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MMG LIMITED

五礦資源有限公司

(Incorporated in Hong Kong with limited liability)

(STOCK CODE: 1208)

**FINANCIAL UPDATE
AND ANNOUNCEMENT RELATING TO
RULE 13.18 OF THE LISTING RULES**

The board of directors (Board) of the Company announces certain details relating to funding arrangements recently entered into by the Company and its subsidiaries.

FACILITY AGREEMENT WITH ICBC

This announcement is made pursuant to Rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (Listing Rules).

The Board of MMG Limited (Company) is pleased to announce that on 21 December 2020 MMG Finance Limited (MMG Finance), a wholly owned subsidiary of the Company entered into a new facility agreement with Industrial and Commercial bank of China Limited (Melbourne) (ICBC) (2020 ICBC Facility), pursuant to which ICBC (as Lender) has agreed to provide MMG Finance (as Borrower) with a US\$300,000,000 revolving credit facility for a term of 3 years. The 2020 ICBC Facility is available for general corporate purposes and continues a strong partnership between the Company and ICBC.

The 2020 ICBC Facility, which is unsecured, will have the support of a guarantee provided by the Company. Further guarantee support will be provided by 五礦有色金屬股份有限公司 (China Minmetals Non-ferrous Metals Co. Ltd.) (CMN, a controlling shareholder of the Company) pursuant to a guarantee agreement to be entered into by CMN and Industrial and Commercial Bank of China Limited (Beijing).

Pursuant to the terms of the 2020 ICBC Facility, amongst other events, on the occurrence of the Company ceasing to be a subsidiary of CMN or MMG Finance ceasing to be a wholly owned subsidiary of the Company, ICBC may declare all outstanding loans under the 2020 ICBC Facility immediately due and payable.

SHAREHOLDER LOANS

In July 2020, the Company announced that, in advance of finalising negotiations with ICBC regarding the 2020 ICBC Facility, it had entered into a short-term, low cost US\$300,000,000 revolving credit facility with Top Create Resources Limited, a wholly owned subsidiary of CMN (Top Create) (Shareholder Revolving Facility). The Shareholder Revolving Facility, which was recently amended to now expire in June 2021, will remain in place along with the 2020 ICBC Facility.

In December 2017 the Company announced that the 4 year term loan of up to US\$2,262,000,000 (Las Bambas Shareholder Loan Agreement) from Top Create to MMG South America Company Limited (a wholly owned subsidiary of the Company) entered into in July 2014 to finance its 62.5% equity contribution to the Las Bambas joint venture entity MMG South America Management Company Limited, had been amended to, among other things, extend the term to 11 years, and to vary the repayment schedule and interest rates.

The Company is pleased to announce that, the parties to the Las Bambas Shareholder Loan Agreement have entered into a further amendment agreement that will result in:

- a deferral until July 2024 of the US\$700,000,000 first tranche loan repayment that was falling due in July 2021; and
- in recognition of the prevailing interest rate environment, a reduction in the range of fixed interest rates applicable to tranches under the Las Bambas Shareholder Loan Agreement to between 2.2% and 4.5% (previously 3.7% and 4.5%).

This is a further demonstration of the strong support that the Company enjoys from its controlling shareholder. The reduced interest rate, which comes into effect from July 2021, will result in annualised interest savings for the Company of approximately US\$10,500,000.

Each of the directors (including each of the independent non-executive directors but excluding the interested directors) is satisfied that the terms of the Las Bambas Shareholder Loan Agreement and the Shareholder Revolving Facility continue to be on normal commercial terms (or better to the Company) and continue to provide no security over the assets of the Company and its subsidiaries to Top Create. The interested directors, holding position(s) at China Minmetals Corporation (the ultimate controlling shareholder of the Company) and/or CMN, including Guo Wenqing, Zhang Shuqiang, Gao Xiaoyu, Jiao Jian and Xu Jiqing, have abstained from voting on the resolutions approving the amendment of the Las Bambas Shareholder Loan Agreement and Shareholder Revolving Facility in order to avoid any possible conflict of interest issue.

By order of the Board
MMG Limited
Gao Xiaoyu
CEO and Executive Director

Hong Kong, 22 December 2020

As at the date of this announcement, the Board comprises eight directors, of which one is an executive director, namely Mr Gao Xiaoyu; four are non-executive directors, namely Mr Guo Wenqing (Chairman), Mr Zhang Shuqiang, Mr Jiao Jian 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.