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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 CHAPTER 14A OF THE LISTING RULES

Continuing Connected Transaction under Chapter 14A of the Listing Rules

On 23 December 2014, LXML entered into the Copper Cathode Sale Agreement with CMN. CMN is the controlling shareholder of the Company and is therefore a connected person of the Company under the Listing Rules. As a result, the Copper Cathode Sale Agreement constitutes a continuing connected transaction for the Company.

As the relevant percentage ratios in respect of the Copper Cathode Sale Agreement are less than 5%, it 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.

COPPER CATHODE SALE AGREEMENT

On 23 December 2014, LXML entered into the Copper Cathode Sale Agreement with CMN in relation to the sale of Sepon copper cathode by LXML to CMN. The principal terms of the Copper Cathode Sale Agreement are set out below.

Parties : (1) LXML
(2) CMN

Product to be sold : Copper Cathode Grade A Sepon brand compliant with LME Copper physical contract specifications.

Total quantity of product to be sold	:	12,000 metric tonnes to be delivered monthly between January 2015 and June 2015.
Term	:	Commencing on 1 January 2015 and concluding on the date on which all obligations of the parties are fulfilled (expected to be no later than 30 September 2015).
Sale price	:	Calculated as the sum of (a) the LME Copper Cash Settlement Quotation as published in the London Metal Bulletin averaged over the agreed Quotational Period plus (b) an agreed premium.
Quotational Period	:	Month of shipment.
Payment	:	The Provisional Payment and the Final Payment are to be made in US dollars.
Delivery Terms	:	CIF (Incoterms 2010®).

The terms of the Copper Cathode Sale Agreement were arrived at after arm's length negotiations between LXML and CMN and are consistent with terms for LME Registered Grade A copper cathode sold by major global copper cathode producers in North Asia and China. The agreed premium is comparable to premiums for similar quality copper cathode sold in the region by overseas suppliers.

ANNUAL CAPS

The Company proposes that the maximum aggregate amount to be paid under the Copper Cathode Sale Agreement for the period from 1 January 2015 to 30 June 2015 will be US\$80,000,000 (approximately HK\$624,000,000). This annual cap was determined by reference to the historical LME Copper Cash Settlement Quotation, the estimated future LME Copper Cash Settlement Quotation and the estimated total quantity of Sepon copper cathode to be sold by LXML to CMN under the Copper Cathode Sale Agreement.

REASONS FOR AND BENEFITS OF THE COPPER CATHODE SALE AGREEMENT

The Group's principal activities include the production and sale of metal products, including copper cathode. As part of its ordinary and usual course of business, the Group sells some of its products to CMN at prices and on terms which are consistent with prevailing market rates and conditions for the relevant products.

GENERAL

The Directors (including the independent non-executive Directors) are of the view that the terms of the Copper Cathode Sale Agreement are on normal commercial terms, and are fair and reasonable and in the interests of the shareholders of the Company as a whole. No Director has any material interest in the transaction contemplated under the Copper Cathode Sale Agreement which prohibits him/her to vote on the resolution of the Board to approve the Copper Cathode Sale Agreement and no Director has abstained from approving such Board resolution.

IMPLICATIONS UNDER THE LISTING RULES

CMN is the controlling shareholder of the Company and is therefore a connected person of the Company under the Listing Rules.

Pursuant to Rule 14A.76(2) of the Listing Rules, as the relevant percentage ratios in respect of the Copper Cathode Sale Agreement are less than 5%, it 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.

INFORMATION ABOUT THE GROUP

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

INFORMATION ABOUT CMN

CMN is one of the largest state-owned enterprises in the mining sector in China. It is engaged in the exploration, development, mining, processing and sale of a wide range of non-ferrous metals including tungsten, rare earth, copper, alumina, lead and zinc.

DEFINITIONS

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

Board	the board of directors of the Company
CMC	中國五礦集團公司 (China Minmetals Corporation), formerly known as 中國五金礦產進出口總公司 (China National Metals and Minerals Import and Export Corporation), a State-owned enterprise incorporated on 7 April 1950 under the laws of the PRC and the ultimate controlling shareholder of the Company
CMCL	中國五礦股份有限公司 (China Minmetals Corporation Limited), a joint stock limited company incorporated on 16 December 2010 under the laws of the PRC and owned as to approximately 87.538% directly by CMC and as to approximately 0.846% directly by 中國五金製品有限公司 (China National Metal Products Co., Ltd.), a wholly owned subsidiary of CMC. CMC has an attributable interest of approximately 88.384% in CMCL as at the date of this announcement
CMN	五礦有色金屬股份有限公司 (China Minmetals Non-Ferrous Metals Company Limited), a joint stock limited company incorporated on 27 December 2001 under the laws of the PRC and owned as to approximately 99.999% directly by CMNH and approximately 0.001% directly by CMCL as at the date of this announcement. CMN is the controlling shareholder of the Company, holding directly and indirectly approximately 73.69% of the total number of shares of the Company in issue as at the date of this announcement

CMNH	五礦有色金屬控股有限公司 (China Minmetals Non-ferrous Metals Holding Company Limited), a joint stock limited company incorporated on 22 December 2009 under the laws of the PRC and a wholly owned subsidiary of CMCL. CMNH is a controlling shareholder of CMN, holding directly approximately 99.999% of CMN as at the date of this announcement
Company	MMG Limited, a company incorporated on 29 July 1988 in Hong Kong with limited liability, the shares 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
Copper Cathode Sale Agreement	means the agreement dated 23 December 2014 between LXML and CMN in relation to the sale of Sepon copper cathode by LXML to CMN
Director(s)	the director(s) of the Company
Final Payment	the final payment made in accordance with usual market practice for the sale of metal products whereby the balance of the value of the entire shipment, based on the final weight and final prices of the shipment as determined in accordance with the terms of the sale agreement, is paid by the buyer or the seller (as the case may be, having regard to the amount of the Provisional Payment) to the other party promptly following receipt of the seller's final invoice
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
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange
LME	the London Metal Exchange
LXML	Lane Xang Minerals Limited, a special purpose company incorporated in Laos on 30 September 1993 to conduct the activities contemplated under the MEPA, which is a non-wholly owned subsidiary of MMG Laos Holdings and a subsidiary of the Company
MEPA	the mineral exploration and production agreement dated 15 June 1993 between MMG Laos Holdings and the Government of Laos, as amended by an agreement dated 30 November 2004

MMG Laos Holdings	MMG Laos Holdings Limited, a company incorporated on 25 May 1993 in the Cayman Islands with limited liability which is an indirect wholly owned subsidiary of the Company
Provisional Payment	the provisional payment which is made in accordance with usual market practice for the sale of metal products whereby 100% of the estimated value of the entire shipment based on shipped weights and a mutually agreed provisional copper price (having regard to recent copper prices prior to shipment), is paid by the buyer within an agreed period after receiving a full set of original documents issued by the seller promptly after shipment including bills of lading, certificate of insurance, certificate of weight, seller's certificate of assay, seller's provisional invoice and seller's certificate of origin
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)
%	percentage

Unless otherwise specified, conversion of US\$ into HK\$ in this announcement is based on the exchange rate of US\$1.00 = HK\$7.8 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

Andrew Gordon Michelmore

CEO and Executive Director

Hong Kong, 23 December 2014

As at the date of this announcement, the Board 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 Jiao Jian (Chairman), Mr Wang Lixin 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.