

# Directors and Senior Management

## Directors' biographies

### Chairman

#### MR XU JIQING

Mr Xu, aged 56, was redesignated from an Executive Director to a Non-executive Director of the Company in January 2020 and was appointed as the Chairman of the Company in August 2023. Prior to his redesignation, he was an Executive Director and Executive General Manager of the Company from May 2013 to December 2019 with responsibility for various areas, most recently China Relations, Marketing and Supply. Mr Xu was also a Non-executive Director of the Company from May 2009 to May 2013. He is a member of the Company's Audit and Risk Management Committee and the Governance, Remuneration, Nomination and Sustainability Committee.

Mr Xu was appointed as a director and the Chairman of China Minmetals Non-ferrous Metals Co., Ltd (CMN) since February 2016 and September 2023 respectively. He was the President of CMN from January 2020 to September 2023.

Mr Xu holds a Bachelor's degree in Accounting from the University of International Business and Economics in the PRC, and a Master's degree in Business Administration from Saint Mary's University in Canada. He is a qualified senior accountant in the PRC, a fellowship member of the Certified General Accountants Association of Canada and a chartered professional accountant member of the Chartered Professional Accountants of British Columbia, Canada. Mr Xu has extensive experience in strategic planning, accounting, marketing and corporate financial and risk management.

Mr Xu joined the CMC Group in 1991, holding a number of management roles from 1997 in various Finance departments. He was the Vice President and CFO of CMN between 2005 and 2013.

### Executive Director

#### MR LI LIANGANG

Mr Li, aged 59, was appointed as the Interim CEO and an Executive Director of the Company in January 2022. He has served on the Executive Committee of the Company including as the Executive General Manager – Commercial since January 2020 with responsibility for the Supply and Marketing functions, and the Executive General Manager – Australia and Commercial from July 2020 to May 2022 with responsibilities for the Dugald River and Rosebery operations and Australia support functions. He was appointed as the Executive General Manager – Commercial and Development with effect from 1 February 2024. Mr Li was also responsible for the Africa operations from January 2022 until May 2022. He is also a director of two subsidiaries of the Company.

Mr Li holds a Bachelor's degree in English language from the Normal College for Foreign Language of Beijing Union University in the PRC. He has extensive experience in international business and the non-ferrous metals industry.

Mr Li joined CMC in 1987. He has held various senior management positions with subsidiaries of CMC in the PRC, Australia, Mexico and the USA. Mr Li was also a Director of the Company from 2009 to 2012. He was a Vice President of CMN in Beijing, leading several global trading departments from 2016 to 2018. Mr Li was the President and CEO of Minmetals Inc. (L.A.) from 2018 to 2019.

# Directors and Senior Management Continued

## Non-executive Director

### MR ZHANG SHUQIANG

Mr Zhang, aged 57, was appointed as a Non-executive Director of the Company in February 2017. He is a member of the Company's Audit and Risk Management Committee.

Mr Zhang has been the Auditor – General of CMC since August 2023; the General Manager of Audit Department of CMC and Supervisor of China Minmetals Corporation Limited since April 2023. He was appointed as a director of CMNH since January 2016 and was designated as a chairman of CMNH in February 2021. Mr Zhang was the General Manager of the Finance Department of CMC from January 2016 to April 2023, a director of CMN from February 2016 to March 2023, and a director of Minmetals HK since August 2016. He was the Chairman of Minmetals Finance Co., Ltd. from September 2018 to April 2023. Mr Zhang was appointed as a director of China Rare Earth Group Co., Ltd since December 2021.

Mr Zhang graduated from Zhejiang Metallurgical Economy College in the PRC, majoring in Financial Accounting. He also obtained a Master's degree in Economics from Wuhan University of Technology in the PRC.

Mr Zhang started his career at China National Nonferrous Metals Import and Export Corporation, working as the Financial Accountant since 1987. From 1997 to 2000, he served as the Deputy Chief of the Finance Division of China National Nonferrous Metals Industry Trading Group Corporation. From 2000 to 2002, Mr Zhang served as the Assistant General Manager of the Finance Department of China National Nonferrous Metals Industry Trading Group Corporation. He also served as the Assistant General Manager (from April 2002 to March 2003) and the Deputy General Manager (from March 2003 to October 2005) of the Finance Department of CMN. From October 2005 to May 2013, Mr Zhang was the Deputy General Manager of the Finance Department of CMC. From May 2013 to December 2015, he served as the Vice President and the CFO of CMN and CMNH. From December 2015 to January 2016, Mr Zhang was the acting Deputy General Manager of the Finance Department of CMC. From December 2016 to August 2018, he was a director of Minmetals Development Co., Ltd. From April 2017 to May 2020, Mr Zhang was a director of Minmetals Capital Co., Ltd. and from July 2017 to June 2020, he was a director of Minmetals Innovative Investment Co., Limited. Mr Zhang was the Vice Chairman and a director of Xiamen Tungsten Co. Ltd (a company listed on the Shanghai Stock Exchange) from January 2014 to December 2014. He was also a director of Hunan Nonferrous Metals Holding Group Co., Ltd from August 2013 to January 2017 and a director of China Tungsten and Hightech Materials Co., Ltd. (a company listed on the Shenzhen Stock Exchange) from June 2016 to November 2018.

## Independent Non-executive Directors

### DR PETER CASSIDY

Dr Cassidy, aged 78, was appointed as an Independent Non-executive Director of the Company in December 2010. He is the Chairman of the Company's Governance, Remuneration, Nomination and Sustainability Committee and a member of Audit and Risk Management Committee.

Dr Cassidy is a metallurgical engineer with over 50 years' experience in the resources and energy sectors, including more than 30 years as a director of major public companies listed in Australia, Canada, the USA and Hong Kong. Following his retirement from the position of CEO of Goldfields Limited in 2001, he has served as a non-executive director on the Boards of companies involved in the base metals, precious metals and renewable energy generation sectors. Dr Cassidy was also a member of the Board of Advice of Monash University Division of Mining and Resources Engineering.

Dr Cassidy has most recently been involved in the development and operation of major mining and processing projects in Australia, Peru, the PRC, Laos, Papua New Guinea, the DRC and Côte d'Ivoire.

# Directors and Senior Management Continued

## **MR LEUNG CHEUK YAN**

Mr Leung, aged 72, was appointed as an Independent Non-executive Director of the Company in July 2012. He is a member of the Company's Audit and Risk Management Committee and Governance, Remuneration, Nomination and Sustainability Committee.

Mr Leung is a solicitor admitted to practise law in Hong Kong, England and Wales, and Victoria and the Australian Capital Territory in Australia. He holds a Bachelor of Social Science (First Class Honours) degree from the Chinese University of Hong Kong, and a Master of Philosophy degree from the University of Oxford. Mr Leung, a corporate finance and capital markets specialist, was a partner at Baker & McKenzie and for many years the head of its securities practice group in Hong Kong. He retired from Baker & McKenzie in 2011.

Mr Leung was an independent non-executive director of Bank of China Limited (a company listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange) from September 2013 to September 2019.

## **MR CHAN KA KEUNG, PETER**

Mr Chan, aged 72, was appointed as an Independent Non-executive Director, the Chairman of the Audit and Risk Management Committee and a member of the Governance, Remuneration, Nomination and Sustainability Committee of the Company in December 2019.

Mr Chan graduated from Hong Kong Polytechnic majoring in accounting. He is a member of Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants of the United Kingdom, an associate member of The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) of the United Kingdom, and a member of CPA Australia.

From January 1994 to December 2008, Mr Chan served as Beijing-based managing partner of the Tax and Investment Advisory Service Department and then managing partner of the NPA Transaction Advisory Service Department of Ernst & Young. He also served as member of the executive committee of the Hong Kong Chamber of Commerce in China from 1996 to 2003 and the Chairman of Hong Kong Chamber of Commerce in China in 2000 and 2003. Mr Chan was an independent non-executive director of CRRC Corporation Limited (a company listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange) from June 2014 to May 2018. He was also an independent non-executive director of Metallurgical Corporation of China Ltd. (a company listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange) and China Railway Signal & Communication Corporation Limited (a company listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange) from November 2015 to April 2020 and from August 2018 to February 2022 respectively.

# Directors and Senior Management Continued

## Biographies of senior management

### **MR TROY HEY, EXECUTIVE GENERAL MANAGER – CORPORATE RELATIONS**

Mr Hey, aged 53, has served on the Executive Committee of the Company since August 2013 in his capacity as the Executive General Manager – Stakeholder Relations. His present role title is Executive General Manager – Corporate Relations. In this role, he is responsible for Stakeholder Relations, Corporate Affairs, Human Resources, Global Business Services, Technology and Legal and Company Secretarial. Mr Hey is also a director of a number of subsidiaries of the Company.

Prior to joining the Company as General Manager – Stakeholder and Investor Relations in April 2011, Mr Hey was the General Manager – Media and Reputation at Foster's Group since 2005. He was previously the Group Manager – Public Affairs for WMC Resources Limited, up to its acquisition by BHP Billiton Limited in 2005. Mr Hey began his career in economic and public policy consultancy at the Allen Consulting Group and Australian Centre for Corporate Public Affairs, before working across the aviation, entertainment and mining sectors.

Mr Hey has over 20 years' experience in government, media, community and investor relations, economic and public policy, industry association and communications management.

Mr Hey has dual degrees in Law and Commerce from the University of Melbourne and is the recipient of an Australia-Japan Foundation Language Scholarship at Kwansei Gakuin University, Nishinomiya, Japan.

### **MR WEI JIANXIAN, EXECUTIVE GENERAL MANAGER – AMERICAS**

Mr Wei, aged 58, has served on the Executive Committee of the Company since December 2019 in his capacity as the Executive General Manager – Americas. He is also a director of a number of subsidiaries of the Company.

Mr Wei was appointed as a director and the Chairman of Lumina Copper SAC in October 2020.

Prior to joining the Company, Mr Wei was the President of Minmetals Mining Holdings Limited. He previously held the positions of the President of Minmetals Hanxing Mining Co., Ltd and the President of Anhui Kaifa Mining Co., Ltd., managing the construction and operation of one of the China's largest underground mines.

Mr Wei has over 30 years of both open pit and underground mining experience covering operations management and mine planning.

Mr Wei is a Professoriate Senior Engineer of Mining and holds a Bachelor's degree in Mining Engineering from The Beijing Institute of Iron and Steel Engineering (now known as University of Science and Technology Beijing) in the PRC.

# Directors and Senior Management Continued

## **MR NAN WANG, EXECUTIVE GENERAL MANAGER – OPERATIONS**

Mr Wang, aged 51, has served on the Executive Committee of the Company since May 2022 in his capacity as the Executive General Manager – Australia and Africa and redesignated as the Executive General Manager – Operations which has integrated group operational accountability with operational excellence since 1 February 2024. He is also a director of a number of subsidiaries of the Company.

Mr Wang is a mining executive with over 20 years of management, technical and operational experience, in open cut and underground operations. He previously spent over six years at MMG in Australia as Group Manager Mining between 2013 and 2019 and had extensive knowledge of MMG's operations.

Prior to his time at MMG, Mr Wang worked with Gold Fields Limited as Vice President and Head of Technical Services for West African Regional operations in Ghana. He also previously worked for various mining companies in different commodities.

Mr Wang has a Bachelor of Engineering – Mining (Honours), University of Queensland, Australia and is a Member of the Australian Institute of Mining and Metallurgy (MAusIMM).

## **MR QIAN SONG, EXECUTIVE GENERAL MANAGER – FINANCE**

Mr Qian, aged 52, was appointed as Executive General Manager – Finance of the Company with effect from 1 February 2024. He brings to the role significant executive experience within CMC and was most recently the CFO of Minmetals Innovative Investment Co., Limited. Prior to this role, Mr Qian was the Vice President of Capital Markets of CMC from 2019 to 2022. He was also employed by the Company from 2010 to 2012 in the role of Group Manager Board Support.

Mr Qian has over 3 decades of invaluable experience in global treasury systems and a profound understanding of commercial and investment banking, financial markets, and cross-cultural integration in mining assets as well as multi-industrial assets, both domestically and internationally.

# Directors' Report

The board of directors of the Company (Board) is pleased to present the Annual Report together with the audited Financial Statements of the Group for the year ended 31 December 2023.

## Principal activities

The principal activities of the Group during the financial year were exploration, development and mining of copper, zinc, cobalt, gold, silver, molybdenum and lead deposits around the world.

The full details of the principal activities of the Company's subsidiaries are set out in Note 15 to the Consolidated Financial Statements.

An analysis of the Group's revenue for the year ended 31 December 2023 by reportable segments, together with their respective contributions to profit from operations (EBIT), is set out in Note 4 to the Consolidated Financial Statements.

## Strategy and business review

MMG's vision is to create a leading international mining company for a low carbon future. We mine to create wealth for our people, host communities and shareholders with an ambition to grow and diversify our resource, production and value, by leveraging Chinese and international expertise.

MMG has established strong foundations that support future growth and development. The Company has four strategic drivers that are embedded into corporate planning and decision-making processes:

- **China Champion:** Building on the strength of the world's largest commodity consumer to create a sustainable competitive advantage.
- **Business Miner:** Adopting a mindset that leverages excellence in owning and operating mines to generate superior returns on investment, enhancing our ability to fund and deliver future growth.
- **Federation of MMG:** Embracing the advantages of an empowered and diverse operating structure with core group disciplines and guiding values that drive a unique way of working across our international footprint.
- **Delivering Progress:** Taking pride in mining's role in driving social progress through local, regional and national contributions and delivering materials for a changing world.

Aligned with achievement of its ambitions, the Company is structured along the following lines:

- **Operations:** Largely self-sufficient sites, with regional offices driving local efficiencies.
- **Group Operations Support:** A limited number of experts in areas critical to the operation of the global asset base.
- **Global Services:** Lowest cost delivery of truly global and shared activities.
- **Corporate:** A lean corporate office, based in Melbourne and Beijing, focused on only what is needed to operate and govern a listed business and deliver inorganic growth.

The Board is committed to sustaining the successful model that brings together the best fit management team and a strong relationship with China that draws upon the strength of the world's largest commodities consumer, provides deep understanding of markets and access to its sources of funding.

The Company is focused on containing costs, continually improving productivity, growing its resource base and maintaining a strong balance sheet while pursuing disciplined growth.

A review of the business of the Group during the year, possible risks and uncertainties that the Group may be facing, and a discussion on the Group's future business development are provided in the Chairman's Review, CEO's Report and the Management Discussion and Analysis in this Annual Report.

# Directors' Report Continued

In addition to financial performance, the Group maintains a belief that a high standard of corporate social responsibility is essential for building good corporate and social relationships, motivating staff and creating sustainable returns. Further discussion on the Group's environmental policies and performance, relationships with its key stakeholders and compliance with relevant laws and regulations which have a significant impact on the Group is provided on pages 97 to 109 of this Annual Report.

## Major customers and suppliers

During the year, sales to the largest customer and the five largest customers in aggregate accounted for approximately 41.3% and approximately 78.4% of the total sales of the Group respectively. Purchases from the five largest suppliers to the Group in aggregate accounted for approximately 16.9% of the total purchases of the Group during the year.

Apart from CMC, the ultimate controlling Shareholder, having an interest of approximately 88.4 % in one of the five largest customers, none of the Directors or any of their close associates or any Shareholders (which to the knowledge of the Directors, owned more than 5% of the total number of issued shares of the Company) had any beneficial interest in any of the five largest customers or suppliers of the Group.

## Results and appropriations

The results of the Group for the year ended 31 December 2023 are set out in the Consolidated Statement of Profit or Loss in the Financial Statements on page 117 of this Annual Report.

No interim dividend was declared for 2023 (2022: nil). The Board does not recommend the payment of a final dividend for the year ended 31 December 2023 (2022: nil).

## Reserves

Movements in reserves of the Group during the year are set out in Note 24 to the Consolidated Financial Statements.

## Distributable reserves

Details of the distributable reserves of the Company as at 31 December 2023 are set out in Note 24 to the Consolidated Financial Statements.

## Property, plant and equipment

Movements in property, plant and equipment during the year are set out in Note 12 to the Consolidated Financial Statements.

## Borrowings

Particulars of borrowings of the Group, as at 31 December 2023, are set out in Note 25 to the Consolidated Financial Statements.

During 2023, the Company and its subsidiaries continued to maintain loan agreements that included conditions imposing specific performance obligations on a controlling Shareholder. A breach of such an obligation would cause a default in respect of loans that are significant to the operations of the issuer, the details of which are set out below.



# Directors' Report Continued

## Loan agreements with covenants relating to specific performance of the controlling shareholder

In accordance with the continuing disclosure requirements under Rule 13.21 of the Listing Rules, following are the details of the Group's facility agreements that contain covenants requiring specific performance obligations of the controlling Shareholders.

### 1. Facility granted by China Development Bank, Bank of China Limited, Sydney Branch, Bank of Communications Co., Ltd. and The Export-Import Bank of China to Minera Las Bambas S.A.

On 19 October 2020, Minera Las Bambas S.A. (MLB) entered into a US\$800.0 million three-year credit facility for its operational funding requirements with each of CDB, BOC Sydney, ICBC Macau and EXIM Bank, (2020 Las Bambas Facility). In June 2022, ICBC Macau transferred its interests in the 2020 Las Bambas Facility to BOCOM.

On 29 September 2023, the all outstanding amounts were repaid in full, and the 2020 Las Bambas Facility was terminated.

Up until 20 September 2023, under the 2020 Las Bambas Facility, upon the occurrence of the following events, CDB, BOC, BOCOM and EXIM may, by not less than 20 days' notice to MLB, declare all outstanding loans under their respective facility agreement immediately due and payable:

- (a) China Minmetals Corporation (CMC) ceases to beneficially hold more than 50% of the issued share capital of the Company; or
- (b) CMC ceases to have the power, directly or indirectly, to:
  - (i) cast, or control the casting of, more than 50% of the maximum number of votes that might be cast at a general meeting of the Company; or
  - (ii) appoint or remove all, or the majority, of the directors or other equivalent officers of the Company; or
  - (iii) give directions with respect to the operating and financial policies of the Company with which the directors or other equivalent officers of the Company are obliged to comply.

The same control requirements are imposed on the Company in relation to its interest in and control of MLB, failing which CDB, BOC Sydney, BOCOM and EXIM Bank may also cancel commitments and declare all outstanding loans under their respective facility agreement immediately due and payable.

### 2. Facility granted by Industrial and Commercial Bank of China Limited to MMG Finance Limited

On 21 December 2020, MMG Finance Limited (MMG Finance) entered into a facility agreement (ICBC Facility) pursuant to which ICBC agreed to provide MMG Finance with a US\$300.0 million revolving credit facility for a term of three years for general corporate purposes. The outstanding amount of US\$300.0 million was repaid in full in December 2023.

On 15 December 2023, the ICBC Facility was renewed for a further three years until 15 December 2026. As at 31 December 2023, the ICBC Facility was undrawn.

Under the ICBC Facility, an event of default will occur in the event that the Company ceases to be a subsidiary of CMN, or MMG Finance ceases to be a wholly owned subsidiary of the Company, and ICBC is entitled to declare all outstanding loans under the facilities immediately due and payable.



# Directors' Report

## Continued

### 3. Facility granted by Bank of China Limited, Sydney Branch to MLB

On 26 April 2023, MLB entered into a US\$275.0 million three-year revolving loan facility for its general funding requirements with BOC Sydney (2023 BOC Facility). The 2023 BOC Facility replaced the US\$175.0 million working capital facility that BOC Sydney granted to MLB from August 2019 to August 2022. As at 31 December 2023, the 2023 BOC Facility was undrawn.

Under 2023 BOC Facility, upon the occurrence of the following events, BOC Sydney may, by not less than 5 days' notice to MLB, declare all outstanding loans under the facility agreement due and payable:

- (a) CMC ceases to beneficially hold more than 50% of the issued share capital of the Company; or
- (b) CMC ceases to have the power, directly or indirectly, to:
  - (i) cast, or control the casting of, more than 50% of the maximum number of votes that might be cast at a general meeting of the Company;
  - (ii) appoint or remove all, or the majority, of the directors or other equivalent officers of the Company; or
  - (iii) directions with respect to the operating and financial policies of the Company with which the directors or other equivalent officers of the Company are obliged to comply.

The same control requirements are imposed on the Company in relation to its interest in, and control of MLB, failing which the Lenders may also declare all outstanding loans under the Facility Agreement immediately due and payable.

### 4. Facility granted by Industrial and Commercial Bank of China Limited, Panama Branch to MLB

On 18 June 2023, MLB entered into a US\$150.0 million revolving credit facility for working capital funding with ICBC Panama, (June 2023 ICBC Facility). The June 2023 ICBC Facility is comprised of three tranches of US\$50.0 million available with a term of three years and to be drawn pursuant to facility agreements with the ICBC Panama. The June 2023 ICBC Facility replaced the US\$175.0 million working capital facility that ICBC Luxembourg granted to MLB from August 2019 to August 2022. As at 31 December 2023, the June 2023 ICBC Facility was undrawn.

Under the June 2023 ICBC Facility, upon the occurrence of the following events, ICBC Panama may, by not less than 3 days' notice to MLB., declare all outstanding loans under the facility agreements immediately due and payable:

- (a) CMC ceases to beneficially hold more than 50% of the issued share capital of the Company; or
- (b) CMC ceases to have the power, directly or indirectly, to:
  - (i) cast, or control the casting of, more than 50% of the maximum number of votes that might be cast at a general meeting of the Company;
  - (ii) appoint or remove all, or the majority, of the directors or other equivalent officers of the Company; or
  - (iii) give directions with respect to the operating and financial policies of the Company with which the directors or other equivalent officers of the Company are obliged to comply.

The same control requirements are imposed on the Company in relation to its interest in and control of MLB, failing which the lenders may also declare all outstanding loans under the facility agreements immediately due and payable.

# Directors' Report Continued

## Five-year financial summary

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on pages 204 to 205 of this Annual Report.

## Share capital

Details of the movements in the Company's share capital are set out in Note 23 to the Consolidated Financial Statements.

## Donations

Donations made by the Group during the year for charitable and community purposes amounted to approximately US\$226,184.

## Directors

The Directors who held office during the year and up to the date of this report are as follows:

### Chairman

Mr XU Jiqing (Non-executive Director)  
(Appointed as the Chairman of the Company on 18 August 2023)

Mr JIAO Jian (Non-executive Director)  
(Resigned as the Chairman of the Company on 31 March 2023)

### Executive Director

Mr LI Liangang (Interim CEO)

### Non-executive Director

Mr ZHANG Shuqiang

### Independent Non-executive Directors

Dr Peter CASSIDY

Mr LEUNG Cheuk Yan

Mr CHAN Ka Keung, Peter

In accordance with article 98 of the articles of association of the Company, Mr Li Liangang will retire by rotation at the forthcoming AGM and, being eligible, offer himself for re-election.

In accordance with article 98 of the articles of association of the Company and code provision B.2.2 in the Appendix C1 of the Listing Rules, Mr Leung Cheuk Yan will retire by rotation at the forthcoming AGM and, being eligible, offer himself for re-election.

The Company has received from each of the Independent Non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers them to be independent.

# Directors' Report Continued

## Directors' service contracts

No Director proposed for re-election at the forthcoming AGM has an unexpired service contract that is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than normal statutory compensation.

## Directors' interests in transaction, arrangement or contract of significance

No contracts of significance to which the Company, any of its holding companies, or any of their subsidiaries was a party, in which a Director had a material interest, subsisted at the end of the year or at any time during the year.

## Directors' interests and short positions in shares, underlying shares and debentures

As at 31 December 2023, the interests and short positions of the Directors and the CEO of the Company or any of their associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (SFO)), which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register required to be kept pursuant to Section 352 of the SFO or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules (Model Code) were as follows:

## Long position in the shares and the underlying shares of the company as at 31 December 2023

Name of Director	Nature of interest	Number of underlying shares held			Approximate percentage of total number of issued shares (%) <sup>3</sup>
		Number of shares held	Options	Performance awards	
LI Liangang <sup>1</sup>	Personal	764,962	-	2,009,859	0.03
XU Jiqing <sup>2</sup>	Personal	940,050	-	-	0.01

Notes:

- The interests of Mr Li Liangang in the 764,962 shares were from the vested performance awards granted to him under 2020 Performance Awards which were subject to meeting performance conditions and vested on 1 June 2023. The interests in the 2,009,859 performance awards were granted under 2021 and 2022 Performance Awards, details of which are set out under the section headed 'Performance Awards' on pages 72 to 74 of this Annual Report.
- The 940,050 shares held by Mr Xu Jiqing were the balance of the vested performance awards granted to him under 2015 Performance Awards in 2015 and 2016 which were subject to holding locks for various periods of up to three years after vesting in 2018.
- The calculation is based on the number of shares and/or underlying shares as a percentage of the total number of issued shares of the Company (that is, 8,656,047,188 shares) as at 31 December 2023.

Save as disclosed above, as at 31 December 2023, none of the Directors or the CEO of the Company or any of their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions, which they are taken or deemed to have under such provisions of the SFO), or which were required to be entered in the register required to be kept pursuant to Section 352 of the SFO or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code. In addition, none of the Directors or the CEO of the Company or any of their associates had

# Directors' Report Continued

been granted or had exercised any rights to subscribe for any equity or debt securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) during the year ended 31 December 2023.

## Directors' interests in competing businesses

During the year ended 31 December 2023, the interests of Directors in a business that competes or is likely to compete with the businesses of the Group, as defined in the Listing Rules, are as follows:

1. Mr Jiao Jian, former Non-executive Director and Chairman of the Company (resigned as the Chairman and Non-executive Director of the Company on 31 March 2023), was:
  - a Vice President of CMC;
  - a director and the President of CMCL; and
  - the Chairman of CMN.
2. Mr Xu Jiqing, a Non-executive Director and Chairman of the Company, is/was: (appointed as Chairman of the Company on 18 August 2023)
  - a director and the Chairman of CMN; and
  - The President of CMN until September 2023.
3. Mr Zhang Shuqiang, a Non-executive Director of the Company, is/was:
  - the General Manager of the Finance Department of CMC until April 2023;
  - the Auditor – General of CMC;
  - a director of CMNH;
  - a director of CMN until March 2023;
  - a director of Minmetals HK; and
  - the Chairman of Minmetals Finance Co., Ltd until April 2023.

Although the Group and the above companies are involved in businesses in the same industry, they are separate companies operated by separate and independent management. The Company is therefore capable of carrying on its business independently of, and at arm's length from, the CMC Group.

## Permitted indemnity and directors' and officers' liability insurance

Pursuant to the articles of association of the Company and subject to the provisions of the Companies Ordinance, every Director or other officer of the Company shall be indemnified out of the assets of the Company against all loss and liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto, provided that such Article shall only have effect in so far as its provisions are not avoided by the Companies Ordinance. The Company has arranged appropriate Directors' and officers' liability insurance coverage for the Directors and officers of the Company during the year.

## Share option scheme

### 2013 Share option scheme

Pursuant to share option scheme adopted at the extraordinary general meeting of the Company (EGM) held on 26 March 2013 (2013 Share Option Scheme), options were granted to eligible participants under 2016 Options. The option period of 2013 Share Option Scheme has been expired in May 2023. As at 31 December 2023, there were no options outstanding which granted under 2016 Options.

# Directors' Report

## Continued

The following is a summary of the principal terms of the 2013 Share Option Scheme:

### 1. Purpose

The purpose of the 2013 Share Option Scheme is to enable the Company to grant awards to selected employees of the Group as incentives or rewards for their contribution or potential contribution to the development and growth of the Group.

### 2. Participants

The Company may grant an option to anyone who is an employee of the Company, its subsidiaries or any other company that is associated with the Company and is so designated by the Directors on the date of grant.

### 3. Total number of shares available for issue under the 2013 Share Option Scheme

There are no outstanding shares available for issue under the 2013 Share Option Scheme as at the date of this report.

### 4. Maximum entitlement of each participant

No option may be granted to any eligible person which, if exercised in full, would result in the total number of shares issued and to be issued upon exercise of the options already granted and to be granted to such eligible person under the 2013 Share Option Scheme (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such new grant exceeding 1% of the total number of issued shares of the Company as at the date of such new grant. Any grant of further options above this limit shall be subject to the requirements under the Listing Rules.

### 5. Period within which the shares must be taken up under an option

The Board may in its absolute discretion determine the period during which an option may be exercised, save that such period shall not be more than 10 years from the date on which such option is granted and accepted subject to the provisions for early termination.

### 6. Minimum period for which an option must be held before it can be exercised

The minimum period for which an option must be held before it can be exercised is 12 months from the date of grant, subject to the Board having the right to determine a longer minimum period at the time of granting the option.

### 7. Time of acceptance and the amount payable on acceptance of the option

No amount is payable upon application or acceptance of an option.

### 8. Basis of determining the exercise price

The exercise price shall be determined by the Board at the time of grant of the relevant option and shall not be less than the highest of:

- the closing price per share of the Company as stated in the Hong Kong Stock Exchange's daily quotations sheet on the date of grant of the relevant option; and
- an amount equivalent to the average closing price per share of the Company as stated in the Hong Kong Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the relevant option.

### 9. The remaining life of the 2013 Share Option Scheme

The 2013 Share Option Scheme was expired in March 2023.

# Directors' Report Continued

## 2016 options

On 15 December 2016, the Company granted options to the eligible participants pursuant to the 2013 Share Option Scheme (2016 Options). The exercise period of 2016 Options expired in May 2023. There were no options outstanding as at 31 December 2023.

During the year ended 31 December 2023, the movements of the 2016 Options were as follows:

Category of participant	Date of grant <sup>1</sup>	Exercise price per share (HK\$)	Exercise Period <sup>2</sup>	Number of options				Balance as at 31 December 2023
				Balance as at 1 January 2023	Granted during the year	Exercised during the year <sup>3</sup>	Lapsed during the year <sup>4</sup>	
Employees of the Group	15 December 2016	2.29	4 years after the date of vesting	3,261,984	-	(3,158,983)	(103,001)	-
<b>TOTAL</b>				<b>3,261,984</b>	<b>-</b>	<b>(3,158,983)</b>	<b>(103,001)</b>	<b>-</b>

Notes:

- 1 The closing price of the shares of the Company immediately before the date on which the options were granted on 15 December 2016 was HK\$2.25 per share.
- 2 The vesting and performance period of the options is three years from 1 January 2016 to 31 December 2018, with 60% of vested options exercisable from 1 January 2019 and 40% of the vested options subject to a 12-month exercise deferral period, such options being exercisable after 1 January 2020. The vesting of options is conditional upon the achievement of certain performance conditions as set out in the respective letters of grant including, among others, achievement of resources growth and market-related performance targets during the vesting period. Options vest on a percentage basis based on the target performance level achieved. Achievement of the Company and individual performance conditions have resulted in 33.33% of the 2016 Options granted to participants vesting on 22 May 2019.
- 3 The weighted average closing price of the shares of the Company immediately before the date on which the options were exercised was HK\$2.83.
- 4 Options lapsed due to the expiry of the exercise period.
- 5 No options were cancelled during the year.

The estimated fair value of the options granted on 15 December 2016 was approximately US\$0.1371 each, estimated as at the date of grant by using the Black-Scholes option-pricing model.

The value of the share options was subject to a number of assumptions and limitations of the option-pricing model, including a risk-free interest rate, option price volatility, expected life of the option, market price of the Company's shares and expected dividend. The risk-free interest rate was 1.89%, the expected volatility used in calculating the value of options was 40% and the expected dividend was assumed to be nil.

The validity period of the options is from the date of vesting until four years from 22 May 2019 to 22 May 2023. The vesting and performance period of the options was three years from 1 January 2016 to 31 December 2018. The 2016 Options vested with an overall outcome of 33.33% of the target values on 22 May 2019. In accordance with the terms and conditions of the 2016 Options, if a participant ceased employment before the expiry of the vesting period, the option would lapse unless the participant departed due to certain specific reasons including ill-health, injury or disability, retirement with the agreement of the employer, redundancy, death, the participating employing company ceasing to be part of the Group and any other reason, subject to approval by the Board. In addition, if a participant ceased employment after expiry of the vesting period, the option would lapse six months after the date the participant ceased to be an employee.

# Directors' Report

## Continued

### Performance awards

The purpose of the performance awards is to assist in the retention and incentivisation of selected employees of Members of the Group and align their interests with the development and growth of the Group.

The Company may grant performance awards to anyone who is an employee of the Group or any other company that is associated with the Company and is so designated by Directors.

The Governance, Nomination, Remuneration and Sustainability Committee has reviewed the following plans for approval by the Board from 1 January 2023 to 31 December 2023:

- Structure of the 2023 Long-Term Incentive (LTI) Plan; and Implement cash plan in place of the LTI Equity Plan if approval for the new 10-year LTI Umbrella Plan cannot be obtained by 31 March 2023;
- Vesting of 33.33% of Performance Share Awards under 2020 Long-Term Incentive Plan; and
- Review 2024 Long-Term Incentive Plan.

Pursuant to the performance awards granted under the Long-Term Incentive Equity Plan, performance awards were granted to eligible participants under the 2020 Performance Awards, 2021 Performance Awards and 2022 Performance Awards. As at 31 December 2023, there were a total of 39,800,298 performance awards granted under the 2021 Performance Awards and 2022 Performance Awards, which represented approximately 0.46% of the total number of issued shares of the Company as at that date.

### 2020 Performance awards

On 29 April 2020, the Company granted performance awards to the eligible participants pursuant to the Long-Term Incentive Equity Plan (2020 Performance Awards). There were a total of 13,120,972 new shares were issued and no performance awards outstanding as at 31 December 2023 as a result of vesting was completed in June 2023.

During the year ended 31 December 2023, the movements of the 2020 Performance Awards were as follows:

Category and name of participant	Date of grant <sup>2</sup>	Number of performance awards					Balance as at 31 December 2023
		Balance as at 1 January 2023	Granted during the year	Vested during the year	Cancelled during the year	Lapsed during the year <sup>3</sup>	
<b>Director</b>							
LI Liangang <sup>1</sup>	29 April 2020	2,295,115	-	(764,962)	-	(1,530,153)	-
<b>Employees of the Group</b>	29 April 2020	45,943,153	-	(12,356,010)	-	(33,587,143)	-
<b>TOTAL</b>		<b>48,238,268</b>	<b>-</b>	<b>(13,120,972)</b>	<b>-</b>	<b>(35,117,296)</b>	<b>-</b>

Notes:

- 1 Upon vesting in June 2023, a portion of the performance awards of 764,962 were vested and 1,530,153 performance awards were lapsed during the vesting period.
- 2 The vesting and performance period of the performance awards is three years from 1 January 2020 to 31 December 2022. The vesting of performance awards is conditional upon the achievement of certain performance conditions as set out in the respective letters of grant including, among others, achievement of resources growth, financial and market-related performance targets during the vesting period. Performance awards vest on a percentage basis based on the threshold and target performance levels achieved. Portions of the vested performance awards will be subject to holding locks for various periods of up to two years after vesting. The performance awards are granted for nil cash consideration. Achievement of the Company and individual performance conditions have resulted in 33.33% of the 2020 Performance Awards granted to participants vesting on 1 June 2023. The closing price on the vesting date and the date before the vesting date were HK\$2.39 and HK\$2.35 respectively. The closing price of the Shares of the Company immediately before the date on which the performance awards were granted on 29 April 2020 was HK\$1.34 per share.
- 3 Performance awards lapsed due to non-achievement of some performance conditions during the vesting period and cessation of employment during the year.



# Directors' Report Continued

The estimated fair value of the performance awards granted on 29 April 2020 was approximately US\$0.1462 each, estimated at the date of grant by using Monte Carlo Simulations (for market-based conditions) and reference to market price of the Company's shares at the date of grant.

The value of the performance awards was subject to a number of assumptions and limitations of the performance awards-pricing model, including a risk-free interest rate, price volatility, expected life of the performance awards, market price of the Company's shares and expected dividend. The risk-free interest rate was 0.80%; the expected volatility used in calculating the value of performance awards was 60.29% and the expected dividend was assumed to be nil.

## 2021 Performance awards

On 21 June 2021, the Company granted performance awards to the eligible participants pursuant to the Long-Term Incentive Equity Plan (2021 Performance Awards). There were 13,665,443 performance awards outstanding as at 31 December 2023, representing approximately 0.16% of the total number of issued shares of the Company as at that date.

During the year ended 31 December 2023, the movements of the 2021 Performance Awards were as follows:

Category and name of participant	Date of grant <sup>2</sup>	Number of performance awards					Balance as at 31 December 2023
		Balance as at 1 January 2023	Granted during the year	Vested during the year	Cancelled during the year	Lapsed during the year <sup>3</sup>	
<b>Director</b>							
LI Liangang <sup>1</sup>	21 June 2021	760,615	-	-	-	-	760,615
<b>Employees of the Group</b>	21 June 2021	14,060,567	-	-	-	(1,155,739)	12,904,828
<b>TOTAL</b>		<b>14,821,182</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,155,739)</b>	<b>13,665,443</b>

Notes:

- Mr Li Liangang was appointed as the Interim CEO and an Executive Director of the Company on 5 January 2022. He was granted 760,615 performance awards on 21 June 2021.
- The vesting and performance period of the performance awards is three years from 1 January 2021 to 31 December 2023. The time of vesting will be on or around June 2024. The vesting of performance awards is conditional upon the achievement of certain performance conditions as set out in the respective letters of grant including, among others, achievement of resources growth, financial and market-related performance targets during the vesting period. Performance awards vest on a percentage basis based on the threshold and target performance levels achieved. Portions of the vested performance awards will be subject to holding locks for various periods of up to two years after vesting. The performance awards are granted for nil cash consideration. The closing price of the Shares of the Company immediately before the date on which the performance awards were granted on 21 June 2021 was HK\$3.39 per share.
- Performance awards lapsed due to cessation of employment during the year.

The estimated fair value of the performance awards granted on 21 June 2021 was approximately US\$0.3928 each, estimated at the date of grant by using Monte Carlo Simulations (for market-based conditions) and reference to market price of the Company's shares at the date of grant.

The value of the performance awards was subject to a number of assumptions and limitations of the performance awards-pricing model, including a risk-free interest rate, price volatility, expected life of the performance awards, market price of the Company's shares and expected dividend. The risk-free interest rate was 0.45%; the expected volatility used in calculating the value of performance awards was 69.06% and the expected dividend was assumed to be nil.

# Directors' Report

## Continued

### 2022 Performance awards

On 21 April 2022, the Company granted performance awards to the eligible participants pursuant to the Long-Term Incentive Equity Plan (2022 Performance Awards). There were 26,134,855 performance awards outstanding as at 31 December 2023, representing approximately 0.30% of the total number of issued shares of the Company as at that date.

During the year ended 31 December 2023, the movements of the 2022 Performance Awards were as follows:

Category and name of participant	Date of grant <sup>1</sup>	Number of performance awards				Lapsed during the year <sup>2</sup>	Balance as at 31 December 2023
		Balance as at 1 January 2023	Granted during the year	Vested during the year	Cancelled during the year		
<b>Director</b>							
LI Liangang	21 April 2022	1,249,244	-	-	-	-	1,249,244
<b>Employees of the Group</b>	21 April 2022	26,802,050	-	-	-	(1,916,439)	24,885,611
<b>TOTAL</b>		<b>28,051,294</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,916,439)</b>	<b>26,134,855</b>

Notes:

- The vesting and performance period of the performance awards is three years from 1 January 2022 to 31 December 2024. The time of vesting will be on or around June 2025. The vesting of performance awards is conditional upon the achievement of certain performance conditions as set out in the respective letters of grant including, among others, achievement of resources growth, financial and market-related performance targets during the vesting period. Performance awards vest on a percentage basis based on the threshold and target performance levels achieved. Portions of the vested performance awards will be subject to holding locks for various periods of up to two years after vesting. The performance awards are granted for nil cash consideration. The closing price of the Shares of the Company immediately before the date on which the performance awards were granted on 21 April 2022 was HK\$3.50 per share.
- Performance awards lapsed due to cessation of employment during the year.

The estimated fair value of the performance awards granted on 21 April 2022 was approximately US\$0.4114 each, estimated at the date of grant by using Monte Carlo Simulations (for market-based conditions) and reference to market price of the Company's shares at the date of grant.

The value of the performance awards was subject to a number of assumptions and limitations of the performance awards-pricing model, including a risk-free interest rate, price volatility, expected life of the performance awards, market price of the Company's shares and expected dividend. The risk-free interest rate was 2.87%; the expected volatility used in calculating the value of performance awards was 68.26% and the expected dividend was assumed to be nil.

# Directors' Report Continued

## Substantial shareholders' interests and short positions in the shares and underlying shares of the company

So far as is known to the Directors and the CEO of the Company, as at 31 December 2023, the following persons had interests or short positions in the shares or underlying shares of the Company that were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or that were recorded in the register required to be kept by the Company under Section 336 of the SFO:

### Long position in the shares of the company as at 31 December 2023

Name of substantial Shareholders	Capacity	Number of shares held <sup>1</sup>	Approximate percentage of total number of issued shares (%) <sup>2</sup>
China Minmetals Corporation (CMC)	Interest of controlled corporations	5,847,166,374	67.55
China Minmetals Corporation Limited (CMCL)	Interest of controlled corporations	5,847,166,374	67.55
China Minmetals Non-ferrous Metals Holding Co., Ltd (CMNH)	Interest of controlled corporations	5,847,166,374	67.55
China Minmetals Non-ferrous Metals Co., Ltd (CMN)	Interest of controlled corporations	5,847,166,374	67.55
Album Enterprises Limited (Album Enterprises)	Interest of controlled corporations	5,847,166,374	67.55
China Minmetals H.K. (Holdings) Limited (Minmetals HK)	Beneficial owner	5,847,166,374	67.55

Notes:

- 1 Minmetals HK is owned as to approximately 39.04%, 38.95% and 22.01% by CMCL, Album Enterprises and Top Create respectively. Album Enterprises and Top Create are wholly owned by CMN that, in turn, is owned as to approximately 99.999% and 0.001% by CMNH and CMCL respectively. CMNH is a wholly owned subsidiary of CMCL. CMCL is owned as to approximately 87.5% by CMC and approximately 0.8% by China National Metal Products Co. Ltd. that, in turn, is a wholly owned subsidiary of CMC. Accordingly, each of CMC, CMCL, CMNH, CMN and Album Enterprises was deemed as interested in the 5,847,166,374 shares of the Company held by Minmetals HK.
- 2 The calculation is based on the number of shares that each person is interested in (whether directly/indirectly interested or deemed to be interested) as a percentage of the total number of issued shares (that is, 8,656,047,188 shares) of the Company as at 31 December 2023.

Save as disclosed above, as at 31 December 2023, there was no other person who was recorded in the register of the Company, as having an interest or short positions in the shares or underlying shares of the Company who was required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was recorded in the register required to be kept by the Company under Section 336 of the SFO.

# Directors' Report

## Continued

### Connected transactions

During the year ended 31 December 2023 the Group had the following material connected transactions, details of which are set out below:

1. On 20 March 2023, the Company announced that MMG Kinsevere had entered into agreements with the 23<sup>rd</sup> Metallurgical Construction Group Co., Ltd. (MCC23) for the purchase of materials for the construction of new administrative facilities and the relocation of existing facilities at the Kinsevere Expansion Project dated 22 April 2022 (Material Purchase Agreements). In April 2022, MMG Kinsevere awarded contracts for the construction, and procurement of materials required for the construction, of a new administration facility and the relocation of existing facilities for use by the Kinsevere Expansion Project team at the Kinsevere Mine to a third party. That party then appointed a connected person of the Company, MCC23, as its subcontractor for the procurement of materials. MCC23 was authorised to execute the Materials Purchase Agreements on behalf of the third party, and therefore entered into the Materials Purchase Agreements directly with MMG Kinsevere. At the time of the execution of the Materials Purchase Agreements, the Company incorrectly classified this transaction as not being subject to compliance with Chapter 14A of the Listing Rules. The Material Purchase Agreements were valued at a total sum of US\$3.2 million and approximately US\$535.0 was paid to MCC23 during 2023.

MCC23 is a subsidiary of CMC, the controlling Shareholder of the Company, it is an associate of CMC and a connected person of the Company under Chapter 14A of the Listing Rules. As a result, the Materials Purchase Agreements constitute connected transactions for the Company and should have been disclosed at the time they were executed.

2. On 4 April 2023, the Company announced that MMG Kinsevere had entered into an agreement with MCC International Incorporation Ltd. (MCCI) for the procurement of materials required for the construction of the concentrator plant that forms part of the processing facility for the KEP, valued at a lump-sum payment of approximately US\$17.0 million. During 2023, approximately US\$5.9 million was paid to MCCI pursuant to the terms of the agreement.

On the same date, MMG Kinsevere had entered into an agreement with Metkins for the procurement of materials in the DRC to enable the construction of the concentrator plant at Kinsevere as part of the KEP project including sand, pebble and concrete, and local co-ordination works for all materials. The procurement agreement was value at a total sum of US\$9.0 million and approximately US\$4.6 million was paid to Metkins during 2023.

MCCI is a wholly owned subsidiary of MCC Ltd. MCC Ltd.'s parent company, China Metallurgical Group Corporation (MCC Group), is a wholly owned subsidiary of CMC, the controlling Shareholder of the Company, and MCCI is therefore an associate of CMC and a connected person of the Company under the Listing Rules. MCCI has a 49% ownership interest in Metkins. As a more than 30%-controlled company of CMC, Metkins is therefore an associate of CMC and a connected person of the Company under the Listing Rules. As a result, the Materials Purchase Agreements both constitute connected transactions for the Company.

3. On 19 September 2023, the Company announced that MMG Kinsevere had entered into a goods and services agreement with Beijing Dadi Trading Company Limited (Beijing Dadi) for the supply of Machine Maintenance Devices for the KEP, valued at a lump-sum payment of approximately US\$162,322. During 2023, no money was paid to Beijing Dadi pursuant to the terms of the agreement.

When the goods and services agreement was executed, some of the relevant percentage ratios in respect of the agreement were more than 0.1% but less than 5%, when aggregated with other connected transactions with connected persons providing services to the KEP in the previous 12-month period. Those agreements were for the supply of piping materials of the cobalt plant with Beijing Dadi (valued at

# Directors' Report Continued

approximately US\$47,700), and agreement with Beijing Dadi for supply of materials for leaching tank (valued at approximately US\$31,500), supply of SAG mill ball charger (valued at approximately US\$36,000), supply of bolts and nuts for leaching tank (valued at approximately US\$10,800), supply of cables for tailing transfer system (valued at approximately US\$20,094), supply of three flanges (valued at approximately US\$699), supply of sampling device (valued at approximately US\$2.31 million), supply of bag breaker (valued at approximately US\$48,500), supply of hose pumps (valued at approximately US\$345,800) and supply of supplemented gap spare parts (valued at approximately US\$47,000).

Beijing Dadi is a wholly owned subsidiary of MCCT, which is a wholly owned subsidiary of MCC Ltd. The MCC Group has an interest of 49.18% in MCC Ltd. The MCC Group is a wholly owned subsidiary of CMC. As a result, the Goods and Services Agreement constitutes a connected transaction for the Company.

- On 18 December 2023, the Company announced that MMG Kinsevere had entered into a goods and services agreement with China ENFI Engineering Corporation (ENFI Corporation) in supply of LV Cabinets for the KEP, valued at a lump-sum payment of approximately US\$2.3 million. During 2023, approximately US\$1.5 million was paid to ENFI Corporation pursuant to the terms of the agreement.

When the agreement was executed, some of the relevant percentage ratios in respect of the agreement were more than 0.1% but less than 5%, when aggregated with other connected transactions with connected persons providing services to the KEP in the previous 12 month period. Those agreements were for the supply of fence materials for TSF3 with Minmetals Logistics Group (valued at approximately US\$34,941), supply of instrumentation for concentrator plant with Beijing Dadi (valued at approximately US\$384,000) and supply of technical review on RGA plant with Changsha Research Institute of Mining And Metallurgy Co., Ltd (valued at approximately US\$45,000).

A 90% stake of ENFI Corporation is held by China ENFI Engineering Co., Ltd (ENFI Ltd), ENFI Ltd is a wholly owned subsidiary of Metallurgical Corporation of China Ltd. (MCC Ltd.). MCC Group holds a 49.18% stake in MCC Ltd. MCC Group is a wholly owned subsidiary of CMC. Therefore, ENFI Corporation and the Company are connected persons. As a result, the Goods and Services Agreement constitutes a connected transaction for the Company.

## Continuing connected transactions

During the year ended 31 December 2023, the Group had the following material continuing connected transactions, details of which are set out below:

- On 27 June 2014, MMG South America Company Limited (MMG SA) entered into an agreement with CMN in relation to the sale of copper concentrate to be purchased by MMG SA from the Las Bambas Project to the CMN Group (Las Bambas CMN Copper Sale Framework Agreement), subject to the approval of the Independent Shareholders. The Independent Shareholders approved the Las Bambas CMN Copper Sale Framework Agreement, and the proposed annual caps on sales, at an EGM held on 21 July 2014.

On 11 January 2016, pursuant to the terms of the Las Bambas CMN Copper Sale Framework Agreement, MMG SA and CMN entered into an agreement to set out the specific terms on which the sale and purchase of the copper concentrate between CMN and MMG SA will be made (Las Bambas CMN Copper Concentrate Offtake Agreement).

In accordance with the Las Bambas CMN Copper Sale Framework Agreement, the term of the Las Bambas CMN Copper Concentrate Offtake Agreement is for the term of the life of the Las Bambas mine. The annual caps with respect to the Las Bambas CMN Copper Sale Framework Agreement are set as a fixed quantity of copper contained in copper concentrate from the Las Bambas Project to be sold by MMG SA to members of the CMN Group in a year, which for the year commencing 1 January 2023 was set at 277,000 tonnes. During the year ended 31 December 2023, approximately 207,052 tonnes of copper contained in copper concentrate

# Directors' Report

## Continued

were sold by MMG SA to members of the CMN Group under the Las Bambas CMN Copper Concentrate Offtake Agreement.

CMN is a controlling Shareholder of the Company and is therefore a connected person of the Company under the Listing Rules. Accordingly, the Las Bambas CMN Copper Sale Framework Agreement and Las Bambas CMN Copper Concentrate Offtake Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

- On 11 January 2016, pursuant to the Shareholders' Agreement, MLB and CITIC Metal Peru Investment Limited (CITIC) entered into an agreement for the sale and purchase of CITIC's entitlement to copper concentrate from the Las Bambas mine (CITIC Copper Concentrate Offtake Agreement). The term of the CITIC Copper Concentrate Offtake Agreement is for the term of the life of the Las Bambas mine. The annual caps with respect to the CITIC Copper Sale Framework Agreement are set as a fixed quantity of copper contained in copper concentrate from the Las Bambas Project to be sold by MLB to CITIC in a year, which for the year commencing 1 January 2023 was set at 127,000 tonnes. During the year ended 31 December 2023, approximately 100,840 tonnes of copper contained in copper concentrate were sold by MLB to CITIC under the CITIC Copper Concentrate Offtake Agreement.

As CITIC controls more than 10% of the total number of issued shares of MMG SAM, it is a substantial shareholder of MMG SAM. CITIC is therefore a connected person of the Company and the transactions contemplated under the CITIC Copper Concentrate Offtake Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

- On 9 December 2021, MMG Australia Limited (MMG Australia) entered into an agreement with Minmetals North-Europe Aktiebolag AB (Minmetals North-Europe) in relation to the sale of concentrate for the period from 1 January 2022 to 31 December 2023 (Rosebery Concentrate Sales Agreement). The annual cap for sales for each year of this agreement is US\$100.0 million. During the year ended 31 December 2023, sales of US\$65,179,451.0 were transacted under the Rosebery Concentrate Sales Agreement.

On 21 December 2023, the Company announced that MMG Australia entered into an agreement with Minmetals North-Europe in relation to the sale of concentrate for the period from 1 January 2024 to 31 December 2025 (Rosebery Concentrate Sales Agreement). The annual cap for sales for each year of this agreement is US\$100.0 million. During the year ended 31 December 2023, no sales were transacted under the Rosebery Concentrate Sales Agreement.

Minmetals North-Europe is a wholly owned subsidiary of CMC, the ultimate controlling Shareholder of the Company, and is therefore an associate of CMC and a connected person of the Company under the Listing Rules. Accordingly, the agreements with MMG Australia constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

- On 16 December 2021, MMG Dugald River entered into an agreement with Minmetals North-Europe in relation to the sale of zinc concentrate for the period from 1 January 2022 to 31 December 2024 (Dugald River Zinc Concentrate Sales Agreement). The annual cap for sales for each year of this agreement was increased in April 2022 from US\$145.0 million to US\$205.0 million. During the year ended 31 December 2023, sales of approximately US\$110.0 million was transacted under the Dugald River Zinc Concentrate Sales Agreement.

Minmetals North-Europe is a wholly owned subsidiary of CMC, the ultimate controlling Shareholder of the Company, and is therefore an associate of CMC and a connected person of the Company under the Listing Rules. As a result, the agreement with MMG Dugald River constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

- On 15 March 2023, the Company announced that it had entered into a shipping framework agreement with Minmetals Logistics in relation to the provision of ocean transport by Minmetals Logistics for the shipment



# Directors' Report Continued

of the products of the Group during 2023 and 2024 with annual caps of US\$10.0 million. During the year ended 31 December 2023, approximately US\$4.2 million was paid to Minmetals Logistics under the Shipping Framework Agreement.

Minmetals Logistics is a wholly owned subsidiary of CMC, the ultimate controlling Shareholder of the Company, and is therefore an associate of CMC and a connected person of the Company under the Listing Rules. As a result, the shipping framework agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

6. On 24 March 2023, the Company announced that MLB had entered into a molybdenum concentrate sales framework agreement with CMN for sales of molybdenum concentrate during 2023, 2024 and 2025 to CMN and its associates with an annual cap of US\$110.0 million (Las Bambas Molybdenum Concentrate Sales Framework Agreements). During the year ended 31 December 2023, sales of approximately US\$44.3 million was transacted under the molybdenum concentrate sales framework agreement.

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 Las Bambas Molybdenum Concentrate Sales Framework Agreements each constitute a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

7. Upon the completion of the acquisition of Minerals and Metals Group on 31 December 2010, the following material continuing transaction became a continuing connected transaction under Chapter 14A of the Listing Rules (Grandfathered Continuing Connected Transaction).

On 10 June 2010, MMG Management Pty Ltd, a wholly owned subsidiary of the Company, entered into a loan facility agreement with Album Enterprises (Grandfathered MMG Loan Facility) pursuant to which MMG Management Pty Ltd agreed to make loan facilities available to Album Enterprises on an uncommitted basis. During the year ended 31 December 2023, no amounts were advanced or outstanding under the Grandfathered MMG Loan Facility. Album Enterprises is a substantial Shareholder and is therefore a connected person of the Company under the Listing Rules. Accordingly, the Grandfathered MMG Loan Facility constitutes a Grandfathered Continuing Connected Transaction for the Company and the Company will comply with Listing Rule 14A.60 in respect of this transaction.

The Company has followed its pricing policies and guidelines when determining the price and terms of the connected transactions and continuing connected transactions conducted during the year.

## Review of continuing connected transactions

The continuing connected transactions described above for the year ended 31 December 2023 have been reviewed by the Independent Non-executive Directors of the Company.

The Independent Non-executive Directors of the Company have confirmed that the continuing connected transactions have been entered into:

- (a) the ordinary and usual course of business of the Group;
- (b) either on normal commercial terms or better; and
- (c) in accordance with the respective terms of the Las Bambas CMN Copper Sale Framework Agreement, the Las Bambas CMN Copper Concentrate Offtake Agreement, the CITIC Copper Concentrate Offtake Agreement, the Rosebery Concentrate Sales Agreement, the Dugald River Zinc Concentrate Sales Agreement, the Shipping Framework Agreement and the Las Bambas Molybdenum Concentrate Sales Framework Agreements that are fair and reasonable, in the interests of the Shareholders as a whole.



# Directors' Report Continued

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' and with reference to Practice Note 740 'Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules' issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued their unqualified letter containing its conclusion in respect of the continuing connected transactions for the year ended 31 December 2023 disclosed above in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Hong Kong Stock Exchange.

In addition, the auditor of the Company has confirmed to the Board that nothing has come to their attention that causes them to believe that the above continuing connected transactions for the year ended 31 December 2023:

- (a) have not been approved by the Board;
- (b) were not, in all material respects, in accordance with the pricing policies of the Group where the transactions involve the provision of goods or services by the Group;
- (c) were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and

the Las Bambas CMN Copper Sale Framework Agreement, the Las Bambas CMN Copper Concentrate Offtake Agreement, the CITIC Copper Concentrate Offtake Agreement, the Rosebery Concentrate Sales Agreement, the Dugald River Zinc Concentrate Sales Agreement, the Shipping Framework Agreement and the Las Bambas Molybdenum Concentrate Sales Framework Agreements have exceeded the respective annual caps or revised annual cap as disclosed in the announcements of the Company.

## Controlling shareholders' interests in contracts

On 22 July 2014 Top Create, a subsidiary of CMN, a controlling Shareholder, extended a loan facility for a principal sum of up to US\$2,262.0 million to MMG SA for a term of four years for the purpose of acquiring the Las Bambas Project. On 29 December 2017, 22 December 2020, 27 December 2022 and 25 July 2023 the loan facility was amended by the parties for the purpose of (among other things) extending the term of the loan, deferring payment dates and adjusting interest rates. Such loan facility was exempt from the announcement and reporting requirements of the Listing Rules with respect to connected transactions on the basis that it was unsecured and on normal commercial terms.

Particulars of other contracts of significance that exist between the Company (or one of its subsidiary companies) and a controlling Shareholder (or any of its subsidiaries) are set out under Connected Transactions on pages 76 to 80 of this Annual Report.

## Related party transactions

Details of the related party transactions undertaken in the normal course of business are set out in Note 30 to the Consolidated Financial Statements.

Related party transactions set out in Note 30 to the Consolidated Financial Statements also constitute connected transactions and continuing connected transactions of the Company under the Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules except for those transactions that are exempt from the disclosure requirements in Chapter 14A of the Listing Rules.

# Directors' Report Continued

## Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

## Purchase, sale or redemption of the company's listed securities

During the year ended 31 December 2023, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## Emolument policy

The Group's Emolument Policy is formulated by the Governance, Remuneration, Nomination and Sustainability Committee on the basis of employees' merit, market practice, qualifications and competence.

The determination of remuneration for the Directors takes into consideration factors such as remuneration paid by comparable companies, accountabilities of the Directors, applicable regional employment conditions. In the circumstance of Executive Directors, appropriate 'at-risk' performance-based remuneration is also provided.

The Company has adopted share option scheme and performance awards as incentives to the Executive Directors and eligible employees. Details of the share option scheme and performance awards are set out under the sections headed 'Share Option Scheme' and 'Performance Awards'. In relation to MMG, it has adopted both long-term and short-term 'at-risk' incentive plans to reward its Executive Directors and eligible employees and to align their incentive remuneration with the performance of MMG.

## Retirement schemes

Details of the Group's retirement schemes are set out in Note 11 to the Consolidated Financial Statements.

## Directors and senior management

Particulars of the Directors and senior management of the Company are set out on pages 58 to 62 of this Annual Report.

## Independent auditor

The Consolidated Financial Statements have been audited by Deloitte Touche Tohmatsu who will retire at the forthcoming AGM and, being eligible, offer themselves for re-appointment.

## Corporate Governance Report

Details of the Corporate Governance Report are set out on pages 83 to 96 of this Annual Report.

## Sufficiency of public float

Based on information that is publicly available to the Company and within the knowledge of its Board, as at the latest practicable date prior to the printing of this report, the Company has maintained sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

# Directors' Report

## Continued

### Events after the balance sheet date

- On 20 November 2023, the Group entered into a Share Purchase Agreement with Cupric Canyon Capital L.P., The Ferreira Family Trust, Resource Capital Fund VII L.P., and the Missouri Local Government Employees' Retirement System ("Sellers"). The Group has conditionally agreed to purchase the entire issued share capital of Cuprous Capital Ltd ("CCL") from the Sellers at a purchase price of US\$1,875 million.

As at the date of this report, the acquisition had been approved by the Minister of Minerals and Energy of Botswana; the Competition and Consumer Authority of Botswana; the State Administration for Market Regulation of the People's Republic of China ("PRC") and the requisite majority of the relevant Shareholders as required under the Listing Rules.

- The group obtained new RCFs of US\$300.0 million from CCB of which US\$150.0 million is undrawn.

Other than the matter above, there have been no matters that have occurred subsequent to the reporting date, which have significantly affected, or may significantly affect, the Group's operations, results or state of affairs in future years.

By order of the Board



**XU Jiqing**  
Chairman

5 March 2024