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MMG LIMITED
五礦資源有限公司

(Incorporated in Hong Kong with limited liability)

(STOCK CODE: 1208)

REVISION OF ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE CMN FRAMEWORK OFFTAKE AGREEMENT

REVISION OF ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE CMN FRAMEWORK OFFTAKE AGREEMENT

Reference is made to the circular issued by the Company on 30 June 2014 in relation to, among others, the continuing connected transactions in relation to the CMN Framework Offtake Agreement. MMG SA entered into the CMN Framework Offtake Agreement with CMN on 27 June 2014, pursuant to which CMN would purchase or would procure other members of the CMN Group to purchase, and MMG SA would sell, a portion of the copper concentrate that MMG SA had purchased from the JV Company pursuant to the MMG Framework Offtake Agreement.

REVISION OF THE EXISTING CMN ANNUAL CAPS

The Board resolved to revise the Existing CMN Annual Caps for the transactions contemplated under the CMN Framework Offtake Agreement for each of the two years ending 31 December 2026 and 31 December 2027. For the avoidance of doubt, the Existing CMN Annual Caps applicable from 2028 until 2034 are set out below, which remains the same as set out in the 2014 Circular.

LISTING RULES IMPLICATIONS

CMN is a controlling shareholder of the Company and is therefore a connected person of the Company under the Listing Rules. As a result, the CMN Framework Offtake Agreement constitutes a continuing connected transaction for the Company.

As the highest applicable percentage ratio in respect of the CMN Framework Offtake Agreement is more than 5%, the CMN Framework Offtake Agreement constitutes a continuing connected transaction which is subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. In respect of the Revised CMN Annual Caps, pursuant to Rule 14A.54(1) of the Listing Rules, the

Company is required to re-comply with the reporting, announcement and shareholders' approval requirements under Chapter 14A of the Listing Rules.

Under Rule 14A.52 of the Listing Rules, the term of an agreement governing a continuing connected transaction must not exceed three years except in special circumstances. As the term of the CMN Framework Offtake Agreement exceeds three years, the Company has appointed the Independent Financial Adviser to explain why a longer period is required and to confirm that it is normal business practice for agreements of this type to be such duration.

EGM

An EGM will be convened at which the Independent Shareholders will consider and, where appropriate, approve the Revised CMN Annual Caps. A circular containing, among other things, (i) further details of the Revised CMN Annual Caps; (ii) the letter of recommendation from the Independent Board Committee; (iii) the letter of advice from the Independent Financial Adviser; (iv) the notice of the EGM; and (v) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 14 October 2026 in accordance with the Listing Rules.

INTRODUCTION

Reference is made to the 2014 Circular. MMG SA entered into the CMN Framework Offtake Agreement with CMN on 27 June 2014, pursuant to which CMN would purchase or would procure other members of the CMN Group to purchase, and MMG SA would sell, a portion of the copper concentrate that MMG SA had purchased from the JV Company pursuant to the MMG Framework Offtake Agreement.

REVISION OF THE EXISTING CMN ANNUAL CAPS

In 2014, the Company applied for, and the Stock Exchange granted, a waiver from strict compliance with the Rule 14A.53 of the Listing Rules such that the Existing CMN Annual Caps can be expressed, instead of as a fixed monetary amount, as a fixed quantity of contained copper in copper concentrate to be sold each year over the duration of the CMN Framework Offtake Agreement.

As stated in the section headed "Reasons for and benefits of the adoption of the Revised CMN Annual Caps" in this announcement, projected annual production volumes at the Las Bambas mine have increased above those estimated in 2014 at the time of the adoption of the Existing CMN Annual Caps. The Revised CMN Annual Caps need to be adopted to take into account the expected production volumes at Las Bambas, and so that the Group can meet its contractual obligation to CMN to deliver 57.31% of the annual production of copper concentrate at Las Bambas, and to ensure ongoing committed revenue streams arising from sales to the CMN Group.

HISTORICAL TRANSACTION QUANTITIES

For the years ended 31 December 2023, 2024, 2025 and the six months ended 30 June 2026, the transaction quantity of tonnes of contained copper in copper concentrate delivered under the CMN Framework Offtake Agreement was as follows:

Year	2023	2024	2025	1H 2026
Existing CMN Annual Caps (in '000 tonnes of copper contained in copper concentrate)	277	277	277	224
Tonnes delivered to CMN (in '000 tonnes of copper contained in copper concentrate)	213	178	234	127
Utilisation rate	76.9%	64.3%	84.5%	56.7%

The Company also confirms that as at the Latest Practicable Date, the actual transaction quantity under the CMN Framework Offtake Agreement has not exceeded the Existing CMN Annual Cap for the year ending 31 December 2026.

REVISED CMN ANNUAL CAPS

Notwithstanding the historical utilisation rates of the Existing CMN Annual Caps, for the reasons set out below, the Board resolved to revise the Existing CMN Annual Caps for the transactions contemplated under the CMN Framework Offtake Agreement for each of the two years ending 31 December 2026 and 31 December 2027 as follows:

Year	2026	2027
Existing CMN Annual Caps (in '000 tonnes of copper contained in copper concentrate)	224	224
Revised CMN Annual Caps (in '000 tonnes of copper contained in copper concentrate)	250	264

The Revised CMN Annual Caps have been determined with reference to (a) the highest expected annual production volume of copper contained in copper concentrate of the Las Bambas Project in each year as determined by the Group; (b) a buffer in the event of over-production; and (c) the portion of the copper contained in copper concentrate to be sold to CMN by MMG SA under the CMN Framework Offtake Agreement, being approximately 57.31% of the total copper contained in copper concentrate produced from the Las Bambas mine. The detailed calculations are set out below:

Year	2026	2027
Highest expected production volume of copper (in tonnes of copper contained in copper concentrate)	400,000	400,000
Multiplied by CMN offtake proportion	57.31%	57.31%
Expected annual transaction volume (in tonnes of copper contained in copper concentrate)	229,240	229,240

Over-production buffer	9.0%	15.0%
Over-production buffer (in tonnes of copper contained in copper concentrate)	20,632	34,386
Calculated annual cap (in tonnes of copper contained in copper concentrate)	249,872	263,626
Proposed Revised CMN Annual Cap (in tonnes of copper contained in copper concentrate)	250,000	264,000

Note: The production volume used in determining the annual cap is based on the Company's current planning assumptions and expectations regarding production at Las Bambas. The assumptions used for determining the annual cap should not be interpreted as formal production guidance.

The lower buffer adopted for 2026 reflects that there are less than four months remaining in 2026 at the time the Revised CMN Annual Caps were proposed and therefore there was greater visibility over actual production and sales volumes. A higher buffer of 15% has been adopted for 2027 to provide flexibility for potential variations in production and sales volumes over a full financial year.

The Existing CMN Annual Caps were determined by reference to estimates of copper concentrate production in 2014, which was prior to the commencement of commercial production at Las Bambas. The Existing CMN Annual Caps have been adopted for 5 year periods, with a cap for 2021 to 2025 of 277,000 tonnes of copper in copper concentrate. Based on the information available to the Company in 2014, the Existing CMN Annual Caps for the following 5 year period are 224,000 tonnes of copper in copper concentrate. Since production has commenced at Las Bambas, the Group has undertaken additional development work and projected annual production volumes have now increased.

At the commencement of each financial year, the Company provides guidance to the market in relation to expected production of metals from each of its mine sites across the Group. In the Quarterly Production Report published on the Stock Exchange website on 21 April 2026, it was disclosed that the Las Bambas mine is targeting the production of 380,000 to 400,000 tonnes of copper contained in copper concentrate during 2026, which target it is on track to meet. In determining the Revised CMN Annual Cap for 2027, the Company has applied a maximum planning assumption of 400,000 tonnes of copper contained in copper concentrate, having regard to its current expectations regarding production at Las Bambas. Such assumption should not be regarded as formal production guidance for 2027. As CMN has committed to buy 57.31% of the total copper contained in copper concentrate produced from the Las Bambas mine under the CMN Framework Offtake Agreement, the revision of the Existing CMN Annual Caps is required.

For the avoidance of doubt, the Existing CMN Annual Caps applicable from 2028 until 2034 are set out below, which remains the same as set out in the 2014 Circular:

Year	2028-2030	2031-2034
Existing CMN Annual Caps (in '000 tonnes of copper contained in copper concentrate)	224	146

As mentioned above, the Revised CMN Annual Caps have been determined based on, amongst others, the expected annual production volume of copper contained in copper concentrate of the Las Bambas Project for 2026-2027. The Company has not finalised its expected annual production volumes for 2028 onwards for the purpose of determining whether any revision to the relevant annual caps is required. Any internal estimates for such periods remain preliminary, are subject to ongoing review and may change having regard to the Company's business plans, operating conditions and other relevant factors. The Company will continue to monitor the position and, if a revision to any annual cap becomes necessary, will comply with the applicable requirements of the Listing Rules.

REVIEW BY INDEPENDENT NON-EXECUTIVE DIRECTORS

The transactions under the CMN Framework Offtake Agreement are subject to the reporting requirements, and the independent non-executive Directors will continue to conduct an annual review of the transactions to assess whether the relevant transactions are conducted in accordance with the terms (including the pricing mechanism) as set out in the CMN Framework Offtake Agreement.

The Directors (including the independent non-executive Directors but excluding the Interested Directors) consider that the internal controls system of the Group is adequate to ensure that such transactions will continue to be on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

REASONS FOR AND BENEFITS OF THE ADOPTION OF THE REVISED CMN ANNUAL CAPS

Since 2014, the Group has undertaken additional development work at the Las Bambas mine in order to operate the Las Bambas project at the best possible production rate with a view to releasing the potential benefits that Las Bambas Project may bring to the Group. As a result, the projected annual production volumes at the Las Bambas mine have increased above those estimated in 2014.

At the same time, fluctuations in production do occur from month to month and from year to year, depending on factors including level of the mining activity, variation in grades of the relevant products, operating variability of the processing plant and any unforeseeable operating and market circumstances, all of which are subject to revisions or updates over the normal course of business operations.

In view of the above, the Revised CMN Annual Caps are proposed to ensure that the Group can meet its contractual obligation to CMN to deliver 57.31% of the annual production of copper concentrate at Las Bambas, and to ensure committed revenue streams arising from sales to the CMN Group. The Revised CMN Annual Caps will accommodate the forecast production at the Las Bambas mine.

The Directors (including the independent non-executive Directors but excluding the Interested

Directors) are of the view that (i) the Revised CMN Annual Caps and the terms of the CMN Framework Offtake Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (ii) the CMN Framework Offtake Agreement and the transactions contemplated thereunder have been entered into on normal commercial terms in the ordinary and usual course of business of the Group.

The Interested Directors, each holding position(s) at CMC and/or CMN, have abstained from voting on the Board resolution approving the Revised CMN Annual Caps in order to avoid any possible conflict of interest issue.

INTERNAL CONTROLS PROCEDURES

In addition to the descriptions above in respect of the determination of and compliance with the Revised CMN Annual Caps, to ensure that the transactions contemplated under the CMN Framework Offtake Agreement, and all of the Company's continuing connected transactions, are conducted in accordance with the terms of the relevant agreements on normal or better commercial terms and are in the interests of the shareholders of the Company as a whole, and compliance with the annual caps, the Company has adopted the following internal controls procedures:

- The Company's marketing and sales department continuously monitors the production performance of the Las Bambas mine and the outlook of the global copper concentrate and relevant metal markets against the relevant annual caps of the applicable sales agreement. Any change which may potentially affect an annual cap is reported to senior management and the Board in a timely manner.
- The Company's marketing and sales department ensures that the pricing of each delivery of the relevant product is determined in accordance with the terms of the applicable sales agreement.
- As such sales agreements are a core component of the Company's business, the Company's senior management has sufficient market knowledge and access to data, which enables them to assess changes to the production performance of the Las Bambas mine, whether the terms of each sales agreement are on normal commercial terms and whether the annual caps are appropriately determined.
- All of the Company's continuing connected transactions, including their annual caps, are annually reviewed and discussed by the independent non-executive Directors of the Company, to confirm that the transactions are in the ordinary and usual course of business of the Company, on normal commercial terms or better, in accordance with the terms of the relevant agreements of the Company, fair and reasonable and in the interests of the Shareholders.
- The independent auditor of the Company conducts an annual review of the transactions and provides a written confirmation to the Board before release of the Company's annual report.

IMPLICATIONS UNDER THE LISTING RULES

CMN is a controlling shareholder of the Company and is therefore a connected person of the Company under the Listing Rules. As a result, the CMN Framework Offtake Agreement constitutes a continuing connected transaction for the Company.

As the highest applicable percentage ratio in respect of the CMN Framework Offtake Agreement is more than 5%, the CMN Framework Offtake Agreement constitutes a continuing connected transaction which is subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. In respect of the Revised CMN Annual Caps, pursuant to Rule 14A.54(1) of the Listing Rules, the Company is required to re-comply with the reporting, announcement and shareholders' approval requirements under Chapter 14A of the Listing Rules.

Under Rule 14A.52 of the Listing Rules, the term of an agreement governing a continuing connected transaction must not exceed three years except in special circumstances. As the term of the CMN Framework Offtake Agreement exceeds three years, the Company has appointed the Independent Financial Adviser to explain why a longer period is required and to confirm that it is normal business practice for agreements of this type to be such duration.

INFORMATION ABOUT THE GROUP

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

INFORMATION ABOUT THE CMC GROUP

The CMC Group 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.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Somerley Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Revised CMN Annual Caps and to explain why a longer period is required and to confirm that it is normal business practice for agreements of this type to be such duration.

The Independent Board Committee, comprising all independent non-executive Directors, has been established to advise the Independent Shareholders on the fairness and reasonableness of the adoption of the Revised CMN Annual Caps, after taking into account the recommendations of the Independent Financial Adviser.

EGM

An EGM will be convened at which the Independent Shareholders will consider and, where

appropriate, approve the Revised CMN Annual Caps. As at the Latest Practicable Date, to the best knowledge of the Directors having made all reasonable enquiries, no Shareholder, other than Minmetals HK which is a subsidiary of CMC, has a material interest in the adoption of the Revised CMN Annual Caps. As such, no Shareholder, other than Minmetals HK, is required to abstain from voting with respect to the adoption of the Revised CMN Annual Caps at the EGM pursuant to the Listing Rules.

A circular containing, among other things, (i) further details of the Revised CMN Annual Caps; (ii) the letter of recommendation from the Independent Board Committee; (iii) the letter of advice from the Independent Financial Adviser; (iv) the notice of the EGM; and (v) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 14 October 2026 in accordance with the Listing Rules.

DEFINITIONS

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

2014 Circular	the circular issued by the Company on 30 June 2014 in relation to, among others, the continuing connected transactions in relation to the CMN Framework Offtake Agreement;
Board	the board of directors of the Company;
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;
CMC Group	CMC and its subsidiaries and associates from time to time (excluding the Group);
CMN	五礦有色金屬股份有限公司 (China Minmetals Non-ferrous Metals Co., Ltd), a company incorporated under the laws of the PRC and the controlling shareholder of the Company;
CMN Framework Offtake Agreement	the framework offtake agreement dated 27 June 2014 and entered into between CMN and MMG SA in relation to the sale by MMG SA to members of the CMN Group of copper concentrate from the Las Bambas Project to be purchased by MMG SA from the JV Company under the MMG Framework Offtake Agreement;
CMN Group	CMN and its subsidiaries and associates from time to time (excluding the Group);
Company	MMG Limited, a company incorporated in Hong Kong, the securities of which are listed and traded on the Stock Exchange;
Director(s)	the director(s) of the Company;

EGM	the extraordinary general meeting of the Company to be held to consider and if thought fit, approve the Revised CMN Annual Caps;
Existing CMN Annual Caps	the existing maximum aggregate annual amount of copper contained in copper concentrate from the Las Bambas Project to be sold by MMG SA to members of the CMN Group under the CMN Framework Offtake Agreement, as set out in the Company's circular dated 30 June 2014;
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;
Independent Board Committee	an independent committee of the Board comprising all of the independent non-executive Directors, namely, Dr Peter William CASSIDY, Mr LEUNG Cheuk Yan, Mr. CHAN Ka Keung, Peter and Ms CHEN Ying established to advise the Independent Shareholders in respect of the Revised CMN Annual Caps;
Independent Financial Adviser	Somerley Capital Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Revised CMN Annual Caps;
Independent Shareholders	Shareholders other than CMN and its associates;
Interested Directors	ZHANG Shuqiang, CAO Liang, ZHAO Jing Ivo, QIAN Song, and YUE Wenjun;
JV Company	MMG South America Management Company Limited, a company incorporated on 11 February 2014 in Hong Kong with limited liability, a non-wholly-owned subsidiary of the Company as at the Latest Practicable Date;
Las Bambas Project	the development, construction and operation of the copper mines, processing facilities and associated infrastructure at the Las Bambas copper project located in the Apurimac region in Peru, together with all activities and infrastructure associated with the transportation and export of products from such mines;
Latest Practicable Date	9 October 2026, being the latest practicable date prior to the publication of this announcement for the purpose of ascertaining certain information contained herein;
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time;

Minmetals HK	China Minmetals H.K. (Holdings) Limited; an indirect subsidiary of CMN and a controlling shareholder of the Company holding approximately 63.72% of the total number of Shares in issue as at the Latest Practicable Date;
MMG Framework Offtake Agreement	the framework offtake agreement dated 27 June 2014 and entered into between MMG SA and the JV Company in relation to the sale of the products from the Las Bambas Project;
MMG SA	MMG South America Company Limited, a company incorporated on 4 May 1990 in Hong Kong with limited liability, a wholly-owned subsidiary of the Company and a shareholder of the JV Company;
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);
Revised CMN Annual Caps	the revised CMN annual caps under the CMN Framework Offtake Agreement for the two years ending 31 December 2026 and 31 December 2027 in the respective amounts proposed in this announcement;
SFO	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
Share(s)	fully paid share(s) of the Company;
Shareholder(s)	holder(s) of Shares; and
Stock Exchange	The Stock Exchange of Hong Kong Limited.

By order of the Board
MMG Limited
Zhao Jing Ivo
CEO and Executive Director

Hong Kong, 13 October 2026

As at the date of this announcement, the Board comprises nine directors, of which two are executive directors, namely Mr Zhao Jing Ivo and Mr Qian Song; three are non-executive directors, namely Mr Zhang Shuqiang, Mr Cao Liang (Chairman) and Mr Yue Wenjun; 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.