shipping Framework Agreement is on normal commercial terms, and is 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 Shipping Framework Agreement in order to avoid any possible conflict of interest issue.

### **LISTING RULES IMPLICATIONS**

Minmetals Logistics is a wholly-owned subsidiary of CMC, the ultimate controlling shareholder of the Company, and is therefore an associate of CMC and a connected person of the Company

under the Listing Rules. As a result, the Shipping Framework Agreement constitutes a continuing connected transaction for the Company.

Pursuant to Rule 14A.76(1) of the Listing Rules, as some of the relevant percentage ratios in respect of the Shipping Framework Agreement are more than 0.1% but all of them are less than 5%, the transaction constitutes a continuing connected transaction which is 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 Shipping Framework Agreement also includes a provision which entitles the Company to suspend or terminate the Shipping Framework Agreement or any individual voyage charter party that has been entered into by the parties should the Company be unable to satisfy any requirements of the Listing Rules.

## **INFORMATION ABOUT THE GROUP**

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

## **INFORMATION ABOUT MINMETALS LOGISTICS**

Minmetals Logistics is a wholly-owned subsidiary of CMC, the ultimate controlling shareholder of the Company. Minmetals Logistics is principally engaged in the business of providing ocean transport for dry bulk cargo, break-bulk and containers for operations such as the Group and the shipping market in general.

## **DEFINITIONS**

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

associate	has the same meaning ascribed to it under the Listing Rules
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 Co., Ltd), a State-owned enterprise incorporated under the laws of the PRC and a controlling shareholder of the Company
Company	MMG Limited, a company incorporated in Hong Kong with limited liability, the securities of which are listed and traded on the main board of the Stock Exchange operated by 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
Group	the Company and its subsidiaries from time to time
Hong Kong	the Hong Kong Special Administrative Region of the People's Republic of China
Interested Directors	Xu Jiqing, Zhang Shuqiang and Cao Liang
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange
Minmetals Logistics	Minmetals Logistics Group Co., Ltd, a company incorporated in the PRC and a wholly-owned subsidiary of CMC
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)
Shipping Framework Agreement	the agreement dated 24 January 2025 between the Company and Minmetals Logistics described in this announcement
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)
%	Percent

*Unless otherwise specified, conversion of US\$ into HK\$ in this announcement is based on the exchange rate of US\$1.00 = HK\$7.80 for the purpose of illustration only. No representation is made and there is no assurance that US\$ or HK\$ can be purchased or sold at such rate.*

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

Hong Kong, 24 January 2025

*As at the date of this announcement, the Board comprises seven directors, of which one is an executive director, namely Mr Cao Liang; two are non-executive directors, namely Mr Xu Jiqing (Chairman) and Mr Zhang Shuqiang; and four are independent non-executive directors, namely Dr Peter William Cassidy, Mr Leung Cheuk Yan, Mr Chan Ka Keung, Peter and Ms Chen Ying.*