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MMG LIMITED
五礦資源有限公司

(Incorporated in Hong Kong with limited liability)
(STOCK CODE: 1208)

INSIDE INFORMATION

SIGNING OF DEED OF RELEASE IN RELATION TO DISPOSAL OF THE CENTURY MINE AND PROFIT IMPACT

This announcement is made by MMG Limited (Company or MMG and together with its subsidiaries, the Group) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (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).

Reference is made to the announcement of the Company dated 28 February 2017 in relation to the disposal by the Group of the Century Mine (Disposal). As part of the Disposal, MMG Management Pty Ltd (MMG Management), a wholly owned subsidiary of the Company, entered into a Bank Guarantee Support Agreement (BGSA) whereby the Group undertook to maintain bank guarantee support for certain obligations to the State of Queensland and others. The arrangement was due to terminate on 31 December 2026.

In connection with the BGSA, the Group entered into certain guarantee and security arrangements in relation to, among others, the granting of security interests by the guarantors or grantors of such guarantee and security arrangements, as amended from time to time, (collectively, the Security Grantors) in favour of MMG Management.

The value of the supported bank guarantees that remain outstanding is A\$181,291,150.06 as of the date of this announcement.

The Company announces that, on 25 November 2021, MMG Management entered into a deed of release (which shall take effect on 30 November 2021 (Effective Date)) pursuant to which MMG Management has agreed to release and discharge the Security Grantors from their obligations and liabilities under all of the existing securities interests granted by them in favour of the Group on the basis that on the Effective Date, New Century Resources Limited (i) has arranged for the return and cancellation of supported bank guarantees provided at the request of MMG Management; (ii) makes a cash payment to MMG Management of A\$625,000 in discharge of amounts owing to MMG Management under the BGSA; (iii) enters into a new bank guarantee support agreement with MMG Management; and (iv) provides cash collateral in the aggregate amount of A\$250,000 to MMG Management for an outstanding exposure.

As a result of the cancellation and return of the bank guarantees on the Effective Date, MMG expects to record a net profit after tax impact of between US\$140,000,000 and US\$150,000,000 in the current financial year.

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

Hong Kong, 25 November 2021

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 Jiao Jian, Mr Zhang Shuqiang 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.