

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



MMG LIMITED

五礦資源有限公司

(Incorporated in Hong Kong with limited liability)

(STOCK CODE: 1208)

CONNECTED TRANSACTION GRANT OF PERFORMANCE AWARDS

The Board announces that on 29 April 2020, the Company granted Performance Awards to the Incentive Participants pursuant to the Long Term Incentive Equity Plan.

Details of the Performance Awards granted are set out below.

Date of Grant	:	29 April 2020
Total number of Performance Awards Granted	:	72,739,897
Total number of Incentive Participants	:	102
Performance Awards Grant Price	:	The Performance Awards are granted for nil cash consideration.
Vesting/Performance Conditions	:	The vesting of the Performance Awards will be subject to the achievement by each Incentive Participant of certain performance conditions, including, amongst other things, independently assessed measures of achievement of resources growth and financial and market related targets.
Performance Period	:	1 January 2020 – 31 December 2022
Timing of Vesting	:	In or around June 2023. Portions of the vested Performance Awards will be subject to holding locks for various periods of up to three years after vesting.

Grant of Performance Awards

Of the total 72,739,897 Performance Awards granted on 29 April 2020, 12,130,042 were granted to Mr Gao Xiaoyu, Chief Executive Officer and Executive Director of the Company, who is a connected person of the Company.

The underlying Award Shares that are the subject of the Performance Awards granted to Mr Gao will be satisfied either by existing Shares to be acquired from the market or, if the Board so determines at a later time and subject to compliance with applicable requirements of the Listing Rules, through the issue of new Shares.

Based on the closing price of HK\$1.36 per Share as quoted on the Stock Exchange on 29 April 2020, the aggregate market value of the underlying Award Shares that are the subject of the Performance Awards granted to Mr Gao would be approximately HK\$16,496,857.

Listing Rules Implications

As one or more of the applicable percentage ratios in respect of the grant of Performance Awards to Mr Gao are more than 0.1% but all are less than 5%, in accordance with Rule 14A.76(2)(a) of the Listing Rules such grant is subject to the reporting and announcement requirements, but is exempt from the circular and independent shareholders' approval requirements, under Chapter 14A of the Listing Rules.

Mr Gao is considered to have a material interest in the proposed grant of Performance Awards to himself and abstained from voting on the board resolution approving such proposed grant.

Reasons for and Benefits of the Grants

The Group's success is critically dependent on its ability to retain able executive directors and key senior employees, and to ensure that their compensation terms are competitive. The principal objectives of the Long Term Incentive Equity Plan are to align the interests of executive directors and key senior employees with those of Shareholders, recognising the contribution of such persons, and to incentivise them to remain in employment with the Group. The grants, including the grant to Mr Gao, seek to align the interests of executive directors and key senior employees with the long term interests of Shareholders through the application of performance measures that ensure such persons are rewarded when Shareholders benefit from the performance of the Company over a three year performance period. The Board is of the opinion that the grants of these Performance Awards will achieve these objectives.

The Board (including the independent non-executive directors) is of the view that the terms of the grants, including the grant to Mr Gao, are fair and reasonable and in the interests of the Shareholders as a whole.

Information about the Group

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

Definitions

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

Award Shares	Shares granted to Incentive Participants pursuant to their Performance Awards, at the ratio of one Share for every one Award Share
Board	the board of directors of the Company
Company	MMG Limited, a company incorporated in Hong Kong, the Shares of which are listed on the Stock Exchange
connected person(s)	has the meaning ascribed to it under Chapter 14A of the Listing Rules
Group	the Company and its subsidiaries from time to time
Incentive Participants	means the executive director of the Company and/or certain executives and managers of the Company and subsidiaries of the Company who are granted Performance Awards pursuant to the Long Term Incentive Equity Plan (or any one of them, Incentive Participant)
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
Long Term Incentive Equity Plan	the long term incentive equity plan of the Company
Performance Awards	the performance awards to be satisfied by Award Shares upon vesting
Share(s)	the fully paid share(s) of the Company
Shareholder(s)	the holder(s) of Share(s)
Stock Exchange	The Stock Exchange of Hong Kong Limited
%	per cent

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

Hong Kong, 29 April 2020

As at the date of this announcement, the Board consists of 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.