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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 the Company pursuant to rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform holders of the Company's shares and potential investors that, based on information currently available to the Board, the Group is expected to record a material decrease in its net profit for the six months ended 30 June 2013 as compared with that for the six months ended 30 June 2012.

This announcement is made by MMG 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) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the SFO).

The board of directors of the Company (Board) wishes to inform holders of the Company's shares and potential investors that, based on information currently available to the Board, the Group is expected to record a material decrease in its net profit for the six months ended 30 June 2013 as compared with that for the six months ended 30 June 2012 (H1 2012). Based on information currently available, MMG expects to report earnings before interest, tax, depreciation and amortisation of approximately 25% less than that in H1 2012 and profit of approximately 75% less than that in H1 2012.

The expected decrease in net profit is principally attributable to:

- (1) lower copper, zinc and gold prices, which were on average 7%, 2% and 8% lower respectively as compared to H1 2012;
- (2) lower zinc and gold sales volumes, which were 7% and 47% lower respectively as compared to H1 2012;

- (3) increased total operating expenses resulting from additional mining activity and corresponding production volumes (the Company mined 41% more ore in the six months ended 30 June 2013 as compared to H1 2012); and
- (4) increased depreciation and amortisation expenses resulting from additional mining activity (depreciation and amortisation expenses increased by approximately 45% as compared to those in H1 2012).

The Company released its Second Quarterly Production Report for the three months ended 30 June 2013 on 22 July 2013, which detailed the Company's production and cost data for the six months ended 30 June 2013. The Company remains on track to deliver annual guidance of 170,000 – 185,000 tonnes of copper and 572,000 – 590,000 tonnes of zinc in 2013. The Company is also on track to meet its C1 cost guidance as detailed in the Second Quarterly Production Report.

This announcement is based only on a preliminary review of the unaudited management accounts of the Group and the current information available, which has not been confirmed or audited by the Company's auditor. The Company is still in the process of finalising the interim results of the Group for the six months ended 30 June 2013 and the Board expects that these interim results will be announced on 28 August 2013.

By order of the Board
MMG Limited
Andrew Gordon Michelmore
CEO and Executive Director

Hong Kong, 15 August 2013

As at the date of this announcement, the board of directors of the Company comprises nine directors, of which three are executive directors, namely Mr. Andrew Gordon Michelmore, Mr. David Mark Lamont and Mr. Xu Jiqing; three are non-executive directors, namely Mr. Wang Lixin (Chairman), Mr. Jiao Jian and Mr. Gao Xiaoyu; and three are independent non-executive directors, namely Dr. Peter William Cassidy, Mr. Anthony Charles Larkin and Mr. Leung Cheuk Yan.